

Theories regarding the tourism industry



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CHAPTER 2

LITERATURE REVIEW

2. 1 Introduction

The purpose of this chapter is to review the key literature and the related theories regarding the tourism industry . The focus will be the medical tourism/healthcare services theories of competitiveness . The key findings are based on the applicability of the literature to the purpose and scope of study.

2. 2 Main theories of Tourism

The research related to the tourism industry is associated with the two main theories. These theories are related to the tourists dependency of moving from one place to other in terms of leisure, medical services, business purpose etc.

2. 2. 1 Modernization Theory

Tourism is a process of temporary movement of people from developed to developing countries from the perspective of the modernization theory. The ability to experience and understand other cultures without abandoning the modern values and traditions will lead to increase in the number of tourists from the developed countries. Tourists from the developed countries are more likely to enjoy the culture of the developing countries within the structure of the modern societies.

2. 2. 2 Push-Pull Theory

According to this theory, some people move because they are pushed out of their own place, others move because they are pulled or attracted to another place. Ravenstein (1889) concluded that pull factors were important than

push factors. Oppressive laws, high taxes, bad climate and uncomfortable surroundings forces people to migrate.

Individuals desiring to have leisure have the option of selecting a place that best meets their standards, and are attracted towards those places because of what it has to offer. Thus pull factors are important in determining the destination for a tourist. Traditionally, Europe attracts a large number of tourists , but in the recent years, Asia have been attracting the tourists, due to its unique cultural and social attractions. This theory frames the hypothesis that “ the greater the level of pull factors, the greater will be the increase in tourism.”

2. 3 Tourism Industry of India

Tourism is the largest growing service industry in India, contributing 6. 23% to the national GDP and 8. 78% to the total employment in India. India attracts more than 5 million annual foreign tourist arrivals and 527 million domestic tourism visits . The tourism industry of India generated about US\$100 billion in 2008 and is expected to increase to US\$275. 5 billion by 2018 at a 9. 4% annual growth rate. The2010 Commonwealth GamesinDelhiare expected to significantly increase tourism in India.

2. 3. 1 Types of Tourism in India

a) *Nature Tourism* : India's geographical diversity results in varieties of nature tourism.

Foreign tourists are attracted by the natural beauty of India.

- Water falls in Western Ghats including Jog falls (highest in India).
- Western Ghats

- Kerala Backwaters
- Hill Stations
- Wildlife Reserves

b) *Adventure Tourism* : It has also increased in recent years due to India's climate and topography. Varieties of adventures on land, water and air can be found in India. The following are the types of adventure tourism in India:

- River Rafting
- Mountain Climbing
- Rock Climbing
- Skiing
- Paragliding
- Boat Racing

c) *Wildlife Tourism* : India's rich forest areas with unique species of wildlife attract foreign tourists for wildlife tourism in India such as the Gir National Park and the Corbett National Park.

d) *Pilgrimage Tourism* : India's famous cultural temples like the Golden Temple and the Char Dham attracts foreign tourists from all over the world to visit India.

e) *Healthcare Tourism* : India is one of the top healthcare services provider country in the world with low cost treatment and high quality healthcare when compared to countries such as the U. S. A. and the U. K.

f) *Monument Tourism* : India is famous for its historic monuments all over the world. Large number of foreign tourists visit India to see the Taj Mahal, the Qutub Minar, Red Fort and the Gateway of India.

g) *Eco Tourism* : India has a variety of preserved natural areas which attracts tourists for eco tourism in india . The Gir National Park and the Kaziranga National Park are some natural preserved areas.

h) *Beach Tourism* : India is also famous for its beaches in Chennai , Goa and Mumbai. Tourists visit these places to enjoy the beautiful beaches along the coastline.

2. 4 Healthcare Tourism in India

Healthcare Tourism is one of the major growing industry in India. ' The Economic Times (6 January 2009) reported that India's medical tourism sector is expected to have an annual growth rate of 30%, making it a Rs. 9, 500-crore industry by 2015.' ' The Indian Express (18 September 2006) estimates of the value of healthcare tourism to India are expected as high as \$2 billion a year by 2012.'

The key advantages of India in attracting the foreign medical tourists are-

- Low Costs of Medical Treatment
- Availability of advanced medical technologies
- Achievement of International Quality Standards in Healthcare Services

' The Chicago Tribune (28 March 2008) reported that Healthcare treatment costs in India are low in price as compared to the treatment in U. S. A and U. K.' The most popular treatments in India include - heart surgery, bone-marrow transplant, cardiac bypass, eye surgery and hip replacement.

Indian healthcare service providers in India comprises of many Hospital groups like- Apollo Hospitals and Fortis Healthcare who are the major

contributors of India's success in international market for healthcare tourism. Many Indian hospitals have been certified from the British Standards Institute and Joint Commission on Accreditation of Healthcare Organisations . The Indian city of Chennai has been declared India's Health Capital because of its contribution of 45% of medical tourists from abroad and 30-40% of domestic health tourists.

' The Economic Times (18 November 2008) reported that India has developed into a hub for medical tourists seeking quality healthcare at an affordable cost. Nearly 4, 50, 000 foreigners sought medical treatment in India last year. A cardiac surgery in India would cost 9000 USD than the cost of 75000 USD to 100, 000 USD in U. S. A. A spine surgery would cost around 8000-9000 USD in India than the cost of 65000 USD in U. S. A. A joint replacement would cost 8000 USD in India than the cost of 55000-65000 USD in U. S. A.'

Many Indian hospitals are promoting their international quality of healthcare services by joining international accreditation agencies to obtain the necessary approvals on safety and quality services.