
**AN ANALYSIS OF ROLE OF TRAVEL AND TOURISM IN INDIA WITH
SPECIAL REFERENCE TO IMPACT OF DIGITALIZATION**

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ABSTRACT

No modern paradigm of the world today has been left untouched and uninfluenced by information technology. Internet is the greatest and the most revolutionary innovation of this technocrat world in recent years. Internet has effectively transformed the activities of men ranging from domestic to commercial and local to international, making everybody gape with wonder. It has altered the way our thoughts and methods executed the job at hand and has converted the mundane into some multi-utility.

OBJECTIVES OF THE STUDY

1. To analyze the growth of Tourism Industry in India.
2. To analyze the State wise scene of Foreign Tourism Arrival in India.
3. Contribution of Travel & Tourism sectors to Indian's GDP

RESEARCH METHODOLOGY

For the accomplishment of the objectives, secondary data was collected through various sources like books and research articles, newspapers, study reports of expert committees, World Travel and Tourism Council (WTTC), Government of India (GOI), Ministry of Tourism (MOT) and Indian Travel and Tourism Sector. This research study covers a period of eight years i.e. from financial year 2012-2013 to 2019-2020.

FINDINGS

Some of the findings are:

- The tourism sector in India had been seen a tremendous growth from Inbound Tourism, which include Foreign, Domestic and International tourist visits, in the year 2012-2019.
- The Foreign Exchange Earning generate higher GDP to India after adopting digitalization which lead to economic growth.
- The share of top ten states in India in respect of foreign tourists' visits was 83.75 percent in 2019.

INTRODUCTION

No modern paradigm of the world today has been left untouched and uninfluenced by information technology. Internet is the greatest and the most revolutionary innovation of this technocrat world in recent years. Internet has effectively transformed the activities of men ranging from domestic to commercial and local to international, making

everybody gape with wonder. It has altered the way our thoughts and methods executed the job at hand and has converted the mundane into some multi-utility. **Westerman et.al.(2014)**, digital transformation is understood as the extended use of advanced IT, such as analytics, mobile computing, social media, or smart embedded devices, and the improved use of traditional technologies, such as enterprise resource planning to enable major business improvements. **Gruber, (2017)** the adoption of digital technologies becomes a unique industrial policy goal, and the failure to pick up this challenge could have wide-ranging economic consequences. **Katz, Koutroumpis & Callorda, 2014**), the economic and social transformation triggered by the massive adoption of digital technologies to generate, process, share and transact information. **Gartner, (2016)** the term digitalization is used by media, companies and science for describing a “process of moving to a digital business”. **Kilhoffer (2017)** the service sector is changing rapidly with digitalisation and the platform economy. **Khare & Khare (2011)** development of IT industry has changed tourism sector drastically. **Tripathi & Masood H. Siddiqui (2010)** mentioned that tourism and hospitality have become key global economic activities as expectations with regard to our use of leisure time have evolved, attributing greater meaning to our free time.

LITERATURE REVIEW

Shmarkova et.al.(2019) in their paper titled “Digital technologies in the organization and management of tourist organizations” discussed the development and use of the latest digital technologies in the activities of tourist organizations studies in the India. The objectives of the researchers were to the improvement of business models and processes, the effective organization of communications in the tourism market. **Katri Jakosuo(2019)** in her research paper titled “Digitalisation and platform economy-disruption in service sector” discussed about both positive and negative effects of digitalisation on economy platform. The researcher found that product management, information on the best- selling products, the allocation of products, the speed of delivery for end-users and information on the total cost of supply chains can give companies a competitive advantage. **Gurneet Kaur (2017)** in her paper titled “The importance of digital marketing in the Tourism industry” discussed about the basic determinants of digital marketing and the importance of the same in the tourism industry. The objective of the researcher was to examine the characteristics of a successful digital marketing campaign and to analyze the role of digital marketing in today’s tourism industry. The researcher found that digital marketing today has become an indispensable part of every business irrespective of its size and type and increasing role of digital marketing had affected the way businesses promote their offerings to existing as well as new customers. **Chanias et.al.(2017)** in their paper titled “Mastering digital transformation: the path of a financial services provider towards a digital transformation strategy” discussed about the challenges and impact of a digital transformation in an organization’s inner and outer environments. The researchers

concluded that DTS examined federal group organization was predominantly shaped by a diversity of emergent strategizing activities. **Afonasova et.al.(2019)** in their paper titled “Digitalization in economy and innovation: the effect on social and economic processes” worked on the objectives to promote sustainable business performance in small and medium-sized enterprises and to reduce human intervention and making everything connected increase the efficiency and save time. **Rathi (2018)**, in his paper titled “Digital Transformation of Travel & Tourism in India” discussed the tools and technology for digital travel and to study challenges and way forward for digital travel in India. The researcher found that branded hotel chains in India was expected to continue investing in digital technologies and platforms. **Rajasekaran et.al.(2018)** in their paper titled “The Impact of E-Commerce on Indian Tourism Industry -The Opportunities and Challenges to E-Tour Operators” discussed about the E-tourism and its utility provide a lot of information on destinations, hotels, facilities, price and tariff, geographical features and climate. **Ishwar Khatri (2019)** in his paper titled “Information Technology in Tourism & Hospitality Industry” discussed about the use of IT in promotion & marketing, customer management process and value creation & competitive advantage yet to be explored. The objective of the researcher was to match the competitive environment to catch the changing disruption and to use information technology. The researcher found that IT in tourism and hospitality industry has been most commonly used in fulfilling information need, studying behavior and innovation purpose. **Ashok Kumar Deborah et.al.(2017)** in their paper titled “Cashless Economy and Digitalization of Tourism & Hospitality Practices in India” discussed about the process of digitalization, through transformation and innovation of digital payments system to promote a cashless tourism practices in India. The researchers found that there were so many cashless and digital practices being used in Travel and Tourism Industry such as uses of Banking Cards, USSD channels, Aadhaar enabled payment system, Unified Payment system, Mobile wallets etc.

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DATA ANALYSIS

1. Travel and Tourism Sales in India

A growth of travel and tourism industry sales in India since 2012 to 2020 is continuously growing in respect of number of Tourism progress industry as shown in the Table No-1.

Year	Sales in India (In billions)	Percentage change over the previous year(% change)
2012	376.21	-
2013	392.91	4.25
2014	470.97	16.57
2015	496.21	5.08
2016	564.87	12.15
2017	629.81	10.3
2018	693.91	9.23
2019	755.94	8.20
2020	817.94	7.58

Source: e-Marketer Forecast's India's Digital Travel sale

Table No-1 indicates the increase of sales in travel and tourism in India. In the year 2012 there were only 376.21 billion sales, but in 2013 there was a increase in sales i.e.4.25% and in the year 2014 there was 16.57% increase in sales of tourism but in 2015 only 5.08% increase was there because most of the customers were not aware about the adoption of digitalization in travel and tourism industry but after one year there was continuously increase in sales due to digitalization. In the year 2016 there was 12.15 % increase in sales by adopting digitalization method tools like e-booking and it increase the sales to the travel and tourism sector. Then the increase was 10.3%, 9.23%, 8.20% and 7.58% in the years of 2017, 2018, 2019 and 2020 respectively. This uprising of digital travel in India can be attributed to the increasingly digitally savvy Indian travelers.

Foreign Exchange Earning from Travel and Tourism Sector

To analyze the impact of digitalization on travel and tourism, it is necessary to have a study of the foreign exchange earnings from travel and tourism industry in India. The total fees collected from the foreign tourist arrival in India are gradually increasing since 2012 to 2020. It indicates that Travel and Tourism sector has given continuously foreign earning to India. The details regarding the FEE from Travel and Tourism in India and its changes per year have shown in the Table No 2.

Year	FEE from tourism in India (in Rs.Crore)	Percentage (%)change over the previous year
2012	095607	-
2013	107563	12.5
2014	120367	11.9
2015	134844	12.0
2016	154146	14.3
2017	177874	15.4
2018	194882	9.6
2019	211661	8.6
2020	250000	-76.3

Source: India Tourism Statistics at a Glance, 2020

Table No 2 shows the foreign exchange earning of travel and tourism industry in India since 2012 to 2020. There was 12.5% increase in 2013 over the previous year. Then it increases 11.9%, 12% in the year 2014 and 2015 respectively. Due to digitalization the FEE was only Rs. 134844 Crores. But after adopting digitalization in Travel and Tourism, there was sudden increase in earnings from Foreign exchange in India in the year 2016. There are more chances to increase the economic status of India from Foreign exchange earning from Tourism sector.

State Wise Scene of Foreign Tourist Arrival in India

There are 10 top states in India such as Maharashtra, Tamil Nadu, UP, Delhi, West Bengal, Rajasthan, Punjab, Kerala, Bihar, Goa where the foreign tourists visit every year. The total number of foreign tourists visits to these states in 2020 are shown in table given below:

Rank	State/UT	Foreign Tourist Visit in 2020 (number)	Percentage share
1	Maharashtra	1262409	17.6
2	Tamil Nadu	1228323	17.1
3	UP	890932	12.4
4	Delhi	681230	9.5
5	West Bengal	463285	6.5
6	Rajasthan	446457	6.2
7	Punjab	359114	5.0
8	Kerala	340755	4.8
9	Bihar	308080	4.3

10	Goa	302751	4.2
	Total top 10	6283336	87.6
	Other	888433	12.4
	G.Total	7171769	100.00
<p><i>Source:</i> State/UT Tourism Departments Data for 2020 is estimated by applying all India growth rate for 2020/19 on 2019 data</p>			

The above shown table indicates the share of 10 important States of India in respect to the development of digitalization in Travel and Tourism sector. Maharashtra, Tamil Nadu, UP, Delhi are the four most important States which contribute 56.60% of Foreign tourist arrival in 2020. Remaining 6 States from the top 10 States are also important regarding foreign tourist visits. The share from rest of the 6 States is 31% in total tourists' arrival in India.

State wise Scene of Domestic Tourist Arrivals

Table No 4: Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2020			
Rank	State/UT	Domestic Tourist Visit in 2020 (number)	Percentage share
1	Tamil Nadu	140651241	23.0
2	UP	86122293	14.1
3	Karnataka	77453339	12.7
4	AP	70828590	11.6
5	Telangana	39997001	6.6
6	Maharashtra	39234591	6.4
7	West Bengal	28841732	4.7
8	MP	23519632	3.9
9	Gujarat	19464517	3.2
10	Punjab	16692197	2.7
	Total top 10	542805133	89.0
	Other	67411024	11.0
	G.Total	610216157	100.0
<p><i>Source:</i> State/UT Tourism Departments Data for 2020 is estimated by applying all India growth rate for 2020/19 on 2019 data</p>			

The most visited States by domestic tourists are Tamilnadu, UP, Karnataka, AP, Telangana, Maharashtra, West Bengal, MP, Gujarat and Punjab. Top four States contributed 61.4% in the year 2020. Whereas rest of the 6 States contributed 27.6%. It represents a big share of the total contribution by the domestic States.

Contribution of Travel and Tourism Sector to India's GDP

One of the most important economic activities in countries around the world is Travel & Tourism industry. Table no. 5 shows the contribution of Travel and Tourism in nation's GDP.

Table No. 5: Total Contribution of Travel and Tourism in GDP (in Billion US Dollars)	
Year	Total Contribution in Billion US Dollars
2013	172.91
2014	185.63
2015	201.43
2016	219.72
2017	232.01
2018	247.37
2019	191.3
2020	121.9
2021	178

The contribution of travel and tourism in nation's GDP is continuously increasing. In 2013, it was 172.91 Billion US Dollar. Then it was 185.63Billion US Dollar, 201.43Billion US Dollar, 219.72Billion US Dollar, 232.01Billion US Dollar, 247.37Billion US Dollar, 191.3Billion US Dollar, 121.9Billion US Dollar and 178Billion US Dollar in the year 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 respectively. It depicts that travel and tourism is contributing a very good share in nation's GDP.

FINDINGS

- The tourism sector in India had been seen a tremendous growth from Inbound Tourism, which include Foreign, Domestic and International tourist visits, in the year 2012-2019.
- The Foreign Exchange Earning generate higher GDP to India after adopting digitalization which lead to economic growth.
- The share of top ten states in India in respect of foreign tourists' visits was 83.75 percent in 2019.

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