

**MARKETING OF SERVICES - A STUDY OF TOURISM
MARKETING IN NORTHEAST INDIA**

**DOCTOR OF PHILOSOPHY
IN
MANAGEMENT**

**BY
K. LALROMAWIA**



**SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD
HYDERABAD-500 046
INDIA
NOVEMBER 2013**

MARKETING OF SERVICES - A STUDY OF TOURISM MARKETING IN NORTHEAST INDIA

**Doctoral thesis submitted to University of Hyderabad in partial fulfillment of the
requirements for the award of the degree of**

**DOCTOR OF PHILOSOPHY
IN
MANAGEMENT**

**BY
K. LALROMAWIA
(Reg. No. : 09MBPH04)**

**UNDER THE GUIDANCE OF:
PROF. V.VENKATA RAMANA
PROFESSOR, SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD,
HYDERABAD.**



**SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD
HYDERABAD-500 046
INDIA
NOVEMBER, 2013**

DECLARATION

I hereby declare that the thesis entitled, “Marketing of Services - A Study of Tourism Marketing in Northeast India” being submitted at School of Management Studies, University of Hyderabad, is the result of my own work carried out as a research scholar (Reg. no. 09MBPH04) at School of Management Studies, University of Hyderabad, and that it has not been wholly or in part, been submitted for any other degree. Due acknowledgement for the sources of information referred has been made wherever applicable.

Date: 30th November, 2013

Place: Hyderabad

K. Lalromawia

Research Scholar

09MBPH04

School of Management Studies

University of Hyderabad

Hyderabad-500046.

India.

CERTIFICATE

This is to certify that the research work titled, “Marketing of Services - A Study of Tourism Marketing in Northeast India”, submitted to School of Management Studies, University of Hyderabad, has been carried out by Mr. K. Lalromawia (*Reg. no.: 09MBPH04*), in partial fulfillment for the award of the degree of doctor of Philosophy in Management Studies (Ph.D), under my supervision for the full period under the Ph.D ordinances of the University and to the best of my knowledge, and the same has not been earlier submitted for the award of research degree of any University or Institute.

Date: 30th November, 2013

Place: Hyderabad

Prof.V.VENKATA RAMANA

Research Supervisor

Professor

School of Management Studies

University of Hyderabad

Prof. V. Sita

Dean

School of Management Studies

University of Hyderabad

ACKNOWLEDGEMENTS

I thank School of Management Studies, University of Hyderabad for giving me an opportunity to do my doctoral work. I express my deep sense of gratitude to my guide Prof. V. Venkata Ramana, School of Management Studies, University of Hyderabad for his guidance, support and rare insights that enabled the foray into tourism marketing studies that are not very easy to be pursued in Northeast India. I express my sincere and heartfelt thanks to my guide for his patience, perseverance and emphasis on envisioned, continuous and intense learning that always energized, strengthened and evolved this endeavor to its logical end. I thank him for making me learn to work under pressure and to face difficult situations. He had also arranged numerous opportunities for me to experience international academic environment and he nurtured me in a way to become a better scholar.

I express my sense of obligation and thanks to the members of the Doctoral committee - Prof. V. Sita, Prof. B. Raja Shekhar and Dr Mary Jessica, School of Management Studies, University of Hyderabad, who have always been the driving forces in making this study effective.

I also thank the faculty of School of Management Studies Prof. P. Jyothi, Dr. Chetan Srivastava, Dr. GVRK Acharyulu, Dr. S. Mallikarjuna Rao, Dr. Sapna Singh, Dr.D.V. Srinivas Kumar and Dr, P. Ramulu for their support and encouragement during the course of the research. I also thank the administrative staff of the School for all their help in completing this research.

I would like to acknowledge the support and cooperation received from my coresearch scholar namely, Dr. Sarvesh Kumar, Dr. Nazia Sultana, Dr. Nidhi Gupta and Ms Prarthana for helping me at different stages of my research and for offering valuable suggestions in

various chapters and providing me their valuable inputs. I also thank other co-scholars of School of Management Studies, University of Hyderabad, for their cooperation .

I would like to thank the Director and staff of Tourism Department and Tourism Development Corporation of the three states who have kindly provided me with valuable primary data for the research and spare their precious time for interview. I am also thankful to the caretakers and managers of different hotels, guest house, and tourist lodge where the survey was undertaken.

I would also like to thank the Mizo Post Graduate Student Union member, University of Hyderabad for their constant support and countless prayer for my research. I thank the Mizo Post Graduate Student Union member from North Eastern Hill University, Shillong for their hospitality and accommodation which they provide during the course of my research work in Shillong. Personally I would like to thank Ms. Carolyn Khiangte for translating my research questionnaire into Khasi language. Not to forget the warm hospitality of Mr. Lalhriatzuala, Mr. Amuana, Mr. Sangtea, Mr Mapuia and Miss Mimi from IIT Guwahati, for helping me distributing and collecting my questionnaire and also providing me an accommodation in their esteem institution.

I am greatly thankful to my parents Mr. K Zairema and Mrs. Hualthanmawii for their constant support from the start to the culmination of my thesis by providing me all the financial requirement for my research activities and moral support. I would also like to thank my two sisters K.Lalsangzuali and K.Lalhmingliani for their encouragement and great support during the course of my research.

I offer my mourning tribute to my beloved aunt Mrs Lalneihsangi who was close to me and went heavenly abode untimely during my research career at University of Hyderabad. I would like to express my sincere thanks to the families and friends in Hyderabad who have given me great stimulation and encouragement to work on the dissertation.

Above all, I thank my Lord and Savior Jesus Christ for showering upon me his blessing, a good research supervisor, supportive parents and friends and good health great. I am thankful to almighty God for showering upon me the knowledge that I gained through this work and

seek his mercy and blessing using this knowledge to contribute to the field of research and teaching-learning.

K. Lalromawia

CONTENTS

Declaration.....	i
Certificate.....	ii
Acknowledgement	iii-iv
Preface.....	v-vi
Table of contents.....	vii-xiii
List of tables.....	xiv-xviii
List of figures.....	xix-xx
Abbreviations.....	xxi-xxii

CHAPTER- I INTRODUCTION

1.0 Introduction.....	1-3
1.1 Overview of Indian Economy	3-6
1.2 Services Sector in India..	6-14
1.2.1 Services Sector International Comparison.....	6-12
1.2.2 India Service Trade.....	12-13
1.2.3 Service Employment in India.....	13
1.2.4 Performances of some major services in India.....	13-14
1.3 India's Tourism Market	14-18
1.3.1 Introduction to Tourism Marketing	17-18
1.4 Background of the Research Problem.....	18-19
1.5 Gaps in the Existing Literature.....	19
1.6 Research Questions.....	20
1.7 Research Methodology.....	20-32
1.7.1 Research Design.....	20-21
1.7.2 Objectives of the study.....	21
1.7.3 Hypotheses.....	22
1.7.4 Significance of the Study.....	22-23
1.7.5 Scope of the study.....	23
1.7.6 Data Source.....	23-24

1.7.7 Data Collection Plan.....	24-25
1.7.7.1 Data Collection Instrument.....	24-25
1.7.8 Survey Questionnaire Structure.....	25-29
1.7.8.1 The Questionnaire Design Approach.....	25-29
1.7.9 Verification of Conclusion.....	29-30
1.7.10 Pilot Study.....	30-31
1.7.11 Sample Design.....	31-32
1.8 Data Analysis Techniques.....	32-36
1.8.1 ANOVA Test.....	32-33
1.8.1.1 One-way ANOVA.....	33-34
1.8.2 Chi-Square Tests.....	35
1.8.3 Factor Analysis.....	35
1.8.4 Regression Analysis.....	35-36
1.9 Conclusion.....	36

CHAPTER- II CONCEPTUAL FRAMEWORK ON TOURISM MARKETING AND TOURISM IMPACT ON THE DESTINATION COMMUNITY.

2.0 Introduction	37
2.1 Tourism Perspective.....	37
2.2 The Tourism Conception.....	37- 49
2.2.1 Definition and Classification of Tourist.....	39- 41
2.2.2 The Tourism Industry.....	41-43
2.2.3 Attraction.....	43- 47
2.2.3.1 Classification of Attractions.....	44-46
2.2.3.2 The Attributes of Attraction.....	46
2.2.3.3 Attraction Experience.....	47
2.2.4 Accommodation Supplier.....	47-48
2.2.5 Transport Suppliers.....	48-49
2.3 Marketing Principles in Tourism.....	49-52
2.3.1 Nature of Services.....	49-51

2.3.2 Specific Features of services in Tourism.....	51-52
2.4 Strategic Marketing and Tactical Marketing.....	52-61
2.4.1 Strategic Marketing.....	53-59
2.4.1.1 Market Segmentation.....	54-57
2.4.1.2 Market Targeting.....	57-58
2.4.1.3 Positioning.....	58-59
2.4.2 Tactical Marketing.....	60-61
2.5 The Tourism (services) Marketing Mix (7ps).....	62-80
2.5.1 The Tourism Product.....	63-68
2.5.1.1 Creating the Service Product.....	63-64
2.5.1.2 Shaping Tourism Offerings.....	64-65
2.5.1.3 Branding Tourism Offerings.....	65-67
2.5.1.4 The Product Life Cycle (PLC).....	67-68
2.5.2 Pricing in Tourism Marketing.....	68-69
2.5.3 Promotion-Mix.....	69-72
2.5.3.1 Advertising.....	70
2.5.3.2 Personal Selling.....	70-71
2.5.3.3 Public Relations (PR).....	71
2.5.3.4 Sales Promotion.....	71-72
2.5.3.5 Information Tools.....	72
2.5.4 Tourism Place (Distribution).....	73-76
2.5.4.1 The Objectives of the Distribution System.....	73
2.5.4.2 Factors Determining Distribution Strategy.....	73-74
2.5.4.3 The Tourism Distribution System.....	74-76
2.5.4.3.1 Travel Agents.....	75-76
2.5.4.3.2 Tour Operators.....	76
2.5.5 Physical Evidences.....	77
2.5.6 Process.....	77-78
2.5.7 People.....	78-80

2.6 Enhancing Tourism Destination Images.....	80-83
2.6.1 The Meaning of Image.....	80-81
2.6.2 The Importance of Image.....	81
2.6.3 Tourism Destination Image.....	81-83
2.7 Tourism and the economy of the host community.....	83-86
2.8 Tourism and local society and culture.....	86-89
2.9 Tourism and the environment.....	89-90
2.10 Conclusion.....	90

CHAPTER- III AN OVERVIEW OF SERVICES SECTOR IN INDIA WITH SPECIAL REFERENCE TO TOURISM SECTOR IN ASSAM, MEGHALAYA AND MIZORAM.

3.0 Introduction.....	91-93
3.1 Broad Sectors in Indian Economy.....	93-96
3.1.1 Services Sector.....	94-96
3.2 Role of Services Sector in India.....	96-99
3.2.1 FDI and India's Service Sector.....	97-99
3.3 Northeast India.....	99-136
3.3.1 Economy of Northeast India.....	100-110
3.3.2 Tourism in Northeast India.....	110-114
3.3.3 Assam.....	114-122
3.3.3.1 Assam Tourism Development Corporation.....	116-117
3.3.3.2 Guwahati.....	118-122
3.3.3.3 Assam Tourism Policy.....	122
3.3.4 Meghalaya.....	122-131
3.3.4.1 Meghalaya Tourism Development Corporation.....	126
3.3.4.2 Shillong.....	126-128
3.3.4.3 Meghalaya Tourism Policy.....	128-131
3.3.5 Mizoram.....	131-136
3.3.5.1 Aizawl.....	135-136
3.4 Conclusion.....	136-138

CHAPTER- IV LITERATURE REVIEW.

4.0 Introduction.....	139
4.1 Relevance of the Research.....	139-141
4.3 Tourism Marketing.....	141-160
4.4 Tourism and safety.....	160-162
4.5 Impact of tourism on economic, social, cultural and environment.....	162-173
4.6 Conclusion.....	173

CHAPTER- V ANALYSIS AND INTERPRETATION.

5.0 Introduction.....	174
5.1 Tourist Data.....	174-187
5.1.1 Demography of Tourist.....	174-179
5.1.1.1 Age of the Tourist.....	174-175
5.2.1.2 Gender.....	175-176
5.2.2.3 Marital Status.....	176-177
5.2.1.4 Nationality.....	177-178
5.2.1.5 Educational Qualification.....	178
5.2.1.6 Present employment.....	179
5.1.2 Travel Behavior.....	179-187
5.1.2.1 Travel companion.....	180-181
5.1.2.2 Number of visit.....	181
5.1.2.3 Purpose of Current visit.....	181-182
5.1.2.4 Source of Information.....	182-183
5.1.2.5 First perception on tourism in Northeast India.....	183-184
5.1.2.6 Mode of Transportation.....	184-185
5.1.2.7 Types of Accommodation.....	185-186
5.1.2.8 Duration of stay.....	186-187
5.2 Destination Community Data.....	187-192
5.2.1 Age.....	187-188
5.2.2 Gender.....	188

5.2.3 Duration of stay in the present society.....	189
5.2.4 Household member.....	190
5.2.5 Present Employment.....	190-191
5.2.6 Household income per month.....	191-192
5.3 Mean score.....	192-205
5.3.1 Mean Score from the tourist data.....	192-201
5.3.1.1 Mean score of Tourism Infrastructure variables.....	192-193
5.3.1.2 Mean score for tourism product	193-194
5.3.1.3 Mean score for Price.....	194-195
5.3.1.4 Mean score for Place or channel.....	195-196
5.3.1.5 Mean score for the Promotion.....	196-197
5.3.1.6 Mean score for People.....	197-198
5.3.1.7 Mean score for Process.....	198-199
5.3.1.8 Mean score for the Physical Evidence.....	199-200
5.3.1.9 Mean score for Safety.....	200-201
5.3.2 Mean Score from resident's community.....	201-205
5.3.2.1 Mean score for economic impact.....	201-202
5.3.2.2 Mean score for the social impact.....	202-203
5.3.2.2 Mean score for the social impact.....	203-204
5.3.2.4 Mean score for the factor environmental impact.....	204-205
5.4 Hypothesis testing.....	205-235
5.4.1 H1: Demographic profile of tourist has a significant effect on the perception related to tourism infrastructure, service marketing mix factors and safety.....	205-216
5.4.2 H2: Tourism infrastructure has an impact on the satisfaction of tourist.....	216-222
5.4.3 H3: Tourists perception on safety varies across the city of Northeast India.....	222-228
5.4.4 H4: There is a relationship between service marketing mix and tourist satisfaction.....	228-230

5.4.5	H5: Demographic profile of the resident's has an impact on the perception of tourism.....	231-233
5.4.6	H6: Tourism development has a relationship with the community standard of living.....	234-235
5.5	Conclusion.....	235

CHAPTER- VI FINDINGS, SUGGESTIONS AND CONCLUSION.

6.0	Findings of the study.....	236
6.1	Findings from data collected.....	236-241
6.2	Major Findings.....	241-242
6.3	Discussion of the findings.....	243-245
6.4	Managerial Implications of the study.....	245-246
6.5	Suggestions.....	247-250
6.6	Limitation of the Study.....	250-251
6.7	Scope for further studies.....	251
6.8	Conclusion.....	251-252

REFERENCES	253-278
-------------------	-------	----------------

APPENDICES	279-289
-------------------	-------	----------------

LIST OF TABLES

Table No.	Title	Page No.
Table 1.1	Key indicators of Indian economy 2007-2008 to 2012-2013	4
Table 1.2	Growth in GDP at Factor Cost.	5
Table 1.3	Performance in Services: International comparison.	7
Table 1.4	Share and Growth of India's Services Sector (at factor cost).	10
Table 1.5	Performance of India's Services Sector: Some Indicators.	14
Table 1.6	Tourist visit in Northeast India (domestic and foreigner).	18
Table 2.1	Major segmentation variables for consumer market.	56
Table 2.2	The 7Ps of the tourism marketing mix.	62
Table 2.3	Outcomes of tourism development.	88
Table 3.1	Sectoral Growth Rates –Previous Plans and Target for Twelfth Plan.	94
Table 3.2	Top Ten Destination Sectors in India for FDI Inflows for the year 2011.	98-99
Table 3.3	State wise Gross State Domestic Product (GSDP) at Current Prices in NER, (2004-2005 to 2012-2013):(Rupee in crores) (As on 27-02-2013).	101-103
Table 3.4	State wise Gross State Domestic Product (GSDP) at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013):(Rupee in Crores) (As on 27-02-2013).	103-104
Table 3.5	State wise Net State Domestic Product (NSDP) at Current Prices in Northeast India, (2004-2005 to 2012-2013):(Rupee in Crores) (As on 27-02-2013).	105-106
Table 3.6	State wise Net State Domestic Product (NSDP) at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013): (Rupee in crores) (As on 27-02-2013).	106-108
Table 3.7	State wise Per Capita Net State Domestic Product at Current Prices in Northeast India, (2004-2005 to 2012-2013):(In Rupee) (As on 27-02-2013).	108-109
Table 3.8	State wise Per Capita Net State Domestic Product at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013): (In Rupee) (As on 27-02-2013).	109-110
Table 3.9	State-wise Number of Domestic Tourist Visits, (2005 to 2010).	111-112
Table 3.10	State-wise Number of Foreign Tourist Visits, (2005 to 2010).	112

Table 3.11	State-wise Number of Tourism Sites and Amount Sanctioned for Promotion of Rural Tourism Projects, (2002-2007 and 2007-2012).	112
Table 3.12	State-wise Number of Projects* and Amount Sanctioned* by Ministry of Tourism, (2007-2008 to 2011-2012-up to 30.09.2011).	113
Table 3.13	Selected State-wise Number of Rural Tourism Projects Sanctioned by Ministry of Tourism, (As on 31.03.2011).	113
Table 3.14	Year wise Number of Indian and Foreign Tourists inflow in Assam.	115
Table 3.15	Year wise Total Revenue Earned from Tourist Lodges in Assam.	115-116
Table 3.16	Number of Domestic and Foreign Tourists inflow in Meghalaya from 2000 to 2011.	125
Table 3.17	Accommodation facilities in Meghalaya.	125-126
Table 3.18	Name of projects and amount sanctioned for Mizoram tourism during 11 th Five Year Plan.	133-134
Table 3.19	Mizoram Tourism ongoing projects during the 11 th Five Year Plan.	134
Table 3.20	Number of tourist arrival in Mizoram.	134-135
Table 5.1	Age wise distribution.	175
Table5.2	Gender wise distribution.	175-176
Table5.3	Marital status wise distribution.	176
Table5.4	Nationality wise distribution.	177
Table5.5	Educational qualification wise distribution.	178
Table5.6	Employment wise distribution.	179
Table5.7	Travel companion wise distribution.	180
Table5.8	Number of visit.	181
Table5.9	Purpose of visit.	182
Table5.10	Source of information.	183
Table5.11	First perception of tourist on tourism in northeast India.	183-184
Table5.12	Mode of transportation to reach the destination.	184-185
Table5.13	Types of accommodation.	185-186
Table5.14	Duration of stay.	186
Table5.15	Age of the resident's community respondent.	187
Table5.16	Resident's gender wise distribution.	188
Table5.17	Duration of stay in the present society.	189

Table5.18	Resident's household member.	190
Table5.19	Resident's employment status wise distribution.	190-191
Table 5.20	Resident's household income per month wise distribution.	191-192
Table 5.21	Mean score for tourism infrastructure.	193
Table 5.22	Mean score for tourism product.	194
Table 5.23	Mean score for price.	195
Table 5.24	Mean score for process.	196
Table 5.25	Mean for promotion.	197
Table 5.26	Mean score for people.	198
Table 5.27	Mean score for process.	199
Table 5.28	Mean score for physical evidence.	200
Table 5.29	Mean score for safety.	201
Table 5.30	Mean score for the economic impact.	202
Table 5.31	Mean score for social impact.	203
Table 5.32	Mean score for cultural impact.	204
Table 5.33	Mean score for environmental impact.	205
Table 5.34	ANOVA table for Visitor's age with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	206-207
Table 5.35	ANOVA table for Visitor's gender with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	207-209
Table 5.36	ANOVA table for Visitor's marital status with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	209-210
Table 5.37	ANOVA table for Visitor's nationality with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	211-212
Table 5.38	ANOVA table for Visitor's educational qualification with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	213-214
Table 5.39	ANOVA table for Visitor's employment status with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.	214-216
Table 5.40	KMO and Bartlett's test table for factor tourism infrastructure.	216
Table 5.41	Total variance explained table for factor tourism infrastructure.	217

Table 5.42	Rotated component matrix table for factor tourism infrastructure.	218
Table 5.43	Model summary table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.	217
Table 5.44	ANOVA table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.	217
Table 5.45	Coefficient table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.	219
Table 5.46	Perception of tourist with respect to safety regarding transportation to the destination.	222
Table 5.47	Chi-square table for safety across different cities with respect to the safety regarding transportation to the destination.	223
Table 5.48	Perception of tourist with respect to safety regarding local transportation.	223
Table 5.49	Chi-square table for safety across different cities with respect to the safety regarding local transportation.	223-224
Table 5.50	Perception of tourists with respect to safety regarding hotels and accommodations.	224
Table 5.51	Chi-square table for safety across different cities with respect to the safety regarding hotels and accommodations.	224
Table 5.52	Perception of tourists with respect to safety regarding tourists' activities.	225
Table 5.53	Chi-square table for safety across different cities with respect to the safety on tourist activities.	225
Table 5.54	Perception of tourists with respect to safety in comparison to other cities.	226
Table 5.55	Chi-square table for safety across different cities with respect to safety in comparison with other cities.	226
Table 5.56	Perception of tourists with respect to safety regarding communal harmony.	227
Table 5.57	Chi-square table for safety across different cities with respect to safety regarding communal harmony.	227
Table 5.58	Perception of tourists with respect to overall safety.	228
Table 5.59	Chi-square table for safety across different cities with respect to overall safety.	228
Table 5.60	Model summary table of regression analysis for factor service marketing mix with respect to tourist satisfaction.	229
Table 5.61	ANOVA table of regression analysis for factor service marketing with respect to tourist satisfaction.	229
Table 5.62	Coefficient table of regression analysis for factor tourism service marketing mix with respect to tourist satisfaction.	230
Table 5.63	ANOVA table for factor resident's age with respect to economic,	231

	social, cultural and environmental impact of tourism.	
Table 5.64	ANOVA table for factor resident's gender with respect to economic, social, cultural and environmental impact of tourism.	232
Table 5.65	ANOVA table for factor resident's employment status with respect to economic, social, cultural and environmental impact of tourism.	233
Table 5.66	Model summary table of regression analysis for factor tourism development with respect to resident's community standard of living.	234
Table 5.67	ANOVA table of regression analysis for factor tourism development with respect to resident's community standard of living.	234
Table 5.68	Coefficient table of regression analysis for factor tourism development with respect to resident's community standard of living.	235

LIST OF FIGURES

Figure No.	Name of the Figure	Page No.
Fig. 1.1	Growth of Services GDP and overall GDP – India and World.	9
Fig. 1.2	Share and Growth of Services Sector in 2011-2012.	12
Fig. 2.1	Tourism phenomenon: components of tourism and tourism management.	39
Fig. 2.2	Classification of tourists.	41
Fig. 2.3	Tourism Industry.	43
Fig. 2.4	Generic inventory of tourist's attraction.	45
Fig. 2.5	Tourist attraction attributes.	46
Fig. 2.6	Role of accommodation in tourism.	48
Fig. 2.7	The role of transport in tourist travel.	49
Fig. 2.8	The goods - service continuum.	51
Fig. 2.9	The value delivery process.	53
Fig. 2.10	The business unit strategic-planning process.	53
Fig. 2.11	Basic market-preference patterns.	55
Fig. 2.12	Five patterns of target market selection.	58
Fig. 2.13	Developing a market positioning strategy.	59
Fig. 2.14	The marketing mix (4Ps).	61
Fig. 2.15	The marketing-mix strategy.	61
Fig. 2.16	Additional three Ps.	62
Fig. 2.17	The Flower of Service: core product and supplementary services.	64
Fig. 2.18	Levels of the tourism offerings.	65
Fig. 2.19	New tourism offerings.	67
Fig. 2.20	The product life cycle (PLC) (including visitors and profits).	68
Fig. 2.21	Additional three Ps.	79
Fig. 2.22	Dimensions of Destination Image.	82
Fig. 4.1	The tourist destination experience.	153
Fig. 5.1	Age wise distribution of tourists.	175

Fig. 5.2	Gender wise distribution of tourists	176
Fig. 5.3	Marital status wise distribution of tourists.	177
Fig. 5.4	Nationality wise distribution of tourists.	177
Fig. 5.5	Educational qualification wise distribution of tourists.	178
Fig. 5.6	Employment wise distribution of tourists.	179
Fig. 5.7	Travel companion wise distribution.	180
Fig. 5.8	Number of visit by tourists.	181
Fig. 5.9	Purpose of visit	182
Fig. 5.10	Source of information.	183
Fig. 5.11	First perception of tourist on tourism in northeast India.	184
Fig. 5.12	Mode of transportation to reach the destination.	185
Fig. 5.13	Types of accommodation	186
Fig. 5.14	Duration of the stay	187
Fig. 5.15	Age of the residents community respondents.	188
Fig. 5.16	Residents gender wise distribution.	188
Fig. 5.17	Duration of stay in the present society.	189
Fig. 5.18	Resident's household member.	190
Fig. 5.19	Resident's employment status wise distribution	191
Fig. 5.20	Resident's household income per month wise distribution.	192

ABBREVIATIONS

Term	Meaning
ADB	Asian Development Bank.
AE	Advanced Estimate.
ANOVA	Analysis of Variance.
ARSAC	Assam Remote Sensing Application Centre.
ASHA	Accredited Social Health Activist.
ASTC	Assam State Transport Corporation.
ATDC	Assam Tourism Development Corporation Limited.
BPCL	Bharat Petroleum Corporation Limited.
BRGEI	Bringing Green Revolution to Eastern India.
BRICS	Brazil, Russia, India, China and South Africa.
CAD	Capital Account Deficit.
CAGR	Compounded annual growth rate.
CFS	Container Freight Station.
CWC	Central Warehousing Corporation.
DBCIC	Don Bosco Centre for Indigenous Cultures.
DONER	Development of North Eastern Region.
FDI	Foreign Direct Investment.
FEE	Foreign Exchange Earning.
FTA	Foreign Tourist Arrival.
GAIL	Gas authority of India Ltd.
GDP	Gross Domestic Product.
GDS	Global distribution system.
GSDP	Gross state domestic product.
HFC's	Housing Finance Companies.
HPCL	Hindustan Petroleum Corporation Limited.
ICD	Inland container depot.
IFSR	Insurance Financial Strength Rating.
IMF	International Monetary Fund.
IOCL	Indian Oil Corporation Limited.
IPR	Intellectual Property Right.
JNNURM	Jawaharlal Nehru National Urban Renewal Mission.
KCC	Kishan Credit Card.
LPO	Legal Process Outsourcing.
MER	Market exchange rate.
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Act.
MICE	Meeting incentives conference exhibition.
MTDC	Meghalaya Tourism Development Corporation.
NABARD	National Bank for Agriculture and Rural Development.
NBFC	Non - Banking Financial Company.
NEC	Northeastern Council.
NEDFI	North Eastern Development and Finance Corporation.

NEIIPP	North-East Industrial& Investment Promotion Policy.
NHB	National Housing Bank.
NHDP	National Highways Development Project.
NRHM	National Rural Health Mission.
NSDP	Net State Domestic Product.
NSSO	National sample survey office.
OIL	Oil India Limited.
OVL	ONGC Videsh Limited.
PLC	Product life cycle.
PMSSY	Pradhan Mantri Swasthya Suraksha Yojana.
PPP	Public Private Partnership.
PPP	Purchasing Power Parity.
PR	Public Relation.
PSU	Public Sector Undertakings.
PwC	PricewaterhouseCoopers.
TRIPS	The Trade Related Intellectual Property Rights.
RBI	Reserve Bank of India.
RKVY	Rashtriya Krishi Vikas Yojana.
RMSA	Rashtriya Madhyamik Shiksha Abhiyan.
RRB	Regional Rural Bank.
RTE-SSA	Right to education - Sarva Shiksha Abhiyan.
SHG	Self Help Group.
SIC	Standard Industrial Classification.
SME	Small and medium enterprises.
SWOT	Strength Weakness Opportunity Threat.
TSA	Tourism Satellite Account.
UIG	Urban Infrastructure and Governance.
UNESCO	United Nations Educational, Scientific and Cultural Organization.
UNWTO	United Nation Tourism organization.
WTO	World Trade Organization.

CHAPTER I

INTRODUCTION

1.0 Introduction:

The concept of “service” is as old as humankind and began when man started serving himself (self-servicing). When a part of the society became affluent, it started utilizing the services of others at a price. Then services became a business proposition. However until the beginning of the twentieth century, the focus of economies was to produce more and more tangible goods and sell agricultural and manufactured products. Services such as accounting, banking, insurance and transportation were considered to be support to manufacturing units. But nowadays, services influence our lifestyle and the quality of life significantly. All human being have become service producers as well as consumers. Transportation, education, communication, healthcare, hospitality, entertainment, banking, information technology, electricity and a host of other such services has become a part of our life.

Over the years, services have increasingly assumed an important role in the economic development of many countries, including India. All developed countries and many developing countries either have emerged or are emerging as service economies or service societies. An economy is called a service economy when the contribution of the services sector to the GDP of the nation is more than 50 per cent. In 1948, the economy of the United States was the first to be declared as a service economy with about 53 per cent contribution of the services sector to the GDP of the nation.

During the early 1980’s, the deregulation of services in many parts of the world, particularly in the areas of banking and insurance, telecommunications, transportation and healthcare services, led to intensified competition among various organization. The growth in size and volume of business and the growing demand made organization identify the gap between the available technical support and the support required to face the distinctive marketing challenges. Services have become a critical source of wealth to economies in many ways. Economies experience an increase in employment with the growth in the services sector. While employment in the manufacturing sector is receding every year, employment in the services sector is rising. Services

provide the required infrastructure and support for the growth and development of the manufacturing and agricultural sector. Services contribute to the enhancement of productivity, optimal uses of resources, qualitative managerial decision making and so on, which impact economic development and standard of living in a society.

Tourism sector has become the most powerful growth engine. This “smokeless” contributes over 13 per cent of the gross domestic product (GDP). Many countries in the world have recognized the importance of this sector and are trying to strengthen this industry. Both developed and developing countries are making vigorous efforts to reshape the tourism industry. The main reason behind this attitudinal change in the policy makers is tourism’s capacity to generate foreign exchange. This is mainly because almost all countries have realized the need to develop this industry, to keep pace with the changing tastes of potential tourists. Qualitative improvement in managing the tourism industry became possible when some of the leading global organization such as World Tourism Organization, Pacific Area Travel Association, International Union of Official Travel Organization evinced interest in promoting the tourism industry, especially in the developing countries where tourism industry is in a bad condition. Tourism as an industry operates on a massive scale; it embraces activities ranging from the smallest seaside hotel to airlines, multinational hotel chains and major international tour operators.

Tourism has grown substantially over recent decades as an economic and social phenomenon. Unfortunately, the development of statistical concepts and frameworks for tourism has not kept pace with the changes in the nature and significance of tourism worldwide and its potential for future growth. The problem with measuring the economic significance of tourism spending is that ‘tourism’ does not exist as a distinct sector in any system of economic statistics or of national accounts. As a result, tourism’s value to the economy is not readily revealed.

Much of the tourism literature today appreciates the importance of developing tourism ‘sustainably’. Whatever the precise meaning of this term, an essential element of a sustainable tourism industry is economic viability. It is sometimes forgotten that the concept of sustainability has an economic dimension alongside its social and environmental dimensions. Economic efficiencies result in less use of resources with potentially less adverse social and environmental

impacts from their use. Tourism development is fundamentally driven by business. However, governments play a significant role as partners in tourism development to an extent which is not replicated in most other industries through their extensive engagement, by all levels of government, in tourism planning and strategy, marketing, infrastructure development, land use planning and responsibility for parks and public and natural attractions, and through their role in managing environmental and community impacts of tourism. The more comprehensive our understanding of the economic issues associated with tourism is, as reflected in the decisions made by tourism operators and policies enacted by destination managers, the more able are economic efficiencies to be achieved in the overall objective of sustainable development of the industry.

1.1 Overview of Indian Economy:

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 per cent and 9.3 per cent respectively in 2009-10 and 2010-11 (Table 1.1). However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India (RBI) started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2 per cent and 5.0 per cent respectively. Nevertheless, despite this slowdown, the compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent.

The moderation in growth is primarily attributable to weakness in industry (comprising the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sectors), which registered a growth rate of only 3.5 per cent and 3.1 per cent in 2011-12 and 2012-13 respectively. The rate of growth of the manufacturing sector was even lower at 2.7 per cent and 1.9 per cent for these two years respectively. Growth in agriculture has also been weak in 2012-13, following lower-than-normal rainfall, especially in the initial phases (months of June and July) of the south-west monsoon.

Data categories and components	Units	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1. GDP and Related Indicators							
GDP (current market prices)	₹ Crore	4987090	5630063	6477827	7795313 ^{2R}	8974947 ^{1R}	100,28,118 ^{AE}
Growth Rate	%	16.1	12.9	15.1	20.3	15.1	11.7
GDP (factor cost 2004-05 prices)	₹ Crore	3896636	4158676	4516071	4937006 ^{2R}	5243582 ^{1R}	5503476 ^{AE}
Growth Rate	%	9.3	6.7	8.6	9.3	6.2	5.0
Savings Rate	% of GDP	36.8	32.0	33.7	34.0	30.8	na
Capital Formation (rate)	% of GDP	38.1	34.3	36.5	36.8	35.0	na
Per Capita Net National Income (factor cost at current prices)	₹	35825	40775	46249	54151	61564	68747
2. Production							
Food grains	Million tonnes	230.8	234.5	218.1	244.5	259.3	250.1 ^a
Index of Industrial Production ^b (growth)	%	15.5	2.5	5.3	8.2	2.9	0.7 ^c
Electricity Generation (growth)	%	6.3	2.7	6.6	5.5	8.1	4.6 ^c
3. Prices							
Inflation (WPI) (average)	%change	4.7	8.1	3.8	9.6	8.9	7.6 ^d
Inflation CPI (IW) (average)	%change	6.2	9.1	12.4	10.4	8.4	10.0 ^d
4. External Sector							
Export Growth (US\$)	%change	29.0	13.6	-3.5	40.5	21.3	-4.9 ^d
Import Growth (US\$)	%change	35.5	20.7	-5.0	28.2	32.3	-0.0 ^d
Current Account Balance (CAB)/GDP	%	-1.3	-2.3	-2.8	-2.8	-4.2	-4.6 ^e
Foreign Exchange Reserves	US\$ Bn.	309.7	252.0	279.1	304.8	294.4	295.5 ^f
Average Exchange Rate	₹ /US\$	40.26	45.99	47.44	45.56	47.92	54.47 ^g
5. Money and Credit							
Broad Money (M3) (annual)	%change	21.4	19.3	16.8	16.0	15.6	11.2 ^h
Scheduled Commercial Bank Credit (growth)	%change	22.3	17.5	16.9	21.5	15.9	15.1 ^h
6. Fiscal Indicators (Centre)							
Gross Fiscal Deficit	% of GDP	2.5	6.0	6.5	4.8	5.7 ⁱ	5.1 ^j
Revenue Deficit	% of GDP	1.1	4.5	5.2	3.2	4.3 ⁱ	3.5 ^j
Primary Deficit	% of GDP	-0.9	2.6	3.2	1.8	2.6 ⁱ	1.9 ^j
7. Population	Million	1138	1154	1170	1210 ^k	na	na

na: not available.

1R: 1st Revised Estimates, 2R: 2nd Revised Estimates, AE: Advance Estimates.

^a Second advance estimates.

^b The Index of Industrial Production has been revised since 2005-06 on base (2004-05=100).

^c April-December 2012.

^d 2012-13 (April-January).

^e CAB to GDP ratio for 2012-13 is for the period April-September 2012.

^f At end January, 2013.

^g Average exchange rate for 2012-13 (April 2012- January 2013).

^h Provisional (up to December 28, 2012).

ⁱ Fiscal indicators for 2011-12 are based on the provisional actuals (unaudited).

^j Budget estimates.

^k Census 2011.

Table1.1: Key indicators of Indian economy 2007-2008 to 2012-2013.

Source: www.mopsi.nic.in

	2005-06	2006-07	2007-08	2008-09	2009-10 ^{3R}	2010-11 ^{2R}	2011-12 ^{1R}	2012-13 ^{AE}
Agriculture, forestry & fishing	5.1	4.2	5.8	0.1	0.8	7.9	3.6	1.8
Mining & quarrying	1.3	7.5	3.7	2.1	5.9	4.9	-0.6	0.4
Manufacturing	10.1	14.3	10.3	4.3	11.3	9.7	2.7	1.9
Electricity, gas, & water supply	7.1	9.3	8.3	4.6	6.2	5.2	6.5	4.9
Construction	12.8	10.3	10.8	5.3	6.7	10.2	5.6	5.9
Trade, hotels, & restaurants, transport & communication	12.0	11.6	10.9	7.5	10.4	12.3	7.0	5.2
Financing, insurance, real estate & business services	12.6	14.0	12.0	12.0	9.7	10.1	11.7	8.6
Community, social & personal services	7.1	2.8	6.9	12.5	11.7	4.3	6.0	6.8
GDP at factor cost	9.5	9.6	9.3	6.7	8.6	9.3	6.2	5.0

Source : Central Statistics Office (CSO).

Notes: 1R : First Revised Estimate, 2R: Second Revised Estimate, 3R: Third Revised Estimate, AE : Advance Estimate.

Table1.2: Growth in GDP at Factor Cost.

Source: www.mopsi.nic.in

After achieving double-digit growth continuously for five years and narrowly missing double digits in the sixth (between 2005-06 and 2010-11), the growth rate of the services sector also declined to 8.2 per cent in 2011-12 and 6.6 per cent in 2012-13. In 2011- 12 the sector that particularly slowed within the services sector was trade, hotels, and restaurants, transport and communications, and its growth further declined in 2012-13. Activities in this sector, being forms of derived demand, tend to grow at a slower rate with the slowdown of economic activity in the industry and agriculture sectors.

A number of factors are responsible for the rapid economic slowdown despite recovering strongly from the global financial crisis. *First*, the boost to demand given by monetary and fiscal stimulus following the crisis was large. Final consumption grew at an average of over 8 per cent annually between 2009-10 and 2011-12. The result was strong inflation and a powerful monetary response that also slowed consumption demand. *Second*, starting in 2011-12, corporate and infrastructure investment started slowing both as a result of investment bottlenecks as well as the tighter monetary policy. *Thirdly*, even as the economy slowed, it was hit by two additional shocks: a slowing global economy, weighed down by the crisis in the Euro area and uncertainties about fiscal policy in the United States, and a weak monsoon, at least in its initial phase.

As growth slowed and government revenues did not keep pace with spending, the fiscal deficit threatened to breach the target. With government savings falling, and private savings also shrinking, the CAD--which is the investment that cannot be financed by domestic savings and has to be financed from abroad--also widened. In the rest of this chapter, the statistical underpinnings of the macro economy are analyzed followed by the rationale behind the government's policy for macroeconomic stabilization and restoring growth, in addition to the Macro-economic outlook and possible risks to the outlook.

1.2 Service Sector in India:

The services sector covers a wide array of activities ranging from services provided by the most sophisticated sectors like telecommunications, satellite mapping, and computer software to simple services like those performed by the barber, the carpenter, and the plumber; highly capital-intensive activities like civil aviation and shipping to employment-oriented activities like tourism, real estate, and housing; infrastructure-related activities like railways, roadways, and ports to social sector related activities like health and education. Thus, there is no one-size-fits-all definition of services resulting in some overlapping and some borderline inclusions. The National Accounts classification of the services sector incorporates trade, hotels, and restaurants; transport, storage, and communication; financing, insurance, real estate, and business services; and community, social, and personal services. In the World Trade Organization (WTO) list of services and the Reserve Bank of India (RBI) classification, construction is also included.

1.2.1 Service Sector International Comparison:

In world GDP of US\$70.2 trillion in 2011, the share of services was 67.5 per cent, more or less the same as in 2001. Interestingly the top 15 countries in terms of services GDP are also the same in overall GDP in 2011. This list includes the major developed countries and Brazil, Russia, India, and China. Among the top 15 countries with highest overall GDP in 2011, India ranked 9th in overall GDP and 10th in services GDP. A comparison of the services performance of the top 15 countries in the eleven-year period from 2001 to 2011 shows that the increase in share of services in GDP is the highest for India (8.1 percentage points) followed by Spain. While China's highest services compound annual growth rate (CAGR) of 11.1 per cent was

accompanied by marginal change in its share of services for this period, India's very high CAGR (9.2 per cent) which was second highest was also accompanied by the highest change in its share. This is also a reflection of the domination of the industrial sector along with services in China in its growth, while India's growth has been powered mainly by the services sector. Despite the higher share of services in India's GDP and dominance of industry over services in China, in terms of absolute value of services GDP as well as growth in services (both decadal and annual in 2001, 2010, and 2011) China is still ahead of India.

Country		Rank		Overall GDP (US\$ billion)		Share of services (percent of GDP)			Change in Share 2011 over 2001	Services growth rate (per cent)			CAGR 2001-11
		Overall GDP	Services GDP	At current Prices 2011	At constant Prices 2011	2001	2010	2011		2001	2010	2011	
1	US	1	1	14991.3	13225.9	77.0	78.3	78.4	1.4	2.9	2.5	5.1	2.1
2	China	2	3	7203.8	4237.0	40.6	41.9	41.7	1.1	10.4	9.9	8.9	11.1
3	Japan	3	2	5870.4	4604.1	70.6	69.9	70.5	-0.1	1.8	1.1	0.6	0.4
4	Germany	4	4	3604.1	3048.7	70.0	70.8	70.0	0.0	2.5	1.0	1.9	1.3
5	France	5	5	2775.5	2240.5	76.8	79.0	79.2	2.4	1.8	1.9	2.1	1.4
6	Brazil	6	8	2476.7	1126.4	65.4	66.2	66.5	1.1	1.8	5.0	3.1	3.8
7	UK	7	6	2429.2	2381.1	74.0	76.4	76.0	2.0	3.8	1.1	1.2	2.3
8	Italy	8	7	2195.9	1773.1	70.9	73.1	73.1	2.2	2.6	1.4	0.7	0.6
9	India	9	10	1897.6	1322.7	50.1	56.8	58.2	8.1	7.5	9.4	7.4	9.2
10	Russia	10	13	1857.8	947.2	56.3	62.4	62.1	5.8	3.3	3.9	3.6	5.5
11	Canada	11	9	1736.9	1233.5	65.0	69.9	69.7	4.7	3.5	2.6	2.2	2.7
12	Australia	12	11	1515.5	894.5	67.9	69.0	69.2	1.3	3.9	2.3	3.6	3.3
13	Spain	13	12	1478.2	1183.8	63.7	69.8	70.0	6.3	3.6	1.2	1.2	2.8
14	Mexico	14	14	1155.2	956.8	61.4	63.8	64.2	2.8	1.2	5.4	5.0	2.9
15	South Korea	15	15	1116.2	1056.1	60.5	57.0	56.6	-3.9	4.4	3.9	2.7	3.5
World				70201.9	52667.7	68.2	67.6	67.5	-0.7	2.8	2.9	3.6	2.6

Source : Computed from UN National Accounts Statistics accessed on 4 January 2013.

Note : Rank is based on current prices, shares are based on constant prices(US\$), growth rates are based on constant prices(US\$), CAGR is estimated for 2001-11, construction sector is excluded in services GDP.

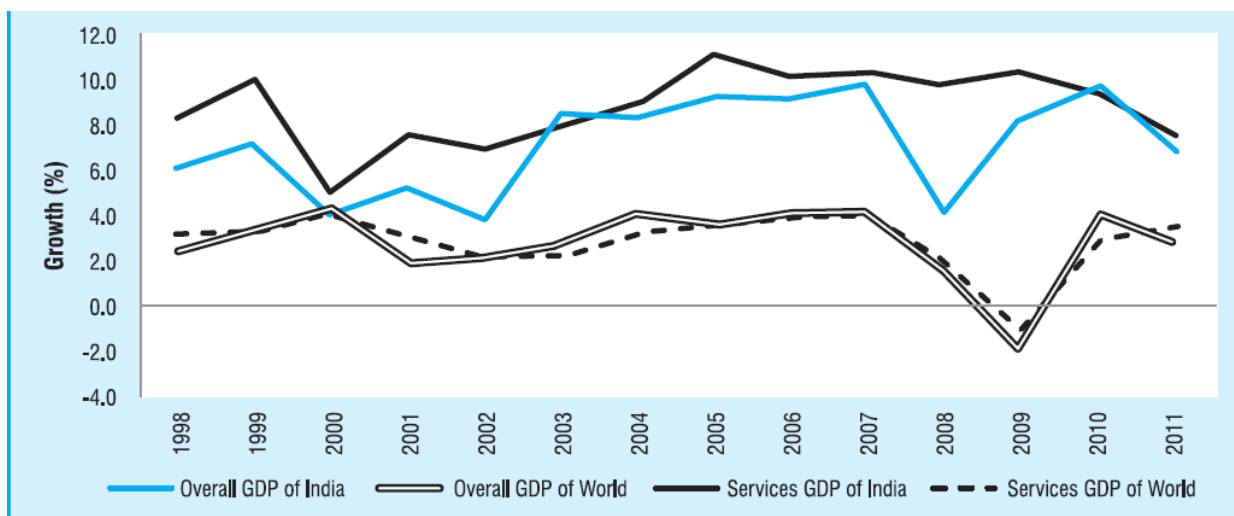
Table 1.3: Performance in Services: International comparison.

Source: www.mopsi.nic.in

2012 show a deceleration in services growth in some major countries. For example, in 2012 it decelerated to 0.5 per cent from 0.9 per cent (in 2011) in the USA; 8.1 per cent in 2012 from 9.4 per cent (in 2011) in China; and 6.6 per cent in FY 2012-13 from 8.2 per cent (in FY 2011-12) in India. In Brazil, the services sector grew by a 1.4 per cent in Q3 of 2012 compared to 2.1 per cent in the corresponding period of the previous year.

While the share of services in employment for many developed countries is very high and in many cases higher than the share of services in incomes, the gap between these shares is relatively less. Except China and India, all the other BRICS countries also have a similar pattern. In the Indian and Chinese cases, there is a wide gap between the two, with gap being wider for India. China's share of services in both income and employment is relatively low due to the domination of the industrial sector, but the gap is also narrower than that of India.

India's services sector has emerged as a prominent sector in terms of its contribution to national and states incomes, trade flows, FDI inflows, and employment. The growth story overall and services of world and India in the 2000s began from almost the same level of around 4-5 per cent in 2000. But over the years, India's overall and services growth rates have outpaced those of the world. Interestingly, unlike world services growth, which has been moving in tandem with its overall growth with mild see-saw movements over the years, India's services growth has been consistently above its overall growth in the last decade except for 2003 (when the former was marginally lower than the latter). Thus, for more than a decade, this sector has been pulling up the growth of the Indian economy with a great amount of stability



Source : Based on UN National Accounts Statistics accessed on 2 February 2013.

Figure 1.1: Growth of Services GDP and overall GDP – India and World.

Source: www.mopsi.nic.in

The share of services in India's GDP at factor cost (at current prices) increased from 33.3 per cent in 1950-1 to 56.5 per cent in 2012-13 as per Advance Estimates (AE). Including construction, the share would increase to 64.8 per cent in 2012-13. With an 18.0 per cent share, trade, hotels, and restaurants as a group is the largest contributor to GDP among the various services sub-sectors, followed by financing, insurance, real estate, and business services with a 16.6 per cent share. Both these services showed perceptible improvement in their shares over the years.

	2000-01	2005-06	2006-07	2007-08	2008-09	2009-10^	2010-11@	2011-12*	2012-13**
Trade, hotels, & restaurants	14.6 (5.2)	16.7 (12.2)	17.1 (11.1)	17.1 (10.1)	16.9 (5.7)	16.5 (7.9)	17.2 (11.5)	18.0 (6.2)	25.1# (5.2)
Trade	13.3 (5.0)	15.1 (11.6)	15.4 (10.8)	15.4 (9.8)	15.3 (6.7)	15.1 (8.5)	15.7 (11.5)	16.6 (6.5)	
Hotels & restaurants	1.3 (7.0)	1.6 (17.4)	1.7 (14.4)	1.7 (13.0)	1.5 (-3.3)	1.4 (1.9)	1.5 (10.8)	1.5 (2.8)	
Transport, storage, & communication	7.6 (9.2)	8.2 (11.8)	8.2 (12.6)	8.0 (12.5)	7.8 (10.8)	7.7 (14.8)	7.3 (13.8)	7.1 (8.4)	
Railways	1.1 (4.1)	0.9 (7.5)	0.9 (11.1)	1.0 (9.8)	0.9 (7.7)	0.9 (8.8)	0.8 (5.9)	0.7 (7.5)	
Transport by other means	5.0 (7.7)	5.7 (9.3)	5.7 (9.0)	5.6 (8.7)	5.5 (5.3)	5.3 (7.3)	5.3 (8.2)	5.4 (8.6)	
Storage	0.1 (6.1)	0.1 (4.7)	0.1 (10.9)	0.1 (3.4)	0.1 (14.1)	0.1 (19.3)	0.1 (2.2)	0.1 (9.4)	
Communication	1.5 (25.0)	1.6 (23.5)	1.5 (24.3)	1.4 (24.1)	1.4 (25.1)	1.4 (31.5)	1.1 (25.4)	0.9 (8.3)	
Financing, insurance, real estate, & business services	13.8 (4.5)	14.5 (12.6)	14.8 (14.0)	15.1 (12.0)	15.9 (12.0)	15.8 (9.7)	16.0 (10.1)	16.6 (11.7)	17.2 (8.6)
Banking & insurance	5.4 (-2.4)	5.4 (15.8)	5.5 (20.6)	5.5 (16.7)	5.6 (14.0)	5.4 (11.4)	5.6 (14.9)	5.7 (13.2)	
Real estate, ownership of , dwellings & business services	8.7 (7.5)	9.1 (10.6)	9.3 (9.5)	9.6 (8.4)	10.3 (10.4)	10.4 (8.3)	10.4 (6.0)	10.8 (10.3)	
Community, social, & personal services	14.8 (4.6)	13.5 (7.1)	12.8 (2.8)	12.5 (6.9)	13.3 (12.5)	14.5 (11.7)	14.0 (4.3)	14.0 (6.0)	14.3 (6.8)
Public administration & defence	6.6 (1.9)	5.6 (4.3)	5.2 (1.9)	5.1 (7.6)	5.8 (19.8)	6.6 (17.6)	6.1 (0.0)	6.1 (5.4)	
Other services	8.2 (7.0)	7.9 (9.1)	7.6 (3.5)	7.4 (6.3)	7.5 (7.4)	7.8 (7.2)	7.9 (8.0)	7.9 (6.5)	
Construction	6.0 (6.1)	7.9 (12.8)	8.2 (10.3)	8.5 (10.8)	8.5 (5.3)	8.2 (6.7)	8.2 (10.2)	8.2 (5.6)	8.2 (5.9)
Total Services	50.8 (5.4)	53.1 (10.9)	52.9 (10.1)	52.7 (10.3)	53.9 (10.0)	54.5 (10.5)	54.4 (9.8)	55.7 (8.2)	56.5 (6.6)
Total Services (incl. Construction)	56.8 (5.5)	61.0 (11.1)	61.0 (10.1)	61.2 (10.3)	62.4 (9.4)	62.7 (10.0)	62.6 (9.8)	63.9 (7.9)	64.8 (6.5)
Total GDP	100.0 (4.3)	100.0 (9.5)	100.0 (9.6)	100.0 (9.3)	100.0 (6.7)	100.0 (8.6)	100.0 (9.3)	100.0 (6.2)	100.0 (5.0)

Source : Central Statistics Office (CSO).

Notes : Shares are in current prices and growth in constant prices;

Figures in parenthesis indicate growth rate;

* first revised estimates, @ second revised estimates, ^ third revised estimates,

** Advance Estimate (AE);

includes the shares and growth of both trade, hotels, & restaurants and transport, storage, & communication only for 2012-13.

Table 1.4: Share and Growth of India's Services Sector.

Source: www.mopsi.nic.in

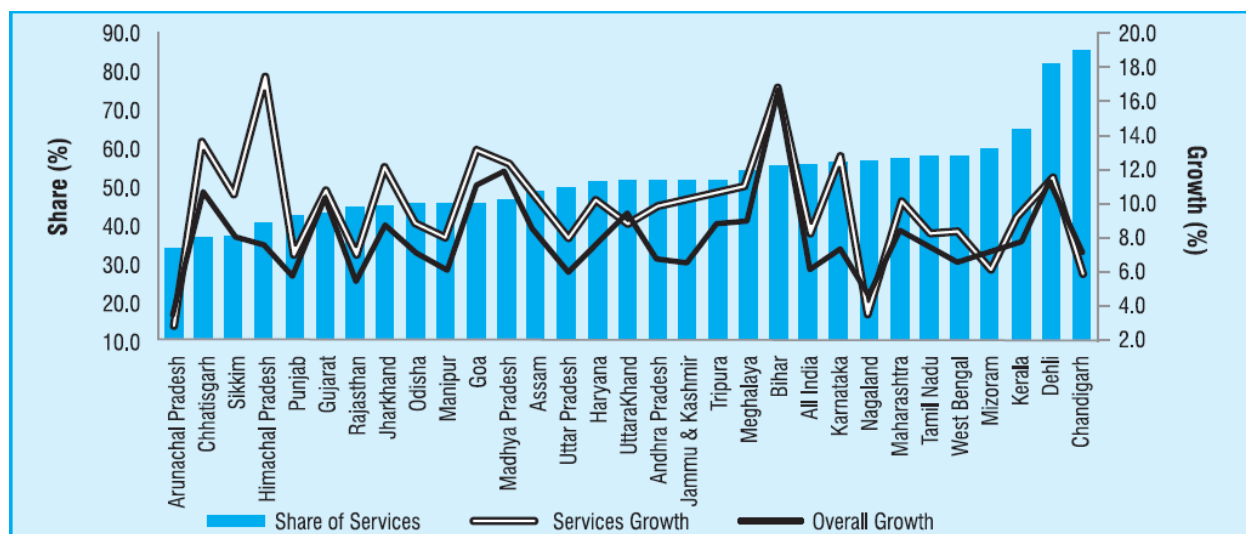
The CAGR of the services sector GDP at 10 per cent for the period 2004-5 to 2011-12 has been higher than the 8.5 per cent CAGR of overall GDP during the same period. However in 2011-12 and 2012-13, there has also been a deceleration in growth rate of services sector at 8.2 per cent and 6.6 per cent respectively. Among the major broad categories of services, 'financing, insurance, real estate, and business services', which continued to grow robustly both in 2010-11 and 2011-12 decelerated to 8.6 per cent in 2012-13. While in 2011-12 growth in 'trade, hotels,

and restaurants’ and ‘transport, storage, and communication’ slowed down to 6.2 per cent and 8.4 per cent respectively, in 2012-13 ‘trade, hotels, and restaurants’ and ‘transport, storage, and communication’ combined grew by an estimated 5.2 per cent.

Sub-sector wise, among commercial services, in terms of shares, the major services are trade, transport by other means (i.e. excluding railways), banking, and insurance, and real estate ownership of dwellings, and business services, besides construction. In 2011-12, though the growth of ‘trade’ decelerated to 6.5 per cent, its share improved to 16.6 per cent. The share of ‘transport by other means’ at 5.4 per cent was almost at earlier levels, while its growth was at 8.6 per cent. Banking and insurance with marginal improvement in its share to 5.7 per cent was the most dynamic sector in 2011-12 with a growth of 13.2 per cent on the top of high growths in the preceding years. ‘Real estate, ownership of dwellings, and business services’ with a share of 10.8 per cent, which is marginally higher than that of the previous year, also had robust growth of 10.3 per cent. ‘Other services’ with a share of 7.9 per cent both in 2010-11 and 2011-12 grew at a slower pace of 6.5 per cent in 2011-12. Among other services, the two major items are community services, of which education, medical, and health, are the major items; and personal services. Interestingly some items among community services like coaching centres and membership organizations have high growth rates with small shares which are rising. Construction, the borderline services sector, has been the most vulnerable to global events. With a share of 8.2 per cent as in the previous two years, it has been growing unevenly since the global crisis.

A comparison of the share of services in the gross state domestic product (GSDP) of different states and union territories (UTs) in 2011-12 shows that the services sector is the dominant sector in most states of India (Figure 10.2). States and UTs such as Chandigarh, Delhi, Kerala, Mizoram, West Bengal, Tamil Nadu, Maharashtra, Nagaland, and Karnataka have higher than all-India shares. Chandigarh tops the list with a share of 85 per cent followed by Delhi with 81.8 per cent. Other than Arunachal Pradesh (33.8 per cent), Chhattisgarh (36.7 per cent), and Sikkim (37.0 per cent), the share of services in the GSDP in all other states is more than 40 per cent. In 2011-12, in tune with the general moderation in overall services growth, services growth rates in many states also moderated. But some states continued to register high growth rates with the

highest being in Himachal Pradesh at 17.3 per cent followed by Bihar at 16.6 per cent. Among UTs with high services share in GSDP, Delhi with 11.5 per cent growth tops the list. While the services revolution in India is becoming more broad-based, with even the hitherto backward states piggy-backing on the good performance of this sector, the initial momentum seems to have slowed down for some north-eastern states like Arunachal Pradesh, Mizoram, and Nagaland after the advantage of base effect is over.



Source : Computed from CSO data.

Notes : Data in the case of Gujarat and Mizoram are from 2010-11.

Shares at current prices, growth rate at constant (2004-5) prices.

Figure 1.2: Share and Growth of Services Sector in 2011-2012.

Source: www.mopsi.nic.in

1.2.2 India Service Trade:

India's share of services exports in the world exports of services, which increased from 0.6 per cent in 1990 to 1.0 in 2000 and further to 3.3 per cent in 2011, has been increasing faster than the share of merchandise exports in world exports. The growth rates of exports of services of India and the world show two distinct phases, the first till 1996 when the two growths had a scissor-like movement and the second phase after 1996 when the growth of India's services exports was higher than that of the world in almost all the years except 2009. In this second phase, the former was much above the latter in upswings but almost converged with the latter during downswings.

The overall openness of the economy reflected by total trade including services as a percentage of GDP shows a higher degree of openness at 55.0 per cent in 2011-12 compared to 38.1 per cent in 2004-5. The openness indicator based only on merchandise trade is at 43.2 per cent in 2011-12 compared to 28.3 per cent in 2004-05.

1.2.3 Service Employment in India:

The pattern of sectoral share of employment has changed over the last two decades with the share of agriculture falling from 64.75 per cent in 1993-4 to 53.2 per cent in 2009-10 and of industries (excluding construction) falling from 12.43 per cent to 11.9 per cent. The shares of the services and construction sectors in employment, on the other hand, increased in the same period from 19.70 per cent to 25.30 per cent and 3.12 per cent to 9.60 per cent respectively. As per the National Sample Survey Office's (NSSO) report on Employment and Unemployment Situation in India 2009-10, on the basis of usually working persons in the principal and subsidiary statuses, for every 1000 people employed in rural India, 679 people are employed in the agriculture sector, 241 in the services sector (including construction), and 80 in the industrial sector. In urban India, 75 people are employed in the agriculture sector, 683 in the services sector (including construction) and 242 in the industrial sector. Construction; trade, hotels, and restaurants; and public administration, education, and community services are the three major employment-providing services sectors.

1.2.4 Performances of some major services in India:

The performance of the different services based on the different indicators shows that sectors like telecom, tourism, and railways have done well in 2011-12. Shipping and ports show poor performance reflecting the effects of the global slowdown. The performance and outlook for the different services sectors based on limited firm-level data, based on estimates and forecasts, show a mixed picture for this year, though there are some grounds for optimism in the coming year. The important commercial services for India based on their significance in terms of GDP, employment, exports, and future prospects, have been dealt with in detail in this section. Care has been taken to avoid duplication to the extent possible of services covered in other chapters like Infrastructure, Financial Intermediation, and Social Sectors. The important services for India include trade, tourism, shipping and port services, real estate services, business services

including IT and IT enabled services (ITeS), research and development (R&D) services, legal services, and accounting and audit services.

Sector	Indicators	Unit	Period				
			2008-09	2009-10	2010-11	2011-12	2012-13
Aviation	Airline passengers (domestic and international)	Million	49.5 (a)	54.5 (a)	64.5 (a)	70.2(a)	67.5(a)
Telecom	Telecom connections (wireline and wireless)	Lakh	4297.25	6212.8	8463.2	9513.4	8955.1(b)
Tourism	Foreign tourist arrivals	Million	5.28 (a)	5.17 (a)	5.78 (a)	6.31 (a)	6.65 (a)
	Foreign exchange earnings from tourist arrivals	US \$ million	11832 (a)	11136(a)	14193 (a)	16564(a)	17737(a)
Shipping	Gross tonnage of Indian shipping	Million GT	9.28	9.69	10.45	11.06(c)	10.45(d)
	No. of ships	Numbers	925	1003	1071	1122 (c)	1158(d)
Ports	Port traffic	Million tonnes	744.02	850.03	885.45	911.68	455.77(e)
Railways	Freight traffic by railways	Million tonnes	833.31	887.99	832.75	969.78	735.32(c)
	Net tonne kilometers of railways	Million	538226	584760	444515	639768	470956(c)
Storage	Storage capacity	Lakh MT	105.25	105.98	102.47	100.85	101.60
	No. of warehouses	Numbers	499	487	479	468	469

Sources : Directorate General of Civil Aviation, Telecom Regulatory Authority of India, Ministry of Tourism, Ministry of Shipping, Ministry of Railways and Central Warehousing Corporation (Compiled by EXIM Bank of India).

Notes : (a) calendar years, for example 2007-8 for 2007. (b) As on 31st December, 2012, (c) April-December, (d) As on 31 January 2013, (e) April-September. GT is gross tonnage; MT is metric tonnes.

Table 1.5: Performance of India's Services Sector: Some Indicators.

Source: www.mopsi.nic.in

1.3 India's Tourism Market:

Tourism accounts for around 6-7 per cent of global employment (direct and indirect) and 5 per cent of global income as per the United Nations World Tourism Organization (UNWTO), Tourism Highlights 2012 edition. It is one of the largest generators of employment across the world and women account for 70 per cent of the workforce in the travel and tourism industry. Hence it generates more inclusive growth than other sectors. According to the UNWTO, international tourist arrivals surpassed the 1 billion mark for the first time in history in 2012, reaching a figure of 1.04 billion from 996 million in 2011 with 4 per cent growth despite the volatility around the globe, particularly in Europe which accounts for over half of international tourist arrivals worldwide. Emerging economies, with 4.1 per cent growth regained the lead over advanced economies with 3.6 per cent growth, with Asia and Pacific showing the strongest growth at 7 per cent. In 2013 growth is expected to decelerate slightly and fall in the range of 3-4

per cent with prospects stronger for Asia and Pacific (5-6 per cent). In 2011 international tourism receipts grew by 11 per cent (3.9 per cent in real terms) to an estimated US\$ 1030 billion, setting new records in most destinations despite economic challenges in many source markets. Available data on international tourism receipts and expenditure for 2012 covering at least the first nine months of the year confirm the positive trend in arrivals. In a significant number of destinations including India (22 per cent) receipts from international tourism increased by 15 per cent or more. According to the UNWTO, the number of international tourist arrivals worldwide is expected to increase by 3.3 per cent a year on an average from 2010 to 2030, resulting in around 43 million more arrivals every year, to reach a total of 1.8 billion arrivals by 2030. As in the past, emerging economy destinations are set to grow faster than advanced economy destinations. As a result, the market share of emerging economies which has increased from 30 per cent in 1980 to 47 per cent in 2011 is expected to reach 57 per cent by 2030, equivalent to over one billion international tourist arrivals.

As per Tourism Satellite Account (TSA) data 2009-10, the contribution of tourism to India's GDP was 6.8 per cent (3.7 per cent direct and 3.1 per cent indirect) and its contribution to total employment generation was 10.2 per cent (direct 4.4 per cent and indirect 5.8 per cent). As per the Twelfth Five Year Plan approach paper, India's travel and tourism sector is estimated to create 78 jobs per million rupees of investment compared to 45 jobs per million rupees in the manufacturing sector. Foreign tourist arrivals (FTAs) in India grew by 9.2 per cent in 2011. However, due to the Euro-zone crisis and global slowdown, FTA growth moderated to 5.4 per cent to reach 66.48 lakh arrivals in 2012. As a result, foreign exchange earnings (FEEs) growth in dollar terms that was 16.7 per cent in 2011 moderated to 7.1 per cent to reach US \$ 17.74 billion in 2012. The share of India in international tourist arrivals was just 0.64 per cent (rank 38) in 2011. India's share in the international tourism receipts was relatively higher at 1.61 per cent in 2011 (rank 17), though it is very low compared to countries like the US (11.3 per cent) and even China (4.7 per cent).

Domestic tourism is also an important contributor to the growth of this sector with a 14.34 per cent CAGR of domestic tourist visits from 1991 to 2011. During 2011, there were 851 million domestic tourists, with the top five states, Uttar Pradesh, Andhra Pradesh, Tamil Nadu,

Karnataka, and Maharashtra, cumulatively accounting for around 69 per cent of the total domestic tourist visits in the country. The hotels and restaurants sector with a 1.5 per cent share in India's GDP in 2011-12 is also an important sub-component of the tourism sector. There are also many new tourism products that hold significant potential for India like wellness tourism, golf tourism and adventure tourism.

To promote tourism, the government has taken many policy initiatives including a five-year tax holiday for 2, 3, and 4 star category hotels located around all United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage sites (except Delhi and Mumbai) for hotels which start operating w.e.f. 1 April 2008 to 31 March 2013; an investment-linked deduction under Section 35 AD of the Income Tax Act extended to new hotels of 2 star category and above anywhere in India, allowing 100 per cent deduction in respect of the whole or any expenditure of capital nature excluding land, goodwill, and financial instruments incurred during the year; and inclusion of 3 star or higher category classified hotels located outside cities with population of more than 10 lakh in the harmonized list of the infrastructure subsector. The Government of India has also taken the initiative of identifying, diversifying, developing, and promoting the nascent/upcoming niche products of the tourism industry to overcome the 'seasonality' aspect and promote India as a 365 days destination, attract tourists with specific interests, and ensure repeat visits for products in which India has comparative advantage. A committee has been constituted for promotion of golf tourism and wellness tourism and specific guidelines have been formulated to support golf, polo, and wellness tourism. The government has also formulated a set of guidelines on safety and quality norms for adventure tourism. A scheme of Approval of Adventure Tour Operators which is a voluntary scheme open to all bonafide adventure-tour operators has been announced. To attract foreign tourists coming to India for medical treatment, a new 'medical visa' category has been introduced. The government has also formulated guidelines to address various issues governing wellness centres, covering the entire spectrum of the Indian systems of medicine.

1.3.1 Introduction to Tourism Marketing:

Tourism marketing and promotional efforts are the basic activities to link the product with the potential tourist market both at national and international levels. The concept about marketing and the importance of tourism marketing for the success of tourism development is highlighted in this chapter..

Marketing is about anticipating demand, recognizing it, stimulating it and finally satisfying it. It is the function of business to produce goods and services that satisfy consumer wants and needs at a profit. Dibb et al (1994) have quoted the definition of marketing offered by the Chartered Institute of Marketing which is as follows:

“Marketing is the management function which organizes and directs all those business activities involved in assessing customer needs and converting purchasing power into effective demand for a specific product or service, and in moving that product or service to the final consumer or user so as to achieve the profit targets or other objectives set by the company or other organization”

Kotler et al (2003) define marketing as *“A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging product and value with others ”.*

Kotler argues that the definition is built on the main concepts of wants, needs, demand, and satisfaction for both marketing and marketers because they are central to the study of marketing.

Kotler (1991) defined the tourism marketing concept as: "The key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors" (Cited by Middleton, 2001).

Middleton (1988) explains that tourism marketing is not a separate discipline but an adaptation of basic principles, which have been developed and practiced across a wide spectrum of consumer/ customer products. However, marketing contribution to travel and tourism has been

undervalued by both policy makers and practitioners, leading to misunderstanding of the nature and value of the markets discipline for the travel and tourism industry in general (March, 1994).

1.4 Background of the Research Problem:

The problem of the current research study, is that despite the fact that the Northeast India possesses varied touristic natural resources which form the necessary raw material for the tourism product, and a huge cultural heritage which makes up a large part of tourism industry and which should bring up benefits for the welfare of the people of Northeast India and contribute to enhance the economic development process. Rather, Northeast India hasn't got its share of the tourism receipts for international and domestic tourism, which, according to Ministry of Tourism, Government of India (2012 Report).

States	2011
Arunachal Pradesh	143363
Assam	4143080
Manipur	127929
Meghalaya	672307
Mizoram	48191
Nagaland	22376
Sikkim	573210
Tripura	359296
India	856.3 million

Table 1.6: Tourist visit in Northeast India (domestic and foreigner).

Source: www.nedfi.com

From the above table of tourism arrivals, it is learn that tourism marketing for Northeast India is an important aspect in promoting and selling the tourist products which will thus enhance its competitive market share in the tourism industry within the India. But in fact a under developed

region like Northeast India usually suffers from a number of problems, the most important of which is the difficulty in marketing the tourism product to the customer (tourist or traveller). This may be due to the lack of expertise and funds allocated for purpose of marketing, as well as inadequate distribution systems suitable for this purpose. However the research problem could be summarized as follows:

1. Lack of interest on the part of various tourism organizations (local tour operators and travel agencies) in the region, to study (national and foreign) tourist needs, wants and demands which could identify precisely the desired types of tourism. Such study would help develop a new tourism marketing strategy, which would satisfy the desired needs of the both the tourist and the tourism market locally or internationally in changeable business environment.
2. Inability to target the most important and relevant tourism market sectors, which could be achieved only by devising suitable characteristics for the evaluation of areas of investment and tourism attractions and determine their targeting priorities before positioning an effective marketing strategy .
3. Lack of an effective tourism development plan or strategy due to mis-direction of available physical and human resources. This could be due to the fact that people or officials working at the various tourism sectors are lacking marketing techniques or skills and are unaware of the importance of the use of the suitable marketing tools in order to effectively influence the tourism market and gain competitive edge in the region as a new tourism destination.

1.5 Gaps in the Existing Literature:

- Lack of research in order to understand the tourism marketing approach from three dimensions namely.
 - i) From the visitor or tourist
 - ii) From the tourism authority
 - iii) From the destination community.
- Most of the studies made in tourism sector of Northeast India highlighted the potential and beauty of the region without studying the main reason behind the lowering of tourist visit in the region.
- Previous studies did not focus on how to market tourism in the region.

1.6 Research Questions

- What kind of differences in perception exist amongst tourists while visiting Aizawl, Shillong and Guwahati.
- How satisfied are the customers with respect to service marketing mix variable offered by the destination viz. Aizawl, Shillong and Guwahati.
- Is the backwardness of infrastructure facility the main reason for lowering of tourist visit in the region?
- Is safety the reason for lowering of the tourist visit in the region?
- How does tourism impact the destination community?

1.7 Research Methodology:

The research is undertaken with a wide coverage of secondary sources of data related to tourism marketing. Data is collected from primary and secondary sources. Primary data consists of material collected from the tourists, tourism destination residents and tourism department from the three respective states. Secondary data include theoretical concepts related to the subject, articles published in books, journals, newspapers, magazines and online sources, paper presented at conferences and seminars, case studies, book published on the subject etc.

1.7.1 Research Design:

An exploratory study was carried out to make problem suited to more precise investigation. Exploratory studies help in understanding and assessing the critical issues of problems. Exploratory research studies are used for subsequent research to attain conclusive results for a particular problem-situation. Exploratory studies are conducted for three main reasons to analyze a problem situation, to evaluate alternatives and to discover new ideas.

The research design strategy that been adopted for the current study is a combination of multi data collection techniques or methods. Empirical data from secondary survey questionnaires available from tourism planning and marketing literature have been used to validate externally the finding of this research study, and offer possible experiences, explanations and comparisons

between numbers of well-known organizations, which have already implemented tourism-marketing strategies in the recent years. The literature review that the researcher has managed to cover so far has played a major role in supporting the analysis of the primary research and provides a grounding of the research and focus needed. Also establishing sound basis for developing the research instrument for its primary data collection. After that, the identified key marketing issues within the tourism industry's literature helped in representing the structural elements that made up the practical part in this research.

Yin (2003) defines the research design as guiding the investigator in the process of collecting, analyzing and interpreting observation. The research design should demonstrate how the questions would be answered and how the researcher intends to cope with it (Yin, 2003). Furthermore, the process of combining data collection techniques is known as “triangulation” (McGrath 1982), or the use of several kinds of method or data. By conducting a variety of data gathering methods, an addition of rigor, breadth and depth to research or study investigation takes place effectively within the research frame designed (Flick, 1992). This could be done by integrating rich detailed data resulted from questionnaire survey with the flexibility of getting information from using other research methods or techniques such as personal interviews, focus group historical and empirical data, pilot study, etc (Gummesson 1991, Yin 1994).

1.7.2 Objectives of the study:

- To study the marketing practices of tourism sector in north east India.
- To examine the service marketing mix attributes (product, price, place, promotion, process, people and physical evidences) considered by tourists in north East India.
- To study the impact of tourism infrastructure in marketing tourism.
- To study the safety and security perception of tourist visiting the North East.
- To measure the degree of impact of tourism on the local community.
- To identify a suitable tourism marketing strategy that helps to maximize market share and to increase profitability in the North East India.

1.7.3 Hypotheses

- Demographic profile of tourist has an impact on the perception on tourism infrastructure, service marketing mix factors and safety.
- Tourism infrastructure has an impact on the satisfaction of tourist.-Regression
- There is a relationship between tourist safety and tourist satisfaction.
- There is a relationship between service marketing mix and tourist satisfaction.
- Residents' perception towards tourism impacts of tourism is associated with demographic characteristics, such as age, gender, educational level, occupational status, and marital status.
- Resident's perception on the standard of living has a relationship with the perception on the tourism impact on the culture of the society.

1.7.4 Significance of the Study:

Several studies have been cornered around the tourism marketing and to study the satisfaction of tourist on a particular destination. Tourism marketing and promotional efforts are the basic activities to link the product with the potential tourist market both at national and international levels. Hall (2000) states that, although destinations have long promoted themselves to potential visitors, there has been qualitative change in the nature of place promotion since the early 1980s, when shifts occurred to reduce the role of the state in a globalizing economy. Within the tourism sector, tourism destination could be identified and marketed based on a number of elements, which combine to attract visitors to stay for a holiday or a day visit. These elements of the destination mix are in most cases inherited from previous generations.

Tourism has been a part of human life for a variety of purposes such as health, education, trade, leisure, recreation, and for social gathering. Improvement in travel technology and high per capita disposable income, especially in the developed societies with increased interest to travel abroad; have led to enormous growth in international tourism (Busby, 1993). This proves that in developed countries, tourism has assisted diversification of the economy and helped to combat regional imbalance, while in developing countries it has provided an export and better job

opportunity, with greater price flexibility, self-determination than their traditional practices or expertise (Wearing and Nail, 1999). The presence of purposeful strategies based on sound marketing standards represent the starting point in launching and the success of any tourism plan aimed at attracting tourists and revenues. Accordingly, not effort or activity whatsoever would succeed unless linked to suitable strategies especially in terms of marketing. Reliable planning for tourism marketing with all its elements is the true guarantee to ensure that tourism would succeed as a human activity on one hand and as an economical motivator on the other.

Adopting a new strategy for tourism marketing symbolizes an important step towards determining the markets which commodity and service corporations existing in continuously changing unpredictable environments are targeting. Such strategy should also be capable of meeting tourists' needs & desires.

1.7.5 Scope of the study:

The study includes an examination and analysis of various perceptions of tourist and local resident's on the tourism development in the region. The data is collected from tourists who visited Aizawl, Shillong and Guwahati and from the local residents of Aizawl, Shillong and Guwahati. It includes a tourist survey to elicit their opinion on the tourism facilities and service rendered by the destination and also a local residents survey to study the impact of tourism on the society, culture, environment and economic.

1.7.6 Data Source:

a) **Primary data:** Primary data is the first and information collected from the respondents and that is not been previously collected. Data that is collected for the purpose of the study and that has not been existent before (Saunders, 2000). Method of primary data collection, according to Daymon and Holloway (2002) are case studies, interviews, surveys, questionnaire or active participation of the researchers in observing the subjects under the study. This thesis uses interview and questionnaire method for obtaining primary data. Primary data is collected from tourism department from respective states and from the tourist and local residents by conducting interviews and administering questionnaire respectively.

b) Secondary data: Secondary data consist of readily available, collected and compiled information. Data that has been already collected for a different purpose, which can be used by researchers to re-analyze and draw, own conclusion. Both raw data and published summaries can be regarded as secondary data (Saunders, 2000). Secondary data allows researchers to access large amount of data they might otherwise not be able to obtain, due to limitation of time, budget or reach. Secondary data is collected from sources such as annual reports of the tourism department, publication, books, journals, magazines, paper presented at seminars, conference and certain online sources. Additionally, the website of the respective state tourism department under the study providing annual reports with information concerning image, marketing initiatives, brand building practices etc. are used. Website from different institutions such as ministry of tourism, government of India, NEDFI, etc. has also provided up-to-date information on key area of research. The secondary data, also referred to as frame of reference, in this thesis is about tourism marketing.

1.7.7 Data Collection Plan:

The theoretical framework and most secondary data used in this thesis are gathered through literature survey. Furthermore secondary data is collected from various website that have taken part in the empirical data collection. Primary data for a pre-study is being obtained by the researcher through interview of respected authority from the respective state tourism department, concerning the marketing practices adopted by the department and also from the local elders and panchayat members regarding the overall impacts of tourism on the community.

1.7.7.1 Data Collection Instrument:

Data has been collected from two types of respondent categories:

- 1) Tourists from outside North East India
- 2) Residents from the destination community.

Category One- Tourist: Close ended questionnaire was administered through which three broad types of information has being elicited. This include

- a) Questions on demographic profile of tourists.

- b) Questions on travel behavior
- c) Questions on the perception of tourists on infrastructure, safety and service marketing mix components.

Category Two – Destination community: A close ended questionnaire was administered through which two broad types of information was elicited. This include

- a) Questions on demographic profile of the residents.
- b) Questions on the perception on the impact of tourism on economic, social, cultural and environment of the destination community.

1.7.8 Survey Questionnaire Structure:

An important goal of a questionnaire construction is to construct clear, direct questions using the language that survey participants will understand. While there are no set rules on the wording of these questions, there are some basic principles that do work to improve the overall design

1.7.8.1 The Questionnaire Design Approach:

Designing a questionnaire is an important task since a properly designed questionnaire can elicit the precise data or information. However, a poorly designed questionnaire will provide data that can be confusing, difficult to analyse and therefore of little value. In addition, a poorly designed questionnaire can be prone to systematic error (Oppenheim, 1992). This type of error can affect the validity and reliability of a survey. Reliability for the researcher means that the method of conducting a study and the results of it can be reproduced or replicated by other researchers (Oppenheim, 1992). Validity is the degree to which the survey measures what, and only what, it is supposed to measure (Oppenheim, 1992). Any systematic errors caused by a poorly worded question may cause many respondents to answer in a particular way. This will result in the survey being systematically pulled in a particular direction with the result of low validity. If the survey suffers from low validity then the results obtained will be questionable (Neuman, 1994). However, Neuman (1994) makes the point that perfect reliability and validity is virtually impossible to achieve, rather they are ideas to adopt.

The vast body of literature relating to questionnaire design was consulted during the process of designing (e.g. Oppenheim, 1992). The important aspects that were considered during the design stage of the questionnaire are as follows:

- The questions were clearly focused to elicit the response that are of relevant and interest to the research without collecting extraneous information.
- Particular care was taken to ensure that the questions are clear and unambiguous. The questions were worded so as to have common meaning for everybody completing the questionnaire. Special consideration and care were taken to not advocate any position (loading), and statements containing a combination of questions (double barrel) were avoided whenever possible.
- The questions were tested prior to the pilot stage to estimate the time required to answer and to ensure that all respondents are competent to answer

Questionnaire to the tourist

Issue	Section	Question Number
Demographic Profile of Tourist	1) Name 2) Age 3) Gender 4) Marital Status 5) Nationality 6) Educational Background 7) Present employment	Q 1 – Q 7
Travel Behavior	1) Travel companion 2) Whether the visit is first time or not? 3) Main purpose of current trip 4) Source of information to organize the trip	Q 8 – Q 15

	5) First impression on the name of North East India 6) Mode of transportation 7) Types of accommodation 8) Duration of stay	
Infrastructure, safety and service marketing mix factors.	1) Infrastructure 2) Product 3) Price 4) Place 5) Promotion 6) Physical Evidence 7) People 8) Process 9) Safety	Q 16 – Q 24

Questionnaire to the Destination Community

Issue	Section	Question number
Demographic profile of the resident's	1) Age 2) Gender 3) Length of stay in the present community 4) Number of family member 5) Present employment 6) Household income per month	Q1 – Q6
Perception on the impact of tourism on economic, social, cultural and environment of the destination community	1) Economic impact 2) Social impact 3) Cultural impact 4) Environmental impact	Q 7 – Q 10

In the survey related to both the tourists and destination resident, items directly compared with the perception of the tourist on the tourism facility offered by the destination (identified by) and the perception of the destination residents on the overall impact of tourism (Kyungmi Kim, 2002) have been included. The questionnaires for tourists have been divided into eleven broad categories and the questionnaire for destination residents have been divided into five main categories. These were rated on the basis of Likert five point scales (1-strongly disagree and 5-strongly agree). These are follows:

Questionnaire for tourists

- Tourism infrastructure - 12 questions ranging from destination serving airport to internet facilities in the destination
- Tourism product - 7 questions ranging from availability of luxury hotel to the availability of diverse recreational facilities
- Overall prices - questions related to price of the tourism product and have 9 questions
- Distribution channel - 4 questions ranging from availability of authorized tour operator to promptness of the state tourism department
- Promotional activities - 4 questions ranging from wide spread of the promotional activities to innovative
- People – Perception on the people involved in the tourism industry ranging from local residence to behavior of staff working in the local restaurant and consist of 6 questions
- Process – It includes the process of trip arrangement and has 3 questions
- Physical Evidence – Consists of 7 questions ranging from cleanliness of the travel agent office to the physical appearance of the transport operator
- Security - 7 questions on the perception of tourists on the security of the destination ranging from transportation safety to communal harmony.

Questionnaire for destination residents:

- Economic impact of tourism - consists of 8 question.
- Social impact of tourism - consists of 6 questions.
- Cultural impact of tourism - consists of 9 questions.
- Environmental impact - consists of 7 questions.

1.7.9 Verification of Conclusion:

- Validity: According to Kumar (1999), the validity of a method is given when a logical link is established between the question and the objectives. Kumar (1999) identifies three types of validity: 1) Face and Content validity 2) Concurrent and Predictive Validity 3) Construct Validity. To test the validity of the method of this thesis, the face and content validity is being applied. This type of validity is achieved when an instrument is valid in the sense that it measures what it is supposed to. To reduce the subjectivity of logic in conclusions, the questionnaire was revised many times after both external and internal discussions. The questionnaires are also tested by applying Cronbach alpha measure.
- The results of the same are as follows.

Questionnaire for tourists

Question No.	Variables	Value of Cronbach alpha
19.	Tourism infrastructure	.936
20.	Tourism product	.727
21.	Overall prices	.781
22.	Distribution channel	.896
23.	Promotional activities	.965
24.	People	.928
25.	Process.	.703
26.	Physical Evidence	.927
27.	Security	.953

Questionnaire for destination residents

Question No.	Variables and Sub variables	Value of Cronbach alpha
7.	Economic impact	.902
8.	Social impact	.871
9.	Cultural impact	.857
23.	Environmental impact	.923

The questionnaire is said to be reliable if the score is above 60% and as the above table reveals, the Cronbach's Alpha value for all the question are above .700i.e 70 which implies that the questionnaires are reliable.

- **Reliability:** According to Kumar (1999), a research method/model developed is reliable not only if it is consistent and stable, but also if it is predictable and accurate. The reliability is the “degree to which measures are errors – free and therefore yields consistent result” (Zikmund, 2000). According to Sekaran (2003) the reliability can be divided into two important parts:
 - 1) The stability of measures: The ability of the measure to stay same over the time is indicative of its stability and low vulnerability to changes in the situation.
 - 2) The internal consistency of measures: This is an indication of homogeneity of the substance. The items are capable of independently measuring the same idea so that the respondents attach the same overall sense to each of the things. In order to make sure that the interviewee understands the questions, the researcher has, if necessary, explained the meaning of the questions to the respondents.

Providing stable and consistent measures ensures therefore stability and reliability of the underlying study.

1.7.10 Pilot Study:

Before the finalization of the questionnaire, a pilot study has been undertaken with a sample of 300 tourists chosen at random (100 each from the three cities) and also from 75 destination residents has been chosen at random (25 from each destination). Few questions that respondents did not respond to were modified. These were related to the process of arranging their travel and

the question regarding their perception on the safety of the destination. The pilot study also reveals that irrespective of the tourist in different city their perceptions about the promotional activities are similar. Certain question that concentrated on the safety was added as most of the respondents from the pilot study were more concerned about the safety of the destination.

1.7.11 Sample Design:

Tourists: Keeping in view the focus of the research, which is to examine the perception of tourists on the tourism facilities offered by the destination, the following cities are chosen based on their based on the number of domestic and foreign tourist received on the previous record, and also the accessibility of the researcher. Three cities are chosen from the seven Northeastern States of India. The first city which is chosen is the market leader i.e Guwahati (Assam), the second city Shillong (Meghalaya) is the market challenger and the third city is Aizawl which is selected because of the easy accessibility. Seven hundred and fifty tourists (Two hundred and fifty from each city) are chosen based on stratified sampling method.

City	Total No. of tourist under study
Guwahati	250
Shillong	250
Aizawl	250

Data of the destination residents: Four hundred respondents (100 hundred from each destination) are chosen based on stratified sampling method. As the study id restricted to three cities in three states, hundred residents from each city are chosen for the study.

City	Total No. of resident's under the study
Guwahati	100
Shillong	100
Aizawl	100

The sample so chosen is representative of the population as it satisfies the sample adequacy test and is chosen as per Krejcie Morgan Table.

1.8 Data Analysis Techniques:

Data has been analysed using statistical such as ANOVA, Chi-square test, Spearman's Rank Correlation, Regression analysis, Factor analysis and simple statistics such as average and mean. SPSS is used to facilitate the same. A brief note on the tools used is as follows:

1.8.1 ANOVA Test:

The analysis of variance, popularly known as the ANOVA test is used in cases when there are more than two groups. Analysis of variance (ANOVA) is a statistical technique that can be used to evaluate whether there is a differences in the average value or mean, across several population groups. With this model, the response variable is continuous in nature whereas the predictor variables are categorical. When there are only two samples one can use the t-test to compare the means of the samples but it might become unreliable in case of more than two samples. If only two means are compared, then the t-test (independent samples) will give the same result as the ANOVA. It is used to compare the means of more than two samples. In statistics, analysis of variance (ANOVA) is a collection of statistical models, and their associated procedures, in which the observed variance in a particular variable is partitioned into components attributable to different sources of variation. In its simplest form ANOVA provides a statistical test of whether or not the means of several groups are all equal, and therefore generalizes t-test to more than two groups. ANOVA's are helpful because they possess an advantage over a two sample t-test. Doing multiple two-sample t-test would result in an increased chance of committing a type-I error. For this reason, ANOVA's are useful in comparing three or more means.

The purpose of ANOVA test is to determine the existence, or absence of a statistically significant difference amongst several group means. ANOVA actually uses variances to help determine if the various means are equal or not.

To perform ANOVA test three basic assumption must be fulfilled.

- Each group which the sample is taken is normal

- Each group is randomly selected and independent.
- The variables from each group come from distribution with approximately equal standard deviation.

1.8.1.1 One-way ANOVA: One way ANOVA is used when there is only one category whose effect has been studied and balanced. Thus the basic idea is to test whether the samples are all alike or not. One-way ANOVA evaluates the effect of a single factor on a single response variable. Using ANOVA to make this comparison requires that several assumptions be satisfied. Specifically the sample must be selected randomly from each of the population groups, a value for the response variable is recorded for each sampled respondent, the distribution of the response variable is normally distributed in each population, and the variance of the response variable is the same in each population. As indicated through its designation, ANOVA compares mean by using estimates of variance. Specifically, the sampled observations can be described in terms of the variation of the individual values around their group means, and of the variation of the group means around the overall mean. These measures are frequently referred to as source of “*within groups*” and “*between groups*” variability, respectively. If the variability within the k different population is small relative to the variability between the group means, this suggests that the population means are different. This is formally tested using attest of significance based on the F distribution, which test the null hypothesis (H_0) that the means of the k groups are equal.

$$H_0 = \mu_1 = \mu_2 = \mu_3 = \dots \mu_k$$

An F - test is constructed by taking the ratio of the “between-groups” variation to the “within-groups” variation. If n represent the total number of sampled observations, this ratio has an F distribution with $k-1$ and $n-k$ degrees in the numerator and denominator, respectively. Under the null hypothesis, the within-groups and between-groups variance both estimate the same underlying population variance and the F ratio is close to one. If the between-groups variance is much larger than the within-groups, the F ratio become large and the associated p -value becomes small. This lead to rejection of the null hypothesis, thereby concluding that the means of the groups are not all equal. When interpreting the results from the ANOVA procedures it is helpful

to comment on the strength of the observed association, as significant differences may result simply from having a very large number of samples.

1.8.2 Chi-Square Tests:

The chi-square (I) test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories. The chi-square is one of the most popular statistics because it is easy to calculate and interpret. There are two kinds of chi-square tests. The first is called a one-way analysis, and the second is called a two-way analysis. The purpose of both is to determine whether the observed frequencies (counts) markedly differ from the frequencies that we would expect by chance. A chi-square test (also chi squared test or χ^2 test) is any statistical hypothesis test in which the sampling distribution of the test statistic is a chi-square distribution when the null hypothesis is true, or any in which this is asymptotically true, meaning that the sampling distribution (if null hypothesis is true) can be made to approximate a chi-square distribution as closely as desired by making the sample size large enough. The chi-square (χ^2) test measures the alignment between two sets of frequency measures. These must be categorical counts and not percentages or ratios measures (for these, use another correlation test).

Goodness of fit: A common use to assess whether a measured/observed set of measures follows an expected pattern. The expected frequency may be determined from prior knowledge (such as previous year's exam results) or by calculation of an average for the given data. The null hypothesis, H_0 is that the two sets of measures are not significantly different.

Independence: The chi-square test can be used in the reverse manner to goodness of fit. If the two sets of measures are compared, then just as you can show they align, you can also determine if they do not align. The null hypothesis here is that the two sets of measures are similar. The main difference in goodness-of-fit vs. independence assessment is in the use of the Chi Square table. For goodness of fit, attention is on 0.05, 0.01 or 0,001 figures. For independence, it is on 0.095 or 0.99 figures (this is why the table has two ends to it)

Calculation: Chi-squared, $\chi^2 = \text{SUM} (\text{Observed} - \text{expected})^2 / \text{expected}$

$$\chi^2 = \text{SUM} [(f_o - f_e)^2 / f_e]$$

where f_o is the observed frequency and f_e is the expected frequency.

1.8.3 Factor Analysis:

Factor analysis is statistical method used to describe variability among observed variables in term of a potentially lower number of unobserved variables called factors. In other words, it is possible, for example. The variation in three or four observed variables mainly reflects the variation in a single unobserved variable, or in a reduced number of unobserved variables. Factor analysis searches for such joint variations in response to unobserved latent variables. The observed variables are modeled as linear combinations of the potential factors, plus “error” terms. The information gained about the interdependencies between observed variables can be used later to reduce the set of variables in a dataset. Factor analysis in marketing involves the basic steps which are:

- Identify the salient attributes consumers used to evaluate products in this category.
- Use quantitative marketing research techniques (such as surveys) to collect data from a sample of potential customers concerning their ratings on all the products attributes.
- Input the data into a statistical program and run the factor analysis procedure. The computer will yield a set of underlying attributes (or factors)

1.8.4 Regression Analysis:

Regression analysis is used to assess the relationship between one dependent variable and several independent variables. This is the most commonly used technique in much of the social science research.

Regression coefficient is a measure of how strongly each independent variable predicts the dependent variables. There are two types of regression coefficients – unstandardized coefficients and standardized coefficients, also known as beta value. The unstandardized coefficient can be used in the equation as coefficients of different independent variables along with the constant term to predict the value of dependent variable. The standardized coefficient (beta) is, whoever, measured in standard deviations.

R represents the correlation between the observed values and the predicted values (based on the regression equation obtained) of the dependent variable. R square is the square of R and gives

the proportion of the dependent variable accounted for by the set of independent variables chosen for the model. R square is used to find out how well the independent variables are able to predict the dependent variable. However, the R square value tends to be a fit inflated when the number of independent variables is more or when the number of cases is large. The adjusted R square takes into accounts these things and gives more accurate information about the fitness of the model

1.9 Conclusion: This chapter embodies the essential aspects of this research in terms of the introductory remarks, and what lies in the future for strengthening the area of tourism marketing. It is a blueprint of the thesis and documents how the procedures followed in conducting the research and fulfilling the objectives framed. It also gives a glimpse of what the research hold in term of contribution to the existing literature on tourism marketing.

CHAPTER – II

CONCEPTUAL FRAMEWORK ON TOURISM MARKETING AND TOURISM IMPACT ON THE DESTINATION COMMUNITY

2.0 Introduction:

Tourism marketing and promotional efforts are the basic activities to link the product with the potential tourist market both at national and international levels. The concept about marketing and the importance of tourism marketing for the success of tourism development is highlighted in this chapter. Moreover, the chapter will also introduce the seven principle variables (product, price, place, promotion, people, process and physical evidence as well as tourism infrastructure and safety), which managers have to continuously consider in their efforts to manage customers' demand in the tourism sector. This chapter also reveals the impact of tourism development on the society, culture, economy and environment on the host community

2.1 Tourism Perspective:

The tourism perspective involves the concept of tourism, tourist study and the tourism industry. In the first instance, tourism conception provides a tourism definition, as well as a holistic framework of tourism components and management. Secondly, from a marketing perspective, the tourism sector can simply be divided into a demand component (tourists) and a supply component (industry) (Haydam, 2001)

- a) The demand side deals with tourism markets, people and consumers of products and services such as the tourist (Bennett, 1995), which is the core component of tourism. In this chapter, the tourist study consists of its definition and classification;
- b) The supply side is mainly referred to as the tourism industry, which includes aspects such as attractions, accommodation, transportation and support services (Bennett and Schoeman, 2005).

2.2The Tourism Concept:

The concept of tourism should be seen against the background that tourism is a new and great segment that has been revealed to the global economy (Hollingworth, 2006). As pointed out in Weaver and Lawton (2006), tourism is an increasingly widespread and complex activity that

requires sophisticated management in order to realize its full potential as a positive economic, environmental, social and cultural force. Hence, any tourism study should depend on an interdisciplinary approach, which integrates some implicated areas into tourism study. Highlighted themes, among the disciplines, which synthesize tourism study, include economics, geography, history, political science, agriculture, marketing, anthropology, business management, psychology, sociology, ecology, law and history.

It is evident from the above revelation that any definition of tourism is difficult to cover in detail because of all the disciplines and stakeholders within this field. The officially accepted tourism definition from the international organization responsible for tourism, the United Nations World Tourism Organization (UNWTO) (1991), is: “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 not related to the exercise of an activity remunerated from within the place visited”. Page (2007) has indicated that the use of this definition by the United Nations World Tourism Organization (UNWTO) makes it possible to identify tourism between countries, as well as tourism within a country. Classifications of tourism can be determined based on the locations of tourist activities, as presented in Pender (2005), which include:

- Domestic tourism: visits by residents of a country to their own country; and
- International tourism, namely:
 - (a) Inbound tourism: visits to a country by nonresidents; and
 - (b) Outbound tourism: visits by residents of a country to another country.

Another wider definition can be found by Goeldner and Ritchie (2006) who have depicted a universal tourism framework and various groups, which play important roles, are interconnected in this framework. All components and their inter-relationships within the tourism field are shown in Figure 2.1. Hence, tourism may be regarded as a sum of the phenomena and relationships, which arise from interaction among tourists, the tourism industry, tourism suppliers, host governments, host communications and surrounding environments in the process of attracting, transporting, hosting and managing these tourists and other visitors.

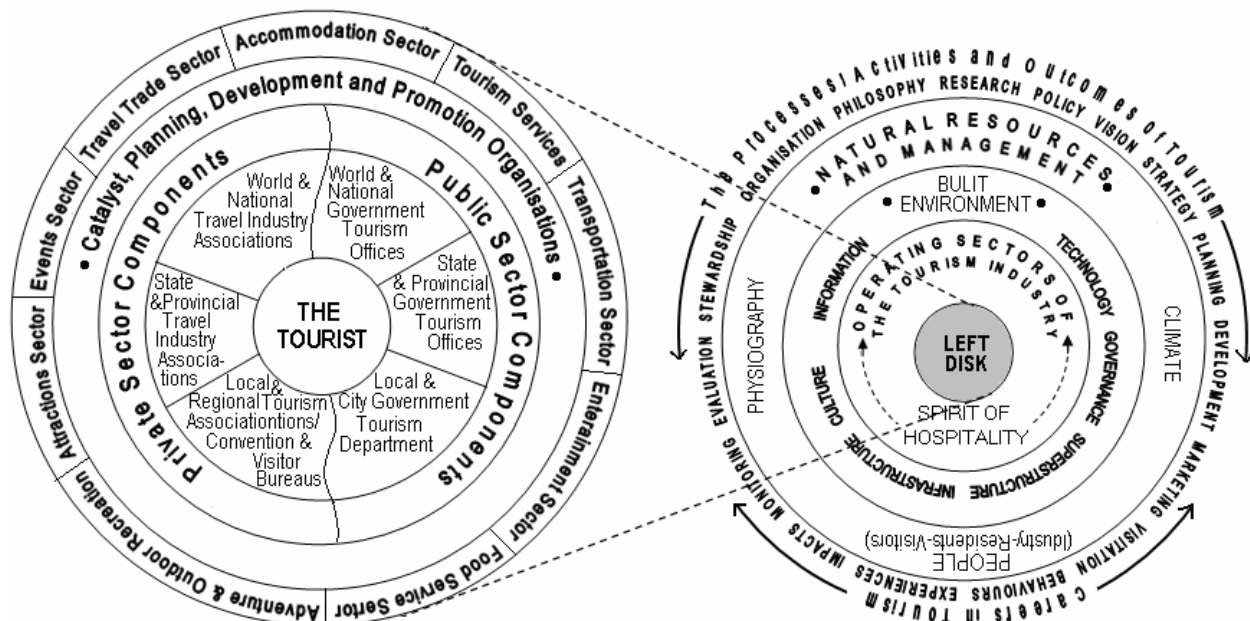


Fig2.1: Tourism phenomenon: components of tourism and tourism management

Source: Goeldner and Ritchie (2006)

Furthermore, Figure 2.1 shows that the tourist, as a core entity within the tourism phenomenon model, is surrounded by all tourism components. It means that there is a need to understand tourists and to satisfy their needs and wants, which is the central mission within the tourism field and also the most important task in any tourism-marketing organization on both a macro level (such as destination marketing organizations) and micro level (such as travel agencies). Therefore, the focus of the tourism perspective will shift to a definition of a tourist.

2.2.1 Definition and Classification of Tourists:

What constitutes a tourist? Referring to the United Nations World Tourism Organization's (UNWTO) tourism definition earlier, George (2004) has pointed out that tourism is concerned primarily with people who are (i) outside normal routines for work and social commitments; (ii) on a visit that is temporary and short-term; (iii) required to travel to the destination (usually making use of some forms of transport); (iv) usually engaged in activities that would be associated with leisure; and (v) sometimes on business.

Also underlying the afore-mentioned tourism conception, travellers can be described as people on a trip between two or more countries or between two or more localities within their country of usual residence, which, in tourism, are described as “visitors”, while all visitors are divided into two categories:

- (1) Same-day visitors or excursionists who do not spend the night in collective or private accommodation in the country visited; and
- (2) Tourists who stay in the country that is visited for at least one night.

Weaver and Lawton (2006) agree with the United Nations World Tourism Organization’s (UNWTO) concept of a tourist by seeing a tourist as an individual who travels temporarily outside of his or her usual environment for certain qualifying purposes. The travel purpose mentioned earlier, means that the tourist seeks various psychic and physical experiences and satisfactions, which largely determine the destinations that are chosen and the activities that are enjoyed (Goeldner and Ritchie, 2006).

Undoubtedly, the idiographic purposes of a visit are various and include leisure or recreation, visiting friends and relatives (VFR), business, sport, health, study or multipurpose (Weaver and Lawton, 2006). Based on the main travel purposes, tourists may be classified into three groups: (i) leisure and holiday; (ii) business and professional; and (iii) other tourism purposes.

Goeldner and Ritchie (2006) have other ways to classify tourists. Firstly, as per Pender’s tourism classification, tourists can be classified by the locations of their activities, namely (i) domestic and (ii) international tourists, while the latter includes (a) outbound and inbound tourists. Secondly, it depends on the distance of the destination(s) in a trip, since tourists can be divided into two types, namely (i) long-haul and (ii) short-haul tourists, while usually the long-haul tourists may visit more than one destination in a trip. All of the above classifications are systematically shown in Figure 2.2.

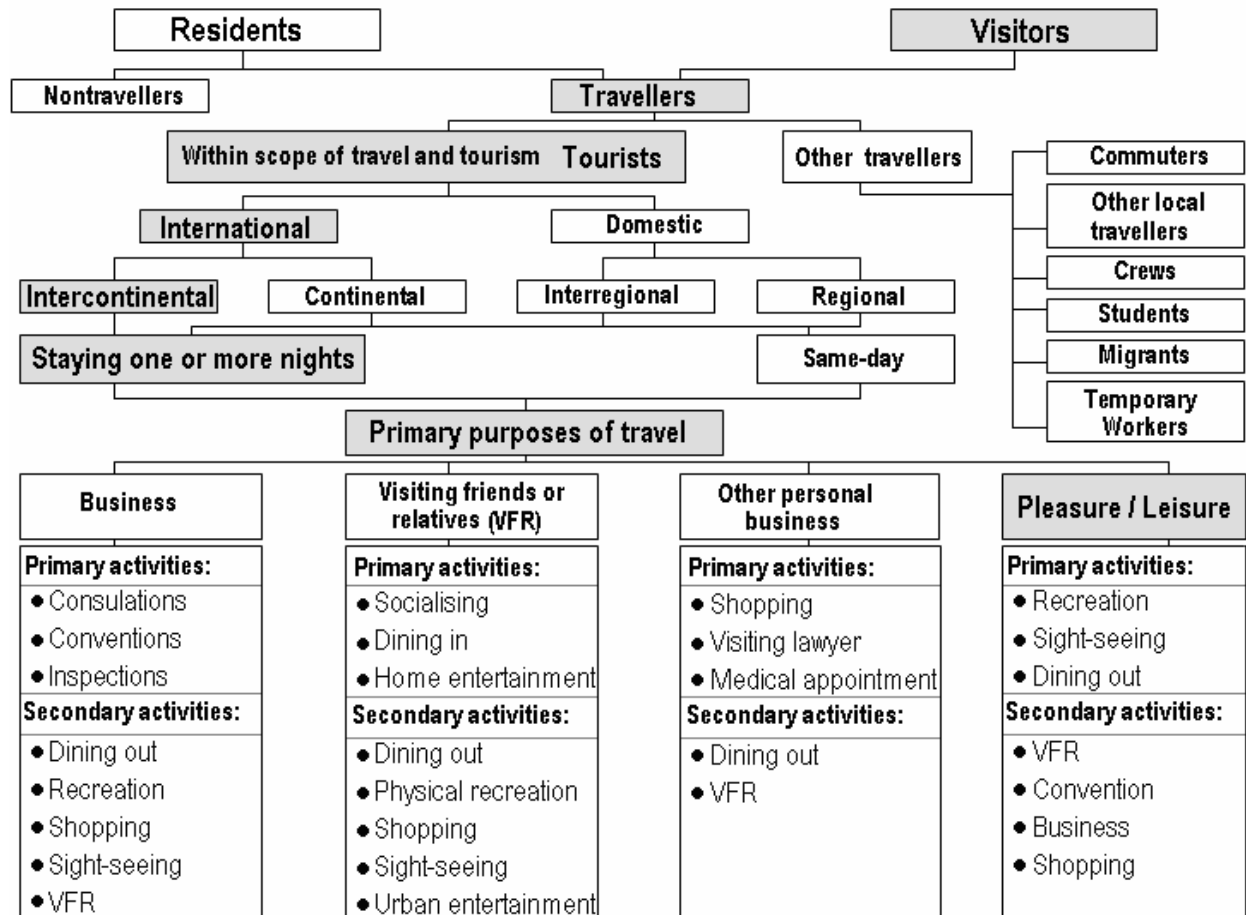


Fig 2.2: Classification of tourists.

Source: adapted from Goeldner and Ritchie (2006)

2.2.2 The Tourism Industry:

As shown earlier in Figure 2.1, the tourist is surrounded by suppliers of tourism offerings, including goods and services that are provided to satisfy the demands of tourists, which are mainly referred to as the tourism industry (Haydam, 2001). Weaver and Lawton (2006) have described the tourism industry as a sum of industrial and commercial activities that produce goods and services for tourist consumption, although McIntosh, Goeldner and Ritchie (1995) note that tourism is typically not defined as an industry, since there is no Standard Industrial Classification (SIC) code for tourism. However, a concrete and precise tourism industry may be confined within a narrow range by the following definitions.

McIntosh et al. (1995) have depicted the tourism industry by listing various service activities from the tourism supply side to the demand side. These service activities can be divided into three key activity regions: (i) accommodation; (ii) transportation; and (iii) shopping, as well as other activities such as business, festivals and studies. Haydam (2001) also notes that “these activity regions occur in the context of natural, built and cultural resources of a particular destination”.

Moreover, Page (2007) notes that the supply of tourism services can be categorized by businesses such as: (a) tourism resources, which comprise both the natural and human resources of an area; (b) general and tourism infrastructure such as the transport and communications infrastructure; (c) receptive facilities, which receive visitors such as restaurants and accommodation; (d) entertainment and sports facilities, which provide a focus for tourists’ activities; and (e) tourism reception services such as travel agents, tourist offices, guides and interpreters. These highlight the scope of tourism supply, but a number of less tangible elements of supply should also be involved such as image.

Leiper (1990) considers the tourism industry as businesses and organizations that are involved in delivering tourism offerings. In terms of Leiper’s view, Cooper (1993) divided the tourism industry into five main sectors and believes that these can fully demonstrate the operation of the industry, even though they do not represent the complete range of enterprises within the industry. These include (1) governments; (2) attractions; (3) accommodation; (4) transport; and (5) intermediaries.

Similar to Cooper, van Harssel (1994) divided the tourism industry into six sectors, namely: (1) accommodation; (2) attractions; (3) transport; (4) intermediaries; (5) peripheral private sector; and (6) peripheral public sector. This is a detailed segmentation, but does not show its inter-relationships.

Overall, Bennett and Schoeman (2005) believe that the tourism industry includes all those firms, organizations and facilities that serve a specific purpose, namely to satisfy the needs and wants of tourists at a profit; while entrepreneurs and investors invest capital for the purpose of

obtaining a satisfactory return on their investment. In Figure 2.3, Bennett and Schoeman depict the role-players and components, their classification, as well as the inter-relationships within the tourism industry.

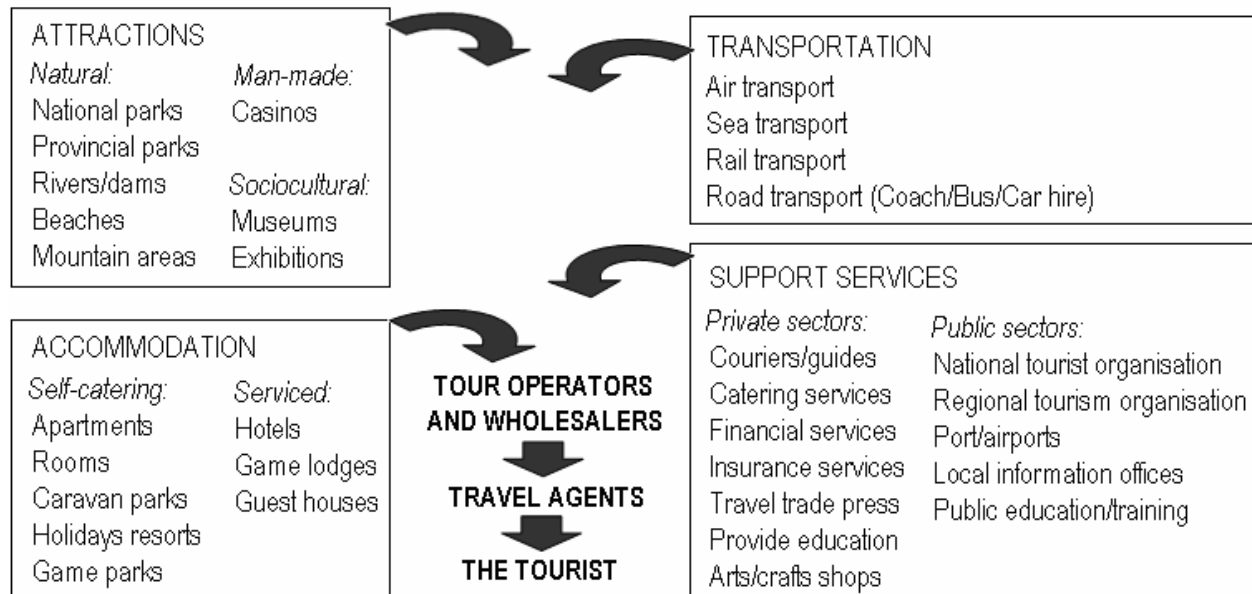


Fig 2.3: Tourism Industry

Source: Bennett and Schoeman (2005)

It is evident from Figure 2.3 that the tourism industry can be broadly classified into two main categories:

- (i) Producers of the tourism product, which refer to the suppliers of attractions, accommodation, transportation and other support services from the public and private sectors; and
- (ii) Intermediaries, since producers sell their products and services directly to tourists, or they do so via intermediaries such as tour operators, wholesalers and travel agents.

Among these role-players within the tourism industry, attractions are the most powerful component and are at a first-line position.

2.2.3 Attraction:

Swarbrooke (2002) believes that tourism would not exist if it were not for attractions. George (2004) has also argued that tourist attractions play a key role in tourism destinations, as the core

of the tourism offering, which include the main travelling motivators that, according to Bennett and Schoeman (2005), provide the main “pull” of traveller movement.

The study of attractions in the following context includes a classification of tourist attractions, an examination of their general attributes and a market view of the attraction product, as well as some of the instances that may link with wine tourism, which can provide an understanding of attractions, essentially.

2.2.3.1 Classification of Attractions:

Destinations benefit from having a diversity of resources, therefore, a compilation of an attraction inventory can determine the full tourism potential of a destination (Swarbrooke, 2002). There are numerous arguments for the classification of attractions, however, two popular dimensions are explained below. In terms of the first dimension, attractions can be classified according to whether they are primary or secondary:

- (i) Primary attractions refer to those that form the main motivation to take a trip. Visitors spend most of their time at these destinations either because the site or event is a vital resource of a preferred activity or because it is necessary to spend several hours on the site or event in order to obtain value for money (Bennett and Schoeman, 2005); and
- (ii) Secondary attractions or stop-overs are those that are not important enough to lure tourists, but can serve as complimentary features, which provide more activities and features for tourists so that they can increase their length of stay (Inskeep, 1991).

Attractions can be divided into three groups, which are (i) man-made, (ii) natural and (iii) socio-cultural attractions. Based on this, Wanhill (1993) added “events” and reclassified them into four categories: (1) sites of natural resources; (2) events of natural resources; (3) man-made sites; and (4) man-made events. Similar to Wanhill’s four categories, Weaver and Lawton (2006) have also presented a systemic classification scheme in Figure 2.4, which can expressly classify various attractions into (a) natural sites; (b) natural events; (c) socio-cultural sites; and (d) socio-cultural events.

	Site	Event
Natural	Topography, climate, hydrology, wildlife, vegetation, location	Volcanic eruptions, tides, animal migrations (for example, whale watching)
Socio-cultural	Prehistorical, historical, contemporary culture, economic, recreational, retail	Battle re-enactments, commemorations, festivals, sporting events, Olympics, markets

Fig 2.4 : Generic inventory of tourist's attraction.

Source: Weaver and Lawton (2006)

Natural attractions, as the name implies, are associated more closely with the natural environment rather than with the socio-cultural environment. There are some more detailed examples outlined below, which further subdivides and vividly explains the above classification scheme. Firstly, natural site attractions can be identified and subdivided into the following six aspects:

- Topography such as mountains, canyons, beaches, volcanoes, caves or fossil sites;
- Climate such as temperature, sunshine or precipitation;
- Hydrology such as lakes, rivers, waterfalls or hot springs;
- Wildlife such as mammals, birds, insects or fish;
- Vegetation such as forests or wildflowers; and
- Location such as centrality or extremity.

These natural sites represent protected areas, scenic lookouts, wildlife parks and botanical gardens, etc. However, destinations have little scope to change their natural resources. The challenge is that destinations should manipulate the market image so that “unattractive” natural phenomena are converted into tourism resources (Weaver and Lawton, 2006).

Secondly, natural events are often independent of particular locations and are unpredictable in their occurrence and magnitude such as volcanic eruptions, tides and animal migrations, etc.

Thirdly, socio-cultural sites, also known as “built”, “constructed” or “man-made” sites, are as, or more, diverse than their natural counterparts. These sites can be classified into the following six types: (1) pre-historical such as rock art or other aboriginal sites; (2) historical such as old

townships or buildings, museums and ancient monuments; (3) contemporary culture such as architecture, university campuses or food and drink; (4) economic such as wineries or wine farms; (5) recreational such as golf courses, spas, theme parks or casinos; and (6) detail such as shopping districts or cellar sales.

Finally, according to Weaver and Lawton (2006), socio-cultural events can be distinguished and classified by the dimensions, which are outlined below.

- (1) Regular or irregular in occurrence (such as annual food festivals versus one-time-only art shows) or
- (2) Ranging in size from a small, local exhibition to international mega-events;
- (3) A “single destination” or “multiple destinations” in space or time; and
- (4) Topical categories such as history, sport, music and art.

2.2.3.2 The Attributes of Attraction:

In order to compile an inventory of tourism attractions, Weaver and Lawton (2006) suggested that destination organizations should periodically assess their status across an array of relevant attraction attributes in order to inform appropriate planning and management decisions. Figure 2.5, represents a spectrum that can be utilized in each case to reflect the continuous natural occurrence of the variables.

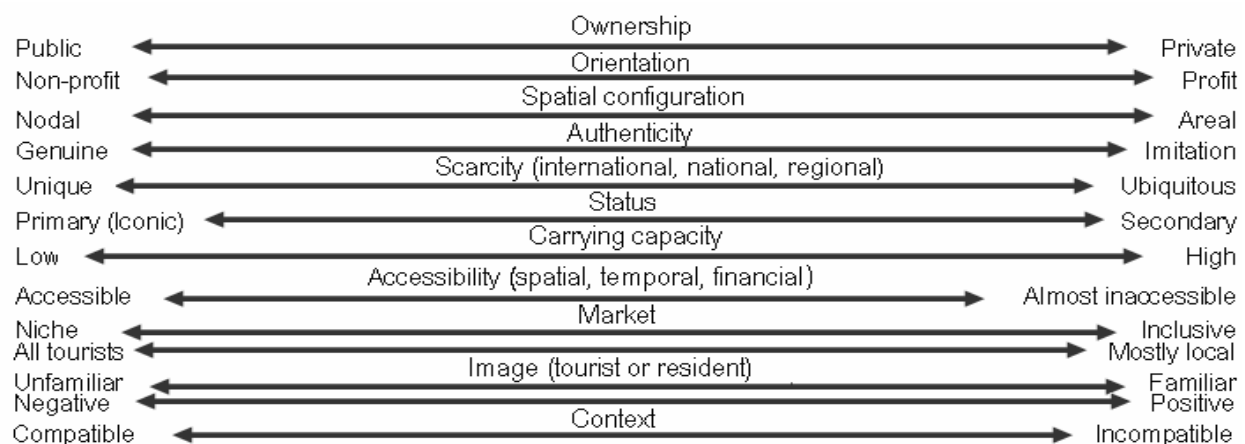


Fig 2.5: Tourist attraction attributes.

Source: Weaver and Lawton (2006)

2.2.3.3 Attraction Experience:

In terms of a market view, Bennett and Schoeman (2005) have described the attraction product as an experience, beginning with the anticipation of visiting the attraction and planning the trip. Then there is the visit itself, the journey to and from the attraction and the time spent there. Once the visit is over, one has the memories of the trip. Numerous elements affect this experience, including:

- (i) The tangible element of the product, for example, a wine route, which may include wine, vineyards, cellars and farm restaurants;
- (ii) The intangible element of the product such as its brand image and atmosphere;
- (iii) The delivery element, which includes the appearance, attitude, behavior and competence of staff;
- (iv) The consumers themselves in terms of their expectations, behavior and attitudes; and
- (v) The factors that are outside the control of the attraction operator or consumers such as the mixture of people who use the attraction and the weather.

The above complex inter-relationship of factors shows that the experience is different for every consumer. Hence, according to Bennett and Schoeman (2005), an important consideration in terms of attraction products, is management patterns, which could make the experience pleasurable for each consumer. As further discussed by Wanhill (1993), visitor patterns can be managed by starting with marketing and information provisions, followed with techniques, which can influence the visitors' behavior at home, at the site and after the visit. However, as with foundational understanding, these theories of marketing management and consumer behavior are studied later during this chapter.

2.2.4 Accommodation Supplier:

Accommodation has been conceptualized by some researchers as a product, which should satisfy tourist demands. Page (2007) has summarized the principal factors that can impact on the way the accommodation product is constructed, portrayed and sold to consumers, which includes (a) location of the establishment (accessibility); (b) facilities (bedrooms, restaurants, meeting rooms, sports facilities); (c) service level (dependent upon grade of establishment and price); (d) image (how customers view it through advertising and marketing media); (e) price; and (f)

ability to differentiate between products in respect of different customers and incentives, which would encourage key clients (priority club membership or rewards for frequent use).

Tourists, who spend at least one night at the destination visited and are not same-day visitors, means that the accommodation provisions become the core of their activities as they proceed to interact with other services in the area. At the same time, the available accommodation at a destination also determines its capacity for overnight tourism. In this regard, Lockwood and Knowles (1993) note that accommodation suppliers play a central role in tourism, as shown in Figure below

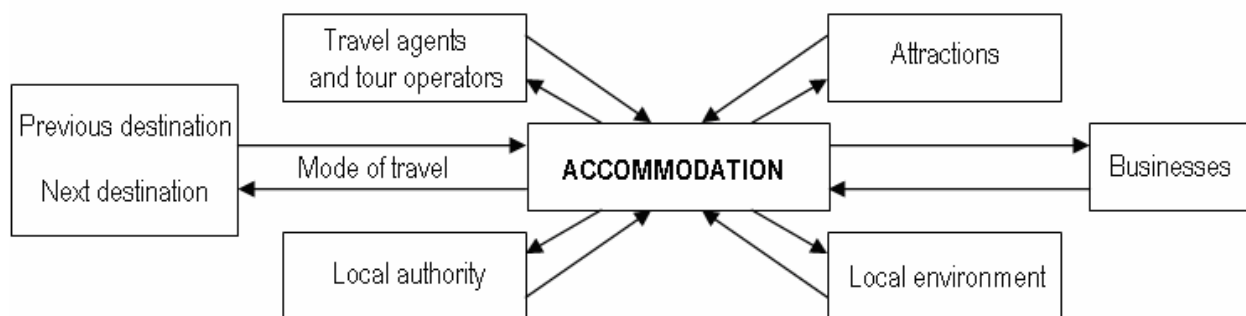


Fig 2.6: Role of accommodation in tourism.

Source: Lockwood and Knowles (1993: 161)

2.2.5 Transport Suppliers:

In many instances local transport systems are designed for residents or freight, but without transport, tourism cannot exist (Lumsdon, 1997) because all forms of travel depend on adequate transportation in terms of transportation services and facilities, which have, therefore, become integrated into the tourism system (Goeldner and Ritchie, 2006).

According to Burkart and Medlik (1981), transport can be seen as “a means to reach the destination, as well as the means to move around within the destination”. As summarized by Westlake and Buhalis (1993), there are four major modes of transportation, namely:

- Road transport: walking and cycling, buses and coaches, as well as car hire;
- Railway transport: trams and metros, local rail, inter-urban and long distance trains;
- Water and sea transport: ferries, water buses and long distance cruise liners; and

- Air transport: scheduled and charter flights, as well as helicopters.

Westlake and Buhalis (1993) also note that, generally, a traveller's choice of mode of transport is affected by the following: (i) distance and time factors; (ii) status and comfort; (iii) safety and utility; (iv) comparative price of services offered; (v) geographical position and isolation; (vi) range of services offered; and (vii) level of competition between services. In terms of the role of transport in tourist travelling, Page (2007) has proposed a sample shown in Figure 2.7, that illustrates the all-embracing role of transport, which facilitates tourist trips to a destination and enables tourists to travel within a destination.

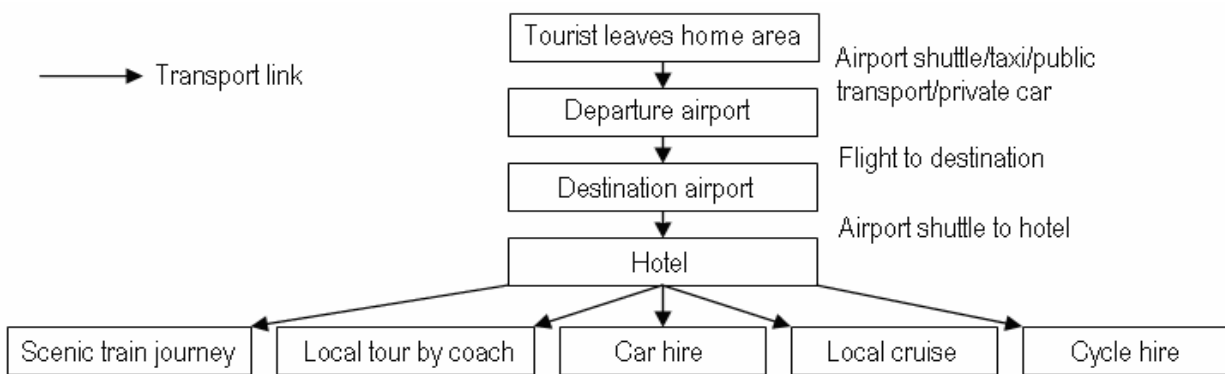


Fig 2.7: The role of transport in tourist travel

Source: Page (2007)

2.3 Marketing Principles in Tourism:

Weaver and Lawton (2006) have indicated that tourism possesses typical attributes of services, which is especially presented in its marketing operations. George (2004) also noted that the tasks of marketing play the most important role within the tourism industry because it integrates all internal and external resources of the industry in order to meet the final profitability. In this section, the nature of services is primarily studied, since tourism marketing belongs to service industries, followed by theories such as strategic and tactical marketing, the services marketing mix in tourism and, finally, destination marketing.

2.3.1 Nature of Services:

Service industries are everywhere and comprise a large scale globally, while tourism, as a highlight sector, can provide more experiences and add value to its consumers. Therefore, a probe in the nature of services, including its definition, categories, characteristics and specific

features in tourism, as well as quality gaps, can provide a foundation for the understanding of tourism marketing.

In order to clarify the services concept, two popular definitions are presented here. Gronroos (1984), as cited in Bennett and Strydom (2005), regards services as: *“An activity or series of activities of a more or less intangible nature that normally, but not necessarily, takes place in interactions between the consumer and the service employees and/or physical resources or goods and/or systems of the service provider, which are given as solutions to consumer problems”*.

Kotler and Keller (2006) define services in a similar manner: *“Any activity or benefit that one party can provide to another that is essentially intangible and does not result in the ownership of anything”*.

Firstly, both above definitions show that services production might or might not be tied to a physical product and in the marketing operating process, all participators such as manufacturers, distributors and retailers can differentiate themselves and enhance competitive advantages through providing value-added services or simply excellent customer services.

Secondly, a key characteristic of services can also be identified from the above definitions in terms of its intangibility, which distinguishes services marketing from the marketing of physical goods. As introduced in Boshoff (2003), Shostack (1997) has proposed a “good-services continuum”, as shown in Figure 2.8, which reveals the interrelationship between goods and services.

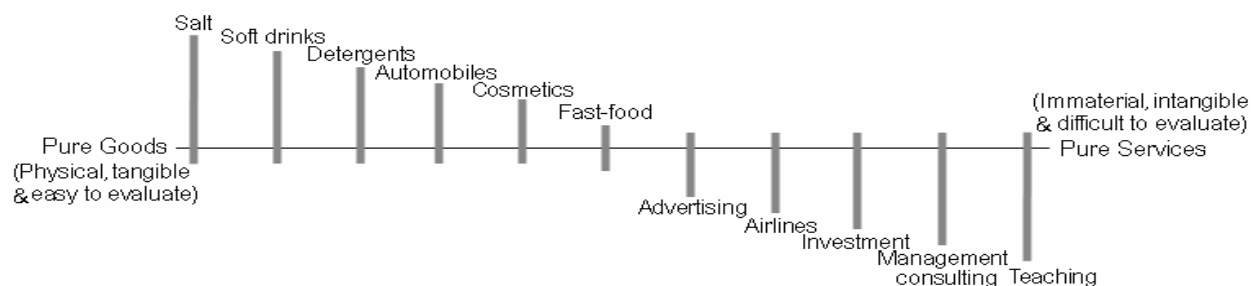


Fig 2.8: The goods - service continuum
Source: Shostack (1977), cited in Boshoff (2003)

2.3.2 Specific Features of services in Tourism:

George (2004) further summarized eight features in services that are unique to the tourism industry, which are:

- **Ownership**

Tourism offerings are typically service-based, which means that tourists may take home souvenirs and intangible memories of the experience, but no transfer of the ownership to the offerings.

- **Fixed Locations**

Tourism destinations are fixed locations. Communications methods such as advertising and sales promotions are essential in order to bring the consumer to the locality.

- **Seasonality**

Seasonality is another unique feature within the tourism industry because a common characteristic of tourism demand is that it fluctuates during different times of the year.

- **Loyalty**

This feature shows that consumers may be loyal to a particular hotel group brand, a local restaurant, an airline, a particular destination or attraction that usually depends on factors such as the consumer's age and wealth or other socio-demographics.

- **High Costs**

High costs remain in both the supply and demand sides of tourism. On the supply side, although low variable costs could be paid to extra staff for maintenance and meals served, it depends on the number of received tourists, since tourism organizations generally have high fixed costs in order for the business to operate such as permanent staff wages, rent, heating, lighting, fuel and marketing expenditures. However, tourists, especially long-haul tourists, have to pay high-costs for purchasing airline tickets or staying at hotels during their holiday, as well as spend more time making a decision and making comparisons with alternative offerings.

- **Distribution Channels**

There is no physical distribution in the tourism industry, since consumers have to travel to the destination by taking means such as road, air, water or railway transport, in terms of distribution channels, which form part of the tourism offering.

- **Interdependence of Tourism Offerings**

Another feature is the interdependence of tourism offerings because when a consumer decides to buy a tourism offering, it usually involves the purchase of several service offerings such as services from transportation, accommodation, attractions and travel agencies, which rely on each other.

- **External Shocks**

Finally, the tourism industry is particularly prone to external shocks, which include wars, diseases, hurricanes, terrorist attacks, transport accidents, pollution, political events and economic factors. These risks may be paroxysmal and impact within a short term such as 2005 South-East Asian tsunami; but it may also impact over a long time, such as the 9/11 terrorism attack. Others may not be paroxysmal but have long term effects on a tourist destination's environment such as HIV/AIDS or crime.

2.4 Strategic Marketing and Tactical Marketing:

Having discussed services, the discussion moves to the marketing of these services. This is a process by which people and groups obtain what they need and want through creating and exchanging offerings and values with others (Kotler et al., 2006). On the supply side, as shown below in Figure 2.9, marketing can also be regarded as a value delivering process. This process includes “choose the value”, “provide the value” and “communicate the value”, which can further be reduced into strategic and tactical phases in terms of any marketing, which should begin with a strategic plan.

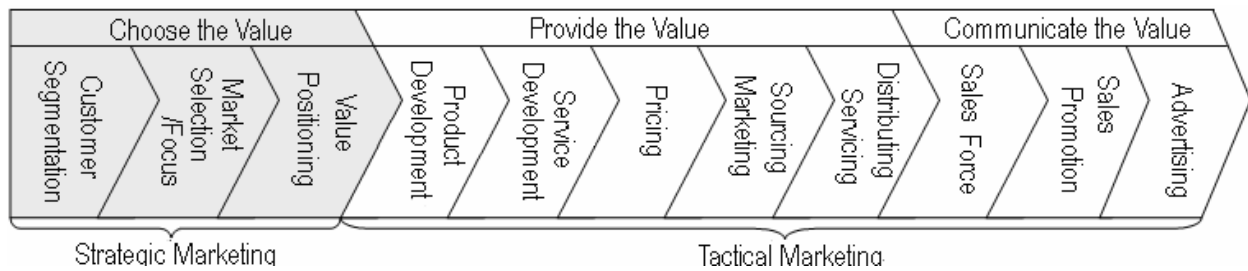


Fig 2.9: The value delivery process.
Source: Kotler and Keller (2006).

Similarly, Perreault and McCarthy (2006) have further described that a consumer-oriented marketing strategy (plan) should follow the value, which is chosen and delivered by marketing organizations to target consumers. Within a marketing organization, under its business mission, the marketing strategy should depend on the study of the environment (both internal and external) in order to set up its goals and tactics (marketing mix) to satisfy its target consumers before consumer feedback is received. This business unit of the strategic-planning process, as shown in Figure 2.10, is continuous and circulatory.

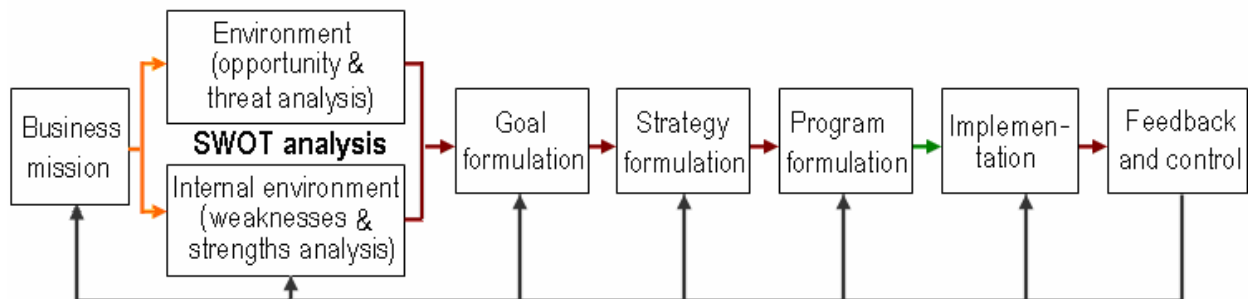


Fig 2.10 : The business unit strategic-planning process
Source: Kotler and Keller (2006)

In this section, the study of strategic marketing (segmenting, targeting and positioning), with basic tactical activities in terms of the marketing mix (4Ps: product, price, promotion and place), can provide an understanding of holistic marketing, as well as a breakdown of marketing operations.

2.4.1 Strategic Marketing:

As shown earlier in Figure 2.1, strategic marketing can be regarded as instrumental in the choice of consumer value. This strategic design includes three key processes, namely market

segmentation, market targeting (selection) and market positioning, which are explained in detail below.

2.4.1.1 Market Segmentation:

Market segmentation is an instrument that can be used to identify and profile distinct groups of buyers who differ in their needs and preferences, which more rest with consumer analysis. Against mass marketing, Kotler and Keller (2006) note that market segmentation can transform most companies into micromarketing at one of four levels: (i) segments, (ii) niches, (iii) local areas and (iv) individuals.

Segments cannot be created, therefore, in segment marketing, the marketing organization's task is to identify and decide which one(s) to target. A market segment can be regarded as a group of buyers who hold a similar set of needs and wants (Blackwell, Miniard and Engel, 2006). However, each segment remains large, since not everyone wants exactly the same thing. Hence, Anderson and Narus (1995) have suggested that marketing organizations present fixable market offerings to all members of a segment. A fixable market offering consists of two parts:

- A naked solution: all segment members' value, and
- Discretionary options: some segment members' value

Different ways can be used to define market segments. A basic way to carve up a market is to identify preference segments (Kotler and Keller, 2006). For example, holiday buyers are asked how much they value nature and socio-culture as two destination attributes: three different patterns can appear.

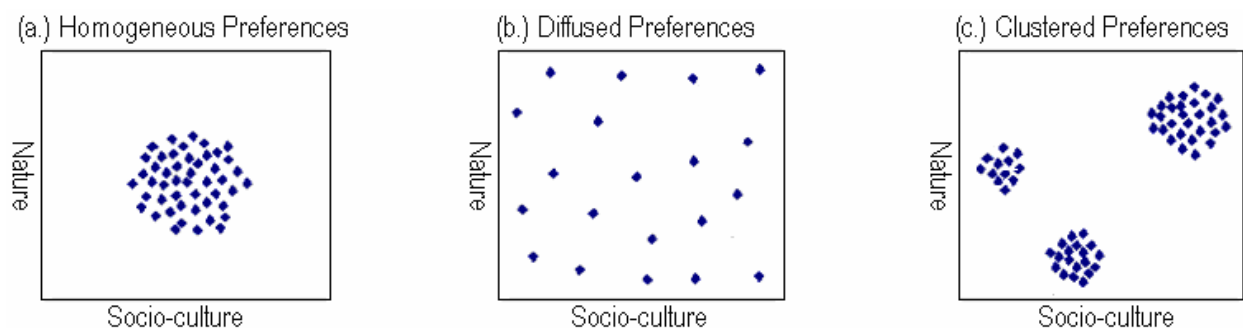


Fig 2.11: Basic market-preference patterns

Source: Adapted from Kotler and Keller (2006)

According to the analysis in Kotler and Keller (2006), the three patterns are presented in Fig above

(i) Homogenous preferences: Figure 2.11(a) shows that all consumers have approximately the same preferences in a market where there are no natural segments. It can be predicted that existing brands are similar and cluster around the middle of the scale in both nature and socio-culture.

(ii) Diffused preferences: Figure 2.11(b) presents that preferences are detached throughout the space and, in terms of consumers, vary greatly in their preferences. The first brand in the market is likely to position itself to aim at all consumers. A succeeding competitor can position the same with the first brand and fight for market share, or position itself to attract a customer group that is not satisfied with the center brand. If several brands exist in the market, they can position themselves throughout the space and show differences to match different consumer preferences.

(iii) Clustered preferences: Figure 2.11(c) indicates that few distinct preference clusters are revealed in the market, since they are natural market segments. In this market, the destination marketing organization has three options: position in the center to attract all groups; position in the largest segment; or develop several brands for each different segment.

Furthermore, a segment can further be divided into sub segments in terms of niches. A niche is a more narrowly defined customer group, which seeks a distinctive mix of benefit. Moseki (2004) notes that niches are smaller and attract fairly fewer competitors compared with a segment's large size and more competitors. The characteristics of a valuable niche include: (a) customers in the niche have a distinct set of needs; (b) they will pay a premium to the company that best satisfies their needs; (c) the niche is not likely to attract other companies; (d) the niche gains certain economies through specializations; and (e) the niche has size, profit and growth potential (Kotler and Keller, 2006).

In order to generally understand all segmentation levels, the last two, namely local marketing and customerisation, are explained. In order to narrow down a market segment and its niches, marketing organizations should further tailor their marketing programs to satisfy the needs and wants of local customer groups, in terms of local markets. These include trading areas,

neighborhoods and individual stores, which connect consumers as closely and personally as possible and reflects a growing trend (Kotler and Keller, 2006).

The ultimate level of segmentation is on individuals, or so-called “customerised marketing” (Peppers and Rogers, 1993), which means that marketing organizations can respond to individual customers by customizing its products, services and information on a one-to-one basis.

After understanding the levels of market segmentation, the ways to segment consumer markets are also important. One approach is introduced by Schoeman (2006), which involves four steps with regard to the process of segmentation. In this process, the marketing organization should first identify those segmentation variables, whose major four are summarized below in Table 2.1. They can be used singly or in combination to identify consumers’ needs.

Variable	Variables Included
Geographic	Region, city or metro size, density (urban, suburban, rural), climate
Demographic	Age and life-cycle stage, life stage, gender, income, social class, ethnicity
Psychographic	Personality, psychological traits, lifestyle, geo-demographic
Behavioural	Occasions, benefits, user status, usage rate, buying stage, loyalty status, attitude

Table 2.1: Major segmentation variables for consumer market.
Source: Adapted from Schoeman (2006); Kotler and Keller (2006)

In the second step, based on the above, consumers are grouped with similar need sets into respective segments. This step, generally, involves consumer research, including surveys, interviews and concept tests. Once consumers with similar need sets are identified, each group should be described in terms of their demographics, lifestyles and media usage. After a thorough understanding of each segment has been attained, the attractive segment or segments could be selected and served within market targeting.

In addition, a needs-based segmentation approach can combine several variables in an effort to identify smaller, better-defined target groups. It leads to a seven-step segmentation process (Best, 1997):

- (1) Needs-based segmentation: group customers into segments based on similar needs and benefits sought by customers in solving a particular consumption problem;
- (2) Segment identification: for each needs-based segment, determine which demographics, lifestyles and usage behaviors make the segment distinct and identifiable (actionable);
- (3) Segment attractiveness: using predetermined segment attractiveness criteria (market growth, competitive intensity and market access), determine the overall attractiveness of each segment;
- (4) Segment profitability: determine segment profitability;
- (5) Segment positioning: for each segment, create a “value proposition” and product-price positioning strategy, based on that segment’s unique customer needs and characteristics;
- (6) Segment test: test the attractiveness of each segment’s positioning strategy; and
- (7) Marketing-mix strategy: expand segment-positioning strategy with all aspects of the marketing mix.

The above mentioned segmentation processes involve both the tasks of market targeting, positioning and the marketing mix, which are discussed in the following text.

2.4.1.2 Market Targeting:

Market targeting involves selection of one or more of the attractive segments, as identified by the segmentation process (Schoeman, 2006). The task of market targeting is to evaluate and select market segments. However, firstly, in order to be useful in evaluation, market segments should rate possibly on four key criteria (Kotler et al., 2006):

- Measurability: the size, purchasing power and characteristics can be measured;
- Substantiality: the segments are large and sufficiently profitable to serve;
- Accessibility: can be reached and served; and
- Actionability: effective programs can be formulated to attract and serve the segments.

Kotler and Keller (2006) have further indicated that there are two factors, which should be considered in evaluating different market segments:

- (1) The segment's overall attractiveness (the above mentioned four criteria and general characteristics such as size, profitability and risks); and
- (2) The marketing organization's objectives (long-term and short-term), competencies and resources.

Once those different segments have been evaluated, five patterns may be considered by the marketing organization for target market selection, which are single-segment concentration, selective specialization, product specialization, market specialization and full market coverage, as illustrated below in Figure 2.12.

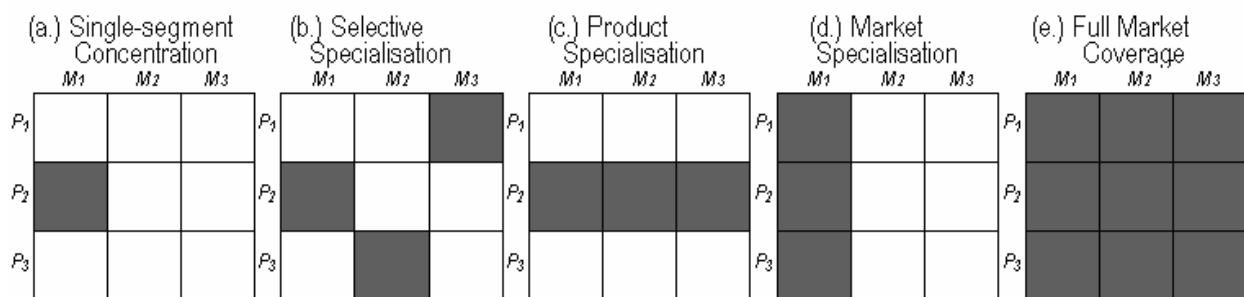


Figure 2.12 : Five patterns of target market selection (P=product, M=market segment).
Source: Kotler and Keller (2006) adapted from Abell (1980)

2.4.1.3 Positioning:

As mentioned earlier in the process of segmentation, positioning tasks begin once the market has been divided and targeted. In tourism marketing, this is the way in which tourist destinations and its offerings are perceived or viewed by target audiences in relation to its competitors (Lumsdon, 1997). This concept also relates to branding and destination image. By examining this positioning concept, four essential principles can be distilled below (Lovelock and Wirtz, 2004):

- (i) Positioning lies ultimately in the eyes of its consumers in terms of how the destination is perceived;
- (ii) Positioning should be singular, providing one simple, consistent message such as a brand;
- (iii) Positioning should set the offering differentiated from its competitors, while differentiations can occur by physical attributes, services, personnel, location or image; and
- (iv) The destination should focus on its efforts and not serve all things to all people.

From the above principles, Lovelock and Wirtz (2004) reflect that the marketing organization can develop an effective positioning strategy in combining market analysis and competitor analysis to internal corporate analysis, as shown in Figure 2.13. In other words, positioning plays a pivotal role to link tourist destinations, its tourists and competitors in establishing a tourism marketing strategy.

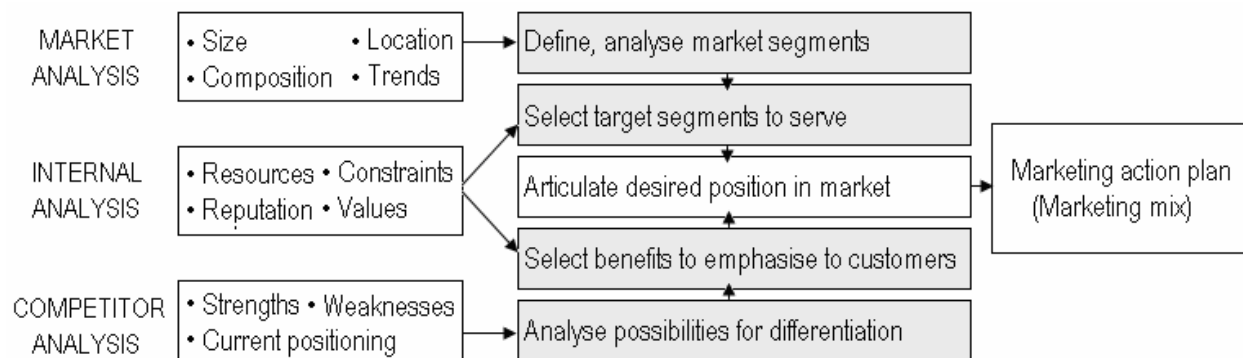


Figure 2.13: Developing a market positioning strategy.

Source: Lovelock and Wirtz (2004)

According to the SWOT (strength, weakness, opportunity, threat) analysis from the market, competitors and internal corporation, four different strategies could be selected to position tourism offerings in the minds of consumers (George, 2004):

- Price and offering features can be used to position an offering;
- Positioning according to the needs offerings or the benefits that offerings provide;
- Position to certain categories of users; and
- An offering can be positioned against existing competitors.

Overall, as suggested by Kotler et al. (2006), the positioning task consists of three key steps:

- (1) Identifying a set of competitive advantages or unique selling propositions to choose from such as price, image, attractions, accommodation and staff, which are often referred to as differentiation;
- (2) Selecting the right competitive advantages
- (3) Communicating and delivering the chosen position to the target segment.

2.4.2 Tactical Marketing:

Tactical marketing is the value provision and communicating process, which supports the determined positioning strategy (Kotler et al., 2006). In typical consumer markets, the process of tactical marketing is designed to increase chances so that consumers will have favorable thoughts and feelings about particular products, services and brands and will try them and repeatedly purchase them.

Peter and Olson (2005) also note that tactical marketing, in terms of the marketing mix, involves developing and offering marketing stimuli, which is directed at selected markets in order to influence their behavior. The controllable stimuli, within marketing activities, can occur in all forms. Traditionally, the classical marketing mix involves a set of idiographic marketing tools, namely the 4Ps (product, price, promotion, place), which are used to pursue their marketing objectives (Perreault and McCarthy, 2002). The particular marketing variables, under each “P”, are shown below in Figure 2.14.

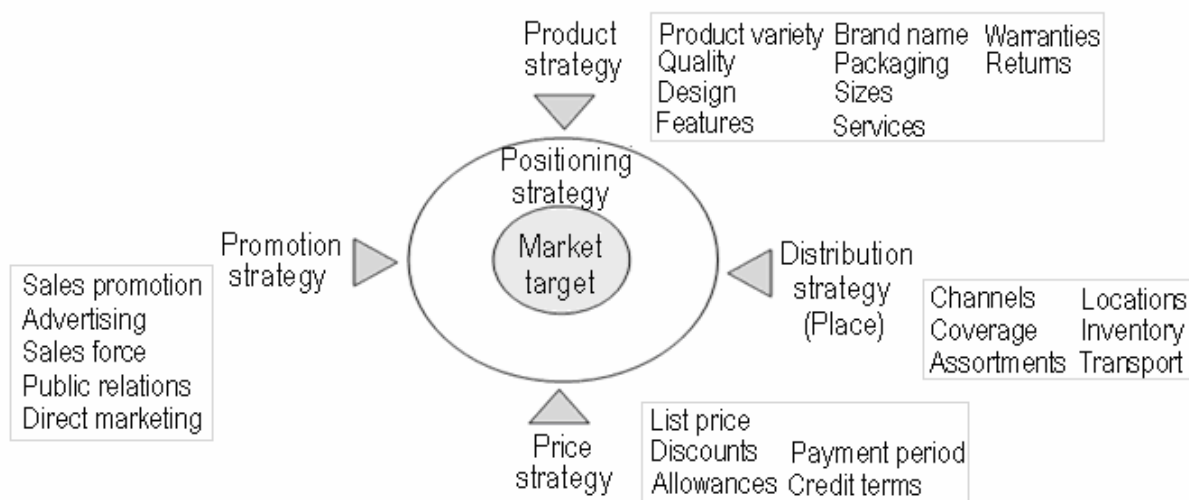


Fig 2.14: The marketing mix (4Ps).

Source: Adapted from Cravens and Piercy (2006)

Figure 2.14 shows that the efforts of all particular marketing variables under each “P” should support the position strategy and finally focus on the target market. In order to create an integrated marketing strategy, all these marketing activities and programs should be combined in

an effective way to meet the needs of the target consumers. This integrated marketing-mix strategy is displayed below in Figure 2.15.

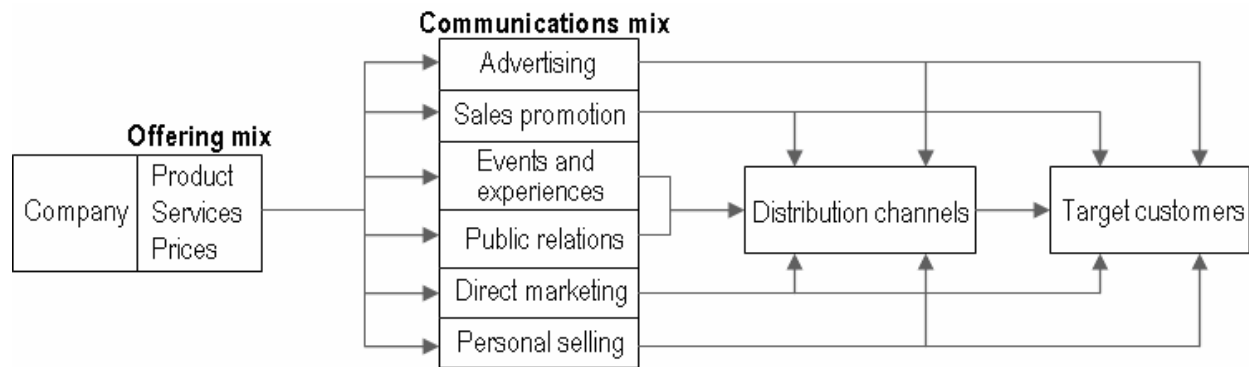


Fig 2.15: The marketing-mix strategy.

Source: Kotler and Keller (2006)

In Figure 2.15, this integrated strategy shows the marketing organization preparing an offering mix of products, services and prices and then by a communications mix of advertising, sales promotion, events and experiences, public relations, direct marketing and personal selling, it reaches the trade channels and finally meets target consumers.

However, many theorists maintain that the classical marketing mix (4Ps) is too limited to apply within services, especially tourism marketing. As Zeithaml and Bitner (1996) have suggested, the 7Ps of the services marketing mix can be cited in tourism to allow for greater flexibility. Figure 2.16 depicts that the additional three Ps are “people”, “process” and “physical evidence”.

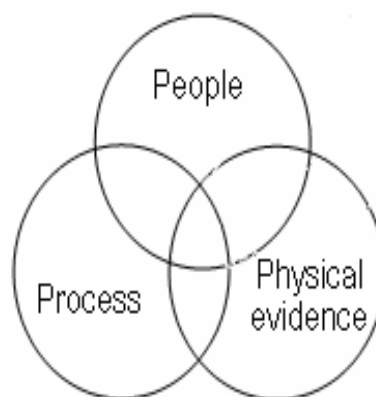


Figure 2.16: Additional three Ps of marketing mix.

Source: George (2004)

2.5 The Tourism (services) Marketing Mix (7ps):

As outlined in the above text, the marketing mix is extended as the 7Ps in order to suit tourism marketing, which is because of several basic issues. Firstly, the fundamental principles of tourism marketing, in comparison with the manufacturing industry, are the same in terms of general marketing theories, which can also be applied in tourism business, but, marketing operations, within tourism, has its own features (Kotler et al., 2006). Practically, tourism marketing is more complex in comparison with other service sectors because it has more unique features.

Furthermore, tourism is a composite of several services and products that are offered by different organizations in different areas such as attractions, accommodation, transport, food and beverages and intermediaries, which cooperate in order to influence the outcome of tourism marketing (refer to Figure) Finally, tourist demand is highly elastic and emotional and can be easily influenced by subjective factors such as motivation, perception, preferences and attitudes¹ (Jooste, 2005). Therefore, as a result of the above, these tactical activities, including offering (product), price, communication (promotion), place (distribution), people, process and physical evidence, displayed in Table 2.2, should be interacted and integrated in order to satisfy tourists.

Product (Offering)	Place (Distribution)	Promotion (Communication)	Price	People	Physical evidence	Process
Physical features	Channel type	Promotions	Flexibility	Employees	Facility design	Activity flow
Quality level	Intermediaries	Adversitising	Terms	Communication	Signage	Standardised
Branding	Exposure	Salespeople	Price level	Customers	Equipment	Customised
Packaging	Outlet locations	Internet	Discounts		Employee dress	Reception
Warranties	Transportation	Publicity	Allowances		Other tangibility	Level of customer involvement
Product-line	Storage		Differentia			

Table 2.2: The 7Ps of the tourism marketing mix.

Sources: Adapted from Jooste (2005)

2.5.1 The Tourism Product:

The product, in terms of the offering in the tourism context, is the most foundational and important component of the marketing mix.

2.5.1.1 Creating the Service Product:

Firstly, it is necessary to probe how designing the service product can provide a basic understanding of the attributes of the tourism offering at a general level of the services. Indeed, it is a complex task to design a service product, since it requires an understanding of how the core and supplementary services should be combined, sequenced and scheduled in order to create an offering that meets the needs of target consumers. In order to shape the core of competitive advantage, marketing organizations should create distinctive branded service experiences for their consumers, which require all product elements at all stages of the service delivery process. In addition, the task of creating a service product often pays attention to improving the value-creating supplementary services that surround the core (Lovelock and Wirtz, 2004).

In creating a service product, Lovelock and Wirtz (2004) have proposed a model in Figure 2.17, the Flower of Service concept, which shows that most different types of core products often share use of similar supplementary elements.

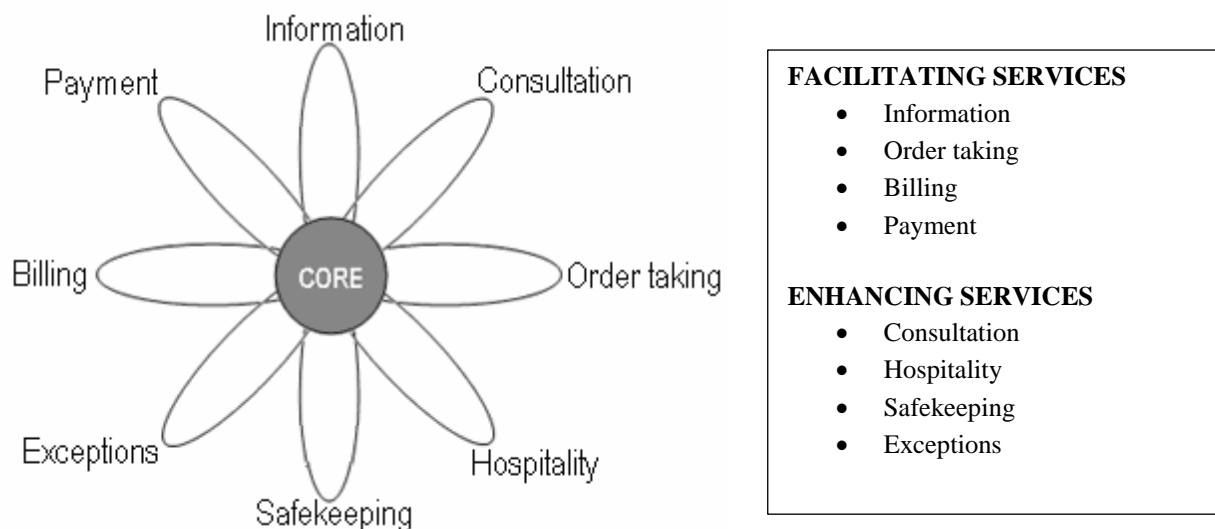


Fig 2.17: The Flower of Service: core product and supplementary services.

Source: Lovelock and Wirtz (2004)

In Figure 2.17, the core product supplies the central problem-solving benefits that customers seek, while supplementary services augment the core product, with both facilitating its use and enhancing its value and appeal. Not only does the extent and level of supplementary services often play a role in differentiating and positioning the core product, but it can also add value to the core product in order to charge a higher price.

According to Lovelock and Wirtz (2004), facilitating services include aspects such as (1) information, since customers require relevant information in order to obtain full value from any product or service; (2) order taking because once customers are ready to buy, a key supplementary element comes into play: accepting applications, orders and reservations, which should be polite, fast and accurate; (3) billing is common to almost all services, so that accurate, legible, completed and timely bills can reduce risk in the buying process; and (4) payment, which combines with billing into a single act.

Enhancing services include aspects such as: (1) consultation, a dialogue to probe customer requirements and then to develop a tailored solution such as an overseas holiday plan; (2) hospitality in terms of the quality of hospitality services that are offered by the host, which can increase or decrease satisfaction with the core product; (3) safekeeping, which is the most basic element in choosing the service product, since, unless certain safekeeping services are provided, some consumers may not come at all; and (4) exceptions involve supplementary services that fall outside the routine of normal service delivery, which means that marketers should anticipate exceptions and develop contingency plans in advance.

2.5.1.2 Shaping Tourism Offerings:

Instead of referring to it as service products in tourism, it is accurately referred to as tourism offerings because, according to Lumsdon (1997), a tourism offering can be described as “a combination of services, which delivers primarily intangible, sensual and psychological benefits but, which also includes some tangible elements”. This definition shows that (a) the tourism offering reveals strongly service-based attributes; (b) there are both tangible and intangible elements that are involved when buying a tourism offering; and (c) most destination

organizations design a range of offerings to fit their positioning strategies in different segments (George, 2004).

In order to clarify tourism offerings, Jooste (2005), based on Lovelock and Wirtz's Flower of Service earlier in Figure 2.17, grouped the different features of an offering into three levels, namely core, expected and augmented levels. As shown below in Figure 2.18, the most basic level is the core offering, which is intangible and is located at the centre of the total offering. George (2004) has pointed out that it is what the consumer really buys and represents the main benefits that consumers look for in order to satisfy their needs in terms of "the central problem-solving benefits that tourists seek".

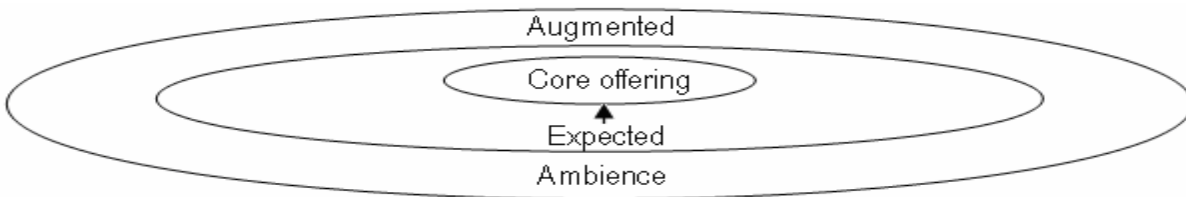


Figure 2.18: Levels of the tourism offering.

Source: George (2004)

On the second level, the expected offering is a combination of tangible goods and intangible services that should be present in order to enable the consumer to buy the core offering. The expected offering includes those features that consumers normally expect when they purchase an offering such as quality level, styling and brand name. Finally, the augmented offering is both tangible and intangible and integrates any additional customer services and benefits, which form the competitive advantage of the tourism offering (Swarbrooke, 2002; Jooste, 2005).

2.5.1.3 Branding Tourism Offerings:

As mentioned in George (2004), the concept of branding tourism offerings is common within the marketing operation. Branding, in tourism marketing, according to Cooke (1996), can be described as a name, term, colour, sign, design or a combination of these elements in order to identify the offerings of a company or destination, which distinguishes them from competitors.

Cooke also identified the attributes that are associated with a successful brand:

- It can be a name, symbol or both, which is well known;
- It is unique and cannot be copied, especially by competitors;

- It is relative to the consumer's self-image;
- It represents the intangibles of a product;
- It informs and influences a consumer at the point of consumption; and
- It provides the foundation for all marketing activities.

The above attributes show that branding offerings (or destinations) are particularly important in tourism marketing. The tourism offering's name or trademark can achieve several advantages:

- (1) Makes the offering easy to be bought and adds more value to the offering that they represent;
- (2) As tangible evidence of the intangible attributes;
- (3) Makes distinction in the positioning strategy that is relative to the competition and service; and
- (4) Provides an effective instrument in promotion (communication mix).

- **Developing New Tourism Offerings**

In order to develop and retain their markets, it is important for destination marketing organizations to understand the development of new offerings (George, 2004). Figure 2.19 directs possible permutations of market and offering, in other words, a new tourism offering may be based on the new and current combinations.

	Current offerings	New offerings
Current markets	Modify existing offering for current market	Launch new offering for current market
New markets	Reposition current offering to attract new market	Launch of new offering for new market

Figure 2.19: New tourism offerings.

Source: George (2004).

Depending on the above representation in Figure 2.19, new offerings, in this regard, may indicate the following (Lovelock, 1984, as cited in George, 2004):

- (i) Style changes such as changes in décor or changes on the logo;
- (ii) Offering improvements, which involve an actual change to a feature of the offering that is already available in an established market;
- (iii) Offering line extensions, which are additions to the existing product-service offering range;

- (iv) New offerings, which are developed by a company for its existing consumers; and
- (v) Major innovations, which are entirely new offerings for new markets.

In order to develop the new offering, Dibb, Simkin, Pride and Ferrell (1994) proposed a six-step structure to describe this process, although not all new offerings should experience all of the six steps:

- (1) Firstly, some ideas should be collected for developing the new offering (consumers are the most important and effective sources, while other sources may come from intermediaries, suppliers, competitors and internal employees);
- (2) The next step is to screen out good ideas and to evaluate, which is termed a shortlisting of ideas;
- (3) Thirdly, once an idea for developing a new offering has been chosen, a business analysis should be used to determine whether the idea is commercially viable;
- (4) Fourthly, the offering development then brings the offering to the market;
- (5) The fifth step is to test-market the offering or idea before the final step of developing the new offerings; and then
- (6) Finally, offering the launch.

2.5.1.4 The Product Life Cycle (PLC):

Similarly, with general products, the tourism offering also exhibits a characteristic life cycle, which is illustrated graphically with visitor numbers (sales) and profits, as shown below in Figure 2.20 .

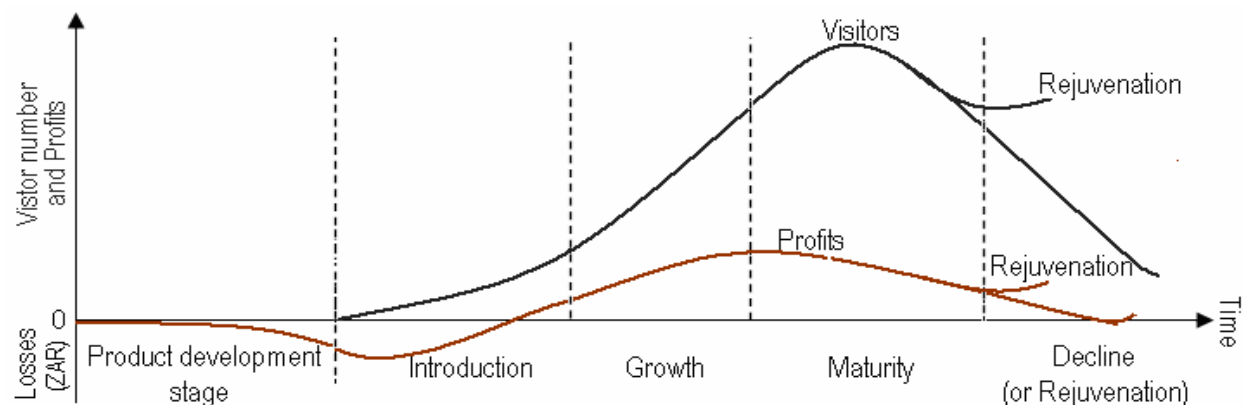


Figure 2.20: The product life cycle (PLC) (including visitors and profits).

Source: Kotler et al. (2006)

Kotler et al. (2006) have explained the five distinct stages of the product life cycle (PLC), as:

- (i) Product development, which begins when the tourism organization finds and develops a new tourism offering idea; during this stage, sales are zero and the investment costs add up;
- (ii) Introduction, which is a period of slow sales growth as the offering is introduced onto the market; at this stage, profits are nonexistent because of the heavy expenses of product introduction;
- (iii) Growth, which is a period of rapid market acceptance and increasing profits;
- (iv) Maturity, which means that, at this stage, profits and sales growth are slowed down; and
- (v) Decline is the period when sales and profits decrease, though this tourism offering may be rejuvenated owing to a number of reasons such as increased technology, increased attractions or changing consumer needs.

After considering an analysis of the tourism offering, pricing is now introduced, since the two are closely integrated.

2.5.2 Pricing in Tourism Marketing:

Price is a critical element within the marketing mix, since affordability constitutes an important pull factor in drawing tourists to particular destinations (Weaver and Lawton, 2006), while it is the most visible part of the marketing mix and plays an important role in satisfying the needs and desires of consumers (Jooste, 2005).

Generally, a price is the amount of money that consumers pay for the exchange of benefits of having or using an offering (Lumsdon, 1997). Price has different meanings for the final consumer and for the organization. For the consumer, price represents an amount of money that is paid for a product, thus for the need satisfaction that the consumer receives. On the other hand, for the organization, price is important since it relates directly to the organization's income and profitability because: "profits = total income - total costs; and total income = price x sales".

Referring to the five stages of the product life cycle (PLC) in Figure 3.20, each face different levels of competition and each may be priced by using different criteria in terms of the product life cycle (PLC), which can influence the pricing decision (Weaver and Lawton, 2006). In

reality, it is more difficult to define the costs in tourism business (services) than in a manufacturing operation, which results in the difficulty of tourism pricing. In order to determine an effective pricing strategy, a tourism marketing organization should understand more internal and external factors, which influence pricing decisions such as its objectives, costs, customer value creating and competitor pricing. For example:

- (i) A challenge is to relate the value that customers perceive in a tourism offering to the price that they are willing to pay for it, which means that tourism pricing can be influenced by time, effort and different market segments;
- (ii) Tourism pricing may also refer to competitor pricing, but this comparison cannot depend on direct “price versus price”, since competitive pricing should take all relevant factors into account; and
- (iii) Tourism marketing organizations should also consider revenue management and high fixed costs

However, according to Lovelock and Wirtz (2004), an appropriate pricing strategy is highly creative, which should address the central issue of what price to charge for selling a given unit of service, at a particular time, since most services combine multiple elements.

2.5.3 Promotion-Mix:

Promotion, or the marketing communications mix was seen by Kotler (1994) as consisting of five major tools: Advertising, direct marketing, sales promotion, public relations and publicity, and personal selling. Vignali, (2001), observed that globalization and the rapid changing business environment involves developing new marketing strategies to be used or adopted everywhere in the world. Global organizations employ standardized products, promotional campaigns, prices and distribution channels for all markets. In general the promotion-mix (i.e. marketing communications mix) is composed of five major elements namely; advertising, personal selling, public relations, sales promotions and other informing printed tools (catalogs, brochures, guides, etc) as follow:

2.5.3.1 Advertising:

As defined by Teare et al (1994) advertising is: *"A deliberate and pre-determined form of communication, where the company spends money to communicate with the market place in order to meet specific objectives. The objectives determine the type of communication needed and the means of reaching customer groups "*.

However, advertising tourism products and services is basically the same as for selling any other type of product except for some special features that are unique to the industry. The intangible nature of the tourism product, since the advertiser is basically selling an experience, might be a good example of those features. Advertising objectives can be classified by their aim: To inform or persuade (Kotler, 2003). In the meantime, and in order to attract actual and prospective customers, many forms of advertising can be employed, like newspapers, direct mail, television, magazine, radio, out-door advertising, directories and display material (Lumsdon, 1997). It is important that for the effectiveness of advertising, all advertising efforts and activities should be directed to the early stages of the consumer's decision-making process. This gains the attention of prospective visitors and holds the attention. Hence, the message can be communicated and it makes a long-term positive impression on the potential consumer's mind. Furthermore, as advertising is undoubtedly the most expensive activity to attain and achieve an organization's strategic objectives, choosing the right media and time are vital for effective advertising (Middleton, 2001).

2.5.3.2 Personal Selling:

Middleton (2001), defines personal selling as: *"Direct contact between buyer and seller, face to face by telephone or through videoconferencing, personal selling is another of the core marketing communication tools"*.

According to Middleton (2001), personal selling is a two-way form of communication. It allows an interactive relationship to be developed between consumer and supplier. Personal selling in tourism industry usually takes place at the travel agencies or any sales office belonging to a tour operator. It has the advantages of direct contact and getting an immediate feedback from the customer. On the other hand, one can argue that, personal selling might not be practical in the

tourism industry, since there are a large number of customers to be involved in the whole process.

2.5.3.3 Public Relations (PR):

According to Holloway and Robinson (1995) PR, has been defined as: *"A set of communications techniques, which are designed to create and maintain favorable relations between an organization and its public "*.

In the tourism industry, it is necessary to have full information available to actual and prospective tourism places a special task in the PR function in official tourist organizations. Good practice indicates that effective PR starts with developing credibility across an organization as a whole before seeking to raise its visibility through media relations and other techniques. In addition, there are major elements needed for successful PR. These include, planned and budgeted programs incorporating objectives, and public to be targeted, activities to be carried out and research and evaluation to assess performance against the objectives set (Middleton, 2001). However, PR activities in tourism range from familiarization tours for travel writers, editors and travel agents, to receptions and presentations arranged by the offices of the official tourism organizations abroad; press releases to newspapers; and national weeks or contests organized by the destination country. Moreover, publicity for a tourism destination may also be obtained through media fiction such as movies. Therefore, public relations in the tourism industry can be used to educate the customers or travellers on the products and services available (particularly new ones) as well as improving their knowledge of other countries, images, people, cultures, resorts and destinations (Laws,1991).

2.5.3.4 Sales Promotion:

Sales promotion involves those activities other than advertising, personal selling and public relations that stimulate buyer purchase and the effectiveness of intermediaries. Sales promotion may be used to create awareness among all targeted customers or tourism travellers, but usually it is used for later stages of the buying process, in order to create interest and bring action to buy.

Sales promotion activities can be directed at not only the customers, but also the distribution networks. Kotler (2003) states that in destination promotion, these activities might be in the form of a price cut or sale offers, discount vouchers, competitions, prize draws, free meals, gifts etc. A further example of destination in terms of sales promotion is special merchandises. T-shirts, key chains and pens might generate word-of-mouth knowledge about the tourism destination.

2.5.3.5 Information Tools (Brochures, Catalogs, guides, etc.):

In addition, to the above promotion or communication mix, there are other promotional activities. As tourism is an intangible product, printed communication (for instance brochures, guides or sales leaflets), are very important in the promotion of tourism products and services. Eccles (1995) pointed out that brochures and tourist's guides are the most widely used promotional method in the tourism industry. This is due to the intangible nature of the product and the customer can only sample the product through printed information. Largely, it is the designing, printing and distribution cost of tourism brochures that contains the largest part of most marketing budgets within the tourism industry. Nevertheless, this is an essential expenditure, as the brochure or leaflets are the principal sales tools for tour operators and other tourism organizations.

However, since 1990, digital multimedia information technology such as web sites, CDs, video films, computerized images, video text, the Internet and enabled mobile phones, have been developed rapidly worldwide with low costing. As a result, online communications between a principal's stock of products and a customer's home television are confidently predicted to replace much of the role traditionally performed in tourism by printed materials. It has been estimated that, by the year 2010, almost every person in the developed world is likely to have access to the Internet (Briggs, 2001). For budget airlines, estimates of (60) per cent of bookings by Internet are cited in the travel trade press (Middleton, 2001). Nowadays, many business corporations use the Internet not only as a valuable marketing tool in providing a low-cost medium for advertising and promotion, but also as a channel of communication to generate additional sales (Heung,2003).

2.5.4 Tourism Place (Distribution):

The distinct characteristics of the tourism product, have led to specific forms of distribution. As tourism, products cannot be transferred to other places, since customers have to come where the product is.

Middleton (2001), defined distribution as a tool which: *“Determines the number of prospective customers who are able to find convenient places and ways to gain information and convert their buying intentions into purchases”*.

It should be pointed out that the distribution system is concerned with ensuring that the right product reaches the right customer. As competition increases in very vital markets, the importance of the distribution system grows equally as a successful distribution strategy will ensure that the product is visible and accessible in the market place and able to achieve a reasonable market share.

2.5.4.1 The Objectives of the Distribution System:

The aim of the distribution system is to establish a link between supply and demand, the tourism organization and the traveller or the tourist. The distribution system makes services and products available to customers. In fact, distribution in tourism differs from manufacturing or other sectors. The products and services in the tourism industry cannot be physically packaged and transported to the traveller and cannot be held in inventory for any other time. As a result, the customer becomes part of the production and consumption process (Kotler, 2003).

2.5.4.2 Factors Determining Distribution Strategy:

There are a number of factors, which need to be considered by any tourism organization, when deciding on which distribution strategy to follow in the market place. Some of these factors would be the locations or points of sale, cost of distribution, effectiveness in generating sales and the image of the organization. It is important for tourism organizations to notice that they should select their target markets. In selecting potential tourist markets, customers' living and working places are important indicators for the tourism organizations. Remembering that the distribution

system should be efficient and positive, it pushes the organization's product through the distribution chain and creates the right image for product and organization (Foster, 1985).

2.5.4.3 The Tourism Distribution System:

Typically, the tourism distribution system is one component of the marketing-mix. In the tourism sector, the distribution decisions should be made as an integrated part of the overall marketing-mix. Once target markets have been selected and marketing objectives established, an appropriate marketing-mix is chosen. Clearly, the tourism distribution system chosen will have an effect over the other components of the marketing-mix. For instance, the service offered might have to be adjusted to meet the specific needs of a travel intermediary. If an airplane seat is distributed through a tour operator, the schedules and other specification of the airplane may have to be adapted to meet the tour operator's requirements according to their marketing strategy.

Promotional activities of the tourism organizations also need to be adapted to suit the choice of distribution channels and intermediaries. Tour operators carry an inventory of airline company seats, hotel rooms and other tourism services. In most cases, they have a prior agreement with airlines and individual suppliers in destination areas and they are willing to share the costs of promoting the destination with the purpose of selling to the maximum number of tourists.

Moreover, the pricing of the supplier of tourism services is also influenced by the distribution decision. For instance, tour operators have choice. They can either distribute directly to the traveller or indirectly through a travel intermediary. They can buy in mass, such as 'blocked' reservations or airlines with hotels, as they are most likely to receive cheaper rates (Mill and Morrison, 1992).

In addition, as cited by Heung (2003), the Internet acts as a communication, transaction and distribution channel with benefits being gained by both travel suppliers and travellers. In the travel and tourism industry, travel products and services are observed to be well suited to Internet marketing due to their distinctive high-priced, high involvement, intangible, heterogeneous, high-risk and well-differentiated characteristics (Burger, 1997). Also, the travel sector is rated

among the top three products or service categories purchased via the Internet (Heichler, 1997., Yoffie, 1997).

2.5.4.3.1 Travel Agents: Travel agents represent one of the most important elements of the tourism distribution channel as they act as an interface between the tourism industry and customers. Travel agencies can be divided into two different categories outgoing travel agencies and incoming travel agencies. The first deals with outbound- tourism and the other deals with inbound- tourism.

The importance of travel agencies differs from one country to another. In fact, they are an important part of the economy in developed countries and in particular the main tourist generators in some countries. In contrast with Europe, there is a vague distinction between incoming and outgoing travel agencies in the majority of the Southern European countries. It is very common for travel agencies to serve both inbound and outbound tourists (Buhalis, 1994). Whatever their role, they are in fact a mirror of the travelling customer's desire, wants, needs and attitudes, and play a significant role in influencing the tourist's travelling choice decision. According to Kotler (2003), travel agents are changing the way of making hotel reservations. They are turning away from a toll-free telephone number to booking hotel rooms directly through computer systems. These systems are now called global distribution systems (GDS) due to their global reach everywhere.

2.5.4.3.2 Tour Operators:

Tour operators can be defined as "organizers," which means they act as an intermediary between the suppliers and travel agent, or the suppliers and the customer. From this, it can be observed that travel agencies are to a large degree dependent on the tour operator for their continued existence. In other words, any changes in the business arrangements between tour operator and travel agent, such as withdrawal of product, pricing policies, method of distribution will cause significant pressure on the travel agent. In developing a travelling package, a tour operator contracts with airlines and hotels for specified number of seats and rooms, receiving a quantity

discount (Kotler, 2003). Where Middleton (2001) states that, this integrated product is usually called a tourist package or inclusive tour and, it can be defined as:

"A selected combination of individual elements of the travel and tourism product, marketed under a particular product or brand label, and sold at an inclusive price ".

However, under developed region like the Northeast of India need tour operators for several reasons. Initially, tour operators being in the travel business are equipped with first hand knowledge or expertise of the market situation. Secondly, tour operators increase occupancy rates and reduce promotional costs for tourism suppliers in tourist receiving countries. This might be a great utility for under developed region, which are short of funds to promote the region. Finally, tour operators organize package tours aimed at cutting the cost of travel and making holidays possible for different type of tourists. Admittedly, new tourism destinations would never be considered or known by potential long-haul travellers in the absence of well-organized tour operators working in the tourism sector.

2.5.5 Physical Evidences:

Physical evidences, including physical environment, relate to the style and appearance of the physical surroundings and other experiential elements that are encountered by customers at service delivery sites (Lovelock and Wirtz, 2004). As indicated in Turley and Milliman (2000), physical evidences are tangible and complex, which can be identified by the following main dimensions:

- The impact of ambient conditions such as buildings, landscaping, music, scent and color;
- Spatial layout (size and shape of furnishings, counters and potential machinery and equipment, as well as the ways in which they are arranged) and functionality (the ability of those items to facilitate the performance of service transactions);
- Signs and symbols, which include brands, printed materials and other visible cues; and
- People, in terms of the appearance and behaviour of both staff members and customers, which can reinforce or detract from the impression created by a service environment.

As part of the service experience and value proposition, Lovelock and Wirtz (2004) have pointed out that the purpose of physical evidences is to build a service image, position the service offering and make the differentiation of the service offering. Furthermore, physical evidences also facilitate the service encounters and enhance productivity. Therefore, physical evidences play an important role in shaping service experience and delivering customer satisfaction.

2.5.6 Process:

Creating and delivering services to customers require the design and implementation of an effective process. A process, in this regard, should be seen as the method and sequence of actions in the service performance. This important process is noted by Lovelock and Wirtz (2004) who mention that badly designed processes often lead to slow, bureaucratic and ineffective service delivery, which finally result in customers being dissatisfied; similarly, poor processes make it difficult for front-line staff to do their jobs well, resulting in low productivity and the likelihood of service failure.

A powerful tool to design the service process is blueprinting, which is a more sophisticated version of flowcharting and includes flows, sequences, relationships and dependencies (Shostack, 1992). Lovelock and Wirtz (2004) have further introduced the development of a service blueprint:

- (i) Firstly, all the key activities, which are involved in creating and delivering the service, should be identified before these activities, with linkages between them, can together define a “big picture”;
- (ii) Secondly, the blueprint designer should also create a script for employees and consumers because in high-contact services, employees interact directly with consumers;
- (iii) Thirdly, an important part of process design is to define the roles of customers in the production of services, including to determine their level of desired participation and to motivate and teach them to play their part in service delivery; and
- (iv) Finally, the design of service blueprinting also includes activities such as setting service standards, identifying fail points and improving reliability of service processes by failure proofing.

In conclusion, the design of an appropriate service process can satisfy customers and render operations efficient in terms of marketers and operations specialists who should work at obtaining this.

2.5.7 People:

“People” is a crucial strategy in the services marketing mix because many services depend on direct interaction between customers and a firm’s employees. According to Bove and Johnson (2001), from both the perspectives of a customer and frontline staff within a firm, the encounter with each side is probably the most important aspect of the service in terms of obtaining or providing. It should be noted that the way service is delivered by frontline staff, can be an important source of differentiation, as well as competitive advantage. Additionally, the strength of the relationship between customers and frontline staff is often an important driver of customer loyalty. The reason for the importance of frontline staff in services marketing, as explained by Lovelock and Wirtz (2004), are as follows:

- Frontline staff is a core part of the product and significantly determines service quality;
- Frontline staff represents the service company; and
- As seen by customers, frontline staff and services are often a core part of the brand.

Furthermore, it should be pointed out here that service quality management is always implicated with people because people are not only the “service carriers”, but also the “service accepters”. Hence, a successful service company devotes significant effort to recruiting, training and motivating their employees, as well as building high-performance service delivery teams and a service leading culture within the company (Kotler et al., 2006).

In an overview, these extended three Ps work together in tourism business and shape the core offering, which are depicted below in Figure 2.21



Figure 2.21: Additional three Ps with their details.

Source: Lumsdon (1997); George (2004)

People can be regarded as the most important force in services marketing, especially vitally in tourism, so that tourism is often referred to as a “people industry” (George, 2004). According to Weaver and Lawton (2006), people in tourism marketing should be seen within a wider context, including service personnel, local residents at the destination and the tourists themselves. Zeithaml and Bitner (1996) have identified that people within the tourism industry are all human actors who play a part in service delivery and thus influence the tourist’s perceptions in terms of the organization’s staff, the tourists and other people within the service environment.

Furthermore, tourism services are essentially intangible, since tourists often rely on physical evidences in order to evaluate the offering before the holiday is purchased and they also use physical evidences to assess their contentment with the offering during and after the holiday (Jooste, 2005). On the supply side, the role of the tourism organization is to provide physical evidences or tangible cues of the standard of services, from both the interior (internal resources) and exterior (external resources but can be utilized by the firm) (George, 2004).

Additionally, physical environment also significantly influences tourist perceptions, including the destination’s macro environment and service infrastructure.

Tourism is an experience process. George (2004) has argued that the process includes all the procedures, mechanisms and routines by which a tourism offering is created and delivered to a consumer. Tourism offerings cannot be held and owned owing to its intangible nature, in other

words, tourists receive benefits from the offering that provide process, by attending, feeling, experiencing and participating.

2.6 Enhancing Tourism Destination Images:

The image of a place as a pleasure travel destination to both tourist receiving countries and tourists is very important. One of the most important tasks of marketing management within the tourism organizations is to develop or maintain the destination image in line with the visitor groups being targeted. Image is therefore considered integral to the destination and is a well-researched area in tourism (Gartner, 1993). In fact, image to a greater or lesser extent, is derived from attitudes towards the destination's perceived tourism attributes.

2.6.1 The Meaning of Image:

As cited by Murphy (1999), destination image has been seen as a pivotal aspect of promotion strategy, since tourism marketing has a root process whereby attributes of a destination are matched to the needs of one or more market segments through a promotion campaign. The image formation process is an integral part of the destination selection process since, at all stages in the selection process, a tourist's images help to determine which destinations remain for future evaluation and which are eliminated from future classification (Gartner, 1993). There are two types of image-organic and induced. Organic image is based primarily on information assimilated from Non-Touristic, Non- Commercial sources such as general media, education, and opinions of family and friends, and actual visitation. While the induced image is developed after efforts have been made by the consumer to use commercial information sources that may alter the organic image (Gartner, 1993). According to Echtner and Ritchie (1991), destination images seems to be derived from a much wider information sources than the majority of products and services and the distinction between organic and induced images is important to the formation of destination images.

Jefferson and Lickorish (1988), state that tourism Image reflects tourists' expectations and anticipations. In fact, image describes the degree to which a tourist area can satisfy tourist needs and wants. Satisfaction of customers happens to the cheapest means of promotion, which is considered the most expensive element among the other marketing mix elements (Pizam and

Ellis, 1999). In addition, identifying the attributes of an image of a tourist destination helps to find adequate ways of improving tourist quality by rearranging tourism products and revising tourism planning. This results in attracting more tourists and creating more opportunities.

2.6.2 The Importance of Image:

Destinations may claim a position on visitors' minds for the services they offer by emphasizing selected attributes such as, drawing contrasts with competitors. However, the image which a person has of any product is highly subjective and therefore, it is not easily quantifiable (Laws, 1991). Therefore, by taking a survey of the importance of each attribute from the customers, one can capture valuable and accurate information about which attribute to include in the measurement. The aim of doing this is to balance the key information needs of management with the needs and issues of the customers (Vavra, 1997). Despite the availability of a wide variety of attraction, some destinations fail to fulfil their tourism potential due of their negative images. Thus, much marketing in tourism is designed to attract people to particular destinations. Images are of paramount important because they transpose representation of an area into the potential tourist's mind and give a pre-taste of the destination. As a result, most attempts to understand and predict destination choice attributes include measurement of the importance of various destination attributes such as, climate, natural and cultural attractions, tourism infrastructure etc.

2.6.3 Tourism Destination Image:

Choosing a destination or a vacation package is based on individual likes and dislikes, interests, attitudes, and motives. According to Kassem (1985), image is not only concerned with geographic features such as, mountains, rivers, lakes, seaside, forests or historical places, culture etc. It is also influenced by economic considerations like the rate of exchange, the relative cheapness or expensiveness of meals, accommodation, and various means of transportation.

Moreover, the law of a country with regard to the sale of alcoholic, the opening hours of restaurants, entertainment, safety and sanitation, could influence individuals' behavior choice of holiday and destination. As cited by Ahmed et al, (2002), when consumers are unfamiliar with the product, country image may serve as a "halo effect", by which consumers infer product

attributes. The halo effect implies that country image directly affects consumer beliefs about a product's attributes and indirectly affects their overall evaluations of products through these beliefs (Han, 1989). However, once consumers have adequate knowledge about a country's products, country image became less important in forming their beliefs about the product attributes and their brand attitude. Therefore, a country's image may start to serve as an indirect channel in affecting product attributes and brand attitudes (Bruning, 1997; Erickson et al, 1984 and Han, 1989).

Echtner and Ritchie (1991) state that the image of a destination can be composed of impressions of a core group or traits on which all destinations are commonly rated, while at the other end images of a destination can include unique features and events or auras (See Figure 2.22).

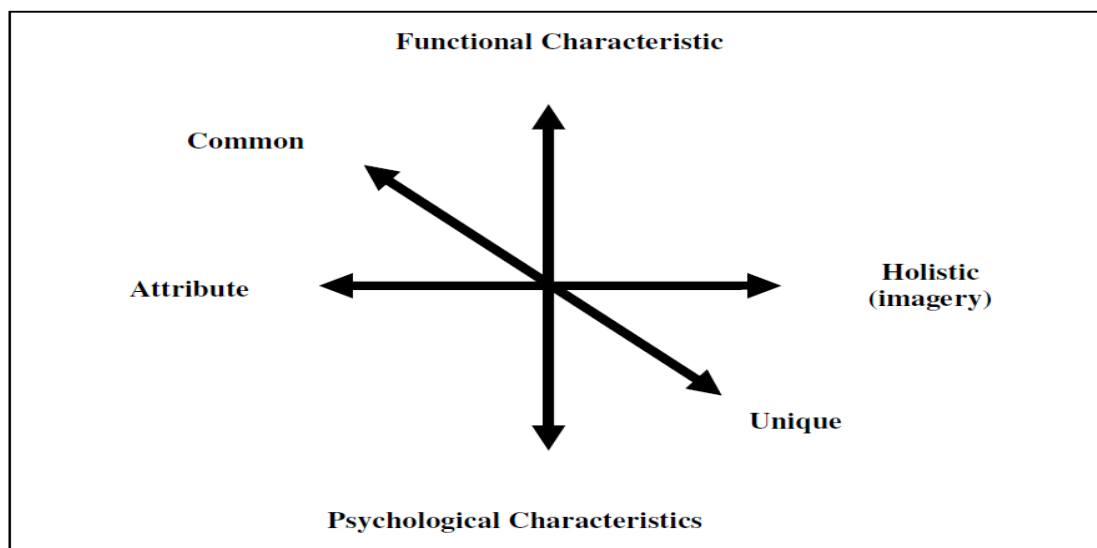


Figure 2.22: Dimensions of Destination Image.

Source: (Echtner and Ritchie, 1991)

Echtner and Ritchie (1991) and Gunn (1972), indicate that organic image is based mainly on information estimated from Non-Touristic, Non-Commercial sources such as general media, actual visitation and opinions of families and friends. The induced image is developed after efforts have been made by the consumer to use commercial information sources that may alter the organic image. The traveller creates an image by processing information about a destination from various sources over time. This information is organized into a mental construct that in

some way is meaningful to the individual. Gunn (1972) suggests that destination images fall in a continuum beginning with the organic image followed by the induced image and ending in the complex image. The stage of an individual's image depends on his or her experience with the destination. He added that the organic image arises from a long history of non-tourism specific information, such as history and geography books, newspaper reports, magazine articles and television reports that were not intended as tourism-specific.

Therefore, individuals who have never visited a destination nor have sought out any tourism specific information will likely have some kind of information stored in their memory. At this point, there might be an incomplete image, to which the traveller adds other bits and pieces. The induced image is derived from a conscious effort of tourism promotion directed by tourism organizations. While the organic image is beyond the control of the destination area, the induced image is directed by the destination's marketing efforts. It depends upon colorful brochures distributed at Visitor Information Centres, information available in travel agencies, travel articles in magazines, TV advertisements, and many other activities a tourism organization might choose to promote the destination. The complex image is a result of an actual visitation and incorporates the experience at the destination. Because of this direct experience with the destination, the image tends to be more complex and differentiated (Fakeye and Crompton, 1991). For instance, while non-visitors perceived Turkey, Italy, and Greece as equally appealing, visitors found Greece less appealing when compared with Turkey and Italy. This means that the image represents the destination in the traveller's mind and gives him or her pre-taste of that destination (Fakeye and Crompton, 1991).

2.7 Tourism and the economy of the host community:

Tourism's rising popularity as an economic growth strategy is not limited to large cities, however. Over the last few years more small communities have become major destinations on the tourist trail. Even though rapid tourism growth has burdened these communities with undesirable environmental and social effects, the industry's impressive economic performance has reinforced the desire of community leaders in hundreds of other small towns around the nation to pursue tourism.

Fainstein and Gladstone (1999) argue that, other than tourism, cities nowadays have few options for economic development. Compared to most sectors, including extractive industries and manufacturing, tourism-related investments hold the perceived promise of rapid returns. Tourism is an attractive sector for policy makers primarily because of its wealth and job creating potential, not to mention that ordinary residents have often benefited from tourism-related investments, both financially and through improved amenities (Fainstein and Gladstone, 1999). The revenues associated with the sector can be used to improve a destination's infrastructure and services (e.g. roads, airports, sewage systems and fire protection) and other facilities (e.g. greenways, playing fields, parks and theatres), all of which ultimately benefit the local population. The tourism-related improvements can also boost a community's image for potential investors seeking locations to establish their business or attract new residents in search of a locality with a high quality of life (Law, 1992).

Communities will often adopt tourism as a means of diversifying their economic base, particularly in situations where they may be heavily dependent on a narrow range of activities. On a grander scale, the deindustrialization of western societies and global economic restructuring has led to numerous localities competing for increasingly mobile capital (Britton, 1991; Hall and Hubbard, 1996). In response to this situation, cities that were once centres of traditional manufacturing or major mercantile powers have recast their industrial plants, warehouses, railway stations, harbors and market spaces into what Urry (1990) has called out-of-the ordinary objects of the tourist gaze.

The worldwide perception of tourism as a growth sector stems from the fact that, unlike most consumer services (e.g. retailing), it can be considered an export or basic industry (Law, 1992), albeit an odd one, because the consumer must visit the place of production as opposed to the goods being transported to the market (Debagge and Daniels, 1998). Localities can use tourism as an invisible export in the same way they may use the production of tangible manufactured or agricultural goods to attract necessary foreign exchange and fulfill their overriding economic goals of wealth creation, employment generation and enhancement of the host population's living standards. Unlike other sectors, tourism usually 'requires little, by value, in imports for every unit

of foreign exchange which it generates (and) thus a greater proportion of the foreign exchange earnings of tourism can be used for investment in the development of manufacturing industries or in reducing the foreign earnings debt' (Mathieson and Wall, 1982). Mathieson and Wall also maintained that policy makers favors the development of tourism instead of concentrating on the export of agricultural or mining products, since communities seldom have control over the prices for the latter commodities.

Furthermore, tourism is an attractive development option for many localities because it is characterized by a high-income elasticity, meaning that a substantial increase in the number of visitors and tourist dollars can result, despite a fairly moderate increase in the disposable income of tourists.

Beyond its promise of wealth creation, tourism is seen as a way to create a labor pool with a certain modicum of human capital. Even though, there is considerable debate as to the quality of the jobs created (the 'good jobs' versus 'bad jobs' argument), the heart of the matter is that tourism can provide a source of employment in situations where options are limited (Fainstein and Gladstone, 1999). The argument can also be made that barriers to entry in the tourist sector are low and the cost of job creation is considerably less (one eighth) of that in manufacturing (Urry, 1990). As Mathieson and wall (1982) contend, the same investment- in tourism as in the petroleum industry will normally create more jobs. Since many jobs in tourism require minimal skills, it is possible to absorb a large proportion of the required workforce from other sectors without the major investments in training programs that are often required by other industries.

Most analysts agree that the promotion of tourism in a certain community or region has an impact on local entrepreneurial activity, although the precise nature of this impact has not yet been fully explored (Timothy and Wall, 1997; shaw and Williams, 1998; Timothy and White, 1999).

According to Mathieson and Wall (1982: 82), the extent to which the tourist sector can establish linkages with local entrepreneurs depends upon:

- The types of suppliers and producers with which the industry's demand are linked.
- The capacity of local suppliers to meet these demands.

- The historical development of tourism in the destination area.
- The type of tourist development.

2.8 Tourism and local society and culture:

Worldwide, communities have embraced tourism because of its perceived promise of economic growth generation. Undoubtedly, there are numerous economic effects on host regions arising from the development of the sector although there is no clear consensus regarding the nature of these impacts. For example, there is still much debate in the literature concerning tourism's income and employment multipliers. While community leaders and industry analysts regularly seek to underline the benefits of the tourism multiplier phenomenon, other commentators advocate caution by stressing that the promises of income and employment generation are undermined by factors such as leakages or poorly paid jobs. It generally appears, however, that this debate has failed to dampen the enthusiasm with which local leaders chase schemes to attract more visitors. The absence of rigorous analysis concerning tourism's impacts, including its economic effects, does not bode well for those observers advocating the promotion of balanced development forms in destination communities. This inadequacy in methodology is reflected by the fact that many of the strategies which communities have recently adopted under the guise of sustainable development have been flawed. Limited understanding of tourism's impacts and the overshadowing of a community's societal and environmental objectives by profit-making objectives mean that the overarching goal of sustainable development within touristic environments will remain unattainable.

In a review of culture and tourism in Europe (Richards, 1996), attention was drawn to the progressive convergence of tourism and culture. Both have responded to the developing patterns of consumption so that one facilitates and supports the other. This circumstance is particularly true as the 'culture industry' has moved into the marketplace to compete for attention with the recreational attractions of, for example, theme parks, cinemas, entertainment centers, recreational shopping and so on. The outcome has been a culture industry that is less dependent on the support of elite patrons and more on the patronage of a mass audience. One of the principal responses of local communities has been to assess their range of potential tourism products and to match them against realizable client interest, especially where potential visitors consider that

the culture of a particular region or destination is 'exotic' when compared to that of their home and origin.

As a consequence, many regions and destinations may owe their tourism attractiveness to culture, cultural activities and the evidence of a different (or exotic) cultural ambience. This situation has particular social and community implications.

The principal concerns about the vulnerability of local communities and their culture are derived from the differences in value systems, behaviors and attitudes towards sociocultural issues that distinguish residents from visitors, and even among the stakeholder groups in the host communities. These concerns are heightened where the target communities are tightknit, unsophisticated (compared to tourists), tradition-bound and where the manifestations of visitor affluence may be seductive, especially to the younger age groups. Some of the challenges include:

- Sustaining daily lifestyles in the face of visitor intrusion;
- Coping with tourist numbers (a measure of carrying capacity);
- Coping with the pressure for change;
- Retaining the meaning of the traditions and ceremonies;
- Retaining authenticity; and
- Containing the tendency towards commercialization.

Vulnerability may be encapsulated in the combined interpretations of such key terms as transformation, modification, modernization, exploitation and stereotyping. Any developmental action that might be interpreted as contributing to any of these circumstances may bring about the progressive neutralization and generalization of the local culture and its host community, reducing its distinctive identity and, thereby, its special attractiveness. The implications of these various issues have been raised dramatically by, for example, MacCannell (1973, 1976) and Cohen (1979). Another aspect of the vulnerability is the tendency for only the marketable elements to be targeted; this may accelerate the neutralization of these elements and the fossilization of these that remain untargeted and bypassed. Such action may cause the 'museumization' of those untouched elements and the creation of a 'fake culture' where some

elements are replicated simply because they are clearly attractive to potential visitors and users. An outcome is that tradition becomes entertainment, and the symbolism of actions becomes commercialized. Some of the action and host community response (from the various stakeholder groups), whether positive or negative, is dependent upon the expectations of the tourists, the experiences they are seeking, the numbers and types of tourists, and the availability of resources locally to meet the expectations.

Many researches have revealed that there is a range of common outcomes of tourism development. These include some challenges to economic, social and cultural structures.

Changes	Family and community level
To economic structure	<ul style="list-style-type: none"> • At the family level, with changes to the status of the various income earners. • At the community level, with changes to investment priorities, sources of financing, employment structures, ownership patterns, role of government.
To social structure	<ul style="list-style-type: none"> • At the family level, with changes to responsibility levels, decision-making roles, influence on the family, employment opportunities. • At the community level, with changes to the significance of local leaders, the influence of government, the influence of 'external' stakeholders, new political structures
To cultural structures	<ul style="list-style-type: none"> • At the family level, with hosts imitating guests' behavior, with hosts indulging in 'cultural prostitution' (as the communities interpret their role as servants, entertainers, objects of the tourist gaze), with the manifestations of the 'demonstration effect' and the emulation of visitor behavior. • At the community level, with local cultures being manipulated to meet the expectations of tourists, with the homogenization and symbiosis of culture (assimilation and reflection of guest behavior) leading to 'cultural drift' as the community starts to lose its special identity, with the packaging and commodification of selected attributes of local culture (at the expense of the culture as a whole)

Table 2.3: Outcomes of tourism development.

Source: (Michael Fagence, 2003)

The social and cultural consequences of visitors to vulnerable host communities may be detrimental or they may be positive. The outcome is likely to be determined particularly by matters such as:

- Tourist carrying capacity of the destination community.
- Resilience of the local community and its capacity to withstand the pressures of 'alien' behavior.
- Resilience of the local culture and its capacity to withstand pressures of market-led promotion and demand for packaged commoditized culture.
- Types of tourists.
- Adaptability of the visitors.
- Introduction of suitable management strategies, which may include spatial segregation into dedicated host and guest precincts, and strategies to distract visitors from communities, sites and settings that may be particularly vulnerable to any level of visitation.

2.9 Tourism and the environment:

The relationship between tourism and the environment is obvious, and is largely established through what is called 'environment quality'. This quality is perceived in different ways according to human population and the circumstances presiding tourists activities at any given moment. Any analysis of the relationship between tourism and the environment that we can include under human ecology therefore comprises aspects of the natural sciences as well as social sciences.

Tourist activity is promoted, conditioned and influenced by the environmental circumstances of each region and can be affected by modifications or changes in those circumstances. Although a lot of emphasis has been placed on the negative impact or modifications in environment quality attributed to tourism, it is also accepted that it can be a very important factor in the preservation and defense of ecological values threatened by more destructive alternatives for the use of territory. Very often, tourism can be the most suitable and most satisfactory way of using a region's renewable natural resources. Nevertheless, their management and use need to be properly regulated so as to guarantee their renewability and persistence.

Tourism runs the risk of going the way of other phenomena, which first of all experience rapid growth and then suffer a spectacular collapse, what in Economics is often called 'boom and bust'.

The causes are familiar, a certain dose of greed, often based on a lack of mid-or long-term planning, property speculation, little consideration for local populations in both economic and social aspects and, in general, a lack of awareness as regards environmental aspects - contamination, water use, energy, etc., on the part of tour operators, hoteliers and other agents involved in tourism in its different forms, including the tourists themselves. The problem is particularly evident in ecotourism, based on the wonders of the natural world: landscapes, flora and fauna. Many experts fear for the future of this type of tourism, which has grown spectacularly in the last few years. Landscapes deteriorate, the fauna decreases, the designers and administrators of tourist developments fail to respect the most elementary principles for adapting architecture to its surroundings, or else there is little effort to recycle, economize or educate with a few honorable exceptions, tourist planning is careless and irresponsible.

And yet a responsible approach would be in the tour operators own interests, as it would make the tourist industry sustainable, with positive influences on biological, economic and social aspects.

Ecotourism, for example, has shown that when properly conceived it can become a powerful instrument for the preservation of nature, with very favorable repercussions for local populations and for educational programs, while offering hundreds of millions of ecotourists a wide range of spiritual and physical satisfactions. At the same time, the host countries can take pride in what they have to offer their citizens and the rest of the world.

2.10 Conclusion: This chapter has presented an in-depth analysis of how tourism can be marketed on various approaches, strategies and practices that can be followed while marketing tourism and also that it highlights the impacts of tourism on society, culture, economic and environment of the destination community.

CHAPTER-III

AN OVERVIEW OF SERVICES SECTOR IN INDIA WITH SPECIAL REFERENCE TO TOURISM SECTOR IN ASSAM, MEGHALAYA AND MIZORAM

3.0 Introduction:

The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP)¹. On a per-capita-income basis, India ranked 141st by nominal GDP and 130th by GDP (PPP) in 2012, according to the IMF². Following strong economic reforms from the socialist inspired economy of a post-independence Indian nation, the country began to develop a fast-paced economic growth, as free market principles were initiated in 1990 for international competition and foreign investment. India is an emerging economic power with a very large pool of human and natural resources, and a growing large pool of skilled professionals. India was under social democratic-based policies from 1947 to 1991. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services and software workers. The economy was characterised by extensive regulation, protectionism, public ownership, pervasive corruption and slow growth. Since 1991, continuing economic liberalisation has moved the country toward a market-based economy. A revival of economic reforms and better economic policy in first decade of the 21st century accelerated India's economic growth rate. In recent years, Indian cities have continued to liberalize business regulations.

¹ International Monetary Fund. Retrieved 2013-04-16.

² World Bank. Retrieved 2011-11-20.

In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. However, India's economic growth in 2011 slowed because of persistently high inflation and interest rates and little progress on economic reforms. High international crude prices have exacerbated the government's fuel subsidy expenditures contributing to a higher fiscal deficit, and a worsening current account deficit. Little economic reform took place in 2011 largely due to corruption scandals that have slowed legislative work. India's medium-term growth outlook is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. India has many long-term challenges that it has not yet fully addressed, including widespread poverty, inadequate physical and social infrastructure, limited non-agricultural employment opportunities, scarce access to quality basic and higher education, and accommodating.

India is the 19th-largest exporter and the 10th-largest importer in the world. The economy slowed to around 5.0% for the 2012–13 fiscal year compared with 6.2% in the previous fiscal³. India's GDP grew by 9.3% in 2010–11; thus, the growth rate has nearly halved in just three years. GDP growth rose marginally to 4.8% during the quarter through March 2013, from about 4.7% in the previous quarter. The government has forecast a growth rate of 6.1%-6.7% for the year 2013–14, whilst the RBI expects the same to be at 5.7%. Besides this, India suffered a very high fiscal deficit of US\$ 88 billion (4.8% of GDP) in the year 2012–13. The Indian Government aims to cut the fiscal deficit to US\$ 70 billion or 3.7% of GDP by 2013–14

India is expected to achieve the most significant increases in share of the world GDP at Market Exchange Rates (MERs) by 2050. By 2050, this share could grow to around 13 per cent. India has the potential to be the fastest growing large economy in the world over the period to 2050, with a GDP at the end of this period to be close to 83 per cent of that of the US at Market Exchange Rates, or 14 per cent larger than the US in terms of purchasing power parities. The global financial crisis has further accelerated the shift in economic power to the emerging economies. Over the coming decade, the Indian economy is likely to become less dependent on

³ Money control. February 2013

outsourcing and more focused on manufacturing exports, building on its strong engineering skills and the rising levels of education of its population. Lower labour force growth due to one child policy means China's growth will slow down progressively while India will remain fairly strong. However, according to the report, despite slowdown in population growth, China is expected to overtake the U.S. as the world's largest economy sometime before 2020. However, India will be able to fully realise its great potential only if it continues to pursue the growth-friendly economic policies of the last two decades.

3.1 Broad Sectors in Indian Economy:

Following strong economic reforms from the socialist inspired economy of a post-independence Indian nation, the country began to develop a fast-paced economic growth, as free market principles were initiated in 1990 for international competition and foreign investment. Economists predict that by 2020, India will be among the leading economies of the world. India's large service industry accounts for 57.2% of the country's GDP while the industrial and agricultural sector contribute 28% and 14.6% respectively. The three broad sectors of Indian economy are a) Primary Sector b) Secondary Sector c) Tertiary Sector. An understanding of these sectors is as follows:

Primary Sector:

When the economic activity depends mainly on exploitation of natural resources then that activity comes under the primary sector. Agriculture and agriculture related activities are the primary sectors of economy.

Secondary Sector:

When the main activity involves manufacturing then it is the secondary sector. All industrial production where physical goods are produced come under the secondary sector.

Tertiary Sector:

When the activity involves providing intangible goods like services then this is part of the tertiary sector. Financial services, banking, management consultancy, telephony and IT are good examples of service sector.

S. No.	Sector	IX Plan	X Plan	XI Plan	XII Plan (with 9.5% GDP Target)
1	Agriculture, forestry and fishing	2.5	2.3	3.2 *	4.2
2	Mining and Quarrying	4.0	6.0	4.7	8.5
3	Manufacturing	3.3	9.3	7.7	11.5
4	Electricity, Gas and Water Supply	4.8	6.8	6.4	9.0
5	Construction	7.1	11.8	7.8	11.0
	6. Trade, Hotels and Restaurant	7.5	9.6	7.0	NA
	7. Transport, Storage and Communications	8.9	13.8	12.5	NA
6-7	Trade, Hotels etc + Transport, Storage and Communications	8.0	11.2	9.9	11.2
8	Financing, Insurance, Real Estate and Business Services	8.0	9.9	10.7	10.5
9	Community, Social and Personal Services	7.7	5.3	9.4	8.0
	Total GDP	5.5	7.8	8.2	9.5
	Industry	4.3	9.4	7.4	10.9
	Services	7.9	9.3	10.0	10.0

Table 3.1: Sectoral Growth Rates –Previous Plans and Target for Twelfth Plan

(Source: Government of India, Planning Commission October 2011, “Faster, Sustainable and more Inclusive Growth – An Approach to the Twelfth Five Year Plan, retrieved from www.planningcommission.nic.in)

Note: * It is likely that on revision of farm sector GDP growth rates for previous year and an expected good harvest in 2011-2012, the average for 11th plan may be higher at 3.3-3.5%. NA- Not Available

3.1.1 Services Sector:

The segment of the economy that provides services to its consumers. This includes a wide range of businesses including financial institutions, schools, transports and restaurants. It is also known

as "tertiary sector of industry," or "service industry/sector". India is fifteenth in services output. It provides employment to 23% of work force, and it is growing fast, growth rate 7.5% in 1991–2000 up from 4.5% in 1951–80. It has the largest share in the GDP, accounting for 55% in 2007 up from 15% in 1950. This sector comprises of various players such as hotels, transport, storage and communications, finance, insurance, real estate, business and personal services. Money market is also important component of services sector in India. The Indian money market is classified into the organised sector (comprising private, public and foreign owned commercial banks and cooperative banks, together known as scheduled banks); and the unorganised sector (comprising individual or family owned indigenous bankers or money lenders and non-banking financial companies (NBFCs)). The unorganised sector and microcredit are still preferred over traditional banks in rural and sub-urban areas, especially for non-productive purposes, like ceremonies and short duration loans. Prime Minister Indira Gandhi nationalised 14 banks in 1969, followed by six others in 1980, and made it mandatory for banks to provide 40% of their net credit to priority sectors like agriculture, small-scale industry, retail trade, small businesses, etc. to ensure that the banks fulfill their social and developmental goals. Since then, the number of bank branches has increased from 8,260 in 1969 to 72,170 in 2009 and the population covered by a branch decreased from 63,800 to 15,000 during the same period. The total deposits increased from ₹5,910 crore (US\$1.28 billion) in 1970-71 to ₹3,830,922 crore (US\$831.31 billion) in 2009-10. Despite an increase of rural branches, from 1,860 or 22% of the total number of branches in 1969 to 30,590 or 42% in 2009, only 32,270 out of 500,000 villages are covered by a scheduled bank. The public sector banks hold over 75% of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

Since liberalisation, the government has approved significant banking reforms. While some of these relate to nationalised banks (like encouraging mergers, reducing government interference and increasing profitability and competitiveness), other reforms have opened up the banking and insurance sectors to private and foreign players. More than half of personal savings are invested in physical assets such as land, houses, cattle, and gold. India's gross domestic saving in 2006-07 as a percentage of GDP stood at a high 32.7. Business services (information technology, information technology enabled services, business process outsourcing) are among

the fastest growing sectors contributing to one third of the total output of services in 2010. The growth in the IT sector is attributed to increased specialization, and an availability of a large pool of low cost, but highly skilled, educated and fluent English-speaking workers, on the supply side, matched on the demand side by an increased demand from foreign consumers interested in India's service exports, or those looking to outsource their operations. Regulations prevent most foreign investment in retailing. Moreover, over thirty regulations such as "signboard licenses" and "anti-hoarding measures" may have to be complied before a store can open doors. There are taxes for moving goods to states, from states, and even within states.

Service Sector in India today accounts for more than half of India's GDP. A Survey by Economic Times⁴ notes that the outlook for the services sector, which had slightly dimmed due to the fallout of the sub-prime crisis in the US and the global financial crisis has once again brightened. The sector, growing by 10 per cent annually, contributes 55.2 per cent to the GDP and a quarter of total employment. It also contributes over one-third of country's total exports, besides accounting for a higher share in foreign direct investment (FDI), the Survey noted.

The Economic Survey pegged the services sector growth at 9.6 per cent for the current fiscal 2011, lower than the 10.1 per cent expansion in the previous fiscal, though the outlook remains bright. The growth rate in the current fiscal is expected to be 19.5 per cent for IT-BPO services, 18.5 per cent for exports and 22.8 per cent for domestic IT related services. India is the second fastest emerging country in the services growth, behind China (10.5 per cent). The growth of services sector under various five year plans can be known from the following section

3.2 Role of Services Sector in India:

The emergence of India as one of the fastest growing economies in the world during the 1990s is attributable to the rapid growth of its services sector to a great extent. Keynote reforms, initiated by the then Finance Minister Dr. Manmohan Singh in 1991, provided the momentum for a major

⁴ http://articles.economictimes.indiatimes.com/2011-02-25/news/28634306_1_services-sector-gdp-deceleration,

Posted on February 25, 2011, retrieved on March 2, 2011

reduction of the role of the public sector in the economy, a degree of deregulation, and greater integration of India's economy into international markets. India's entrepreneurial spirit was unleashed. Services account for more than 60 per cent of world GDP and trade in services has grown⁵. As an economy grows, the proportion of income spent on services increases more than proportionately when compared to income spent on manufactured items, which, in turn, accounts for a higher proportion of income spent on them as compared to agricultural items. The demand for services increases as income increases. On the supply side, the share of services in output also goes up. As the economy grows, firms restructure to use a supply intensive mode of production. This "splintering" refers to the activity where firms start focusing on core functions and sub-contract non-core functions to the services sector.

Services are categorized into four different Modes.

- Mode 1 refers to services supplied from one country to another, such as international telephone calls and business process outsourcing.
- Mode 2 relates to consumption abroad where consumers or firms of one country make use of services in another country. Examples in this category include medical care, education, and tourism.
- Mode 3 refers to commercial presence, where foreign companies set up subsidiaries or branches to provide services in another country. Examples include banking, financial and telecommunication services.
- Lastly, Mode 4 refers to movement of natural persons. Examples include IT professionals, scientists and other professionals, traveling from their own country to provide services in another country.

3.2.1 FDI and India's Service Sector:

The sector wise shifts of FDI in last two decade have shown a dramatic change. For comparison, this study divides the period from August 1991 to March 2009 into two decade first from 1991 to

⁵The service sector in India by Amir Ullah Khan, retrieved on January 8, 2011 , Thomas International Publishing Company India Pvt. Ltd

http://www.thomex.com/article/resources_details.aspx?ID=R_2007060414180&catid=C_20071024132144

2000 and second 2000 to 2009. During the first decade of reforms started from August 1991 to December 1999, services sector on Indian economy was unable to attract the attentions of foreign investor and old third place after the transportation and electrical equipment, but second decade started from January 2000 to March 2009, the emergence of the service sector have change the composition of foreign direct investment in India. In the second decade of economic reforms this sector account 27 percent of total FDI and hold first rank in attractive sector for foreign investor. However in 2010-11, foreign investment in the services sector, which contributes over 50 per cent in India's GDP, declined to USD 3.29 billion from USD 4.39 billion in 2009-2010.

Despite the increase in FDI in services sector, drugs and pharmaceutical segment with USD 2.94 billion topped the chart in attracting maximum investment during the two months of current fiscal. Power was the third best sector, attracting USD 582 million investment, followed by automobile (USD 412 million), construction (USD 252 million) and housing and real estate (USD 249 million), the data said. The contribution of the services sector to the Indian economy has been 55.2 per cent in gross domestic product and has been growing by 10 per cent annually.

An international comparison of the services sector shows that India compares well even with the developed countries in the top 12 countries with highest overall GDP. The two broad services categories, namely trade, hotels, transport, and communication; and financing, insurance, real estate, and business services have performed well with growth of 11 per cent and 10.6 per cent, respectively in 2010-11. Only community, social and personal services have registered a low growth of 5.7 per cent due to base effect of fiscal stimulus in the previous two years, thus contributing to the slight deceleration in growth of the sector.

The following table gives details of top ten sectors in India attracting FDI.

S. No.	Sector	Equity Flows (\$ million)
1	Services Sector (Financial and Non-financial)	27668
2	Computer (Hardware and Software)	10821

3	Telecommunications	1064
4	Housing and Real Estate	9655
5	Construction	9491
6	Automobile	6199
7	Power	6156
8	Metallurgical	4286
9	Petroleum and Natural Gas	3159
10	Chemicals	2927

Table 3.2: Top Ten Destination Sectors in India for FDI Inflows for the year 2011

(Source: DIPP Fact Sheet 2011, retrieved from [www.rediff.com/buxiness/fci-inflows-india's - top-10-sectors/20110909.htm](http://www.rediff.com/buxiness/fci-inflows-india's-top-10-sectors/20110909.htm))

The combined FDI share of financial and non-financial services, computer hardware and software, telecommunications and housing and real estate is 41.9 per cent of the cumulative FDI equity inflows during the period April 2000-December 2011. With the inclusion of the construction sector (6.5 per cent), the share of services in FDI inflows increases to 48.4 per cent. Following the general trend in FDI inflows, FDI inflows to the Services Sector (top five sectors including construction) have also slowed down in 2009-10 and 2010-11, with negative growths of -7.5 per cent and -42.5 per cent respectively in rupee terms. In 2011-12 (April to December), again following the trend of overall FDI inflows, which increased by 50.8 per cent to reach US\$ 24.19 billion, FDI inflows to the top five service Sectors (including construction) also increased by 36.8 per cent to US\$ 9.3 billion to the services Sector in 2011-12 (April-December). There is a new wave in the growth of India financial sector after liberalization insurance industry growing with rapid rate. There is also growth in the number of mergers and acquisitions in the insurance industry as well as in banking sector.

3.3 Northeast India:

Northeast India is the eastern-most region of India connected to East India via a narrow corridor squeezed between Nepal and Bangladesh. It comprises the contiguous Seven Sister States—Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura—and the

Himalayan state of Sikkim. These states are grouped under the DONER ministry of the Government of India. Except for the Goalpara region of Assam, the rest were late entrants to political India—the Brahmaputra valley of Assam became a part of British India 1824, and the hilly regions even later. Due to cultural and historical reasons parts of North Bengal in West Bengal (districts of Darjeeling, Jalpaiguri, and Koch Bihar) are often included in *Northeast India*. Sikkim was recognised as a part of North-East states in the 1990s.

The Siliguri Corridor in West Bengal, with an average width of 21 km to 40 km, connects the North Eastern region with the mainland Indian sub-continent. The region shares more than 4500 kilometers of international border (about 90 per cent of its entire border area) with China (South Tibet) in the north, Myanmar in the east, Bangladesh in the southwest, and Bhutan to the northwest. The states are officially recognized under the North Eastern Council (NEC), constituted in 1971 as the acting agency for the development of the eight states. The North Eastern Development Finance Corporation Ltd (NEDFi) was incorporated on 9 August 1995 and the Ministry of Development of North Eastern Region (DoNER) was set up in September 2001.

3.3.1 Economy of Northeast India:

The pace of development in the hilly area and plains differ considerably in the Northeast India. The valleys are economically active areas of the region, the Brahmaputra valley being the most active. Tribal population forms only one fourth of the population of Northeast India, despite the fact that in four States i.e., Mizoram, Meghalaya, Nagaland and Arunachal Pradesh, tribals are in majority and in Mizoram they constitute as high as 95% of the population. Though the region is diverse and heterogeneous in the sense that the social stratification found in other parts of the country is not present in the Northeast. There are differences among the eight states in the Northeast region with respect to their resource endowments, level of industrialization as well as infrastructural facilities. The industrial sector has mainly grown around tea, petroleum (crude), natural gas etc. in Assam and mining, saw mills and steel fabrication units in other parts of the region. The economy of the region is still primarily agrarian but its full potential is yet to be exploited. Since agriculture and industry has not really taken off in spite of potential in the form of vast unexploited resource base available in the region. The pressure for unemployment is on

the service sector. The contribution of agriculture to State domestic income is much higher in this region, except for Meghalaya and Nagaland. Mining in case of Meghalaya and forestry and logging in case of Arunachal Pradesh and Nagaland are important contributors to NSDP. The contribution of construction is also high in this region. Growth in per capita income is almost stagnated in Assam since 90's, was better than the national average in Meghalaya, an increasing trend in case of Arunachal Pradesh, Manipur, Nagaland, Sikkim and Tripura. Despite being rich in natural resources, development in the Northeast region has lagged behind the rest of the country. The region economy is generally characterized by low per-capita income, low capital formation, inadequate infrastructure facilities, geographical isolation and communication bottleneck, inadequate exploitation of natural resources like mineral resources, hydro power potential etc., low progress in industrial field, lack of private and foreign direct investment and high un-employment among the relatively high literate people.

The following table shows State wise Gross State Domestic Product (GSDP) at Current Prices in Northeast India, (2004-2005 to 2012-2013).

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
GSDP at Current Prices	3488	3755	4108	4810	5687	7473	8732	11136	12702
% Growth over prev. year	-	7.65	9.40	17.09	18.23	31.40	16.85	27.53	14.06
Assam									
GSDP at Current Prices	53398	59385	64692	71076	81074	95975	112466	126544	143567
% Growth over prev. year	-	11.21	8.94	9.87	14.07	18.38	17.18	12.52	13.45
Manipur									
GSDP at Current Prices	5133	5718	6137	6783	7399	8254	9108	10410	11713
% Growth	-	11.40	7.33	10.53	9.08	11.56	10.35	14.30	12.52

over prev. year									
Meghalaya									
GSDP at Current Prices	6559	7265	8625	9735	11617	12709	14528	16173	18363
% Growth over prev. year	-	10.76	18.72	12.87	19.33	9.40	14.31	11.32	13.54
Mizoram									
GSDP at Current Prices	2682	2971	3290	3816	4577	5260	6058	6991	NA
% Growth over prev. year	-	10.78	10.74	15.99	19.94	14.92	15.17	15.40	NA
Nagaland									
GSDP at Current Prices	5839	6588	7257	8075	9436	10527	11315	12272	13322
% Growth over prev. year	-	12.83	10.15	11.27	16.85	11.56	7.49	8.46	8.56
Sikkim									
GSDP at Current Prices	1739	1993	2161	2506	3229	6133	7145	8400	NA
% Growth over prev. year	-	14.61	8.43	15.96	28.85	89.93	16.50	17.56	NA
Tripura									
GSDP at Current Prices	8904	9826	10914	11797	13573	15403	17545	19910	22139
% Growth over prev. year	-	10.35	11.07	8.09	15.05	13.48	13.91	13.48	11.20
NER									
GSDP at Current Prices	87742	97501	107184	118598	136592	161734	186897	211836	NA
% Growth over prev. year	-	11.12	9.93	10.65	15.17	18.41	15.56	13.34	NA
All-India									
GSDP at Current Prices	2971464	3390503	3953276	4582086	5303567	6108903	7266967	8353495	9461979

% Growth over prev. year	-	14.10	16.60	15.91	15.75	15.18	18.96	14.95	13.27
--------------------------	---	-------	-------	-------	-------	-------	-------	-------	-------

Table 3.3: State wise Gross State Domestic Product (GSDP) at Current Prices in NER, (2004-2005 to 2012-2013): (Rupee in crores) (As on 27-02-2013).

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

The table reveals that most of the Northeast India's states are below as par with compare to the general India with regards to the gross state domestic product at current price.

The following table shows State wise Gross State Domestic Product (GSDP) at Constant Prices in Northeast India, (2004-2005 to 2012-2013).

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
GSDP at Constant Prices	3488	3584	3772	4227	4596	5049	5112	5666	5936
% Growth over prev. year	-	2.75	5.25	12.06	8.73	9.86	1.25	10.84	4.77
Assam									
GSDP at Constant Prices	53398	55214	57783	60568	64033	69794	75298	80172	85690
% Growth over prev. year	-	3.40	4.65	4.82	5.72	9.00	7.89	6.47	6.88
Manipur									
GSDP at Constant Prices	5133	5459	5568	5900	6287	6720	7061	7535	8073
% Growth over prev. year	-	6.35	2.00	5.96	6.56	6.89	5.07	6.71	7.14
Meghalaya									
GSDP at Constant Prices	6559	7078	7626	7970	9001	9591	10427	11085	12072
% Growth over prev. year	-	7.91	7.74	4.51	12.94	6.55	8.72	6.31	8.90

Mizoram									
GSDP at Constant Prices	2682	2869	3006	3336	3781	4249	4557	5017	NA
% Growth over prev. year		6.97	4.78	10.98	13.34	12.38	7.25	10.09	NA
Nagaland									
GSDP at Constant Prices	5839	6436	6938	7445	7917	8463	8925	9379	9871
% Growth over prev. year	-	10.22	7.80	7.31	6.34	6.90	5.46	5.09	5.25
Sikkim									
GSDP at Constant Prices	1739	1909	2024	2178	2535	4401	4759	5148	NA
% Growth over prev. year		9.78	6.02	7.61	16.39	73.61	8.13	8.17	NA
Tripura									
GSDP at Constant Prices	8904	9422	10202	10988	12025	13306	14397	15645	16993
% Growth over prev. year	-	5.82	8.28	7.70	9.44	10.65	8.20	8.67	8.62
NER									
GSDP at Constant Prices	87742	91971	96919	102612	110175	121573	130536	139647	NA
% Growth over prev. year	-	4.82	5.38	5.87	7.37	10.35	7.37	6.98	NA
All-India									
GSDP at Constant Prices	2971464	3253073	3564364	3896636	4158676	4516071	4937006	5243582	5503476
% Growth over prev. year		9.48	9.57	9.32	6.72	8.59	9.32	6.21	4.96

Table 3.4: State wise Gross State Domestic Product (GSDP) at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013): (Rupee in Crores) (As on 27-02-2013).

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

The following table show Net State Domestic Product (NSDP) at Current Prices in Northeast India, (2004-2005 to 2012-2013)

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
NSDP at Current Prices	3188	3439	3765	4407	5199	6838	8128	10346	11642
% Growth over prev. year	-	7.87	9.48	17.05	17.97	31.53	18.87	27.29	12.53
Assam									
NSDP at Current Prices	47181	52440	57033	62342	71478	85253	101421	114695	131014
% Growth over prev. year	-	11.15	8.76	9.31	14.65	19.27	18.96	13.09	14.23
Manipur									
NSDP at Current Prices	4603	5138	5503	6049	6614	7372	8117	9279	10436
% Growth over prev. year	-	11.62	7.10	9.92	9.34	11.46	10.11	14.32	12.47
Meghalaya									
NSDP at Current Prices	5846	6461	7701	8619	10341	11122	12703	14130	16056
% Growth over prev. year	-	10.52	19.19	11.92	19.98	7.55	14.22	11.23	13.63
Mizoram									
NSDP at Current Prices	2400	2664	2944	3411	4154	4717	5504	6353	NA
% Growth over prev. year	-	11.00	10.51	15.86	21.78	13.55	16.68	15.43	NA
Nagaland									
NSDP at Current Prices	5421	6116	6728	7477	8784	9711	10470	11377	12377
% Growth over prev. year	-	12.82	10.01	11.13	17.48	10.55	7.82	8.66	8.79
Sikkim									

NSDP at Current Prices	1511	1733	1871	2139	2796	5463	6364	7481	NA
% Growth over prev. year	-	14.69	7.96	14.32	30.72	95.39	16.49	17.55	NA
Tripura									
NSDP at Current Prices	8170	9040	9981	10808	12509	14162	16227	18269	20258
% Growth over prev. year	-	10.65	10.41	8.29	15.74	13.21	14.58	12.58	10.89
NER									
NSDP at Current Prices	78320	87031	95526	105252	121875	144638	168934	191930	NA
% Growth over prev. year	-	11.12	9.76	10.18	15.79	18.68	16.80	13.61	NA
All-India									
NSDP at Current Prices	2651573	3026782	3534547	4097390	4738369	5449104	6504166	7476764	8468471
% Growth over prev. year	-	14.15	16.78	15.92	15.64	15.00	19.36	14.95	13.26

Table 3.5: State wise Net State Domestic Product (NSDP) at Current Prices in Northeast India, (2004-2005 to 2012-2013): (Rupee in Crores) (As on 27-02-2013).

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

The following table shows Net State Domestic Product (NSDP) at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013).

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
NSDP at Constant Prices	3188	3281	3458	3873	4191	4559	4644	5152	5413
% Growth over prev. year	-	2.92	5.39	12.00	8.21	8.78	1.86	10.94	5.07
Assam									
NSDP at Constant Prices	47181	48602	50797	52968	56123	61294	66280	70544	75417

% Growth over prev. year	-	3.01	4.52	4.27	5.96	9.21	8.13	6.43	6.91
Manipur									
NSDP at Constant Prices	4603	4907	4992	5267	5652	6039	6339	6763	7248
% Growth over prev. year	-	6.60	1.73	5.51	7.31	6.85	4.97	6.69	7.17
Meghalaya									
NSDP at Constant Prices	5846	6303	6778	6991	7889	8396	9181	9748	10642
% Growth over prev. year	-	7.82	7.54	3.14	12.85	6.43	9.35	6.18	9.17
Mizoram									
NSDP at Constant Prices	2400	2577	2693	2988	3437	3832	4160	4594	NA
% Growth over prev. year	-	7.38	4.50	10.95	15.03	11.49	8.56	10.43	NA
Nagaland									
NSDP at Constant Prices	5421	5986	6454	6978	7422	7842	8298	8718	9141
% Growth over prev. year	-	10.42	7.82	8.12	6.36	5.66	5.81	5.06	4.85
Sikkim									
NSDP at Constant Prices	1511	1662	1760	1862	2106	3659	3940	4263	NA
% Growth over prev. year	-	9.99	5.90	5.80	13.10	73.74	7.68	8.20	NA
Tripura									
NSDP at Constant Prices	8170	8708	9458	10082	11146	12287	13254	14397	15646
% Growth over prev. year	-	6.59	8.61	6.60	10.55	10.24	7.87	8.62	8.68
NER									
NSDP at Constant Prices	78320	82026	86390	91009	97966	107908	116096	124179	NA

% Growth over prev. year		4.73	5.32	5.35	7.64	10.15	7.59	6.96	NA
All-India									
NSDP at Constant Prices	2651573	2902180	3178664	3469008	3689772	3994165	4364952	4618809	4821126
% Growth over prev. year		9.45	9.53	9.13	6.36	8.25	9.28	5.82	4.38

Table 3.6: State wise Net State Domestic Product (NSDP) at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013): (Rupee in crores) (As on 27-02-2013).

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

The following table shows Per Capita Net State Domestic Product at Current Prices in Northeast India, (2004-2005 to 2012-2013)

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
PC NSDP at Current Prices	26610	28054	30000	34352	39656	51031	59415	74059	81583
% Growth over prev. year		5.43	6.94	14.51	15.44	28.68	16.43	24.65	10.16
Assam									
PC NSDP at Current Prices	16782	18396	19737	21290	24099	28383	33348	37250	42036
% Growth over prev. year		9.62	7.29	7.87	13.19	17.78	17.49	11.70	12.85
Manipur									
PC NSDP at Current Prices	18640	20395	21419	23093	24773	27095	29281	32865	36290
% Growth over prev. year		9.42	5.02	7.82	7.27	9.37	8.07	12.24	10.42
Meghalaya									
PC NSDP at Current Prices	24086	26284	30952	34229	40583	43142	48690	53542	60156
% Growth over prev. year		9.13	17.76	10.59	18.56	6.31	12.86	9.97	12.35
Mizoram									
PC NSDP at Current Prices	24662	26698	28764	32488	38582	42715	48591	54689	NA
% Growth over		8.26	7.74	12.95	18.76	10.71	13.76	12.55	NA

prev. year									
Nagaland									
PC NSDP at Current Prices	30441	33792	36568	39985	46207	50263	53635	56461	59535
% Growth over prev. year		11.01	8.21	9.35	15.56	8.78	6.71	5.27	5.44
Sikkim									
PC NSDP at Current Prices	26690	30252	32199	36448	46983	90749	104506	121440	NA
% Growth over prev. year		13.35	6.43	13.20	28.91	93.15	15.16	16.20	NA
Tripura									
PC NSDP at Current Prices	24394	26668	29081	31111	35587	39815	45087	50175	55004
% Growth over prev. year		9.32	9.05	6.98	14.39	11.88	13.24	11.28	9.63
All-India									
PC NSDP at Current Prices	24143	27131	31206	35825	40775	46249	54151	61564	68747
% Growth over prev. year		12.38	15.02	14.80	13.82	13.42	17.09	13.69	11.67

Table 3.7: State wise Per Capita Net State Domestic Product at Current Prices in Northeast India, (2004-2005 to 2012-2013): (In Rupee) (As on 27-02-2013)

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

The following table shows the per capita net state domestic product at constant (2004-05) prices in Northeast India (2004-2005 to 2012-2013)

State	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Arunachal Pradesh									
PC NSDP at Constant Prices	26610	26759	27554	30187	31971	34020	33950	36877	37934
% Growth over prev. year		0.56	2.97	9.56	5.91	6.41	-0.21	8.62	2.87
Assam									
PC NSDP at Constant Prices	16782	17050	17579	18089	18922	20406	21793	22910	24198
% Growth over prev. year		1.59	3.11	2.90	4.61	7.84	6.80	5.13	5.62
Manipur									
PC NSDP at Constant Prices	18640	19479	19431	20106	21169	22197	22867	23953	25205
% Growth over prev. year		4.50	-0.24	3.48	5.29	4.86	3.02	4.75	5.23

Meghalaya									
PC NSDP at Constant Prices	24086	25642	27242	27764	30963	32569	35191	36937	39873
% Growth over prev. year		6.46	6.24	1.92	11.52	5.19	8.05	4.96	7.95
Mizoram									
PC NSDP at Constant Prices	24662	25826	26308	28467	31921	34699	36732	39546	NA
% Growth over prev. year		4.72	1.87	8.21	12.13	8.70	5.86	7.66	NA
Nagaland									
PC NSDP at Constant Prices	30441	33072	35074	37317	39041	40590	42511	43267	43967
% Growth over prev. year		8.65	6.05	6.40	4.62	3.97	4.73	1.78	1.62
Sikkim									
PC NSDP at Constant Prices	26690	29008	30293	31722	35394	60774	64693	69202	NA
% Growth over prev. year		8.68	4.43	4.72	11.57	71.71	6.45	6.97	NA
Tripura									
PC NSDP at Constant Prices	24394	25688	27558	29022	31711	34544	36826	39542	42481
% Growth over prev. year		5.30	7.28	5.31	9.26	8.93	6.61	7.37	7.43
All-India									
PC NSDP at Constant Prices	24143	26015	28067	30332	31754	33901	36342	38037	39143
% Growth over prev. year		7.75	7.89	8.07	4.69	6.76	7.20	4.66	2.91

Table 3.8: State wise Per Capita Net State Domestic Product at Constant (2004-05) Prices in Northeast India, (2004-2005 to 2012-2013): (In Rupee) (As on 27-02-2013)

Source: Directorate of Economics & Statistics of respective State Governments and CSO.

3.3.2 Tourism in Northeast India:

India's Northeast has huge potential to develop its tourism industry, which has been booming as a fall-out of globalization. Since tourism contributes to tourism economy, the Northeast can be a partner in the Indian national growth as well. But at the core of this global-national-local connection is the indispensability of the governance factor. The structuring of this interconnection needs some elaboration.

The growth of tourism industry has been phenomenal during the past couple of decades though the terrorist incidents and other fears such as epidemics like SARS have marred it to some extent' During the period 1970-2000, the tourist arrivals in the world increased ten fold -from 70,000,000 to 700,000,000, which resulted in the 1.5 percent faster rate of growth of international tourism receipts compared to that of world GNP. The World Tourism Organization forecasts that the tourist inflow would touch '1,600,000,000 by 2020 accounting for \$2000 billion in total receipts.

Tourism industry as a contributory growth engine, however, does not tell the whole story. To have an idea of its overall contribution to growth, it has to be seen from the perspective of tourism economy. According to the World Travel and Tourism Council (WTTC), while tourism industry merely connotes activities like transport, accommodation, entertainment and other travel related services, tourism economy encompasses a wide variety of manufacturing and service activities ranging from aircraft manufacturing to sanitation, from shipbuilding to house furnishings. About 30 such industries can be identified.

Indeed the growth of tourism has its pitfalls too in terms of environmental degradation, social tensions, trafficking in drugs and prostitutes, displacement of less competitive entrepreneurs etc. The benefit in terms of economic development of the region however, far out shines these socio-cultural weaknesses, which can be effectively removed by proper planning.

There are serious governance-related bottlenecks to the growth of tourism in the northeastern region, which of course have their ethno-cultural linkages. India itself has not been greatly successful in attracting international tourists though it has done fairly well in developing domestic tourism. This region, however, has failed on both fronts, as table above would indicate.

The following table shows the number of domestic tourist visits in Northeast India from 2005 to 2010

States	2005	2006	2007	2008	2009	2010
Arunachal Pradesh	50560	80137	91100	149292	195147	227857
Assam	2467652	3268657	3436833	3617306	3850521	4050924
Manipur	94299	116984	101484	112151	124229	114062

Meghalaya	375901	401529	457685	549936	591398	652756
Mizoram	44715	50987	43161	55924	56651	57292
Nagaland @	17470	15850	22085	21129	20953	21094
Sikkim @	251744	292486	329075	460564	615628	700011
Tripura	216330	230645	244795	245438	317541	342273
India	391948589	462310177	526564364	562982298	668800482	740214297

Table 3.9: State-wise Number of Domestic Tourist Visits, (2005 to 2010)

Note : @ : Revised domestic tourist visits for 2008.

Source : Ministry of Tourism, Govt. of India.

The following table shows the number of foreign tourist visit from 2005 - 2010

States	2005	2006#	2007	2008	2009	2010
Arunachal Pradesh	289	607	2212	3020	3945	3395
Assam	10782	10374	12899	14426	14942	15157
Manipur	316	295	396	354	337	389
Meghalaya	5099	4287	5267	4919	4522	4177
Mizoram	273	436	669	902	513	731
Nagaland	883	1002	936	1209	1423	1132
Sikkim	16523	18026	17498	19154	17730	20757
Tripura	2677	3245	3181	3577	4246	5212
India	9939782*	11403661	13267273	14112590	14372300	17852777

Table 3.10: State-wise Number of Foreign Tourist Visits, (2005 to 2010):

Note: # - Provisional.

* - Figures are estimated

Source : Ministry of Tourism, Govt. of India.

The following table shows state-wise number of tourism sites and amount sanctioned for promotion of rural tourism projects from the year 2002 -2012.

States	No. of Tourism Sites	Amount Sanctioned (in lakhs)
Arunachal Pradesh	4	246.78
Assam	4	230.08
Manipur	4	162.39
Meghalaya	3	143.29
Nagaland	12	803.15
Sikkim	11	715.77
Tripura	10	625.95
India	167	10316.48

Table 3.11: State-wise Number of Tourism Sites and Amount Sanctioned for Promotion of Rural Tourism Projects, (2002-2007 and 2007-2012)

Source: Economic Survey Assam 2011-12

Directorate of Economics and Statistics, Govt. of Assam.

The following table shows State-wise Number of Projects* and Amount Sanctioned* by Ministry of Tourism, (2007-2008 to 2011-2012).

States	2007-2008		2008-2009		2009-2010		2010-2011		2011-12 (upto 30.09.2011)	
	No. of Projects Sanctioned	AmountS anctioned	No. of ProjectsS anctioned	AmountS anctioned	No. of ProjectsS anctioned	AmountS anctioned	No. of ProjectsS anctioned	Amount Sanctioned	No. of Projects Sanctioned	Amount Sanctioned
Arunachal Pradesh	11	43.3	13	31.5	14	36.54	13	32.26	6	13.62
Assam	6	17.5	5	33.1	7	22.76	4	23.55	3	4.23
Manipur	5	11.1	9	29.4	9	27.10	8	39.40	4	22.99
Meghalaya	2	6.7	7	17.1	7	14.70	9	22.53	2	0.40
Mizoram	6	26.9	4	3.2	7	24.10	9	11.51	6	13.81
Nagaland	22	32.4	11	25.4	13	24.60	10	29.10	6	25.87
Sikkim	25	55.9	20	66.8	19	42.50	14	23.48	4	13.45
Tripura	11	11.1	6	3.6	13	20.70	12	40.73	6	15.44
India	277	757.1	240	961	247	671.19	228	774.36	102	454.15

Table 3.12: State-wise Number of Projects* and Amount Sanctioned* by Ministry of Tourism, (2007-2008 to 2011-2012-upto 30.09.2011):

Note : * : Includes projects relating to PIDDC, HRD and A&RT.

Source : Ministry of Tourism, Govt. of India (13077),
Rajya Sabha Unstarred Question No. 1218, dated on 01.12.2011.

The following table shows the number of rural tourism projects sanctioned by Ministry of Tourism in Northeast India

States	Number of Projects Sanctioned
Arunachal Pradesh	5
Assam	4
Manipur	4
Meghalaya	3
Mizoram	1
Nagaland	12
Sikkim	11
Tripura	10
India	172

Table 3.13: Selected State-wise Number of Rural Tourism Projects Sanctioned by Ministry of Tourism, (As on 31.03.2011):

Source : Lok Sabha Unstarred Question No. 1133, dated on 05.08.2011.

A close analysis of the table would reveal several governance- related explanations for this dismal record. For example, in Assam, Which is the largest state in the region and does not suffer from the Inner Line Permit (ILP) handicap, tourism has hardly developed in spite of the emergence of the new middle class in India, which is willing to spend money on travel and tour as never before. Three things come in the way, namely, insurgency, bad road network and lack of state support to private tourism entrepreneurs. The state has also done precious little to encourage religious tourism. Besides the famous Hindu pilgrimage of Kamakhya in Guwahati it has several Buddhist monasteries in upper Assam, which, if duly advertised and made attractive, can boost tourism from Thailand, Myanmar, Japan and Cambodia. Like Assam, Manipur and Tripura too have not done anything to encourage the trade though they too do not have the ILP restrictions. Of course, their potential is far less than that of Assam but like the latter also suffer from the problem of insurgency. While the law and order problem is almost endemic in the entire region, Arunachal Pradesh, Mizoram and Nagaland have the added disadvantage of the ILP and RAP regulations which do not only come in the way of international, but also domestic tourism. Meghalaya has done relatively well because, first, it does not have the handicap of ILP restrictions, and second because it is relatively free of insurgency though small crimes and mugging are frequent after sundown.

3.3.3 Assam:

Assam is a northeastern state of India and the capital is Dispur, located at Guwahati. Guwahati is also known as the North-Eastern corridor of India. Located south of the eastern Himalayas, Assam comprises the Brahmaputra and the Barak river valleys along with the Karbi Anglong and the North Cachar Hills with an area of 30,285 square miles (78,438 km²). Assam is surrounded by Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Meghalaya. These states are connected to the rest of India via a narrow strip in West Bengal called the Siliguri Corridor or "Chicken's Neck". Assam also shares international borders with Bhutan and Bangladesh; and cultures, peoples and climate with South-East Asia – important elements in India's Look East policy. Assam became a part of the British India after the British occupied the region following the First Anglo-Burmese War of 1824–1826. It is known for Assam tea, large and old petroleum

resources, Assam silk and for its rich biodiversity. Assam has successfully conserved the one-horned Indian rhinoceros from near extinction, along with the tiger and numerous species of birds, and it provides one of the last wild habitats for the Asian elephant. It is becoming an increasingly popular destination for wildlife tourism, and Kaziranga and Manas are both World Heritage Sites. Assam was also known for its Sal tree forests and forest products, much depleted now. A land of high rainfall, Assam is endowed with lush greenery and the mighty river Brahmaputra, whose tributaries and Oxbow lakes provide the region with a unique hydro-geomorphic and aesthetic environment. It was at Assam where the first oil resources of India had been found out.

The following table shows Year wise Number of Indian and Foreign Tourists inflow in Assam.

Year	Tourist staying in Tourist Lodges of the Directorate		Tourist Staying in other accommodation like Hotel etc.		Total Revenue earned from Tourist Lodges only (Rupees in lakh)
	Indian	Foreign	Indian	Foreign	
2000-2001	14016	486	961954	6920	35.87
2001-2002	15373	456	1675299	4755	38.89
2002-2003	18427	520	1222135	5466	41.03
2003-2004	19894	508	2010213	6337	60.44
2004-2005	20820	804	2165430	8561	69.01
2005-2006	24280	755	2562148	7554	87.11
2006-2007	20279	649	3459591	13008	81.30
2007-2008	24057	960	3465757	12839	94.99
2008-2009	26439	674	3672267	13859	103.92
2009-2010	25665	664	3869860	14030	131.63
2010-2011	25831	594	4101616	15039	143.60

Table3.14: Year wise Number of Indian and Foreign Tourists inflow in Assam.

Source: Economic Survey Assam 2011-12

Directorate of Economics and Statistics, Govt. of Assam.

The following table shows Year wise Total Revenue Earned from Tourist Lodges in Assam.

Year	Total Revenue Earned (Rupees in lakh)
2000-2001	35.87
2001-2002	38.89
2002-2003	41.03
2003-2004	60.44
2004-2005	69.01
2005-2006	87.11
2006-2007	81.30

2007-2008	94.99
2008-2009	103.92
2009-2010	131.63
2010-2011	143.60

Table 3.15: Year wise Total Revenue Earned from Tourist Lodges in Assam.

Source: Economic Survey Assam 2011-12

Directorate of Economics and Statistics, Govt. of Assam.

3.3.3.1 Assam Tourism Development Corporation:

The Assam Tourism Development Corporation Ltd. was incorporated on the 9th June, 1988 and registered under the Companies Act, 1956 Vide No.- 02-03006 of 1988-89. The State Govt. of Assam has promoted and set up the Corporation for growth and development of tourism in Assam.

As per Memorandum & Articles of Associations, the main aims and objectives of the Corporation are briefly given below:-

- To promote and develop tourism in the State of Assam.
- To take over and develop and manage the tourist lodges, tourist hotels, restaurants, guest houses, entertainment projects etc. from the State Govt. of Assam and also to purchase, acquire, develop, construct, sell, lease etc. for the purpose of promotion and growth of tourism.
- To acquire, operate and maintain cars, buses, coaches, launches, rope ways and other modes of transport for communication of tourists.
- To provide entertainment to tourists, organize tourism related activities such as cultural shows, fairs and festivals etc.
- To take over and develop and manage places of tourist interest, parks, lakes, avenues, beaches and recreational places, spots etc.
- To promote tourism by all desirable means and take up such other incidental and / or ancillary works for the growth of tourism and enter into agreements with associations, individuals, companies, bodies etc. for any purpose conducive to the growth of tourism, etc.

Over the years, both the Central and State Govt. of Assam had identified and executed several large, medium and minor tourism projects for infrastructure building as well as schemes for marketing and promotion of Assam Tourism.

These included infrastructure projects like the following all of which have had a major impact on promotion of tourism in the state of Assam.

- Development of Tourism circuits Tourism Complex.
- Yatriniwas
- Tourist Reception Centres.
- Upgradation and expansion of tourist facilities
- Development of Pilgrim Centres.
- Water Sports etc.

There has been significant progress in most of the projects during the last few years. Once all the infrastructure projects are completed, these will go a long way in promoting Assam Tourism. Nevertheless, for sustainable growth of tourism, large investment for infrastructure development is called for. This can be possible if the private sector comes forward for investment considering the potential of Assam Tourism.

Tourism is one sector which cannot grow to its true potential with governmental efforts alone. It requires private initiatives for investment and promotion. The State Govt. has endeavored to intensify private sector investment and participation in management and development of the projects already set up and also for establishment of new projects.

With these objectives in view, at present 45 various projects / units are run by ATDC in association with private participation. Some major projects with private participation are:

- Luxury Cruise Vessel between Kaziranga and Guwahati.
- Amusement Park at Guwahati.
- Ropeway project at Kamakhya.
- Luxury resorts, wayside amenities with all modern facilities etc. are in various stages of implementation.

3.3.3.2 Guwahati:

Guwahati is formerly known as *Pragjyotishpura* and *Durjaya* in ancient Assam (Kamrup) and *Gauhati* in the modern era — is an ancient urban area and largest city of Assam and northeastern India. It is one of the fastest developing cities in India and is a major city in Eastern India and often referred as "gateway" of North Eastern Region of the country. Many ancient Hindu temples are in the city Kamakhya, Umananda, Navagraha, Sukreswar, Basistha, Lankeshwar, Douli Govinda, Dirgheshwari, Ugro Tara, Rudreswar etc. are but a few so also known as the "The City of Temples".

The city is between the banks of the Brahmaputra river and the foothills of the Shillong plateau, with Lokpriya Gopinath Bordoloi International Airport to the west and the town of Narengi to the east. It is gradually being expanded as North Guwahati to the northern bank of the Brahmaputra. The famous heritage Madan Kamdev is situated 30 km away from Guwahati. The Guwahati Municipal Corporation, the city's local government, administers an area of 216 km², while the Guwahati Metropolitan Development Authority, the planning and development administers an area of 340 km².

Guwahati is the major commercial and educational hub of North-East India and is home to world class institutions such as the Indian Institute of Technology Guwahati and other premier institutions like Gauhati University and Cotton College. The city is a major center for cultural activities and sports in the North Eastern region and for the administrative and political activities of Assam. The city is an important regional hub for transportation.

Guwahati and its environs are rich in wildlife with several rare mammals such as Asian elephants, python, tiger and primates. The birdlife in and around the city is also rich and diverse. The city provides competitive residential and working environments with beautiful landscapes, pleasant climate, modern shopping areas, modern apartments and bungalows, and considerably good social infrastructure. Yet infrastructure in the city still requires extensive attention, which can increase and revolutionize the city's reputation, investment environment, and overall growth pattern. Major investments in infrastructure are being planned in the city, covering many aspects of the utilities and transportation infrastructures, with financial assistance from the Asian

Development Bank (ADB). Guwahati is to also receive substantial city development funds from JNNURM (Jawaharlal Nehru National Urban Renewal Mission) - the Government of India's recently conceived commission for urban development, and a development plan for the city has been recently finalized.

Guwahati is serviced by the Lokpriya Gopinath Bordoloi International Airport at Borjhar, about 20 km west of the center of the city. Air connectivity have improved considerably in the last couple of years with all major domestic airlines flying into Guwahati. Guwahati airport averages about 95-100 arrivals and departures a day. Guwahati is serviced with direct flights to Delhi, Jaipur, Mumbai, Kolkata, Bangalore, Chennai, Ahmedabad and other major cities in India by different airlines. Druk Air connects Guwahati internationally airport to Bangkok and Paro twice a week.

Guwahati falls under the Northeast Frontier Railway zone of the Indian Railways. Guwahati Junction which is the major station of Guwahati is the headquarters of the zone. Two other stations are Kamakhya and New Guwahati (for freight services) located towards west and east from Guwahati respectively. Guwahati is well connected by express trains to major cities like New Delhi, Kolkata, Chennai, Bangalore, Chandigarh, Mumbai, Jaipur, Ranchi, Patna etc.

National Highway 31 connects Guwahati with the states Bihar, Jharkhand and West Bengal. National Highway 37 from Goalpara in Assam to Dimapur in Nagaland traverses the entire length of Assam and connects Guwahati with almost all the major cities of Assam including the cities of Jorhat, Dibrugarh and Bongaigaon. Guwahati is very well connected with adjoining regions via bus services. The Inter State Bus Terminus (ISBT) located at the outskirts, provides connectivity with other regions of the Northeast with regular buses for major cities and tourist destinations of the neighbouring states. Citizens from Myanmar can come in through the border post of Tamu-Moreh and take a connecting flight from Imphal to the city. There are also regular Bus services from Imphal to the city.

Lack of sufficient road space is a major problem. The length of surfaced road within the city is presently at 218 km (ARSAC). The major corridor roads suffer from insufficient right of way,

illegal construction methods, and improper planning and design. The roads in the residential neighborhoods are extremely narrow (lack of proper regulations) causing problems related to both traffic and infrastructure installations. Guwahati has a good public transit system. The government agency - Assam State Transport Corporation (ASTC) and many private operators provide a considerably good city-bus system. Guwahati is the first city in the North-east where low-floored buses were introduced. Apart from city buses, trekker services, which are soft-top multi-utility vehicles with a sitting capacity of 10-12, provide public transport facilities along major roads in the city.

Tourism in Assam is based on wildlife, natural beauty, unique flora & fauna, holy shrines, lush green tea gardens, turbulent rivers, vibrant and colorful cultural festivals. Assam has immense tourism potentials, which are to be explored as commercial resources. Eco tourism is one of the fastest growing tourism segments and therefore the State Government of Assam has given tremendous thrust with relevant to natural beauty and bounty.

The State Tourism Department has witnessed a considerable success and all round development both in respect of infrastructure development and creation of other facilities over the years with the financial assistance from Government of India as well as the State Government. For the growth of tourism sector, special emphasis has been given on Tourism Circuit Development, Destination Development, Wayside Amenities etc., through public and private partnership to tap the unexplored potential opportunities. Assam Tourism Policy, 2008 has also been adopted by the State Government giving special emphasis to encourage private investment in Tourism sector by providing financial and logistic support. Meanwhile, the State Government has made all basic arrangements for construction of a 5 Star Hotel in collaboration with Tata's.

Eco-tourism is aimed at the appreciation of both natural world and traditional cultures existent in natural areas and to protect natural and cultural assets. Assam has several ethnic groups residing in harmony in spite of the differences in rites and rituals, festivals and attires. One may discover the fascinating legacy of art and crafts in Assam, also the proud producer of three unique varieties of Silk, the Golden Muga, the White Pat and Warm Eri. In Assam, one can hear the

rhythms of the shuttles of looms in the craft village, which get momentum with the advent of spring.

The State Government has been given thrust on Self-employment generation schemes. The “Assam Bikash Yojana” is an ambitious employment generation schemes undertaken by the Government of Assam. Under the Scheme the tourism department has taken up programs like providing financial assistance to local educated unemployed youths so that the youths could engage themselves in tourism promotional activities like transport, wayside amenities, food kiosk, restaurants, dhabas and Home stay facilities etc. For capacity building, youths studying in the institute of hotel management are provided with stipend and also incentive to the institutions. As many as 357 unemployed youths have been provided with subsidy for purchase of tourist vehicles under the Scheme of “Assam Bikash Yojana”. It is contemplated that 1000 youths would be benefited within the span of 2008-2011. The department also introduced training facilities for the drivers conducting jeep safaris within the National Parks.

To achieve positive response from the national and global market, the Assam Tourism Department participated in different tourism fairs to showcase the tourism product in the national and international market so as to attract domestic and foreign tourists to the region. Besides participating in the national level tourism fairs, the Assam Tourism Department also participated in tourism fairs in London, Berlin, Singapore, Dubai, and Dhaka etc. As a part of publicity campaign and to draw tourists, the Department organized Rongali Utsav, Elephant festival at Kaziranga. The electronic and print media are also extensively utilized for publicity and marketing campaign. The Assam Tourism Department has also started intensive media campaign through domestic and National Level electronic media. Efforts have been made to establish linkages with the neighboring North-eastern States and countries of Bhutan, Nepal, Bangladesh and Thailand for Assam as a regional tourism hub. The State Government has also proposed to create an East India circuit linking Assam, Bihar, Orissa, West Bengal and Sikkim.

An innovative Rural Tourism Scheme is being introduced by the State Government for women showcasing the rural lifestyle, culture, handicrafts etc., for development of rural tourism as well as income and employment generation of rural women.

Assam's natural landscape, lush green forests, wild life sanctuaries, pilgrimage spots and tea gardens offer a wide choice to cater to the tastes of a variety of tourists from the casual sightseer to the adventure tourist. With the withdrawal of the Restricted Area Permit (RAP), tourism is poised for a major boom.

3.3.3.3 Assam Tourism Policy:

The Government of Assam came up with the Assam Tourism Policy 2008 with the following objectives:

- To place tourism sector on a high priority in the economic development of the state.
- To harness tourism potentials to make it environmentally sustainable, socially culturally enriching and economically beneficial.
- To create awareness and evolve suitable institution arrangement for effective participation of the people.
- To improve quality of the existing tourism products.
- To promote infrastructure of international standard.
- To devise long term human resource development strategy.
- Encourage Public-Private Partnership in tourism development.

The above policy has further added to the enthusiasm amongst the entrepreneurs and has also attracted big players like Indian Hotels Company Ltd (Taj group) to set up a 5 star hotel in Guwahati. Many more such projects are in the pipeline." Guwahati airport has emerged as one of the busiest airports in the country with almost all domestic airlines connecting Guwahati and other airports of the state virtually to most of the major metros of the country.

3.3.4 Meghalaya:

The name Meghalaya means "*The Abode of Clouds*" in Sanskrit . As of 2011, the state has a population of 2,964,007 and is the 23rd most populous in the country. Meghalaya covers an area of approximately 300 kilometres in length and about 100 kilometres in breadth. This state is bounded to the north by Assam and by Bangladesh to the south. The capital is Shillong and has a population of 143,007.

About one third of the state is forested. The Meghalaya subtropical forests eco region encompasses the state; its mountain forests are distinct from the lowland tropical forests to the north and south. The forests of Meghalaya are notable for their biodiversity of mammals, birds, and plants. It was previously part of Assam, but on 21 January 1972, the districts of Khasi, Garo and Jaintia hills became the new state of Meghalaya.

The State enjoys a temperate climate. It is directly influenced by the South-West Monsoon and the northeast winter wind. The four seasons of Meghalaya are: Spring - March and April, Summer (Monsoon) - May to September, Autumn -October and November and Winter - December to February. The Monsoon usually starts by the third week of May and continues right to the end of September and sometimes well into the middle of October. Maximum rainfall occurs over the southern slopes of the Khasi Hills, i.e over the Sohra and the Mawsynram platform, which receives the heaviest rainfall in the world. The average rainfall in the State is 12,000 mm.

Meghalaya's main ethnic communities, each having its own distinctive customs and cultural traditions are the Khasis (of Mon-Khmer ancestry), the Garos (of Tibeto-Burman origin) and the Jaintias said to be from South East Asia. The common trait binding all three communities is its matrilineal system in which the family lineage is taken from the mother's side. The people of Meghalaya are known to be hospitable, cheerful and friendly.

Traditionally, the Khasis believe that their religion is God given and is based on the belief of one supreme God, the creator 'U Blei Nongthaw' A Khasi is a deeply religious person, who has an intense love of life. He believes that life is God's greatest gift and he has to account for it again in the hereafter.

The Jaintias and Khasis have the same religion, although the Jaintias are more influenced by Hinduism. They have a superstition that the *Jam*, like the Khasi *Thlen*, is an evil spirit bringing riches to its owner and disease or death to its enemies or victims.

The Garos believe in one supreme Creator, Rabuga, who is the sustainer and commander of the world. The other spirits are the representatives of the supreme Creator. The spirits connected to the Garo's agricultural life, are appeased by sacrifices but never worshipped. The headman is an integral part of the village and acts as religious head.

However, many members of the Khasi, Jaintia and Garo communities have converted to Christianity and one can see a number of churches as well as temples, mosques, gurudwaras and monasteries in Meghalaya.

Cherrapunji is one of the most popular tourist locations in North East of India. The town is well known and has guided tours of Tree Root Bridges. It lies to the south of the capital Shillong. A rather scenic 50 kilometre long road connects Cherrapunji with Shillong. The popular waterfalls in the state are the Elephant Falls, Shadthum Falls, Weinia falls, Bishop Falls, Nohkalikai Falls, Langshiang Falls and Sweet Falls. The hot springs at Jakrem near Mawsynram are believed to have curative and medicinal properties.

Meghalaya is also known for its "Sacred Groves". These have been preserved by the traditional religious sanction since the ancient days. The Mawphlang sacred forest, also known as "Law Lyngdoh," is one of the most famous sacred forests. It is located about 25 kilometres from Shillong. It's a must visit for nature lovers. Nongkhnum Island located in the West Khasi Hills district is the biggest river island in Meghalaya and the second biggest in Asia. Its 14 kilometres from Nongstoin. The island is formed by the bifurcation of Kynshi River into the Phanliang River and the Namliang River. Adjacent to the sandy beach the Phanliang River forms a very beautiful lake. The river then moves along and before reaching a deep gorge, forms a pretty waterfall about 60 meters high called Shadthum Fall.

The Mawlynnong village located near the India-Bangladesh border is known for its cleanliness. The travel magazine Discover India declared the village as the cleanest in Asia in 2003, and the cleanest in India in 2005. Some of the interesting features include the presence of a Living Root Bridges and another natural phenomenon of a boulder balancing on another rock.

Meghalaya also has many natural and manmade lakes. The Umiam Lake (popularly known as Bara Pani meaning Big water) on the Guwahati-Shillong road is a major tourism attraction for tourist. Meghalaya has several parks; Thangkharang Park, the Eco-park, the Botanical Garden and Lady Hydari Park to name a few. Dawki, which is located at about 96 Kilometres from Shillong is the gateway to Bangladesh and affords a scenic view of some of the tallest mountain ranges in Meghalaya and the Bangladesh border lands. Balpakram National Park with its pristine habitat and scenery is a major attractio. The Nokrek National Park, also in Garo Hills has its own charm with lot of wildlife.

The following table shows Number of Domestic and Foreign Tourists inflow in Meghalaya from 2000 to 2011.

Year	No. of Tourist Spots	No. of Visitors		Total
		Indian	Foreign	
2000	64	169929	2327	172256
2001	64	178697	2390	181087
2002	64	268529	3191	271720
2003	64	371953	6304	378257
2004	64	433495	12707	445902
2005	70	375911	5099	381010
2006	70	400287	4259	404546
2007	70	457685	5267	462952
2008	70	549954	4919	554873
2009	70	591398	4522	595920
2010	70	652756	4177	656933
2011	70	667504	4803	672307

Table 3.16: Number of Domestic and Foreign Tourists inflow in Meghalaya from 2000 to 2011.

Source : Directorate of Tourism, Govt. of Meghalaya.

The following table shows accommodation facilities in Meghalaya.

Sl. No	Location	Category	Number of Rooms
1.	Shillong	Luxury	202
		Standard Hotels	1080
		Guest Houses	100
2.	Umiam (Barapani)	Resorts	56
3.	Cherrapunjee (Sohra)	Resorts	35

4.	Jowai (Thadlaskein)	Resort	12
5.	Tura	Standard Hotels	53
Total			1538

Table 3.17: Accommodation facilities in Meghalaya.

Source: Directorate of Tourism, Govt. of Meghalaya.

3.3.4.1 Meghalaya Tourism Development Corporation:

The Meghalaya Tourism Development Corporation Ltd., was created under the patronage of the Government of Meghalaya. The main objective was to promote tourism in the state and to expand the infrastructure facilities for the tourists.

The Corporation started its activities from 1st July, 1984 when the Government transferred the transport fleet of 5 Mini-coaches and the tourist accommodation facility of 20 rooms at Tourist Lodge, now called Orchid Hotel at Polo Road, Shillong for management.

The Corporation started its activities from 1st July, 1984 when the Government transferred the transport fleet of 5 Mini-coaches and the tourist accommodation facility of 20 rooms at Tourist Lodge, now called Orchid Hotel at Polo Road, Shillong for management. There are 11 hotels, resorts and café under the control of MTDC.

3.3.4.2 Shillong:

Shillong is the capital of Meghalaya, one of the smallest states in India and home to the Khasis. It is the headquarters of the East Khasi Hills district and is situated at an average altitude of 4,908 feet (1,496 m) above sea level, with the highest point being Shillong Peak at 6,449 feet (1,966 m). Shillong is the 330th most populous city in India with population of 143,007 according to the 2011 census. The population density of the state of Meghalaya in the current decade is 342 people per sq. mile.

It has steadily grown in size and significance since it was made the civil station of the Khasi and Jaintia Hills in 1864 by the British. In 1874, on the formation of Assam as a Chief Commissioner's Province, it was chosen as the headquarters of the new administration because

of its convenient location between the Brahmaputra and Surma valleys and more so because the climate of Shillong was much cooler than tropical India. Shillong remained the capital of undivided Assam until the creation of the new state of Meghalaya on 21 January 1972, when Shillong became the capital of Meghalaya and Assam moved its capital to Dispur in Guwahati.

Shillong is well connected by roads with all major northeastern states. Two major National Highways pass through:

- National Highway 40 (India) – Connected to Guwahati
- National Highway 44 (India) – Connected to Tripura & Mizoram(NH 44A)

Private bus operators as well as state transport buses from other states ply to and from Shillong daily. Taxi service is also available to destination like Guwahati, Agartala, Dimapur and other northeastern towns and cities. Although well connected by road, Shillong has no rail connection and a proper air connection. Umroi Airport has only limited flights.

These are many places of interest in and around Shillong, some of which are given below:

- **Elephant Falls:** 12 km on the outskirts of the city, the mountain stream descends through two successive falls set in dells of fern covered rocks.
- **Lady Hydari Park:** The park stretches over a kilometre and has an adjacent mini zoo.
- **Wards Lake:** Known locally as Nan-Polok. Its an artificial lake with garden and boating facilities.
- **Shillong Golf Course:** Shillong has one of the largest golf courses (the world's wettest) in Asia: Gleneagles of the East. It enjoys the rare distinction of being one of the few natural golf courses in Asia. Not only is the Shillong Golf Course scenic and enjoyable, it is also challenging. A group of British civil service officers introduced golf to Shillong in 1898 by constructing a nine-hole course. The present 18-hole course was inaugurated in 1924. The course is set in a valley covered with pine and rhododendron trees. The tight fairways, carpeted with a local grass which hardens the soil, are difficult to negotiate. The number of out-of-bounds streams that criss-cross every fairway makes it all the more trying. Obstructions come in the form of bunkers, trees and rain. The longest hole is the 6th, which is a gruelling 594 yards. Shillong Golf Course is considered to be the "Glen

Eagle of the East" at the United States Golf Association Museum. It was set in a valley at an altitude of 5200 ft in 1898 as a nine-hole course and later converted into a 18-hole course in 1924 by Captain Jackson and C. K. Rhodes.

- **Motphran:** The “Stone of France” which is locally known as "Motphran" was erected in memory of the 26th Khasi Labour Corps who served under the British in France during World War I. It bears the words of the famous Latin poet Horace "Dulce et decorum est pro patria mori" which can be roughly translated as "It is sweet and fitting to die for one's country."
- **Shillong Peak:** A picnic spot, 10 km from the city, 1965 m above sea level, offers a panoramic view of the scenic countryside and is the highest point in the state. Obeisance is paid to U Shulong at the sanctum sanctorum at the peak's summit every springtime, by the religious priest of Myllem State.
- **Capt. Williamson Sangma State Museum:** For those interested in ethnic tribal culture and tradition this government museum offers insights to the lifestyle of the people. This museum is in the State Central Library complex where monuments for the great patriots of the state were erected besides the statue of Smt. Indira Gandhi and Netaji Subhash Chandra Bose.
- **Don Bosco Centre for Indigenous Cultures:** The Don Bosco Museum is part of DBCIC (Don Bosco Centre for Indigenous Cultures). DBCIC comprises research on cultures, publications, training, animation programmes and the museum, which is a place of knowledge-sharing on the cultures of the northeast in particular, and of culture in general. DBCIC with its Don Bosco Museum is situated at Mawlai, Shillong.
- **Entomological Museum (Butterfly Museum):** A privately owned museum of M/s Wankhar, Riatsamthiah, Shillong about 2 km from Police Bazar is the only known museum in India devoted to moths and butterflies.

3.3.4.3 Meghalaya Tourism Policy:

The Government of Meghalaya came up with the Meghalaya Tourism Policy 2008 with the following objectives:

- To establish a holistic growth of the industry with the cooperation of the private sector/community and other stakeholders.

- To develop an effective marketing strategy linked with regional and national initiatives through a collaborative mechanism to project a positive identity for Meghalaya in the national and international tourism markets as a unique and preferred destination.
- To strengthen the quality and attractiveness of tourism experience in Meghalaya including improvements to be brought about in the conservation of the environment.
- To identify and promote new opportunities for the future development of tourism in Meghalaya on a sustainable basis.
- To strengthen the cultural aspects of the tourism product in Meghalaya and to actively promote local participation, including community-based tourism.
- To develop a tourism plan in concurrence with the objectives of the policy.
- To ensure greater emphasis on capacity building/training to local youth and tourism stakeholders in the State.
- To ensure acceptable service levels, training and human resource development will be provided on an ongoing basis.
- To take full advantage of the various institutes in the state like the Indian Institute of Management, Institute of Hotel Management, Martin Luther Christian University, Food Craft Institute (Tura), to develop courses and implement training in various categories of service providers.
- To make the tourism industry in Meghalaya a leader in responsible environmental practices.
- To establish a set of best practices in the tourism sector.

In order to fulfill the objectives of the policy the Meghalaya Government has come up with a number of strategies which are as follows:

- To survey all potential areas of tourist attraction in the entire state in order to prepare a master plan for integrated tourism development. The focus will be on development of destinations and circuit development not only within the state but with major circuits of the neighboring states particularly Assam.
- To create and improve infrastructure along with better management of mega tourism projects. Availability of quality infrastructure is a vital component for the

development of tourism. The aim of the Department is to facilitate building world class tourism infrastructure and efficient transportation facilities.

- A well-designed plan for capacity building and manpower training will help make tourism development successful. The aim of the HRD plan will be to create an efficient and professional manpower base in the tourism sector.
- Joint venture in cases where unique products involving special proprietary information or brand image are needed to be introduced to a location.
- To include tourism as an industry so that stake holders can take advantage of the various incentives under the Industrial Policy (NEIIPP). Including tourism as an industry will increase capital flow into this sector by inviting investors and this in turn will increase the employment generating capacity of the sector.
- To identify and promote new opportunities and products for the future development of tourism in Meghalaya. The major tourism products in Meghalaya are festivals, wildlife, culture and lifestyle of the people. The State also has potential to offer new products, the thrust areas should be rural/village tourism, MICE tourism, Eco tourism, Wellness tourism, Adventure tourism, Pilgrimage tourism etc. Emphasis is on eco-tourism, nature tourism and rural tourism through community initiatives and partnerships and encouraging small and micro enterprises and promotion of self-employment schemes.
- To develop an effective marketing strategy so as to project a positive image for Meghalaya in the international and national market as a unique and preferred destination to visit. The marketing plan will be developed after a thorough investigation of the tourism products in Meghalaya and the markets that Meghalaya is targeting. The plan will include promotion of festivals and tribal sports, promotion of local handicrafts and cuisine, familiarization tours for tour operators from outside the state for better knowledge of the places of tourist interest in Meghalaya.
- Up-gradation of visitor facilities in all tourist destinations, improve information and signage.
- To strengthen the quality and attractiveness of the tourism experience in Meghalaya, convergence with other Government Departments is needed in the areas of security,

air and road connectivity, health and hygiene and conservation of environment. This will include-

1. Launching of a state wide campaign to keep Meghalaya clean and beautiful. All stakeholders will have to contribute to this effort.
 2. To educate and assist local communities to take up afforestation programs.
 3. Support for programs and information aiming to limit health and safety risks in the state including the elimination of malaria, control the spread of HIV/AIDS and improvement of road safety.
 4. Efforts shall be made for improvement in air connectivity to the state as well as good road connectivity to all the tourist destinations within the State by actively pursuing with the concerned departments.
 5. Protection and promotion of caves in collaboration with professional and experts in the field and the local community.
- The Department will set up an Advisory Board which will provide direction towards development of tourism industry in the State and take the responsibility of bringing in or facilitating synergy and co-ordination with other inter-related departments.
 - Tourism infrastructure shall be designed in such a way that the construction will merge with the surroundings and the natural environment of the area so as to present a good ambience, taking into consideration the need for durability and sustainability of the structure in a particular environment.

3.3.5 Mizoram:

Mizoram is one of the Seven Sister States listed as in North Eastern India, sharing borders with the states of Tripura, Assam, Manipur and with the neighboring countries of Bangladesh and Burma. Mizoram became the 23rd state of India on 20 February 1987. Its capital is Aizawl.

Mizoram is a land of rolling hills, valleys, rivers and lakes. As many as 21 major hills ranges or peaks of different heights run through the length and breadth of the state . The average height of the hills to the west of the state are about 1,000 metres (3,300 feet). These gradually rise up to 1,300 metres (4,300 feet) to the east. Some areas, however, have higher ranges which go up to a height of over 2,000 metres (6,600 feet). Phawngpui Tlang also known as the *Blue Mountain*, situated in the south-eastern part of the state, is the highest peak in Mizoram at 2,210 metres (7,250 feet).

The great majority of Mizoram's population consists of several ethnic tribes who are either culturally or linguistically linked. These ethnic groups are collectively known as Mizos (Mi= People, Zo= Hill). One should note that 'Mizo' is a generic term which denotes a particular group of hill people who are closely linked culturally and linguistically. Moreover these groups of hill people share close physical similarities. There is an increasing unity among Mizo tribes who are spread throughout the northeastern states of India, Burma and Bangladesh. The Mizos are divided into numerous tribes; however, to name a particular tribe as the largest would be an unreliable task as no concrete census has ever been undertaken till now. In order to better understand the Mizos, substantial knowledge and understanding of the various Mizo Tribes (Tribes who fall under the term Mizo) is a requirement. The Mizos include Lushei, Paite, Lai, Mara, Ralte, Hmar, Thadou etc. and a few among others. These tribes are divided into numerous clans within themselves, and these clans are further sub-divided into sub-clans, for example the Hmars are divided into Thiek, Biete, Faihriem, Lungtau, Darngawn, Khawbung, Zote etc.

The fabric of social life in the Mizo society has undergone tremendous change over the last few years. Previously the village and the clan formed units of Mizo society. The Mizo code of ethics focused on "*Tlawmngaihna*", an untranslatable term meaning that it was the obligation of all members of society to be hospitable, kind, unselfish, and helpful to others. *Tlawmngaihna* to a Mizo stands for that compelling moral force which finds expression in self-sacrifice for the service of others. Mizos often gather together to help in disaster management like landslides or famine. Mizos are a close-knit society with no class distinction and no sexual discrimination. Ninety percent are cultivators, and the village functions as a large family.

Mizoram has a road network of around 4,000 km (2,500 mi) of minor or village roads and a small number of national highways. The village roads are primarily single lane or un-metalled tracks that are typically lightly trafficked. The State is connected to the Indian network through National Highway 54. Another highway, NH-150 connects the state with Seling, Mizoram to Imphal, Manipur and NH-40A links the State with Tripura.

Mizoram has an airport, Lengpui Airport, near Aizawl and this is linked from Kolkata – a 40 minute flight. There is a rail link at Bairabi rail station but it is primarily for goods traffic. The nearest practical station to Mizoram is at Silchar in Assam, some 6 hours drive from Aizawl. Bairabi is about 110 km (68 mi) and Silchar is about 180 km (110 mi) from the state capital. The Government is now planning to start a broad gauge Bairabi Sairang Railway connection for better connectivity in the state. Mizoram is in the process of developing water ways with the port of Akyab Sittwe in Burma along Chhimtuipui river. India is investing \$103 million to develop the Sittwe port on Burma's northern coast, about 160 km (99 mi) from Mizoram. State Peace and Development Council of Burma has committed \$10 million for the venture, which is part of the Kaladan Multi-modal Transit Transport Project, though the connection is arguably of limited use.

The Mizoram State Government begins to recognize tourism as an important sector of the economy which needs to be developed for greater income generation. More emphasis on sustainable eco-tourism, adventure tourism, village tourism and rural tourism would bring in high - value tourism. With the increase of tourist the need for budget hotels has been acutely felt. Promotion of Tourism in the State is the main function of the department. The Department has achieved these objectives by constructing Tourist Lodge, Tourist Resort and other Tourist amenities in different places of Mizoram through liberal financing of Ministry of Tourism, Government of India. As such, the Department has completed the following projects during 11th Five Year Plan.

1. No.	Name of projects	Govt. of India Sanction Amount
1.	Southern Tourist Circuit Phase II (6 units)	Rs. 706.67 lakhs
2.	Tourist destination Sakawrdai (4 units)	Rs. 472.07 lakhs
3.	Tourist Destination Kanhmun (4 units)	Rs. 499.20 lakhs

4.	Aerosport	Rs. 298.38 lakhs
----	-----------	------------------

Table 3.18: Name of projects and amount sanctioned for Mizoram tourism during 11th Five Year Plan.

Source: www.nedfi.com

The Department has 9 on-going projects during the current Five Year plan as mentioned below:

Sl. No	Name of the Projects	Govt. of India Sanction Amount
1.	Tourist Destination Chakhang	Rs. 203.56 lakhs
2.	Tourist Destination Niawhtlang	Rs. 203.56 lakhs
3.	Convention Centre at Berawtlang	Rs. 467.71 lakhs
4.	Tourist Destination Chawngte	Rs. 388.47 lakhs
5.	Tourist Destination Palak	Rs. 437.75 lakhs
6.	Tourist Circuit Maubawk- Chakheitla	Rs. 694.88 lakhs
7.	Tourist Lodge Serchhip	Rs. 172.02 lakhs
8.	Serlui 'B' lake Destination	Rs. 384.39 lakhs
9.	Tourist Destination Aizawl (units)	Rs. 457.61 lakhs
10.	Rural Tourist Thenzawl	Rs. 50.71 lakhs
11.	Tourist Ladge Khawzawl	Rs. 337.47 lakhs
12.	Tourist Destination Demagri	Rs. 484.63 lakhs

Table 3.19: Mizoram Tourism ongoing projects during the 11th Five Year Plan.

Source: www.nedfi.com

In the field of Human Resource Development, the Ministry of Tourism has accorded Financial sanction to tune of Rs. 10.00 crores for setting up of Institute of Hotel Management at Aizawl. Society for this institute has been formed and 75% of construction work is now completed. This institute will conduct Degree course as well as Diploma Course. It is expected that this Institute will be beneficial to the Youth of Mizoram.

As a part of publicity campaign, the Department has organized 3 festival in a year i.e. Chapchar kut in March, Thalfavang Kut on November to December and Anthurium Festival September under the financial assistant of Ministry of Tourism, Government of India. These festivals are attraction for potential tourists and the Response has been encouraging.

Year	Tourist Arrival		Total	Revenue Collected (Rs. in lakhs)
	Domestic	Foreign		
2005-2006	45999	313	46312	-
2006-2007	50244	542	50786	-
2007-2008	44226	735	44961	86.41

2008-2009	56793	842	57635	110.17
2009-2010	57639	675	58314	123.51
2010-2011	57623	619	58242	148.15
2011-2012 (upto Dec. '12)	47680	511	48191	140.84 (upto Feb. 2012)

Table 3.20: Number of tourist arrival in Mizoram.

Source :www.nedfi.com

3.3.5.1 Aizawl:

Aizawl is the capital of the state of Mizoram in India. With a resident population 291,822, it is the largest city within the state. It is also the center of all important government offices, state assembly house and civil secretariat. The population of Aizawl strongly reflects the different communities of the ethnic Mizo people. Aizawl has a mild, sub-tropical climate due to its location and elevation. Under the Köppen climate classification, Aizawl features a humid subtropical climate albeit a more moderate version of the climate. In the summer the temperature ranges from 20-30 degrees Celsius, and in the winter 11-21 degrees Celsius.

As of 2001 India census, Aizawl had a population of 228,280. Males constitute 50.80% of the population and females made up the remaining 49.20%. Mizos from various tribes make up the majority of the population. Christianity is the dominant religion in the city. Other religions include Islam, Buddhism and Hinduism.

Aizawl is connected by air through Lengpui Airport which it is situated near Aizawl. The Airport provides connectivity to Kolkata Netaji Subhash Chandra Bose International Airport, Guwahati Airport and Imphal Airport. Indian Airlines and Jet Airways are the two regular airlines which operate flights to and from Lengpui Airport. A Helicopter service by Pawan Hans has been started which connect Aizawl with Lunglei, Lawngtlai, Saiha, Chawngte, Serchhip, Champhai, Kolasib, Khawzawl and Hnahthial. Aizawl is connected by road with Silchar through National Highway 54, with Agartala through National Highway 40 & with Imphal through National Highway 150. The Yellow & White Taxis are widely available, Maruti Taxis are widely used. The Blue & White Mini bus is being operated by Private operators.

The main places of interest in Aizawl are:

- **Bara Bazar** -is the main shopping center of Aizawl in Dawrpui Veng locality. The steep Zion Street is lined with stalls selling garments .The main bazar is where the people are best seen in their traditional costumes selling produce from the farms as well as imports from China brought through Myanmarborder area.The Millennium Centre in the same locality is a popular shopping Mall.
- **Mizoram State Museum**- is located in the center of the town at Zarkawt. This museum gives a good insight into Mizo traditions, culture and history.
- **Reiek** Tourist Resort a tourist spot 12 km from Aizawl, is a beautiful place at an elevation of 1548 metres with a traditional Mizo Village.
- **Durtlang Hills** situated on the northern side of Aizawl offers a fine view of the hill station from either Durtlang Hospital or Aizawl Theological College.
- **Hmuifang** is about 50 km from Aizawl with an elevation of 1619 metres, the mountain is still covered with virgin forests reserved since the Mizo Chief's time.
- **Berawtlang Tourist Complex** situated 7 km from Aizawl is a recreational centre that hosts cultural activities. It is also considered a popular picnic spot.
- **Baktawng Village** 70 km from Aizawl is the place where Pu Ziona lives with the "worlds largest existing family" with 39 wives, 94 children, 14 daughters-in-law and 33 grandchildren.
- **Solomon Temple** located in Kidron Valley, Chawlhhmun locality of Aizawl is a grand temple complex operated by Kohran Thianghlim of Mizoram.
- **Khuangchera Puk** is a cave in Ailawng near Reiek, about 30 km from Aizawl.

3.6 Conclusion:

Given the myriad activities in services, supporting its growth will require careful and differentiated strategies. However, the challenges are also many, one of the challenges in this area is to retain India's competitiveness in those sectors where it has already made a mark such as IT & ITeS and Telecommunications. Their deeper and broader use in the domestic sectors would also have a dramatic potential to increase the efficiency and productivity of other goods

and services. The second challenge lies in making inroads into some traditional areas such as tourism and shipping where other countries have already established them, but where the potential for India is nevertheless very high. The third challenge is in making forays into globally traded services in still niche areas for India, such as financial services, health care, education, accountancy, and other business services where India has a large domestic market and has also shown recent signs of making a dent in the international market, but only a very small part of the full potential has been tapped. There are also challenges related to collecting better data and developing a better coordinated strategy to pull together all the dispersed information. Regulatory improvements will also be important as many domestic regulations and market access barriers could come in the way of fully tapping this growth accelerating sector. Since there are diverse sectors within services, the issues and policies cannot be separated into watertight compartments. Addressing these challenges and issues could further strengthen the services sector which is the driving force for India to realize double-digit growth potential, both overall and at state level, while providing more and better jobs to help achieve more inclusive and balanced growth.

There are differences among the eight States in the Northeastern region with respect to their resource endowments, level of industrialization as well as infrastructural facilities. The industrial sector has mainly grown around tea, petroleum (crude), natural gas etc. in Assam and mining, saw mills and steel fabrication units in other parts of the region. The full potential of the region is yet to be exploited and this has left the economy in a primarily agrarian state. Industrially, the Northeastern region continues to be the most backward region in the country, and the states in the region hardly have any industrial base, except perhaps Assam, because of its traditional tea, oil and wood based industries. To some extent Meghalaya has made some headway in setting up of small and medium industries. There are a number of factors contributing to the lack of industrial growth in the region, like poor infrastructure, inadequate electricity supply, violence and extortion, shyness of capital due to high cost of production, vulnerability of the region, lack of entrepreneurial motivation on the part of the local people, low level of public sector investment, etc. In recent years the “Look East Policy” of Government of India has made Northeast more important and strategic. The region has to gear up to take up more challenges and capitalize on the opportunities thrown open by the huge market in the South East Asian

Countries. It is clear that tourism has a great potential for generating income and employment opportunities in Northeast India. But even then, no perceptible change has been seen in this sector of the economy due to some problems. The main constraints that are coming into the way of its development are self-explanatory which can be identified as lack of infrastructure, communication bottlenecks, geographical isolation, ethnic clashes leading to political instability, growth of insurgent activities, lack of fund, absence of leadership and entrepreneurship ability, indifferent attitude of the Government both at State and Central level, defective socio-economic and political set up, lack of a proper tourism development policy of the Government, lack of people's co-operation and consciousness, lack of proper friendly investment atmosphere, absence of congenial atmosphere to attract the tourists and such many other factors.

CHAPTER - IV

LITERATURE REVIEW

4.0 Introduction:

This chapter defines the current level of knowledge about the theoretical and conceptual research on marketing tourism and the impact on quality of life studies derived from different sources, such as sociology, planning, and marketing. In the first section, this chapter explains the relevance of this research. In the second section the concept of tourism marketing and tourism marketing mix are reviewed and the last section presents the impact of tourism on the quality of life which can be stated as its impact on social, cultural, economic and environment.

4.1 Relevance of the Research:

The need to market a destination has been well-established as one of the essential management components required to ensure a competitive tourism destination (Crouch & Ritchie, 1999; Ritchie & Crouch, 2003).

Destination marketing has traditionally focused on image creation and promotion aimed at achieving growth in domestic and international visitation. Recent research shows that destination marketing should adopt a sustainable approach where marketing is integrated with sustainable destination management and development objectives to ensure the needs of both visitors and residents are met in regional communities (Buhalis, 2000). Under such an approach, marketing has a “dual responsibility” to conserve the resources of a tourist destination as well as to provide a high quality visitor experience (Jenkins & McArthur, 1996). Destination marketing should therefore be considered as a strategic tourism management tool that provides a balance between stakeholders’ objectives for the development of tourism in the region as well as ensuring the sustainability of the destination’s resources (Buhalis, 2000; Blumberg, 2005).

Marketing can also be used as a management tool to ensure that the “right kind” of tourism is developed within regions, to take account of tourism capacity and visitor management issues.

Destination marketing should also serve as a mechanism to facilitate regional development objectives to ensure that the strategic objectives of destinations are achieved (Richins & Pearce, 2000).

While a number of studies have focused on specific aspects of destination marketing, few have explored the success of destination marketing from an integrated perspective. One of the few studies that adopted this approach is that of Bornhorst, Ritchie, and Sheehan (2010) which explored the overall success factors of 25 Canadian destinations. Haven-Tang, Jones, and Webb (2007) sought to identify critical success factors for business tourism destinations, noting that research into “best practices” was essential to ensuring a better awareness of how to succeed in this specific market segment; however, the focus of this study was not specifically on marketing. Research by Baker and Cameron (2008) focused on a holistic understanding of the critical success factors in destination marketing, although their conclusions were based solely on an extensive literature review without seeking the direct views and experiences of industry stakeholders.

Tourism is an interdisciplinary field and involves a number of different industries and natural settings. Planning is essential to stimulate tourism development and its sustainability. Without tourism planning, many unintended consequences may develop, causing tourist and resident dissatisfaction. These include damage to the natural environment, adverse impacts upon the cultural environment, and a decrease in potential economic benefits. The negative experience of many unplanned tourist destinations and the success of local and regional planned destinations demonstrate that tourism development should be based on a planning process that includes a solid assessment of the resources at the destination and their attractiveness potential (Blank, 1989; Formica, 2000; Gunn, 1994; Inskeep, 1994).

Other researchers have studied tourism impacts in planning marketable tourism destinations within a community, and have demonstrated that tourism development has costs as well as benefits. Tourists have been accused of destroying the very things that they came to enjoy (Krippendorff, 1982). Early development planning focused on economic benefits, with almost complete disregard for social and environmental impacts. The planning and marketing of tourism

have been primarily oriented towards the needs of the tourist, but this planning should include efforts to manage the welfare of the host population. Failure to consider the needs of the indigenous population has resulted in the disruption or destruction of cultures and values, the disruption of economic systems, and the deterioration of the physical and social environment.

4.3 Tourism Marketing:

“A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.”(Philip Kotler, 2006.) Zeithamal and Bitner define services as ‘deeds, processes and performances’. Here deeds are the service provider, processes are the steps in the provision of service and performance is the customer’s understanding of how the service has been delivered.(Govind Apte, 2004)

Services are economic activities that bring about a desired change in, or on behalf of, the service recipient, thereby creating value and providing benefits for the customers. Thus, the focus remains on customer satisfaction, just as in goods, but in services, emphasis is on the personal reception of these benefits.(Govind Apte,2004)

Tourism is one sector where the Northeast India’s region has comparative advantage. This industry is highly competitive where the tourists have a wide range of choices and look for good value of their money. With bountiful nature’s breath taking scenic beauty, salubrious climatic conditions, extraordinarily diverse rich art and cultural heritage of the people, this region can become a hotspot for eco and adventure tourism. Tourism can generate more employment per million of rupees spent than any other activities. It can generate jobs in the remotest corners for unskilled to highly specialized skilled workers which would help in the realization of plan objectives. It would also enlarge the base of locally manufactured products. All this, however, would be possible only when there is well-developed infrastructure like transport and communication and sense of participation of the people of the region. (N. Bhupendro Singh, 2006).

Tourism destination image has been described by both academic researchers and industry practitioners since the 1970's, with most in the 1990's (Gallarza et al., 2002; Tasci et al., 2007). Destination image studies benefit the area of destination marketing by helping with decision-making for planning, development, positioning, and promotion. Image has a strong impact on consumer behavior (Tasci et al., 2007).

Numerous researchers agree that image is formed from two major sources, which are stimulus factors and personal factors. Stimulus factors consist of external stimuli (information sources), physical objects, and previous experiences. Personal factors are social (age, education, marital status, and others) and psychological characteristics of the perceiver (values, motivations, and personality) (Baloglu & McCleary, 1999).

Hanqin and Lam (1999) studied motivations (push and pull factors) of mainland Chinese visitors on their Hong Kong visits. The study explored several motivations on push and pull factors, such as the following: push factors include seeing something different, increasing knowledge about the foreign destination, being with family, etc.; and pull factors include international cosmopolitan city, convenience of transport, shopping paradise, etc.

Social class is one factor impacting consumer behavior that can be determined by gender, education, race, ethnicity, income, occupation, etc. (Engel et al., 1995; Hawkins, Best, & Coney, 1995). Ng, Lee, and Soutar (2007) studied cultural distance and intention to visit travel destinations of Australian travelers. The study found that the more geographical and cultural distance from travelers' home country, the less likely they would visit. Nicolau and Más (2006) found geographical distance and prices were moderately influenced by destination preference.

Beerli and Martín (2004) proposed a model of the formation of destination image. Tourists formed the destination image from information sources and personal factors. Information sources consisted of primary (previous experience and intensity of visit) and secondary sources (induced: ads or articles promoted by that destination via mass media, tour operators, or celebrities; organic: friends, relatives; and autonomous: mass media, news, or film). Personal factors

consisted of motivations, vacation experience, and socio-demographic characteristics (gender, age, level of education, etc.).

Sönmez and Sirakaya (2002) studied Turkey's image from American travelers' perspective. They found several factors that influenced the likelihood of traveling were overall appeal, safe and hospitable environment, general mood and vacation atmosphere, travel experience, relaxing effect, local attractions and hospitality, authenticity of experience, social and personal communication channels, comfort/safety, and tourist facilitation. Americans highly valued social and personal information sources (friends, colleagues) in developing a trip to Turkey. However, the top information sources were magazine articles about Turkey, newspaper articles, television and radio news, and friends and family members. The least used sources used were the Turkish embassy or consulate and social organizations.

Vogt and Andereck (2003) studied the influences of previous experience and length of stay on destination image's formation by visitors. They found that first-time vacationers formed a destination image based on various information channels during an information searching stage, whereas the repeat vacationers relied on their past experiences, and they may or may not have exposed themselves to new information. The study also found that the level of knowledge of the destination of the first-time visitors, especially with a length of stay eight or more days, had increased higher than repeat visitors.

Martín and Rodríguez del Bosque (2008) studied the relationship between psychological factors and a tourist's perception of the destinations by using both qualitative and quantitative approaches to increase quality, accuracy, validity, and reliability of data. The study segmented tourists by using tourists' motivations, which were leisure, knowledge, physical motivations, and social interaction. The study found destination image was a combination of cognitive (attributes) and affective (feeling) factors. It also found that motivations had influenced tourists' preferences about the destination; for example, a leisure tourist (one seeking adventures) perceived a more positive image of the destination, viewing it as an entertaining and exciting place, than the tourist who had physical motivations (i.e. escape, relax). The study also mentioned the cultural difference between domestic and international tourists on the way they perceived the destination.

Beerli and Martín (2004) studied the relationship between tourists' characteristics (motivation, experience, and socio-demographic) and the perceived image of tourist destinations. They found that motivations had influenced the affective components of image (pleasant/unpleasant, exciting/boring); for example, first-time tourists who had relaxation as the motivation found the sun and beach destination attractive, whereas the repeat tourists went there to increase knowledge of the destination. Repeat visitors were not satisfied with the sea and sun destination because the island was too small and it offered fewer attractions. The study suggested the sea and sun destination had to establish more attractions in order to maintain repeat tourists. The more experiences with the destination the tourists had, the better destination image they would have because they were more familiar with the destinations. Among all of the socio-demographic characteristics (gender, age, level of education, social class, and country of origin), country of origin had the most significant impact on the perceived image. Hanqin and Lam (1999) studied push and pull factors of Mainland Chinese on traveling to Hong Kong. There were several dimensions of the travel motivations such as prestige, novelty, and service attitude/quality. Chinese repeat tourists perceived that there would be nothing new for them to explore on their returns, which is consistent with the study of Beerli and Martín (2004). However, the study of Li, Cheng, Kim, and Petrick (2008) stated that repeat tourists had higher satisfaction levels than first-time tourists.

Chen and Hsu (2000) studied Korean tourists' perceived images of overseas destinations by identifying trip planning time frames, budget travel cost, and length of stay. The study found that the destinations that offered adventurous atmosphere, scenery, environmental friendliness, availability of tourist information, and architectural style were attractive to Korean tourists. They used the travel cost, destination lifestyle, availability of quality restaurants, freedom from language barriers, and availability of interesting places as the main factors in considering the travel destinations.

Media impacts the imagination of tourists. Watching media is an experience of the tourists in comparing the visual with the actual travel experience (Crouch, Jackson, and Thompson, 2005). Kim and Richardson (2003) studied the impact of motion pictures on destination image, and they

found that films had influenced viewers on intention to visit the destination. Smith and MacKay (2001) found that advertising pictures was one medium that developed the destination image. Teenagers and adults had no difference in their memories about travel destinations' advertising pictures. However, there was a relationship of travel experience levels and the use of information search channels and purchase channels. Tourists with no previous experience with the destination were less likely to use online channels in searching for information on accommodations and car rentals. Whereas tourists with more travel experience used online channels for both searching and purchasing travel products, especially for accommodations, car rentals, and flights (Jun, Vogt, & MacKay, 2007).

Autonomous agents or media such as newspapers, television, and television news were the primary sources in forming a destination image on pre-visit, followed by the self-experience and experience from others (Govers, Go, & Kumar, 2007). Television was the most frequently used source of information by tourists, followed by friends, magazines, Internet, books, pictures, other people, movies, stories, experience, news, imagination, newspaper, National Geographic Channel, advertisements, articles, media, and documentaries, respectively (Govers et al., 2007). Pearce and Schott (2005) found that international tourists used the travel agent the most as an information source for transportation information, followed by Internet and word of mouth. To obtain accommodation information, international tourists used guidebooks/directories, followed by word of mouth and brochures. Guidebooks, brochures, and word of mouth were respectively the information sources used by international tourists to obtain the information about the attractions.

Consumers were also influenced by word of mouth in several situations such as when they purchased complex products, when other sources were perceived as low credibility, or when there were strong social ties between information transmitters and receivers (Engel et al., 1995). Word of mouth was a powerful tool. It was the most successful marketing strategy for bed and breakfast operations (Lee, 1999). Consumers searched for product information internally and externally. There were five primary sources of information, which were memory (e.g., past experiences), personal sources (e.g., family/friends), independent sources (e.g., government),

marketing sources (e.g., advertising), and experiential sources (e.g., product trial) (Hawkins et al., 1995).

Buhalis (1998) discussed from a business point of view on the use of information technologies in tourism industry that it could be applied for businesses in four aspects: to gain a competitive advantage, to improve productivity and performance, to facilitate new ways of managing and organizing, and to develop new businesses. Buhalis's study (1998) was consistent with the study of Werthner and Ricci (2004) who found that tourism is a unique and intangible product. Due to these reasons, travelers could not see the actual product during pre-purchase process so they relied solely on the information search. Therefore, information technologies had a significant role at this stage in marketing, distribution, promotion, and co-ordination the travel products.

Werthner and Ricci (2004) mentioned that consumers used Internet sites for planning, searching, purchasing, and amending their travel. Internet had increasingly gained popularity among Americans and Europeans. There were more than 64 million Americans or 30% of the U.S. adult population used Internet for travel information search and two thirds of them or 42 million booked travels via Internet.

Louvieris and Oppewal (2004) studied information channels. The study showed that customers had different preferences for the channel choice in the information search and purchasing stages. During the information search stage, tourists were more likely to obtain the information from friends or relatives (traditional channels). However, the key channels for the booking or purchasing were travel agents, e-mail, and Internet.

Li and Buhalis (2006) indicated that there was a trend that consumers perceive benefits from eChannels which are expected to increase both in the information search and purchasing stage in the near future. In addition, the more one frequently uses the Internet, the more chance of that person will become an online shopper.

Schneider and Sönmez (1999) studied the Jordan's image by interviewing technique. The destination image was also studied by familiarity index based on the informational and

experiential dimensions. The higher the level of tourists' familiarity with the destination, the more positive the image would be in the tourists' mind (Baloglu, 2001). Lam and Hsu (2006) tested the theory of planned behavior model and found that past experience was a good predictor of behavioral intention of choosing a travel destination. Past behavior, subjective norm, and perceived behavioral control, but not attitude, influenced behavioral intention. Stepchenkova and Morrison (2008) applied Echtner and Ritchie (1991) image measurement methodology to study Russia's image among American pleasure travelers.

Hsu, Wolfe, and Kang (2004) studied Kansas state's image from Americans' view. Lawton (2005) studied the residents' view of the destination image of Gold Coast. Mohsin (2005) studied the Malaysian tourist attitudes toward the Australia Northern Territory destination. Chaudhary (2000) studied India's image as a tourist destination. Baloglu and Mangaloglu (2001) studied Mediterranean destinations' image from US-based tour operators and travel agents. Hughes and Allen (2005) studied cultural tourism in Central and Eastern Europe from the view of tourist board officers or induced agents who generated the promotional campaign. Snepenger D., Snepenger M., Dalbey, and Wessol (2007) studied places at tourism destination from the locals' view in terms of definition and applications.

Grosspietsch (2006) studied Rwanda's image and characteristics by comparing visitor and international tour operator perspectives. MacMay and Fesenmaier (2000) studied cross-cultural destination image between Taiwanese and American tourists on promotional images used by destination marketing.

D., Snepenger M., Dalbey, and Wessol (2007) studied places at tourism destination from the locals' view in terms of definition and applications. There was also the comparison study and cross-cultural study on the destination image. Grosspietsch (2006) studied Rwanda's image and characteristics by comparing visitor and international tour operator perspectives. MacMay and Fesenmaier (2000) studied cross-cultural destination image between Taiwanese and American tourists on promotional images used by destination marketing.

Enright and Newton (2005) studied destination competitiveness by using the scale importance on the destination attributes in assessing the competitiveness across the competitor. There were three competitive destinations, including Hong Kong, Singapore and Bangkok.

Hui, Wan, and Ho (2007) assessed the satisfaction and revisiting Singapore of different tourist groups from Europe, Asia, Oceania and North America. Tourists were satisfied with overall convenience and commodities. European and Asian tourists were satisfied with attractions, while culture was significant to oceanic tourists' satisfaction. Accommodation and food were main factors that brought satisfaction to American tourists. Most of Asian tourists were disappointed with the lack of interesting nightlife, natural and scenic spots, and attractive urban sightseeing of Singapore.

Pawitra and Tan (2003) also studied satisfaction of Singapore from the perspective of Indonesian tourists. They found the key strengths and weaknesses of Singapore. The strengths were uniqueness of local blend of multicultural heritage, plentiful nightlife, modern local life style and easiness to find world-class brand-name products and services. The weaknesses were unfriendly local people, expensive shopping belt, not unique tourist places of interest, not long-lasting holiday experience, uninteresting city tour package, inconvenient accommodations, uninteresting international art exhibitions and performance, and unavailability of wide range of products.

Sohail, Roy, Saeed, and Ahmed (2007) studied guests' satisfaction of the Malaysian mid-price hotel and found that customers' overall satisfaction was moderate level. Customers were satisfied with cleanliness and value; however, the hotel lacked staff efficiency and attentiveness to customer needs.

Lau, Akbar, and Yong Gun Fie (2005) studied guests' satisfaction with Malaysian luxury hotels. Most of the visitors were from South East Asia and other Asian countries. The study found that hotel guests' experiences did not meet their expectations.

Poon and Low (2005) studied Western and Asian customers' satisfaction with Malaysian hotels and found that Asian customers had lower satisfaction levels on hotel attributes than Western

customers did. Asian customers were concerned about value of money while Western customers were concerned about security and safety. Food and beverage was an attractive factor to hotel guests.

Heung and Cheng (2000) studied satisfaction of tourists towards shopping in Hong Kong and indicated that staff service quality had the greatest influence on tourists' level of satisfaction, followed by product value and product reliability. Choi and Chu (2000) evaluated Hong Kong hotels on staff service quality, room quality, general amenities, business services, value, security, and International Direct Dialing (IDD) facilities. The study indicated that Asian travelers' overall satisfaction was primarily derived from the perceived value factor, whereas the western travelers were satisfied by room quality factor.

Heung (2000) studied the satisfaction levels of mainland Chinese travelers with Hong Kong hotel services. The study found that the tourists were satisfied with the availability of personal care amenities, quietness of the room, availability of food and beverage variety, and dissatisfied with recreation facilities, availability of frequent travelers' program, and the baggage handling service. Eight dimensions of services were identified. Service quality and value as well as the augmented product quality were found to be more important than others in influencing their overall satisfaction and the likelihood to return.

LeHew and Wesley (2007) found that tourists shoppers' satisfaction level with shopping centers was lower than that of resident shoppers, suggesting that the tourist shopper market may not be the most valuable customer group compared to resident shoppers. Zhang, Qu, and Tang (2004) studied Hong Kong residents' travel destination characteristic preferences and found that safety was the main factor for Hong Kong residents in choosing the travel destination, and they also preferred to buy a package tour.

Heung and Cheng (2000) studied tourists' satisfaction with shopping in Hong Kong. The study found that tourists were most satisfied with the lighting and physical setting of the shops, followed by window displays and opening hours, and dissatisfied with product reliability. Staff service quality was found to have the most influence on tourists' levels of satisfaction.

Researchers used different approaches in assessing tourists' satisfaction. On the service production system, Grönroos (1990) identified six factors that influenced consumers' expectation: personal needs, previous experiences, corporate/local image, market communication, word-of-mouth, and absence of communication.

Joppe, Martin, and Waalen (2001) studied tourists' satisfaction with Toronto, Canada by using a Comparative Importance-Satisfaction approach. Tourists rated the factors from the most to the least important on these items respectively: personal safety, accommodation services, food services and cuisine, value for money, cleanliness, variety of things to see and do, hospitality of local people, and directional signage. Accommodation services, food services and cuisine, and variety of things to see and do ranked among the top factors that influenced the tourists' satisfaction.

O'Leary and Deegan (2005) studied Ireland's image from the French travelers' perspective by using the Attribute Importance and Performance approach and found that travelers most likely were satisfied with several attributes. Millán and Esteban (2004) developed a multiple-item scale for measuring the travel agencies' services from tourists' perspective based on six factors: service encounters (e.g., helpfulness), empathy (e.g., solving problems), reliability (e.g., comply with agreed promises), service environment (e.g., decoration and setting of agency), efficiency of advice (e.g., knowledge), and additional attributes (e.g., special services of sending tickets and reservations).

Reisinger and Turner (2002) found that cultural factors, which were values, rules of behavior, perception, and social interaction (with Australian hosts), impacted the satisfaction of Asian tourists (Indonesian, Japanese, Korean, Mandarin, and Thai). Yu and Goulden (2005) studied international tourists from four different regions (Europe, the US, Japan, and Asia/Pacific) and satisfaction in Mongolia in four dimensions, which were attractions, facilities, services, and prices.

Yu and Goulden (2005) investigated international tourists from Europe, the US, Japan, and other Asia/Pacific countries in relation to tourist attractions, facilities, services, and prices in

Mongolia. The study found that the international tourists were satisfied with natural beauty, nomadic lifestyle and traditional festivals, accommodation, hospitality services, local employee attitude, and local food. They were dissatisfied with facilities, sanitation, transportation, and nightlife.

Oppermann (2000) studied destination loyalty of residents of New Zealand to Australia as a travel destination. The respondents were asked to identify the frequency of their visits to Australia in a ten-year period (1985-1995). The findings suggested that visiting Australia four to five times could be interpreted as loyalty.

There were several studies mentioned about the connection between tourists' satisfaction and their loyalties to the travel destinations. Yoon and Uysal (2005) studied the effects of motivation and satisfaction on destination loyalty. The study found a relationship between satisfaction of travel experience and destination loyalty. Satisfaction was found to be negatively influenced by the pull travel motivation. Push motivation was not found to be significant to the travel satisfaction, but to the destination. The dimensions of the push motivations were: exciting, knowledge/education, relaxation, achievement, family togetherness, escape, safety/fun, and away from home/seeing. The dimensions of the pull motivations were: modern atmosphere/activities, wide space/activities, small size/reliable weather, natural scenery, different culture, cleanness/shopping, night life/local cuisine, interesting town/village, and water activities.

Kozak and Rimmington (2000) studied tourists' satisfaction during off-season holidays to Mallorca, Spain. Three dependent variables, which were overall satisfaction, likelihood to make subsequent visits to Mallorca, and likelihood to recommend these holiday experiences to others, were investigated. The study found that these three variables were influenced the most by these destination attributes: overall value for money, quality standard of accommodation, level of service at accommodation, feelings of safety and security, hospitality, cleanliness, hygiene and sanitation, and quality and variety of food. The study mentioned that it was not necessary that the satisfied tourists revisit the destination. The travel destination would still benefit from their word-of-mouth.

Bigné, Sánchez and Sánchez (2001) found that destination image was an antecedent of perceived quality, satisfaction, intention to return, and willingness to recommend the destination. Quality was found as a factor causing satisfaction and intention to return, and satisfaction would have impact on willingness to recommend the destination. Nonetheless, there was no connection between willingness to recommend and satisfaction on intention to return.

Hsu and Kang (2007) studied the relationship of trip characteristics and perceptions of international visitors on likelihood to revisiting Hong Kong. The study found that package tours were purchased among the first-time visitors while business travelers and visitors to friends/relatives were more independent travelers. The first-time visitors spent the least time (3.5 nights) while visitors who visited friends/family stayed the longest time in Hong Kong (7 nights). The repeat visitors had the largest amount of spending on their trips. Visitors on business trips had the most frequent visitations. These visitors were satisfied with their Hong Kong trips; however, the findings indicated that satisfaction could not be used to determine the loyalty since some of the visitors indicated that they were less likely to return to Hong Kong even if they were satisfied.

Gunn (1988) denotes the tourism product as a complex consumptive experience that results from a process where tourists use multiple of services (information, relative prices, transportation, accommodation, and attraction services) during the course of their visit. Other economic and political conditions and structural features are also important factor shaping many tourist experiences and contribute to the nature of the destination product. Murphy et al (2000) related this type of product to a supply and demand analysis and described how various components of the destination interact with travelers during their trip.

Smith (1994) was among the first to acknowledge the role of service infrastructure in creating a product experience. He argued that “service infrastructure is housed within the larger macro environment or physical plant of the destination” (Smith, 1994:pp 54). He stressed the fact that the level, use, or lack of infrastructure and technology in a destination (for example transportation, water and power supply, use of computer technology and communications among others) are also visible and determining features that can enhanced the visitors' trip experience.

Other authors subsequently supported his views (Choy 1992; Buharis 2000; Crouch and Ritchie 2000). They posited that tourists' overall impression develops their image of a destination after their visitation and that infrastructure may play an important role in that respect.

Crouch and Ritchie (2000) interestingly summarized the various factors that together make a tourist destination experience attractive. They highlighted the importance the service infrastructure layer, which includes transport services, in the tourist destination experience.

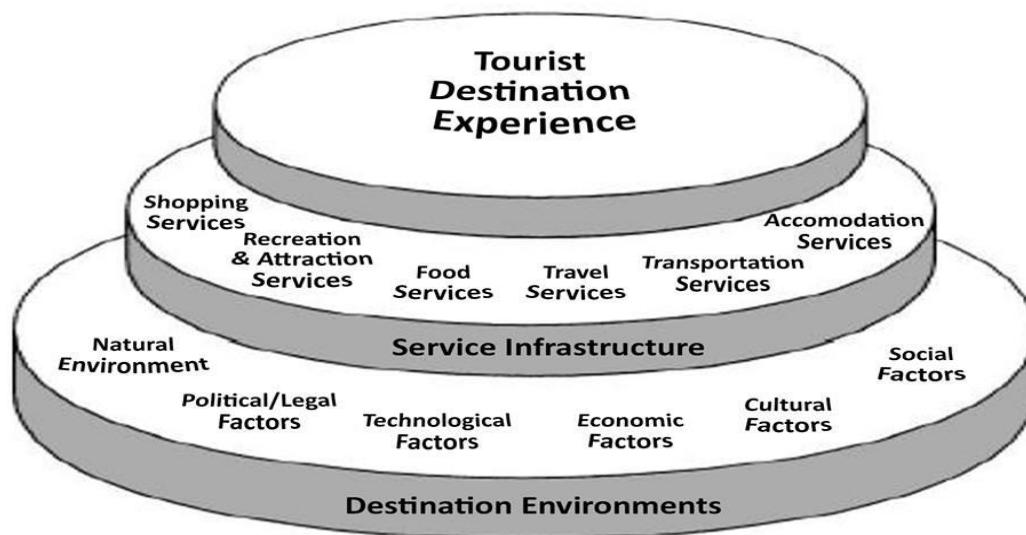


Fig4.1: The Tourist Destination Experience.

Source: Crouch and Ritchie (2000)

Kaul (1985) also recognizes the importance of infrastructure, more specifically transport as an essential component of successful tourism development in that it induces the creation of new attractions and the growth of existing ones. The Tourism Task Force (2003) of Australia asserts that infrastructure is a big part of the tourist equation. For instance it is posited that the transport system is responsible for connecting tourism-generating regions to tourism-destination regions as well as providing transport within the tourism destination. It should be easy to get to and around in tourism destinations. (Prideaux 2000).

Inhabitants of developed countries, from where the majority of tourists originate, are used to modern transport infrastructure that enables high quality service. These tourists prefer to

maintain essentially the same comforts as at home while traveling (Cohen, 1979; Mo, Howard and Havitz, 1993). In fact, Mo, Howard and Havitz (1993), using survey methodology, find that tourists prefer to travel to countries that have the same infrastructures as in their home country. Prideaux (2000) argued that if the ability of tourists to travel to preferred destinations is inhibited by inefficiencies in the transport system such as uncompetitive prices or lengthy and uncomfortable journey, the likelihood that they will seek alternative destinations may increase.

Tourism resorts have also often been cited as an important attractor of tourism, especially for the high-class segment. Prideaux (2000) posited that a critical mass of public infrastructure (including transport) is essential for enabling the establishment of high-quality resorts in a country. If this critical mass is not available, the operators would have to incur these infrastructure costs, thereby adding to the capital and operating costs of tourism development and thus reducing competitiveness.

Gearing et al (1974) study the case of Turkey as a tourist destination and find that infrastructure (comprising roads, water, electricity, safety services, health services, communications and public transportation) is a key determinant explaining tourist arrivals. Tang and Rochananond (1990) conclude that infrastructure is an important element in promoting Thailand as a tourist destination country. More recently, Kim et al (2000) in discussing the case of Sun Lost City, South Africa, and McElroy (2003) in discussing small islands highlight the importance of infrastructure, particularly government financed infrastructure, in the success of a destination.

Tourism marketing is an integrated effort to satisfy the tourist. It is an effort to make possible a harmony between the tourist and tourist organizations interests. Marketing helps the tourist organizations in establishing an effective communication system with actual and potential tourists. Tourism has certain basic components without which it cannot operate. Although tourism consists of various products, three of these may, however, be considered to be the basic. These three basic products of tourism are transport, locale and accommodation. A tourist, in order in order to get to his destination, has to travel and, therefore, some mode of transport is necessary for this. The locale may include a holiday destination and what it offers to the tourist. The holiday destination may offer natural attractions like sunshine, scenic beauty or sporting

facilities and so on. Accommodation is another basic product, which is essential for providing food and rest. Tourism and transportation has long been recognized as an engine of growth for long-term economic growth and development. This industry is considered as a great source of foreign exchange earner for many developing countries, who considered natural resources as their major assets (Thullen,1996). Today, tourism is the fastest growing industry in the world and also one of the world's most competitive. This competition is constantly growing as more and more destinations seek to attract tourists and more companies and organizations are involved in the highly-skilled business of destination planning, transportation, accommodation and catering for the tourists.

Batra and Chawla (1995) found that travelling stimulates an increased interest in tourism. The decision of a holidaymaker to go for a particular destination is basically influenced by its comparative advantage in terms of attractiveness over the competing destinations. The applications of marketing principles in the tourism industry are meant for the formulation of marketing mix on the basis of the users' behavioral profile. For the successful execution of marketing strategies or for translating the strategies into the meaningful purposes, it is essential to have a detailed knowledge of the changing behavior of users of services in order to satisfy them. In the recent years tourists have become more demanding and discriminating. To keep pace with the changing tourists' needs and wants marketers have to identify ways to improve their products in order to satisfy the customers who are the king of the market.

Pekka Mustonen and Antti Honkanen (2007) examined perceived tourism behavior and desire to travel. The study is based on postmodern theories which state that instead of demographics, social divisions are based on identity and lifestyle. In their article the effects of these both were also examined. Analysis was based on two nationwide surveys, "Finland 1999 and Finland 2004" the results were somewhat parallel with the hypothesis. Further the study concludes that the effects have remained quite stable regardless of the finding that "desire to travel more" has increased while "perceived tourism behavior" has increased.

S.P Bansal and Prashant Kumar Gautam (2007) investigate the issue of travelling choice of tourists. The study highlights the leisure ladder model and allocentric/ psychocentric personality characteristics of the tourist at the time of choice of different destinations. The study reached to the conclusion that it is the tourist behavior, which is responsible for the destination choice. However, some experiences, some economic implications as suggested by various traditional demand theories cannot be ignored.

Yogesh Dubey and Alark Saxena (2007) examined tourist perception for future development in selected tourism sites in Madhya Pradesh that come under three tourist circuits, Panna circuit, Bhopal circuit, and Indore circuit. A total of 37 sites were surveyed in these circuits. In the study the sites were evaluated on the basis of their limitations the sites present to the tourist. The results of the study helped evolve strategies to improve upon the bottlenecks.

Vinay Chauhan and Suvidha Khanna (2007) attempted to investigate the satisfaction of the tourist's vis-à-vis the tourist infrastructure which includes accommodation, transportation, communication, drinking water, and civic amenities available in the Jammu and Kashmir. The study is based on survey where 100 tourists were considered who visited the various tourist centers of Jammu and Kashmir. The research suggested measures to improvise the available infrastructure to enhance the tourist satisfaction.

Adarsh Batra and Panrawee Na Lamphoon (2008) investigate the difference in the perception of tourist's behavior. The overall objective of the research was to investigate the difference in the perception of tourists and locals towards the selected dimensions. of eco-tourism. A sample survey method was used, with a structured questionnaire as the research instrument, at Amphawa Community Samutsongkram province. Further the research indicated that tourist and locals share no different perceptions both of them are willing to promote ecotourism of the community.

Reisinger, (2009) emphasizes that the best quality of attractions, accommodation, transportation, amenities, and activities will not attract or satisfy tourists if the service quality is poor and tourists feel unwelcome. The service providers' characteristics influence customers' perceptions of service. If the providers are friendly, tactful, and respectful, the services are perceived

positively, whereas when the providers are rude, slow, and uncaring, the services are perceived negatively. Negative perceptions of service deter tourists from visitation and discourage repeat purchases, whereas positive perceptions of service encourage tourists to buy the product again.

Witt and Witt (1995) and Lim (1997) provide a comprehensive overview of the regression analysis, model specification, attributes and proxies. Income in country of origin, the cost of travel, relative prices, exchange rate, tourism infrastructure and the level of development in the destination country are among the most common determinants of tourist arrivals in the literature. The majority of studies models aggregate tourist arrivals thereby disregarding the effect of the country of origin. The role of transport infrastructure in destination development has typically not been considered in the models. To date, regression analysis has overwhelmingly concentrated on developed country destinations. A recent exception is Naude and Saayman (2004) who study the determinants of tourism flows in the case of African countries using panel data regression approach. Applying cross section Ordinary Least Squares (OLS) as well as static and dynamic panel data estimation, these authors identify political stability, personal safety, tourism marketing efforts and available infrastructure as important factors in addition to the classical usual factors in nearly all panel sets analyzed, namely aggregate tourist arrivals, arrivals from America, Europe and Africa respectively. However the measure of infrastructure used relates to tourism infrastructure exclusively.

Tourism destination image has been described by both academic researchers and industry practitioners since the 1970's, with most in the 1990's (Gallarza et al., 2002; Tasci et al., 2007). Destination image studies benefit the area of destination marketing by helping with decision-making for planning, development, positioning, and promotion. Image has a strong impact on consumer behavior (Tasci et al., 2007). Social class is one factor impacting consumer behavior that can be determined by gender, education, race, ethnicity, income, occupation, etc. (Engel et al., 1995; Hawkins, Best, & Coney, 1995).

Sönmez and Sirakaya (2002) studied Turkey's image from American travelers' perspective. They found several factors that influenced the likelihood of traveling were overall appeal, safe and hospitable environment, general mood and vacation atmosphere, travel experience, relaxing

effect, local attractions and hospitality, authenticity of experience, social and personal communication channels, comfort/safety, and tourist facilitation. Americans highly valued social and personal information sources (friends, colleagues) in developing a trip to Turkey. However, the top information sources were magazine articles about Turkey, newspaper articles, television and radio news, and friends and family members. The least used sources used were the Turkish embassy or consulate and social organizations.

Ayed Al Muala (2012) explored the relationship between three key variables, namely Marketing Mix, satisfaction and loyalty in curative tourism industry in Jordan. The seven dimensions of the Marketing Mix employed in this study were product, price, promotion, physical evidence, place, personnel, and process. Each variable was measured using reliable developed scales: product (6 items), adapted from (Yuksel, 2004), price (6 items) by (Yuksel, 2004), physical evidence (6 items) by (Yuksel, 2004), promotion (9 items) by (Yuksel, 2004), place (4 items) by (Yuksel, 2004), process (4 items) by (Yuksel, 2004), personnel (5 items) by (Yuksel, 2004), and tourist satisfaction (5 items) by Lim et al (2006). Data was input into SPSS and analyzed used exploratory factor analysis (EFA). SPSS results indicate that there some hypotheses: results of this study were as follows: H1 show that product and place were significant on destination loyalty. While, price, personnel and process not significant on destination loyalty, and for H2 show that product, place, price, personnel and process significant impact on tourist satisfaction. In addition, H3 show that the tourist satisfaction mediates the relationship between Marketing Mix and loyalty.

By promotions, including word of mouth, tourism organizations, especially tour operators have a role in bringing destinations to the notice of prospective tourists. Few tour operators have a financial investment in the host destination. This means that their vested interests in the long-term sustainability of the destination product is low. Yet, Tour operators are powerful players from a marketing perspective. Their marketing decisions, when ‘packaging’ holidays, strongly influences the potential guests. The destination images and positioning (usually focused directly or indirectly on the environment) as projected in brochures and other promotional materials. (Ryan, 1991)

Fawaz Al-Hammad and Hani Al-Dmour (2001) while studying in order to identify the factors affecting tourist's satisfaction in Jordanian North and Middle Badia by determining the relationship between the elements of marketing mix and the tourist's satisfaction they have highlighted that there is a relationship between the elements of marketing mix and the tourist's satisfaction and also that the tourists from Arab countries, USA, and Canada were very little, and the religious tourism in Jordanian Badia was very weak. The study have also revealed that the promotion mix provided little information to the tourist about tourist places in Jordanian Badia, and didn't produce the Badia well.

Binyam Assefa (2011) assessed the level of tourist satisfaction in Ethiopia and the tourists' intention to return to and recommend the country to others. The researcher compared tourists' expectations and perceptions toward 40 destination attributes and categorized the destination attributes into satisfactory destination attributes, indifferent destination attributes, and dissatisfactory destination attributes. Results of this study show that 16 attributes are categorized into satisfactory destination attributes, 4 into indifferent destination attributes, and 20 into dissatisfactory destination attributes. The researcher used paired t- test and found out that some of the most important satisfaction drivers with higher mean difference include the quality of the visitor attractions, value for the money to the visitor attractions and cafes and restaurants, willingness of local people to help, courtesy of employees etc. The result of the interview also indicated the positive value accrued to this attributes. In addition, the paired t-test revealed some of the major causes of dissatisfaction that include lack of availability of tourist information, lack of foreign exchange facility, Lack of adequate interpretation of heritages, and lack of professional tourist guides.

Law (2002) studied urban tourism. There were eight prime visitor markets of urban tourism, which were business travelers, conference/exhibition delegates, short break holiday-makers (1-3 nights), day trippers, visitors to friends/relatives, long holidaymakers on a tour or stopping off for a short visit, cruise travelers, and long holidaymakers (4 nights) using the city as a gateway to the surrounding region. Tourists were attracted to the urban travel destination by the general images and the various ranges of activities. The success of urban tourism could be inferred from the feeling of the tourists who wanted to come back as they thought that there were too many

things to do in the city in such a short period of time. In addition, the city needed to promote its unique qualities in order to differentiate itself from the competitors who offered similar products.

Hui, Wan, and Ho (2007) assessed the satisfaction and revisiting Singapore of different tourist groups from Europe, Asia, Oceania and North America. Tourists were satisfied with overall convenience and commodities. European and Asian tourists were satisfied with attractions, while culture was significant to oceanic tourists' satisfaction. Accommodation and food were main factors that brought satisfaction to American tourists. Most of Asian tourists were disappointed with the lack of interesting nightlife, natural and scenic spots, and attractive urban sightseeing of Singapore.

4.4 Tourism and safety:

The evidence from the various researches suggests that safety and security are necessary conditions for a prosperous tourism industry. Researchers such as Pinhey and Iverson (1994), Lankford (1996), Cohen (1987), Bloom (1996), Tarlow and Muehsam (1996), Pizam and Mansfeld (1996), Sonmez and Graefe (1998), Sonmez (1998) and Levantis and Gani (2000) have written about how crime, terrorism and violence negatively affect the tourism industry.

In recent years, researchers have become interested in understanding the relationship between tourism and terrorism and its impact on tourist destinations. In fact, the researches about the relationship between tourism, terrorism and criminal acts affecting tourist's safety perceptions have pointed out that with risk perceptions when safety concerns are introduced, they are likely to become overriding factors altering the context of conventional decision-making models and causing travelers to amend travel plans. A common finding of this literature is that safety and security of tourists is a prerequisite for a prosperous tourist destination. Indeed, Sonmez and Graefe (1998) claimed 'if the destination choice is narrowed down to two alternatives which promise similar benefits, i.e. one which is less costly and other that is safe from threat, the safer even if it is costly is likely to be chosen'. Pearce (1988) suggested that 'concern with personal security is a major factor in the decision-making process through which individuals make their travel choices'.

Several authors, on the other hand have suggested that residents and tourists have an equal chance of becoming a victim. It can be claimed that crime is an irrational concern and visitor have an equal chances of being involved in a fatal car accident or suffering household injury at home. The critical factor, therefore, is fear of the unknown, and the risk. Sonmez (1998) in her research on terrorism and tourism has pointed out that the introduction of risk into touristic decisions has the potential to disrupt routine decision-making.

Terrorism not only affects the decision of where to travel but also influences the choices regarding mode of transport and in some cases, whether to travel at all or not (Hall, 2002, p. 458). These issues have long been recognized as a factor, which influences tourist's decision-making (Hall & Sullivan, 1996). There is no doubt that there has been a certain degree of cancellation and reduced bookings in terms of travel to many destinations. But at the same time there may still be a certain degree of nervousness associated with traveling, tourism is an incredibly resilient industry (Mabudafhasi, 2003).

Moreover, it also plays major part in informing the consumer about the images of destinations and transport modes, their relative safety and security either directly in terms of being read, heard or watched or indirectly through the advice given by the friends, relatives and source of 'word of mouth' information (Fodness & Murray, 1997).

Terrorism, insurgency and communal violence result in building up of negative image of a destination. Buckley and Klemm have highlighted that the problems of any kind of civil unrest is that unfavorable images are beamed across the world, so that even those who are not afraid of terrorism will be discouraged from taking holiday there. It is not so that the area is dangerous; moreover it does not look attractive (Buckley & Klemm, 1993).

In fact, safety and security has been identified as one of the five global forces that would drive the tourism industry in the new millennium. The topic of safety and security in the tourism industry has gained vital importance globally, mainly after 9/11 incident, both academics and practitioners have started looking into crisis management issues seeking workable solutions in order to mitigate the negative impacts of safety and security incidences (Chiang, 2000).

Even, the international community has widely accepted that the success of the tourism industry directly linked to its ability to offer tourists a safe and pleasant visit. It does not make sense to spend millions on marketing campaigns if the potential tourists are afraid to visit the country or region selected. From this, we can infer that countries facing security problems affecting tourists should make a serious effort to try to resolve the main obstacles and problems (Inter-American Travel Congress, 1997).

Mohammad Amzad Hossain Sarker, Wang Aimin and Sumayya Begum (2012) analysed the impact of marketing mix elements on tourists' satisfaction. The data for this study were collected using verified structured questionnaire from sample of 132 students from Wuhan University of Technology and Huazhong Normal University P.R. China. Target respondents were visited East Lake. The findings of the study showed that six out of seven marketing mix elements were positively related to tourists' satisfaction but price imposed by the authority is not satisfactory to the visitors'.

There is very little research on the impact of terrorism on destination image. However, Witt and Moore (1992) investigated into whether promoting special events created enough tourism interest to outweigh Northern Ireland's negative external image caused by terrorism. They concluded that there was a need for Northern Ireland to pay more attention to overcoming their negative image and the need to increase inbound tourism. Unfortunately, they only advise on increasing visitation instead of solutions to overcome the nation's negative image.

4.3 Impact of tourism on economic, social, cultural and environment:

Impact studies emerged in the 1960s with much emphasis on economic growth as a form of national development, measured in terms of "Gross National Product (GNP)," rate of employment, and the multiplier effect (Krannich, Berry & Greider, 1989). The 1970s saw the impacts of tourism ventures on social-cultural issues (Bryden, 1973). Environmental impacts of tourism became the sole concern of tourism researchers in the 1980s (Butler, 1980). 1990s tourism impact studies are an integration of the effects of the previous determined impacts,

leading to a shift from "Mass Tourism" to "Sustainable Tourism" in the form of Eco-tourism, heritage tourism, and Community tourism (Jurowski, Uysal, & Williams, 1997).

The early research in this area focused on identifying the various perceived impacts of tourism development (Belisle & Hoy, 1980; Liu, Sheldon, & Var, 1987; Liu & Var, 1986; Perdue, Long, & Allen, 1987; Ross, 1992; Sheldon & Var, 1984). The major impacts and variables have been identified, methodological approaches developed, and problems and research needs delineated. Generally, residents recognized the positive economic impact of tourism development, but were concerned with potentially negative social and environmental impacts such as traffic congestion, crime, public safety issues, and pollution.

This early research also typically examined differences in perceived impacts among different types of local residents identified on the basis of socio-demographic characteristics (Belisle & Hoy, 1980; Liu & Var, 1986; Milman & Pizam, 1988; Pizam, 1978); place of residence or distance from the tourism area of the community (Belisle & Holy, 1980; Sheldon & Var, 1984); and economic dependency on tourism, measured both as type of employment (Milman & Pizam, 1988; Pizam, 1978) and by comparing local entrepreneurs, public official and other residents (Thomason, Crompton & Kamp, 1979; Lankford, 1994; Murphy, 1983). This research found little consistent difference in perceived tourism impacts by socio-demographic characteristics. Perceived impacts of tourism decrease as distance between individuals' homes and the tourism sector of the community increases. Overall favorability of tourism impact perceptions increases with the individual's economic dependency on tourism.

Among tourism impact studies, the development of a tourism impact assessment scale has also been one of the important topics espoused by scholars starting about two decades ago (Chen, 2000). Pizam (1978) brought up tourism impact attributes; research started using various resident attitude-related attributes to postulate-perceived tourism impacts. Several researchers (Liu & Var, 1986; Liu, Sheldon & Var, 1987) further distilled these attributes into fewer identical impact domains. After that, Lankford and Howard (1994) found two factors from a 27-item tourism impact scale. McCool and Martin (1994), who investigated mountain residents' attitudes toward tourism, revealed four factors including impacts, benefits, equity, and extent. However,

Burns (1996), who surveyed 102 inhabitants from 14 villages in the Solomon Islands, noticed that respondents' greatest concern was tourism's socio-cultural impact with regard to the demonstration effect and different cultural values of tourists.

Tourism can create jobs, provide foreign exchange, produce return on investment for emerging economics, bring technology, and improve living standards. The most prominent benefits used to promote tourism development are the economic benefits that communities can expect to derive from an increase in tourism activity. Every study of resident perception of tourism impacts has included questions concerning economic factors. The studies demonstrate that residents feel tourism helps the economy (Ritchie, 1988), that tourism increases the standard of living of host residents (e.g., Var & Kim, 1990), and that tourism helps the host community and country earns foreign exchange (e.g., Ahmed & Krohn, 1992; Var & Kim, 1990). Also, tourism helps generate employment (e.g., Ahmed & Krohn, 1992; Backman & Backman, 1997; Milman & Pizam, 1987; Var & Kim, 1990), and increase revenue to local business (Backman & Backman, 1997; Sethna & Richmond, 1978) and shopping facilities (Backman & Backman, 1997). Services of all kinds are established and offered to tourists, which in turn also serve local residents, and tourism generates the impetus to improve and further develop community infrastructure and community service (Var & Kim, 1990). However, tourism contributes to resentment concerning the employment of non-locals in managerial and professional positions (e.g., Var & Kim, 1990). Tourism is related to foreign domination of tourist services and facilities, increases in the cost of land and housing, increases in prices of goods and services, increases in food and land prices, and shortage of certain commodities (Var & Kim, 1990). Some researchers conclude that residents agreed that tourism's economic gains were greater than social costs (Liu & Var, 1986; Sheldon & Var, 1984; Weaver & Lawton, 2001). The vast majority of studies have focused on employment opportunities, standard of living, the revenue that a community derives from tourism activities, and cost of living.

A study conducted in British Columbia and Alberta Canada revealed that 87% of the respondents felt that tourism was important to the number of jobs in the province, while only 10% did not consider tourism an important contributor to employment (Ritchie, 1988). In British Columbia, Belisle and Hoy (1980) found similar results in a study which demonstrated that more than 84%

of the respondents felt that tourism had generated employment in the area. Tyrrell and Sheldon (1984) found that the creation of jobs was one of the four most-frequently-mentioned benefits of tourism. Tosun (2002), in his comparative study, also noted that the residents from Urgup, Turkey; Nadi, Fiji; and Central Florida perceived employment opportunities as the positive tourism impact. Many other studies found recognition by the residents of an increase in the number of jobs from tourism (Davis, Allen, & Cosenza, 1988; Keogh, 1990; Liu & Var, 1986; Pizam, 1978; Soutar & McLead, 1993; Weaver & Lawton, 2001; Tosun, 2002). However, they also found that rapid construction led to heavy unemployment after completion, and that the frequently seasonal nature of the industry disrupts the employment structure.

Like many other industries, the measure of receipts, and especially the net income generated by those receipts, that a community can expect from tourism expenditure is dependent upon government policies and a variety of local economic characteristics. One study revealed that net income from tourism ranges from 25% to 90% of the total receipts, depending upon the share of national and local interest in the tourist business (Peppelenbosch & Templeman, 1989). Researchers have also asked residents if they felt that tourism improved the economy (Allen et al., 1988; Bradley et al., 1989; Ritchie, 1988), provided an improved standard of living (Belisle & Holy, 1980; Tosun, 2002; Um & Crompton, 1990), increased investment (Liu et al., 1987) and more business activity (Prentice, 1993). The findings of these studies suggest that residents perceive an improvement in income, standard of living, investments and business activities ensuing from tourism activities. For example, Liu and Var (1986) reported that 90 % of the residents in Hawaii agreed that tourism brought the community more investment and local business.

Negative economic impacts caused by an increase in the price of goods and services have been perceived by residents in several surveys (Belisle & Hoy, 1980; Keogh, 1989; Pizam, 1978; Tosun, 2002; Weaver & Lawton, 2001). Sheldon and Var (1986) found only moderate agreement with a statement which suggested that increases in tourism were the cause of increased prices of goods and services. Very few respondents perceived tourism as the cause of the high cost of living in Zambia (Husbands, 1989). Only 26% of a sample of New Brunswick, Canada residents felt that the addition of a new park would cause price inflation in stores (Keogh, 1989).

Tourism can cause the price of land to rise rapidly, as noted by Lundburg (1990), who found that the cost of land for new hotel construction rose from 1 percent to nearly 20 percent as the site was being developed. An early study by Pizam (1978) found that residents viewed the cost of land and housing as a negative effect of tourism. More than 70% of the respondents in a Turkish study agreed that tourism increases property value and housing prices (Tosun, 2002; Weaver & Lawton, 2001; Var, Kendall, & Tarakcoglu, 1985). However, other studies found more neutral attitudes. For example, Belisle and Hoy (1980) determined that approximately 90% of respondents described the effect of tourism on the cost of land and housing as neutral. About half of the respondents agreed with the statement that tourism unfairly increases real estate costs, while, in a study of Colorado residents, the other half disagreed (Perdue et al., 1987). These mixed findings suggest that, even though dramatic real estate change has commonly been associated with tourism development, the perception of the effect of these changes on residents is mixed and irregular.

Tourism increases traffic congestion and crowdedness in the public area, and brings social problems. Tourism also contributes to social ills such as begging, gambling, drug trafficking, and prostitution, as well as the uprooting of traditional society, and causes deterioration of the traditional culture and customs of host countries (Ahmed & Krohn, 1992, Var & Kim, 1990). Tourism contributes to an undesirable increase in the consumption of alcohol, increased traffic congestion, and overcrowding because of visitors (Backman & Backman, 1997). However, tourism brings more opportunities to upgrade facilities such as outdoor recreation facilities, parks, and roads, but brings crowdedness in theaters, movies, concerts, and athletic events (Lankford & Howard, 1994; Liu & Var, 1986).

Another common theme in tourism resident attitude is that of crowding and congestion, especially focused on traffic inconveniences. Rothman (1978) concluded from his study on seasonal visitors that residents curtailed their activities during the peak tourism season because of congestion. Liu and Var (1986) reported that residents in Hawaii experienced crowdedness during the peak tourism seasons. Tyrrell and Spaulding (1980) determined that the residents of the state of Rhode Island saw congested roads as well as parking and shopping areas as a

problem caused by tourism. Several other studies also found that residents perceived that traffic was a major problem created by tourism activities (Long et al, 1990; Keogh, 1990; Prentice, 1993). However, residents' perceptions of the congestion caused by a major world event were less than predicted (Soutar & McLeod, 1993). The majority of respondents in a Florida study did not agree with a statement which suggested that traffic problems would disappear with the absence of tourists (Davis et al., 1988). A concept that is closely related to congestion is that of carrying capacity, which is defined in the literature as the level at which tolerance is exceeded. The concept of carrying capacity is fully examined in section 2.3.5. The residents in British Columbia, Canada, disagreed with statements that suggested that the government should determine and enforce the carrying capacity of the island (Belisle & Hoy, 1980).

O'Leary (1976) found that residents view themselves as being forced out of traditional leisure places through management agency regulations and indifference, and through sharp increases in tourist visitations. In a similar vein, another qualitative study uncovered resident expectations about losing leisure time because of the need to keep longer business hours as tourism increased (Cheng, 1980). However, the results of most quantitative studies imply that residents view tourism as a benefit, which increases recreational opportunities (Perdue et al, 1991).

Crime is conceptualized here as any anti-social behavior including increased sale or consumption of drugs and alcohol, as well as behavior considered immoral by the society as a whole. Smith's study (1992) of Pattaya, Thailand supported the view that tourism development brought prostitution, drug abuse linked to many tourist deaths, sex related disease and injuries, and police corruption . A Florida study revealed that residents perceived tourism as a causal factor in increasing crime and alcoholism (King, Pizam, & Milman, 1993). On the other hand, Liu and Var (1986) reported that when they asked residents in Hawaii if they perceived that tourism increased crime generally, only 37% of respondents felt that tourism contributed to crime. Other researchers who have examined resident attitudes towards crime and tourism development also found little perceived relationship between crime and tourism overall (Allen et al., 1993).

Even though tourism contributes to the renaissance of traditional arts and craft (Var & Kim, 1990), tourism has frequently been criticized for the disruption of traditional social and culture

structures and behavioral patterns. Destination areas that have embraced tourism for its economic benefits have witnessed heightened levels of crime and prostitution, and displacement due to rising land costs and loss of the cultural heritage of local people, particularly youth. Tourism has been charged not only with the debasement of socio-cultural factors but also with degradation of the environment. Acculturation takes place when two or more cultures come into contact for a sustained period and ideas are exchanged (Liu & Var, 1986). In the case of relatively undeveloped countries, however, local cultures and customs tend to be overwhelmed by more developed cultures, especially Western ones (Liu & Var, 1986; Weaver & Lawton, 2001). Moreover, some attraction operators will actually modify local standards to suit tourists' expectations. An example of acculturation is the accommodation of heritage: residents try to convince tourists that corrupted and shortened cultural presentations are, indeed, authentic. For example, the authentic Balinese dance has been shortened for tourist events, and the dancers' costumes have been made more colorful and attractive than tradition dictates. Thus, tourists end up paying to see what they expect to see, not what they are supposed to see.

There is some debate over whether tourism preserves or destroys cultures, but the primary position is that the impact is deleterious (Mathieson & Wall, 1982). Tourism has been denounced as being responsible for the depletion of the diversity of non-western cultures (Turner & Ash, 1975). This position is supported by the documentation of rapid and dramatic changes in social structure, land use patterns, and value systems in traditional Mexican and Indian cultures (McKean, 1976). Anthropologists have written about the changes in style and form of traditional arts and crafts caused by the commercial demands of tourists for native wares (Schadler, 1979). Others, however, claim that tourism revitalizes cultures. Studies have shown that tourism contributes to the renaissance of traditional art, crafts, dance and music (McKean, 1977). Resident attitude studies do not conclude (with anthropological analysis of the impact of tourism on the local culture) that residents appear to believe that tourism is a vehicle for the preservation and enrichment of local culture. Pizam (1978) found that Cape Cod residents perceived tourism as having a positive impact on cultural identity. Comparable data suggest that residents found tourism to have a negative effect on the evolution of cultural traditions (Belisle & Hoy, 1980; Liu et al., 1987). However, Virgin Islanders exhibited consensus that tourists seem to respect local traditions and cultures and want to know more about them (Sethna & Richmond, 1978).

Meleghy et al. (1985) examined tourism in two Alpine villages, one with capitalist structures and values and the other with a more traditional culture. This study implied that a harmonious relationship could exist between tourism and local culture. These authors concluded that tourism does not demand modern capitalist structures and values, but that it is thoroughly compatible with traditional pre-capitalist structures and values. Provided that development is relatively slow and of an equable nature, tourism can integrate itself into traditional structures. Instead of causing their destruction, it can make their survival possible.

Residents of the Virgin Islands viewed the interaction with tourists as positive consequences of tourism activities. Likewise, residents of Hawaii and North Wales found the cultural exchange between residents and tourists to be valuable, and generally rated tourists as nice and considerate. Residents in Hawaii and North Wales appeared to desire to meet tourists from other countries (Liu et al., 1987). Belisle and Hoy (1980) concluded that residents felt that the exposure to cultural differences to be a positive effect of tourism. Other researchers have found that resident attitudes approved of tourists (Keogh, 1989). However, in his comparative study, Tosun, (2001) asked the residents in three areas, Urgup, Nadi, and Florida, about social relationships: 63% of residents in Urgup, Turkey, responded that they had no contact with tourists, while 35% of those in Nadi, Fiji, and 43% of respondents in Central Florida mentioned that they had no contact with tourists. He concluded that the difference in the three regions may be related to respondents' level of education, lack of foreign language, and the perception of international tourists. However, a majority of respondents in three areas supported or strongly supported expansion of tourism in Nadi, Central Florida, and Urgup.

Studies of resident's perception of the impact of tourism on the environment imply that residents may view tourism as having either a positive or negative impact on their environment. Some people believe that tourism helps create a greater awareness and appreciation for the need to preserve the environment to capture its natural beauty for tourist purposes, and increase investments in the environmental infrastructure of the host country (Var & Kim, 1990). Tourism is also thought to be a clean industry, without the pollution problems associated with other types of economic development. Residents have expressed agreement with statements that suggest that

tourism improves the appearance of their town or surroundings (Perdue et al., 1987). Ritchie (1988) found that 91% of respondents agreed that tourism affected the quality and upkeep of attractions and 93% believed that tourism affected the quality of national provincial parks.

However, others believe that tourism causes environmental pollution, the destruction of natural resources, the degradation of vegetation and the depletion of wild life (Ahmed & Krohn, 1992; Andereck, 1995; Koenen, Chon, & Christianson, 1995; Var & Kim, 1990). Sethna and Richmond (1978) found that Virgin Islanders agreed with a statement that suggested that the water and beaches were being spoiled by tourism. Residents of Cape Cod expressed the opinion that tourism negatively affected noise, litter, and air and water quality (Pizam, 1978).

Air pollution is primarily a result of emissions from vehicles and airplanes. In rural areas, air pollution due to tourism is minimal, but in congested areas, emissions harm vegetation, soil, and visibility. On the island of Jersey in the English Channel, for example, the number of cars increased from less than 250 to over 2,500 during the summer peak session, resulting in high levels of emissions and associated impacts (Romeril, 1985). Water resources are a prime attraction for tourism and recreational developments, and they frequently suffer negative impacts (Andereck, 1995). Water pollution is primarily a result of wastewater generated by tourist facilities and runoff. Water pollution occurs on inland lakes and streams and in the marine environment. Much of this pollution, such as septic tank seepage, lawn fertilizer, road oil, and runoff from disturbed soil, is not serious (Gartner, 1987).

The tourism industry produces large quantities of waste products. Hotels, airlines, attractions and other related businesses that serve tourists throw away tons of garbage a year. The problem seems to be particularly troublesome in third world countries with less sophisticated solid waste management programs and technologies (Andereck, 1995). Lankford and Howard's (1994) study showed that the majority of respondents felt that tourism brings more littering and waste problems. Liu and Var (1986) reported that 62% of the residents in Hawaii felt that government expenditure should be used to protect the environment rather than encouraging tourists to visit; 52% of residents agreed to fine tourists who litter.

Even though in recent years wildlife-oriented tourism has increased (Vickerman 1988), our understanding of tourism effects on wildlife is limited. Most research looking at the impact of tourism on wildlife has generally focused on a limited number of larger mammals and birds in natural environments. For some species, parks and preserves are now the only sanctuary. Unfortunately, for species that require large territories or engage in migratory behaviors, these relatively small areas of protected land are not enough. Liu et al. (1987) showed that Hawaiian residents failed to agree with statements that the economic gains of tourism were more important than the protection of the environment, and that tourism had not contributed to a decline in the ecological environment. An inquiry of Hawaiian students revealed that the majority of the sample did not agree that tourism conserves the natural environment (Braley et al., 1989). Residents in North Wales also agreed that tourism plays a major role in ecological degradation (Sheldon & Var, 1984). This segment felt, however, that long-term planning could control the environmental impact of tourism.

Enemu, Ogechi B & Oduntan Oyinkansola C (2012) evaluated the social impact of tourism development on live of host communities of Osun Oshogbo scared grove in Osun State Nigeria. The objectives of the research were to identify the various attractions in the destination, evaluate the ways the destination has affected the social lives of the host communities and to determine how the impacts have affected the sustainability of local social lives of the host communities. Data for this research was generated using qualitative and quantitative techniques. Simple frequency percentages, mean and Analysis of variance (ANOVA) derived from regression analysis were used to analyse the data generated for the study. From the analysis they found out that that tourism development had significant effect on the social lives of the host communities and tourism development had significant effect on the sustainability of the socio-cultural lives of the host communities. This implies that tourism had a significant effect on the social live and the sustainability of the social live of the host communities. They have suggested that public participation must be encouraged by tourism developers and planners to ensure the sustainability of tourism development in the community. In conclusion, they have stated that standard social frameworks must be established at the development stages to preserve and protect social and cultural values of Nigerian people most especially of the host communities.

Mohammed I. Eraqi (2007) examines the attitudes of local citizens toward tourism development of residents in Egypt through studying impacts of tourism development on the local community. The objectives of the study were to measure the effect of tourism development on the standard of living of the Egyptian people. Descriptive statistical analysis was used to measure the tourism development impacts depending on a Likert scale. Multiple regression/stepwise model was used to decide the relationship between the standard of living in Egypt as a dependent variable and the tourism development indicators as independent variables. The main results were that local people had positive attitudes towards tourism development indicators and there were some negative sociocultural impacts of tourism development on local communities in Egypt.

Kyungmi Kim (2002) investigates how tourism affects the quality of life (QOL) of residents in tourism destinations that vary in the stage of development. The sample population consisting of residents residing in Virginia was surveyed. The sample was proportionally stratified on the basis of tourism development stages covering counties and cities in the state. Three hundred and twenty-one respondents completed the survey. Structural Equation Modeling and Hierarchical Multiple Regression were used to test study hypotheses. The results revealed that the residents' perception of tourism impacts did affect their satisfaction with particular life domains significantly, and their satisfaction with particular life domains influenced their overall life satisfaction. Further, the relationship between the cultural impact of tourism and the satisfaction with emotional well-being, and the relationship between the environmental impact of tourism and the satisfaction with health and safety well-being were strongest in the decline stage of tourism development. Neither the theories of social carrying capacity nor social disruption offered much to explain this result. As residents' perception of negative environmental impacts increases, their satisfaction with health and safety well-being decreases in the decline stage of tourism development unless the area as a destination provides rejuvenating or alternative planning options.

Ritchie, (1988) from the study has highlighted that tourism can create jobs, provide foreign exchange, produce return on investment for emerging economics, bring technology, and improve living standards. The most prominent benefits used to promote tourism development were the economic benefits that communities can expect to derive from an increase in tourism activity.

Every study of resident perception of tourism impacts has included questions concerning economic factors. The studies demonstrate that residents feel tourism helps the economy.

Tourism is related to foreign domination of tourist services and facilities, increases in the cost of land and housing, increases in prices of goods and services, increases in food and land prices, and shortage of certain commodities (Var & Kim, 1990).

4.6 Conclusion:

This chapter defines the constructs to be studied based on the conceptualization and previous empirical and theoretical studies. First this chapter explains the relevance of this research; in the second section it reviews the concept of service marketing, service marketing mix and its impact on tourist satisfaction, impact of infrastructure and safety on tourist satisfaction from the previous studies made by several researchers and lastly the impact of tourism on the host community.

CHAPTER - V

ANALYSIS AND INTERPRETATION

5.0 Introduction:

This chapter reveals the findings of the research work undertaken based on the objectives and hypotheses framed. The chapter consists of analysis and interpretation that is facilitated by Microsoft Excel and SPSS 21 package. The analysis is presented in two segments; segment one highlighting findings, analysis and interpretation of responses of tourists and segment two documenting findings, analysis and interpretation responses of the destination community under the study. The chapter is presented using tables; charts and interpretation which are drawn in the light of the findings.

5.1 Tourist Data:

Tourist data shows the demographic distribution of the tourist under study as well as the travelling behavior of the tourist who visit the Northeast India. It also reveals the test of the hypothesis which is extracted from tourist data under study.

5.1.1 Demographics of Tourists: Tourists demographics are objective and quantifiable in nature. They are rather easy to identify, collect, measure and analyse and show diversity. Factors which are included in tourist demographic profiles are age, gender, marital status, nationality, educational background, present employment and with travel companion.

A number of research were undertaken to determine the factors determining the need of the tourists, their preferences and expectations and satisfaction levels based on their demographic profile.

5.1.1.1 Age of the Tourists: Age of the tourist certainly influences the satisfaction and decision making. Tourist are categorized into six age groups such as below 25 years, 25-34 years, 35-44 years, 44-54 years, 55-64 years and 64years and above

		Age						Total
		Below 25	25-34	35-44	45-54	55-64	64 and above	
AIZAWL	Count	77	69	44	44	13	3	250
	%	30.8%	27.6%	17.6%	17.6%	5.2%	1.2%	100.0%
GUWAHATI	Count	51	81	77	36	5	0	250
	%	20.4%	32.4%	30.8%	14.4%	2.0%	0.0%	100.0%
SHILLONG	Count	53	63	62	52	16	4	250
	%	21.2%	25.2%	24.8%	20.8%	6.4%	1.6%	100.0%
Total	Count	181	213	183	132	34	7	750
	%	24.1%	28.4%	24.4%	17.6%	4.5%	.9%	100.0%

Table5.1: Age wise distribution of tourists.

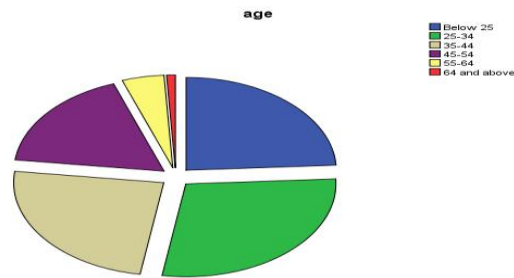


Fig 5.1: Age wise distribution of tourists.

From the above it is found that 24.1% of the tourist who visit Northeast India are at the age below 25 years, 28.4% are at the age between 25-24 years, 24.4% are at the age between 35-44 years, 17.6% are at the age between 45-54, 4.5% are at the age between 55-66 and .9 % are at the age above 64 years.

5.1.1.2 Gender: Gender has its significance in identifying certain behavioral aspect of tourist. It has deep association with certain services and compels the tourist to take a particular decision.

		Gender		Total
		Male	female	
AIZAWL	Count	212	38	250
	%	84.8%	15.2%	100.0%
GUWAHATI	Count	198	52	250
	%	79.2%	20.8%	100.0%
SHILLONG	Count	150	100	250

	%	60.0%	40.0%	100.0%
Total	Count	560	190	750
	%	74.7%	25.3%	100.0%

Table5.2: Gender wise distribution of tourists.

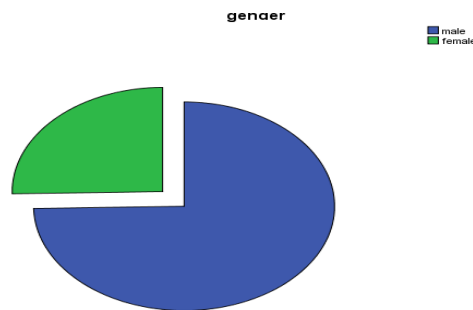


Fig 5.2 : Gender wise distribution of tourists.

From the above table it is found that 74.7% of the tourists are male and 25.3% are female. So this implies that the sample comprises more number of male tourists.

5.1.2.3 Marital Status: Marital status plays an important role in the profile of tourists. The factors which satisfied the tourists differ with the difference in the tourist marital status.

		Marital status		Total
		single	married	
AIZAWL	Count	99	151	250
	%	39.6%	60.4%	100.0%
GUWAHATI	Count	136	114	250
	%	54.4%	45.6%	100.0%
SHILLONG	Count	117	133	250
	%	46.8%	53.2%	100.0%
Total	Count	352	398	750
	%	46.9%	53.1%	100.0%

Table 5.3: Marital status wise distribution of tourists.

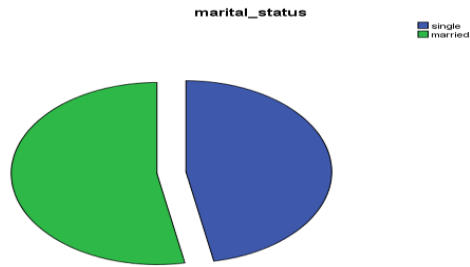


Fig5.3: Marital status wise distribution of tourists.

From the above table it is found that 46.9 % of the tourists are married and 53.1 % of the tourists are married.

5.1.1.4 Nationality: The expectation and satisfaction of tourist may vary depending on their nationality. In this research the item nationality is divided into two groups Indian and foreigner.

		Nationality		Total
		Indian	Foreigner	
AIZAWL	Count	244	6	250
	%	97.6%	2.4%	100.0%
GUWAHATI	Count	250	0	250
	%	100.0%	0.0%	100.0%
SHILLONG	Count	244	6	250
	%	97.6%	2.4%	100.0%
Total	Count	738	12	750
	%	98.4%	1.6%	100.0%

Table 5.4: Nationality wise distribution of tourists.

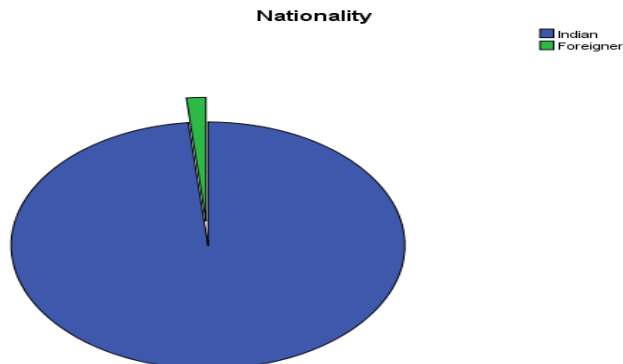


Fig 5.4: Nationality wise distribution of tourists.

From the above table it is found that 98.4% of the tourists are domestic tourist or India and 1.6% of the tourists are foreigners. This has clearly reveals that the tourism in Northeast India has not attracted beyond the domestic tourists.

5.1.1.5 Educational Qualification: Educational qualification of the tourist is also considered for the analysis. It is categorized into six categories which are matriculation and below, class 12, bachelor's degree, master degree, doctoral degree and professional degree.

		Educational qualification						Total
		matriculation and below	cl 12	bachelor's degree	master degree	doctoral degree	professional degree	
AIZAWL	Count	4	22	86	63	39	36	250
	%	1.6%	8.8%	34.4%	25.2%	15.6%	14.4%	100.0%
GUWAHATI	Count	8	20	110	83	22	7	250
	%	3.2%	8.0%	44.0%	33.2%	8.8%	2.8%	100.0%
SHILLONG	Count	6	37	121	57	14	15	250
	%	2.4%	14.8%	48.4%	22.8%	5.6%	6.0%	100.0%
Total	Count	18	79	317	203	75	58	750
	%	2.4%	10.5%	42.3%	27.1%	10.0%	7.7%	100.0%

Table 5.5: Educational qualification wise distribution of tourists.

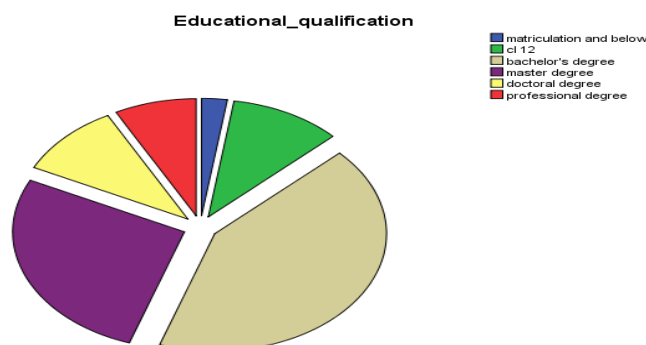


Fig 5.5: Educational qualification wise distribution of tourists.

From the above table it is found that 2.4% of the tourists are matriculate and below, 10.5% of the tourists are cl-XII passed, 42.3% of the tourists have bachelor degree, 27.1 % of the tourists have master degree, 10 % of the tourists have doctoral degree and 7.7 % of the tourists have professional degree.

5.1.1.6 Present employment: Depending on the employment status of the tourist, decision are made, and the satisfaction level may also vary. For the study the category present employment status has been divided into six categories namely student, housewife, retired personnel. Government service, private business employee and unemployed.

		Present employment						Total
		student	housewife	Retired	government service	private business employee	Unemployed	
AIZAWL	Count	63	11	3	121	51	1	250
	%	25.2%	4.4%	1.2%	48.4%	20.4%	.4%	100.0%
GUWAHATI	Count	65	21	1	82	74	7	250
	%	26.0%	8.4%	.4%	32.8%	29.6%	2.8%	100.0%
SHILLONG	Count	77	31	9	63	65	5	250
	%	30.8%	12.4%	3.6%	25.2%	26.0%	2.0%	100.0%
Total	Count	205	63	13	266	190	13	750
	%	27.3%	8.4%	1.7%	35.5%	25.3%	1.7%	100.0%

Table 5.6: Employment wise distribution of tourists.

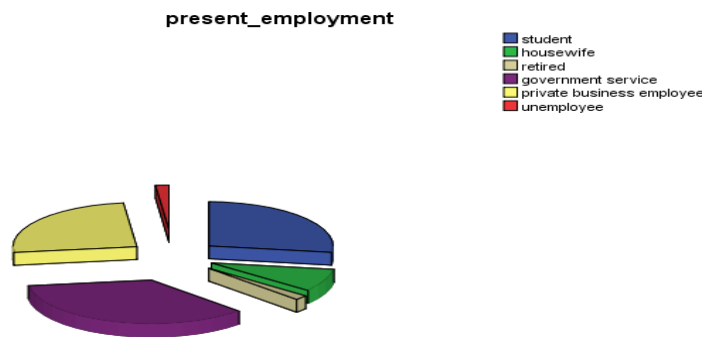


Fig 5.6: Employment wise distribution of tourists.

From the above table it is found that 27.3% of the samples are student, 8.4% of the samples are housewife, 1.7 % are retired personnel, 35.5% of the samples are government service, 25.3% of the samples are engage in their own business and 1.7% of the samples are unemployed.

5.1.2 Travel Behavior: After the tourist demographic analysis , respondents' travel habits in Northeast India were also discovered, which included travelling partners, number of visits,

purpose of the visit, source of information, first impression on Northeast India tourism, mode of transportation, types of accommodation and duration of stay.

5.1.2.1 Travel Companion: The companion of tourist while visiting a destination have an impact on the satisfaction level of the tourist. The category travel companion has been divided into six categories namely, sole travellers, with spouse or couples, family, with friends, business associates and others.

		Travel companion.						Total
		sole traveller	with spouse or couple	Family	with friends	business associates	others	
AIZAWL	Count	62	30	45	71	27	15	250
	%	24.8%	12.0%	18.0%	28.4%	10.8%	6.0%	100.0%
GUWAHATI	Count	50	74	42	68	16	0	250
	%	20.0%	29.6%	16.8%	27.2%	6.4%	0.0%	100.0%
SHILLONG	Count	46	41	69	73	19	2	250
	%	18.4%	16.4%	27.6%	29.2%	7.6%	.8%	100.0%
Total	Count	158	145	156	212	62	17	750
	%	21.1%	19.3%	20.8%	28.3%	8.3%	2.3%	100.0%

Table 5.7: Travel companion wise distribution.

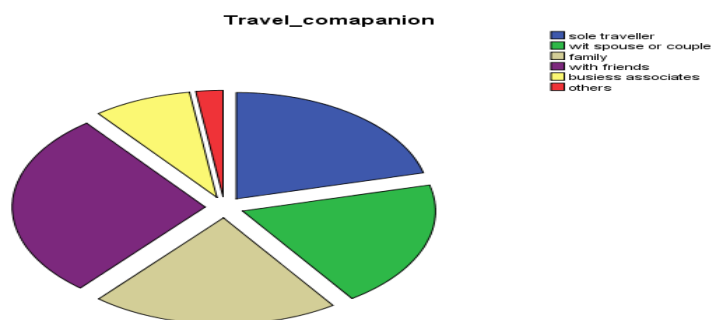


Fig 5.7: Travel companion wise distribution.

From the above table it is found that 21.1% of the of the samples are sole traveller, 19.3% of the samples are travelling with their spouse, 20.8% of the samples are travelling with their family,

28.3% of the samples travels with their friends, 8.3% of the samples travels with their business associate.

5.1.2.2 Number of visit: The number of visit signifies whether the tourist has been to the Northeast prior to the occasion when the research is conducted.

		Whether been to northeast		Total
		Yes	no	
AIZAWL	Count	201	49	250
	%	80.4%	19.6%	100.0%
GUWAHATI	Count	183	67	250
	%	73.2%	26.8%	100.0%
SHILLONG	Count	162	88	250
	%	64.8%	35.2%	100.0%
Total	Count	546	204	750
	%	72.8%	27.2%	100.0%

Table 5.8: Number of visit by tourists.

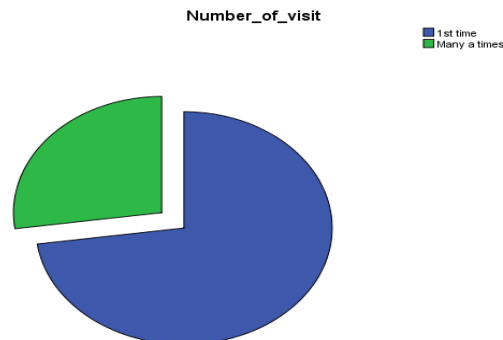


Fig 5.8: Number of visit by tourists.

From the above table it is found that 72.8 % of the samples are not first time visitors of North East while 27.2% off the samples are first time visitor.

5.1.2.3 Purpose of Current Visit: It is well important that the purpose of the visit have direct the decision making behavior as well as the satisfaction level. From the literature review it is found that vacation, business, religion, education and government duty are the common factors under the purpose of visit.

		Purpose of current visit						Total
		vacation	business	Religion	education	government duty	others	
AIZAWL	Count	22	36	0	76	100	16	250
	%	8.8%	14.4%	0.0%	30.4%	40.0%	6.4%	100.0%
GUWAHATI	Count	64	53	3	57	61	12	250
	%	25.6%	21.2%	1.2%	22.8%	24.4%	4.8%	100.0%
SHILLONG	Count	81	45	1	61	31	31	250
	%	32.4%	18.0%	.4%	24.4%	12.4%	12.4%	100.0%
Total	Count	167	134	4	194	192	59	750
	%	22.3%	17.9%	.5%	25.9%	25.6%	7.9%	100.0%

Table 5.9: Purpose of visit.

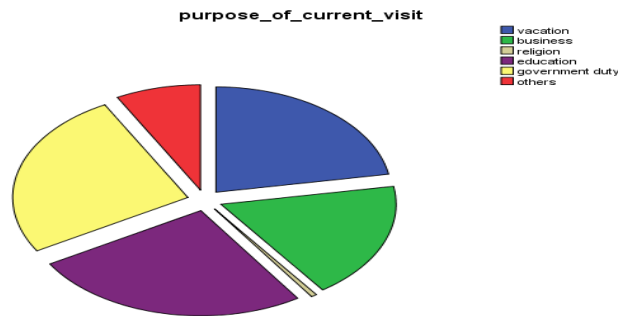


Fig 5.9: Purpose of visit

From the above table it is found that 22.3% of the tourist visit North East India for the purpose of vacation, 17.9% of tourist visit for the purpose of business .5 % for the purpose of religion, 25.9% for the purpose of education, 25.6 % for the purpose of government duty and 7.9 % for other purpose which is not mention.

5.1.2.4 Source of Information: Source of information where the tourists collect information regarding the trip is an important factor. Sources of information is again categorized into six categories namely travel agent, recommended by friend, radio and TV advertising, newspaper or travel magazine, tourism website and other source.

		Source of information						Total
		travel agent	recommend by friend	Radio, T.V. advertising	News paper/travel magazine	Tourism website	others	
AIZAWL	Count	47	84	2	4	67	46	250
	%	18.8%	33.6%	.8%	1.6%	26.8%	18.4%	100.0 %
GUWAHATI	Count	14	152	0	8	66	10	250
	%	5.6%	60.8%	0.0%	3.2%	26.4%	4.0%	100.0 %
SHILLONG	Count	59	119	1	5	47	19	250
	%	23.6%	47.6%	.4%	2.0%	18.8%	7.6%	100.0 %
Total	Count	120	355	3	17	180	75	750
	%	16.0%	47.3%	.4%	2.3%	24.0%	10.0%	100.0 %

Table 5.10: Source of information.

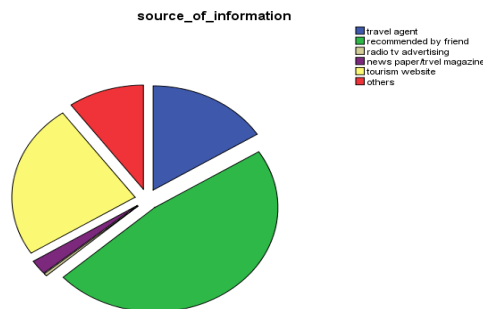


Fig 5.10: Source of information.

From the table above it is found that 16% of the sample gets their information about North East India from travel agent, 47.3% from their friends, .4% from their friends, 2.3 % from newspaper and travel magazine, 24.0 % from state tourism website and 10% from other source which is not mention.

5.1.2.5 First perception on tourism in Northeast India: Literature studies have reveals that the first perception on a destination has an impact on the satisfaction of tourist.

		First perception on northeast tourism						Total
		ecotourism	cultural tourism	rural tourism	adventure tourism	religious tourism	others	
AIZAWL	Count	73	70	30	69	4	4	250
	%	29.2%	28.0%	12.0%	27.6%	1.6%	1.6%	100.0%

GUWAHATI	Count	96	50	24	62	18	0	250
	%	38.4%	20.0%	9.6%	24.8%	7.2%	0.0%	100.0%
SHILLONG	Count	86	46	43	71	2	2	250
	%	34.4%	18.4%	17.2%	28.4%	.8%	.8%	100.0%
Total	Count	255	166	97	202	24	6	750
	%	34.0%	22.1%	12.9%	26.9%	3.2%	.8%	100.0%

Table 5.11: First perception of tourist on tourism in northeast India.

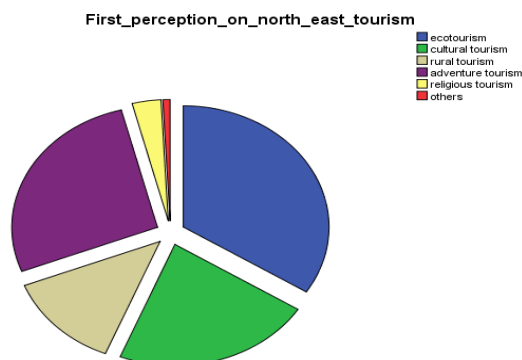


Fig 5.11: First perception of tourist on tourism in northeast India.

From the above table it is found that 34.0% of the tourist has first perceive North East India tourism as ecotourism, 22.1% perceived it as cultural tourism, 12.9% of the sample tourists perceived it as rural tourism, 26.9% of the tourists perceived it as adventure tourism, 3.2% perceived it as religious tourism and .8% perceived it as other types of tourism which is not mention.

5.1.2.6 Mode of Transportation: Mode of transportation used by the tourist to reach the destination plays an important role as transportation occupy an integral part of tourism

		Mode of transportation to reach the destination					Total
		bus	train	plane	personal car	others	
AIZAWL	Count	38	32	173	7	0	250
	%	15.2%	12.8%	69.2%	2.8%	0.0%	100.0%
GUWAHATI	Count	22	169	59	0	0	250
	%	8.8%	67.6%	23.6%	0.0%	0.0%	100.0%

SHILLONG	Count	17	176	54	0	3	250
	%	6.8%	70.4%	21.6%	0.0%	1.2%	100.0%
Total	Count	77	377	286	7	3	750
	%	10.3%	50.3%	38.1%	.9%	.4%	100.0%

Table 5.12: Mode of transportation to reach the destination.

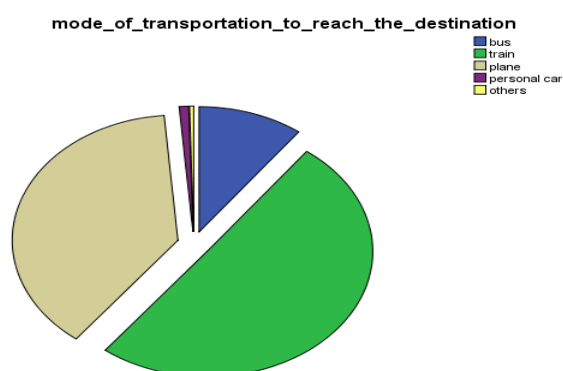


Fig 5.12: Mode of transportation to reach the destination.

From the above table it is found that 10.3% of the tourist used bus to reach the destination from their origin, 50.3 % of the tourist used train to reach the destination, 38.1% used plane to reach the destination, 0.9% used their personal car to reach the destination and 0.4% tourist used other means which is not mention.

5.1.2.7 Types of Accommodation: As mentioned in the literature study, accommodation is a major component of the tourism industry. It is important for the researcher to study how much percentage of the tourist stay in different types of accommodation.

		Types of accommodation					Total
		hotel	guest house/hostel	rented house	with friends/relatives	others	
AIZAWL	Count	91	108	37	9	5	250
	%	36.4%	43.2%	14.8%	3.6%	2.0%	100.0%
GUWAHATI	Count	182	59	6	3	0	250
	%	72.8%	23.6%	2.4%	1.2%	0.0%	100.0%
SHILLONG	Count	121	96	19	14	0	250

	%	48.4%	38.4%	7.6%	5.6%	0.0%	100.0%
Total	Count	394	263	62	26	5	750
	%	52.5%	35.1%	8.3%	3.5%	.7%	100.0%

Table 5.13 : Types of accommodation.

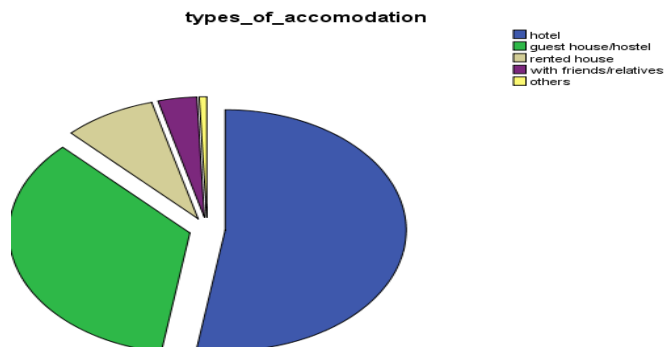


Fig 5.13: Types of accommodation.

From the above table it is found that 52.5% of the tourist stays in hotel while they visit Northeast India, 35.1% stays in guest house, 8.3% stays in rented house, 3.5% stays with friends and relatives and 0.7% stays in others means which is not mention.

5.1.2.8 Duration of stay: Another habit that is measured among all respondents is the visit length, where its scope parameters include Aizawl, Shillong and Guwahati. Because this had specific implications, which related to tourism in Northeast India

		Duration of stay			Total
		less than one week	one week	more than one week	
AIZAWL	Count	73	15	162	250
	%	29.2%	6.0%	64.8%	100.0%
GUWAHATI	Count	176	57	17	250
	%	70.4%	22.8%	6.8%	100.0%
SHILLONG	Count	82	93	75	250
	%	32.8%	37.2%	30.0%	100.0%
Total	Count	331	165	254	750
	%	44.1%	22.0%	33.9%	100.0%

Table5.14: Duration of stay.

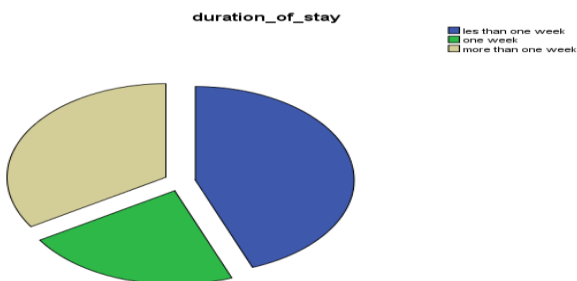


Fig 5.14: Duration of the stay.

The above table shows that 44.1% of the tourist under the study stays for less than one week, 22.0% stays for one week and 33.9 % of the tourist stays for more than one week.

5.2 Destination Community Data: Destination community data shows the demographic distribution of the community under study in the three cities Aizawl, Shillong and Guwahati. It also reveals the test of the hypothesis which is extracted from tourist data under study.

5.2.1 Age:

		Age						Total
		Below 25	25- 34	35- 44	45- 54	55-64	64 and above	
AIZAWL	Count	7	28	40	16	7	2	100
	%	7.0%	28.0%	40.0%	16.0%	7.0%	2.0%	100.0%
GUWAHATI	Count	4	35	37	13	9	2	100
	%	4.0%	35.0%	37.0%	13.0%	9.0%	2.0%	100.0%
SHILLONG	Count	5	35	33	17	9	1	100
	%	5.0%	35.0%	33.0%	17.0%	9.0%	1.0%	100.0%
Total	Count	16	98	110	46	25	5	300
	%	5.3%	32.7%	36.7%	15.3%	8.3%	1.7%	100.0%

Table 5.15: Age of the resident's community respondents.

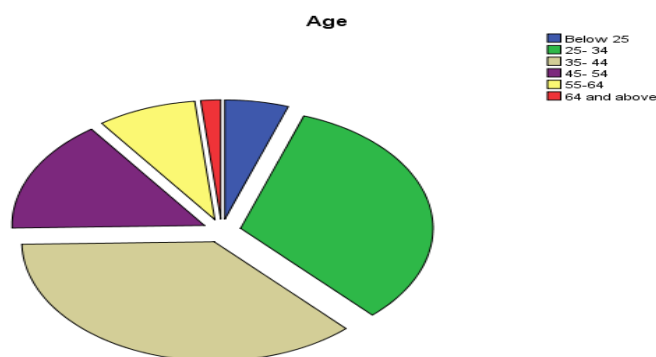


Fig 5.15: Age of the residents community respondents.

The above table shows that 5.3% of the resident's under the study are at the age of below 25 year, 32.4% are at the age between 25-34, 36.7% are at the age between 35-44, 15.3% are at the age between 45-54, 8.3 % are at the age between 55-64 and 1.7 % are at the age 64 and above.

5.2.2 Gender:

		gender		Total
		Male	Female	
AIZAWL	Count	45	55	100
	%	45.0%	55.0%	100.0%
GUWAHATI	Count	41	59	100
	%	41.0%	59.0%	100.0%
SHILLONG	Count	42	58	100
	%	42.0%	58.0%	100.0%
Total	Count	128	172	300
	%	42.7%	57.3%	100.0%

Table 5.16: Residents gender wise distribution.

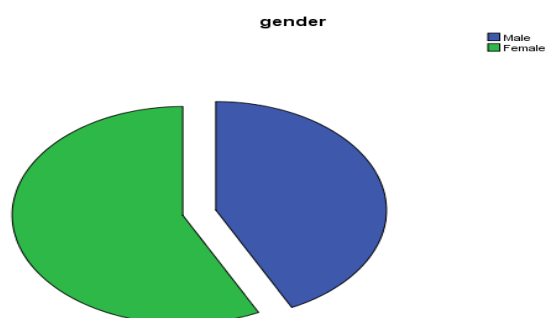


Fig 5.16: Residents gender wise distribution.

The above table shows that 42.7 of the community respondent are male and 57.3% are female.

5.2.3 Duration of stay in the present society

		duration of stay in the present society							Total
		1-10	11-20	21-30	31-40	40-50	51-60	>60	
AIZAWL	Count	32	16	15	19	9	7	2	100
	%	32.0%	16.0%	15.0%	19.0%	9.0%	7.0%	2.0%	100.0%
GUWAHATI	Count	28	18	10	22	9	11	2	100
	%	28.0%	18.0%	10.0%	22.0%	9.0%	11.0%	2.0%	100.0%
SHILLONG	Count	22	16	12	23	13	13	1	100
	%	22.0%	16.0%	12.0%	23.0%	13.0%	13.0%	1.0%	100.0%
Total	Count	82	50	37	64	31	31	5	300
	%	27.3%	16.7%	12.3%	21.3%	10.3%	10.3%	1.7%	100.0%

Table 5.17: Duration of stay in the present society.

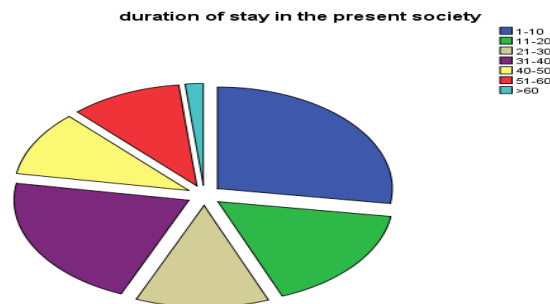


Fig 5.17: Duration of stay in the present society.

The above table shows that 27.3% of the respondents are in the community for 1-10 years, 16.7% of the respondents are in the particular community for 11-20 years, 12.3% of the respondents are in the community for 21-30 years, 21.3% of the respondents are in the community for 31-40 years, 10.3% of the community are in the present community for 40-50 years, 10.3% of the respondents are in the present community for 51-60 years and 1.7% of the respondents are in the present community for over 60 years.

5.2.4 Household member:

		household member				Total
		1-2	3-4	5-6	>7	
AIZAWL	Count	7	25	41	27	100
	%	7.0%	25.0%	41.0%	27.0%	100.0%
GUWAHATI	Count	6	22	34	38	100
	%	6.0%	22.0%	34.0%	38.0%	100.0%
SHILLONG	Count	6	19	32	43	100
	%	6.0%	19.0%	32.0%	43.0%	100.0%
Total	Count	19	66	107	108	300
	%	6.3%	22.0%	35.7%	36.0%	100.0%

Table 5.18: Residents household member.

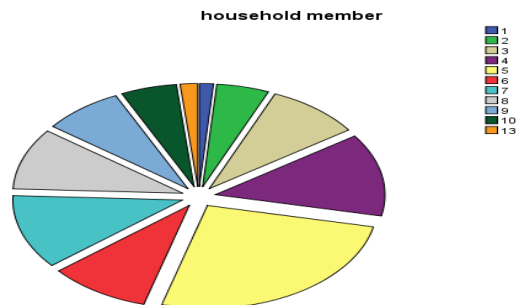


Fig 5.18: Residents household member.

The above table shows that 6.3% of the respondents are from a family member of 1-2 members, 22.0% of the respondents are from family member of 3-4 members, 35.7% of the respondents are from family members of 5-6 members and 36.0% of the respondents are from family members of more than 7.

5.2.5 Present Employment:

		Present employment							Total
		Student	Housewife	Retire	Governm -ent Service	Private Organization Employee	Self employed/ business owner	Unemploy -ee	
AIZAWL	Count	3	3	6	55	4	27	2	100
	%	3.0%	3.0%	6.0%	55.0%	4.0%	27.0%	2.0%	100.0%

GUWAHATI	Count	4	5	9	42	3	35	2	100
	%	4.0%	5.0%	9.0%	42.0%	3.0%	35.0%	2.0%	100.0%
SHILLONG	Count	6	9	8	36	5	34	2	100
	%	6.0%	9.0%	8.0%	36.0%	5.0%	34.0%	2.0%	100.0%
Total	Count	13	17	23	133	12	96	6	300
	%	4.3%	5.7%	7.7%	44.3%	4.0%	32.0%	2.0%	100.0%

Table 5.19: Residents employment status wise distribution.

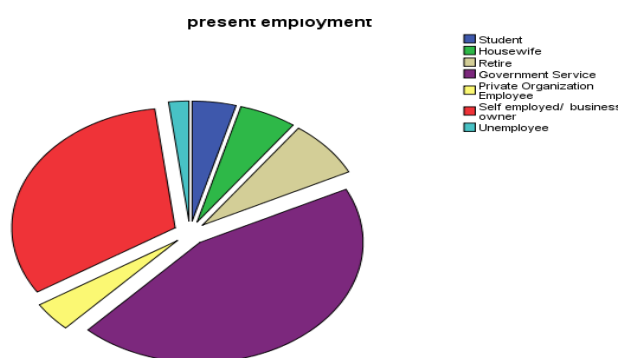


Fig 5.19: Residents employment status wise distribution.

From the above table it is shown that 4.3% of the respondents are students, 5.7% of the respondents are housewife, 7.7 % of the respondents are retired personnel, 44.3% of the respondents are government servant, 4.0% of the respondents are private organization employees, 32.0 % of the respondents are self employed and 2.0 % are unemployed.

5.2.6 Household income per month:

		Household income per month					Total
		Below Rs. 5000	Rs.5000 - Rs. 10,000	Rs. 10,000 - Rs.20,000	Rs.20,000 - Rs.30,000	Above Rs.30,000	
AIZAWL	Count	17	20	24	23	16	100
	%	17.0%	20.0%	24.0%	23.0%	16.0%	100.0%
GUWAHATI	Count	18	21	22	28	11	100
	%	18.0%	21.0%	22.0%	28.0%	11.0%	100.0%
SHILLONG	Count	27	16	21	26	10	100
	%	27.0%	16.0%	21.0%	26.0%	10.0%	100.0%

	Count	62	57	67	77	37	300
Total	%	20.7%	19.0%	22.3%	25.7%	12.3%	100.0%

Table 5.20: Resident's household income per month wise distribution.

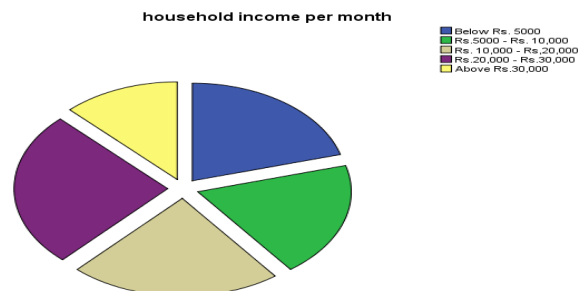


Fig 5.20: Residents household income per month wise distribution.

The above table shows that 20.7% of the respondents are from house hold income of below Rs.5000, 19.0% of the respondents are from the household income of Rs 5,000 to Rs 10,000, 22.3% of the respondents are from the household income of Rs.10,000 to Rs.20,000, 25.7% of the respondents are from the household income of Rs.20,000 to Rs.30,000 and 12.3 % of the respondents are from the household income of more than Rs.30,000.

5.3 Mean score:

In mathematics and statistics, the arithmetic mean or simply the mean or average when the context is clear, is the sum of a collection of numbers divided by the number of numbers in the collection. The collection is often a set of results of an experiment, or a set of results from a survey.

5.3.1 Mean Score from the tourist data:

In this portion the mean score of the data collected from the tourists is highlighted which include the mean from factors like tourism infrastructure, tourism marketing mix and security factor.

5.3.1.1 Mean score of Tourism Infrastructure variables:

The connection between infrastructure and tourism is emphasized in numerous professional studies, which underline, on the one hand, the special role of tourism development in the infrastructure's modernizing, and on the other hand the reverse direction, the

generation of multiplication effects of infrastructure development upon tourism. The infrastructure development represents a preoccupation of the decision factors and specialists from almost all fields, for the elaboration of detailed plans regarding the infrastructure development, the transport infrastructure having an important role.

The following tables represent the mean score taken from the respondents with references to the tourism infrastructure variables.

	N	Mean
Air connectivity of the destination with major Indian cities	750	2.8987
Condition of airport serving the destination	750	2.7227
Quality of roads from origin to destination	750	2.4560
Qualities of wayside amenities available on the road	750	2.2947
Rail connectivity of destination with major Indian cities	750	2.2747
Condition of railway station serving the destination	750	2.1507
Public convenience along the road/street	750	2.4707
Condition of road inside the city	750	2.6920
Telephone and mobile service	750	2.8693
Internet service	750	2.6720
Mean score for tourism infrastructure	750	2.6018

Table 5.21 : Mean score for tourism infrastructure

The above table shows that condition of railway serving the destination has the lowest mean score with 2.2747 among the tourism infrastructure variables whereas air connectivity with other Indian major city has the highest mean score with 2.8987 and the total mean score for the factor tourism infrastructure is 2.6018 (using 5 point Likert's scale).

5.3.1.2 Mean score for tourism product:

Tourist products are the means to satisfy tourist needs (Paul, 1977:18). According to Jovicic(1988:2-3), tourist needs are those that are “satisfied when movement is performed (travel and sojourn) outside the place of residence.”

The following tables represent the mean score taken from the respondents with references to the tourism product.

	N	Mean
Availability of luxurious hotel	750	2.6333
Availability of budget hotel	750	2.9280
Cleanliness of monuments/tourist attraction and area around	750	2.8853
Public utilities at the site of attraction	750	2.6787
Availability of tourist information	750	2.7240
Conservation of the tourist site	750	2.9880
Availability of diverse recreational facilities	750	2.4013
Mean score for tourism product	750	2.7484

Table 5.22: Mean score for tourism product.

The above table shows that the variable availability of diverse recreational facilities has the lowest mean score of 2.4013 whereas the variable conservation of the tourism site has the highest mean score of 2.9880 and the total mean score for the factor tourism product is 2.7484 (using Likert's five point scale)

5.3.1.3 Mean score for Price:

According to Kotler, Armstrong, Wong, and Saunders (2008), price is the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service. Due to the intangible nature of services, price becomes a crucial quality indicator where other information is not lacking or absent (Zeithaml, 1981). Price is considered as the most important measurement of repurchase intentions (Oh, 2000; Parasuraman and Grewal, 2000). In deciding to return to the service provider, the customers normally think whether or not they received their value for money (Zeithaml, 1988). It has been proven therefore, that customers usually buy products on the basis of price rather than other attributes (Peter & Donnelly, 2007).

The following tables represent the mean score taken from the respondents with references to the price.

	N	Mean
Price of hotel room rent	750	2.8160
Transportation price from origin to destination	750	2.7120
Transportation price within the destination	750	2.6307
Price of the food	749	2.6689
Price of the handloom and handicraft products(souvenir)	750	2.8813
Price for visiting tourist site	750	3.0533
Price for entertainment	750	2.8800
Other travel expenditure(insurance etc)	750	2.5640
Overall expenditure(value for money)	750	2.7827
Mean score for price	749	2.7765

Table 5.23: Mean score for factor price.

The above table shows that variable price for visiting tourist site has the highest mean score of 3.0533 whereas the variable price for travel expenditure (insurance) has the lowest mean score of 2.5640 and the mean score for the factor price is 2.7765 (using Likert's five point scale).

5.3.1.4 Mean score for Place or Channel:

This factor is defined by Armstrong and Kotler (2006) as a set of interdependent organizations that caters to the process of making a product available to the consumers. Hirankitti et al., (2009) considers place as the ease of access which potential customer associates to a service such as location and distribution. It should pay attention to how it can deliver the product at the right

time and at the right place, and which channel should be used to deliver the product (Copley, 2004).

The following tables represent the mean score taken from the respondents with references to the channel.

	N	Mean
Availability of authorized tour operator	750	2.5427
Availability of website to organized your trip	750	2.5280
Visitors information center at the destination	750	2.5413
Promptness of the state tourism department	750	2.5800
Mean score for factor place	750	2.5373

Table 5.24: Mean score for channel.

The above table shows that the variable availability of website to organized a trip has the lowest mean score of 2.5280 whereas the variable promptness of the state tourism department has the highest mean score of 2.5800 and the total mean score for the factor place is 2.5373 (using Likert's five point scale)

5.3.1.5 Mean score for Promotion:

A communication program is important in marketing strategies because it plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times (Lovelock and Wright, 2002). Promotion is very important as it provides information, advice, and it persuades the target market. It guides and teaches the customer to take action at a specific time and how they can use the product and get beneficial result from it. The product advertisement can be delivered by individual sales people, T.V, radio, internet, magazine, press, and all types of media.

The following tables represent the mean score taken from the respondents with references to the promotion.

	N	Mean
Wide spread	750	2.3693
Attractiveness	750	2.6907
Competitiveness	750	2.2507
Innovative	750	2.3627
Mean score for factor promotion	750	2.4183

Table 5.25: Mean for promotion.

The above table shows that the variable attractiveness has the highest mean score of 2.6907 whereas the variable competitiveness has the lowest mean score of 2.2507 and the total mean score for the factor promotion is 2.4183 (using Likert's five point scale).

5.3.1.6 Mean score for People:

This factor refers to the service employees who produce and deliver the service. It has long been a fact that many services involve personal interactions between customers and the site's employees, and they strongly influence the customer's perception of service quality (Hartline and Ferrell, 1996: Rust, Zahorik and Keiningham, 1996). Personnel are keys to the delivery of service to customers. The interaction is important because it influences customer perception. In other words, the actions of all the personnel normally influence success of action and function of an organization and with more communication, training, skills, learning, and advice they will achieve to display the optimum value of the product and the company.

The following tables represent the average score taken from the respondents with references to the people.

	N	MEAN
Behavior of the local residence	750	3.2987
Behavior of the driver for your interstate transportation	750	3.0907
Behavior of the driver for your local transport	750	2.9453
Behavior of the service staff at your accommodation	750	3.0973
Behavior of the staff working at tourism office	750	3.0187
Behavior of the staff working at the local restaurant and shopping complex	750	3.0613
Mean score for the factor people	750	3.0853

Table 5.26: Mean score for people.

The above table shows that the variable behavior of the local residence has the highest mean score of 3.2987 whereas the variable behavior of diver for local transport has the lowest mean score of 2.9453 and the total mean score for the factor people is 3.0853 (using Likert's five point scale).

5.3.1.7 Mean score for Process:

Process is generally defined as the implementation of action and function that increases value for products with low cost and high advantage to customer and is more important for service than for goods. According to Hirankitti et al., (2009) the pace of the process as well as the skill of the service providers are clearly revealed to the customer and it forms the basis of his or her satisfaction with the purchase. Therefore, process management ensures the availability and consistence of quality. In the face of simultaneous consumption and production of the process management, balancing services demand with service supply is extremely difficult (Magrath, 1986). The design and the implementation of product elements are crucial to the creation and delivering of product.

The following tables represent the mean score taken from the respondents with references to the process.

	N	Mean
Promptness in getting permission to enter the destination	750	3.2253
Availability of tour packages to the destination	750	2.7347
Hassle free process in booking the entire tour	750	2.7400
Mean score for the factor process	750	2.9000

Table 5.27: Mean score for process.

The above table shows that the variable promptness in getting permission to enter the destination has the highest mean score of 3.2243 whereas the variable availability of tour packages has the lowest mean score of 2.7347 and the total mean score for the factor process is 2.9000 (using Likert's five point scales).

5.3.1.8 Mean score for the Physical Evidence:

This factor refers to the environment in which the service and any tangible goods that facilitate the performance and communication of the service are delivered. This holds great importance because the customer normally judges the quality of the service provided through it (Rafiq & Ahmed, 1995). In addition, according to Mittal and Baker (1998), this factor also refers to the environment in which the services production is in. The environmental décor and design also significantly influence the customer's expectations of the service (Shostack, 1977). Services normally cannot be displayed, therefore firms should create a suitable environment to highlight the fact to the customers (Rathmell, 1974).

The following tables represent the mean score taken from the respondents with references to the physical evidence.

	N	Mean
Cleanliness of the travel agent office	750	2.8387
Physical appearance of the staff employed in the travel agent	750	2.8627
Physical appearance of the tour guide	750	2.8253
Cleanliness of the state tourism information center	750	2.8213
Physical appearance of the transportation in the destination	750	2.7733
Physical appearance of the transport operator	750	2.7613
Overall physical appearance of the destination	750	2.9987
Mean score for the factor physical evidence	750	2.8402

Table 5.28: Mean score for physical evidence.

The above table shows that the variable overall physical appearance of the destination has the highest mean score of 2.9987 whereas the variable physical appearance of transport operator has the lowest mean score of 2.7613 and the total mean score for the factor physical evidence is 2.8402 (using Likert's five point scale).

5.3.1.9 Mean score for Safety:

Safety and security have always been indispensable condition for travel and tourism. But it is an incontestable fact that safety and security issues gained a much bigger importance in the last two decades in tourism. Changes in the world during the last two decades were enormous. Due to terrorist acts, local wars, natural disasters, epidemics and pandemics, that we were witnesses to, security has significantly decreased.

The following tables represent the mean score taken from the respondents with references to the security.

	N	Mean
Transportation to the destination	750	2.9787
Local transportation	750	3.1200
Hotel and accommodation	750	3.5133
Tourist activities	750	3.3733
Comparison to other place	750	3.4147
Communal harmony	750	2.9880
Overall safety	750	3.2573
Mean score for the factor security	750	3.2350

Table 5.29: Mean score for safety.

The above table shows that the variable for safety in hotel and accommodation has the highest mean score of 3.5133 whereas the variable safety regarding transportation to the destination has the lowest mean score of 2.9787 and the total mean score for the actor safety is 3.2350 (using Likert's five point scale).

5.3.2 Mean Score from resident's community:

In this portion the mean of the data collected from the residents community is highlighted which include the mean for factor like economic, social, cultural and environmental impact of tourism development in the selected community.

5.3.2.1 Mean score for economic impact:

Tourism can create jobs, provide foreign exchange, produce return on investment for emerging economics, bring technology, and improve living standards. The most prominent benefits used to promote tourism development are the economic benefits that communities can expect to derive from an increase in tourism activity. Every study of resident perception of tourism impacts has included questions concerning economic factors.

The following table represents the mean score with reference to the tourism and its economic impact on the resident's community.

	N	Mean
Tourism brings important economic benefits	300	4.06
Tourism creates employment opportunities	300	4.02
It creates a variety of jobs for the residents	300	3.83
Local businesses benefit the most from tourists	300	4.05
Standard of living has increased due to tourism	300	3.43
Price of many goods and services in the community has increased	300	3.53
Real estate prices in the community have increased	300	3.63
Mean score for the factor economic impact on resident's community	300	3.79

Table 5.30: Mean score for the economic impact.

The above table shows that the variable tourism brings economic benefit has the highest mean score of 4.06 whereas the variable standard of living has increased due to tourism has the lowest mean score of 3.43 and the total mean score for the factor economic impact on the respondent's community is 3.79 (using Likert's five point scale)

5.3.2.2 Mean score for the social impact:

Tourism increases traffic congestion and crowdedness in the public area, and brings social problems. Tourism also contributes to social ills such as begging, gambling, drug trafficking, and prostitution, as well as the uprooting of traditional society, and causes deterioration of the traditional culture and customs of host countries (Ahmed & Krohn, 1992, Var & Kim, 1990). Tourism contributes to an undesirable increase in the consumption of alcohol, increased traffic congestion, and overcrowding because of visitors (Backman & Backman, 1997).

The following table represents the mean score with reference to the tourism and its social impact on the resident's community.

	N	Mean
Resulted in unpleasantly overcrowded	300	2.74
Unpleasantly overcrowded parks for local residents	300	2.73
Unpleasantly overcrowded shopping places	300	2.37
Contributes social problems	300	2.71
Tourism provides more recreational opportunities	300	3.82
Because of tourism, roads and other local services are well maintained	300	4.11
Mean score for the factor social impact on resident's community	300	3.08

Table 5.31: Mean score for social impact.

The above table shows that the variable because of tourism, roads and other local services are well maintained has the highest mean score of 4.11 whereas the variable which state that tourism brings social problem has the lowest mean score of 2.71 and the total mean score for the factor social impact is 3.08 (using Likert's five point scale).

5.3.2.2 Mean score for the factor social impact:

Even though tourism contributes to the renaissance of traditional arts and craft (Var & Kim, 1990), tourism has frequently been criticized for the disruption of traditional social and culture structures and behavioral patterns. Destination areas that have embraced tourism for its economic benefits have witnessed heightened levels of crime and prostitution, and displacement due to rising land costs and loss of the cultural heritage of local people, particularly youth. Tourism has been charged not only with the debasement of socio-cultural factors but also with degradation of the environment.

The following table represents the mean score with reference to the tourism and its cultural impact on the resident's community.

	N	Mean
Tourism encourages a variety of cultural activities	300	3.88
Keep culture alive and helps maintain the ethnic identity	300	3.70
Tourists causes changes in the style and forms of traditional arts and crafts	300	3.63
Encourages residents to imitate the behavior of the tourists and relinquish cultural traditions.	300	2.48
Causes the disruption of traditional cultural behavior patterns in local residents	300	2.30
Meeting tourists from all over the world is definitely a life enriching experience.	300	3.29
Cultural exchange between residents and tourists is pleasant for the residents.	300	3.15
Like to meet tourists from as many countries as possible in order to learn about their cultures	300	4.09
Mean score for factor cultural impact on resident's community	300	3.31

Table 5.32: Mean score for cultural impact.

The above table shows that the variable likes to meet tourists from as many countries as possible in order to learn about their culture has the highest mean score of 4.09 whereas, the variable tourism causes the disruption of traditional cultural behavior patterns in local residents has the lowest mean score of 2.30 and the total mean score for the factor cultural impact is 3.31 (using Likert's five point scales).

5.3.2.4 Mean score for the environmental impact:

Studies of resident's perception of the impact of tourism on the environment imply that residents may view tourism as having either a positive or negative impact on their environment. Some people believe that tourism helps create a greater awareness and appreciation for the need to preserve the environment to capture its natural beauty for tourist purposes, and increase investments in the environmental infrastructure of the host country (Var & Kim, 1990).

The following table represents the mean score with reference to the tourism and its environmental impact on the resident's community.

	N	Mean
Causes environmental pollution	300	2.90
Produces noise pollution.	300	2.34
Produces littering	300	3.34
Produces large quantities of waste products	300	3.36
Littering destroys the beauty of the landscape.	300	3.15
Has contributed to the preservation of the natural environment and the protection of the wildlife in the community	300	4.25
Mean score for factor environmental impact on resident's community	300	3.22

Table 5.33: Mean score for environmental impact.

The above table shows that the variable tourism has contributed to the preservation of the natural environment and the protection of the wildlife in the community has the highest mean score of 4.25 whereas, the variable tourism produces noise pollution has the lowest mean score of 2.34 and the total mean score for the factor environmental impact is 3.22 (using Likert's five point scale)

5.4 Hypothesis testing: Hypothesis testing or significance testing is a method for testing a claim or hypothesis about a parameter in a population, using data measured in a sample. In this method, we test some hypothesis by determining the likelihood that a sample statistic could have been selected, if the hypothesis regarding the population parameter were true.

5.4.1 H1: Demographic profile of tourist has a significant effect on the perception related to tourism infrastructure, service marketing mix factors and safety.

HI (a): The age group of visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infrastructure	Between Groups	350.293	5	70.059	2.160	.057
	Within Groups	24132.965	744	32.437		
	Total	24483.259	749			
Tourism product	Between Groups	184.520	5	36.904	2.846	.015
	Within Groups	9645.758	744	12.965		
	Total	9830.279	749			
Price	Between Groups	154.372	5	30.874	1.281	.270
	Within Groups	17904.562	743	24.098		
	Total	18058.935	748			
Distribution channel	Between Groups	13.685	5	2.737	.959	.442
	Within Groups	2124.407	744	2.855		
	Total	2138.092	749			
Promotional	Between Groups	92.872	5	18.574	2.470	.031
	Within Groups	5594.095	744	7.519		
	Total	5686.967	749			
People	Between Groups	41.279	5	8.256	.496	.779
	Within Groups	12378.113	744	16.637		
	Total	12419.392	749			
Process	Between Groups	7.699	5	1.540	.465	.803
	Within	2465.801	744	3.314		

	Groups Total	2473.500	749			
Physical evidence	Between Groups	118.089	5	23.618	1.570	.166
	Within Groups	11192.349	744	15.043		
	Total	11310.439	749			
Safety	Between Groups	783.272	5	156.654	5.130	.000
	Within Groups	22720.387	744	30.538		
	Total	23503.659	749			

Table 5.34: ANOVA table for Visitor's age with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

From the above table the analysis of variance revealed that there is a significant difference in the factors such as tourism product, promotional and safety with respect to age as the p value is less than 0.05

H1 (b): The gender of the visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infra	Between Groups	17.660	1	17.660	.540	.463
	Within Groups	24465.599	748	32.708		
	Total	24483.259	749			
Tourism product	Between	63.153	1	63.153	4.836	.028

	Groups Within Groups Total	9767.126 9830.279	748 749	13.058		
Price	Between Groups	5.227	1	5.227	.216	.642
	Within Groups	18053.708	747	24.168		
	Total	18058.935	748			
Distribution channel	Between Groups	.968	1	.968	.339	.561
	Within Groups	2137.124	748	2.857		
	Total	2138.092	749			
Promotional	Between Groups	3.707	1	3.707	.488	.485
	Within Groups	5683.259	748	7.598		
	Total	5686.967	749			
People	Between Groups	42.097	1	42.097	2.544	.111
	Within Groups	12377.295	748	16.547		
	Total	12419.392	749			
Process	Between Groups	2.284	1	2.284	.691	.406
	Within Groups	2471.216	748	3.304		
	Total	2473.500	749			
Physical evidence	Between Groups	1.492	1	1.492	.099	.754
	Within Groups	11308.947	748	15.119		
	Total	11310.439	749			
Safety	Between Groups	41.374	1	41.374	1.319	.251
	Within	23462.285	748	31.367		

Groups					
Total	23503.659	749			

Table 5.35: ANOVA table for Visitor's gender with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

From the above table the analysis of variance revealed that there is a significant difference in the factor of tourism product with respect to the gender of the visitor

H1 (c): Marital status of visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infra	Between Groups	123.834	1	123.834	3.803	.052
	Within Groups	24359.424	748	32.566		
	Total	24483.259	749			
Tourism product	Between Groups	133.626	1	133.626	10.308	.001
	Within Groups	9696.653	748	12.963		
	Total	9830.279	749			
Price	Between Groups	2.206	1	2.206	.091	.763
	Within Groups	18056.728	747	24.172		
	Total	18058.935	748			
Distribution channel	Between Groups	4.071	1	4.071	1.427	.233

	Within Groups	2134.021	748	2.853		
	Total	2138.092	749			
Promotional	Between Groups	23.310	1	23.310	3.079	.080
	Within Groups	5663.656	748	7.572		
	Total	5686.967	749			
People	Between Groups	40.729	1	40.729	2.461	.117
	Within Groups	12378.663	748	16.549		
	Total	12419.392	749			
Process	Between Groups	12.130	1	12.130	3.686	.055
	Within Groups	2461.370	748	3.291		
	Total	2473.500	749			
Physical evidence	Between Groups	54.859	1	54.859	3.646	.057
	Within Groups	11255.580	748	15.048		
	Total	11310.439	749			
Safety	Between Groups	690.566	1	690.566	22.642	.000
	Within Groups	22813.093	748	30.499		
	Total	23503.659	749			

Table 5.36: ANOVA table for Visitor's marital status with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

The above table the analysis of variance revealed that there is a significant difference in the factors such as safety with respect to marital status.

H1 (d): The nationality of visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infrastructure	Between Groups	206.202	1	206.202	6.353	.012
	Within Groups	24277.057	748	32.456		
	Total	24483.259	749			
Tourism product	Between Groups	24.868	1	24.868	1.897	.169
	Within Groups	9805.411	748	13.109		
	Total	9830.279	749			
Price	Between Groups	1.432	1	1.432	.059	.808
	Within Groups	18057.502	747	24.173		
	Total	18058.935	748			
Distribution channel	Between Groups	4.568	1	4.568	1.601	.206
	Within Groups	2133.524	748	2.852		
	Total	2138.092	749			
Promotional	Between Groups	.803	1	.803	.106	.745
	Within Groups	5686.163	748	7.602		
	Total	5686.967	749			
People	Between	8.714	1	8.714	.525	.469

	Groups					
	Within	12410.678	748	16.592		
	Groups					
	Total	12419.392	749			
Process	Between	1.792	1	1.792	.542	.462
	Groups					
	Within	2471.708	748	3.304		
	Groups					
	Total	2473.500	749			
Physical evidence	Between	17.620	1	17.620	1.167	.280
	Groups					
	Within	11292.819	748	15.097		
	Groups					
	Total	11310.439	749			
Safety	Between	1.906	1	1.906	.061	.806
	Groups					
	Within	23501.753	748	31.419		
	Groups					
	Total	23503.659	749			

Table 5.37: ANOVA table for Visitor's nationality with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

From the above table the analysis of variance revealed that there is a significant difference in the factor such as infrastructure with respect to nationality.

H1 (e): Educational qualification of visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infrastructure	Between Groups	603.246	5	120.649	3.759	.002
	Within Groups	23880.012	744	32.097		
	Total	24483.259	749			
Tourism product	Between Groups	285.460	5	57.092	4.450	.001
	Within Groups	9544.818	744	12.829		
	Total	9830.279	749			
Price	Between Groups	375.101	5	75.020	3.152	.008
	Within Groups	17683.833	743	23.801		
	Total	18058.935	748			
Distribution channel	Between Groups	97.399	5	19.480	7.102	.000
	Within Groups	2040.693	744	2.743		
	Total	2138.092	749			
Promotional	Between Groups	217.736	5	43.547	5.924	.000
	Within Groups	5469.230	744	7.351		
	Total	5686.967	749			
People	Between Groups	233.133	5	46.627	2.847	.015
	Within Groups	12186.259	744	16.379		
	Total	12419.392	749			
Process	Between Groups	54.503	5	10.901	3.353	.005
	Within Groups	2418.997	744	3.251		
	Total					

	Total	2473.500	749			
Physical evidence	Between Groups	94.735	5	18.947	1.257	.281
	Within Groups	11215.704	744	15.075		
	Total	11310.439	749			
Safety	Between Groups	1035.890	5	207.178	6.861	.000
	Within Groups	22467.769	744	30.199		
	Total	23503.659	749			

Table 5.38: ANOVA table for Visitor's educational qualification with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

From the above table the analysis of variance revealed that there is a significant difference in the factors such as infrastructure, tourism product, price, channel, promotional activities, people, process and safety with respect to visitor's educational qualification.

H1 (f): Employment status of visitors has a significant effect on the perception related to infrastructure, tourism product, price, place, promotion, physical evidence, process, people and safety of the tourists.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Infrastructure	Between Groups	98.959	5	19.792	.604	.697
	Within Groups	24384.299	744	32.775		
	Total	24483.259	749			
Tourism product	Between Groups	223.147	5	44.629	3.456	.004

	Within Groups	9607.132	744	12.913		
	Total	9830.279	749			
Price	Between Groups	248.310	5	49.662	2.072	.067
	Within Groups	17810.624	743	23.971		
	Total	18058.935	748			
Distribution channel	Between Groups	11.096	5	2.219	.776	.567
	Within Groups	2126.996	744	2.859		
	Total	2138.092	749			
Promotional	Between Groups	47.484	5	9.497	1.253	.283
	Within Groups	5639.482	744	7.580		
	Total	5686.967	749			
People	Between Groups	165.377	5	33.075	2.008	.075
	Within Groups	12254.015	744	16.470		
	Total	12419.392	749			
Process	Between Groups	49.329	5	9.866	3.028	.010
	Within Groups	2424.171	744	3.258		
	Total	2473.500	749			
Physical evidence	Between Groups	168.399	5	33.680	2.249	.048
	Within Groups	11142.039	744	14.976		
	Total	11310.439	749			
safety	Between Groups	760.248	5	152.050	4.974	.000
	Within Groups	22743.410	744	30.569		

Total	23503.659	749			
-------	-----------	-----	--	--	--

Table 5.39: ANOVA table for Visitor's employment status with respect to infrastructure, tourism product, price, distribution channel, promotion, people, process, physical evidence and safety.

From the above table the analysis of variance reveals that there is a significant effect in the factors such as tourism product, process, physical evidence and safety with respect to visitor's present employment status.

5.4.2 H2: Tourism infrastructure has an impact on the satisfaction of tourist.

The factors concerning tourism infrastructure takes into account of 12 variables using Likert's Five Point Scale. The application of Principal Component Factor Analysis is presented below.

5.4.2.1 Principal component and factor analysis:

Principal components analysis (PCA) and factor analysis (FA) are statistical techniques used for data reduction or structure detection. These two methods are applied to a single set of variables when the researcher is interested in discovering which variables in the set form coherent subsets that are relatively independent of one another. Variables that are correlated with one another but are largely independent of other sets of variables are combined into factors. These factors allow you to condense the number of variables in your analysis by combining several variables into one factor.

KMO and Bartlett's Test:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.772
Bartlett's Test	Approx. Chi-Square	2507.586
	Df	66
Sphericity	Sig.	0.000

Table 5.40: KMO and Bartlett's test table for factor tourism infrastructure.

From the above table KMO and Bartlett's test it is found that sampling adequacy value is 0.772 and the chi square value for the Bartlett's test of sphericity 2507.586 are statistically significant at 5% significance level

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.844	32.033	32.033	3.844	32.033	32.033	2.427	20.227	20.227
2	1.659	13.825	45.858	1.659	13.825	45.858	1.943	16.188	36.414
3	1.156	9.636	55.494	1.156	9.636	55.494	1.779	14.824	51.239
4	1.040	8.663	64.157	1.040	8.663	64.157	1.550	12.918	64.157
5	.903	7.525	71.682						
6	.671	5.590	77.272						
7	.634	5.280	82.551						
8	.534	4.453	87.004						
9	.471	3.923	90.927						
10	.426	3.548	94.476						
11	.358	2.980	97.456						
12	.305	2.544	100.000						

Extraction Method: Principal Component Analysis.

Table 5.41: Total variance explained table for factor tourism infrastructure.

From the above table it is found that the variables are reduced into 4 major factors with eigen value of 2.427, 1.943, 1.779 and 1.550 are statistically significant. The 4 major factors also possess individual value of 20.227, 16.188, 14.824 and 12.918 with total cumulative variance 64.157. This clearly indicates the existence of 4 major factors with their respective variable loadings as expressed in the table given below.

Rotated Component Matrix:

	Component			
	1	2	3	4
Air connectivity of the destination with major Indian cities				.868
Condition of airport serving the destination				.805
Quality of roads from origin to destination	.754			
Qualities of wayside amenities available on the road	.652			
Rail connectivity of destination with major Indian cities		.886		
Condition of railway station serving the-destination		.820		
Public convenience along the road/street	.694			
Condition of road inside the city	.751			
Telephone and mobile service			.874	
Internet service			.847	

Table 5.42: Rotated component matrix table for factor tourism infrastructure.

From the above table it is clear that there are four factors to be considered for factors that might explain the infrastructure

The first factor consist of 2 variables

1. Air connectivity of the destination with major Indian cities
2. Condition of airport serving the destination

Hence the first factor can be called as airport infrastructure

The second factor consist of 4 variables

1. Quality of roads from origin to destination
2. Qualities of wayside amenities available on the road
3. Public convenience along the road/street
4. Condition of road inside the city

Hence the second factor can be called as road transport infrastructure

The third factor consists of two factors

1. Rail connectivity of destination with major Indian cities
2. Condition of railway station serving the-destination

Hence the third factor can be called as railway infrastructure

The third factor consist of two factors

1. Telephone and mobile service
2. Internet service

Hence the fourth factors can be called as communication infrastructure

5.4.2.2 REGRESSION ANALYSIS

In statistics, **regression analysis** is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Most commonly, regression analysis estimates the conditional expectation of the dependent variable given the independent variables – that is, the average value of the dependent variable when the independent variables are fixed. Regression analysis is used to study the impact of tourism infrastructure on the overall satisfaction of the tourist.

Model Summary

R Square	Adjusted R Square	Std. Error of the Estimate
.754	.706	.23849

A. Predictors: (Constant), internet service, Condition of airport serving the destination, Quality of roads from origin to destination, Rail connectivity of destination with major Indian cities, public convenience along the road/street, Air connectivity of the destination with major Indian cities, Qualities of wayside amenities available on the road, condition of road inside the city, telephone and mobile service, Condition of railway station serving the-destination.

Table 5.43: Model summary table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.

From the above table it is found that the R² value is .518, which signifies that 52% of variability in overall tourist satisfaction is explain by the model.

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.344	10	4.634	81.478	.000 ^b
	Residual	42.033	739	.057		
	Total	88.377	749			

a. Dependent Variable: overall satisfaction

b. . Predictors: (Constant), internet service, Condition of airport serving the destination, quality of roads from origin to destination, rail connectivity of destination with major Indian cities, public convenience along the road/street, air connectivity of the destination with major Indian cities, qualities of wayside amenities available on the road, condition of road inside the city, telephone and mobile service, condition of railway station serving the-destination.

Table 5.44: ANOVA table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.

From the above ANOVA table it is found that the P value is lesser than 0.05 which signifies that the model has an explanatory power for the overall satisfaction.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.488	.051		29.302	.000
Air connectivity of the destination with major Indian cities	.044	.013	.099	3.325	.001
Condition of airport serving the destination	.104	.014	.239	7.722	.000
Quality of roads from origin to destination	.066	.014	.157	4.852	.000
Qualities of wayside amenities available on the road	.023	.014	.052	1.687	.092
Rail connectivity of destination with major Indian cities	.047	.012	.130	3.796	.000
Condition of railway station serving the destination	.025	.015	.058	1.652	.099
Public convenience along the road/street	.069	.013	.167	5.357	.000
Condition of road inside the city	.020	.014	.046	1.457	.145
Telephone and mobile service	.034	.014	.078	2.408	.016
Internet service	.076	.013	.187	5.623	.000

a. Dependent Variable: overall satisfaction

Table 5.45: Coefficient table of regression analysis for factor tourism infrastructure with respect to tourist satisfaction.

The coefficient table shows that the factor qualities of wayside amenities available on the road, condition of railway station serving the destination and condition of road inside the city does not have an impact on the overall satisfaction as the p value are greater than 0.05.

It can also be interpret as a one unit increase in the perception on the factor air connectivity of the destination with major Indian cities will increase the overall satisfaction by .044 unit, one unit increase in the perception on the factor condition of airport serving the destination will increase the overall satisfaction by .104 unit, one unit increase in the perception on the factor quality of roads from origin to destination will increase the overall satisfaction by .066 unit, one unit increase in the perception on the factor rail connectivity of destination with major Indian cities will increase the overall satisfaction by .047 unit, one unit increase in the perception on the factor public convenience along the road/street will increase the overall satisfaction by .069 unit, one unit increase in the perception on the factor telephone and mobile service will increase the overall satisfaction by .034 unit and one unit increase in the perception on the factor internet service will increase the overall satisfaction by 0.76 unit

5.4.3 H3: Tourists perception on safety varies across the city of Northeast India:

Transportation to the destination

		Transportation to the destination					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	8	48	80	82	32	250
	%	3.2%	19.2%	32.0%	32.8%	12.8%	100.0%
GUWAHATI	Count	9	83	82	70	6	250
	%	3.6%	33.2%	32.8%	28.0%	2.4%	100.0%
SHILLONG	Count	12	102	95	35	6	250
	%	4.8%	40.8%	38.0%	14.0%	2.4%	100.0%
Total	Count	29	233	257	187	44	750
	%	3.9%	31.1%	34.3%	24.9%	5.9%	100.0%

Table5.46 : Perception of tourist with respect to safety regarding transportation to the destination.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	71.628 ^a	8	.000
Likelihood Ratio	72.117	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.67.

Table 5.47: Chi-square table for safety across different cities with respect to the safety regarding transportation to the destination.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding safety in transportation to the destination varies across the three cities

Local transportation

		Local transportation					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	7	31	90	86	36	250
	%	2.8%	12.4%	36.0%	34.4%	14.4%	100.0%
GUWAHATI	Count	16	59	95	78	2	250
	%	6.4%	23.6%	38.0%	31.2%	.8%	100.0%
SHILLONG	Count	18	59	108	49	16	250
	%	7.2%	23.6%	43.2%	19.6%	6.4%	100.0%
Total	Count	41	149	293	213	54	750
	%	5.5%	19.9%	39.1%	28.4%	7.2%	100.0%

Table 5.48: Perception of tourist with respect to safety regarding local transportation.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.436 ^a	8	.000
Likelihood Ratio	67.397	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 13.67.

Table 5.49: Chi-square table for safety across different cities with respect to the safety regarding local transportation.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding local transportation in the destination varies across the three cities

Hotel and Accommodation

Hotel and accommodation		Hotel and accommodation				
		poor	fair	good	very good	excellent
AIZAWL	Count	0	18	78	93	61
	%	0.0%	7.2%	31.2%	37.2%	24.4%
GUWAHATI	Count	9	17	80	116	28
	%	3.6%	6.8%	32.0%	46.4%	11.2%
SHILLONG	Count	9	41	101	88	11
	%	3.6%	16.4%	40.4%	35.2%	4.4%
Total	Count	18	76	259	297	100
	%	2.4%	10.1%	34.5%	39.6%	13.3%

Table 5.50: Perception of tourists with respect to safety regarding hotels and accommodations.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.598 ^a	8	.000
Likelihood Ratio	75.858	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.00

Table 5.51: Chi-square table for safety across different cities with respect to the safety regarding hotels and accommodations.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding safety in hotel and accommodation varies across the three cities

Tourist activities

		Tourist activities					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	8	13	75	109	45	250
	%	3.2%	5.2%	30.0%	43.6%	18.0%	100.0%
GUWAHATI	Count	9	39	90	69	43	250
	%	3.6%	15.6%	36.0%	27.6%	17.2%	100.0%
SHILLONG	Count	22	40	108	64	16	250
	%	8.8%	16.0%	43.2%	25.6%	6.4%	100.0%
Total	Count	39	92	273	242	104	750
	%	5.2%	12.3%	36.4%	32.3%	13.9%	100.0%

Table 5.52: Perception of tourists with respect to safety regarding tourists activities.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.884 ^a	8	.000
Likelihood Ratio	64.157	8	.000
N of Valid Cases	750		

Table 5.53: Chi-square table for safety across different cities with respect to the safety on tourist activities.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding safety during tourist activities varies across the three cities.

Comparison to other cities

		Comparison to other cities					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	6	33	63	86	62	250
	%	2.4%	13.2%	25.2%	34.4%	24.8%	100.0%
GUWAHATI	Count	9	39	61	101	40	250
	%	3.6%	15.6%	24.4%	40.4%	16.0%	100.0%
SHILLONG	Count	19	52	85	76	18	250
	%	7.6%	20.8%	34.0%	30.4%	7.2%	100.0%
Total	Count	34	124	209	263	120	750
	%	4.5%	16.5%	27.9%	35.1%	16.0%	100.0%

Table 5.54: Perception of tourists with respect to safety in comparison to other cities.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.644 ^a	8	.000
Likelihood Ratio	46.460	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 11.33.

Table 5.55: Chi-square table for safety across different cities with respect to safety in comparison with other cities.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding safety in transportation to the destination varies across the three cities

Communal Harmony

		communal harmony					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	7	34	65	84	60	250
	%	2.8%	13.6%	26.0%	33.6%	24.0%	100.0%
GUWAHATI	Count	30	83	96	25	16	250
	%	12.0%	33.2%	38.4%	10.0%	6.4%	100.0%
SHILLONG	Count	25	83	97	36	9	250
	%	10.0%	33.2%	38.8%	14.4%	3.6%	100.0%
Total	Count	62	200	258	145	85	750
	%	8.3%	26.7%	34.4%	19.3%	11.3%	100.0%

Table 5.56: Perception of tourists with respect to safety regarding communal harmony.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	140.553 ^a	8	.000
Likelihood Ratio	141.550	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 20.67.

Table 5.57: Chi-square table for safety across different cities with respect to safety regarding communal harmony.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding communal harmony in destination varies across the three cities.

Overall safety

		Overall safety					Total
		poor	fair	good	very good	excellent	
AIZAWL	Count	0	29	72	116	33	250
	%	0.0%	11.6%	28.8%	46.4%	13.2%	100.0%
GUWAHATI	Count	12	45	88	85	20	250
	%	4.8%	18.0%	35.2%	34.0%	8.0%	100.0%
SHILLONG	Count	18	54	117	48	13	250
	%	7.2%	21.6%	46.8%	19.2%	5.2%	100.0%
Total	Count	30	128	277	249	66	750
	%	4.0%	17.1%	36.9%	33.2%	8.8%	100.0%

Table 5.58: Perception of tourists with respect to overall safety.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	72.878 ^a	8	.000
Likelihood Ratio	82.906	8	.000
N of Valid Cases	750		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.00.

Table 5.59: Chi-square table for safety across different cities with respect to overall safety.

From the above table it is found that the P value is less than 0.05 so we can accept the alternate hypothesis and state that perception of tourist regarding overall the destination varies across the three cities.

5.4.4 H4: There is a relationship between service marketing mix and tourist satisfaction.

In order to test the above hypothesis a regression analysis is run in order to see the impact of service marketing mix factor on tourist overall satisfaction.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.943 ^a	.890	.889	.11444

a. Predictors: (Constant), physical evidence, promotional, price, process, distribution channel, people, tourism product.

Table 5.60: Model summary table of regression analysis for factor service marketing mix with respect to tourist satisfaction.

From the above table it is found that the R² value is .890, which signifies that 89% of variability in overall tourist satisfaction is explain by the model.

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.667	7	11.238	858.152	.000 ^b
	Residual	9.704	741	.013		
	Total	88.371	748			

a. Dependent Variable: overall satisfaction

b. Predictors: (Constant), physical evidence, promotional, price, process, distribution channel, people, tourism product

Table 5.61: ANOVA table of regression analysis for factor service marketing with respect to tourist satisfaction.

From the above ANOVA table it is found that the P value is lesser than 0.05 which signifies that the model has an explanatory power for the overall satisfaction.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.336	.033		10.298	.000
Tourism product	.025	.001	.261	17.515	.000
Price	.024	.001	.348	25.414	.000
Distribution channel	.017	.003	.082	5.886	.000
Promotional	.016	.002	.126	9.037	.000
People	.028	.001	.328	23.520	.000
Process	.024	.003	.127	9.137	.000
Physical evidence	.019	.001	.216	14.267	.000

Table 5.62: Coefficient table of regression analysis for factor tourism service marketing mix with respect to tourist satisfaction.

From the above table it is found that all the variables has an impact on the overall satisfaction of tourist as the P value is less than 0.05, it also reveals that the variable people has the highest impact on the satisfaction .

It can also interpret as a one unit increase in the perception on the factor tourism product will increase the overall satisfaction by .025 unit, one unit increase in the perception on the factor price will increase the overall satisfaction by .024 unit, one unit increase in the perception on the factor promotional activities will increase the overall satisfaction by .016 unit, one unit increase in the perception on the factor people will increase the overall satisfaction by .028 unit, one unit increase in the perception on the factor process will increase the overall satisfaction by .024 unit and one unit increase in the perception on the factor physical evidence will increase the overall satisfaction by .019 unit.

5.4.5 H5: Demographic profile of the resident's has an impact on the perception of tourism.

5.4.5.1 H1 (a): Resident's age has an impact on the perception of tourism.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
The economic impact of tourism in your community	Between Groups	753.231	5	150.646	6.635	.000
	Within Groups	6674.915	294	22.704		
	Total	7428.147	299			
The social impact of tourism in your community	Between Groups	495.847	5	99.169	8.165	.000
	Within Groups	3570.883	294	12.146		
	Total	4066.730	299			
The cultural impact of tourism in your community	Between Groups	82.894	5	16.579	1.150	.334
	Within Groups	4238.023	294	14.415		
	Total	4320.917	299			
The environmental impact of tourism in your community	Between Groups	343.748	5	68.750	4.420	.001
	Within Groups	4573.248	294	15.555		
	Total	4916.997	299			

Table 5.63: ANOVA table for factor resident's age with respect to economic, social, cultural and environmental impact of tourism.

From the above table it is found that resident's age has an impact on perception of economic impact, social impact and environmental impact of tourism.

5.4.5.2 H5 (b): Gender on the perception of tourism

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
The economic impact of tourism in your community	Between Groups	23.839	1	23.839	.959	.328
	Within Groups	7404.308	298	24.847		
	Total	7428.147	299			
The social impact of tourism in your community	Between Groups	67.075	1	67.075	4.998	.026
	Within Groups	3999.655	298	13.422		
	Total	4066.730	299			
The cultural impact of tourism in your community	Between Groups	38.084	1	38.084	2.650	.105
	Within Groups	4282.832	298	14.372		
	Total	4320.917	299			
The environmental impact of tourism in your community	Between Groups	11.534	1	11.534	.701	.403
	Within Groups	4905.463	298	16.461		
	Total	4916.997	299			

Table 5.64: ANOVA table for factor resident's gender with respect to economic, social, cultural and environmental impact of tourism.

From the above table it is found that resident's gender has an impact on perception of social impact and environmental impact of tourism.

5.4.5.3 H5 (c): Employment on perception on tourism

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
The economic impact of tourism in your community	Between Groups	1499.048	6	249.841	12.346	.000
	Within Groups	5929.099	293	20.236		
	Total	7428.147	299			
The social impact of tourism in your community	Between Groups	239.521	6	39.920	3.056	.006
	Within Groups	3827.209	293	13.062		
	Total	4066.730	299			
The cultural impact of tourism in your community	Between Groups	272.335	6	45.389	3.285	.004
	Within Groups	4048.582	293	13.818		
	Total	4320.917	299			
The environmental impact of tourism in your community	Between Groups	288.740	6	48.123	3.047	.007
	Within Groups	4628.257	293	15.796		
	Total	4916.997	299			

Table 5.65: ANOVA table for factor resident's employment status with respect to economic, social, cultural and environmental impact of tourism.

From the above table it is found that resident's employment status has an impact on the perception of economic impact, social impact, cultural impact and environmental impact of tourism.

5.4.6 H6: Tourism development has a relationship with the community standard of living.

Regression analysis is used to study the relationship between tourism development in a community and the standard of living.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 ^a	.591	.586	.772

Table 5.66: Model summary table of regression analysis for factor tourism development with respect to resident's community standard of living.

a. Predictors: (Constant), The environmental impact of tourism in your community, the cultural impact of tourism in your community, the social impact of tourism in your community and the economic impact of tourism in a community

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
Regression		254.006	4	63.502	106.643	.000 ^b
Residual		175.660	295	.595		
Total		429.667	299			

a. Dependent Variable: standard of living has increased due to tourist

b. Predictors: (Constant), the environmental impact of tourism in your community, the cultural impact of tourism in your community, the social impact of tourism in your community and the economic impact of tourism in your community.

Table 5.67: ANOVA table of regression analysis for factor tourism development with respect to resident's community standard of living.

From the above ANOVA table it is found that the P value is lesser than 0.05 which signifies that the model has an explanatory power for the overall satisfaction.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.372	.421		.884	.377
The economic impact of tourism in your community	.182	.010	.759	18.321	.000
The social impact of tourism in your community	-.057	.013	-.174	-4.278	.000
The cultural impact of tourism in your community	.009	.012	.029	.732	.465
The environmental impact of tourism in your community	-.051	.011	-.171	-4.454	.000

a. Dependent Variable: standard of living has increased due to tourist.

Table 5.68: Coefficient table of regression analysis for factor tourism development with respect to resident's community standard of living.

The regression coefficient table shows that the factor economic impact of tourism, social impact of tourism and environmental impact of tourism has a relationship with the overall standard of living on the community.

It can also interpret as one unit increase in the economic factor will increase the standard of living by .182 unit, one unit increase in the social factor will decrease the standard of living by .057 unit and one unit increase in the environmental factor will decrease the standard of living by .051 unit.

5.5 Conclusion:

Chapter V covered the data analysis where the data are collected from the tourists and resident's community from three different cities in the Northeast India namely Aizawl, Guwahati and Shillong. The first part of the chapter deals with the data presentation in the form of demography and travel behavior and the second part of the chapter present the means score of each variables, and the third part present the six hypothesis testing.

CHAPTER – VI

FINDINGS, SUGGESTIONS AND CONCLUSIONS

6.0 Introduction:

This chapter highlights the findings from the research, and made some recommendations and suggestions based on the research observations for tourism marketing. It also highlights the limit of the study and the scope for future research.

6.1 Findings from data collected:

The first objective of this research was to study the marketing practices of tourism sector in the three states of Northeast India namely Mizoram, Meghalaya and Assam. The major findings (state wise) from the analysis are as follows.

1) Assam:

- Assam Tourism Development Corporation Limited is in charge of promotion and development of tourism in the state of Assam.
- Assam Tourism Development Corporation Limited take is undertaking activities to develop and manage tourist lodges, tourist hotels, restaurants, guest houses, entertainment projects etc.
- Assam Tourism Development Corporation Limited acquires, operates and maintains cars, buses, coaches, launches, rope ways and other modes of transport for tourists.
- Assam Tourism Development Corporation Limited organizes entertainment and related activities such as cultural shows, fairs and festivals etc. for the benefit of tourists.
- Assam Tourism Development Corporation has promoted Assam tourism through television promotions, pamphlets, trade fairs and organizing festivals and conventions.

- Private organization participation is minimal in developing and marketing tourism in Assam, the major role played by the private players are in the form of travel agents eg., providers of transportation and accomodation.

2) Meghalaya:

- The Meghalaya Tourism Development Corporation Ltd., was created under the patronage of the Government of Meghalaya. The main objective is to promote tourism in the state and to expand the infrastructure facilities for the tourists.
- There are 11 hotels, resorts and cafés under the control of Meghalaya Tourism Development Corporation Ltd.
- The corporation runs the Orchid chain of hotels and resorts at Shillong, Borapani and Tura and has manpower of 220 persons.
- Meghalaya Tourism Development Corporation has promoted Meghalaya Tourism in the form of electronic (television) and print media like newspaper, travel magazine, pamphlet and brochures, trade fair and organizing festivals and conventions.
- Government of Meghalaya plays a major role in promoting tourism in Meghalaya and the roles played by private players are in the form of travel agent, transport provider and accommodation provider (in the form of hotels).
- The state government recently announced a new tourism policy to elevate Meghalaya as a hub for Tourism in the North East. The new tourism policy has been formulated after taking into consideration the cultural and natural beauty of the state.
- The Government of Meghalaya has realized the importance of human resources in tourism industry and inorder to meet the need the government has set up the Institute of Hotel Management, Catering Technology and Applied Nutrition in Shillong and also that the Indian Institute of Management, Shillong in partnership with the North East Council has organized a number of short term courses to train tourism entrepreneurs.

Mizoram:

- The tourism industry in the Mizoram is still at the discovery stage and has a long way to develop.
- The Department of Tourism, Mizoram is responsible for the development and promotion of tourism in Mizoram.
- Unlike other states under the study Mizoram state still does not have the Tourism Development Corporation Limited.
- The Department of Tourism promotes Mizoram by organizing festivals, distributing brochures and pamphlets and participating in trade fair.
- The Department has constructed tourist lodges, tourist resorts and other tourist amenities in different places of Mizoram through liberal financing of Ministry of Tourism, Government of India.
- The tourism department has fallen short of qualified human resources, as most of the personnel who deal the tourists do not have the requisite qualification or experience, and the state is running short of qualified tourist guide.
- The state tourism Department is still functioning without a tourism policy or a well defined tourism marketing strategy.
- Private organization participation in tourism development and promotion is very less.

The second objective of the thesis was to examine the service marketing mix attributes (product, price, place, promotion, process, people and physical evidences) as perceived by tourists in Northeast India. The analysis for this objective was presented in chapter – V and the major findings from the analysis are as follows.

- Tourists has given the lowest means score for the variable *availability of diverse recreational facilities* whereas tourists has given the highest mean score for the variable *conservation of the tourism site* among the factor **tourism product**.

- Tourists has given the highest mean score for the variable *price for visiting tourist site* whereas tourists has given the lowest mean score for the variable *price for travel expenditure (insurance)* among the factor price.
- Tourists has given the highest mean score for the variable *promptness of the state tourism department* has the lowest mean score whereas the variable *availability of website to organize a trip* has the highest mean score for the factor distribution channel.
- Tourists has given the highest mean score for the variable *attractiveness of promotion activities* whereas tourists has given the lowest mean score for the variable *competitiveness of promotional activities* among the factor promotion.
- It is found from the study that tourists were most satisfied with the variable *behavior of the local residents* and were least satisfied with the variable *behavior of driver for local transport* among the factor people.
- Tourists were most satisfied with the variable *promptness in getting permission to enter the destination* and were least satisfied with the variable *availability of tour packages* among the factor process.
- Tourists were most satisfied with the variable *overall physical appearance of the destination* whereas the tourists were least satisfied with the variable *physical appearance of transport operator* among the factor physical evidence.

The third objective of the thesis was to study the impact of tourism infrastructure in marketing tourism. The analysis for this objective was presented in chapter – V and the findings from the analysis are as follows.

To attract tourists, infrastructural facilities like good transportation, hotels and tourist lodges, affordable and reliable communication network, clean and hygienic food and accommodation, availability of water sports equipment, and the like are necessary. From the factor analysis it is found that the original 12 variables are deduced to 10 variables and reduced into 4 major factors with eigen value of 2.427, 1.943, 1.779 and 1.550 are statistically significant. The 4 major factors

also possess individual value of 20.227, 16.188, 14.824 and 12.918 with total cumulative variance 64.157.

The first factor consists of 2 variables; *air connectivity of the destination with major Indian cities* and *condition of airport serving the destination* and the factor is named **airport infrastructure**. The second factor consist of 4 variables; *quality of roads from origin to destination*, *qualities of wayside amenities available on the road*, *public convenience along the road/street* and *condition of road inside the city* and the factor is named **road transport infrastructure**. The third factor consists of 2 variables; *rail connectivity of destination with major Indian cities* and *condition of railway station serving the destination* and the factor is named **railway infrastructure**. The fourth and final factor consists of 2 factors; *telephone & mobile service* and *internet service* and the factor is named **communication infrastructure**.

In order to study the impact of tourism infrastructure on tourism marketing in Northeast India a regression analysis was used and it is found that tourism infrastructure has an impact on the tourism marketing in Northeast India. It is also found that the variable *condition of airport serving the destinations* has the greatest impact on tourist satisfaction. The analysis also reveals that the variable *condition of road inside the city* has the least impact on tourist satisfaction among the factor tourism infrastructure.

The fourth objective was to study the safety and security perception of tourists visiting the Northeast. The analysis for this objective is carried out in chapter – V in the form of finding the mean score from each variable under the factor safety and security. It is found that the variable *safety in hotel and accommodation* has the highest mean score and implies that the tourists gives the highest priority to safety in the hotel and their accommodation.

The fifth objective of the research was to study the impact of tourism on the residents community. The study and analysis was carried out in chapter-V by testing proposed hypothesis and from observing the mean score. From the factor economic impact of tourism it is found that the variable *tourism brings economic benefit* has the highest mean score which shows that the

respondents agreed that tourism brings economic benefit to the community and it is also found that the variable *standard of living has increased due to tourism* has the lowest mean score .

In order to test the hypothesis whether tourism development has a relationship with the community standard of living a regression analysis is used and it is found that tourism development has an impact on the community's resident standard of living. It is also found that tourism development has the highest impact on the economic factor and the least impact on the environment factor.

6.2 Major Findings:

- From the data collected it is found that majority of the sample tourists who visit Northeast India are at the age group of 25 to 34 years of age where majority of the sample are male (74.7%), and 98.4% of the sample are domestic tourists.
- It is also found out that 42.4% of the sample tourists have a bachelor's degree and 35.5% are government servant and most of these tourists visit as a group or with friends which constitute 28.3% of the sample and the study also reveals that rail transport is the major mode of reaching the destination as 50.3% of the tourist reached the destination by train. Hotel is the major accommodation used by tourists as 52.5% of the sample stays in hotel during their visit to the destination.
- The data collected also reveals that for 27.2% of the respondents it is their first visit to Northeast India and 25.9% of the respondents visit for educational purpose.
- Most of the tourists collect the information about the destination from their friends through words of mouth and majority of the respondents perceived Northeast India as an ecotourism destination. It is also found that 44.1% of the respondents stay in the destination for less than a week.
- From the respondents it is found out that tourist are least satisfied with the train connectivity of the destination with other Indian cities. The reason for this is that from the three cities under study Guwahati is the only city which is connected by train. Most of the tourist find the train station unhygienic and lacking proper amenities.

- Tourists are less satisfied with the availability of diverse recreational facilities. This is in the form of night club, amusement park, movie theatre etc. whereas tourists revealed that the tourism site (or destinations) are well maintained.
- The research also reveals that tourists are satisfied with the price they have paid as fees for different activities during their stay in the region but they are least satisfied with the price they have paid for transportation and travel insurance.
- It is also found that tourists are dissatisfied with the features of website to organize their trip but quite satisfied with the efficiency of the respective state tourism authority. Tourists feel that the brochure and pamphlet distributed by the tourism department are attractive enough but they still feel that this there can be a lot of improvement by highlighting the beauty of the place and the culture.
- Majority of the tourists find that the people of Northeast India are friendly and their hospitality is highly praised but they are dissatisfied with the behavior of the local transport operator i.e taxi and cab driver.
- It is not true that the restriction of entry in certain parts of the region affects the inflow of tourists as most of the tourists are satisfied with the entry procedure but they are dissatisfied with the unavailability of tour packages in the region.
- Tourists are highly satisfied with the beauty of the region but they give low rating to the physical appearance of the transport operator.
- The community residents feel that tourism has brought economic benefit to their society and family but they feel that it did not improve the overall standard of living in the society. It is also found that due to the development of tourism the roads and other local service has been improved and also that tourism has increased the activities of social evils in the society. From the data collected it is found that the communities are interested in meeting different people from different places and also to learn their culture and practices. The respondents also feel that tourism has created the awareness for the need of protecting the environment. The hypothesis testing revealed that tourism development has impact on the overall quality of life of the resident. But it is found that it do not have an impact on the cultural variables.

6.3 Discussion of the findings:

The Government of India has a policy to develop tourism into an industry and a target to achieve in respect of attracting foreign tourists, who constitute an important source of foreign currency. As a result, tourism has become the second largest foreign exchange earner. It has taken steps to revise the National Tourism Policy, 1982 and to redraft the draft policy of 1993 to envision global tourism based on four S – Swagat (welcome), Suvidha (facilities), Soosna (information) and Suraksha (security). The Government of Assam came up with the Assam Tourism Policy in 2008 with certain objectives to promote and develop tourism in Assam. The Government of Meghalaya also came up with the Meghalaya Tourism Policy 2011. The Meghalaya Tourism Development Corporation and Meghalaya Tourism Department are the two functioning bodies working in order to promote tourism and tourism development in Meghalaya. The Mizoram state still does not have a tourism policy and the tourism department alone is the organization working for the development and promotion of tourism in the state. Tourism promotion activities found in the Northeast include organizing festivals, trade fairs, conventions, distributing brochures and pamphlets, through print and electronic media. But most of the traveller finds the promotional activities are uncreative and they are not widespread. The festival and fairs organized are of not nationwide or global participation rather it is a regional gathering. The media, in the recent time has been giving adequate publicity highlighting the importance of tourism in the economic development of the state. Most of the newspapers in both English and local languages, have been publishing a good number articles in frequent intervals highlighting various aspects of tourism and its potentiality in the sustainable development of Northeast India. Ideas on this matter are generated through media, but these are yet to be crystallized and institutionalized, as a result tourism remains in the domain of adhocism.

The tourism policies of the Northeastern states by and large, do not have a targeted tourist niche or market and are quite unfocused in that everything from adventure tourism, to wildlife, tea-garden and World War II nostalgia tourism are jostling to be considered. While all of these sectors hold great potential in the region, it is imperative that the states undertake intelligent analyses of the profile of tourists that visit them and develop niche efficiency in the sector that seems to attract the most amount of interest.

The problem of tourism in Northeast India is not of inadequate funds. There is the perennial problem of funds not reaching their intended recipients, in addition to the worrying gap between the conceptualization and actualization of the tourism policies of the Northeastern states.

The general belief is that the entry restriction in the Northeast India is the main reason for the low inflow of tourist in the region. One of the intended purposes of this policy was to protect the culture of the native people living there from the influence of outsiders. However, since it is quite easy for Indians to get an Inner Line Permit many Indians from other regions of India are moving to these regions. It is doubtful whether a large number of permanently residing Indians (from a significant different cultural background compared to the tribals) are having a lesser impact on the culture of the tribal than temporary visiting tourists. But data collected from this research shows that most of the tourists do not face difficulty in entering the region.

The foreign and the domestic tourists consider it risky to visit this part of the country, in view of the prevailing law and order situation. The general impression has been that any foreign or domestic tourist could be a soft target of the insurgents. Therefore, they are reluctant to undertake an adventurous journey to Northeast India. The general impression about the deteriorating law and order situation is enough to ward off any tourist. This can be attribute to the negative media publicity of the region in order to make interesting story rather than portraying as a tourist destination.

To attract tourists, there must be infrastructural facilities like good roads, railways and public convenience, affordable and reliable communication network, good airport and the like. Most of the places of tourist attraction are not by the side of the national highways, and approach roads are in bad condition. This is a strong discouraging factor, which works against a good inflow of the tourists. It appears that the potentialities for developing tourism to a stable source of revenue are not matched by proper policy and strategy. It is found that railway service which is the cheapest means of transportation is not available in most of the region which cause inconvenience to the tourists.

There is a palpable lack of coordination among several agencies like Department of Tourism and private tour operator in handling the demands of the tourists in places of both historic and religious importance. There is virtually no coordination between various public industries and private sectors like tea industry, oil and coal on one hand. Similarly, there is no tangible and effective coordination between the twin bodies of tourism department and tourism Development Corporation in their respective states.

Northeast India virtually does not have any trained guides placed in important places of tourist attraction. Consequently, as the tourists arrive at such a place there is hardly anyone to satisfy the inquisitiveness of the tourists. The Department of Tourism initiated a programme to train tourist guides. The effort did not yield good result as most of the trainees left the job. Some of them found other means of livelihood while others found it to be less paying because of the poor inflow of the tourists to the states.

A mere tourism development and tourism marketing is not sufficient for any policy makers. One has to look for the impact on the economy, society, culture and environment of the destination community. As one of the world's largest and fastest growing industries, the continuous growth will place great stress on the remaining biologically diverse habitats and indigenous cultures, which are often used to support mass tourism. The study has found that tourism has an impact on the life of the residents community. It has a positive impact on the economy of the community but it has a negative impact on the environment and the society.

6.4 Managerial Implications of the study:

As illustrated by Mathieson and Wall (1982), the nature of planning tourism destinations is complex. Tourism planners and developers often confront paradoxical effects when assessing alternative policies. Questions arise concerning how to maximize benefits and at the same time minimize the cost for residents in the tourism community. This research provides tourism planners with useful information concerning specific elements associated with tourism marketing and tourism impact on the society.

The finding of this studies shows that there are four important infrastructure factors considered by the tourist while visiting the region, they are **airport infrastructure, road transport infrastructure, railway infrastructure** and **communication infrastructure**. The policy makers can give more importance on these factors inorder to satisfy the tourists. It is also found that the airport serving the destination has the maximum impact on the satisfaction of tourists. Tourism development strategies have to give more attention to the airport facility in collaboration with the airport authority.

The results also reveal how the service marketing mix attributes have an impact on the tourist satisfaction and they also show that the ‘people’ factor has the highest impact on the satisfaction. Tourism developer or policy maker need to consider the importance of people both from the service provider and the local community as they are one who interacts with the tourists.

The findings also showed that the tourists feel unsafe with the transportation to the destination. The authority need to take this into account in the form of constructing better roads and providing better mode of transportation to the tourists.

The research has showed that the tourists age group between 25-34 years of age are the majority visitor who visit as a group and stay in hotels so it is important for a tourism marketer to target a specific group of people, so it will help the policy makers in deciding whom to target and what product to be offered.

The study also highlighted the marketing practices of the respective states and highlighted their shortcoming in order to implement a better program for the policy maker and tourism authority.

This findings also suggest that tourism developers and marketers should know how residents perceive tourism and how it affects their overall standard of living. It highlighted that tourism has a negative impact on the environment and culture of the resident’s. So, tourism developers should plan a strategy that educates residents on the positive impact of tourism in the form of introducing sustainable tourism program.

6.6 Suggestions:

- Communal flare up and terrorism are the bane of Northeast India image. So in order to attract tourist and to make the region as a major tourist destination, it is the responsibility of the government and the people to maintain peace and harmony in the region. This can be achieved in the form of developing tourism and creating more employment to the unemployed youth.
- Certain targets should be fixed in respect of tourist inflow, infra-structural development, commissioning of new projects, annual revenue to be earned and employment to be generated.
- People factors play an important role in tourism. It is important for the tourism authority to train the existing staff to be more decent and polite and also the authority should give general awareness to the transport service provider including the driver and the conductor about the importance of tourism and how to treat the tourist.
- The region should give more importance on human resource development in order to look after the tourist and to meet the needs of the tourist. In order to solve the problem the government and private institution should give more importance to tourism and hospitality institution.
- It is noticed that the festival and cultural events do not attract enough tourists from outside. The government should be more focus on the festival and showcasing cultural events by putting more effort on publicity and promotional activities.
- From the data generated from the study it is found that majority of the tourists are in the age group between 25 to 34 and they are the ones who are residing in the Northeast for their higher education. During the course of their stay for education, they are travelling across the Northeast India and thus forming a sizeable portion of the tourists. In view of this situation it is important for the Government to set up educational institution of high quality which should attract people across the country which will also be benefitted by the tourism industry.
- Information about tourism in Northeast should be made available in the embassies in New Delhi and diplomatic offices in major Indian cities. Colour pictures of large size depicting the natural beauty of Northeast and its rich culture should be displayed in the national and international airports and the basic information about places of tourist

attraction and the facilities available should be kept in special locations in the airports. The website created by the respective states should be updated giving all the details of information on tourism. It is pertinent to mention that Northeast India has to market tourism aggressively. Information about tourism in Northeast India should be made widely available including one on the internet.

- Publicizing the tourism potential of the Northeast India to tour operators at both the national and international levels is crucial because it is they who establish tourist routes and make these available through packages to the visitors. It becomes easier for tourists to travel on pre-packaged plans and gain permission to travel to different areas through the right channels, instead of going through the rigor of planning personal holidays.
- The audio-visual feature of publicity and its subtle influence on the psychology of the individual through slogans, films, advertisements and so on can hardly be overstated. The Vision 2020 document mentions a need for the region to 're-brand itself' along these lines; indeed it goes as far as to say that the slogan 'Paradise Unexplored' with regard to the Northeast inspires 'instant recall' in the mind of an alert traveller. This, sadly, is far from the truth. Although all the Northeastern states have tourism websites, which are inevitably the first step in the procurement of information by those interested, they could certainly be more user-friendly. As the first point of contact for a tourist, a government tourism website should have facilities for accommodation, transport arrangements and travel bookings within the state, or provide direct links to other websites that provide such services.

For this, models used in other parts of India could provide an excellent starting point. For instance, the Rajasthan tourism website is available in seven different languages and the Gujarat website in nine, which immediately amplify their reach. In the same manner, offering the Northeastern state tourism websites in Southeast Asian languages would be of assistance in establishing linkages with countries that are in the region's vicinity. This would also play on historical cross-border cultural associations that defy boundaries and bring in an element of nostalgia and personal identification, which is an important trend in heritage tourism, a key aspect of tourism in the Northeast. This diaspora-based activity can also be a catalyst in triggering economic and infrastructural developments in the region, thus contributing towards transforming the Northeast into an engine of growth.

- The entire infrastructure connected with tourism should be developed. In places of tourist attraction there should be good hotels and safari resorts with decent living conditions, if not five-star hotel standard. This tertiary sector needs greater attention.
- Tourism is known as a ‘hospitality service’ and it should ensure all possible facilities (Suvidha) to the tourists, who are to be treated as honoured guests. Apart from infrastructure, tourist information, travel services and trained guides are needed in the region. The concern department should initiate a tourist guide-training programme for a limited number of youths and upgrade the tourist information centres.
- The condition of most of the roads including the national highways is not satisfactory. The approach roads to most of the tourist spots are in deplorable condition. Absence of good roads to the places of tourist attraction is a discouraging factor. Efforts should be made to coordinate with the PWD (Roads) to improve the condition of the approach roads to the tourist spots on priority basis. Secondly, each tourist spot should have at least a PCO for facilitating the tourists to maintain their contact with the rest of the world.
- Different agencies like the Directorate of Tourism, the Tourism Development Corporation, Department of Archaeology, private travel agent, the local community and the civil aviation should strive for coordinated efforts to promote tourism.
- The Government offers fiscal and other incentives to the private entrepreneurs to take up a host of tourist related services like setting up hotels and restaurants, to purchase vehicles etc. by making provisions for soft loan and reducing tax rates. In other words, transport, accommodation, and other logistics of tourism should be left to the private sectors making the way for a healthy of privatization of the tertiary sector associated with tourism.
- There should be an integrated approach to promote tourism in the region with an attractive package of nature, eco, tea, adventure tourism. The Union Tourism Ministry has given ‘special attention’ to develop an integrated approach to eco and adventure tourism. On the similar line and with the active support of the Ministry, the Department of Tourism in collaboration with the Tourism Development Corporation can chalk out a plan of action to develop eco-tourism along with adventure and tea tourism in the region.

- The media plays a significant role in promoting tourism. Most of the local newspapers are publishing articles and write ups giving coverage to the prospect of tourism in Northeast, the places of tourist attraction with coloured photographs. But only a few national dailies have so far given coverage to tourism in Northeast. The Directorate of Tourism and the Tourism Development Corporation should take steps like purchasing space in the national dailies focusing on the attractive places of Northeast India at least once in a year just before the onset of the peak period of tourism in the region.
- Feedback from the tourists in the form of complaints, suggestions and appreciation should be collected so that the authorities would be able to know where the industry stands and what action needs to be taken.
- Tourism stakeholders should create awareness programs on the impact of tourism especially the social impact of tourism. This will help host communities to protect their traditional values and prevent the erosion of their cultural heritage.
- Policies and practices that ensure the sustainability of the destination and the social lives of the host communities should be developed at the early stage of tourism development to avert the negative social impacts at the maturation of the industry.
- Host community participation which is a pre-requisite for sustainable tourism development should be encouraged and facilitated in tourism development processes to give the host community a sense of ownership and control over the resources of the community.
- Host community should be made aware of the importance of tourism for the state economy. They should also be enlightened with the negative and positive impact on the society.

6.7 Limitation of the Study:

While carrying out this study, the following limitations are observed:

- The study covers only three state capitals of the Northeast India, hence the findings may not be conclusive and representative.
- The study used a questionnaire survey to seek the opinion of tourists visiting Northeast India on different aspects surrounding the tourism sector. This method could have been

further enhanced by conducting interviews with some tourism managers working with local tour operators or travel agencies.

- Since tourism is a seasonal pattern the response from the tourists may not be conclusive.
- Besides, the various statistical tools and marketing models applied carry their respective limitations that may render the interpretations hold those limitations.

6.8 Scope for further studies:

To replicate the findings of this study and enhance the continuous growth of the Northeast India tourism sector, further research areas on the topic are suggested as follows.

- Research work has to be carried out to investigate whether the attitudes, expectations, desires and satisfaction level of tourists. As result of this study, it would be possible to establish a suitable tourism marketing strategy.
- Marketing research should be conducted to identify the potential local and international market segments for each valuable tourism product in Northeast India with a critical review to match supply and demand components. S.W.O.T analysis for every attractive tourism area within the country is also needed to improve the existing tourism potential and discover the hidden resources for tourism growth.
- Investigation studies on sustainable tourism development plans have to be continuously carried out by related tourism authorities. Such studies would be looked at the social and economic impact of tourism on the region or the environmental influence of tourism on socio-cultural aspects.

6.9 CONCLUSION:

Tourism is an interdependent sector. Tourism can provide benefits for both tourists and the host community. By developing an infrastructure and providing recreation facilities, both tourists and local people benefit. Tourism marketing strategies should be developed in a manner that is appropriate to the destination. It should take the culture, history and stage of economic development of the destination into account. Tourism marketing can be a tool to motivate governments to inject more funding in improving infrastructure, especially in the initial stage of

tourism development. The state government alone cannot afford to finance construction and maintenance of the tourism sector requirements. Thus, the need for cooperation between public, private and foreign investment becomes essential. However, the state government should play a leading role in the development of the tourism industry and every step should be taken to make sure that the tourism development has every positive impact on the community.

REFERENCES

BOOKS:

Andereck, K. L. (1995). "*Environmental consequences of tourism: a review of recent research*". In S. F. McCool, & A. E. Watson (Eds.) *Linking tourism, the environment, and sustainability – topical volume of compiled papers from a special session of the annual meeting of the national Recreation and Park Association*". Minneapolis, MN: Gen. Tech.

Batra G.S. and A.S Chawla (1995) (ed.). "*Tourism Management: A Global Perspective*". Deep and Deep Publications, New Delhi.

Bennett, J.A. (ed.). (1995). "*Managing tourism service*", 1sted. Pretoria: J.L. van Schaik.

Blackwell, R.D., Miniard, P.W. and Engel, J.F. (2006). "*Consumer behavior*", 10thed. Ohio: South-Western.

Blank, U. (1989). "*The Community Tourism Industry Imperative: The Necessity, The Opportunities, Its Potential. State College.*" PA: Venture Publishing.

Bloom, J. (1996). "A South African perspective of the effects of crime and violence on the tourism industry". In: A. Pizzam, & Y. Mansfeld (Eds), "*Tourism, crime and international security issues*" (pp. 91–102). London: Wiley.

Briggs, S (2001). "*Successful Tourism Marketing: A practical handbook*", 2nd edn, Kogan Page, London-UK.

Bryden. J. (1980). "*Tourism and Development*". New York/London: Cambridge University Press.

Burkart, A. and Medlik, S. (1981). "*Tourism: past, present and future*", 2nd ed. London: Heinemann.

Burns, A. C. & Bush, R. F. (1995). *Marketing Research*. Englewood Cliffs, New Jersey: Prentice Hall.

C. Cooper, J. Fletcher, D. Gilbert and S. Wanhill (1993)(eds). *"Tourism principles and practice"* (77-80). London: Pitman Publishing.

Cooper, C. (1993). *"Introduction of the tourist destination"*. London: Pitman Publishing.

Crouch, D., Jackson, R., & Thompson, F. (2005). *"The media and the tourist imagination"* (pp. 1-13). New York, NY: Routledge.

Debbage, K.G. and Daniels, P. (1998). *"The Tourist Industry and Economic Geography, Missed Opportunities"*, in D. Ioannides and K.G. Debbage (eds). *"The Economic Geography of the Tourist Industry: a supply- side analysis"*. Routledge, London.

Dibb, S., Simkin, L., Pride, W.M. and Ferrell, O.C. (1994). *"Marketing: concepts and strategies"*, 2nd ed. London: Houghton-Mifflin.

Engel, J. F., Blackwell, R. D., & Miniard, P. W. (1995). *"Consumer behavior"*. Fort Worth, TX: The Dryden Press.

Fainstein, Susan & Gladstone, David (1999). *"Evaluating Urban Tourism"*. Yale University Press, New Haven / London.

George, R. (2004). *"Marketing South African tourism"*, 2nd ed. Cape Town: Oxford.

Goeldner, C.R. and Ritchie, J.R.B. (2006). *"Tourism: principles, practices and philosophies"*, 10th ed. New Jersey: John Wiley & Sons.

Govind Apte. (2004). *"Service Marketing"*. Oxford University Press.

Grönroos, C. (1990). *"Service management and marketing. Toronto."* Canada: Lexington Books.

Gummesson, E. (1991). *“Qualitative Methods in Management Research”* (Revised Edition) London: Sage.

Gunn, C (1972). *“Vacation Escape: Designing Tourist Regions”*, Bureau of Business Research, University of Texas Press, Austin-USA.

Gunn, C. (1994). *“Tourism Planning: Basics, Concepts, Cases”*. Philadelphia. Taylor and Francis.

Hall, C. M., & O’Sullivan, V. (1996). *“Tourism, political instability & social unrest”*. In: A. Pizam, & Y. Mansfeld (Eds), *“Tourism, crime and international security issues”*. (pp. 105–21). London: Wiley.

Hall, C. Michael (2000). *“Tourism Planning: Policies, Processes and Relationships”*. Harlow: Pearson Education.

Hawkins, D. I., Best, R. J., & Coney, K. A. (1995). *“Consumer behavior implications for marketing strategy”* (6th ed.). Chicago, Illinois: Irwin.

Holloway, J & Robinson, C (1995). *“Marketing Tourism”*, 3rd edn, Longman, London-UK.

Inskeep, E. (1991). *“Tourism planning: an integrated planning and development approach”*. New York: John Wiley and Sons.

Inskeep, E. (1994). *“National and Regional Tourism Planning”*. New York, NY: Routledge.

J.A. Bennett, C.J. Jooste and L. Strydom (eds). *“Managing tourism services (30-62)”*, 3rd ed. Pretoria: Van Schaik Publishers.

Jefferson, J & Lickorish, L (1988). "Marketing Tourism: A Practical Guide", Longman, London-UK.

Jooste, C.J. 2005. Marketing Management in the Tourism Establishment. In J.A. Bennett, C.J. Jooste and L. Strydom (eds). Managing tourism services (210-246), 3rded. Pretoria: Van Schaik Publishers.

Judd, D.; Fainstein, S. (Eds.)(1999). *The Tourist City*. Yale University Press, New Haven / London, p. 21-34.

Keogh, B. (1989). "*Social Impacts. In outdoor recreation in Canada*", Edited by G. Wall. Toronto: Jogn Wiley & Sons, pp. 233-75.

Kotler, P., Bowen, J.T. and Makens, J.C. (2006). "*Marketing for hospitality and tourism*", 4thed. New Jersey: Prentice-Hall.

Kotler, P., Brown, J and Makens, J (2003). "*Marketing for Hospitality and Tourism*", 3rd edn, Pearson Education, New Jersey-USA.

Kotler, P. and Keller, K. (2006). "*Marketing management*", 12th ed. New Jersey: Pearson Education.

Kotler, Ph. (1991). "*Marketing Management*", Prentice Hall International.

L. Pender and R. Sharpley (2005). "*The management of tourism*". London: SAGE

Lankford, S. (1996). "*Crime and tourism: A study of perceptions in the Pacific Northwest*". In: A. Pizam, & Y. Mansfeld (Eds), "*Tourism, crime and international security issues*" (pp. 105–121). London: Wiley.

Laws, E (1991). *"Tourism Marketing: Services and Quality Management Perspectives"*, Stanley Thomes Publishers Ltd, London-UK.

Leiper, N. (1990). *"Tourism systems"*. Massey University, Auckland, New Zealand.

Lockwood, A. and Knowles, T. (1993). *"Accommodation"*. London: Pitman Publishing.

Lovelock, C. and Wirtz, J. (2004). *"Services marketing: people, technology and strategy"*, 5th ed. New Jersey: Prentice-Hill.

Lumsdon, L. (1997). *"Tourism marketing"*. London: International Thomson Business Press.

Lundberg, D. E. (1990). *"The tourist business"*, 6th ed. Van Nostrand-Reinhold. New York

MacCannell, D. (1976). *"The Tourist: A New Theory of the Leisure Class"*. Schocken Books Inc., New York.

McKean, P. F. (1976). *"From purity to population? A symbolic form in transition: the Balinese Ketjak"*. In A Becker & A. Yengoyen (Eds.), *"The World Imagination of Reality: Symbol System in Southeast Asia"* (pp. 293-302). Tucson: University Arizona Press.

Mathieson, A. and Wall, G. (1982). *"Tourism: Economic, Physical and Social Impacts"*. Harlow:Longman.

McGrath, J. E. Martin, J., & Kulka, R. A. (1982). *"Judgment Calls in Research"*. Beverly Hills". CA: SAGE Publications Inc.

Michael Fagence, (2003) *"Tourism and Local Society and Culture"*, *'Tourism in Destination Communities'*, Ed. Shalini Singh, Dallen J. Timothy And Ross K. Dowling, CABI International, 55 – 78.

Middleton, V (2001). *“Marketing in Travel and Tourism”*, 3rd edn, Butterworth- Heinemann, Oxford-UK.

Middleton, V.T.C. (1988), *“Marketing in Travel and Tourism”*, Oxford: Heinemann, U.K.

Moseki, M. (2004). *“Segmenting the consumer market”*. Cape Town: JUTA.

Narsaiah, M.L. (2003). *“Tourism and the Environment”*. New Delhi. Discovery Publishing House.

Neuman, W. L. (1994). *“Social Research Methods”* (3rd ed.). Boston: Allyn and Bacon.

Oppenheim, A.N. (1992). *“ Questionnaire design, interviewing and attitude measurement.”* London: Pinter Publishers.

Page, S.J. (2007). *“Tourism management”*, 2nded. New York: Butterworth-Heinemann.

Peppers, D. and Rogers, M. (1993). *“The one-to-one future: building relationships one customer at a time”*. New York: Currency/Doubleday.

Perreault, W.D. and McCarthy, E.J. (2002). *“Basic marketing: a global-managerial approach”*, 14thed. New York: McGraw-Hill.

Peter, J.P. and Olson, J.C. (2005). *“Consumer behaviour and marketing strategy”*, 7th ed. New York: McGraw-Hill.

Pizam, A., & Mansfeld, Y. (1996). *“Tourism, crime and international security issues”*. London: Wiley.

Ranjit Kumar (2005). *“Research Methodology: A Step-by-Step Guide for Beginners”*. Sage, CA.

Ritchie, J.R.B. and G.I. Crouch (2003). *"The Competitive Destination: A Sustainable Tourism Perspective"*, CABI Publishing, Wallingford, UK

Ryan, C. (1991). *"Recreational Tourism: A Social Science Perspective"*. International Thomson Business Press, London.

Sally Dibb, Lyndon Simkin, William M. Pride and O.C. Ferrell (1994). *"Marketing: Concepts and Strategies"*. Houghton Mifflin, Boston.

Saunders, M., Lewis, P and Thornhill. A (2003). *"Research Methodology for Business Students"*, 3rd edn, Pearson Education Limited, England.

Schoeman, L. (2006). *"Market segmentation"*. In M.C. Cant, A. Brink and S. Brijball (eds). *"Consumer behavior"* (175-190). Cape Town: JUTA.

Sekaran, U. (2003). *"Research methods for business"* (4th ed.). Hoboken, NJ: John Wiley & Sons.

Shaw, G. & Williams, A.M., (1998). *"Entrepreneurship and tourism development"*. In D. Ionnaides and K.G. Debbage (eds.) *"The Economic Geography of the Tourist Industry"*, pp. 235-255., London: Routledge.

S.P.Bansal and Prashant Kumar Gautam (2007) *"Implementing Sustainable Tourism: A Critical Appraisal of Tourism at wetlands"* cutting edge research in tourism emerging issues and challenges, Abhishek publication p.p.210-232

Swarbrooke, J. (2002). *"The development and management of visitor attractions"*, 2nd ed. Oxford: Butterworth-Heinemann.

Tarlow, P., & Muehsam, M. (1996). "*Theoretical aspects of crime as they impact the tourism industry*". In: A. Pizam, & Y. Mansfeld (Eds), "*Tourism, crime and international security issues*". London: Wiley.

Urry, J. (1990). "*The Tourist Gaze: Leisure and Travel in Contemporary Society*". Sage Publication, London.

Van Harssel, J. (1994). "*Tourism: an exploration*", 3rd ed. UK Englewood Cliffs: Prentice Hall.

Vavra, G (1997). "*Improving Your Measurement of Customer Satisfaction: A Guide to Creating, Conducting, Analysing, and Reporting Customer Satisfaction Measurement Programmes*", Quality Press.

Wearing, S & Neil, J (1999). "*Eco-tourism*", Reed Educational and Professional, Publishing Ltd, Kent-UK.

Weaver, D. and Lawton, L. 2006. "*Tourism management*", 3rd ed. Sydney: John Wiley & Sons Australia.

Yin, R. K. (1994). "*Case Study Research: Design and Methods*". Thousand Oaks, CA: Sage.

Yin, R. K. (2003). "*Case study research: Design and methods*" (3rd ed.). Thousand Oaks, CA: Sage.

Zeithaml, V.A. and Bitner, M.J. (1996). "*Services marketing*". New York: McGraw-Hill.

Zikmund, W. (2000). "*Business Research Method*". Fort Worth. The Dryden Press.

JOURNALS

Ahmed, U., Johnson, P., Ling, P., Fang, W., and Hui, K (2002). "Country of-Origin and Brand Effects on Consumers' Evaluations of Cruise Lines", *International Marketing Review*, (19) 3, pp. 279-302.

Allen, L. R., Long, P. T., Perdue, R. R., & Kieselbach, S. (1988). The impact of tourism development on residents' perceptions of community life. *Journal of Travel Research*, 27, 16-21.

Anderson, J.C. and Narus, J.A. 1995. Capturing the value of supplementary services. *Harvard Business Review*, January-February: 75-83.

Ayed Al Muala, (2012), " Assessing the Relationship between Marketing Mix and Loyalty through Tourists Satisfaction in Jordan Curative Tourism," *American Academic & Scholarly Research Journal*, Vol. 4, No. 2, March 2012.

Baker, M., Cameron, E. (2008). Critical success factors in destination marketing. *Tourism and Hospitality Research*. 8(2). 79 -97.

Baloglu, S. & Mangalolu, M. (2001). Tourism destination images of Turkey, Egypt, Greece, and Italy as perceived by US-based tour operators and travel agents. *Tourism Management* 22(2001), 1-9.

Baloglu, S., McCleary, W. K. (1999). A model of destination image formation. *Annals of Tourism Research*, 26(4), 868-897.

Baloglu, S. (2001). Image variations of Turkey by familiarity index: Informational and experiential dimensions. *Tourism Management* 22(2001), 127-133..

Beerli, A., & Martín, D. J. (2004). Factors influencing destination image. *Annals of Tourism Research*, 31(3), 657-681.

Beerli, A., & Martín, D. J. (2004). Tourists' characteristics and the perceived image of tourist destinations: A quantitative analysis – A case study of Lanzarote, Spain. *Tourism Management*, 25(5), 623-636.

Belisle, F. J. & Hoy, D. R. (1980). The perceived impact of tourism by residents, a case studies in Santa Marta, Columbia. *Annals of Tourism Research*, 7 (2), 83-101.

Bigné, J. E., Sánchez M. I., & Sánchez, J. (2001). Tourism image, evaluation variables and after purchase behaviour: Inter-relationship. *Tourism Management*, 22(2001), 607-616.

Blumberg, K. (2005). Tourism destination marketing—A tool for destination management? A case study from Nelson/Tasman Region, New Zealand. *Asia Pacific Journal of Tourism Research*, 10(1), 45–57.

Brayley, R., Var, T. & Sheldon, P. (1989). Perceived influence of tourism on social issues. *Annals of Tourism Research*, 17, 285-7.

Britton, S. (1991). Tourism, capital and place: toward a critical geography of tourism. *Environment and Planning D: Society and Space* 9, 451-478

Bruning, R (1997). “Country of Origin, National Loyalty and Product Choice: The Case of International Air Travel”, *International Marketing Review*, (14) 1, pp. 59-74.

Buckley, P. J., & Klemm, M. (1993). The decline of tourism in Northern Ireland: The causes. *Tourism Management*, 14(3), 184–194.

Buhalis, D. (2000). ‘Marketing the Competitive Destination of the Future,’ *Tourism Management*, 21(1): 97-116.

Busby, A (1993). “Development in Computer Reservation and Global Distribution Systems”, *Associated of University Graduate Journal*, pp.11-16.

Butler, R. W. (1980). The concept of tourist area cycle of evolution: Implications for management of resources. *Canadian Geographer*, 24, 5-12.

Chaudhary, M. (2000). India's image as a tourist destination - A perspective of foreign tourists. *Tourism Management*, 21(3), 293-297.

Chauhan, Vinay and Khanna, Suvidha (2008) *Tourism: A Tool for Crafting Peace Process in Kashmir, J&K, India*. Published in: *TOURISMOS: An International Multidisciplinary Journal of Tourism* , Vol. 4, No. 2 (15. April 2009): pp. 69-89.

Cheng, J. R. (1980). Tourism: How much is too much? Lessons for Canmore from Banff. *Canadian Geographer*, 23(1), 72-80.

Chen, J. S. (2000). An investigation of urban residents' loyalty to tourism. *Journal of Hospitality & Tourism Research*, 24(1), 5-19.

Chen, J. & Hsu, H. C. (2000). Measurement of Korean tourists' perceived images of overseas destinations. *Journal of Travel Research*, 38(May 2000), 411-416.

Cohen, E. (1979) Rethinking the Sociology of Tourism. *Annals of Tourism Research*, 6:18-35.

Cohen, E. (1979) A Phenomenology of Tourist Experiences. , 13(2)

Cohen, E. (1987). The tourist as victim and prote'ge' of law enforcing agencies. *Leisure Studies*, 6(2), 181-198.

Cooke, P. 1996. The branding and positioning of tourist destinations. *Insights*, November, A101-106.

Crouch, G.I. and J.R.B. Ritchie (1999). 'Tourism, Competitiveness and Societal Prosperity', *Journal of Business Research*, 44(3): 137-152.

Davis, D. J. Allen & Cosenza, R. M. (1988). Segmenting local residents, interests, and opinions toward tourism. *Journal of Travel Research*, 27(3), 2-8.

Eccles, G (1995). "Marketing, Sustainable Development and International Tourism", *International Journal of Contemporary Hospitality Management*, (7) 7, pp.20-26.

Echtner, M & Ritchie, B (1991). "The Meaning and Measurement of Destination Image", *The Journal of Tourism Studies*, 2(2), pp. 2-12.

Enright, M. J, & Newton, J. (2005). Determinants of tourism destination competitiveness in Asia Pacific: Comprehensiveness and universality. *Journal of Travel Research*, 43(May 2005), 339-350.

Erickson, M., Johansson, K and Chao, P (1984). "Image Variables in Multi attribute Product Evaluations: Country of Origin Effects", *Journal of Consumer Research*, (11) 9, pp. 694-699.

Fakeye, C & Crompton, L (1991). "Image Differences between Prospective, First- Time and Repeat Visitors to the Lower Rio Grand Valley", *Journal of Travel Research*, (30) 2, pp. 10-16.

Fawaz Al-Hammad and Hani Al-Dmour (2001), "Factors Affecting Tourist's Satisfaction in Jordanian "North and Middle" Badia" Administrative sciences , *Dirasat Journal*, Volume: 28, Issue: 2, 2001.

Flick, U. (1992). "Triangulation Revisited - Strategy of or Alternative to Validation of Qualitative Data. *Journal for the Theory of Social Behaviour*, 2/1992, 175-197.

Fodness, D., & Murray, B. (1997). Tourist information search. *Annals of Tourism Research*, 24(3), 503-523

Gallarza, G. M., Saura, G. I., & Garcia, C. H. (2002). Destination image: Towards a conceptual framework. *Annals of Tourism Research*, 29(1), 56-78.

Gartner, E (1993). "Image Formation Process", *Journal of Travel and Tourism*, (2) 1, pp.191-216.

Gartner, W. C. (1987). Environmental impacts of recreational home developments. *Annals of Tourism Research*, 14, 38-57.

Govers, R., Go, F. M., & Kumar, K. (2007). Promoting tourism destination image. *Journal of Travel Research*, 46(August 2007), 15-23.

Grosspietsch, M. (2006). Perceived and projected images of Rwanda: Visitor and international tour operator perspectives. *Tourism Management*, 27(2), 225-234.

Hall, M. C. (2002). Travel safety, terrorism & the media: The significance of the issue-attention cycle. *Current Issues in Tourism*, 5(5), 458–466.

Gearing, C.E. (1974) Establishing a measure of touristic attractiveness. *Journal of Travel Research*, 12: 1-8.

Hall, T. and P. Hubbard (1996) 'The Entrepreneurial City: New Urban Politics, New Urban Geographies', *Progress in Human Geography* 20(2): 153-174 .

Han, C (1989). "Country Image or Summary Construct?" *Journal of Marketing Research*, (26) 2, pp. 222-229.

Hanqin, Z. Q. & Lam, T. (1999). An analysis of mainland Chinese visitors' motivations to visit Hong Kong. *Tourism Management*. 20(1999), 587-594.

Heichler, E (1997). "Internet Lacks Content for Women", *Computer World*, (31)19, pp.17.

Heung, V. C. S., & Cheng, E. (2000). Assessing tourists' satisfaction with shopping in the Hong Kong special administrative region of China. *Journal of Travel Research*, 38(May 2000), 396-404.

Heung, S (2003). "Internet Usage by International Travellers: Reasons and Barriers", *International Journal of Contemporary Management*, pp.370-378.

Heung, V. C. S. (2000). Satisfaction levels of mainland Chinese travelers with Hong Kong hotel services. *International Journal of Contemporary Hospitality Management*, 12(5), 308-315.

Hsu, C. H. C., Wolfe, K., & Kang, S. K. (2004). Image assessment for a destination with limited comparative advantages. *Tourism Management* 25(2004), 121-126.

Hughes, H., & Allen, D. (2005). Cultural tourism in Central and Eastern Europe: The views of induced image formation agents. *Tourism Management*, 26(2005), 173- 183.

Hui, T. K. Wan, D., & Ho, A. (2007). Tourists' satisfaction, recommendation and revisiting Singapore. *Tourism Management*, 28(4), 965-975

Hui K. T., Wan, D., & Ho A. (2007). Tourists' satisfaction, recommendation and revisiting Singapore. *Tourism Management*, 28, 965-975

Husband, W. (1989). Social status and perception of tourism in Zambia. *Annals of Tourism Research*, 16, 237-255.

Jenkins, O. H., and McArthur, S. (1996), Marketing Protected Areas, Australian Parks and Recreation, 32(4), 10-15.

Joppe, M., Martin, W. W., & Waalen, J. (2001). Image variations of Turkey by familiarity index: Informational and experiential dimensions. *Journal of Travel Research*, 39(February 2001), 252-260.

Jun, S. H., Vogt, C. A. & MacKay, K. J. (2007). Relationships between travel information search and travel product purchase in pre-trip contexts. *Journal of Travel Research*, 45(February 2007), 266-274.

Jurowski, C., Uysal, M. & Williams, D. R. (1997). A theoretical analysis of hostcommunity resident reactions to tourism. *Journal of Tourism Research*, 36(2), 3-11.

Kaul, R. N, Eds. (1985) Dynamics of tourism: a trilogy (vol. 111) *Transportation and Marketing*. New Delhi.

Kim L, Crompton J, L , Botha, P. (2000) Responding to competition: a strategy for Sun/Lost City, *South Africa Tourism Management* .21 (41).

Kim, H, & Richardson, S. (2003). Motion picture impacts on destination images. *Annals of Tourism Research*, 30(1), 216-237.

King, B., Pizam, A., & Milman, A. (1993). Social impacts of tourism: Host perceptions. *Annals of Tourism Research*, 20, 650-665.

Kozak, M & Rimmington, M. (2000). Tourist satisfaction with Mallorca, Spain, as an offseason holiday destination. *Journal of Travel Research*, 38(February 2000), 260- 269.

Krannich, R. S., Berry, E. H., & Greider, T. (1989). Fear of crime in rapidly changing rural communities: A longitudinal analysis. *Rural Sociology*, 54, 195-212

Krippendorf, Jost (1982) Towards new tourism policies: The importance of environmental and social factors. *Tourism Management*, 3(3), pp. 135-148.

Lam, T., & Hsu, C. H. C. (2006). Predicting behavioral intention of choosing a travel destination. *Tourism Management* 27(2006), 589-599

Lankford, S. V. & Howard, D. R. (1994). Developing a tourism impact attitude scale. *Annals of Tourism Research*, 21, 121-139.

Lau, P., Akbar, A., & Yong Gun Fie, D. (2005, September). Service quality: A study of the luxury hotels in Malaysia. *Journal of American Academy of Business, Cambridge*, 7(2), 46-55.

Law, C.M. (1992). Urban tourism and its contribution to economic regeneration. *Urban Studies* 29, 599-618.

Levantis, T., & Gani, A. (2000). Tourism demand and the nuisance of crime. *International Journal of Social Economics*, 27(7/8/9/10), 959–967.

LeHew, M. L. A. & Wesley, S. C. (2007). Tourist shoppers' satisfaction with regional shopping mall experiences. *International Journal of Culture, Tourism and Hospitality Research*, 1(1), 82-96.

Li L., Buhalis, D. (2006). E-Commerce in China: The case of travel. *International Journal of Information Management*, 26(2), 153-166.

Li, X., Cheng, C., Kim, H., & Petrick, J. (2008). A systematic comparison of first-time and repeat visitors via a two-phase online survey. *Tourism Management*, 29(2008), 278-293

Lim, H., Widdows, R., & Park, J. (2006). M-Loyalty: Winning strategies for mobile carriers. *Journal of Consumer Marketing*, 23(4), 208-218.

Liu, J. C. & Var, T. (1986). Resident attitudes toward tourism impacts in Hawaii. *Annals of Tourism research*, 13, 193-214.

Liu, J. C., Sheldon, P. J. & Var, T. (1987). Resident perceptions of the environment impacts of tourism. *Annals of Tourism Research*, 14, 17-37.

Long, P. T., Perdue, R. & Allen, L. (1990). Rural resident tourism perceptions and attitudes by community level of tourism. *Journal of Travel Research*, 28, 3-9.

Louvieris, P. & Oppewal, H. (2004). Channel benefits portfolio management in the eBusiness era. *Qualitative Market Research*, 7(4), 257-264.

MacCannell, D. (1973) 'Staged Authenticity: Arrangements of Social Space in Tourist Settings', *American Journal of Sociology*, 79(3): 589-603.

McCool, S. F. & Martin, S. R. (1994). Community attachment and attitudes toward tourism development. *Journal of Travel research*, 32(3), 29-34.

MacKay, K. J., & Fesenmaier, D. R. (2000). An exploration of cross-cultural destination image assessment. *Journal of Travel Research*, 38(May 2000), 417-423.

March, R. (1994) "Tourism Marketing Myopia", *Tourism Management*, Vol.15 (6), 411- 415.

Martin, H. S., & Rodriguez del Bosque, I. A. (2008). Exploring the cognitive–affective nature of destination image and the role of psychological factors in its formation. *Tourism Management*, 29(2008), 263-277.

Milman, A. & Pizam, A. (1988). Social impact of tourism on Central Florida. *Annals of Tourism Research*, 15(2), 191-204.

Millán, A. & Esteban, A. (2004). Development of a multiple-item scale for measuring customer satisfaction in travel agencies services. *Tourism Management*, 25(2004), 533-546.

Mohammed I. Eraqi (2007), "Local Communities' Attitudes Towards Impacts of Tourism Development in Egypt". *Tourism Analysis*, Vol. 12, pp. 191–200.

Mohammad Amzad Hossain Sarker, Wang Aimin, Sumayya Begum (2012)," Investigating the Impact of Marketing Mix Elements on Tourists 'Satisfaction: An Empirical Study on East Lake" *European Journal of Science and Management*, vol 4, no.7.

Mohsin, A. (2005). Tourist attitudes and destination marketing-the case of Australia's Northern territory and Malaysia. *Tourism Management*, 26(2005), 723-732.

Mo, Howard And Havitz 1993 Testing a tourist role Typology. *Annals of tourism research*. 20: 319-335.

Murphy, L (1999). "Australia's Image as a Holiday Destination-Perceptions of Backpacker Visitors", *Journal of Travel and Tourism Marketing*, (8) 3, pp.21-45.

Murphy, P., Pritchard, M. P., & Smith, B. (2000). The destination product and its impact on traveller perceptions. *Tourism Management*, 21(2000), 43-52.

Murphy, P. E. (1983). Perceptions and attitudes of decision-making groups in tourism centers. *Journal of Travel Research*, 21, 8-12.

Ng, S. I., Lee, J. A. & Soutar, G. N. (2007). Tourists' intention to visit a country: The impact of cultural distance. *Tourism Management*, 28(2007), 1497-1506.

Nicolau, J. L. & Más, F. J. (2006). The influence of distance and prices on the choice of tourist destinations: The moderating role of motivations. *Tourism Management*, 27(2006), 982-996.

O'Leary, S. & Deegan, J. (2005).Ireland's image as a tourism destination in France: Attribute importance and performance. *Journal of Travel Research*, 43(February 2005), 247-256.

Oppermann, M. (2000). Tourism destination loyalty. *Journal of Travel Research*, 39(August 2000), 78-84.

O'Leary, J. T. (1976). Land use redefinition and the rural community: Distribution of community leisure space. *Journal of Leisure Research*, 8, 263-274.

Pawitra, T. A. & Tan, K. C. (2003). Tourist satisfaction in Singapore - A perspective from Indonesian tourists. *Managing Service Quality*, 13(5), 399-411.

Pearce, D. G. & Schott, C. (2005). Tourism distribution channels: The visitors' perspective. *Journal of Travel Research*, 44(August 2005), 50-63.

Perdue, R. R., Long, P. T., & Allen, L. (1987). Rural resident perceptions and attitudes. *Annals of Tourism research*, 14, 420-429.

Pinhey, T. K., & Iverson, T. J. (1994). Safety concerns of Japanese visitors to Guam. *Journal of Travel and Tourism Marketing*, 3(2), 87-94.

Pizam, A. (1978). Tourism impacts: The social costs to the destination community as perceived by its residents. *Journal of Travel Research*, 16, 8-12.

Pizam, A & Ellis, T (1999). "Customer Satisfaction and its Measurement in the Hospitality Enterprises", *International Journal of Contemporary Hospitality Management*, (11) 7, pp.326-339.

Poon, W., & Low, K. (2005). Are travellers satisfied with Malaysian hotels? *International Journal of Contemporary Hospitality Management*, 17(3), 217-227.

Prentice, R. (1993). Community-driven tourism planning and residents' preferences. *Tourism Management*, 14(2), 218-227.

Prideaux B. (2000) the role of the transport system in destination development. *Tourism Management*, 21: 53-63.

Reisinger, Y. & Turner, L. W. (2002). Cultural differences between Asian tourist markets and Australian hosts: Part 2. *Journal of Travel Research*, 40(May 2002), 374- 384.

Richins, H., & Pearce, P. (2000). Influences on tourism development decision-making: Coastal local government areas in eastern Australia. *Journal of Sustainable Tourism*, 8(3), 207–225.

Ross, G. F. (1992). Resident perceptions of impact of tourism on an Australian city. *Journal of travel research*, 30, 13-17.

Rothman, R. A. (1978). Residents and transients: community reaction to seasonal visitors. *Journal of travel research*, 16(3), 8-13.

Schneider, I., & Sönmez, A. (1999). Exploring the touristic image of Jordan. *Tourism Management*, 20(1999), 539-542

Sentha, R. J. & Richmond, B. O. (1978). Virginia Islanders' perceptions of tourism. *Journal of Travel Research*, 17(1), 30-37.

Sheldon, P. J. & Var, T. (1984). Resident attitudes to tourism in North Wales. *Tourism Management*, 5, 40-47.

Shostack, G.L. 1984. Designing services that deliver. *Harvard Business Review*, 41 (April):133-139.

Smith, R. A. (1992). Beach resort evolution: Implications for planning. *Annals of Tourism Research*, 19, 304-322.

Smith, S. L. J. 1994. The tourism product. *Annals of tourism Research*. 21(3): 582-595.

Smith, M. C., & MacKay, K. J. (2001). The organization of information in memory for pictures of tourist destinations: Are there age-related differences? *Journal of Travel Research*, 39(February 2001), 261-266.

Snepenger D., Snepenger M., Dalbey, M., Wessol, A. (2007). Meanings and consumption characteristics of places at a tourism destination. *Journal of Travel Research*, 45(February 2007), 310-321.

Sohail, M., Roy, M., Saeed, M., & Ahmed, Z. (2007, October). Determinants of service quality in the hospitality industry: The case of Malaysian hotels. *JABM: Journal of Accounting, Business & Management*, 14, 64-74.

Sonmez, S. F., & Graefe, A. R. (1998). Influence of terrorism, risk on foreign tourism decisions. *Annals of Tourism Research*, 25(1), 112–144.

Sönmez, S., & Sirakaya, E. (2002). A distorted destination image? The Case of Turkey. *Journal of Travel Research*, 41(November 2002), 185-196

Sonmez, S. F. (1998). Tourism, terrorism, and political instability. *Annals of Tourism Research*, 25(2), 416–456.

Soutar, G. N. & McLeod, P. B. (1993). Residents' perceptions on impact of the America's cup. *Annals of Tourism Research*, 30, 571-581.

Stepchenkova, S. & Morrison, A. M. (2008). Russia's destination image among American pleasure travelers: Revisiting Echtner and Ritchie. *Tourism Management* 29(2008), 548-560.

Tang And Rochananond. 1990 Attractiveness as a tourist destination; a comparative study of Thailand and selected countries. *Socio-Econ Planning*, 24(3)

Tasci, A. D. A. & Gartner, W. C. (2007). Destination image and its functional relationships. *Journal of Travel Research*, 45(4), 413-425.

Thomason, P. S., Crompton, J. L., & Kamp, B. D. (1979). A study of the attitudes of impacted groups within a host community toward prolonged stay tourist visitors. *Journal of Travel Research*, 17, 2-6.

Tasci, A. D. A., Gartner, W., & Cavusgil, T. S. (2007). Conceptualization and operationalization image. *Journal of Hospitality & Tourism Research*, 31(2), 194- 223.

Timothy, D. J., and G. Wall (1997). Selling to Tourists: Indonesian Street Vendors. *Annals of Tourism Research*, 24:322-340.

Timothy, D.J., & White, K. (1999). Community-based ecotourism development on the periphery of Belize. *Current Issues in Tourism*, 2(2/3), 226-242.

Tosun, C. (2002). Host perceptions of impacts: A comparative tourism study. *Annals of Tourism Research*, 29 (1), 231-253.

Turley, L.W. and Milliman, R.E. 2000. Atmospheric effects on shopping behaviour: a review of the experiential literature. *Journal of Business Research*, 49 (2000): 193-211.

Tyrrel, T. & Spauling, P. (1984). A survey of attitudes toward tourism growth in Rhode Island. *Hospitality Education and Research Journal*, 8(1), 22-23.

Var, T., Kendall, K. W. & Tarakcoglu, E. (1985). Residents attitudes toward tourists in a Turkish resort town. *Annals of Tourism Research*.

Vignali, C (2001). "McDonald's: "Think Global, Act Local" - the Marketing Mix", *British Food Journal*, (103) 2, pp. 97-111.

Vogt, C. A., & Andereck, K. L. (2003). Destination perceptions across a vacation. *Journal of Travel Research*, 41(May 2003), 348-354.

Weaver, D. & Lawton, L. (2001). Resident perceptions in the urban-rural fringe. *Annals of Tourism research*, 28 (2), 349-458.

Werthner, H. & Ricci, F. (2004). E-commerce and tourism. *Association for Computing Machinery. Communications of the ACM*, 47(12), 101-105.

Witt, S. F. and Witt, C. A.: 1995, 'Forecasting Tourism Demand: A Review of Empirical Research', *Int. J. Forecasting* 11, 447-475.

Yoffie, J (1997). "The e-Shopper", *Brandweek Journal*, (38)19, pp 30-32.

Yoon, Y. & Uysal, M. (2005). An examination of the effects of motivation and satisfaction on destination loyalty: A structural model. *Tourism Management* 26(2005), 45-56.

Yu, L. & Goulden, M. (2005). A comparative analysis of international tourists' satisfaction in Mongolia. *Tourism Management*, 27(6), 1331-1342.

Yuksel, A. (2004). Shopping experience evaluation: A case of domestic and international visitors. *Tourism Management*, 25(6), 751-759.

OTHERS:

Ahmed, Z. U., & Krohn, F. B. (1992). International tourism, marketing and quality of life in the third world: India, a case in point, in J. Sirgy, M. H. Meadow, D. Rahtz D., & A. C. Samli (Eds.), *Development in Quality of Life Studies in marketing*, vol. 4 (pp. 150-156). Blacksburg, Virginia: Academy of marketing Science.

Backman, K. F., & Backman, S. J. (1997). An examination of the impacts of tourism in a gateway community. In H. L. Meadow (Ed.) *Development in Quality of Life Studies*, vol. 1 (pp. 6). Blacksburg, Virginia: International Society for Quality of Life Studies.

Burger, D. (ed.). (2004). *South Africa Yearbook 2004/2005*. Pretoria: Government Communications.

Formica, S. (2000). "Tourism Planning." *Proceedings of the 31st TTRA Conference*, June 11-14, 2000. Burbank, CA: TTRA, pp. 235-42.

Haydam, N. (2001). The application of supply side segmentation in the tourism industry. In A. Ogbuehi (ed.). *2001 Proceedings: advancing knowledge development in African business*. International Conference Washington DC, USA, April 4-7, 2001.

Hollingworth, C. (2006). The changing consumers. A speech at the Opening Sitting of the Cape Wine , in Cape Town International Conference Centre, April 4.

Jurowski, C (1994). The interplay of elements affecting host community resident attitudes toward tourism: A path analytic approach. Unpublished doctoral dissertation, Virginia Polytechnic Institute and State University, Blacksburg, Virginia.

Kassem, F (1985). "Marketing of Tourism: An Investigation of the Application of Marketing Concepts and Practices in Promoting Egypt as a Tourist Destination in Britain and Ireland", PhD Thesis Submitted to Strathclyde University, Glasgow-UK.

Koenen, J., Chon, K. S., & Christianson, D. (1995). Effects of tourism growth on air quality: The case of Las Vegas. In H. Lee Meadow, M. Joseph Sirgy, & Don R. Rahtz (Eds.), *Developments in Quality-of-Life Studies in Marketing*, vol. 5 (pp. 158-159). DeKalb, Illinois: Academy of Marketing Science and the International Society for Quality-of-Life Studies.

Lee, S. Y. (1999). Marketing strategies for bed and breakfast operations (M.S. dissertation, University of North Texas, United States, 1999).

Mabudafhasi, H. R. (2003). Western Cape Provincial safety and security Tourism Conference, 15 Oct 2003.

Mc Elroy J, L. 2003. Small island tourist economies across the lifecycle, Paper prepared for the International Conference, Beyond MIRAB: The Political Economy of Small Islands in the 21st Century, School of Economics and Finance, Victoria University, Wellington, New Zealand, 23-25 February 2004

N. Bupendra Singh (2006.), 'Globalization and North East India: Challenges and Opportunities' National Seminar on Globalization and Industrial Relocation: Implications for the Development Strategy of the Underdeveloped Regions with special Reference to North East India organized by the Department of Humanities & Social Sciences, NIT, Silchar, 27-28 October 2006..

Naude, W.A. and A. Saayman (2004), "The Determinants of Tourism Arrivals in Africa: A Panel Data Regression Analysis", A paper Prepared for the International Conference, Centre for the Study of African Economics, St. Catherine's College, University of Oxford, 21-22 March.

Pepplenbosch, P. & Templeman, G. (1989). The pros and cons of international tourism to the third world, In T. Singh, H. Vir, L. Theuns & F. M. Go (Eds.). Frankfurtam Main: Peterlang.

Vickerman, S. (1988). Simulating tourism and economic growth by featuring new wildlife recreation opportunities. Transactions of the 53rd North American Wildlife Natural Resources Conference: 414-423.

WEBSITE

<http://dx.doi.org/10.1016/j.tourman.2006.08.008>

<http://www.info.gov.za/speeches/2003>.

http://www.thomex.com/article/resources_details.aspx?ID=R_2007060414180&catid=C_20071024132144

<http://adb.org.documents>

www.rediff.com/business/fci-inflows-india's-top-10-sectors/20110909.htm

<http://indiabudget.nic.in>

www.deloitte.com/in

<http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/weorept.aspx?sy=2007&ey=2010&ssm=1&ssd=1&sort=country&ds=.&br=1&c=534&s=NGDPD,NGDPDPC,PPPGDP,PPPPC,LP&grp=0&a=&pr.x=81&pr.y=8>

<http://www.thehindu.com/business/Economy/article1058311.ece>,

www.planningcommission.nic.in

www.knowledge.wharton.upenn.edu/india/article.cfm=4184

www.rbi.org.in

<http://indiabudget.nic.in>

<http://indiabudget.nic.in>

http://www.moneycontrol.com/news/brokerage-recos-fo/inflation-corruption-key-challenges-before-govt-firstcall_527028.html

http://articles.economictimes.indiatimes.com/2011-02-25/news/28634306_1_services-sector-gdp-deceleration

www.nedfi.com

<http://tourism.mizoram.gov.in/>

<http://www.mizoramtourism.org/>

<http://www.meghalayatourism.org/>

<http://megtourism.gov.in/>

<http://www.assamtourisonline.com/>

www.assamtourism.org/

APPENDIX- 1

Questionnaire –I (Questionnaire for the tourist)

The following questionnaire is administered to you as a tourist to the region of North East India and the information is being collected for analysis of research objective of testing the relationship between tourist perception and decision of choosing the region to visit. The information collected will be kept confidential and used for academic purposes only.

- K Lalromawia

PART-A

(Question no. 1-8 ask you about your personal profile, please put tick mark wherever your profile match)

1 .Name:_____

2. Age:(Tick in which age group you belong)

- | | | | |
|-------------|--------------------------|-----------------|--------------------------|
| a. Below 25 | <input type="checkbox"/> | b. 25- 34 | <input type="checkbox"/> |
| c. 35- 44 | <input type="checkbox"/> | d. 45- 54 | <input type="checkbox"/> |
| e. 55-64 | <input type="checkbox"/> | f. 64 and above | <input type="checkbox"/> |

3. Gender: Male ☐ Female ☐

4. Marital Status: Single ☐ Married ☐ Others ☐

5. Nationality:_____

6. Educational background?

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| a. High School (Matriculation and below) | <input type="checkbox"/> | b. Intermediate (CI-XII) | <input type="checkbox"/> |
| c. Bachelor Degree | <input type="checkbox"/> | d. Master Degree | <input type="checkbox"/> |
| e. Doctoral Degree | <input type="checkbox"/> | f. Professional degree | <input type="checkbox"/> |

7. Which of the following best describe you for your present employment situation?

- | | | | |
|----------------------------------|--------------------------|-----------------------|--------------------------|
| a. Student | <input type="checkbox"/> | b. Housewife | <input type="checkbox"/> |
| d. Retired | <input type="checkbox"/> | e. Government Service | <input type="checkbox"/> |
| f. Private Organization Employee | <input type="checkbox"/> | g. Unemployee | <input type="checkbox"/> |

PART-B
(Travel Behavior Characteristics)

8. Who is your travel companion?

- | | | | | | |
|------------------|--------------------------|--------------------------|--------------------------|-----------|--------------------------|
| a. Sole Traveler | <input type="checkbox"/> | b. With spouse or couple | <input type="checkbox"/> | c. Family | <input type="checkbox"/> |
| d. With Friends | <input type="checkbox"/> | e. Business Associates | <input type="checkbox"/> | f. Other | <input type="checkbox"/> |

9. Have you ever been to the North East India (Aizawl, Shillong, Guwahati)

- | | | | |
|--------|--------------------------|-------|--------------------------|
| a. Yes | <input type="checkbox"/> | b. No | <input type="checkbox"/> |
|--------|--------------------------|-------|--------------------------|

10. What is the main purpose of your current trip?

- | | | | |
|----------------------|--------------------------|----------------------------|--------------------------------|
| a. Vacation/ holiday | <input type="checkbox"/> | b. Business | <input type="checkbox"/> |
| c. Religion | <input type="checkbox"/> | d. Education | <input type="checkbox"/> |
| e. Government duty | <input type="checkbox"/> | f. Others (Please specify) | <input type="checkbox"/> _____ |

11. What source of information do you used to organize this trip?

- | | | | |
|-------------------------|--------------------------|---------------------------------|--------------------------------|
| a. Travel agencies | <input type="checkbox"/> | b. Recommended by friends | <input type="checkbox"/> |
| c. Radio/TV advertising | <input type="checkbox"/> | d. News Paper/ Travel magazines | <input type="checkbox"/> |
| e. Tourism website | <input type="checkbox"/> | f. Others (Please specify) | <input type="checkbox"/> _____ |

12. When the words North East India comes to your mind, what is your perception of North East India's tourism type?(Rank 1 for the lowest and 5 for the highest)

- | | |
|----------------------------|-------------|
| a. Ecotourism. | [] |
| b. Cultural Tourism | [] |
| c. Rural tourism | [] |
| d. Adventure tourism | [] |
| e. Religious Tourism | [] |
| f. Others (Please specify) | [] _____ |

13. What is the mode of your travel to reach this place?

- a. Bus ☐
- b. Train ☐
- c. Plane ☐
- d. Personal car ☐
- e. Others (Please specify) ☐ _____

14. Types of accommodation used during your stay.

- a. Hotel ☐
- b. Guest house / youth hostel ☐
- c. Rented House ☐
- d. With friends/relatives ☐
- e. Others (Please specify) ☐ _____

15. Duration of your stay.

- a. Less than 1 week ☐
- b. 1 week ☐
- c. More than 1 week ☐

16. How do you rate the tourism infrastructure with the following aspects to your visit in the North East India (Aizawl, Guwahati or Shillong).(**poor=1, average=2, good=3, very good=4, excellent=5**)

	Excellent	Very Good	Good	fair	Poor
Air connectivity of the destination with major Indian cities					
Condition of airport serving the destination					
Quality of the roads from your origin to the destination					
Qualities of wayside amenities available on this roads					
Rail connectivity of destination with major Indian cities					
Condition of railway station serving the destination					
Public convenience along the road/street					
Condition of roads inside the city					
Drinking water supply					
Power supply					
Telephone and mobile service					
Internet service					

17. How do you rate the tourism product of the North East India (Aizawl, Shillong and Guwahati) with the following aspects?

	Excellent	Very good	good	fair	Poor
Availability of luxury hotel					
Availability of budget hotel					
General cleanliness of monument/tourist attraction and area around it					
Public utilities at the monument/tourist attraction					
Availability of tourist information					
Conservation of the tourist sites (monuments, forest, church, temple etc)					
Availability of diverse recreational facilities					

18. How do you rate the price related tourism activities in North East India (Aizawl, Shillong and Guwahati)

	Excellent	Very Good	Good	fair	Poor
Price of the hotel room rent					
Transportation price from your origin to your destination					
Transportation price within the destination					
Price of the food					
Price of handloom and handicraft products (souvenir)					
Price for visiting tourist sites (Eg: Entrance fee for museum visit, heritage site, national park etc.)					
Price for entertainment					
Other travel expenditure such as insurance etc.					
Overall expenditure value for money					

19. How do you rate the place (distribution channel) where you purchased the tourist products in North East India?

	Excellent	Very Good	Good	fair	Poor
Availability of authorized tour operator					
Availability of website to organize your trip					
Visitors information centres at the destination.					
Promptness of the State tourism department					

20. How do you rate the North East India's tourism promotional activities?

	Excellent	Very Good	Good	Average	Poor
Wide spread					
Attractiveness					
Competitive compare to other region of India					
Innovative					

21. How do you rate the people involved during your visit to the North East India?

	Excellent	Very Good	Good	Average	Poor
Behavior of the local residence.					
Behaviors of the driver for your interstate transportation					
Behavior of the driver for your local transport					
Behavior of service staff at your accommodation					
Behavior of the staff working at the tourism office					
Behavior of the staff at the local restaurant and shopping complex					

22. How do you rate the process of your visit to your destination i.e North East India(Aizawl, Shillong or Guwahati)

	Excellent	Very Good	Good	Average	Poor
Promptness in getting permission to enter the destination					
Availability of tour packages to the destination.i.e. Northeast India.					
Hassle free process in booking the entire tour in north East India					

23. How do you rate the physical evidence which you have experience during your stay in the North East?

	Excellent	Very Good	Good	Average	Poor
The cleanliness of the travel agent office					
The physical appearance of the staff employed in the travel agent					
Physical appearance of the tour guide					
The cleanliness of the state tourism information centre					
The physical appearance of the transportation inside the destination town					
The physical appearance of the transport operator (driver, conductor) in the destination area					
The overall physical appearance of the North East					

24. Your opinion about the safety concern of the North East ?

[1 = very unsafe, 2 = a bit unsafe, 3 = average, 4 = fairly safe and 5 = very safe.]

	1	2	3	4	5
Safety about the transportation to the destination					
Local transport in the destination					
While staying in hotel and other accommodation units					
While performing other leisure activities such as shopping, adventure, roaming and photography					
How safe is the place as compare to the past when you hear about North East India?					
Communal violence					
Overall safety of the North East					

25. How satisfied are you with your overall trip to the destination.

	1	2	3	4	5
Satisfaction level					

26. Will you visit North East India again

- a. Yes []
- b. No []

If no, kindly state the reason:

THANK YOU

APPENDIX- 2

Questionnaire to the destination community

Dear Community Resident:

This survey is designed to assess community residents' perceptions of how their overall quality of life is affected by tourism. Your participation in this survey allows you to voice your opinion to help the study of impact of tourism on your community. Your help will be greatly appreciated.

It will take approximately fifteen minutes of your time to complete this survey. Your participation in this survey is voluntary, and your response will remain confidential. You need only to express your feelings about how you see things in your community.

– K. LALROMAWI

1. Age:(Tick in which age group you belong)

- | | | | |
|-------------|--------------------------|-----------------|--------------------------|
| a. Below 25 | <input type="checkbox"/> | b. 25- 34 | <input type="checkbox"/> |
| c. 35- 44 | <input type="checkbox"/> | d. 45- 54 | <input type="checkbox"/> |
| e. 55-64 | <input type="checkbox"/> | f. 64 and above | <input type="checkbox"/> |

2. Gender: Male _____ Female _____

3. How long have you lived in the present community? _____

4. Including yourself, how many people make up your household? _____

5. Which of the following best describes your and your spouse's present employment situation?

- | | | | | | |
|----------------------------------|--------------------------|----------------------------------|--------------------------|------------|--------------------------|
| a. Student | <input type="checkbox"/> | b. Housewife | <input type="checkbox"/> | c. Retired | <input type="checkbox"/> |
| d. Government Service | <input type="checkbox"/> | e. Private Organization Employee | <input type="checkbox"/> | | |
| f. Self employed/ business owner | <input type="checkbox"/> | g. Unemployed | <input type="checkbox"/> | | |

6. What is your approximate household income per month?

- | | | | |
|---------------------------|--------------------------|--------------------------|--------------------------|
| a. Below Rs. 5000 | <input type="checkbox"/> | b. Rs.5000 – Rs. 10,000 | <input type="checkbox"/> |
| c. Rs. 10,000 – Rs,20,000 | <input type="checkbox"/> | d. Rs.20,000 – Rs.30,000 | <input type="checkbox"/> |
| e. Above Rs.30,000 | <input type="checkbox"/> | | |

7. The following statements are about **the economic impact of tourism in your community**. Please tell us how much you agree or disagree with each statement.

[1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree]

	1	2	3	4	5
Tourism brings important economic benefits to the residents of the community					
Tourism creates employment opportunities for residents in the community					
One of the most important aspects of tourism is that it creates a variety of jobs for the residents in the community.					
Local businesses benefit the most from tourists					
Our standard of living has increased due to tourist spending in the community					
The price of many goods and services in the community has increased because of tourism.					
Real estate prices in the community have increased because of tourism					

8. The following statements are about **the social impact of tourism in your community**. Please tell us how much you agree or disagree with each statement.

[1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree]

	1	2	3	4	5
Tourism has resulted in unpleasantly overcrowded hiking trails for local residents					
Tourism has resulted in unpleasantly overcrowded parks for local residents					
Tourism has resulted in unpleasantly overcrowded shopping places for local residents					
Tourism contributes social problems such as crime, drug use, prostitution, and so forth in the community					
Increased tourism provides more recreational opportunities for local residents					
Because of tourism, roads and other local services are well maintained					

9. The following statements are about **the cultural impact of tourism in your community**. Please tell us how much you agree or disagree with each statement.

[1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree]

	1	2	3	4	5
Tourism encourages a variety of cultural activities for local residents					
Tourism helps keep culture alive and helps maintain the ethnic identity of the local residents.					
The commercial demand of tourists causes changes in the style and forms of traditional arts and crafts					
Tourism encourages residents to imitate the behaviour of the tourists and relinquish cultural traditions.					
Tourism causes the disruption of traditional cultural behavior patterns in local residents					
Meeting tourists from all over the world is definitely a life enriching experience.					
The cultural exchange between residents and tourists is pleasant for the residents.					
I would like to meet tourists from as many countries as possible in order to learn about their cultures					

10. The following statements are about **the environmental impact of tourism in your community**. Please tell us how much you agree or disagree with each statement.

[1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree]

	1	2	3	4	5
Tourism causes environmental pollution					
Tourism produces noise pollution.					
Tourism produces littering					
Tourism produces large quantities of waste products.					
Tourists' littering destroys the beauty of the landscape.					
Tourism has contributed to the preservation of the natural environment and the protection of the wildlife in the community					

APPENDIX- 3

Krejcie Morgan Sample Adequacy Table

Table for determining sample size from a given population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

N is population size and S is sample size

(Source: Krejcie, Robert V., Morgan, Daryle W., “Determining Sample Size for Research Activities”, Educational and Psychological Measurement, 1970)

If the population is 5000 tourists a sample of sufficient number to generate a 95% confidence interval that predicted the proportion who would be repeat customers within plus or minus 2.5%, you would need responses from a (random) sample of **1176** of all your customers.

Required Sample Size [†]								
Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

[†] Copyright, The Research Advisors (2006). All rights reserved.

(Source: <http://www.research-advisors.com/tools/SampleSize.htm>)

MARKETING OF SERVICES - A STUDY OF TOURISM MARKETING IN NORTHEAST INDIA

Synopsis of the

**Doctoral thesis submitted to University of Hyderabad in partial fulfillment of the
requirements for the award of the degree of**

**DOCTOR OF PHILOSOPHY
IN
MANAGEMENT**

BY

K. LALROMAWIA

(Reg. No. : 09MBPH04)

UNDER THE GUIDANCE OF:

PROF. V.VENKATA RAMANA

PROFESSOR, SCHOOL OF MANAGEMENT STUDIES

UNIVERSITY OF HYDERABAD,

HYDERABAD.



**SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD
HYDERABAD-500 046
INDIA
NOVEMBER, 2013**

Introduction:

The concept of “service” is as old as humankind and began when man started serving himself (self-servicing). When a part of the society became affluent, it started utilizing the services of others at a price. Then services became a business proposition. However until the beginning of the twentieth century, the focus of economies was to produce more and more tangible goods and sell agricultural and manufactured products. Services such as accounting, banking, insurance and transportation were considered to be support to manufacturing units. But nowadays, services influence our lifestyle and the quality of life significantly. All human being have become service producers as well as consumers. Transportation, education, communication, healthcare, hospitality, entertainment, banking, information technology, electricity and a host of other such services has become a part of our life.

Over the years, services have increasingly assumed an important role in the economic development of many countries, including India. All developed countries and many developing countries either have emerged or are emerging as service economies or service societies. An economy is called a service economy when the contribution of the services sector to the GDP of the nation is more than 50 per cent. In 1948, the economy of the United States was the first to be declared as a service economy with about 53 per cent contribution of the services sector to the GDP of the nation.

During the early 1980’s, the deregulation of services in many parts of the world, particularly in the areas of banking and insurance, telecommunications, transportation and healthcare services, led to intensified competition among various organization. The growth in size and volume of business and the growing demand made organization identify the gap between the available technical support and the support required to face the distinctive marketing challenges. Services have become a critical source of wealth to economies in many ways. Economies experience an increase in employment with the growth in the services sector. While employment in the manufacturing sector is receding every year, employment in the services sector is rising. Services provide the required infrastructure and support for the growth and development of the manufacturing and agricultural sector. Services contribute to the enhancement of productivity,

optimal uses of resources, qualitative managerial decision making and so on, which impact economic development and standard of living in a society.

Tourism sector has become the most powerful growth engine. This “smokeless” contributes over 13 per cent of the gross domestic product (GDP). Many countries in the world have recognized the importance of this sector and are trying to strengthen this industry. Both developed and developing countries are making vigorous efforts to reshape the tourism industry. The main reason behind this attitudinal change in the policy makers is tourism’s capacity to generate foreign exchange. This is mainly because almost all countries have realized the need to develop this industry, to keep pace with the changing tastes of potential tourists. Qualitative improvement in managing the tourism industry became possible when some of the leading global organization such as World Tourism Organization, Pacific Area Travel Association, International Union of Official Travel Organization evinced interest in promoting the tourism industry, especially in the developing countries where tourism industry is in a bad condition. Tourism as an industry operates on a massive scale; it embraces activities ranging from the smallest seaside hotel to airlines, multinational hotel chains and major international tour operators.

Tourism has grown substantially over recent decades as an economic and social phenomenon. Unfortunately, the development of statistical concepts and frameworks for tourism has not kept pace with the changes in the nature and significance of tourism worldwide and its potential for future growth. The problem with measuring the economic significance of tourism spending is that ‘tourism’ does not exist as a distinct sector in any system of economic statistics or of national accounts. As a result, tourism’s value to the economy is not readily revealed.

Much of the tourism literature today appreciates the importance of developing tourism ‘sustainably’. Whatever the precise meaning of this term, an essential element of a sustainable tourism industry is economic viability. It is sometimes forgotten that the concept of sustainability has an economic dimension alongside its social and environmental dimensions. Economic efficiencies result in less use of resources with potentially less adverse social and environmental impacts from their use. Tourism development is fundamentally driven by business. However, governments play a significant role as partners in tourism development to an extent which is not

replicated in most other industries through their extensive engagement, by all levels of government, in tourism planning and strategy, marketing, infrastructure development, land use planning and responsibility for parks and public and natural attractions, and through their role in managing environmental and community impacts of tourism. The more comprehensive our understanding of the economic issues associated with tourism is, as reflected in the decisions made by tourism operators and policies enacted by destination managers, the more able are economic efficiencies to be achieved in the overall objective of sustainable development of the industry.

Significance of the Study:

Several studies have been cornered around the tourism marketing and to study the satisfaction of tourist on a particular destination. Tourism marketing and promotional efforts are the basic activities to link the product with the potential tourist market both at national and international levels. Hall (2000) states that, although destinations have long promoted themselves to potential visitors, there has been qualitative change in the nature of place promotion since the early 1980s, when shifts occurred to reduce the role of the state in a globalizing economy. Within the tourism sector, tourism destination could be identified and marketed based on a number of elements, which combine to attract visitors to stay for a holiday or a day visit. These elements of the destination mix are in most cases inherited from previous generations. The marketer has no control over these elements and therefore, they can be classified as external factors. Where in the global tourism market place, a country is often associated with a unique tourism product and/or destination. In this context, Austria is associated with the mountains and rural tourism. On the other hand, a country like Egypt and Libya is associated with cultural and historic tourism. While Mediterranean countries are basically associated with seaside tourism. As a tourism market, Portugal is associated with sun and beach tourism (Yasin et al, 2003).

Tourism has been a part of human life for a variety of purposes such as health, education, trade, leisure, recreation, and for social gathering. Improvement in travel technology and high per capita disposable income, especially in the developed societies with increased interest to travel abroad; have led to enormous growth in international tourism (Busby, 1993). This proves that in developed countries, tourism has assisted diversification of the economy and helped to combat

regional imbalance, while in developing countries it has provided an export and better job opportunity, with greater price flexibility, self-determination than their traditional practices or expertise (Wearing and Nail, 1999). The presence of purposeful strategies based on sound marketing standards represent the starting point in launching and the success of any tourism plan aimed at attracting tourists and revenues. Accordingly, not effort or activity whatsoever would succeed unless linked to suitable strategies especially in terms of marketing. Reliable planning for tourism marketing with all its elements is the true guarantee to ensure that tourism would succeed as a human activity on one hand and as an economical motivator on the other.

Adopting a new strategy for tourism marketing symbolizes an important step towards determining the markets which commodity and service corporations existing in continuously changing unpredictable environments are targeting. Such strategy should also be capable of meeting tourists' needs & desires.

1.4 Background of the Research Problem:

The problem of the current research study is that despite the fact that the Northeast India possesses varied touristic natural resources which form the necessary raw material for the tourism product, and a huge cultural heritage which makes up a large part of tourism industry and which should bring up benefits for the welfare of the people of Northeast India and contribute to enhance the economic development process. Rather, Northeast India hasn't got its share of the tourism receipts for international and domestic tourism, which, according to Ministry of Tourism, Government of India (2012 Report).

States	2011
Arunachal Pradesh	143363
Assam	4143080
Manipur	127929
Meghalaya	672307
Mizoram	48191

Nagaland	22376
Sikkim	573210
Tripura	359296
India	856.3 million

Table 1: Tourist visit in Northeast India (domestic and foreigner).

Source: www.nedfi.com

From the above table of tourism arrivals, it is learn that tourism marketing for Northeast India is an important aspect in promoting and selling the tourist products which will thus enhance its competitive market share in the tourism industry within the India. But in fact a under developed region like Northeast India usually suffers from a number of problems, the most important of which is the difficulty in marketing the tourism product to the customer (tourist or traveller). This may be due to the lack of expertise and funds allocated for purpose of marketing, as well as inadequate distribution systems suitable for this purpose. However the research problem could be summarized as follows:

1. Lack of interest on the part of various tourism organizations (local tour operators and travel agencies) in the region, to study (national and foreign) tourist needs, wants and demands which could identify precisely the desired types of tourism. Such study would help develop a new tourism marketing strategy, which would satisfy the desired needs of the both the tourist and the tourism market locally or internationally in changeable business environment.
2. Inability to target the most important and relevant tourism market sectors, which could be achieved only by devising suitable characteristics for the evaluation of areas of investment and tourism attractions and determine their targeting priorities before positioning an effective marketing strategy .
3. Lack of an effective tourism development plan or strategy due to mis-direction of available physical and human resources. This could be due to the fact that people or officials working at the various tourism sectors are lacking marketing techniques or skills and are unaware of the importance of the use of the suitable marketing tools in order to effectively influence the tourism market and gain competitive edge in the region as a new tourism destination.

Gaps in the Existing Literature:

- Lack of research in order to understand the tourism marketing approach from three dimensions namely.
 - i) From the visitor or tourist
 - ii) From the tourism authority
 - iii) From the destination community.
- Most of the studies made in tourism sector of Northeast India highlighted the potential and beauty of the region without studying the main reason behind the lowering of tourist visit in the region.
- Previous studies did not focus on how to market tourism in the region.

Research Questions

- What kind of differences in perception exist amongst tourists while visiting Aizawl, Shillong and Guwahati.
- How satisfied are the customers with respect to service marketing mix variable offered by the destination viz. Aizawl, Shillong and Guwahati.
- Is the backwardness of infrastructure facility the main reason for lowering of tourist visit in the region?
- Is safety the reason for lowering of the tourist visit in the region?
- How does tourism impact the destination community?

Research Methodology:

The research is undertaken with a wide coverage of secondary sources of data related to tourism marketing. Data is collected from primary and secondary sources. Primary data consists of material collected from the tourists, tourism destination residents and tourism department from the three respective states. Secondary data include theoretical concepts related to the subject, articles published in books, journals, newspapers, magazines and online sources, paper presented at conferences and seminars, case studies, book published on the subject etc.

An exploratory study was carried out to make problem suited to more precise investigation. Exploratory studies help in understanding and assessing the critical issues of problems. Exploratory research studies are used for subsequent research to attain conclusive results for a particular problem-situation. Exploratory studies are conducted for three main reasons to analyze a problem situation, to evaluate alternatives and to discover new ideas.

The research design strategy that been adopted for the current study is a combination of multi data collection techniques or methods. Empirical data from secondary survey questionnaires available from tourism planning and marketing literature have been used to validate externally the finding of this research study, and offer possible experiences, explanations and comparisons between numbers of well-known organizations, which have already implemented tourism-marketing strategies in the recent years. The literature review that the researcher has managed to cover so far has played a major role in supporting the analysis of the primary research and provides a grounding of the research and focus needed. Also establishing sound basis for developing the research instrument for its primary data collection. After that, the identified key marketing issues within the tourism industry's literature helped in representing the structural elements that made up the practical part in this research.

Objectives of the study:

- To study the marketing practices of tourism sector in north east India.
- To examine the service marketing mix attributes (product, price, place, promotion, process, people and physical evidences) considered by tourists in north East India.
- To study the impact of tourism infrastructure in marketing tourism.
- To study the safety and security perception of tourist visiting the North East.
- To measure the degree of impact of tourism on the local community.
- To identify a suitable tourism marketing strategy that helps to maximize market share and to increase profitability in the North East India.

Hypotheses

- Demographic profile of tourist has an impact on the perception on tourism infrastructure, service marketing mix factors and safety.
- Tourism infrastructure has an impact on the satisfaction of tourist.-Regression
- There is a relationship between tourist safety and tourist satisfaction.
- There is a relationship between service marketing mix and tourist satisfaction.
- Residents' perception towards tourism impacts of tourism is associated with demographic characteristics, such as age, gender, educational level, occupational status, and marital status.
- Resident's perception on the standard of living has a relationship with the perception on the tourism impact on the culture of the society.

Data Source:

a) **Primary data:** Primary data is the first and information collected from the respondents and that is not been previously collected. Data that is collected for the purpose of the study and that has not been existent before (Saunders, 2000). Method of primary data collection, according to Daymon and Holloway (2002) are case studies, interviews, surveys, questionnaire or active participation of the researchers in observing the subjects under the study. This thesis uses interview and questionnaire method for obtaining primary data. Primary data is collected from tourism department from respective states and from the tourist and local residents by conducting interviews and administering questionnaire respectively.

b) **Secondary data:** Secondary data consist of readily available, collected and compiled information. Data that has been already collected for a different purpose, which can be used by researchers to re-analyze and draw, own conclusion. Both raw data and published summaries can be regarded as secondary data (Saunders, 2000). Secondary data allows researchers to access large amount of data they might otherwise not be able to obtain, due to limitation of time, budget or reach. Secondary data is collected from sources such as annual reports of the tourism department, publication, books, journals, magazines, paper presented at seminars, conference and

certain online sources. Additionally, the website of the respective state tourism department under the study providing annual reports with information concerning image, marketing initiatives, brand building practices etc. are used. Website from different institutions such as ministry of tourism, government of India, NEDFI, etc. has also provided up-to-date information on key area of research. The secondary data, also referred to as frame of reference, in this thesis is about tourism marketing.

Data Collection Instrument:

Data has been collected from two types of respondent categories:

- 1) Tourists from outside North East India
- 2) Residents from the destination community.

Category One- Tourist: Close ended questionnaire was administered through which three broad types of information has being elicited. This include

- a) Questions on demographic profile of tourists.
- b) Questions on travel behavior
- c) Questions on the perception of tourists on infrastructure, safety and service marketing mix components.

Category Two – Destination community: A close ended questionnaire was administered through which two broad types of information was elicited. This include

- a) Questions on demographic profile of the residents.
- b) Questions on the perception on the impact of tourism on economic, social, cultural and environment of the destination community.

Questionnaire to the tourist

Issue	Section	Question Number
Demographic Profile of Tourist	1) Name 2) Age 3) Gender 4) Marital Status 5) Nationality 6) Educational Background 7) Present employment	Q 1 – Q 7
Travel Behavior	1) Travel companion 2) Whether the visit is first time or not? 3) Main purpose of current trip 4) Source of information to organize the trip 5) First impression on the name of North East India 6) Mode of transportation 7) Types of accommodation 8) Duration of stay	Q 8 – Q 15
Infrastructure, safety and service marketing mix factors.	1) Infrastructure 2) Product 3) Price 4) Place 5) Promotion 6) Physical Evidence 7) People 8) Process 9) Safety	Q 16 – Q 24

Questionnaire to the Destination Community

Issue	Section	Question number
Demographic profile of the resident's	1) Age 2) Gender 3) Length of stay in the present community 4) Number of family member 5) Present employment 6) Household income per month	Q1 – Q6
Perception on the impact of tourism on economic, social, cultural and environment of the destination community	1) Economic impact 2) Social impact 3) Cultural impact 4) Environmental impact	Q 7 – Q 10

Questionnaire for tourists

- Tourism infrastructure - 12 questions ranging from destination serving airport to internet facilities in the destination
- Tourism product - 7 questions ranging from availability of luxury hotel to the availability of diverse recreational facilities
- Overall prices - questions related to price of the tourism product and have 9 questions
- Distribution channel - 4 questions ranging from availability of authorized tour operator to promptness of the state tourism department
- Promotional activities - 4 questions ranging from wide spread of the promotional activities to innovative

- People – Perception on the people involved in the tourism industry ranging from local residence to behavior of staff working in the local restaurant and consist of 6 questions
- Process – It includes the process of trip arrangement and has 3 questions
- Physical Evidence – Consists of 7 questions ranging from cleanliness of the travel agent office to the physical appearance of the transport operator
- Security - 7 questions on the perception of tourists on the security of the destination ranging from transportation safety to communal harmony.

Questionnaire for destination residents:

- Economic impact of tourism - consists of 8 question.
- Social impact of tourism - consists of 6 questions.
- Cultural impact of tourism - consists of 9 questions.
- Environmental impact - consists of 7 questions.

To reduce the subjectivity of logic in conclusions, the questionnaire was revised many times after both external and internal discussions. The questionnaires are also tested by applying Cronbach alpha measure.

Questionnaire for tourists

Question No.	Variables	Value of Cronbach alpha
19.	Tourism infrastructure	.936
20.	Tourism product	.727
21.	Overall prices	.781
22.	Distribution channel	.896
23.	Promotional activities	.965
24.	People	.928
25.	Process.	.703
26.	Physical Evidence	.927
27.	Security	.953

Questionnaire for destination residents

Question No.	Variables and Sub variables	Value of Cronbach alpha
7.	Economic impact	.902
8.	Social impact	.871
9.	Cultural impact	.857
23.	Environmental impact	.923

The questionnaire is said to be reliable if the score is above 60% and as the above table reveals, the Cronbach's Alpha value for all the question are above .700 i.e 70 which implies that the questionnaires are reliable.

Sample Design:

Tourists: Keeping in view the focus of the research, which is to examine the perception of tourists on the tourism facilities offered by the destination, the following cities are chosen based on their based on the number of domestic and foreign tourist received on the previous record, and also the accessibility of the researcher. Three cities are chosen from the seven Northeastern States of India. The first city which is chosen is the market leader i.e Guwahati (Assam), the second city Shillong (Meghalaya) is the market challenger and the third city is Aizawl which is selected because of the easy accessibility. Seven hundred and fifty tourists (Two hundred and fifty from each city) are chosen based on stratified sampling method.

City	Total No. of tourist under study
Guwahati	250
Shillong	250
Aizawl	250

Data of the destination residents: Four hundred respondents (100 hundred from each destination) are chosen based on stratified sampling method. As the study is restricted to three cities in three states, hundred residents from each city are chosen for the study.

City	Total No. of resident's under the study
Guwahati	100
Shillong	100
Aizawl	100

The sample so chosen is representative of the population as it satisfies the sample adequacy test and is chosen as per Krejcie Morgan Table.

Data Analysis Techniques:

Data has been analysed using statistical such as ANOVA, Chi-square test, Spearman's Rank Correlation, Regression analysis, Factor analysis and simple statistics such as average and mean. SPSS version 21 is used to facilitate the same.

Findings:

1) Assam:

- Assam Tourism Development Corporation Limited is in charge of promotion and development of tourism in the state of Assam.
- Assam Tourism Development Corporation Limited take is undertaking activities to develop and manage tourist lodges, tourist hotels, restaurants, guest houses, entertainment projects etc.
- Assam Tourism Development Corporation Limited acquires, operates and maintains cars, buses, coaches, launches, rope ways and other modes of transport for tourists.
- Assam Tourism Development Corporation Limited organizes entertainment and related activities such as cultural shows, fairs and festivals etc. for the benefit of tourists.

- Assam Tourism Development Corporation has promoted Assam tourism through television promotions, pamphlets, trade fairs and organizing festivals and conventions.
- Private organization participation is minimal in developing and marketing tourism in Assam, the major role played by the private players are in the form of travel agents eg., providers of transportation and accomodation.

2) Meghalaya:

- The Meghalaya Tourism Development Corporation Ltd., was created under the patronage of the Government of Meghalaya. The main objective is to promote tourism in the state and to expand the infrastructure facilities for the tourists.
- There are 11 hotels, resorts and cafés under the control of Meghalaya Tourism Development Corporation Ltd.
- The corporation runs the Orchid chain of hotels and resorts at Shillong, Borapani and Tura and has manpower of 220 persons.
- Meghalaya Tourism Development Corporation has promoted Meghalaya Tourism in the form of electronic (television) and print media like newspaper, travel magazine, pamphlet and brochures, trade fair and organizing festivals and conventions.
- Government of Meghalaya plays a major role in promoting tourism in Meghalaya and the roles played by private players are in the form of travel agent, transport provider and accommodation provider (in the form of hotels).
- The state government recently announced a new tourism policy to elevate Meghalaya as a hub for Tourism in the North East. The new tourism policy has been formulated after taking into consideration the cultural and natural beauty of the state.
- The Government of Meghalaya has realized the importance of human resources in tourism industry and in order to meet the need the government has set up the Institute of Hotel Management, Catering Technology and Applied Nutrition in Shillong and also that the Indian Institute of Management, Shillong in partnership

with the North East Council has organized a number of short term courses to train tourism entrepreneurs.

Mizoram:

- The tourism industry in the Mizoram is still at the discovery stage and has a long way to develop.
- The Department of Tourism, Mizoram is responsible for the development and promotion of tourism in Mizoram.
- Unlike other states under the study Mizoram state still does not have the Tourism Development Corporation Limited.
- The Department of Tourism promotes Mizoram by organizing festivals, distributing brochures and pamphlets and participating in trade fair.
- The Department has constructed tourist lodges, tourist resorts and other tourist amenities in different places of Mizoram through liberal financing of Ministry of Tourism, Government of India.
- The tourism department has fallen short of qualified human resources, as most of the personnel who deal the tourists do not have the requisite qualification or experience, and the state is running short of qualified tourist guide.
- The state tourism Department is still functioning without a tourism policy or a well defined tourism marketing strategy.
- Private organization participation in tourism development and promotion is very less.

To attract tourists, infrastructural facilities like good transportation, hotels and tourist lodges, affordable and reliable communication network, clean and hygienic food and accommodation, availability of water sports equipment, and the like are necessary. From the factor analysis it is found that the original 12 variables are deduced to 10 variables and reduced into 4 major factors with eigen value of 2.427, 1.943, 1.779 and 1.550 are statistically significant. The 4 major factors

also possess individual value of 20.227, 16.188, 14.824 and 12.918 with total cumulative variance 64.157.

The first factor consists of 2 variables; *air connectivity of the destination with major Indian cities* and *condition of airport serving the destination* and the factor is named **airport infrastructure**. The second factor consist of 4 variables; *quality of roads from origin to destination*, *qualities of wayside amenities available on the road*, *public convenience along the road/street* and *condition of road inside the city* and the factor is named **road transport infrastructure**. The third factor consists of 2 variables; *rail connectivity of destination with major Indian cities* and *condition of railway station serving the destination* and the factor is named **railway infrastructure**. The fourth and final factor consists of 2 factors; *telephone & mobile service* and *internet service* and the factor is named **communication infrastructure**.

In order to study the impact of tourism infrastructure on tourism marketing in Northeast India a regression analysis was used and it is found that tourism infrastructure has an impact on the tourism marketing in Northeast India. It is also found that the variable *condition of airport serving the destinations* has the greatest impact on tourist satisfaction. The analysis also reveals that the variable *condition of road inside the city* has the least impact on tourist satisfaction among the factor tourism infrastructure.

The fourth objective was to study the safety and security perception of tourists visiting the Northeast. The analysis for this objective is carried out in chapter – V in the form of finding the mean score from each variable under the factor safety and security. It is found that the variable *safety in hotel and accommodation* has the highest mean score and implies that the tourists gives the highest priority to safety in the hotel and their accommodation.

The fifth objective of the research was to study the impact of tourism on the residents community. The study and analysis was carried out in chapter-V by testing proposed hypothesis and from observing the mean score. From the factor economic impact of tourism it is found that the variable *tourism brings economic benefit* has the highest mean score which shows that the

respondents agreed that tourism brings economic benefit to the community and it is also found that the variable *standard of living has increased due to tourism* has the lowest mean score .

In order to test the hypothesis whether tourism development has a relationship with the community standard of living a regression analysis is used and it is found that tourism development has an impact on the community's resident standard of living. It is also found that tourism development has the highest impact on the economic factor and the least impact on the environment factor.

Major Findings:

- From the data collected it is found that majority of the sample tourists who visit Northeast India are at the age group of 25 to 34 years of age where majority of the sample are male (74.7%), and 98.4% of the sample are domestic tourists.
- It is also found out that 42.4% of the sample tourists have a bachelor's degree and 35.5% are government servant and most of these tourists visit as a group or with friends which constitute 28.3% of the sample and the study also reveals that rail transport is the major mode of reaching the destination as 50.3% of the tourist reached the destination by train. Hotel is the major accommodation used by tourists as 52.5% of the sample stays in hotel during their visit to the destination.
- The data collected also reveals that for 27.2% of the respondents it is their first visit to Northeast India and 25.9% of the respondents visit for educational purpose.
- Most of the tourists collect the information about the destination from their friends through words of mouth and majority of the respondents perceived Northeast India as an ecotourism destination. It is also found that 44.1% of the respondents stay in the destination for less than a week.
- From the respondents it is found out that tourist are least satisfied with the train connectivity of the destination with other Indian cities. The reason for this is that from the three cities under study Guwahati is the only city which is connected by train. Most of the tourist find the train station unhygienic and lacking proper amenities.

- Tourists are less satisfied with the availability of diverse recreational facilities. This is in the form of night club, amusement park, movie theatre etc. whereas tourists revealed that the tourism site (or destinations) are well maintained.
- The research also reveals that tourists are satisfied with the price they have paid as fees for different activities during their stay in the region but they are least satisfied with the price they have paid for transportation and travel insurance.
- It is also found that tourists are dissatisfied with the features of website to organize their trip but quite satisfied with the efficiency of the respective state tourism authority. Tourists feel that the brochure and pamphlet distributed by the tourism department are attractive enough but they still feel that this there can be a lot of improvement by highlighting the beauty of the place and the culture.
- Majority of the tourists find that the people of Northeast India are friendly and their hospitality is highly praised but they are dissatisfied with the behavior of the local transport operator i.e taxi and cab driver.
- It is not true that the restriction of entry in certain parts of the region affects the inflow of tourists as most of the tourists are satisfied with the entry procedure but they are dissatisfied with the unavailability of tour packages in the region.
- Tourists are highly satisfied with the beauty of the region but they give low rating to the physical appearance of the transport operator.
- The community residents feel that tourism has brought economic benefit to their society and family but they feel that it did not improve the overall standard of living in the society. It is also found that due to the development of tourism the roads and other local service has been improved and also that tourism has increased the activities of social evils in the society. From the data collected it is found that the communities are interested in meeting different people from different places and also to learn their culture and practices. The respondents also feel that tourism has created the awareness for the need of protecting the environment. The hypothesis testing revealed that tourism development has impact on the overall quality of life of the resident. But it is found that it do not have an impact on the cultural variables.

Suggestions:

- Communal flare up and terrorism are the bane of Northeast India image. So in order to attract tourist and to make the region as a major tourist destination, it is the responsibility of the government and the people to maintain peace and harmony in the region. This can be achieved in the form of developing tourism and creating more employment to the unemployment youth.
- Certain targets should be fixed in respect of tourist inflow, infra-structural development, commissioning of new projects, annual revenue to be earned and employment to be generated.
- People factors play an important role in tourism. It is important for the tourism authority to train the existing staff to be more decent and polite and also the authority should give general awareness to the transport service provider including the driver and the conductor about the importance of tourism and how to treat the tourist.
- The region should give more importance on human resource development in order to look after the tourist and to meet the needs of the tourist. In order to solve the problem the government and private institution should give more importance to tourism and hospitality institution.
- It is noticed that the festival and cultural events do not attract enough tourists from outside. The government should be more focus on the festival and showcasing cultural events by putting more effort on publicity and promotional activities.
- From the data generated from the study it is found that majority of the tourists are in the age group between 25 to 34 and they are the ones who are residing in the Northeast for their higher education, During the course of their stay for education, they are travelling across the Northeast India and thus forming a sizeable portion of the tourists. In view of this situation it is important for the Government to set up educational institution of high quality which should attract people across the country which will also be benefitted by the tourism industry.
- Information about tourism in Northeast should be made available in the embassies in New Delhi and diplomatic offices in major Indian cities. Colour pictures of large size depicting the natural beauty of Northeast and its rich culture should be displayed in the

national and international airports and the basic information about places of tourist attraction and the facilities available should be kept in special locations in the airports. The website created by the respective states should be updated giving all the details of information on tourism. It is pertinent to mention that Northeast India has to market tourism aggressively. Information about tourism in Northeast India should be made widely available including one on the internet.

- Publicizing the tourism potential of the Northeast India to tour operators at both the national and international levels is crucial because it is they who establish tourist routes and make these available through packages to the visitors. It becomes easier for tourists to travel on pre-packaged plans and gain permission to travel to different areas through the right channels, instead of going through the rigor of planning personal holidays.
- The audio-visual feature of publicity and its subtle influence on the psychology of the individual through slogans, films, advertisements and so on can hardly be overstated. The Vision 2020 document mentions a need for the region to ‘re-brand itself’ along these lines; indeed it goes as far as to say that the slogan ‘Paradise Unexplored’ with regard to the Northeast inspires ‘instant recall’ in the mind of an alert traveller. This, sadly, is far from the truth. Although all the Northeastern states have tourism websites, which are inevitably the first step in the procurement of information by those interested, they could certainly be more user-friendly. As the first point of contact for a tourist, a government tourism website should have facilities for accommodation, transport arrangements and travel bookings within the state, or provide direct links to other websites that provide such services.

For this, models used in other parts of India could provide an excellent starting point. For instance, the Rajasthan tourism website is available in seven different languages and the Gujarat website in nine, which immediately amplify their reach. In the same manner, offering the Northeastern state tourism websites in Southeast Asian languages would be of assistance in establishing linkages with countries that are in the region’s vicinity. This would also play on historical cross-border cultural associations that defy boundaries and bring in an element of nostalgia and personal identification, which is an important trend in heritage tourism, a key aspect of tourism in the Northeast. This diaspora-based activity

can also be a catalyst in triggering economic and infrastructural developments in the region, thus contributing towards transforming the Northeast into an engine of growth.

- The entire infrastructure connected with tourism should be developed. In places of tourist attraction there should be good hotels and safari resorts with decent living conditions, if not five-star hotel standard. This tertiary sector needs greater attention.
- Tourism is known as a ‘hospitality service’ and it should ensure all possible facilities (Suvidha) to the tourists, who are to be treated as honoured guests. Apart from infrastructure, tourist information, travel services and trained guides are needed in the region. The concern department should initiate a tourist guide-training programme for a limited number of youths and upgrade the tourist information centres.
- The condition of most of the roads including the national highways is not satisfactory. The approach roads to most of the tourist spots are in deplorable condition. Absence of good roads to the places of tourist attraction is a discouraging factor. Efforts should be made to coordinate with the PWD (Roads) to improve the condition of the approach roads to the tourist spots on priority basis. Secondly, each tourist spot should have at least a PCO for facilitating the tourists to maintain their contact with the rest of the world.
- Different agencies like the Directorate of Tourism, the Tourism Development Corporation, Department of Archaeology, private travel agent, the local community and the civil aviation should strive for coordinated efforts to promote tourism.
- The Government offers fiscal and other incentives to the private entrepreneurs to take up a host of tourist related services like setting up hotels and restaurants, to purchase vehicles etc. by making provisions for soft loan and reducing tax rates. In other words, transport, accommodation, and other logistics of tourism should be left to the private sectors making the way for a healthy of privatization of the tertiary sector associated with tourism.
- There should be an integrated approach to promote tourism in the region with an attractive package of nature, eco, tea, adventure tourism. The Union Tourism Ministry has given ‘special attention’ to develop an integrated approach to eco and adventure tourism. On the similar line and with the active support of the Ministry, the Department

of Tourism in collaboration with the Tourism Development Corporation can chalk out a plan of action to develop eco-tourism along with adventure and tea tourism in the region.

- The media plays a significant role in promoting tourism. Most of the local newspapers are publishing articles and write ups giving coverage to the prospect of tourism in Northeast, the places of tourist attraction with coloured photographs. But only a few national dailies have so far given coverage to tourism in Northeast. The Directorate of Tourism and the Tourism Development Corporation should take steps like purchasing space in the national dailies focusing on the attractive places of Northeast India at least once in a year just before the onset of the peak period of tourism in the region.
- Feedback from the tourists in the form of complaints, suggestions and appreciation should be collected so that the authorities would be able to know where the industry stands and what action needs to be taken.
- Tourism stakeholders should create awareness programs on the impact of tourism especially the social impact of tourism. This will help host communities to protect their traditional values and prevent the erosion of their cultural heritage.
- Policies and practices that ensure the sustainability of the destination and the social lives of the host communities should be developed at the early stage of tourism development to avert the negative social impacts at the maturation of the industry.
- Host community participation which is a pre-requisite for sustainable tourism development should be encouraged and facilitated in tourism development processes to give the host community a sense of ownership and control over the resources of the community.
- Host community should be made aware of the importance of tourism for the state economy. They should also be enlightened with the negative and positive impact on the society.

CONCLUSION:

Tourism is an interdependent sector. Tourism can provide benefits for both tourists and the host community. By developing an infrastructure and providing recreation facilities, both tourists and local people benefit. Tourism marketing strategies should be developed in a manner that is

appropriate to the destination. It should take the culture, history and stage of economic development of the destination into account. Tourism marketing can be a tool to motivate governments to inject more funding in improving infrastructure, especially in the initial stage of tourism development. The state government alone cannot afford to finance construction and maintenance of the tourism sector requirements. Thus, the need for cooperation between public, private and foreign investment becomes essential. However, the state government should play a leading role in the development of the tourism industry and every step should be taken to make sure that the tourism development has every positive impact on the community.