

ENTREPRENEURIAL OPPORTUNITIES IN HOSPITALITY INDUSTRY THROUGH BED & BREAKFAST SCHEME: SPECIAL REFERENCE TO TAMILNADU

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Abstract:

Tourism is one of the world's fastest growing industry as income is generated by the spending of goods and services required by tourists. The tourism industry is therefore very important to the well being of many countries. In India, The Ministry of Tourism India focus on getting more tourists by providing necessary facilities for them. For which the concern authorities formulating policies, new plans, schemes and projects. Through these policies, the government called for effective coordination of public participation to achieve synergy in the development of tourism. As a result, a new scheme called "Bed and Breakfast" has been introduced by the government of India. As a consequence of this present paper had made an attempt to create familiarity about Bed and Breakfast Scheme and its entrepreneurial opportunities in Tamilnadu.

KEYWORDS:

Bed & Breakfast, Tourism Industry, Entrepreneurship Opportunity.

INTRODUCTION

Tourism is one of the largest service industry in terms of gross revenue and foreign exchange earnings. Its role and importance in fostering economic development of a country and creating greater employment opportunities has been well recognized worldwide. In India, the tourism industry has the potential to grow at a high rate and ensure consequential development of the infrastructure. It is also a major contributor to the national integration process of the country and encourages preservation of natural as well as cultural environments. The Ministry of Tourism plays a crucial role in formulating national policies and incentives as well as in coordinating the efforts of the State/Union Territory Governments and the private sector for promotion of tourism. "Bed and Breakfast" was one of the scheme which by introduced Tourism Department in 2001-2002, The scheme derives inspiration from a quote of Late Pundit Jawaharlal Nehru, but it hasn't been rigorously reached to people and tourists. This paper lends entrepreneurial opportunities in hospitality industry through bed and breakfast scheme and creates awareness among people about the importance of tourism, how to identify and plan tour options and on how to be an enlightened tourist.

GLOBAL PERSPECTIVE

The Travel and Tourism (T&T) industry directly contributes about 3.6% of the world's Gross Domestic Product (GDP) and indirectly contributes about 10.3% to it. As one of the biggest contributors to the global GDP, this industry directly employs nearly 77 million people worldwide, which comprises about 3% of the world's total employment. Travel and Tourism industry also contributes to indirect employment generation to the tune of 234 million or 8.7 % of the total employment implying that one in every twelve jobs in the world is in the tourism industry. The industry also represents about 12% of the total world

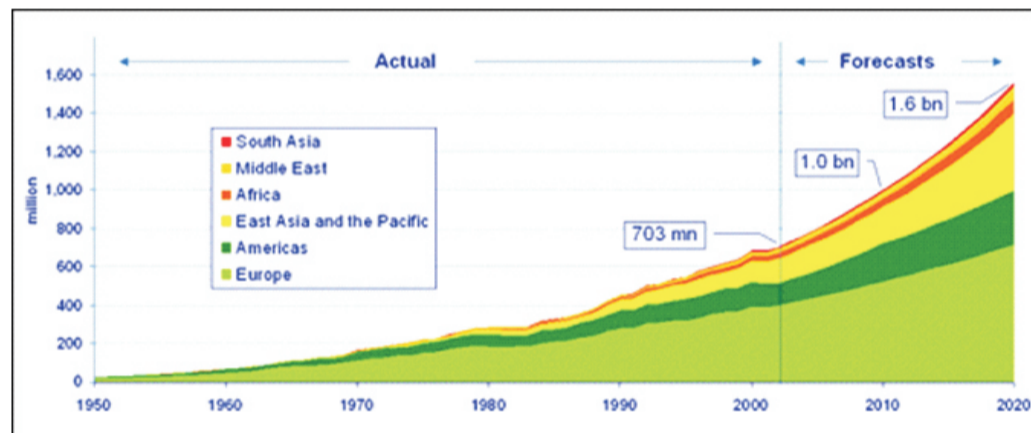
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exports. (Source: Reserve Bank of India for 2011, 2012)

Global market trends indicate that long-haul travel, neighbouring country tourism, rural and ethnic tourism, wellness and health holidays, cultural tourism, spiritualism, ecotourism, sports and adventure holidays, and coastal tourism and cruises are a few emerging areas of tourist interest. From a geographic viewpoint, there has been a remarkable rise in Asian tourists, particularly from China and East Asian countries. Further, the average age of the international tourist has also been reducing representing a growing segment of young tourists who would typically travel to take a break from increasingly stressful professional lives.

Given the above factors, robust growth in tourism is likely to continue in the coming years. The Worldwide long-distance travel is likely to grow faster (5.4% each year) than travel within regions (3.8%). Continuing world prosperity, growing recognition of tourism's contribution to employment and economic growth, availability of better infrastructure, focused marketing and promotion efforts, liberalization of air transport, growing intraregional cooperation, and a growing number of Public-Private-Partnerships (PPPs) are seen as the key drivers for tourism in the next decade.

FIGURE: 1
WTO Forecast for Tourist Arrivals



Source: World Tourism Organization

INDIAN PERSPECTIVE

India is one of the top tourism destinations in Asia, according to a CNN global travel survey. The country has received 3.3 million foreign tourists during the period January to June 2013. The Government of India has allowed 100 per cent FDI in the hotel sector on automated basis. The allocation for Ministry of Tourism in the Union Budget 2013-14 has been increased by Rs 87.66 crore (US\$ 14.67 million) to Rs 1,297.66 crore (US\$ 217.22 million). (Source: Reserve Bank of India for 2011, 2012)

The Indian tourism sector needs an urgent image makeover and higher investment in infrastructure, including through public-private partnership (PPP) mode to capitalize on opportunities provided by overall growth in world tourist arrivals, according to the Economic Survey 2012-2013. Moreover, improvements in this industry, with a growing pool of entrepreneurs, are attracting tourists from all across the globe.

Tourism industry has become one of most important economic sections in few past years that plays important role in business development. Entrepreneurs with a taste for adventure have a unique opportunity in Indian tourism. To put it simply India is outperforming all its competitors in tourism. The minister revealed that foreign tourist arrivals (FTA) during the Month of June 2013 stood at 4.44 lakh as compared to during June 2012, registering a growth of 2.5 per cent. (Source: Reserve Bank of India for 2011, 2012)

Foreign exchange earnings (FEE) during the month of June 2013 were US\$ 1.2 billion as compared to FEEs of US\$ 1.15 billion during June 2012, registering a growth of 4.3 percent. The Visa on Arrival (VOA) scheme of the Government of India has registered a growth of 22.9 percent during June 2013. During the month, a total number of 1,062 VOAs were issued as compared to 864 in June 2012. and Bureau of Immigration, India)

One of the upsides of investing in the tourism business is that it has an unparalleled ability for job creation and poverty alleviation. This is especially important in India where jobs are in short supply and tourism is known as a catalyst for job creation. International tourism increasing year-on-year (y-o-y) and the continued strength of domestic tourism, India will see incredible opportunities for growth.

The ministry of tourism focuses on getting more tourists and creates facilities for them. They are formulating new plans, schemes and projects and most of them are in the private sector. The "Incredible India" campaign is only intended to woo tourists to India. The current tourism development plan is giving clear emphasis on investment and infrastructure oriented growth.

AN OVERVIEW OF BED & BREAKFAST SCHEME

"Bed & Breakfast" means a dwelling used by a resident of the dwelling to provide accommodation for persons (generally for no more than 6 persons or 1 family) away from their normal place of residence on a short term commercial basis, where occupation by any person is limited to a maximum of 3 months in any 12 month period, and includes the provision of breakfast.

The requirements for Bed and Breakfast Scheme:

1. Location:

According to the Government specifications, in respect of residential and rural residential land, the dwelling should be adjacent to, or within, reasonable proximity to the main access road within the town.

2. Car Parking:

Provision for car parking should be there at the rate of 1 car-parking bay per guest room.

3. Facilities:

- a) Breakfasts should be provided with the relevant health regulations.
- b) The dwelling must provide separate bedrooms for guests and separate toilet and bathroom facilities.
- c) Guest rooms shall not be self-contained, however ensuite and bathroom facilities may be provided within each room.

4. There has to be proper water supply in the room.

Training for helpers (Bed and Breakfast scheme providers) some of the tourists desire to get accommodation at nominal rates and at the same time with hygienic conditions. There are also tourists who wish to experience the local life style. To meet the demands of such tourists, "Bed and Breakfast" scheme was introduced by Tourism Department in 2001-2002.

The scheme derives inspiration from a quote of Late Pundit Jawaharlal Nehru, which goes like this "Receive a guest and send back a friend ". Under this scheme, a house owner can let out a few rooms to tourists. During the stay of the tourists in his house, the tourists will be provided with accommodation and food by the house owner.

During the period 2001-02 to 2003-04 as many as 3,258 tourists had availed of this scheme. The house owners require the services of helpers to attend to the needs of the tourists. Hence, in 2004-2005 it is proposed to train such helpers in the field of health and personal hygiene, cleanliness, basic service techniques, basic nutrition values etc. The Minister of Tourism & Culture, Smt. Ambika Soni launched the 'Incredible India Bed and Breakfast Scheme' to augment the availability of rooms for tourists. Under the scheme, the house owners can offer up to 5 rooms or 10 beds with good comfortable beds, working space, air-conditioning facilities as well as attached western toilets.

The house owner will also be required to provide Indian/Continental breakfast to the guests and display the rates to be charged for rooms as well as breakfast. It has also been decided to build up required inventory of budget category rooms through recognition of spare rooms available with various house owners in NCR Delhi by classifying these facilities as "Incredible India Bed & Breakfast Establishments", under 'Gold' or 'Silver' category. This facility will make rooms available at affordable cost for the common tourists, who wish to visit India and also give them an opportunity to stay with Indian families and experience the Indian culture. This will be a unique opportunity for house owners, especially the house wives, because, once their spare rooms are recognized under B&B Scheme, they will get an opportunity to

earn that extra income being at home.

An integrated publicity campaign is being launched by the Ministry of Tourism to facilitate and motivate house owners to apply under the scheme. The houses, once registered with Ministry of Tourism, will be promoted through e-commerce platform of Incredible India website. This e-commerce platform will provide travel agents, tour operators, airlines, state tourism corporations and most importantly small and medium entrepreneurs like bed and breakfast suppliers, an opportunity to avail of the twin benefits of promotion and publicity through Incredible India platform as well as creation of secure payment gateway for online booking of their respective products.

Tamil Nadu is being promoted as an enchanting destination for holidaying in southern India and tourism is a major contributor to the State's economy. More than 25 million domestic tourists and 1.8 million foreign tourists visit the State every year. Statistics show that 30% of the foreign tourists visiting India also visit Tamil Nadu.

Tamil Nadu Tourism is keen on implementing innovative strategies to improve the Tourism growth of the State. "Bed and Breakfast" scheme is formulated to encourage the locals to participate in the scheme and also increasing the room capacity in the State. A seminar was conducted at six places in Tamil Nadu to implement this scheme.

After conducting inspection of the houses Tourism Department has short listed Seventy seven (77) Bed and Breakfast service providers from various Districts of Tamil Nadu for the benefit of tourists. Another list will be added on completion of inspection procedure.

TABLE: 1
Foreign Tourist Arrivals in India, 2002-2012

Year	FTAs in India (in million)	Percentage change over previous year
2002	2.38	-6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	-2.2
2010	5.58	9.3
2011	6.30	13.0
2012	6.65	5.4

Source: Bureau of Immigration and Ministry of Tourism, GOI

TABLE: 2
Foreign Exchange Earnings from Tourism in India,
(2002-2012)

Year	FEE from tourism in India (in US \$ million)	Percentage change over previous year
2002	3103	-3.0
2003	4463	43.8
2004	6170	38.2
2005	7493	21.4
2006	8634	15.2
2007	10729	24.3
2008	11832	10.3
2009	11136	-5.9
2010	14193	27.5
2011	16564	16.7
2012 (Jan-Jun)	8455	8.2

Source: RBI and Ministry of Tourism, GOI

TOURIST ARRIVALS TO TAMILNADU

In the year 2011, 1400.59 lakhs tourists visited Tamil Nadu. During the year 2012, tourist arrival was 1876.99 lakhs.

Foreign Tourist Arrivals : Tamil Nadu stands SECOND next to Maharashtra
 Domestic Tourist Arrivals : Tamil Nadu stands THIRD next to Andhra Pradesh & UP.

TABLE: 3

Sl.No	Year	Domestic	Foreign	Total	Growth Rate
		Lakhs			
1	2010	1030.10	20.05	1058.15	31.60
2	2011	1367.51	33.08	1400.59	32.36
3	2012	1841.37	35.62	1876.99	34.01

Source: Tamilnadu Tourism, Culture and Religious Endowments Department.

Implications of the targets

Following are the implications of the targets to be achieved in respect of FTAs and Domestic Tourism during 12th Plan.

(i) Foreign Tourist Arrivals

Numbers of FTAs in 2016 are estimated to be 11.24 million. Number of Foreign Tourist Visits (FTVs) in 2016 will be 35.96 million.

(ii) Domestic Tourism

Number of Domestic Tourist Visits (DTV) in 2016 is estimated to be 1451.46 million.

From the above data it can be interpreted that the number of foreign tourists in India shows an increasing trend. It shows an accelerated growth in terms of foreign tourism. The government of India has taken the right step by promoting the bed and breakfast scheme. Most of the tourists are attracted to the country mainly because it provides economical prices for to them.

ACTION PLAN FOR THE TAMILNADU

The following action plan should be implemented in the next five years to achieve the above objectives and the long-term vision for 2023.

Development of infrastructure at tourist destinations: Various tourism facilities such as accommodation facilities, eateries, toilets, information centres, etc. would be developed at all destinations. For this, the incentive policy proposed will encourage private partnership in tourism related activities and infrastructure development. Access to weekend destinations (hill-stations, beaches, etc.) near major cities in Tamilnadu would be given preference.

Accessibility to tourism destinations and wayside amenities: Approach roads would be identified to various tourist destinations in Tamilnadu. The roads would be assessed for suitability (carrying capacity, quality, etc.) and would be considered for further development. Wayside amenities would also be planned while developing roads. In addition, rail linkages and air connectivity to important tourism destination must be strengthened by coordination with the concerned departments and Ministries.

Development Control Regulation at destinations: 'Development Control Regulations' would be prepared to work as guidelines for development at and around important tourism destinations/ areas.

Strengthening of Bed and Breakfast scheme: The Bed and Breakfast scheme creates facilities for travellers at remote destinations (where hotel accommodation is not available) and provides income to the local people. With the increasing interest in the rural way of life and the advent of rural tourism, the Bed and Breakfast Scheme offers excellent potential for the mutual benefit of tourists and the local population. This Scheme will be strengthened to form a part of rural Micro-financing projects.

Recreational facilities at destinations: Entertainment facilities such as children's sports, horse rides, light and sound shows (based on feasibility) will be arranged at selected destinations. Providing recreation and entertainment at tourism destinations can convert day tourists into staying tourists.

Public-Private-Partnership (PPP): Specific destinations and monuments would be identified where public private partnership is possible. Conservation plans would be prepared for the identified monuments. The concept of Public Private Partnership would also be applied to the development of resorts at select destinations and for the organization of festivals.

World Heritage Sites: Conservation and tourism development of three heritage sites (Mamallapuram, Madurai, and Tanjore) are covered under external funding. Special attention will be given to the newly declared site –Gangaikonda Cholapuram.

Cultural Tourism: Distinctive aspects of Tamilnadu's rich culture and tradition would be identified and

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promoted as an integral part of Tamilnadu's tourism. Identify and promote the State's folk arts and organize folk dance and music programmes at tourist destinations Prepare and organize a calendar of festivals specially focused to attract tourists. Local cuisine would be identified and promoted at TTDC resorts. Food festivals showcasing various types of Chettinadu cuisine would be organised. Identify local meals/festivals that have been traditionally held for many years to showcase these traditions.

Crafts: Since Tamilnadu has a number of exclusive handicrafts; the government would undertake the following activities to promote the handicrafts industry in the state:

Appoint a design agency to develop products based on local crafts.

Based on their recommendation, training will be arranged for artisans to develop various products.

Develop and promote the State's handicrafts industry through e-commerce.

Handicraft artisans of various crafts would be identified. Quality of the products would be standardized and products would be marketed through e-commerce.

On-line /e-commerce application would be developed and backward linkages would be established with the artisans.

Simultaneously, marketing support in terms of providing common sale outlets like bazaars would be provided for handicraft products.

Pilgrimage Circuits: Tamilnadu is known for its pilgrimage centers like the Chola Temple (Srirangam, kumbakonam), Shore Temple like Mamallapuram, Nayak and Pandiya Temple (Meenakshi Amman Temple, kudal Alagar Temple, Alagar Temple). Pilgrim circuits can be developed, connecting these pilgrimages. Maintaining sanctity and cleanliness at the place of pilgrimage is of utmost importance to provide an enhanced experience and attract more tourists. Tamilnadu tourism would assist the Urban Development Department and Rural Development Department for preparing a development model, which can be applied to all pilgrimage sites. However, the nodal department will be the Urban Development Department / Rural Development Department.

Rural Tourism: Rural Tourism, Agricultural Tourism & Study Tourism will be promoted considering state potential & varieties existing in our state.

Fort /Fort Circuits: Tamilnadu has a large number of forts like as Gingee Fort, Vellore Fort, Trichy and Dindigul Hill Fortress which are valued not only for their historical significance but also for their architectural excellence. The Government of Tamilnadu in coordination with State Archeology develops and conserves these forts for realizing their tourism potential.

Information Kiosks: Government of Tamilnadu would create kiosks at important airports, railway stations, bus stations and important public places to provide tourism information on an interactive basis with links to the tourism portal and on-line booking systems.

CONCLUSION

Bed and Breakfast Scheme if vigorously promoted by the Tamilnadu government and if given proper boost, would definitely attract more and more tourists should visit in Tamilnadu. There is an opportunity for Indian Tourism Industry to reach new heights. Specifically, Tamilnadu can make good revenues in the following areas of tourism

Heritage and cultural tourism

Pilgrims tourism

Medical tourism

Eco tourism

Adventure tourism

Rural tourism

Study tourism.

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