

Sustainable Development of Tourism Services Through Ppp Strategy in Karnataka



Commerce

KEYWORDS : Tourism, Sustainable development, Quality services, PPP strategy.

Srikanth.H.S

Research Scholar, Department of Studies in Commerce, Hemangotri Post Graduate Centre, University of Mysore, Hassan-571220

Dr.M. Kumaraswamy

Faculty, Department of Studies in Commerce, Hemangotri Post Graduate Centre, University of Mysore, Hassan-571220

ABSTRACT

Tourism is an industry capable of changing the socio-cultural, economic and environmental face of the world. Tourism is one of the largest and fast growing industries in the world. It has the potential to influence the living pattern of communities. It is the collection of activities, services and industries that deliver a travel experience including transportation, accommodation, eating and drinking establishments of retail shops, entertainment, business and other hospitality services provided for individuals or groups of travelling away from home. In developing state like tourism has become one of the major sectors of the economy, contributing to a large proportion of the GDP growth and generating huge employment opportunities through PPP. It has become the fastest growing service industry in India and it has great potentials for its further expansion and diversification. Tourism industry is capable to generate employment to both skilled and unskilled workers, directly and indirectly if it is sustain in the global tourism industry. It's often to make effective services with PPP, because infrastructure and tourism service are the major issues in tourism industry. To overcome these issues Government should collaborate with private sector to provide good quality tourism services in tourist destination of karnataka. Therefore PPP is more essential to create quality infrastructure and services towards both domestic and international tourists and for its sustainable development

Introduction:

Tourism is one of the most promising sectors of India as it offers immense potentiality for employment generation, poverty alleviation and maintaining ecological balance. Tourism activities capture a considerable high percentage of GDP for many countries. Tourism initiatives involve many more things like hotel and entertainment constructions, improvements and modernization of airports, railroads, seaports, etc. New financial models are needed to make tourism investments possible through some ways of cooperation of governments and private companies. Public private partnership model is one of a number of ways of improving tourism sector of a country. PPP models consolidate the strengths of government and private sector for providing more efficient service. PPPs can be attractive to both the government and the private sector. For the government, private financing can support increased infrastructure investment without immediately adding to government borrowing and debt, and can be a source of government revenue. At the same time, better management in the private sector, and its capacity to innovate, can lead to increased efficiency; this in turn should translate into a combination of better quality and lower cost services.

At the present Indian tourism is contributing just 0.75 of the total global tourism industries, the national tourism policies of both state and central are planning to double the percentage by the end of 2017. In this trend the sustainable development of tourism in Karnataka will be more effective jointly with the private people in the name of Public private partnership strategy where most of the manufacturing service sector industry success at the global level. Karnataka is one of the potential states in tourism but it is less focused on development of infrastructure and marketing of tourism services.

The PPP strategy will creates more avenues for development of infrastructure and attracting both domestic and international tourist. In order to sustainable development of tourism services the government should select the appropriate model and execute based on the geographical potentiality.

Tourism Industry and its Importance:

Tourism industry is the most cultural issue of economy.

Economic experts believe that tourism is only a part of the economy, which is greatly tied up with culture, because on one hand it provides desirably the introduction of cultures, civilizations, races, lands, tribes and different dialects with each other and on the other hand it can also be a resource of income for different countries. As tourism economy is the best stimulus for the countries that have a decreasing industry due to possessing a single product or limited sources of income, it is becoming one of the largest economic realities for developing countries Tourism industry is considered as one of the most important, most diverse and richest global industries in the twenty-first century and by the end of the next decade it would lay at the top of the table of the world's high income industries. Foreign exchange earnings in this industry has a high added value for national economy of any country, that is why many countries consider this growing industry as the main source of income, an opportunity for employment, private sector growth and economic infrastructure strengthening.

In the context of developing countries, the recent increase in PPPs has been attributed to several reasons such as the desire to improve the performance of the public sector by employing innovative operation and maintenance methods; reducing and stabilizing costs of providing services; reinforcing competition; and reducing government budgetary constraints by accessing private capital for infrastructure investments.

Tourism industries are many forms of alliance: franchises, management contracts and also public-private partnerships that aim specifically tourism infrastructure of a region, because this kind of projects require massive investments and should provide a standard for both tourists and how for residents.

Public-private partnerships exist in two periods of the life cycle of a resort at its beginning when necessary integrated development plans of the entire region, and is directly involved as the local authority must ensure sustainable development for the steady growth of the community, while the private sector is interested in increasing revenues. The second time when it is appropriate to form this type of collaboration is the stagnation of the life cycle in order to

create a new period of growth since market competition is fierce and tourism have continuously improved service quality and the diversity them to create a resort with a constant flow without large seasonal fluctuations.

Table No – 01
Tourism services and PPP strategy in Tourism sector:

Sl. No	Tourism Services	PPP strategy in tourism services
1	Travel experience	Amusement park
2	Accommodation	Entertainment park
3	Food	Theme park
4	Special events	Hotels/Resorts
5	Beverage services	Convention and Exhibition Centers
6	Shops	Trade fairs
7	Entertainment	Cultural centers

Source: PPP and KSTDC report

Table No – 02
PPP projects in for various sectors: 2015

Sectors	Completed		Under Imple-mentation		Under Planning	
	No	Cost (cr)	No	Cost (cr)	No	Cost (cr)
Agri Infrastruc-ture	0	0	1	105.9	2	0
Education	1	2.5	0	0	5	1450
Energy	0	0	0	0	6	11692
Healthcare	1	40.8	3	3.27	17	70.44
Industrial Infra-structure	0	0	0	0	11	41643
Public Market	-	-	-	-	-	-
Tourism	1	32	1	108	28	618.98
Transportation and Logistics	8	3744.47	12	2086.33	80	89000.66
Urban and Municipal Infrastructure	7	276.5	3	56	34	5257.44
Total	18	4096.27	20	2359.5	183	149732.52

Sources: www.iddkarnataka.gov.in/

Review of literature:

The researcher has carried out a review of exhaustive literature relating to marketing of Tourism Services through PPP in Tourism Industry of both national and international level. An attempt has been made to summaries the important studies and works keeping in mind the relevance of the present study. Literature survey used was strong based to the research on analyzing of quality service through PPP for sustainable development of tourism industry in Karnataka.

Patil R.M (2011) discussed higher levels of demand in the category of tourism from both domestic as well as international Market are to be created exploiting the available resources intelligently in a sustainable manner. Adequate infrastructure facilities like roads, various modes of transport, hotel accommodation and support services like banking, net services are need further improvement. Public private partnership is imperative in this regard for achieving the pre determined goals and it leads to India has an array of natural tourist spots.(Patil.R.M, 2011)¹**Martin Tampe (2010)** discussed Tourism is now, one of the major sources of foreign currency in one out of three developing countries. This trend is expected to continue like other economic sectors, tourism is not beneficial per se, but rather bears risks as well as the over exploitation of natural resources and the erosion of social structures and cultures. In PPP programmes the public and private partners combine their respective strengths. PPP projects are jointly planned, financed and implemented for sustainable development of tourism industry. (Tampe, 2010)²

Marian Moszoro (2010): discuss the managerial skills and knowledge transfer schemes determine an optimal share-holding structure of the PPP. Under the assumption of lower capital cost of the public partner and lower development outlays when the investment is carried out by a private investor, an optimal capital structure is achieved with both the public and the private parties as shareholders. (Moszoro, 2010)³

Krassimira - Shapira (2001) discuss the Public-Private Partnerships are increasing aspect of the delivery towards public challenges and services across the world, Partnerships aiming sustainability goals to distinguish between different types of PPPs and to increase their effectiveness. The studies also focus despites of diversity, and their general dimensions for development of more general framework for analyzing and improving partnerships. (Paskaleva-Shapira, 2001)⁴

Gaurav Singh and M S Khan (2014) discussed that, the concept of PPP and growth of PPP projects in tourism sector and analyse its benefits and challenges issued with PPP in India. PPP model produces a more efficient solution for financing and efficient services producing. Tourism sector with growth is only due to growing supportive approach of Private and Public sector.(Khan, 2014)⁵

M. Sathana Priya and P. Jesintha (2011) discussed the PPP among the domestic and foreign players, mainly that the foreign players are investing with domestic player in PPP projects with this both foreign and domestic players join together and developing good relationship among the world with the help of PPP project. (Jesintha, 2011)⁶

Stewart Moore (2002) suggests that, the development of a template for tourism sustainability and expanded the new sustainability model for tourism destination using public private partnership for sustainable development and also

provide quality services.(Moore, 2002) ⁷

1.3 Statement of the Problem:

Currently, in Indian tourism is one of the world biggest and fastest growth industries. In 2014, 7.68 million international arrivals were recorded which represented almost US\$19.7 billion worth of receipts. Tourism has grown 25 percent in the past 25 years with a forecast of 1,550 million international arrivals by 2020, more than double the level at the moment.

Tourism in has been systematically managed and developed since 1955 by the tourism authority of India whose aims are to increase the tourism earnings from the domestic and international markets towards a substantial source of income of the country. But also still there are few issues and challenges towards quality tourism services like infrastructure, safety and security, accommodation and drinking water facilities in tourist destinations, international hotels, hygienic food, and basic facilities are faced by tourism industry. To overcome these certain issues government of tourism should take care of it and provide good services towards tourists. PPP strategy is more essential to provide effective services leads to sustainable tourism development in karnataka.

1.4 Scope of the Study

India gained good potential growth in the tourism industry in recent years. Today India is the preferred destination for both overseas and domestic travelers. Tremendous growth of the Indian economy is the main reason for the growth in tourism. Tourism industry in India is substantial and vibrant. It is most profitable sector in India. In during 2006, four million tourists visited India and have spent US \$8.9 Million. In India the disposable income has gone up by 10.11% annually from 2001-2006, when much of that is being spent on travel. Indian tourism industry is ranked 11th in the Asia Pacific region and 62nd on the list of the world attractive destinations. As per the Travel and Tourism Competitiveness Report 2009, by the World Economic Forum, India had been ranked 14th for the best tourist destination and for its natural resources and 24th for its cultural resources, as it has most of the world heritage sites, both natural and cultural, rich fauna and flora and strong creative industries in the country. Indian tourist industry is ranked 5th in the long term growth and is expected to be the second largest employer and proving a services in the world by 2019.in Indian tourism is the largest services industry with a contribution of 6.23% to the country's GDP and 8.78% of total employment as well as the providing a better quality services in tourism sector of the Nation.

PPP is in the south west of India is a prominent tourism hub, attracting tourist from across the world. Tourism has a seen a boost owing with capital, Bangalore emerging as the IT centre of the country. The flourish in the tourism has triggered the mushrooming of the infrastructure and quality services across the state facilitating better travel experience. has good numbers of Pilgrimage, Temples, Beaches, Adventures, and Hill stations, Wildlife and National Parks, Waterfalls, Heritages etc. In tourism has very wide scope which promote very large employment and as well as good quality of services in tourism industry.

The government should properly exploit the opportunity with help of PPP strategy in marketing of potential tourism in Karnataka. These may lead to not only to achieve the policies of both central and state but also contributing the GDP of the nation by creating more employment opportunity.

1.5 Need for the study:

The tourism industry in is in growth stage and has a high potentiality to grow and equipped with the number of tourist destinations to attract domestic and international tourists. After emergence of low cost aircraft services, India as well has more growth potential. However, the satisfaction level of the tourist is not high in terms of services in India. The tourism industry in at 4th rank as a matter of competitiveness in India. The number of domestic and international tourist's arrival reached 987.5 lakhs and 6,13,220 respectively in 2013-14. Therefore, tourism has strengthened to attract maximum number of domestic and international tourists with providing of the good quality of services. In this study, the PPP plays a vital role in promoting, integrating and building brand loyalty in tourism. Government, entrepreneurs, management and employees in tourism and hospitality industry are the major contributors for the development of tourism. Hence, there is a need to study the quality services through PPP and also role, its implementation to increase the sustainability of both and Indian tourism industry.

1.6 Objectives of the study:

- To study the potentiality of tourism services in Karnataka.
 - To study the PPP strategy in development of tourism services.
 - To analyze the PPP strategy in marketing of tourism services in Karnataka
 - To identify and suggest for creative marketing of potential tourism in Karnataka
- 1.7 Hypothesis of the paper (Statement of the Paper):**

"PPP will improve the quality and promote competitiveness in the sustainable tourism services in Karnataka."

"PPP will not improve the quality and promote competitiveness in the sustainable tourism services in Karnataka."

1.8 Research Methodology:

The research paper is based on the basis of primary and secondary data. An effort was made to collect actual data about the "Sustainable Development of Tourism Services through PPP Strategy in Karnataka", for this purpose a structured questionnaire was administered to the samples of respondents from foreign tourists in Karnataka. The sample size was selected on Stratified Random Sampling method. Besides, required data is also collected through interaction with the departmental heads of tourism in Karnataka.

For this study the statistical testing were used like chi-square, frequency and percentage. The analysis was done by using charts, table and simple percentage and explanation is given under each table. The Frequencies procedure provides statistics and graphical displays that are useful for describing many types of variables.

Chi-Square Test:

The Chi-Square test is most popular non parametric of significance in social research. It is used to make comparison between two or more nominal variables. Unlike to test of significance, the chi square is used to make comparison between frequencies rather between mean score. This test evaluated whether the difference between the observed frequencies and the expected frequencies under the null hypothesis can be attributed to chance differences.

1.9 Testing Hypothesis:

PPP will improve the quality and promote competitiveness in the sustainable tourism services in Karnataka is proved.

Table No - 03
Frequency and Percentage of Responses for Statement - H₁

SL.no	Statement	F	SD	D	CS	A	SA	Test Statistics
1	PPP is creating an opportunity for infrastructure development of tourism industry in Karnataka.	37	27	75	229	132		$\chi^2=275.880$ p=.000
		7.4	5.4	15.0	45.8	26.4		
2	PPP strategy is playing an important role in promoting and strengthening of sustainable tourism in Karnataka.	42	50	55	122	231		$\chi^2=255.340$ p=.000
		8.4	10.0	11.0	24.4	46.2		
3	PPP will influence on the quality of tourism service in Karnataka.	49	64	40	123	224		$\chi^2=234.020$ p=.000
		9.8	12.8	8.0	24.6	44.8		
4	PPP is useful in exploring new tourism opportunities in Karnataka.	25	45	37	126	267		$\chi^2=411.840$ p=.000
		5.0	9.0	7.4	25.2	53.4		
5	Quality infrastructure in tourism leads to development of sustainable tourism in Karnataka.	30	29	27	146	268		$\chi^2=456.100$ p=.000
		6.0	5.8	5.4	29.2	53.6		
6	PPP concept brings investment in tourism thus leading to increased employment opportunity in tourism industry.	36	57	27	99	281		$\chi^2=440.360$ p=.000
		7.2	11.4	5.4	19.8	56.2		
7	PPP concept is best to providing cleanliness and essential facilities like drinking water, toilets, wheelchair access etc at tourist sites.	39	229	29	68	135		$\chi^2=276.520$ p=.000
		7.8	45.8	5.8	13.6	27.0		
8	PPP leads to increase the competition in marketing of tourism activities in Karnataka.	46	67	44	131	212		$\chi^2=206.460$ p=.000
		9.2	13.4	8.8	26.2	42.4		
9	Through PPP, there will be positive impact on development of tourism in Karnataka.	29	259	33	62	117		$\chi^2=365.440$ p=.000
		5.8	51.8	6.6	12.4	23.4		

Note: F-Frequency; %-Percent; SA-Strongly agree, A-Agree, CS-Can't say, D-Disagree, SD-Strongly disagree.

Table No - 04
Hypothesis Testing Result H₁

Sl. No	Perception	Frequency	Percentage
1	Strongly agree	1867	41.5
2	Agree	1106	24.6
3	Can't say	367	8.2
4	Disagree	827	18.4
5	Strongly disagree	333	7.4
Total responses of all Statements		4500	100.0
Chi square (χ^2)			1764.92
P			.000
Df			4

Note: p = Significance level, df = Degree of freedom, χ^2 = Chi square.

From the above tables clearly states, when the overall responses of all the statements of "Public Private Partnership will improve the quality and promote competitiveness in the sustainable tourism services in Karnataka". It was found that 1867 respondents are strongly agreed and 1106 respondents be agreed and making a total of 66.1 percent of responses are agreement. Chi square test revealed that the tested value of 1764.92 was found to be significant at .000 level. Further, it is clear that the tested value is significantly higher than the table value. Thus it indicating "Public Private Partnership will enhance the quality and promote competitiveness in the sustainable tourism services in Karnataka."

1.10 Major Research Findings:

Karnataka has been famous as tourist hub in the global tourist map, the government and the department of tourism still not maintained the tourist heritage places to the expected standard.

Although both central and state government tourism policy has been solid and optimistic about sustainable development and both invested a huge quantum of money for sustainable development of tourism, the objectives are still not meet as can be witnessed with this figure that the percentage of Indian tourism industry in the global market is not even single digit.

Most of the people involved in tourism service are private people/agents and their concern is more on profit rather than the service, though the Karnataka tourism KSTDC has been covering the small negligible share.

More than 72.2 percent of the respondents strongly agreed that "Public Private Partnership is a creating an opportunity for development of infrastructure of tourism industry in Karnataka". Even today, Public Private Partnership is an opportu-

nity to reduce the government investment risk and it provides more efficient services towards tourism facilities and it can be attractive to both the government and the private sector.

About 70.6 percent of the respondents agreed that "Public Private Partnership strategies play a major role in promoting and strengthening of sustainable tourism of Karnataka". Remaining 29.4 percent of respondents have different opinions on PPP. Public Private Partnership strategy's aim is to take advantage of the strength of public sector through stable governance for promoting and strengthening of tourism industry.

The study finds that 69.4 percent of the respondents agreed that "PPP will influence the quality of tourism infrastructure and also tourism project", 30.6 percent are disagreed to the statement. The tourism sector seems to have tremendous contemporary relevance in terms of employment generation, contribution to GDP and quality infrastructure in Karnataka.

The study identified that 78.6 percent of respondents agreed that "PPP is creating the new tourism opportunities in Karnataka", 21.4 percent of the respondents disagree with the statement. Therefore Public Private Partnership is the best available option for both infrastructure developments as well as for social development to transform India into a developed country.

Majority 82.8 percent of respondents agreed that Quality of infrastructure in tourism leads to development of sustainable tourism in Karnataka, rest of the 17.2 percent of the respondents disagreed on the statement.

The study reveals 76 percent of overall respondents agreed that "PPP concept brings investment in tourism thus leading to increased employment opportunity in tourism industry in Karnataka".

The study shows 40.6 percent of the respondents agreed that "PPP concept is best to provide cleanliness and essential facilities like drinking water, toilets, wheelchair access etc at tourist destination in Karnataka" and majority of 59.4 percent of the respondents disagreed on the statement. It indicates that there is more negative for the statement from the selected respondents.

It is observed that 68.6 percent of the overall respondents agreed that "PPP leads to increase in the competition in marketing of tourism activities in Karnataka" and 31.4 percent of the respondents disagreed with the statement.

1.11 Major Suggestions:

Development of tourism through Public Private Partnership is now accepted everywhere in the world and Tourism as one of the key indicators of economy of the country. Local NGOs, voluntary organizations and society cooperatives should be promoted to take active part in tourism development in the state.

It is the high time to go for privatization of services. There should be more partnership between public and private sector for sustainable development of tourism infrastructure and delivery of quality services. In the area of tourism industry like construction of roads, bridges, resorts under Public Private Partnership model. Hence, government must create a platform to attract the private people undertake various projects and providing more quality services towards the development of tourism industry in Karnataka.

PPP emerges as an inevitable mode of providing infrastructure and other basic services. However, for a country like India, poised to be one of the leading economies of the 21st century, PPP is perhaps the best available option both for infrastructure development as well as for social development to transform India into a developed country. Therefore PPP is a tool for all-round development and exploring new tourism opportunities in Karnataka.

The tourism department must adopt the marketing strategy and PPP strategy in satisfaction of tourist expectation at the adequate level, that can influence the tourist mindset not only to come again, but also influence on others to take positive decision to visit the tourist places. In Karnataka, marketing of tourism service is necessary and is required for development of tourism friendly culture and strict enforcement of laws. Tourist police or tourist assistance force may be introduced in the state, which will provide assistance to tourists, maintain order at tourist places, conservation of heritage sites, flora and fauna. This will lead to quality services and sustainable development in tourism industry.

Providing adequate training and skill development opportunities for employment creation as well as provision of quality services to tourists and undertaking promotion and marketing activities for tourist destinations in collaboration with government.

Many of the tourists visit are been staying for a short duration in both unclassified and classified hotels due to the lack of awareness with regard to the potential tourist resorts and avenues in each locality. Hence efforts should be made at the Grama Panchayat levels to make more avenues of entertainments by organizing local level cultural festivals, art forms, etc., with a view to retain such tourists at the tourist destinations and providing good quality services for a fairly long period of time.

For providing quality services to tourists is more essential for recruitment of trained staff in the houseboats and ayurveda centers be made mandatory. The Kerala Institute of Tourism and Travel Studies should start more short term course to meet the demand for trained professionals.

1.11. Conclusion:

Tourism is not merely an activity for pastime and entertainment. It is an enriching and energizing activity. For a developing country like India which is not the path of modern economic growth through structural transformation of the economy, tourism is the right vehicle. The value – added effect of tourism is increasing. Sustainable tourism has vast scope in India by convergence of landscapes with finances capes, techno capes and Media's capes. Tourism industry has grown as an important industry and has gained worldwide importance and significance almost in every economic activity. Many economies of the countries depend largely on this industry and ranks among the top three industries with the help of PPP strategy.

Karnataka state have more potential, challenges and threats of both domestic and international level, the quality infrastructure in tourism, promoting of Karnataka tourism industry with adopting PPP models and strategy etc., in order to overcome these problems in tourism sector, Public Private Partnership is more essential to sustainable development and promoting of Tourism industry moreover in Karnataka. The efforts of the government agencies will successful in sustainable development of the Karnataka tourism industry in days to come. The dream of our late Prime Minister Nehru is also achievable though PPP strategy

“Welcome the peoples tourist and send them has friends”.

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