



## INDIAN TOURISM IN THE PARADIGM OF INCREDIBLE INDIA CAMPAIGN

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### ABSTRACT

*Tourism has a tremendous impact on the nation's economy. Rapid development in tourism sector has brought the farthest section of the world within the reach of every one. The 'Incredible India' campaign, as an integrated marketing communication effort by the Government of India in 2002, was conducted globally to promote India as a tourist destination to attract the tourists by showing different aspects of Indian culture and history like yoga, spirituality etc. It received a lot of appreciation from tourism industry observers and travelers. No doubt, some arguments were also raised against this campaign but the achievements after the implementation of the Incredible India campaign are praiseworthy. Foreign tourist arrivals in the paradigm of incredible India campaign increased at a CAGR of 13.19 per cent, whereas the foreign exchange earnings in Rupees and US \$ increased at CAGR 15.87 and 17.49 per cent respectively, which is far better than any other period in the history of Indian tourism. Average earnings per tourist are highest in India in 2005 with an exception of USA. Foreign tourists are coming to India, but this is despite the fact that the infrastructure is poor, price is high and quality is low. Therefore, the industry should govern itself to ensure that tourists coming to India go back with a feeling that they have been at least given the value for money spent by them.*

### Introduction

**T**ourism is the basic and most desirable human activity deserving the praise and encouragement of all people and all governments. It is worldwide industry and has a tremendous impact on the nation's economy. Rapid development of international travel during the last few decades has brought the farthest section of the world within the reach

of all of us. Realizing the importance of this worldwide industry, the 'Incredible India' campaign was an integrated marketing communication effort by the Government of India in 2002 to promote India as a tourist destination to attract the tourists by showing different aspects of Indian culture and history like yoga, spirituality etc. The campaign was conducted globally and received appreciation from tourism industry observers and travelers.

The present study is divided into four sections. Section-I deals with various policy initiatives taken by the government to promote tourism. Section-II is devoted to analyze the various phases of the "Incredible India" campaign. In Section-III, an attempt has been made to examine the impact of campaign on Indian tourism. Section-IV elaborates the opportunities and challenges for tourism in India.

### **Objectives of the Study**

The present study is conducted to examine the impact of the 'Incredible India' campaign on the tourism industry. In this broader framework, an attempt has been made to achieve the following specific objectives of the study:

- To study the various policy measures initiated by the Government of India to promote tourism in the country,
- To analyze the various phases of the 'Incredible India' campaign,
- To examine the impact of the campaign in terms of foreign tourist arrivals in India, tourism receipts, tourists destinations, etc.
- To highlight the arguments against the 'Incredible India' campaign, and
- To elaborate on the opportunities and challenges of the Indian tourism.

### **Research Methodology**

The present study is of analytical and exploratory nature. Therefore, the use is made of secondary data collected from the various sources such Annual Reports, Ministry of Tourism, Government of India and World Tourism Organization. Various Journals such as Journal of Services Research, Sajosps and the

newspapers like The Hindustan Times, The Times of India, The Economic Times, and The Financial Express are also referred to. The collected data are analyzed to reach at conclusions regarding the various aspects of Indian tourism and presented in the form of tables in the later part of the study.

### **Section-I: Policy Initiatives by the Government**

The first ever Tourism Policy was announced by the Government of India in November 1982, which was more an aggressive statement in marketing than a perspective plan for development. Its main thrust was aimed at presenting India to the foreigners as the ultimate holiday resort. With a view to reach this destination, the measures suggested by the Policy were: to take full advantage of the national heritage in arriving at a popular campaign for attracting tourists; to promote tourist resorts and make India a destination of holiday resorts; to grant the status of an export industry to tourism; to adopt a selective approach to develop few tourist circuits; and to invite private sector participation into the sector.

The Planning Commission recognized tourism as an industry by June 1982. However, it took ten years to make most of the States to fall in line and accord the same status within their legislative framework. At the beginning of the Eighth Plan (1992-97), 15 States and 3 Union Territories had declared tourism as an industry.

The National Committee on Tourism was set up in July 1986 by the Planning Commission to prepare a perspective plan for the sector. The Committee, headed by Mr. Mohammed Yunus submitted its recommendations in November 1987. The Committee in its Report recommended that a National Tourism Board replace the existing Department of Tourism. It also suggested that there should be a separate cadre of Indian Tourism Service to look after the functioning of the Board.

By September 1987, the Central Government declared some concessions for the sector such as tax exemption on foreign exchange earnings from tourism (50 per cent reduction on rupee earnings and a 100 per cent reduction on earnings in dollars), a drastic reduction in tariff on import of capital goods and concessional finance at the rate of 1 to 5 per cent.

The National Action Plan for Tourism, published in May 1992 and tabled in the Lok Sabha on 5<sup>th</sup> May 1992, charts seven objectives as central concerns of the Ministry: socio-economic development of areas; increasing employment opportunities; developing domestic tourism for the budget category; preserving national heritage and environment; development of international tourism; diversification of the tourism product and increase the India's share in world tourism. Other provisions in the Action Plan include a discontinuance of subsidies to star hotels, encouraging foreign investment in tourism and the setting up of a convention city for developing convention tourism. The Action Plan envisages the development of Special Tourism Areas on lines of export processing zones. Special Central assistance is to be provided for the States to improve the infrastructure facilities at the places of pilgrimage.

The thrust areas as enumerated in the Plan include development of selected tourist places, diversification from cultural related tourism to holiday and leisure tourism, development of trekking, winter sports, wildlife and beach resort tourism, exploring new source markets, restoration of national heritage projects, launching of national image building, providing inexpensive accommodation in different tourist centres, improving service efficiency in public sector corporations and streamlining of facilitation procedures at airports. It aims at luring the high spending tourists from Europe and USA. Special area programs like the Hill Area Development Program and the Western Ghats Development Program also form a part of the overall national plan.

In 1991, the think-tank on tourism created by Minister Madhavarao Scindia rejected the idea of creation of Tourism Board suggested by Yunus Committee in toto. It was emphasized that the Board cannot be in charge of a sector that is basically under the jurisdiction of the States. The Government permitted foreign equity participation up to 51 per cent in tourism projects. Foreign companies were allowed to repatriate their profits to the extent of 3 per cent. The structural adjustment programme, initiated in June 1992, paved the way for privatization in almost all sectors of the economy.

The Tourism Policy released in May 2002 has outlined the following policy initiatives for the tourism sector, which have significant impact on tourism sector in terms of tourist arrivals and tourism receipts:

- The new policy is built around the 7-S *Mantra* of *Swaagat* (welcome), *Soochanaa* (information), *Suvidhaa* (facilitation), *Surakshaa* (security), *Sahyog* (cooperation), *Sanrachnaa* (infrastructure) and *Safaai* (cleanliness).
- The policy proposes the inclusion of tourism in the concurrent list of the Constitution so that both the central and state governments may participate in the development of the sector.
- No approval is required for foreign equity up to 51 per cent in tourism projects. Enhanced equity is considered on a case-to-case basis. NRI investment is allowed up to 100 per cent.
- Approvals for Technology agreements in the hotel industry are available on an automatic basis, subject to the fulfillment of certain specified parameters.
- Concessional rates of customs duty of 25 per cent for goods that are required for initial setting up or for substantial expansion of hotels.
- 50 per cent of profits derived by hotels, travel agents and tour operators in foreign exchange are exempt from income tax. The remaining profits can also be exempted if reinvested in tourism-related projects.
- Approved hotels are entitled to import essential goods relating to the hotel and tourism industry up to the value of 25 per cent of the foreign exchange earned by them in the preceding licensing year. This limit for approved travel agents/tour operators is 10 per cent.
- Hotels located in locations other than the four major metro cities are entitled to 30 per cent deduction from profit for a period of ten years.

## Section-II: The ‘Incredible India’ Campaign

In 2002, the tourism ministry engaged the services of Ogilvy & Mather (India) (O & M) to create a new campaign to increase tourist inflows into the country. The “Incredible India” campaign was launched with a series of television commercials and print advertisements. The campaign was based on striking pictures and themes related to India’s cultural legacy. The aim of the campaign was “project India as a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation”.

In the first phase, the campaign was rolled out on some of the major television channels (Discovery, Travel, BBC, CNN) between January and March 2002 to cover the regions like Europe, Asia, Middle East and Africa, Australia and Newzeland. The campaign also made an extensive use of the Internet. In March 2002, the official website of the tourism ministry ([www.tourismofindia.com](http://www.tourismofindia.com)) was redesigned to make it both more attractive and functional. Prospective could even use the website to plan their trip to India. A new website ([www.incredibleindia.org](http://www.incredibleindia.org)) was also launched and the visitors to [tourismofindia.com](http://tourismofindia.com) were automatically rerouted to the new website.

In the second phase of the online campaign, from December 2002 to March 2003, about 100 unique creative on various themes like spirituality, Yoga etc. were used. To increase interconnectivity, several online contests were also held during the period. During 2003, the print campaign focused mainly on spirituality. The aim of the spirituality campaign was to attract wealthy and busy people in the western countries who were looking for ways to recharge themselves. “We want to push wellness and spiritual tourism in a big way. We want visitors to spend a few days at an Ayurveda spa and go back rejuvenated in mind and spirit,” Renuka Chaudhry, the then tourism minister said.

In 2004, in addition to launching a centralized electronic media campaign under “Incredible India”, the Government of India announced its intention to make efforts to improve tourist information facilities at important tourist destinations and circuits, upgrade hotel infrastructure improve approach roads to important tourist sites and enhance air connectivity as well as air seat capacity. The 2004 campaign covered emerging economies like China and those of North-East Asia and South-East Asia. The tourism ministry also organized road shows in Europe.

From August 2004 to March 2005, digital brochures were placed on major websites like Yahoo!, Rediff, etc., and ads for promotional DVDs were carried in major business and special interest magazines. Incredible India postcard inserts were also placed along with all railway tickets bought online. In view of the immense popularity that the game of cricket enjoyed in India, “Incredible India” polls based on cricket were placed on major Indian portals and websites to promote domestic tourism. In the same period, the ministry of tourism held a photography contest, which was advertised on major Indian websites, the contest required participants

to send photos depicting unique aspects of India and explain why they felt their entry, was “uniquely Indian”. The participants stood to win an all-expense paid 4-day/5-night trip to a destination within India.

As part of the “Incredible India” campaign, live online chats with “Incredible Indians” were arranged in February 2005 on Indiachats.com. Some of the celebrities who participated in the chats were Rohit Bal (fashion designer), Amman and Ayaan Ali (Indian classical musicians), Sanjeev Kapoor (chef and host of popular culinary shows on TV), Shankar Mahadevan (music composer and singer), Kiran Bedi (police officer).

In March 2005, ministry of tourism announced its proposal to form a panel of ad agencies that would be responsible for the literature, brochures, website and other works related to the “Incredible India” campaign. The ministry selected 15 agencies including O & M, the agency, which had handled the account until then out of forty-eight agencies expressed their interest in participating. The other agencies, which were selected, were Grey, Leo Burnett, Lintas IMAG, RK Swamy BBDO, Indian Tourism Development Corporation, Vivid India Advertising, Crayons Advertising, BAG Films, Opal Advertising, Span Communications and Pamm Advertising. The newspaper reports suggested that the three-year contract was scheduled to begin from July 2005 and the ad agencies could expect a business of around Rs.700 mn.

In March 2005, a TV campaign “Let us go to India” was launched in Japan and a campaign “Walk with Buddha” in Thailand and China. Several road shows were also organized as part of the “Incredible India” campaign in Milan, Paris, and cities in Serbia and other East European countries. A tram in Berlin, Germany was painted with the “Incredible India” colours and it reportedly became the talk of the town for the top ten countries for tourists to India.

In 2005, the tourism ministry launched several innovative schemes such as “Athithi devo bhava”, “rural tourism”, and “Priyadarshini” under the “Incredible India” umbrella. The **Athithi devo bhava** (the guest is God) programme was a social awareness initiative of the ministry to sensitize the general Indian public to the importance of treating foreign tourists with respect and courtesy. As part of the programme, taxi drivers, guides, immigration officers, tourist police and other people in select cities like Delhi, Mumbai, Hyderabad, Jaipur, Agra, and Aurangabad, who interacted directly with tourists, were trained on personal hygiene, etiquette,

English language skills etc. The then tourism minister, Renuka Chaudhary said, "I have been telling the drivers, 'you must be clean, you must launder your clothes, you must wash your socks'. I think I get away with it because I look so motherly. The ministry planned to train and sensitizes around 75,000 people by the end of 2006 under the programme.

The "**rural tourism**" scheme had the twin objectives of showcasing the uniqueness of the arts, crafts, and heritage of rural India and helping the rural folk benefit from tourism. In the first phase, 63 rural areas were identified and Rs. 5 mn. was allotted to each area for upgrading approach roads, landscaping, cleaning water bodies, maintaining monuments, etc. The ministry joined hands with NGOs to provide a unique experience of rural India to discerning tourists. An exclusive website - [www.exploreruralindia.org](http://www.exploreruralindia.org) - was also launched. Similarly, under the "**Priyadarshini**" scheme, the ministry made efforts to bring more women into tourism-related areas. For example, women were trained to drive vehicles so that they could become tourist taxi drivers. The ministry reportedly spent Rs. 1 bn on the "Incredible India" campaign in 2005.

In early 2006, the tourism ministry organized an online contest called "Come to Paradise". The contest co-sponsored by the domestic airline, Indian, required participants to answer questions on the airline and on the Indian State of Jammu and Kashmir. The prize was a 4-day/5-night vacation in Jammu and Kashmir.

### **Section-III : Impact of the "Incredible India" Campaign**

The Government of India formulated policies and prepared pamphlets and brochures for the promotion of tourism even before 2002 also; however, it did not support tourism in a concerted fashion. As a result, the country attracted very few tourists. A country like France, six times smaller than India, attracted around 20 times the number of tourists that India managed to draw. This was the case in spite of the fact that the France not being able to offer the sheer variety in terms of geography, culture and experiences that India could. It is an indication of the extent to which the efforts of the previous governments to promote tourism had been unsuccessful. However, the tourism ministry made a conscious effort in 2002 to bring in more professionalism in its attempts to promote tourism. It formulated an integrated communication strategy with the aim of promoting India as a destination of choice for the discerning traveler.



The year 2006 has been a highly successful year so far as tourism in India is concerned. For the fifth successive year, India witnessed a positive growth in foreign tourist arrivals reaching a level of 4.43 million against 2.38 million during 2002. The increase of 13.0 and 13.3 per cent during 2006 and 2005 was achieved over 2005 and 2004 respectively. With this growth, the share of India in world tourism, which was hovering between 0.38 per cent to 0.39 per cent for number of years is expected to be around 0.49 per cent as shown in Table-1.

**Table-1: Share of India in World Tourist Arrivals**

<b>Year</b>	<b>World Tourist Arrivals</b>	<b>Tourist Arrivals to India</b>	<b>Share of India in World Tourism (percent)</b>
1995	544.9	2.12	0.39
1996	575.3	2.29	0.38
1997	597.8	2.37	0.38
1998	617.4	2.36	0.38
1999	641.1	2.48	0.38
2000	685.5	2.65	0.39
2001	683.8	2.54	0.37
2002	702.8	2.38	0.34
2003	690.9	2.73	0.39
2004	766.0	3.46	0.45
2005	808.0	3.92	0.49

*Source: World Tourism Organization.*

### **Top Ten International Markets for India**

Top ten international markets for India during 2005 as set out in Table-2 reveals that UK is at the top with 16.5 per cent share in total tourist arrivals in India followed by

**Table : 2 - Share of Top Ten Markets for India in Tourist Arrivals During 2005**

No.	Country	Arrivals (in millions)	Share (per cent)
1	UK	0.647	16.5
2	USA	0.618	15.8
3	Canada	0.156	3.9
4	France	0.151	3.8
5	Sri Lanka	0.137	3.5
6	Germany	0.129	3.3
7	Japan	0.102	2.6
8	Malaysia	0.098	2.5
9	Australia	0.096	2.4
10	Singapore	0.071	1.8
	<b>Others</b>	1.715	43.9
	<b>World</b>	3920	100.0

**Source:** [www.incredibleindia.org](http://www.incredibleindia.org)

USA (15.8 per cent), Canada (3.9 per cent), France (3.8 per cent), Sri Lanka (3.5 per cent), Germany (3.3 per cent), Japan (2.6 per cent), Malaysia (2.5 per cent), Australia (2.4 per cent), Singapore (1.8 per cent) and others (43.9 per cent).

#### **Share of Top Ten Countries in Foreign Tourist Arrivals**

International tourist arrivals and the share of top ten countries as also of India during 2005 are given Table-3. It is evident from the table that France is at the top with 9.41 per cent share followed by Spain (6.88 per cent), USA (6.11 per cent), China (5.79 per cent), Italy (4.52 per cent), U.K. (3.71 per cent), Mexico (2.71 per cent), Germany (2.66 per cent), Turkey (2.51 per cent), Austria (2.47 per cent) and others (52.74 per cent). However, the share of India is only 0.49 per cent with international arrivals of 3.91 million, which further increased to 4.43 million in 2006 showing an increase of 13.3 per cent over 2005. It implies that India needs to do a lot more to become a popular tourist destination and the same can be achieved through a change in policy stance and firm determination.

**Table : 3 - Share of Top Ten Countries in Foreign Tourist Arrivals in 2005**

Country	Arrivals (in millions)	Share (percent)
France	76.00	9.41
Spain	55.58	6.88
USA	49.40	6.11
China	46.81	5.79
Italy	36.51	4.52
UK	29.97	3.71
Mexico	21.92	2.71
Germany	21.50	2.66
Turkey	20.27	2.51
Austria	19.95	2.47
India	3.92	0.49
Other	426.17	52.74
World	808.00	100.11

*Source: World Tourism Organization.*

### **Foreign Tourist Arrivals in India**

International tourist arrivals in India are exhibited in Table-4 (a), which shows that the arrivals increased from 1.68 million in 1991 to 2.36 million in 1998 at CAGR, of 4.35 per cent. On the other hand, a CAGR of 7.23 per cent is observed from 1998 to 2006, where tourist arrivals increased from 2.36 million to 5.00 million. However, the tourist arrivals increased from 1.68 million in 1991 to 4.43 million in 2006 at CAGR of 6.24 per cent. On the other hand, the tourists arrivals increased from 2.38 millions in 2002 to 4.43 millions in 2006 after the implementation of Incredible India campaign at CAGR of 13.91 per cent.

**Table - 4(a) : Foreign Tourist Arrivals in India**

Years	Arrivals (In Million)	Percentage Change
1991	1.68	-
1992	1.87	11.3
1993	1.76	(5.5)
1994	1.89	6.9
1995	2.12	12.6
1996	2.29	7.7
1997	2.37	3.8
1998	2.36	(0.7)
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	(4.2)
2002	2.38	(6.0)
2003	2.73	14.3
2004	3.46	26.7
2005	3.92	13.3
2006	4.43	13.0

*Source: Annual Reports, Department of Tourism, Government of India (various issues).*

Month wise tourist arrivals in India are given in Table-4 (b) which shows that the highest tourist arrivals is recorded, on an average, in the month of June followed by the month of January, February, March and October. However, the overall average increase in foreign tourist arrivals is recorded at 16.8 per cent in post incredible India campaign period.

### **Foreign Exchange Earnings Through Tourism**

Foreign exchange earnings of India through tourism (Table-5-a) increased from Rs.4318 crores in 1991 to Rs.12150 crores in 1998 at CAGR of 18.85 per cent. On the other hand, a CAGR of 10.48 per cent is observed from 1998-2006, where earnings increased from Rs.12150 crores to Rs.29604 crores. However, the foreign exchange earnings

increased from Rs.4318 crores in 1991 to Rs.29604 crores in 2006 at CAGR of 12.72 per cent. On the other hand, the foreign exchange earnings increased from Rs.14195 crores in 2002 to Rs.29604 crores in 2006 after the implementation of Incredible India campaign at CAGR of 15.87 per cent.

In US \$ terms, foreign exchange earnings of India increased from 1861 million US \$ in 1991 to 2948 US \$ in 1998 at CAGR of 5.92 per cent. On the other hand, CAGR from 1998-2006 works out at 8.89 per cent, where earnings increased from 2948 US \$ to 6569 US \$. However, the foreign exchange earnings increased from 1861 US \$ in 1991 to 6569 in 2006 US \$ at CAGR of 8.14 per cent. On the other hand, the foreign exchange earnings increased from 2923 US \$ in 2002 to 6569 US \$ in 2006 after the implementation of Incredible India campaign at CAGR of 17.49 per cent.

**Table: 5(a) - Foreign Exchange Earnings of India through Tourism**

Years	Rs. in Crores	Percentage Change	In Million US \$	Percentage Change
1991	4318	-	1861	-
1992	5951	37.8	2126	14.2
1993	6611	11.1	2124	(0.1)
1994	7129	7.8	2272	7.0
1995	8430	18.2	2583	13.7
1996	10046	19.2	2832	9.6
1997	10511	4.6	2889	2.0
1998	12150	15.6	2948	2.0
1999	12951	6.6	3009	2.1
2000	14238	9.9	3168	5.3
2001	14344	0.7	3042	(4.0)
2002	14195	(1.0)	2923	(3.9)
2003	16429	15.7	3533	20.9
2004	21603	31.5	4769	37.1
2005	25172	16.5	5731	20.2
2006	29604	17.6	6569	14.6

**Source:** Annual Reports, Ministry of Tourism, GOI, (various issues).

Month wise foreign exchange earnings of India through tourism are given in Table-5 (b), which shows that the highest tourist arrivals is recorded, on an average, in the month of October followed by the month of November, December January, February and March. However, the overall average increase in foreign exchange earnings is recorded at 20.3 per cent in post incredible India campaign period.

Another important highlight of Indian tourism during 2005 was the per tourist earnings in India. It was observed that on an average, per tourist foreign exchange earnings in India was about US \$ 1462 against the estimated world average US \$ 844. Even when the average earnings per tourists are compared with those of the top of the world tourism generating countries or with countries in India’s neighborhood, it was highest in India with an exception of USA as can be seen from the Table-6. The high spent in India can be mainly attributed to more number of days spend by a foreign tourist in India compared to other countries besides the visit of high-end tourist to India. According to the foreign tourist survey conducted by India, a foreign tourist from the top 15 international markets for India spend from 7 to 18 days in India, the overall average being 16 days.

**Table: 6-Estimated Foreign Exchange Earnings in 2005**

Country	Average Earnings per Tourist (in US \$)	India’s Neighbourhood	Average Earnings per Tourist (in US \$)
<b>World</b>	<b>844</b>	Sri Lanka	984
France	556	Hong Kong	685
Spain	862	Malaysia	520
USA	1653	Thailand	763
Italy	970	Singapore	892
China	626	Indonesia	863
<b>India</b>	<b>1462</b>		

*Source: World Tourism Organization.*

### ***Arguments against Incredible India Campaign***

Although the Incredible India campaign is generally well received, industry observers differ in their opinions on the positioning of India in the campaign. As India is not a uni-dimentional country like Singapore or the Maldives, therefore, using a word like incredible to describe India

as a whole is inappropriate. The best way to present this complex nation is to ask the people to Discover India.

It is also argued that the content of the ads seem to focus on rural women spinning around with pots on their heads. There is nothing wrong with pushing our history, but by dropping some stuff from modern India we cannot change people's perceptions. India must be marketed as a nation where futurism runs alongside traditions. Some others feel that no doubt, the heritage should be used extensively in the communication campaign. But the heritage aspect alone would not help in the long run and therefore, the country should diversify its tourism products. India needs to be positioned on multiple platforms in multiple markets.

There is an over use of images of the Taj Mahal in the "Incredible India" campaign. The ad campaigns depict the Taj with a clean blue Yamuna river flowing nearby, but the reality is that the Yamuna is polluted and dirty and does not look as depicted in the pictures. If there is a gap between what is promised and what is delivered, tourists would not return. Therefore, we should first set our house in order before showing it as an incredible destination.

Tourism is a matter that fell in the state list, therefore, the central government find it difficult to integrate the "Incredible India" campaign with the tourism promotion campaigns of Individual states. Though the tourism policy of 2002 proposed to bring tourism into the concurrent list so as to enable the state governments and the central government to contribute to the development of the tourism industry, this did not happen. At the state tourism ministers' conference held in September 2002, all but eight states agreed to the proposal of placing tourism in the concurrent list. The states of Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Punjab, Haryana, and Jammu & Kashmir were against the proposal.

Most of the industry experts felt that the incredible India campaign is a step in the right direction. But the need of the hour is not an expensive ad campaign but fundamental improvements in both general as well as tourism-related infrastructure. The multimillion-dollar effort is a futile exercise because India does not have necessary infrastructure to entertain more tourists than it is already getting. Most of the tourist operators feel that tourist-related infrastructure is nonexistent at many tourist destinations in India. Even where it does exist, it is of inferior quality. The Indian Planning Commission's Ninth Five-year Plan also stated that India's tourism

woes were caused by a lack of professionalism unhygienic conditions, lack of easily available information, poor infrastructure, lack of safety, poor visitors experience, restrictive air transport policy, inadequate facilitation services, multiplicity of taxes and low priority accorded to tourism. However, the Government of India had been raising budgetary allocations for tourism over the years, which was Rs.2 bn. in 2002-03, Rs.3 bn. in 2003-04, Rs.5 bn.2004-05, and 7.86 bn. in 2005-06.

Bureaucratic hurdles in the issuing of visas also work to keep the number of tourist down. Foreigners require special permits to enter border areas and politically sensitive areas within the Indian Union. Some of the regions, which require permits, are Siachen in Jammu and Kashmir, Spiti, Samdo, etc. Himachal Pradesh, the Northeastern states of Mizoram, Arunachal Pradesh, Sikkim, Nagaland, and Manipur. The special permits allow foreigners to visit these places for 10-15 days. This causes problems for genuine tourists.

Some industry observers also felt that one Incredible India campaign cannot change the system. It is not a question of budget or innovation but it is a matter of creating a serious brand out of India as tourist destination. We should be extremely aggressive in promoting the tourism options of the country.

No doubt, the issues raised above are important but the achievements after the implementation of the Incredible India campaign are also praiseworthy. Foreign tourist arrivals during this period increased at a CAGR of 13.19 per cent, whereas the foreign exchange earnings in Rupees and US \$ increased at CAGR 15.87 and 17.49 per cent respectively, which is far better than any other period in the history of Indian tourism. Average earnings per tourist are highest in India in 2005 with an exception of USA.

#### **Section IV: Opportunities and Challenges**

As per the projection made by the World Tourism Organization, 1006 million people will cross the international borders for holidays by the year 2010 and this figure is likely to touch 1.5 billion by the year 2020. Tourist arrivals are expected to grow, on an average, at 4.3 per cent per annum in the next two decades and earnings from international tourism are expected to grow, on an average, at 6.7 per cent. The Asia-pacific region has been identified as top emerging region with an estimated growth rate of 7.8 per cent by the year 2020 and the annual earnings are estimated to touch \$2000



in this region. The world's top ten destinations in the year 2020 with tourist arrivals and per cent growth rate per annum (1995-2020) are as under:

Country	Tourist Arrivals (Millions)	Annual growth Rate (Per cent)
China	137.1	8.0
USA	102.4	3.5
France	93.3	1.8
Spain	71.0	2.4
Hong Kong	59.3	7.3
Haley	52.9	2.2
U.K.	52.8	3.0
Mexico	48.9	3.6
Russian Fed.	47.1	6.7
Czech Rep.	44.0	4.0

*Source: World Tourism Organization.*

Above projections show that India has great opportunity to grow in field of tourism, but the challenge is the changed behaviour of the tourists. The tourists of today are very different from any other time in history. They are experienced, more flexible, independent, quality conscious, harder to please, more adventuresome and have sufficient amount of discretionary money available for travel. They are more interested in low impact tourism facilities, which are consistent with the environmental value. There is growing awareness of risks to personal health and safety. Travel is no longer a novelty to the new tourist. The differences in travel patterns in the 21st century are more related to what tourists are seeking in a travel experience than how they travel.

India is bigger than 23 countries of Europe; the seventh largest country in the world in terms of area and every single state of India has its own unique product. In spite of the upward trend in tourist arrivals following the incredible campaign, the fact is that India could receive only a fraction of the number of tourists. Tourism had a multiplier effect on the economy; therefore private-sector participation in improving tourist-related infrastructure must be promoted.

Other tourisms like medical, adventure, pilgrimage, cruise, adventure, shopping wellness, pilgrimage, wildlife, beach and resort, golfing, agro-farming, eco-tourism etc. may be integrated in the “Incredible India” campaign instead of limiting its scope to spirituality or yoga. Medical tourism had the potential to bring in an additional Rs.100 bn. in foreign exchange to the country annually. The numbers are growing at 15 per cent per annum and by 2012, medical tourism is expected to generate \$2.3 bn. annually in India. In order to market India as an attractive destination for cruise tourism, the government constituted a high power steering group in April 2005 to draft a cruise shipping policy. In October 2005, one of the leading cruise liners of the world, Star Cruises, launched operations in India waters, on the Mumbai-Goa-Lakashadweep route. India can attract large number of tourists if it could capitalize on its distinct strengths and their effective marketing. The campaign should move away from being generic to becoming a highly specialized campaign branding India in different niche areas.

Foreign tourists are coming to India, but this is despite the fact that the infrastructure is poor, price is high and quality is low. India should respond to these challenges through the use of technology, innovative marketing programs, better training of staff and by developing closeness and understanding with the customers. Therefore, the industry should govern itself to ensure that tourists coming to India go back with a feeling that they have been at least given the value for money spent by them.

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**Table-4(b) : Foreign Tourist Arrivals in India**

Months	Foreign Tourist Arrivals					Percentage Change				
	2002	2003	2004	2005	2006	2003/02	2004/03	2005/04	2006/05	Average
January	228150	274215	337345	386260	44753	20.2	23.0	14.5	15.5	18.3
February	241133	262692	331697	389081	428325	8.9	29.1	17.3	10.9	16.6
March	216839	218473	293185	367068	407446	0.8	25.2	25.2	11.0	45.6
April	159789	160941	223884	260825	325249	0.7	16.5	16.5	24.7	14.6
May	144571	141508	185502	229172	262860	(2.1)	23.5	23.5	14.7	14.9
June	134566	176324	223122	258822	286257	31.0	16.0	16.0	10.6	18.4
July	178231	225359	272456	292345	331227	26.4	7.3	7.3	13.3	13.6
August	162594	204940	272456	292345	331227	26.0	7.3	7.3	13.3	11.7
September	163089	191339	226773	257184	281102	17.3	13.4	13.4	9.3	13.4
October	213267	260569	307447	347757	394009	22.2	13.1	13.1	13.3	15.4
November	245661	290583	385238	423837	472155	18.3	10.0	10.0	11.4	12.4
December	296474	319271	417527	479411	547488	7.7	14.8	14.8	14.2	12.9
Total	2384364	2726214	3457477	3918610	4429915	14.3	13.3	13.3	13.0	16.8

Source: Bureau of Immigration.

**Table-5(b) : Foreign Exchange Earnings in India**

Months	Foreign Exchange Earnings (Rs. in crores)					Percentage Change				
	2002	2003	2004	2005	2006	2003/02	2004/03	2005/04	2006/05	Average
January	1228.68	1505.06	2084.59	2326.20	2722.07	22.5	38.5	11.59	17.02	22.4
February	1294.42	1441.82	2049.70	2343.18	2635.98	11.4	42.2	14.32	12.5	20.1
March	1176.90	1199.12	1811.71	2210.62	2434.32	1.9	51.1	22.0	10.1	21.3
April	1102.45	1153.00	1368.42	1649.96	2127.44	4.6	18.7	20.6	28.9	18.2
May	946.76	1013.79	1133.82	1452.72	1673.91	7.1	11.8	28.1	15.2	15.6
June	905.79	1263.21	1363.76	1637.29	1847.26	39.5	8.0	20.1	12.8	20.1
July	1253.98	1488.52	1776.60	2048.78	2308.98	18.7	19.4	15.3	12.8	16.6
August	1127.49	1353.66	1651.69	1898.03	2125.47	20.1	22.0	14.9	12.0	17.3
September	1107.53	1263.82	1478.71	1764.06	1958.50	14.1	17.0	19.3	11.0	15.4
October	1111.26	1421.06	1906.36	2185.34	2701.06	27.9	34.2	14.6	23.6	25.1
November	1351.30	1584.74	2388.71	2671.88	3190.95	17.3	50.7	11.9	19.4	24.8
December	1588.44	1741.20	2588.93	2984.19	3669.44	9.6	48.7	15.3	23.0	24.2
Total	14195.0	16429.0	21603.0	25172.25	29603.56	15.7	31.5	16.5	17.6	20.3

Source: Reserve Bank of India