



ORIGINAL RESEARCH PAPER

Commerce

DETERMINANTS OF PROFITABILITY OF HOSPITALITY INITIATIVES IN MAJOR ECOTOURISM DESTINATIONS IN KERALA

KEY WORDS:

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I. BACKGROUND AND RATIONALE OF THE STUDY

World over, particularly among the developing nations, tourism is fast picking up as a tool for economic development and employment generation. Besides, because of the growing concerns regarding the long-term sustainability of tourism, environment-friendly tourism (ecotourism) is increasingly being recognized as one of the essential pre-requisites for tourism development initiatives. Because of the long-term sustainability of ecotourism initiatives, the same occupies a prominent position in the policy governmental policies, the world over.

These strategies for tourism development in turn need to be formulated based on sound principles of ecotourism, for ensuring long term sustainability of such various tourism initiatives.

2.1. Review of Relevant Literature

Brundtland (1987) [1] has propounded a model (viz. Ecologically Sustainable Development Framework) which conceptualizes the implications of tourism on the society at large, from a social and ecological perspective. Internationally, this framework has been used for managing the key issues related to the tourism development. World over ecologically sustainable tourism (or, 'eco-tourism' in short) is gaining momentum fast.

Lane (1991) [4] has pointed out that ecologically sustainable tourism should strive for, "providing satisfying jobs without dominating the local community. It must not abuse the natural environment, and should be architecturally respectable. The benefits of tourism should be diffused through many communities, and not concentrated on a narrow coastal strip or scenic valley". Globally, it has been recognized that the heart of eco-tourism lies in the preservation of the nature and the environment, ie. a tourism that seeks to maintain a harmonious co-existence with the nature. Exhibit 1.1 depicts the global trends in tourism.

2.2. Analytical Significance and Research Gap

Though India has been late in recognizing the developmental potential of tourism, of late there is appreciable growth in tourism development and hence tourism earnings. But its position nowhere in comparison with the rest of the world. Analogously, the specific case of Kerala – the "God's own Country" – within Indian union is characterized by an enviably high potential for tourism development, though its relative share among the different states is quite low. In this context, it is relevant to make a study of the feasibility of the tourism initiatives with focus on ecotourism and hence to identify the major determinants of superior performance.

Previous studies relating to the feasibility and financial viability of tourism and hospitality initiatives are virtually nil in the Indian context, though the topic has got tremendous significance as discussed above. Thus, the proposed research seeks to fill this gap by making an empirical study of the feasibility of hospitality projects in prominent ecotourism destinations in Kerala state – a state which has got immense tourism potential in the whole of India, often called 'God's Own Country'.

II. OBJECTIVES OF THE PROPOSED STUDY

(i) To make a detailed study of selected hospitality initiatives in sixteen most prominent ecotourism destinations in Kerala, to analyse their viability from financial, technical, commercial, economic perspectives as well as environmental sustainability; and also identify the major determinants of superior operational efficiency.

(ii) To suggest pragmatic strategies for cost-effective and financially viable hospitality projects with focus on an environment friendliness and long-term sustainability, and also to develop an operational model for such businesses.

III. RESEARCH PROBLEM

In view of the foregoing discussions, it is worth examining the extent to which hospitality projects located in prominent ecotourism destinations are financially and commercially viable. Such projects have got the additional benefit of serving the local community as well because the same is central to the theme of ecotourism. Thus, apart from the benefits accruing to the providers of such service, those of the local community at large is also involved, and that too without significantly harming the environment. The current research problem looks into the feasibility of hospitality initiatives in prominent ecotourism destinations in northern Kerala.

IV. METHODS OF THE STUDY

5.1. Research Methodology – Type of Research

The proposed research is descriptive-analytical to the extent that it seeks to trace the major developments in respect of tourism initiatives, with special reference to ecotourism, and also to analyse the trend and pattern of the same over the years [Objectives (i) to (iii)]. However, the study is primarily exploratory as it seeks to identify the major determinants of superior operational performance as well as factors that determine viability of tourism initiatives from financial, commercial, technical and economic angles. [Objectives (iv) and (v)].

5.2. Population and Sample

The population is the set of all ecotourism destinations in the state of Kerala. The most important among these destinations as per the Govt. statistics (Tourism Department, Govt. of Kerala) are Thenmala, Periyar, Parambikulam, Eravikulam, Aralam, Neyyar, Peppara, Arippa, Shenduruneey, Gavi, Rhodovalley, Chimmimi, Mankayam, Palaruvi, Konni and Thommankuthu. All these destinations are chosen (Census approach). In these destinations, all the hospitality projects having a track record of 10 years or more (ie. functioning since FY 2000) are chosen for detailed analysis.

5.3. Procedure of Data Collection

The study seeks to make use of both primary and secondary data. The primary data required for this study is sought to be collected from a carefully drafted Questionnaire that touches upon all the relevant focus areas of analysis, (i) financial, (ii) commercial (market), (iii) technical (ICT and allied), (iv) economic, and (v) environmental aspects of various projects. The secondary data is sought to be collected from authentic sources, like, the publications of WTO (World Tourism Organization), WTTC (World Travel and Tourism Council), RBI, Tourism Departments of Govt. of India and Kerala etc.

V. DATA ANALYSIS AND INTERPRETATION

6.1. Tools and Techniques

The data collected as above are analysed using popular techniques of statistical, financial and economic analysis (like, ANOVA, Trend Analysis, Ratio Analysis, IRR / NPV Methods of Investment appraisal etc.), mostly with the help of popular statistical packages like SPSS, STATA, MS-Excel, E-Views etc.

Findings

Tourism Network has significant influence on Profitability
Better security measures has significant influence on Profitability

Government Support has no significant influence on Profitability
 Health care facilities has significant influence on Profitability

Safety measures have significant influences on Destination protection Expenses.

Preservation of nature has significant influence on Destination protection Expenses

Mean, Standard deviation and level for "what reduces scope of eco-tourism

	Mean	Std. Deviation	Mean % Score	CV	level
Low tourism market profile of the area	2.00	0.00	40.00	0.00	Average
Lack of skill, qualification and training among people	3.98	0.22	79.60	5.41	very high
Lack of basic infrastructure	4.96	0.36	99.13	7.23	very high
Large-scale unsustainable constructions	2.00	0.06	40.07	2.88	Average
Large scale governmental regulations	4.00	0.00	80.00	0.00	very high
Attitude of people towards tourism	2.00	0.00	40.00	0.00	Average
Poor promotion of products and services	2.00	0.00	40.00	0.00	Average
Inadequate Financial Support from Banks	4.00	0.00	80.00	0.00	very high
More congestion owing to increased number of tourists	2.00	0.00	40.00	0.00	Average
Poor involvement of locals in the tourism enterprises	2.04	0.34	40.73	16.70	Average
No responsible tourism initiatives	1.00	0.00	20.00	0.00	low
Improper renovation and maintenance of old monuments	4.00	0.00	80.00	0.00	very high
Deficiency of good approach road to tourists spots	4.00	0.00	80.00	0.00	very high
Lack of suitable transport for short distance travel	2.00	0.00	40.00	0.00	Average
Insufficient parking spaces	2.00	0.00	40.00	0.00	Average
Lack of Street lights to the tourism spots	4.00	0.00	80.00	0.00	very high
Lack of amenities for comfortable stay for visitors	2.00	0.00	40.00	0.00	Average

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