

Rural tourism: Marketing mix, challenges and benefits in India

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Abstract

As is generally agreed rural tourism is one of the main drivers of economic growth and employment generations in more than 80 countries. Predominantly, Indian economy is very much an agriculture economy. Due to the insufficiency of agriculture livelihoods and the search for new sources of growth and economic opportunity for the rural people the policy makers focused more on diversification than regeneration of the rural economy. In this context, rural tourism is promoted as a new activity, which is supplementary to agriculture. There are of course some rural areas that have already been transformed into tourism “destinations” in the country. It has the potential of addressing issues such as rural poverty; employment of women besides strengthening the economic status of rural artisans, earnings foreign exchange etc. The rural tourism has great potentialities in attracting tourists of various interests as it is a mix of various tourism concepts. It provides everything in single package and works in non-urban setting with rural essence for the benefit of local community while preserving rural assets, values and heritage.

In the last decade there has been a remarkable increase in the arrival of foreign tourists. Therefore, rural tourism has great potential and can earn high revenue in near future. If India does not take advantage of this tourism revolution, other developing countries will capitalize the current boom in the tourism industry. Hence, this study is to overview the marketing mix of rural tourism and to highlight the challenges and benefit in rural India. The lack of infrastructure is visible in all segments of tourism be it related to airports, railways, surface transport, accommodation, trained manpower, shopping with ease travelling in style, medical tourism, tourism education, sustainable development norms etc. The tourism industry can maximize on the infrastructure development part by providing the priority to tourism tax incentives in private sector, specialized norm for single window clearance for Foreign Direct Investment (FDI), creating suitable lands, banks financial assistance mainly long term loans on low rate of interest, free flow of foreign exchange in the country, involving professionals and less interference with bureaucrats or free from red tape. This is the right approach or only way to boost rural infrastructure, ultimately to develop rural tourism.

Keywords: Rural Tourism, Benefits, Challenges, Marketing Mix

Introduction

Tourism in India has vast employment potential, much of which still awaits exploitation. At present about 8.5 million persons are directly employed by hospitality services. This is about 2.4 per cent of the total work force of the country. In addition, the industry provides indirect employment to about 30 millions. Rural tourism is in its nascent stage in India but it is bound to grow. Experiences of many countries showed that rural tourism can be an alternate source of livelihood and employment for rural people. Rural tourism encompasses a broad range of activities yet it is often seen to be synonymous with ‘farm tourism’ which is currently the focus of much attention throughout Europe. In some countries especially Southern Germany, there is a long tradition of rural tourism based largely on accommodation on farms. As an example in India, villages in Kerala have made a cocktail of its hospitality with the traditional way of farming to attract more tourists; studies of rural tourism are predominantly set within a European/North American context, focusing largely on domestic visitors and economic restructuring. In developing countries, the language of policy makers focuses more on diversification than regeneration of the rural economy. In this context, tourism is promoted as a new activity, which is supplementary to agriculture. Although building on existing assets where

possible, it is not a matter of simply switching the existing infrastructure to a new purpose.

Review of literature

Bhattacharjee (2015) opined that rural tourism includes a range of activities, services and amenities provided by farmers and rural people to attract tourists to their area in order to generate extra income for their business. This type of tourism enhances the revenue of government of a country as well as earnings of the rural community. The government at present introduced four rural tourism projects at four resourceful villages of Assam. The present study makes an attempt to search the potentials that are available even in the villages of small towns of Assam with special reference to Hailakandi district. The study observed that the district is rich in its cultural, historical and natural beauty with Forts, temples, rivers and wet lands etc. There lies huge potential in the district to attract tourists from all around the world and if the spots are recognized by the Government.

Sharma and Tiwari (2014) opined that rural India has much to offer to the world rich in tradition of arts, crafts and culture. The development of strong platform around the concept of rural tourism is defiantly useful for a country like India. Rural Tourism is one of the few activities which can provide a

solution to problem like falling income level and lesser job opportunities.

Mohanty (2014) identified that rural industry, handicrafts, traditional art and fairs and festivals of our villages may become the base for development. This may lead towards self-sufficiency in our villages. This tourism could be sustainable revenue generation project for the government and can prevent migration of rural people to urban areas. This research paper discusses the concept and development of rural tourism in odisha, summarizes the impact, describe the challenges and difficulties and focuses on the development of a strategic marketing plan for rural tourism. The paper shall throw light on the government project and polices for development of rural tourism. Rural tourism is a multidimensional destination because it has eco, ethnic, farm, cultural, historical tourism with itself. The major challenge in developing rural tourism is to consider environmental and natural conservation of resources and a proper understanding between the tourist and local people to participate in tourism development.

Objectives of the study

- To examine the current tourism circumstances in India,
- To overview the marketing mix of rural tourism in India,
- To highlight the challenges and benefits in rural India.

Statement of the problem

Marketing of tourism services in India includes the services sold to domestic and foreign tourists. Tourism involves travelling to relatively undisturbed or uncontaminated natural areas with the specific objectives of studying, admiring and enjoying the scenery and its wild flora and fauna, as well as other existing cultural and historical facts. Predominantly, Indian economy is very much an agriculture economy. Due to the insufficiency of agriculture livelihoods and the search for new sources of growth and economic opportunity for the rural people the policy makers focused more on diversification than regeneration of the rural economy. In this context, rural tourism is promoted as a new activity, which is supplementary to agriculture. There are of course some rural areas that have already been transformed into tourism “destinations” in the country. As a multi-sector activity, using multiple services provided by a range of suppliers, rural tourism is an area where strong sector and services coordination between different sectors and facilities are needed. New assets and infrastructure are invariably needed. Rural Tourism is a means of bringing the concomitants of economic development such as infrastructure, communications, services etc. to an under developed area. Hence, this study is to overview the marketing mix of rural tourism and to highlight the challenges and benefits in rural India.

Research Methodology

The data collection for the study to find out the challenges and opportunities of rural tourism is collected from the secondary data. The secondary data used here is collected from different books, journals, reports etc.

Foreign tourists’ arrivals and foreign exchange earnings in India

The foreign tourist’s arrival (FTA) in India (Table 1) increased from 1.28 million in 1981 to 6.97 million in 2013. In the last decade there has been a remarkable increase in the arrival of

foreign tourists. Therefore, it’s clear that rural tourism has great potential and can earn high revenue in near future.

Table 1: Foreign Tourist Arrival (FTA) and Foreign Exchange Earnings in India (1981 - 2013)

Sl. No	Year	FTAs in India (in lakh)	Foreign Exchange Earnings (in Rs. Crores)
1	1981	12.79 (2.0)	-
2	1991	16.78(-1.7)	-
3	2001	25.37(-4.2)	15083 (-3.5)
4	2002	23.84(-6.0)	15064(-0.1)
5	2003	27.26(14.3)	20729(37.6)
6	2004	34.57(26.8)	27944(34.8)
7	2005	39.19(13.3)	33123(18.5)
8	2006	44.47(13.5)	39025(17.8)
9	2007	50.82(14.3)	44360(13.7)
10	2008	52.83(4.0)	51294(15.6)
11	2009	51.68(-2.2)	54960(7.1)
12	2010	57.76(11.8)	64889(18.1)
13	2011	63.09(9.2)	77591(19.57)
14	2012	65.78(4.3)	94487(21.76)
15	2013	69.68(5.9)	107671(13.95)

Note: Figures in parentheses denote percentage of annual growth
Source: India Tourists Statistics

Tourists continue to play an important role as Foreign exchange earner for the country. In 2013, Foreign Exchange Earnings (FEE) from the tourism was Rs 107,671 crores as compared to 15,083 crores in 2001, registering a compound annual growth rate of 16.32 per cent. Foreign exchange earnings contributed by tourism in India from 2001 to 2013 is also depicted in Table1.

Concept of rural tourism

Tourism today has grown into a responsible global industry. The Rural tourism has great potentialities in attracting tourists of various interests as it is a mix of various tourism concepts. It provides everything in single package and works in non-urban setting with rural essence for the benefit of local community while preserving rural assets, values and heritage. Rural tourism inculcate following concepts of tourism:

- Heritage and Culture (Ethnic Tourism)
- Learning and Education from natural environment about rural life style, art and culture (Eco Tourism)
- Scenic value (Nature Tourism)
- Religious value (Pilgrim Tourism)
- Adventure/Sports based activities (Adventure Tourism)
- Agri Tourism

Features of rural tourism

Rural India is a treasure of folk art, theatre, music, dance, art and craft. Rural tourism is becoming popular among Tourist because they want to see & feel very closely the traditional art & culture which resides in its truest form in the Villages. The folk art forms satisfy our innate need for self-expression. The traditional forms preserve and disseminate the tradition and culture of our forefathers infusing life into them. Every region has its own folk art from that is immensely popular and relevant in that area.

As against conventional tourism, rural tourism has certain typical characteristics:

- Experience oriented for both tourists and rural people
- Accommodation arranged mostly in rural areas

- Location are less populated
- Basically in natural scenic beauty and other unique resources in rural area
- Improves the quality of life of rural people.
- Bonding with rural and urban life style.

Marketing mix of tourism industry

Product

Product is a combination of tangible and intangible elements. The tourism product, which is mainly the destination, can only be experienced. The views of the location travel to the destination, the accommodation and facility as well as the entertainment at the destination all form the tourism product. Thus it is a composite product combination of attraction, facilities and transportation. Each of these components has its own significance in the product mix and in the absence of even single components, the product mix is incomplete.

Price

Pricing in tourism is a complex process. Pricing includes the prices of other services Air travel, Bus, Railways, Hotels etc. All are included in a tourism package. Pricing depends on the geographic location of the destination and seasonality. Pricing also depends on government regulation and competitors' price. To match demand and supply tourist managers try to get discounts during a tourist season. The most important feature tourism pricing is the way in which the travel and tourism business responded to the highly complex pricing circumstances, to operate at two levels. The first level is corresponds with the marketing strategy, which concerns with the product positioning, value for the money, long run return on investments etc. The second level corresponds to the marketing operations or tactics where the prices are manipulated to match the current demand and competition.

Promotion

Creation of awareness has a far reaching impact. The tourist organizations bear the responsibility of informing, persuading and sensing the potential tourists in a right fashion. The marketers need to use the various components of promotion optimally so that they succeed in increasing the number of habitual users. Promotion helps in maximizing the duration of stay, frequency of visit by offering new tourist product in the same country to different areas, which have remained untapped or partially tapped. Advertising gives information to the actual and potential tourists has wide coverage, aimed at the public to create awareness of the travel offers available on a resort and its attractions to influence their business decisions. Publicity, sales promotions, word of mouth promotions, personal selling, telemarketing, and exhibitions are the various types under promotional mix.

Place

Different distribution strategies can be selected for tourism marketing, as product tourism is distributed as a travel. The major decision that the tourism marketer takes regarding distribution is relating to the channel of choice and channel members. Two major functions of distribution system in tourism marketing include;

- To extend the number of point of sales or access, away from the location at which services are performed and delivered,
- To facilitate the purchase of service in advance.

People

People play an important part in tourism. The local people, travel agents, guides, staff of travel companies, sales staff, etc are the people. The personnel who attend to the needs of the tourists form an essential ingredient in tourism marketing. The sales personnel are responsible for dealing with the customer behind the counter. The airline and transportation crew interact with customers while traveling. The resort or hotel representatives enter to the needs of the tourist when they reach the destination. The tourist guides, who interact with the customers at the tourist location, all form the people element in tourism marketing. These contract persons must be trained on interpersonal skills as well as knowledge of the product. In the tourism industry the travel agents and the travel guides are the two most important people who speak a lot about the industry. Hence it is imperative that they have to be at their best at all times. Travel guides especially, are expected to have a lot of patience, good sense of humor, tact to transform the occasional tourists into habitual ones, thorough knowledge of the places, linguistic skills etc

Process

The operation process of the tourism firm will depend on the size of the tourism firm. The sequential steps involved in the delivery of the tourist products are:

- Provision of travel information,
- Preparation of itinerates,
- Liaison with providers of services,
- Planning and costing tours,
- Ticketing,
- Provision of foreign currency and insurance.

Physical evidence

The tourist attraction, which is an expensive for the customer must be tangibilize with the help of tangible items like, comfortable seats while traveling, layout, and design of the resort, natural service scope, etc. the sign posts that indicate directions, route maps, information regarding rules and regulations of the tourist spot and the sign regarding the public utilities like toilets, telephone booth also form a part of the physical evidence. Printed matters such as brochures also play an important role in the development of tourism. As the product, in tourism is intangible. There is a need to describe fully the product, which is done by providing an elaborate brochure, which shows how different elements of the programmes are carefully planned to include all necessary information to make holiday establishes expectation of quality value for money, product image and status, which must be matched when the product is delivered.

Challenges in rural tourism

1) Illiterate Rural Population

Rural population is uneducated and illiterate so they are bounded by the traditional values and customs. Their culture, religion, superstition have a strong influence on their attitudes and behaviours. They follow a slow life style pattern and like to stick to their traditional jobs whether they are remunerative or not and are not interested to take up risk. But after globalization even the rural economy has been affected by the growth dynamism, the media is playing an important role in changing the mindset of the rural consumer.

2) Language Hindrance

Hindi, official language in India is not popular in many parts of the country. There are 16 recognized languages and 850 dialects in India. Either the rural people have to upgrade themselves to communicate with the tourists or they will not get much benefit from the rural tourism. Villagers have to understand Hindi to interact with Indian Tourists and English to communicate with foreign tourists.

3) Damage to indigenous societies

Communities like tribal groups even don't like to mingle with other rural people.

4) Lack of communication skills

The ability to communicate effectively is very essential. Much of success will depend on your ability to give warm welcome to tourists. After seeing a historic site or buildings if tourists if a tourist generates some interest to know more and if there is no one to answer those questions, it will create negative impacts. Villagers have to understand the tourist wants and needs. There should not be any communication gap between the guest and the host.

5) Challenge to preserve environment and natural resources.

It is imperative to use and preserve the earth natural resources wisely. Adequate measure should take to preserve the nature while preparing the tourism plan.

6) Lack of Business planning skills

For any business, technical knowledge and skill is required to organize and maintain it. With the help of government or non-governmental organization, business plan could be prepared. Additionally Villagers should participate in developing and implementing the project on rural tourism, otherwise it will not give much benefit to the rural people. Advertisements and sales promotion will play a very important role in creating awareness and attracting the customers. It can also be promoted through print media, brochures, public relations etc.

7) Legislation problems

Tourism is a part of entertainment, so all hotels, motels and cottages must have license and should pay high taxes to the government. But in rural tourism as rural people will also be involved and there should be a provision of tax holiday.

8) Lack of trained Manpower/ Tourism education.

People trained in hotel management would not like to go to the rural areas so it will have to depend on rural people who are required to be trained to cater to the needs of the tourists. To attract different types of tourist, whether it is a nature tourism, health tourism, agro tourism everyone expects quality service at right time.

9) Proper understanding between tourists and local people.

Rural people should be prepared to accept the tourists who are coming from different culture.

10) Need to generate a democratic movement which helps people at all levels to participate in tourism development.

Local people are seldom involved in decision making, planning and implementation of policies. Otherwise local people get

confused about what kind of tourism they want to establish in their own area.

11) Poor Infrastructure development in basic amenities.

Nearly half of the villages in the country do not have all weather roads. 6 lakh villages located in different terrains like plains, hills, deserts, swaps, coastal region etc. The climate condition also varies from place to place to a great extent. Due to improper planning some villages are having multi road connection while some others deprived of single road connection. One cannot deny the fact that with proper infrastructure in place, rural tourism as also ecotourism certainly has the potential to generate large scale employment. In fact, the development of a strong platform around the concept of rural tourism is definitely useful for a country like India.

12) Challenge to attract domestic tourists and foreign tourists.

Unless the brand name or location name is not popular appropriate marketing techniques have to be used to make the destination popular.

13) Need for Trained Tourist Guide

The guide should have thorough knowledge about the place and he or she should be able to generate interest in the mind of tourist to visit the site. The guide can show album, video film, brochures to give knowledge about the place. The guide should be intelligent to handle different type of tourist and should have good communication skill and good rapport building attitude.

Benefits of Rural Tourism

1. Generating additional revenue for rural area.
2. Increased business for local businesses and services.
3. Upgrading infrastructure facilities for residents and visitors.
4. Promotion of traditional businesses in the rural area like art and crafts, weaving etc.
5. Income from associated value added services.
6. Clinics/ Visiting doctors become accessible to rural community.
7. Promoting the on-going use of local agricultural products and services.
8. Helping to diversify and strengthen rural economy for income generation.
9. Employment creation.
10. Improves quality of life and quality of the environment

Conclusion

Rural tourism is a recent offshoot of tourism sector that has grown up to be a potential business in its own space. Rural tourism is a form of nature based tourism that uncovers the rural life, culture, art and heritage at rural locations, thereby favoring the local communities socially and economically. Such form of tourism has created tremendous impact on the local economy and socio-cultural scenario of the concern area on one hand and carries a potential scope for the rural residents on the other hand. Rural tourism is an opportunity for rural development and economic growth in India. The sudden boom in tourism in India took the tourism industry by storm forcing everyone to think how to sustain the growth. If India does not take advantage of this tourism revolution, other developing countries will capitalize the current boom in the tourism industry. The lack of infrastructure is visible in all segments of tourism be it related to airports, railways, surface transport, accommodation, trained

manpower, shopping with ease travelling in style, medical tourism, tourism education, sustainable development norms etc.

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