

*Chapter - I*

*Research Design*

# **CHAPTER – I**

## **RESEARCH DESIGN**

### **1.1 INTRODUCTION :**

Progression of 'Tourism' as an industry in India has evolved through a series of successive stages of growth. At the authoritative level the development of tourism was taken up in a schematic manner in 1956 coinciding with the second five year plan. For further expansion tourism requires better planning, investment and scientific appraisal of the subject, with this target in view more and more educational institutions are offering tourism as a subject in their educational curriculum. Since time immemorial India has been a great source of attraction to the world, but the scope of tourism industry has not been availed so far to its full potential.

The possibilities of tourism is no more in doubt and many in the country feel so strongly about it that they are making a case that it can singly solve over balance of payment problem. Tourism is the third largest net foreign exchange earner for the country by way of invisible exports, fetching Rs.14,400 corer a year (Textiles and Information Technology) being the first and second foreign exchange earner respectively. The tourism receipts of India went up from US\$2583 million in 1995 to US \$ 3168 million in 2000 showing an annual average growth rate of 4.17 percent as compared to the world average growth rate of 3.2 percent during this period. How ever in 2000 India's growth rate of 5.3% compares very poorly with many of the

neighbouring countries such as China (15 %), Hong Kong (10.7 %), Malaysia (27 %), Thailand (12.5 %), Macau (25 %), Iran (28.4 %) and Pakistan (14.5 %).

There has been a global tourism boom in the recent times. Tourism has already achieved the distinction of being the world's largest export industry. India had received just over 16,800 international tourists in 1951. The arrivals increased to 1.7 million in 1990 and further to 2.64 million in 2000. The growth rate between 1990 and 2000 has been 4.46 percent per annum. A higher growth rate of 6.4 percent has been achieved in the year 2000 over the previous year. However, India's share in world's tourism arrivals has remained virtually stagnant at 0.38 percent from 1995 onwards. India with about 42 percent share in the arrivals is the major receiver of international arrivals in the South Asia region in the year 2000. There has been a phenomenal growth in domestic tourism in the country during the last one decade. The domestic tourists visit increased from 63.8 million in 1990 to 210 million in 2000. Regionwise Delhi stands the first. It attracted 12.25 lakh tourists as visited in 1999. Mumbai in Maharashtra with a tourist arrival of 10.33 lakh the same year stood second. Uttar Pradesh comes third, Tamil Nadu fourth and Rajasthan Fifth.

Tourism Industry, one of the fastest growing Industry in the economy of India in general and in the economy of Goa in particular. Nearly 20% of the population of Goa depends for their livelihood directly or indirectly on tourism. Recognising the importance of the tourism in the state, Goa Govt.

established the “Goa Tourism Development Corporation Ltd.” On 30<sup>th</sup> March, 1982.

## **1.2 STATEMENT OF THE PROBLEM :**

Taking into account the importance of the tourism industry in the world and particularly in Goa, the research undertakes the study on it under the problem of “ A Study of the Financial Management of Goa Tourism Development Corporation Ltd., Panjim, Goa.”

## **1.3 OBJECTIVES OF THE STUDY :**

The main objectives of the study are :

1. To study the development of tourism industry in Goa.
2. To examine study the overall development of GTDC particularly in the following aspects :
  - i] To study the sources of Funds of GTDC.
  - ii] To look into the application of Fund of GTDC.
3. To study the profitability and profit planning aspects of GTDC.
4. To make suggestions to improve the financial condition of the GTDC.

## **1.4 METHODOLOGY ADOPTED :**

The study includes both the qualitative and quantities aspects of the industry. Hence the researcher adopted the survey method and the observation method of collection of data, for studying the qualitative aspect of the problem. For quantitative aspect, the researcher used mainly secondary

data published by the GTDC, from time to time, in its Annual Reports and other publications.

### **SOURCES OF DATA:**

**Primary Data :** The primary data is collected through the sources, using survey and observation method. For the purpose Beach Resorts, Tourist Hotels etc. were directly contacted. The interviews with Director and other officers of the Corporation, were held. These interviews were informal in nature.

**2. Secondary data :** Secondary data was collected from the office records and the published literature. The following are the sources of secondary data:

1. Annual Reports of five years – GTD C
2. Goa – Charmingly Yours – A Magazine published by the GTDC
3. Goa – Global Investment Destination – Magazine published by the Advertising Association.
4. Goa – Tourist Directory – book – published by Department of Tourism – Govt. of Goa.
5. Project Reports on Goa Tourism – from the Damodar College
6. Goa Tourism Policy – book – published by Govt. of Goa – Department of Tourism.
7. Tourism Master Plan : Goa – 2011 – Book published by Dept.of Tourism – Govt. of Goa.

For the purpose of secondary data collection following libraries were visited :

1. Central Library – Panjim
2. Shivaji University Library, Kolhapur
3. Damodar College Library – Margao
4. Rosary College Library, Margao
5. Vidyaniketan Library, Margo
6. Library - Goa University, Goa
7. Municipal Library, Margao
8. Shahu Institute of Business Education & Research,  
(SIBER),Kolhapur.

#### **15 SIGNIFICANCE OF THE STUDY :**

In the last few decades, the tourism industry has got much importance in the national economy and particularly in the economy of the Goa state. Nearly 30% of the population of Goa depends on tourism industry for their livelihood. Taking into account the importance of tourism in the state, Goa state Government has established a separate corporation for the development of the industry in the state named as GTDC. From very its establishment the GTDC is striving for development of the tourism in the state. But, in recent years, the corporation was running in losses. Hence, to probe into the reasoning of it, the study undertaken.

## **1.6 SCOPE OF THE STUDY :**

The Goa Tourism Development Corporation is the main organisation which is formed by the govt. for the development of tourism in the state. Hence the topical scope of the study deals with the financial working of the GTDC for the period of 96-97 to 2001 . The dimension to be covered are sources and application of fund, profitability and profit planning, ratio analysis etc. The geographical scope of the study is confined to the state of Goa. The analytical scope of the study take cognizance of the fulfillment of the objectives listed earlier. The functional scope of the study is to suggest remedial measures for the betterment of financial position of GTDC.

## **1.7 LIMITATIONS OF THE STUDY :**

1. The study mainly depends on the secondary data published in annual reports and other literature of the GTDC.
2. The period of the study is only 1996-97 to 2000-01.
3. The opinions expressed by various department heads and other personal interviews were their own opinion.

## **1.8 CHAPTER SCHEME :**

Following is the chapter scheme of the study :

Chapter – I	Research Design
Chapter – II	Tourism Industry – An Overview
Chapter – III	Financial Management in Tourism Industry

Chapter – IV	Goa Tourism and GTDC
Chapter – V	Analysis and Interpretation of data
Chapter – VI	Conclusions and Recommendations

## **1.9 REVIEW OF THE LITERATURE**

In the following write-up, an attempt is made to review the literature pertaining to the tourism industry. The literature published in the various forms such as magazines, research thesis books and articles in the journals.

1. Mr. Prannath Seth in his book titled “Successful Tourism Management” opines that the new business and leisure travelers who are flooding into India are sophisticated and cosmopolitan, with wide international experience. They take it for granted that facilities and the services will be of the highest standard. It is thus, imperative that our professional tourism crops be trained to meet these exacting requirements.
2. Mr. V.P. Sati, in his book titled “Tourism Development in India” highlights that in order to speed up the development of tourism in the country, several thrust areas have been identified for accomplishment during the Ninth Five Year Plan ( 1997-2002). The important are, development of infrastructure, products, trekking, winter sports, wildlife, beach resorts, streamlining lining of facilitation procedures



at airports, human resource development and facilitating private sector participation in the growth of infrastructure.

3. Mr. Rathi Vinay Jha, in his article titled “Towards a new tourism policy” opines that if the tourism industry is properly planned, developed and managed at all levels of government in partnership with the private sector, it will strengthen the country’s cultural structure and natural heritage and lead to positive economic results including enhanced employment and income opportunities especially in rural areas.
4. Dr. Usha Arora in her article “Strategic Management” in travel and tourism” points out the inhibiting factors in the travel and tourism industry of our country are, excessive commercialization/ overcrowding of existing destination, feeling of insecurity among the foreign tourists, inflexibility, seasonality, Inadequate information, inconvenience in booking of hotels, general bad image of some states, limited advertising and promotional schemes, untrained personnel’s, Ignorance of hygiene and cleanliness etc..
5. Mr. Peter D’souza, in his article “Develop strategic marketing programmes to boost tourism” points out that in view of fierce competition in tourists generating markets from several countries it becomes necessary for India to strengthen its promotional and marketing efforts continuously even to maintain its existing marketing share. He also advise to take steps to develop and implement strategic marketing

programmes based on market segmentation analysis. Extensive use of technology measures to improve tourist information, laying stress on NRI and ethnic segments, special campaigns promoting India in summer and monsoon months.

6. Mr. Ravi Sharma, in his article titled "Tapping the tourism potential" highlights successfully its considerable tourist potential. He also blame for this squarely on the entire tourism industry – the government, the agents, tour operators and entrepreneurs run resorts. There has been no consistency in tourism policy, with bureaucrats responsible for its implementation changed frequently giving them no time to familiarize themselves with the job and implement meaningful ideas. He also mentioned the chief reasons for Karnataka's failure to lure tourists have been lack of promotional efforts, failure of the state government to participate in trade fairs, shortcomings in marketing and the absence of a target.

7. Mr. Dhurhati Mukharjee, in his article titled "Eco-tourism gaining ground" attempts to explore the importance of eco-tourism in the development the country. He defined eco-tourism in the development of the country. He defined ecotourism as it is travel to fragile, pristine and usually protected areas that strives to be impact and usually small scale. It has been aptly described by a western tour operator, real ecotourism is more than travel to enjoy or appreciate nature. It includes administration

of environmental and cultural consequences, contributions to conservation and community projects in developing countries and environmental education and political consciousness rising.

8. Mr. Mohinder Singh, in his article titled "Backpacker tourism to be backed, not belittled" has examined the backpackers or budget travellers in department. Backpackers are often deemed unwelcome because of their low per day expenditure and are sometimes even met with open hostility.

The author has examined in depth these backpackers as the tourist. First of all their low per day expenditure is often compensated by a much longer stay bringing their per trip expenditure often close to or even higher than that of other tourists. Secondly their expenditure tend to go to smaller restaurants and wayside eaters, small hotels or other accommodation and transportation. Thus each dollar by backpackers is more beneficial to the economy of a developing country than those by high class tourist. Third the regional impact of backpackers is much wider as they tend to move more to areas less frequented by other foreign tourists such as places of religions pilgrimage. Fourth the backpackers are commonly considered the explorers or pioneers of tourism development. From the resource point of view developing countries can engage in backpacker tourism without expensive infrastructure development.

9. Mr. Atul Sinha, in his article titled "Tourism sector needs sustainable growth" opined that government have to take several significant steps for the growth of the tourism sector in India. He stressed on need for involvement of Panchayati Raj Institutions, local bodies, non-governmental organisations and the local youth in the creation of tourism facilities has also been recognised. Some of the recent initiatives taken by the government to boost tourism include grant of export house status to the tourism sector and incentives for promoting private investment in the form of income tax exemptions, interest subsidy and reduced import duty.

10. Mr. A.K. Bhatia, in his book "Tourism Development-Principles and Practices" states that tourism is a painless procedure for transfer of real resources from industrially capital surplus developed countries to low income developing countries. It is a very important source for maximising of scarce foreign exchange earnings for not only developing countries of the Third World but of many developed countries of the world. He also mentioned that tourism is also being recognised as a source of employment. It is a highly labour intensive industry offering employment to both the semi-skilled and the unskilled. It is an important human activity of great significance.

11. The authour Leela Shelley in her book "Tourism Development in India – A study of the hospitality industry" developed a dual approach that travel, stay and amusement are regarded as the three pillars of tourism and without doubt hotel industry is its King pin. Indeed it has been aptly said that "No hotels – no tourism." She also states that the fast and rapid development of the hospitality industry to meet the ever increasing tourist volume has created several ecological problems. The government and the private entrepreneurs on the one hand and the environmentalist on the other are trying hard to come to terms with each other.

12. Mr. Ravi Bhushan Kumar in his book "Coastal tourism and environment" tries to study the growth pattern of tourism on the western coast, review of existing infrastructures and possible steps to boost tourism in South India particularly the beach tourism, the concept of beach tourism and understanding of various issues emanating on account of tourism and its impact on environment.

13. Mr. Ratandeeep Singh in his book "Tourism Today – Structure Marketing and Profile" conceded that political disturbances, social unrest and terrorist strikes like the recent bomb blasts in Bombay do affect tourism. He also stressed repeatedly that it was not his intention to point a finger of criticism at the government here. At the same time he felt that the tax structure here like the hotel expenditure put an unwelcome burden on the tourist. We have to be competitive and make sure that you

don't price yourself out of the market. There are others out there competing for the same thing.

14. Mr. Pushpinder S. Gill in his book "Perspectives on Indian Tourism" concentrated his discussion that Hindu and Islam traditions both regard on "Atithi" or a traveller as God sent. Similarly the Muslim have been commanded by the prophet's sayings that something must be saved for the unknown traveler in the evening. Religious approach apart, tourism today has acquired wide social and economic dimensions. Due to fast and instant communication, the world has turned into a global village. Tourism today has been acknowledged as an industry and both government and the private sector have planned tourism as an essential component of their economics. Since time immemorial India has been a great source of attraction to the world, but tourism industry has not developed so far to its full potential.

15. Mr. Mario D'Sourza in his book "Tourism Development and Management" opines that for tourism to succeed in an area – the tourists, the businesses, the host government and the host community – must have a positive attitude towards the industry. Travel has always been an important feature of people's lives. Historically what we would call business travel began, in the most primitive sense, with staying alive - travel to obtain food. As civilization advances travel became a means to promote trade, consolidate governments and provide communication.

16. Dec.1, 2002, Navind Times – “Dolphin project mooted to give boos to tourism” – The idea of setting up a dolphin show project has been mooted by Mr. Valentino Vaz a local businessman Mr. Vaz who has seen Solphin show in the Bahama islands, United States, China and other parts of the world. Mr. Vaz fascinated by his experience, has collected data on Dolphins and handed it over to the State authorities to study the feasibility of setting such a project in the state. He has suggested that this project could be set between Miramar and Campal on all area of 3000 to 5000 sq.meters.

17.Sept.22-2002 Herald Panorama – A recent survey conducted by “The Hotel Association of India” on the impact of travel advisories – 97% of the foreign tourists surveyed, stated that on their return home they could recommend India as a preferred holiday destination on their family and friends.

18.Sept.22-2002 Herald Panorama- The webside [www.touristindia.com](http://www.touristindia.com) of Ministry of Tourism and Culture is quite exhaustive, and has everything that a tourist would like to know. The electronic news letter of the industry “Incredible India” is another useful product carrying information and news about Indian Tourism. It should think of including crucial article on India as a safe destination, which can be sent to various comers of the world through email.

19.Oct.27-2002- Herald Mirror –Dr. Kasturi Desai, Lecturer in Botany of Ponda Educational Society's Shri Ravi Sitaram Naik College of Arts and Science, Farmagudi started her research journey with sand dunes of Goa for her Ph.D.work under Dr Arvind G.Untawale. This research work came as thesis in the year 1996. The indepth study of the topic showed the importance of the sand dune vegettion on the beach ecosystem and the effect on the environment.

She also suggested that there should not be any construction coming up or plantation of foreign vegetation with sand dune area. Sand dune can make a life barrier along the coast and that will save the beaches from erosion due to storm and heavy winds. She disclosed and compared the present Govt. plan and NGO's activity to the Queensland Sand Dune Management Australia. Her recent book "Sand Dune Vegetation of Goa: Conservation and Management" explains the structural functions and ecological observation of sand dune ecosystem as well as management plan for the beaches of Goa.

20. November 18-2001- Herald(Panorama) – Ernest Dia, Manager, SITA, World Travel Incoming Service, India's largest destination management company, talked about the impact of Afgan war on Goa tourism in an interview with Joaquim Fernandes. According to him there has been a drop in the number of charter flights coming to Goa this year. It has been



observed that a 10 to 15% drop in the sales. And Besides, there has been a big drop in the normal FIT (Foreign Individual Tourist) and the business groups also.

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