

Adventure travel in india market study tourism essay



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Adventure sports have seen a tremendous growth in the last six to seven years and the future looks very bright. The government is also doing its bit in order to promote adventure tourism in India. The Indian tourism industry has a lot of myriad players who want to latch on the opportunities that beckon in this field of the industry. But the industry and its players continue to be a house of disorder.

This paper looks into the clear and present opportunity that lies ahead of the Indian Tourism Industry in the form of Adventure Travel, and analysis the various aspects that need to be kept in mind as the investors go out in search for the suitable customers to cash in on this multimillion dollar cheque.

INTRODUCTION

“ A man cannot discover new oceans unless he has the courage to lose sight of the shore”, were the words of the famous French noble laureate Andre Gide and the increasing demand for the adventure sports indicates that people have entered the 21st century with renewed courage to find enjoyment in the thrills of the adventure filled outdoor activities. Thus, it can be seen like leisure tourism, adventure sports is becoming an integral determinant behind the tourism dynamics.

As a subject for academic analysis, tourism can be said has reached a stage of relative maturity. A casual review of journals serving the subject area reveals a number that have been in existence for over 25 years (e. g., Tourism Management, Annals of Tourism Research), with the Journal of Travel Research publishing its 45th annual volume in 2007. Similarly, the <https://assignbuster.com/adventure-travel-in-india-market-study-tourism-essay/>

range of journals reveals the diversity of issues considered (e. g., Tourism Geographies, Tourism Economics, Journal of Sustainable Tourism, and Journal of Travel and Tourism Marketing).

With the evident relative lack of research in the area of Adventure Sports Tourism, it would be sensible to turn to research in the area of promoting the various disciplines of adventure sports by integrating it with operations of tourism management. This research will look into the increasing demand for the adventure sports, breaking with the cultural and geographical conformism of conventional holidays and trips, and will analyse the potential for it to tap effectively.

OBJECTIVE

Research in the field of sports tourism has burgeoned over the last decade. In a study conducted by a renowned publication, unsurprisingly, the most studied activity was major event sports tourism like Olympics, World Cups, etc.(40% of articles), with outdoor and adventure sports tourism (29%) and skiing and winter sports (15%) being the other two significant areas. ¹ This being a clear indication of the increasing demand for the adventure sports, the objective of this paper will be to study the feasibility of marketing, conducting and benefitting from such events specifically in India.

This market study will broadly consist of two parts which will help the readers decide the readiness and the viability of the adventure sports market.

Part-1 discusses the concepts and approaches that might inform an analysis of adventure sports in Indian market.

And part-2 will conduct a critical evaluation and the determining factors of investing in this area of business.

“ If you’re not living on the edge, you’re taking up too much space.” Overall, the reader should after considering a personal perspective should be able to determine the likely success of new product or service ideas.

PART - 1

THE SERVICE

Landscape and topography of India lends itself to variety of Adventure Sports activities. Not many people would agree, due to its unexplored avenues, that India is a place where one can indulge in numerous adventure activities, if not all. Definition of adventure is different for different person and best thing about adventure tourism in India is that it provides adventure sports ranging from soft adventure to active and extreme adventure. Soft adventures are ideal for family and kids and require very little or no skill and experience. Extreme adventure in India can be physically and mentally demanding and require good experience.

The service which is being discussed here has two aspects to it one being the tourism in India and the other being the adventure sports. These two complement each other in the way that for a customer the need for one of the above may often lead to the demand for the other. For e. g. for someone visiting Manali, in the Northern part of India for a Holiday, a chance visit to <https://assignbuster.com/adventure-travel-in-india-market-study-tourism-essay/>

the snow capped Rohtang Pass may encourage the trying of skiing which is promoted in the area. Thus it makes sense to look into both of these aspects individually to get a holistic view of the service being provided i. e.

Adventure Travel.

TOURISM

Tourism for long has promised to be a sunrise industry for India. India is blessed with a vast range of practically everything that a successful tourism offer needs - from mountains to rivers to history to religion and culture. The economic and political case for investments is also politically attractive. Tourism promises an inflow of hard currency and at the same time also promotes goodwill. It creates demand for a variety of industries like transports, hotels, handicrafts, entertainment and so on. With improved tourism in India the overall quality of life is sure to improve over a period of time.

And yet India seems to be remarkably lethargic in making money out of tourism. The situation is rather pitiable and the following statistics emphasise that fact:

India's share of global tourism market - 0. 67%

Number of tourists visiting India - 2. 6 million against China's - 37 million.

In terms of tourism revenues as share of GDP India's Rank is - 124th

The spirit, cohesiveness, and vision that have spurred India to the top of the heap in diverse industries is lacking in this sector. The absence of integrated

vision is compounded by a lack of initiative and tardiness in implementing policies.

In a study conducted on Indian Tourism, it has been stated that, “ while there exists an ability to invest there also exists an equal degree of unwillingness to break away from the beaten path and take risks.”

The country is sitting on a virtual goldmine with a wealth of sights cultural exuberance, diversity of terrain and that special something that only India can deliver. Tourism has the potential to do something bigger than what IT has done for India.

Priority should be given for development of tourist infrastructure in selected areas of tourist importance and for those products which are considered to be in demand in the existing and future markets so that limited resources are put to the best use

ADVENTURE SPORTS

India, one of the most enchanting, incomparable and invigorating travel destinations all over the world, is a true treasure trove for the adventure enthusiasts. India has all the perfect ingredients that enchant its tourists with real fun and excitement.

WATER

The Himalayas offer you some of the toughest and most exciting river runs in the world. River sports in the rapids are the most popular, throughout the summers and can really get your adrenaline pumping.

White Water Rafting, Kayaking, Snorkelling or Scuba Diving if there is a concept of water sport in Adventure you can find it in this country.

TREKKING

Source : World Tourism Organisation

WHERE DO YOU WANT TO GO? You can trek for one day or one month; backpack all your gear and wonder off in the wild or stroll comfortably with just a shoulder bag, water and camera whilst animals transport your camping gear, heavy baggage and logistic loads. You may set a challenging pace and go over difficult grades and high passes or just amble along, enjoying the wild nature, magnificent scenery, uncomplicated lives of people staying close to nature, stopping when you please, chatting with your companions, forging new relationships and hoarding a fund of fascinating memories to cherish.

More extreme ways of trekking are Rock Climbing and Mountaineering. Rock Climbing as a sport it took off only about 15 years ago. Rock climbing uses a minimum of aids and the challenge is to find the toughest route and scale in the least possible time. The availability of good climbing rocks not too far from the city gets greater access and participation from professionals as well as from the amateurs alike.

Mountaineering takes place at biggest adventure playground in the world - the Himalayas. Mountaineering is a serious activity undertaken with the primary goal of reaching a mountain's summit. It requires a high degree of

fitness and experience. Due to its high equipment costs and complexity, it is mostly taken up by foreign tourist coming to India.

Himalaya promises every climber their share of adventure, which lures them to the mountains.

AERO Experience

Just like on the land, there are various adventure opportunities in the air too. Man has for times immemorial, longed to glide and soar like a bird in the sky. Parasailing and Paragliding are indeed, experiences which combine the wonder of smooth sailing in the air and the thrill of soaring high. Once in the air, you experience the ethereal serenity of the sport. It is an experience that is, surprisingly, thrilling as well as becalming.

Other Activities

Other extreme sports include the likes of skiing which is seasonal in nature and can be only carried out during the winters.

Another very popular activity is bungee jumping which can be carried out even in the urban areas with the help of the required infrastructure.

The potential MARKET AREAS

Popular Destinations

HIMACHAL PRADESH

Himachal Pradesh is a complex mosaic of hills, lush green valleys and snow-covered peaks. The name itself originates from the ancient Sanskrit – hima (snow) and achal (that which cannot be moved).

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This land of fascination and mystery with its age-old culture kindles deep interest and commands respect. It is replete with dense forests, fast-flowing rivers, terraced fields, snow-covered mountains, small fairyland villages and friendly folk – all adding to its charm! Himachal Pradesh is also a treasure trove of ancient arts and crafts and rich traditions.

PRO's

Established tourism Infrastructure like Hotels etc.

Abundance of natural resources for conducting activities.

Excellent govt. Support in setting up of new ventures.

Trained Human resources available.

CON's

Market filled with unstructured profit making activities.

Overcrowding of popular tourist centres.

Local resistance present will affect the business.

Many areas inaccessible.

GOA

Goa is a paradise for water sports lovers and has always appealed beach enthusiast and water sports lovers. The long coastal stretches offer loads of opportunities to indulge in all sorts of water-sport activities and also to try on

some new watery excitement. Surf the seas or float across the skies, the options of sport enjoyment is never ending in Goa. One can never get tired of scuba diving into the wreckage of the colonial ships. The para-gliding, para-sailing, acuatics sports, water-skiing and wind surfing will be completely thrilling.

Source: Ministry of Tourism, GOI

PRO's

105km of coastline provides ample opportunity for implementing innovative ideas.

As shown above, Goa has the largest turnover of tourists in India.

Easy accessibility with good road and rail transport and fully functional Intl' Airport.

CON's

Lack of law and order.

Poor transport facilities within Goa.

Untrained hospitality staff.

High costs due to black marketing.

Untapped Destinations

North-East Region

The rich natural beauty, serenity and exotic flora and fauna of the area are invaluable resources for the development of ecotourism. The region is endowed with diverse tourist attractions and each State has its own distinct features. North East India presents some very outstanding and challenging adventure sports in India for the adventure enthusiasts coming from all over.

PRO's

Untapped Market.

Ideal Terrain for adventure sports.

Readily available human resource which can be trained according to the needs.

Government of India attaches great importance to the development of tourist infrastructure in the North Eastern region in view of its immense tourism potential.

CON's

Lack of infrastructure.

Climatic extremities are hard to overcome in some regions.

Social unrest can be disturbing.

ANDAMAN & NICOBAR Islands

This UT does not have any other competitive advantage that comes even remotely close to tourism, because of the beauty and abundance of its

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natural resources. There's tremendous scope for adventure sports, scuba diving & snorkeling, swimming, sun-bathing, trekking and just soaking in nature at its most beautiful. However, till now, in the absence of a specifically stated tourism policy and a strategic implementation plan, and any gains accruing are more through serendipity rather than conscious effort.

PRO's

Popular amongst both local and international tourists.

Tourism is the main stay of the region, thus all the development is centred towards the infrastructure for tourists activities.

Easy availability of human resources.

CON's

Not an accessible region as travelling from mainland takes lots of time and money.

Dearth of basic infrastructure in areas except for the capital Port Blair.

Thus the analysis of the various regions indicates that Indian Tourism has loads of untapped potential. Evident lack of policy or vision from the government has resulted in its inability to scale up infrastructure. If that is taken care of there can a surge in the number of tourist indulging in adventure travel.

TARGET CUSTOMERS

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Over the last ten years, India has witnessed substantial changes in its leisure and travel choices and demands. This can be attributed to the rapidly growing economy, supported by globalisation and privatisation, which has led to increased spending power and greater leisure time. Now, instead of spending a holiday being herded around in a tour bus, the sophisticated Indian traveller wants 'experience-oriented' vacations. This has made adventure tourism a particularly exciting field to be in. According to Pranav Kukreti, Director, Marketing, of Treks 'n' Rapids, "The psychology of the modern Indian traveller has changed completely. Gone are the days when they were happy with simply staying in a resort in Shimla or Nainital. Now, they want excitement and adventure,"

The tourism industry fetches two million adventure tourists and is growing at over 35 per cent annually. It is estimated that India has the potential to attract another half a million foreign adventure tourists. The domestic market is also set to see a ten-fold growth in the next five years. This rise can be majorly attributed to the changing consumer behaviour of the urban population.

It will be appropriate to divide the study of the customers into Domestic and International.

Domestic

The key socio-economic trends which have contributed to the increase in demand of the adventure sports can be listed as follows:

Middle Class - The size of the middle class families have started shrinking with growing industrialization, while their pockets have grown bigger and <https://assignbuster.com/adventure-travel-in-india-market-study-tourism-essay/>

bigger. With the adoption of concept of nuclear families the size of the families has gone down from 8-4 and 4-2. The leisure time that the members of the family get to spend together is preferably spent on quality holidays. Thus, adventure travel offers an excellent opportunity for the people to make their kids have fun while they rejuvenate themselves from the maddening office schedules.

Urban Youth - Youths have always had a strong urge to be non-conformist, and this behaviour is evident in their spending decisions too. Now with this urge being supported by ample spending power, Indian youth is raring to enjoy the thrills of adventure sports. Jawaharlal Nehru had talked about India's Tryst with Destiny at the stroke of midnight hour, India's latest tryst with destiny, BPO, is equally connected to the midnight hour. This tryst is also about independence: the independence of the Indian youth. To the delight of the marketers, the 'youth' market they've been chasing all these years finally has a credit card with no supervised spending limit.

Corporate Promoted Activities - Another windfall for the industry has been created by the corporate sector with almost 70 per cent of the demand for adventure tours originating from here. Tour operators have special two to three day packages for corporate teams. The idea here is to link sports with skills like time and stress management or working under pressure. The exercise is meant to rejuvenate as well as re-skill.

Data of Foreign Travellers

Source: MoT, GOI, Annual Report

Adventurous Kids - The kids at present have more self-sufficiency and influencing power in the family. They are well networked (read social networking), well informed and social. The ability of the kids to nag their affluent in making them purchase stuff for them is known as "pester power". This pester power is also enabling them to undertake various school trips and adventure camps where they enjoy with their individual social groups.

INTERNATIONAL TOURISTS

India is emerging very strongly as a brand. With the inquisitiveness about India rising all over the world, more and more foreign tourists are coming to India to experience its vibrant cultures. But while they visit the popular destination it can be a good value addition for their trip if they can be offered an experience of river rafting in the rapids of the Ganges or a paragliding experience may accompany their sun tanning on beaches of the Goa.

The foreign tourists have high spending power and if the infrastructure and quality adventure sports facilities are available to their discretion, the promoters can be rest assured of a significant contribution to their balance sheets in dollars.

The global meltdown combined with the Mumbai attacks have spelt disaster for the tourism industry with foreign tourist arrivals dropping by 2. 1% and foreign exchange earnings down by 12. 5%.

Reeling from these statistics, the tourism ministry is considering several sops for the hospitality and travel industry. Amongst these include offering free air travel and accommodation to foreign tourists who visit India for the third time. " This move, if approved, will mean encouraging genuine Indophiles <https://assignbuster.com/adventure-travel-in-india-market-study-tourism-essay/>

and is in line with our effort to encourage repeat travellers,” an official from the Ministry of Tourism said while addressing the media.

Indicating the Significant growth of the middle class

Increasing Spending Power of the Domestic Market

PART - 2

Now that we have looked into the various characteristics of the adventure travel in India, it will be propitious to look into the various profitability and marketability aspects related to the business of Adventure Travel.

Considering Adventure Travel to be a brand, the marketing mix (given in terms of 4P's by Philip Kotler) of brand Adventure Travel can be:

Product - Adventure travel should position itself as one of the competitive alternatives when it comes to attracting tourists. Marketing adventure travel needs special focus on influencing the psychology of the perspective customers by influencing them with its core competencies of thrill and adrenaline rush. A synergic attitude between the government agencies and the private parties can take the quality of adventure sports to a world class level and promote a surge of tourists to experience its excitement.

Collaborating with Major media houses to promote Adventure Travel in India Price - Hotel prices in the U. S start at around \$300 (expedia. com) whereas the average rate for a deluxe room in India is around \$100 only. Thus if the facilities for adventure sports are produced at a large scale in India its prices will surely be low, due to the low labour cost and

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manufacturing costs. Within the sector the competitive pricing of the adventure travel will depend on the collaboration between the service providers and the service facilitator. i. e. the parties which are able to provide a complete package to its customers including, travel, accommodation and the adventure activities will be more in demand as their operations cost will be significantly low and at the same time level of convenience very high.

Place - Though we have so far talked about the tourist destinations as being the ideal places for providing this service, it may not be a bad decision to have such activities in the areas in the vicinity of the cities. By providing such services at a relatively approachable distances the rate of new customers coming to experience the new and the talked about activities will be more. And it may also be easier for the working executives to take out some time from their schedule, like an excursion on the weekends. This though will be a completely strategic decision keeping in mind the competitors and the various alternatives in hand. While this strategy may not work in a city like Delhi which has various hill-stations in the vicinity but may work quite well in city like Ahmedabad where the people have a significant spending power and not many similar options either.

Promotion - If adventure travel in India has to be established as a global brand, first the communication needs to go out to the primary audience, i. e. the one billion people of this country. If the government, the media and the trade bodies are able to influence a part of the population, they can spread the word, which in this age of networking will surely spread like fire.

Collaborative marketing efforts involving the traders, the media houses,
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government and a good network of brand ambassadors can provide a structured and a long term approach to brand development of Adventure Travel in India. For e. g. collaborating with the GOI's Incredible India! Campaign and engaging the famous Hindi movies star Akshay Kumar (who is well known for his action and stunts) will go a long way in establishing a brand image in the minds of the Indian customers.

CASE STUDY

Water Sport & Adventure Tourism at Indira Sagar

Madhya Pradesh has a wide range of adventure sports such as wildlife sanctuaries, mountains, rivers that make MP an exotic place to visit, which is attracting the domestic as well as the international tourists.

Apart from these natural regions the Government of MP is intending to promote other regions such as Indira Sagar water reservoir for tourism. The GoMP has proposed to come-up with the Adventure Tourism Zone at Indira Sagar in Khandwa district.

This Zone would have two phases wherein one phase would be developed near the mentioned reservoir and the second phase would be developed on the island formed near the dam.

The Zone would have various water sports, trekking, mountaineering facilities along with the traditional accommodation facilities.

The project is expected to attract tourists primarily from the State and other parts of the Country.

The proposed location is well connected with the major cities of the State through road and rail.

Private Players have been invited to undertake the proposed project wherein the Private Player would build, own, maintain and operate the project.

PROJECT RATIONALE

The prime reason for increase in demand for adventure sports is the growth youth tourism which has been identified as one of the largest segments of global and domestic tourism. The growing number of young travellers is being fuelled by a number of factors such as increased participation in higher education, falling level of youth unemployment, increased travel budget through parental contribution, quest for exciting and unique experiences and cheaper long distance travel. These young travellers form a major contribute to adventure tourism revenue.

GOVERNMENT SUPPORT

The State Government would assist the private investor in identifying, immediate approval and clearance of the suitable land for the project.

Further, the Government would also make basic infrastructure available at the site such as water, electricity, road etc. The State Government has identified adventure/ eco tourism as key segment of tourism and gives some incentives specific to the industry.

This case study gives the clear indication that this is an upcoming area of business and has huge potential and the best way forward is collaborating the effort towards successful brand building.

MARKET METRICS

Threats

Entry of multinational agencies to dominate the business.

Lack of Govt. Support

Low operational cost for the unorganised sector

Generic competition with other tourists attractions.

Opportunities

High growth rate of leisure travel

Rising influence of Indian Middle class

Holidaying becoming a status symbol.

Corporate support to adventure tours and travels

More consumption power.

WEAKNESS

High infrastructural cost.

Low level of marketing

Psychological resistance to adventure sports in Indian mentality.

Lack of collaboration and networking among the existing players.

STRENGTH

Offering something new and exciting to the huge Indian Population.

Success abroad can be emulated domestically by collaboration.

Increasing interest of foreign tourists in India.

High growth potential

The market metrics can be analysed by doing a SWOT analysis of the adventure travel in India.

MARKET GROWTH

Note:

The per capita income of the Indian citizen rose by 12.7 % during the fiscal year 2008-09.(Reserve Bank of India).

The foreign tourists arrival in India registered a growth of 5.6% during the year 2008.(Ministry of Tourism, Annual Report 2008-09)

Both of the above mentioned statistics indicate an increase in the demand for the adventure travel services. While the domestic travellers will continue to send their ever increasing earnings, the foreign tourists will continue to venture out to the lesser explored countries like India.

Thus, it is now in the hands of the industry players to tap the clear and present opportunity and act proactively with or without the collaboration of

the government authorities to gain head on advantage in the upcoming field of business in the tourism industry.

Conclusion

High Price

High Quality

Low Price

Low Quality

As their country's growth and recent success might suggest, Indian consumers are among the most optimistic. A June 2008 Nielsen Consumer Confidence Index among 48 countries found India to be the second most optimistic country behind Norway with an index of 122 (global average was 88).

They are also greatly value-driven, with an expectation that values should be customized and adapted to Indian culture-not an easy task when dialects change every 100 kilometres and almost

three-quarters of the population lives in hard-to-reach rural areas. Not surprisingly, the companies most likely to succeed with Indian consumers are those with the highest levels of patience, resilience and local understanding.

But this confidence surprisingly not enjoyed by the Adventure Travel service currently available in the tourism market as it is being offered to the customers at a quality which is nowhere close to world class and is relative

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expensive option for the Indian consumer. The industry needs to collaborate amongst itself and with the

support of the government try providing highly satisfactory Adventure travel to its customers at an affordable price. Only then will it be able to market its product convincingly and effectively to the customers, ensuring a growth oriented sustainable future.