

FICCI-YES BANK report suggests roadmap for sustainable growth of domestic tourism

Domestic tourism visits could rise to 1.3 billion in three years

NEW DELHI, August 23, 2012. A FICCI-YES BANK report has suggested a 10-point roadmap for sustainable growth of domestic tourism with the potential of the number of domestic visits going up from 851 million last year to close to 1 billion in 2012 and further to 1.3 billion in the next three years.

Domestic tourism visits have grown by over 10% during the last couple of years. The growth rate was 10.6% in 2010, 12.1% in 2011. In 2009, the rate of growth of domestic tourism was of the order of 15.8%, a year in which the global economy came under pressure due to the financial meltdown.

The FICCI-YES BANK roadmap underlines the need for developing hygienic budget accommodation, improving connectivity, repackaging products, forging inter-state partnerships, niche-based capacity building, better accessibility to remote areas, educational trips, support to backpacking, provision of student discounts for events and festivals and use of ICT-based tools to leverage product offerings.

The following are the detailed suggestions of the FICCI-YES BANK report:

Develop Hygienic Budget Accommodation: While many budget accommodation options are available in the country in the form of youth hostels, dharamshalas, hotels etc., the cleanliness and hygiene standards are mostly below par. This is not only detrimental to the destination image, but also means that the tourist at the 'middle' of the value chain has to opt for higher categories of accommodation, implying that the expenditure on other principles of the product (sightseeing, shopping etc.) goes down, leading to skewed earnings.

Improve Connectivity: This refers to both improving the infrastructure in terms of roads, rail networks etc., and providing a greater number of options in terms of services like buses, trains, flights etc. Many destinations in the country fail to realize their worth owing to poor connectivity options. Pahalgam, for instance, despite being a popular tourist destination, only has one bus service to and from Srinagar, even during the peak season with heavy spin-offs from Amarnath, forcing tourists to choose the much costlier rented vehicles.

Repackage products: Many tourism products/ destinations can be revived by introducing new elements. One that can be sighted as a successful initiative is the case of Madhya Pradesh, which revived the Bhopal-Bhimbetka-Delawadi-Bhojpur-Sanchi through the use of campervans.

Forge inter-state partnerships: For many states in the country, owing to geographical or demographical congruencies, it makes sense to collectively market as a destination, especially if one is targeting longer stays. The group of Northeast states, even though very diverse demographically, constitute a single unified geographical entity of the Himalayan ecosystem, and have common entry/ exit points.

Niche based Capacity Building: Certain niches can be made affordable for the domestic market by simply up-scaling the capacity building measures. Take the instance of adventure sports, bungee jumping in particular. The few private set ups in the country have sourced technical manpower from countries like New Zealand, which then reflects on the higher pricing of the product. Although certification measures are in place, there are no training facilities to complement such adventure activities. Capacity building measures in these areas could go a long way in expanding the affordability of experiential products.

Accessibility to remote areas: Elaborating further on adventure tourism, many places in the Himalayan (and other sensitive) regions of the country require permits and other permissions to be issued for exploration, procurement of which often becomes an arduous process owing to the multiple agencies involved (tourism department, forest department, police/ army etc.), and some of the best destinations of the country are left unexplored. There is a need to have a single window clearance system in place.

Educational Trips: Introducing inter or intra state trips for educational institutions, particularly schools, has a twofold advantage. While it brings numbers into the state, students are the most probable clientele to become repeat tourists, desirable for any market in the long run.

Support to Backpacking: Although hitchhikers/ backpackers have traditionally been associated with the Hippie movement of the 70s, the present movement is entirely different, with people from all walks of life, including those from the upper economic strata, choosing this option owing to the freedom of travel and the 'authenticity' of travel that it offers. While this segment cannot be the target market owing to the low economic benefits that it has to offer, backpackers are the best 'ambassadors' and 'word of mouth' marketers, and can really enhance the destination profile.

Student Discounts for Events/ Festivals: Although a majority of the states have successfully adopted the analogy of promoting destinations through events and festivals, there is a need to offer affordable facilities for travel segments like students. Take for instance the Rann Utsav package offered by Gujarat Tourism at INR 3000 per day per tent. While this is competitive pricing for the average tourist, it often becomes a notch high for students, for whom these events are a platform for academic research as well.

Use of ICT based tools: While certain states like Kerala have adopted IT based tools and services to leverage their product offerings and promotional efforts, other states also need to tap these tools to fully harness their tourism potential. Mobile-based technologies can be tapped as an enabler for mountainous and other remote regions of the country, where electricity is an issue.

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