

## “Emerging Trends in Tourism Marketing In Karnataka”

# DR. UMESH H. ARAHUNASI<sup>1</sup>

## PATTANASHETTI S. N.<sup>2</sup>

---

### ABSTRACT

Tourism is a growing service industry which earns a substantial foreign exchange in many parts of the world. Indian tourism industry has shown tremendous growth in 2013 over the previous years as far as number of Foreign Tourists Arrivals (FTAs), Foreign Exchange Earnings (FEE) from tourism and number of domestic and foreign tourists' visit are concerned. The Foreign Tourist Arrival (FTAs) in India has reached 6.97 million in 2013 to the tune of 5.9 percent growth over the previous year and India earned Rs. 107671 crores with 14 percent growth in 2013 in terms of Foreign Exchange Earnings (FEE) from tourists. In 2013, a total number domestic tourist and foreign tourist visited are 1145.28 million and 19.95 million respectively.

Karnataka state stands at fourth rank in the country as far as domestic tourist visits in 2013. A total number of 98010140 domestic tourist visited Karnataka in 2013 with a 8.6 percent of the Indian figure. On the other hand, Karnataka stands at ninth rank as far as foreign tourist visits are concerned. A total number of 636378 foreign tourists visited the state in 2013 with 3.2 percent of the Indian figure. According to the Ministry of Tourism of Karnataka, it is projected that 776.83 lakhs domestic and 5.26 lakhs foreign tourists will visit the state by 2020. Similarly, it is also projected that the employment generation from tourism would be 9.32 lakhs and revenue from tourism would be Rs. 119413 lakhs by 2020. In addition, the total state tourism contribution to the GDP would be 25 percent by 2020.

The Karnataka tourism market has been emerged in various products like health tourism, eco tourism, spa tourism, cruise tourism and caravan tourism. To conclude, Karnataka is emerging as a promising tourist destination in the country for both domestic and foreign tourist and it needs aggressive marketing based on its uniqueness.

---

*"Progress is possible, No one can stop it, but obstacle is there, we have to face it"*

- Amartya Sen

### I. INTRODUCTION:

Marketing is a human activity directed at satisfying needs and wants through exchange process. According to the British Institute of Management "Marketing is the management function which organizes and directs all those business activities involve in assessing and converting customers purchasing power into effective demand for a specific product or service and in moving the product or service to the final customer or user so as to achieve the profit target or other objectives set by the company. The service sector of the marketing consists of various kinds of industries such as financial services, health care services, and information sector services. Among these industries, tourism is one of the most important indicators of economic contributions for both developed and developing countries. An economic impact of tourism is significant, since huge amount of foreign inflow come from tourism. Moreover, tourism accounts for the major source of cash incomes, and it has been regarded as a major source of economic growth and employment creation.

Tourism industry is the largest employment generator of the world. This is the only industry which requires less or no investment, yet generates billions of foreign exchange to the country's exchequer. Many small nations including Singapore, Srilanka, Malaysia and Thailand woo millions of foreign tourists and bag billions of foreign exchange. By considering these facts, the marketing of tourism plays a vital role in any country's agenda. Tourism proved to be world's biggest industry, generates massive employment opportunities and revenues as well. It is unlike, other marketing concepts, it needs a well-planned integrated approach, because, it is marketing of a country. The tourism market is integrated with leisure, entertainment, transportation, communication and all service sectors.

---

<sup>1</sup> DR. UMESH H. ARAHUNASI, Department of Commerce, Sri. K. H. Patil Govt. First Grade College, HULKOTI - 582 205, (Gadag), Karnataka State. **E-mail:** [uh.arahunasi@gmail.com](mailto:uh.arahunasi@gmail.com) **Mobile:** 09448942963

<sup>2</sup> SRI. PATTANASHETTI S. N., Department of Commerce, Govt. First Grade College, LOKAPUR, TQ: Mudhol, Dist: Bagalkot, Karnataka State, **Mobile:** 08904310371

In recent days, tourism industry is considered as the priority sector across the globe including India. The fundamental reason for such treatment is tremendous development of the variants of tourism sector. Many developing countries are looking to tourism as a promising avenue for economic and human development. International tourism is and will remain rapidly growing industry. Tourism includes a wide range of activities, such as transportation, accommodation and catering, tour operation and travel agency tour guiding and financial services. The tourism industry drives development too, by pulling in other sectors such as construction, infrastructure arts and crafts, transportations etc. The tourist destinations with good infrastructure also attract other industries that recognize the benefits to be gained from a large inflow of consumers. Moreover, tourism generates a wide range of job opportunities, from unskilled to highly skilled both through direct employment in tourist facilities and indirect employment with suppliers.

Tourism is an important sector of the economy and contributes significantly in the country's GDP as well as Foreign Exchange Earnings (FEE). With its backward and forward linkages with other sectors of the economy, like transport, construction, handicrafts, manufacturing, horticulture, agriculture, etc., tourism has the potential to not only be the economy driver, but also become an effective tool for poverty alleviation and ensuring growth with equity.

**OBJECTIVES OF THE STUDY:** The present study is focused on the following objectives.

- To study the conceptual background of tourism marketing
- To study the present scenario tourism in India and Karnataka
- To study the emerging trends in tourism marketing in Karnataka

**TOURISM MARKETING – AN OVERVIEW:** Tourism Marketing enables a country to invite guests spanning across different cultures, traditions, customs and countries to visit their country, to enjoy their rich culture, heritage, places sculptures, cuisines, hospitality, entertainment, arts and architectures, by creating exiting experience through leisure and entertainment for commercial. Thus, understanding and accurately forecast demand in the industry is essential in order to proactively survive during this tough time and effectively manage the industry over time. It is the intention of this study to develop a useful framework for estimating demand for tourism in emerging markets.

**Characteristics of Tourism:** As the tourism is one of the products offered by service industries, it has several unique characteristics of service industries (like Intangibility, Inseparability, Perishability and Heterogeneity). In addition, the tourism industry has its own characteristics which are summarized below.

- **Intangible:** The essential difference between goods and services is that goods are produced but services are performed.
- **Inseparability:** This means that the act of production and consumption is simultaneous and takes place in the same environment, not in the consumer's home environment. It also means that most of the staff of the service companies have some consumer contact and are seen by the customer.
- **Perishability:** Products can be stored for future sale; services cannot. Services are perishable “like a running tap in a sink with no plug”. The sale of an empty hotel room, airline seat is lost forever. Services, more importantly, the time available to experience them, cannot be stored. For example, there is only one chance to enjoy a summer vacation in 1990.
- **Heterogeneity:** This means that every service performance is unique to each customer.
- **Seasonality and Demand Fluctuations:** It is a characteristic of most leisure tourism markets that demand fluctuates greatly between seasons of the year. In addition, seasonal closure of many leisure tourism businesses is common as well. These demand variations in tourism is more important because of perishability. That is why, generating demand when there is less demand, is always the major preoccupation for marketing managers.
- **Interdependence of Tourism Products:** The fortunes of tourism attractions in a destination are linked. Since a vacationer chooses attractions at a destination together with the products of accommodation, transport, catering etc., all organizations should function in coordination.
- **High Fixed Costs:** In the travel and tourism industry, it is generally the case that the operations have high fixed costs and relatively low variable costs. This fact focuses all service operators' attention on the need to generate extra demand. Since most large scale businesses are obliged to operate on a very narrow margin between total cost and total revenue because of intense competition, plus or minus one percentage point in average load factors makes the difference between profit or loss.

**Marketing mix for Tourism:** The marketing mix for any service industry is discussed as 8 Ps. They are: Product Elements, Process, Place and Time, Productivity and Quality, Promotion and Education, People, Price & other user costs and Physical Evidence.

- **Product:** Product in Tourism is basically the experience and hospitality provided by the service provided. In general the experience has to be expressed in such a way that the tourists see a value in them.

- **Process:** The process in Tourism include, (a) trip planning and anticipation, (b) travel to the site/area, (c) recollection, (d) trip planning packages. The trip planning packages include, maps, attractions en route and on site, information regarding lodging, food, quality souvenirs and mementoes
- **Place and Time – Location and Accessibility:** The place and time in tourism is providing directions and maps, providing estimates of travel time and distances from different market areas, recommending direct and scenic travel routes, identifying attractions and support facilities along different travel routes, and informing potential customers of alternative travel methods to the area such as airlines and railroads.
- **Productivity and Quality:** This is similar to other service industries. The quality is assessed by time taken for a service, the promptness of the service, reliability and so on.
- **Promotion and Education:** Like other services, the promotion should address, the accurate and timely information helping to decide whether to visit target audience, the image to be created for the organization, objectives, budget, timing of campaign, media to be selected, and evaluation methods.
- **People:** People is the centre for Tourism. It is more a human intensive sector. For hospitality and guest relations it is very important to focus on people. It also plays a vital role in quality control, personal selling, and employee morale.
- **Price and other user costs:** The price of the tourism services depend on business and target market objectives, cost of producing, delivering and promoting the product, willingness of the target, prices charged by competitors offering similar product/service to the same target markets, availability and prices of substitute products/services, and economic climate. The possibility of stimulating high profit products/services by offering related services at or below cost.

**Categories of Tourism Products:** The tourism product comprises the following categories.

- **Nature tourism:** exploring conservation areas by walking or riding in the forest, or on the mountain or beach, navigation in rivers, lakes and the sea, observation of flora, fauna and other natural attractions such as waterfalls, caves, etc.
- **Experiential cultural tourism:** living with native communities, including participation in daily life activities and various cultural events, such as music, dance and arts, rites or religious holidays, etc.
- **Agri-tourism:** visiting rural communities to participate in agricultural production, livestock, handicrafts and other traditional agricultural activities.
- **Historical tourism:** visiting special sites to see monuments, sculptures, architecture, civil, military or religious artifacts, archaeological remains of ancient cultures, local museums and sites of paleontological interest.
- **Health and wellness tourism:** today, increasing interest in fitness, disease prevention, maintaining good health, new age remedies and alternative treatments to alleviate various types of stress are key tourism motivators. Such tourism may include visits to holy sites with communities; participation in rituals and treatments with healers and shamans.
- **Medical tourism:** this has been defined as the practice of travelling across international borders to obtain health care.
- **Religious tourism:** also commonly called “faith tourism”, this involves travel for reasons of faith, for pilgrimage, missionary and other related purposes.
- **Sports tourism:** recreational fishing and hunting, sports that require specialized training and equipment: canoeing, climbing, rappelling, etc.
- **Scientific tourism:** observation and study of flora, fauna and geology, local food plants and ancestral medicinal knowledge and its applications in the conservation of biodiversity.

**TOURISM SCENARIO IN INDIA:** In the recent days, tourism is emerging as a leading sector in the world. Demographic, socio-structural and socio-cultural developments have always led to changes in tourist demands and service providers in tourism are faced with a substantial need to adjust. The survival of the tourism industry depends decisively on recognizing the relevant trends and allowing for them in good time. Development of tourism is a very complex process of interaction among many players, who have the shared responsibility concerning the environmental, social and economic sustainability of this lucrative sector.

Indian tourism industry has shown tremendous growth in 2013 over the previous years as far as number of Foreign Tourists Arrivals (FTAs), Foreign Exchange Earnings (FEE) from tourism and number of domestic and foreign tourists’ visit are concerned. The Foreign Tourist Arrival (FTAs) in India has reached 6.97 million in 2013 to the tune of 5.9 percent growth over the previous year and India earned Rs. 107671 crores with 14 percent growth in 2013 in terms of Foreign Exchange Earnings (FEE) from tourists. In 2013, a total number domestic tourist and foreign tourist visited are 1145.28 million and 19.95 million respectively. The scenario of Indian tourism industry has been presented in the following tables.

**Table No. 1:** No. Foreign Tourist Arrival and Foreign Exchange Earnings in India from 1997 to 2013

Foreign Tourist Arrivals (FTAs)			Foreign Exchange Earnings (FEE)		
Year	No. of FTAs (in Million)	Percentage change	Year	FEE (in crore)	Percentage change
1997	2.37	3.8	1997	10511	4.6
1998	2.36	-0.7	1998	12150	15.6
1999	2.48	5.2	1999	12951	6.6
2000	2.65	6.7	2000	15626	20.7
2001	2.54	-4.2	2001	15083	-3.5
2002	2.38	-6	2002	15064	-0.1
2003	2.73	14.3	2003	20729	37.6
2004	3.46	26.8	2004	27944	34.8
2005	3.92	13.3	2005	33123	18.5
2006	4.45	13.5	2006	39025	17.8
2007	5.08	14.3	2007	44360	13.7
2008	5.28	4	2008	51294	15.6
2009	5.17	-2.2	2009	53700	4.7
2010	5.78	11.8	2010	64889	20.8
2011	6.31	9.2	2011	77591	19.6
2012	6.58	4.3	2012	94487	21.8
2013	6.97	5.9	2013	107671	14

Source: State/ UT Tourism Departments

**Table No. 2:** No. of Domestic and Foreign Tourist Visits in India from 1997 to 2013

Number of Domestic Tourist Visits			Number of Foreign Tourist Visits		
Year	Domestic Tourists (in Million)	Percentage change	Year	Foreign Tourists (in Million)	Percentage change
1997	159.88	14.1	1997	5.5	9.3
1998	168.2	5.2	1998	5.54	0.7
1999	190.67	13.4	1999	5.83	5.3
2000	220.11	15.4	2000	5.89	1.1
2001	236.47	7.4	2001	5.44	-7.8
2002	269.6	14	2002	5.16	-5.1
2003	309.04	14.6	2003	6.71	30.1
2004	366.27	18.5	2004	8.36	24.6
2005	392.01	7	2005	9.95	19
2006	462.32	17.9	2006	11.74	18
2007	526.56	13.9	2007	13.26	12.9
2008	563.03	6.9	2008	14.38	8.5
2009	668.8	18.8	2009	14.37	-0.1
2010	747.7	11.8	2010	17.91	24.6
2011	864.53	15.6	2011	19.5	8.9
2012 \$	1045.05	20.9	2012 \$	18.26	-6.3

2013 (P)	1145.28	9.6	2013 (P)	19.95	9.2
----------	---------	-----	----------	-------	-----

Source: State/ UT Tourism Departments

**TOURISM SCENARIO IN KARNATAKA:** Karnataka is the hub of tourism industry with various tourism products. The domestic as well as foreign tourists prefer this state due to its positive attitude towards foreign tourists and nationals. Karnataka is an enchanting destination with many captivating images, history and culture. In support to the tourism industry, the development in the road, rail and air transportation and other facilities have been taken from the government. As a result of this, the tourists’ arrival to the state is continuously increasing. Karnataka State Tourism Development Board (KSTDC) has initiated many tourism projects that made Karnataka a tourism hub and a preferred destination of foreign and domestic tourists.

According to the statistical data released by tourism department, the state stands at fourth rank in the country as far as domestic tourist visits in 2013. A total number of 98010140 domestic tourists visited Karnataka in 2013 with a 8.6 percent of the Indian figure. On the other hand, Karnataka stands at ninth rank as far as foreign tourist visits are concerned. A total number of 636378 foreign tourists visited the state in 2013 with 3.2 percent of the Indian figure. The top ten states / UTs in number of tourists’ visits are given in the table 3.

**Table No. 3: Top 10 states / UTs in No. of Domestic and Foreign Tourist Visits in 2013**

Rank	Domestic Tourist Visits			Foreign Tourist Visits		
	State/UT	Number	Percentage Share	State/UT	Number	Percentage Share
1	Tamil Nadu	244232487	21.3	Maharashtra	4156343	20.8
2	Uttar Pradesh	226531091	19.8	Tamil Nadu	3990490	20
3	Andhra Pradesh	152102150	13.3	Delhi	2301395	11.5
4	Karnataka	98010140	8.6	Uttar Pradesh	2054420	10.3
5	Maharashtra	82700556	7.2	Rajasthan	1437162	7.2
6	Madhya Pradesh	63110709	5.5	West Bengal	1245230	6.2
7	Rajasthan	30298150	2.6	Kerala	858143	4.3
8	Gujarat	27412517	2.4	Bihar	765835	3.8
9	West Bengal	25547300	2.2	Karnataka	636378	3.2
10	Chhattisgarh	22801031	2	Goa	492322	2.5
-	<b>Total of Top 10 States</b>	<b>972746131</b>	<b>84.9</b>	<b>Total of Top 10 States</b>	<b>17937718</b>	<b>89.9</b>
-	<b>Others</b>	<b>172534312</b>	<b>15.1</b>	<b>Others</b>	<b>2013308</b>	<b>10.1</b>
-	<b>Total</b>	<b>1145280443</b>	<b>100</b>	<b>Total</b>	<b>19951026</b>	<b>100</b>

Source: State/ UT Tourism Departments. (P): Provisional.

The domestic as well as foreign tourists prefer this state due to its positive attitude towards foreign tourists and nationals. Due its promotional efforts, the tourist traffic to the state is continuously increasing. According to the Ministry of Tourism of Karnataka, it is projected that 776.83 lakhs domestic and 5.26 lakhs foreign tourists will visit the state by 2020. Similarly, it is also projected that the employment generation from tourism would be 9.32 lakhs and revenue from tourism would be Rs. 119413 lakhs by 2020. In addition, the total state tourism contribution to the GDP would be 25 percent by 2020. The projection details of Karnataka tourism industry are presented in the table 4.

**Table No. 4: Projection of Tourism of Karnataka Government**

Measures and indicators /projections	2005	2010	2020
Arrival of foreign tourists (in lakhs)	2.53	3.23	5.26
Employment generation by tourism(in lakhs)	4.49	5.72	9.32
Arrival of domestic tourists (in lakhs)	244.89	359.82	776.83
Revenue due to tourism (in Rs.lakhs)	25587	46039	119413
Forex due to tourism (in Rs.lakhs)	39153	49970	81396
Tourism contribution to state GDP (%)	13	15	25

Adopted from the Government of Karnataka, Global Investors Meet 2010,

The Karnataka tourism market has been emerged in various products like health tourism, eco tourism, spa tourism, cruise tourism and caravan tourism.

- **Health Tourism:** In Recent days Karnataka has emerged as a hot spot for health care tourism. Karnataka has the highest number of approved health systems and alternative therapies in India. Along with some ISO certified government-owned hospitals, private institutions which provide international-quality services. Bangalore can be considered as Medical Tourism Hub for India.
- **Eco Tourism:** Eco tourism is the heartbeat of Karnataka. Karnataka tourism has chosen Jungle Lodges and Resorts to conserve ecology and wildlife because of its responsibility and commitment to preserve wildlife and protect our environment from deforestation, air and water pollution, and more.
- **Spa Tourism:** According to a report of RNCOS- Market Research Solutions Firm, on “Booming Medical Tourism in India”, popularity of the Indian spa industry is increasing every year, making the country one of the most popular spa destinations across the world. Bangalore has been awarded the best spa destination by the Asia Spa awards for the past two years. Bangalore has been receiving tourists from the UAE and other GCC countries in large numbers, mostly from the up market segment.
- **Cruise Tourism:** Growing Popularity of Fancy a cruise on a luxury yacht along the coast, this could be the latest holiday craze in Karnataka, if Government takes proper steps to develop Cruise tourism. The project would be implemented on public-private partnership (PPP) mode and a private party would operate the cruise. Tourism department is already running cruise yachts locally at New Mangalore and Karwar ports for short distances. Since Karnataka is strategically located between Goa and Kerala, it can attract a greater number of foreign tourists and more cruise vessels from other states as well. This will greatly help the state make strides in developing beach tourism.
- **Caravan Tourism:** Karnataka Government is mulling caravan tourism that would enable tourists visit forest and the remote areas where hotel accommodation is a major hurdle. The caravan would provide basic amenities like beds, toilet, microwave, TV and refrigerator; the government would welcome private partners to operate caravans.

## II. CONCLUSION:

Karnataka state is having full of surprises, lofty peaks, delightful dales, racing rivers, sparkling streams, captivate cascades and the bracing mountain air - a balm to the work-weary and many old famous waterfalls. Karnataka is emerging as a promising tourist destination in the country for both domestic and foreign tourist and it needs aggressive marketing and support from the state government. Therefore, it has to be given at most importance for converting Karnataka as the tourist destination as recommended.

The main objective for developing various tourism products in Karnataka is to promote our rich cultural heritage and environment. The strategies involved for sustainability of state tourism projects should also include aggressive Marketing Strategies. There is demand of rural tourism in India as modern day tourist is keen to explore and experience the cultural heritage of the destination. Finally, it can be said that aggressive marketing is required to promote the state as tourism destination of based on its uniqueness.

## Reference

- [1]. A report on emerging tourism markets – the coming economic boom by UN World Tourism Organization released on June 6th 2008.
- [2]. Business Standard June 11 th 2009 “Karnataka Plans Mega Tourism Project” by T E Narasimha, Chennai
- [3]. Emerging Tourism Markets – The Coming Economic Boom | UNWTO Reports, 2008.
- [4]. Emerging trends in tourism development in an open world, Maria Giaoutzi and Peter Nijkamp ([http://www.ashgate.com/pdf/SamplePages/Tourism\\_and\\_Regional\\_Development\\_Ch1.pdf](http://www.ashgate.com/pdf/SamplePages/Tourism_and_Regional_Development_Ch1.pdf))
- [5]. Emerging International Tourism Markets, by Sunil Sharma, Rajat Publication, 2007.
- [6]. Emerging Trends in Tourism, Edited by Anil Varma, The ICFAI University Press, 2010
- [7]. Emerging markets drive global tourism recovery, says UNWTO, By Dermot Davitt, Published: 29/06/10, Source: The Moodie Report
- [8]. Norwak, J. J., Sahli, M., and Sgro, P. M. “Tourism, Trade, and Welfare,” Pacific Economic Review 2003.
- [9]. Szivas, E., and Riley, M. “Tourism employment during economic transition,” Annals of Tourism Research, 1999.
- [10]. Singh, A. “Asia Pacific Tourism Industry: Current Trends and Future Outlook,” Asia Pacific Journal of Tourism Research, 1997.
- [11]. Srinivas Subba Rao (2008) “Tourism in India Challenges ahead”, conference at IIM – Kozikode, 15-17 May
- [12]. The Hindu, Sunday June 20 th 2010: Shrap Drop in Tourist Arrival by Sharath S Srivatsa.
- [13]. Times of India, October 21 st 2009: Karnataka to be tourism hub - Reddy