

# The Use of Information Technologies and Impact of the Tourism Industry in India

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## Abstract

Information technologies (ITs) prevail all functions of strategic and operational management. As information is the lifeblood of tourism, ITs provide both opportunities and challenges for the industry. Only creative and innovative suppliers will be able to survive the competition in the new millennium. This paper provides a framework for the utilisation of technology in tourism by adopting a strategic perspective. Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the country's overall economic and social development. Eco-tourism needs to be promoted so that tourism in India helps in preserving and sustaining the diversity of the India's natural and cultural environments. Tourism in India should be developed in such a way that it accommodates and entertains visitors in a way that is minimally intrusive or destructive to the environment and sustains & supports the native cultures in the locations it is operating in. Moreover, since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organisations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourism industry. According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential

**Keywords:** Information technology, Tourism, Present Situation, Future Prospects

## Introduction

Over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Tourism has become a thriving global industry with the power to shape developing countries in both positive and negative ways. No doubt it has become the fourth largest industry in the global economy. Similarly, in developing countries like India tourism has become one of the major sectors of the economy, contributing to a large proportion of the National Income and generating huge employment opportunities. It has become the fastest growing service industry in the country with great potentials for its further expansion and diversification. However, there are pros and cons involved with the development of tourism industry in the country.

## Information Technologies as A Business Tool:

Developments in ITs revolutionise both economies and enterprises. ITs are defined as the “collective term given to the most recent developments in the mode and the mechanisms used for

the acquisition, processing analysis, storage, retrieval, dissemination and application of information. ITs become instrumental in the development and prosperity of regions, as they determine their competitiveness in the global marketplace. At the microeconomic level, ITs prevail all functions of strategic and operational management and impel the competitiveness of enterprises. The enhancements in ITs' processing power in the last decade revolutionize their capabilities as they constantly increase computing speed; decrease equipment size; reduce hardware and software costs; and improve the reliability, compatibility and inter-connectivity of numerous terminals and applications. A great degree of innovation is incorporated in hardware, software and network developments, whilst intellect becomes a critical asset in ITs' management. The emergent information society and the knowledge-based economic powers will therefore redefine the ability of regions and enterprises to prosper in the new millennium. Inevitably the tourism industry is also affected by the technological revolution. This paper aims to analyse some of the most critical IT developments and positive and negative effects on tourism industry..

### **Impact Of Tourism In India:**

Tourism industry in India has several positive and negative impacts on the economy and society.

#### **POSITIVE IMPACTS:**

**1. Generating Income and Employment:** Tourism in India has emerged as an instrument of income and employment generation, poverty alleviation and sustainable human development. It contributes 6.23% to the national GDP and 8.78% of the total employment in India. Almost 20 million people are now working in the India's tourism industry.

**3. Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favourable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

**4. Preservation of National Heritage and Environment:** Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Qutab Minar, Ajanta and Ellora temples, etc, would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

**5. Developing Infrastructure:** Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.

**6. Promoting Peace and Stability:** Honey and Gilpin (2009) suggests that the tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks,

mechanisms to reduce crime and corruption, etc, must be addressed if peace-enhancing benefits from this industry are to be realized.

### **NEGATIVE IMPACTS:**

**1. Undesirable Social and Cultural Change:** Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the state leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.

**2. Increase Tension and Hostility:** Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.

**3. Creating a Sense of Antipathy:** Tourism brought little benefit to the local community. In most all-inclusive package tours more than 80% of travelers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers.

**4. Adverse Effects on Environment and Ecology:** One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality.

### **Present Situation and Features of Tourism in India:**

Today tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. India witnesses more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the "**Incredible India**" campaign.

According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations. It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many *World Heritage Sites*, both natural and cultural, rich fauna, and strong creative industries in the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term growth and is expected to be the second largest employer in the world by 2019. The 2010 Commonwealth Games in Delhi are expected to significantly boost tourism in India further.

## **The Contribution of IT in Future Tourism Industry:**

Information technologies influence the strategic management and marketing of contemporary organisations, as a paradigm-shift is experienced, transforming the "best" business practices globally. ITs transform the strategic position of organisations by altering their efficiency, differentiation, operational cost and response time. This will improve service and provide a seamless travel experience, whilst it will enable tourism organisations to manage their competitiveness within the new environment imposed by contemporary developments, such as deregulation and globalisation. ITs provide an unprecedented opportunity for horizontal, vertical and diagonal integration, as well as for the development of virtual enterprises. Training and education of human resources in both innovation management and ITs will enable the industry to develop an understanding of the contemporary developments and a vision for the future.

## **Future Prospects:**

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC):

- The demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the third position in the world.
- India's travel and tourism sector is expected to be the second largest employer in the world, employing 40,037,000 by 2019.
- Capital investment in India's travel and tourism sector is expected to grow at 8.8 per cent between 2010 and 2019.
- The report forecasts India to get capital investment worth US\$ 94.5 billion in the travel and tourism sector in 2019.
- India is projected to become the fifth fastest growing business travel destination from 2010-2019 with an estimated real growth rate of 7.6 per cent.

**Constraints:** The major constraint in the development of tourism in India is the non-availability of adequate infrastructure including adequate air seat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience.

## **Conclusion:**

The travel and tourism industry has emerged as one of the fastest growing sectors contributing significantly to global economic growth and development. While traditionally Europe and America have remained among the tourism markets, new emerging markets are expected to witness high growth in international tourist visits over the next decade. India has significant potential to become a preferred tourist destination globally. Its rich and diverse cultural heritage,

abundant natural resources and biodiversity provides numerous tourist attractions. The total tourist visits in India have been growing at

a steady rate of about 16 per cent over the past five years. The travel and tourism sector in India provides significant socio economic benefits. While the direct contribution to GDP is estimated at INR 2222 billion in 2013, the total contribution is estimated at INR 7416 billion in the same year. These have further been forecasted to rise at a growth rate of 12 per cent over the next decade. While the sector supported 25 million direct and 40 million total jobs in 2012, these have been forecasted to increase at a growth rate of 2.1 per cent by 2023. Several industry drivers such as government initiatives, diverse product offerings, growing economy, increasing disposable income levels and marketing initiatives along with key trends such as increasing number of women and senior citizen travellers, multiple short trips and weekend holidays, introduction of innovative tourism concepts and customised tour packages are playing a pivotal role in shaping the Indian tourism sector. Projection of India's image as a safe and secure tourist destination Tourist Police Task Force has been established by various state governments for ensuring safety and security for tourists. Special sensitisation campaigns may be implemented for women tourists and to publicise these campaigns on global platforms. Health concerns for tourists visiting India also needs to be mitigated.

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