



## **A STUDY OF HOSPITALITY INDUSTRY IN INDIA SPECIAL CONTEXT TO THE TOURISM INDUSTRY IN AGRA**

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### **INTRODUCTION**

#### **1.1 HISTORICAL BACKGROUND**

History is instructive in a study of tourism. It is so because the seeds of the future are to be found in the past. Tourism is, however, a recent invention. The word was known in the English language until the last century, and increasingly came to have a suspect meaning, describing group travel of the cheaper kind with an element of an insular dislike of strangers and foreigners. In contrast, the words *travel* and *travelers* were respected, reflecting the quality of earlier travelers who were associated with the rich, educated or aristocratic and society leaders. Thus travel for recreation and as an enjoyable activity was a relatively new concept.

Paleolithic evidence suggests that, given the right environment, man prefers to live in one place and not wander on the face of the earth. During the million years, changes in climate, dwindling food supplies or hostile invaders alone made the people leave their homes to seek refuge elsewhere. The Aryans left their homes in Central Asia due to climate changes leading to dwindling food supplies. Perhaps, it was the invention of wheel about five thousand years ago, which made travel possible followed by the invention of money by the Sumerians (Babylonia) that led to the development of trade and the beginning of a new era.

The Ramayana mentions that the Ashrams of *Bharadwaja* was a popular education centre. It was situated in Prayaga. In *Jataka* it is mentioned that the citizen of Anga and Magadha traveled from one kingdom to another and on the boundary of these state~, they stayed in a rest house.<sup>2</sup>

The pioneer of modern mass tourism was *Thomas Cook* who, on 5<sup>th</sup> July 1841, organized the first package tour in history. However; the real age of international mass travel began with the growth of air travel after World War II. In the immediate post-war period, there was a surplus of transport aircraft, such as popular and reliable Douglas Dakota, and a number of ex-military pilots ready to fly them. They were available for charter flights; and tour operators began to use them for European destinations such as Paris and Ostend. The gradual development of tourism can be spelt out in four distinct stages-

1. **Pre-history Tourism:** The first phase covered the medieval times and the early seventeenth century, when the first signs of industrial growth affected the life of people which had been established over the centuries. Increase in wealth, expansion in merchant and professional classes, and secularization in education stimulated interests in other countries, thus promoting travel.
2. **Transport:** The invention of the steam engine, and its use in railways and ships transformed travel opportunities. Mass travel was developed with its resorts and introduction of travel agents and tour operators, who introduced organized tours, travel packages and use of brochures and travel related literature. Transport was a major contribution towards growth in travel.
3. **Between the Wars:** The third stage is represented by the period 1918 and 1939. The growth of railways was erupted by the First World War in 1914. War resulted in developments of roads, transport and aviation, all contributing at a later stage in the growth of travel. In the post First World War period, social tourism developed through the expansion of holidays with pay, expansion of variety of recreational and leisure activities, camping and expansion of youth hostels, cheaper transport and coach tours. This phase witnessed a growth in foreign travel, but was soon hampered by the great depression of the 1930, and finally came to halt by the Second World War in 1939-1945.
4. **Tourism Take Off:** The post 1945 period represents the 'takeoff stage in tourism. This period had seen technological revolution, massive industrial growth and escalation in wealth and corresponding increase in disposable income. There have been changes in life styles and in personal and group communication. The speed and scale of change had greatly increased.

**5. Recent Development:** There has been an up market trend in tourism over the last few decades, especially in Europe where international travel for short breaks is common. Tourists have higher levels of disposable income and greater leisure time and they are also better-educated and have more sophisticated tastes. There is now a demand for a better quality product, which has resulted in fragmenting the mass market for beach vacations. People want more specialized versions such as resorts, family-oriented holidays, or niche market targeted destination hotels. The developments in technology and transport infrastructure such as Jumbo Jets and low budget airlines have made many types of tourism more affordable. There have also been changes in lifestyle, such as retiree-age people who live as a tourist all the year round . This is facilitated by internet purchasing of tourism products. Some sites have now started to offer dynamic packaging, in which an inclusive price is quoted for a tailor-made package requested by the customer upon impulse<sup>3</sup> .

The tourism industry began to swing in the mid-90s. With the liberalization of the economy, and with India ratifying the agreement to set up the *WTO* unit in India. Foreign investment in industry, foreign investment in airlines and foreign media got the country excited about the world *out there*.

## 1.2 CONCEPT OF TOURISM

The tourism is a composite phenomenon which incorporates the diversity of variables and relationships to be found in the tourist's travel process. Tourism considered to be a movement of people away from their normal place of residence, has been viewed by different authors in different ways. In the year 1910, an Austrian economist, Hermann V. Schullard described tourism as "*the sum total of the operation, mainly of an economic nature, which directly relates to the entry, stay and movement*the key players connected with tourism, cooperation by police, trained and competent guides familiar with the tourist's language, facilities offered by the government, viz., establishment of tourist information centres, shopping complexes, entertainment venues and theatres, well maintained roads, cleanliness at bus stops, railway stations and airports, comfortable waiting lounges and connectivity for national and international flights, fair play on the part of taxi drivers, shopkeepers, guides and tour operators, etc., are all important factors for influencing tourists' attitude and in promoting tourism.

## 1.5 SIGNIFICANCE OF TOURISM

When modern mass tourism started spreading across the world, everyone concerned with their individual areas of influence had hoped not only for economic benefits but also for social, cultural and political progress. The significance of tourism have been depicted in figure 1.1.

Without question, tourism affects the *economy* of the host nations. Tourism is the fastest growing industry in the world; a creator of wealth and business opportunities, an income multiplier, a catalyst for employment and preserver of the environment. An investment of Rs. 10 lakhs in tourism creates 89 jobs, as against 45 in agriculture, and 13 in manufacturing for the same investment.

The provision of *employment, income* and *amenities* for the resident population is the three main beneficial effects of tourism which apply to a greater or lesser extent to any tourist destination. These benefits are of particular significance to developing countries as no sophisticated technology is required to establish such facilities. Tourism is a labour intensive industry that provides many full-time and part-time employment opportunities across a range of skill areas. Being relatively decentralised, it provides jobs that keep people in regional areas with flow-on benefits for community life and economic stability.

In the Indian context, tourism has an advantage in bridging the gap of India's *balance of payments*. According to Dr. N.K. Sengupta, a former Secretary of the Planning Commission of India, "*Tourism has the capacity to generate valuable foreign exchange with almost 100 per cent value added, thus making it the most readily available source for resolving the balance of payment crunch.*",<sup>8</sup>

Apart from its direct contribution to the economy, tourism has significant linkages with several other sectors of the economy like agriculture, horticulture, poultry, handicrafts, construction, etc. The additional consumption demand, emanating from tourist expenditure, will not only induce more employment, but also generates a further multiplier effect through a successive chain of transactions. As a result of this twin set of multiplier effects-indirect and induced-additional income and employment opportunities are generated through each successive transaction.

The impact of tourism on *regional development* and distribution of income is also significant. Tourists normally seek out areas in the interior of the countries for reasons of purity of environment, privacy, scenic beauty and its outdoor appeal. Tourism, thus, offers itself as a way of economically utilizing resources which would otherwise remain either idle or underutilized, but attract the attention of visiting tourists.

Both internationally and domestically, tourism is seen as an effective means of transferring income, wealth and investment from richer, developed countries or regions to less developed,

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poorer areas. This *redistribution of wealth* occurs as a result of both tourist expenditures in destination areas and also of investment by the richer, tourist generating countries in tourist facilities.

Tourism contributes to *poverty reduction* by providing employment and various livelihood opportunities. This additional income helps the poor by increasing the range of economic opportunities available to them. Tourism also contributes to poverty alleviation through direct taxation of tourism generated income. Taxes can be used to alleviate poverty through education, health and infrastructure development. Some tourism facilities also improve the recreational and leisure opportunities available for the poor themselves at the local level.

The development of infrastructure and tourism development are interrelated. Tourism can contribute to overall *socio-economic development* through the provision of roads, telephones, and electricity, piped and treated water supplies, waste disposal and recycling and sewage treatment. Roads developed for tourism provide opportunities for trade and new roads opened to improve trade also bring tourism opportunities if they open access to tourism resources .

The increased interest in local tourism experience results in increased opportunities for the *development of new locally owned enterprises*. This helps in providing competitive and complementary goods and services. The tourism industry offers viable opportunities for the development of a wide range of SME's. SME's are very important in the provision of restaurants and bars, handicrafts, the supply of furnishings and other consumables to hotels, the provision of transport, local tour operating, guiding and attractions.

Each year, many people travel to foreign countries, attending conventions, special festivals and celebrations. Their visits afford opportunities to understand each other better and foster co-operation . The visits help *improve the image of a country*. Before tourism brought millions of people to India, India's image was that of a backward country, very hot and very poor. But, now people worldwide look at India with a certain amount of respect because of its rich culture and the economic progress it has made after independence.

Much of the international tourism has *educational significance*. Its beneficial effects are manifested in the close and friendly contact between people of different races, cultures and nationalities. Study tours, courses in the universities, exchange programmes, seminars and conferences are part and parcel of the international tourism resulting in better knowledge about the host countries. Today, tourism helps further *technological changes*, brings about *religious tolerance* and *promotes sporting activities*.

India's primary attraction has been its culture, its art, architecture, music, dance and history. Tourism also contributes significantly to the *development of art and handicrafts*. The millions of international tourists who are constantly on the move in search of recreation and pleasure support the promotion of such arts and crafts, while contributing substantially to the economy of the region.

Travel and tourism lead to increased *social interaction* between the visitors and the host population. Travel in different countries fosters a better rapport between people of various stocks, and promotes better understanding of the cultures of others, besides spreading ideas about the culture of the traveler in the host community and vice versa. In the World Tourism Conference held in Manila in 1980, it was asserted, "*Tourism can be a vital force for world peace and can provide the moral and intellectual basis for international understanding and independence.*"

## 1.6 NEED OF THE STUDY

The importance of delivering a very high standard of customer value for ensuring customer satisfaction is now the very basic crux of marketing success. Darwin's theory of '*survival of the fittest*' is no longer valid. Information technology is having a tremendous impact on consumer expectations, and the organizations, therefore, have to keep ahead of the changes taking place in the environment. In the current decade, '*survival of the fastest*' is what is going to give organizations the desired competitive advantage. The 'customer satisfaction is the key to attract new customers and retain the existing customers. This customer satisfaction is based on their expectations and satisfaction in the services offered by the tourism industry.

Hospitality is an integral part of tourism industry. Hospitality means making a tourist feel totally welcome not only our guest but also, the guest of the country. The spurt in India's tourism industry growth has had a ripple effect on its hospitality sector. As there have been significant changes in tourism industry, the findings of the earlier studies made about the hospitality in tourism may not hold good for the present. Added to this, since the customer's tastes, preference and requirements are ever changing, it is very difficult to define quantity and measure the quality in service organization. Agra tourism industry is also facing the major challenges of improving quality of the services being offered in order to attract a large number of domestic and also to foreign tourists. In view of the ab(~>ve stated facts, there was a need to review and appraise the present status of the hospitality industry, opportunities and challenges faced by this industry and also to find out ways and means to overcome these challenges. Against these backdrops, the present study entitled, "*A STUDY OF HOSPITALITY INDUSTRY IN INDIA: PERFORMANCE, OPPORTUNITIES AND CHALLENGES*" (with special context to the tourism industry in Agra) has been undertaken.

## 1.7 OBJECTIVES OF THE STUDY

The main objective of the present study was *to appraise the present status of the hospitality industry* and to find out opportunities and challenges faced by this industry. The researcher has also framed the following objectives to make the study more scientific and systematic?

1. To analyse the present scenario of hospitality industry in India.
2. To analyse the factors responsible for the poor dismal performance of tourism in India.
3. To .examine the availability of material factors in Agra to make it an international tourist destination.
4. To identify and measure the expectations and perceptions of tourists towards various aspects of hospitality provided.
5. To inquire into the details of marketing strategies adopted by the service providers for selling their services.
6. To study and explore the prospects of tourism in Agra.
7. To suggest and recommend strategies for turning tourism in Agra into a powerful engine in the economic development of the area.

## RESEARCH DESIGN AND METHODOLOGY

Research methodology is a way to systematically solve the research problem. Research problem in general refers to some difficulty which researcher experiences in the context of either a theoretical or practical situation and wants to obtain a solution for the same. Research methodology may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying in a research problem along with the logic behind.

This research work is basically exploratory descriptive in nature. It has been endeavour of the researcher to make an empirical study by analyzing and critically examining the relevant statistical collection from primary and related information from secondary sources. The first hand information has been collected by administering self structured questionnaire and conducting structural interviews of the concerned respondents. Personal contacts and mail were also utilized for the fulfillment of the research objectives. For administering the questionnaire, four categories of sampling units such as tourists (domestic and foreign) , hoteliers, travel agents, and emporiums have been included in the study, which have been conveniently selected on the basis of their availability and reach. For the purpose of analyzing the collection of data, statistical techniques of mean, weighted average and percentage have been used. Research Methodology adopted to fulfill

the objectives of the study has also been described in detail in the respective chapters. The study has been presented in nine chapters in all.

### **LIMITATIONS OF THE STUDY**

- I. Some of the conclusions are based on the estimates, assumptions, observations and informal interviews.
- II. Sample size remains medium and the margin of error associated with it could creep into influence the inferences drawn in this study.
- III. It is very difficult to survey the guests within the hotels due to the hotel administrators not allowing the researcher to contact guests in the hotel premise.
- IV. The companies always have certain facts which are confidential and not shared with anyone. Such facts are sometimes very important for a proper research to be conducted.

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