

THE ROLE OF ENTREPRENEURSHIP IN TOURISM SECTOR WITH REFERENCE TO UDUPI DISTRICT

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Abstract

The tourism sector of Indian Economy is at present experiencing a huge growth. The Tourism sector has become one of the Industrial Sector under the Indian Economy. Entrepreneurial philosophy ultimately reduces unemployment rate, particularly educated youth. Examining tourists industry and tourism industry processes are the principal phase to empowering the educated youth to undertake tourism entrepreneurship business. The main objective of this study is to examine the Entrepreneurial behaviour in Tourism Sector. Entrepreneurship as a field of study is relatively young concept. The amount of attention given to the role of entrepreneurs in economics has wanted in modem economic theory. The Tourism and the elements necessary for small and medium enterprises in the current economy to increase their competitiveness, improve efficiency and business activity in this area.

Key words:

Entrepreneurship,

Business,

Tourism,

Organization

1. INTRODUCTION

Entrepreneurs are the talk of town. Everyone is recognizing their role in development of this country. Government has started new courses on this, training centres have been developed to nurture natural talent of entrepreneurs. Government is seeing entrepreneurship the only solution of its increasing employment demand and that's true. An entrepreneur is a true wealth creator, a magician who creates wonders out of nothing and that's how countries are growing. Indian entrepreneurs also have done great things in past and seems committed to follow in the future.

Tourism has capability to transform entire society and bring foreign wealth through the easiest way. One of the fastest growing industry, great demand and relaxed environment makes it one of the most demanding industries. Place where industrial input is less has been converted to tourist hub and it has just brought surprising results. Almost every state in India is eyeing for this tourism pie through various means.

Tourism is an activity in which people leave their own place to visit another place of business, entertainment, education etc. It is an economic activity of revenue generation.

Tourism today represents preservation of quality life and also conservation of our rich heritage and culture. Tourism also creates employment opportunities, both skilled and unskilled. Thus tourism has become the second largest revenue earning service sector. Sound tourism policies and the programmes are the major pillars of tourism revenue generation.

The travel and tourism sector holds strategic importance in the Indian economy providing several socio economic benefits. Provision of employment, income and foreign exchange, development or expansion of other industries such as agriculture, construction, handicrafts etc. are some of the important economic benefits provided by the tourism sector. In addition investment in infrastructural facilities such as transportation, accommodation and other tourism related services lead to an overall development of infrastructure in the economy.

Tourism is an economic activity of immense global significance. The tremendous growth in tourism in recent times at the global level is due to various factors such as the impact of globalization, emergence of the global

village and preference for overseas jobs in general. According to world Tourism organization (WTO), “Tourism enriches individuals, families, communities and the entire world”. Tourism enhances the quality of life, preserves the national heritage and encourages the appreciation of diverse cultures both by domestic and foreign tourist. Today tourism is one of the leading job creators and plays a vital role in the balance of payments of many countries.

Tourism is the association of various products and services such as accommodation, transportation, food and beverages, attraction and local products, Hence tourism is the sum total of service providers.

The word development is used in so many ways that its precise connotation is often baffling. Nevertheless, economic development essentially means a process of upward change whereby the real per capita income of a country increases over a long period of time. Then, a simple but meaningful question arises: what causes economic development? This question has absorbed the attention of scholars of socio-economic change for decades. In this section, we attempt to shed light on an important aspect of that larger question, the phenomenon of

entrepreneurship. The one major issue we address here is: what is the significance of entrepreneurship for economic development? Does it add important independent influences to that of other factors widely agreed to promote economic development.

Adam Smith, the foremost classical economist, assigned no significance to entrepreneurial role in economic development in his monumental work “An Enquiry into the Nature and Causes of the Wealth of Nations”, published in 1776. Smith extolled the rate of capital formation as an important determinant of economic development. The problem of economic development was ergo largely the ability to save is governed by improvement in productivity to the increase in the dexterity of every worker due to division of labour. Smith regarded every person as the best judge of his own interest who should be left to pursue it to his own advantage.

2. OBJECTIVES OF THE STUDY

The brief objectives of the study are

1. To know the entrepreneurial behaviour on tourism sector.

2. To analyse socio-economic background of entrepreneurs who started their business in tourism industry in Udupi district.
3. To analyse perception of entrepreneurs regarding stage of tourism in Udupi district.
4. To assess relationship between entrepreneurs' growth with tourism.

3. RESEARCH METHODOLOGY

This paper is based on conceptual study. For this purpose the primary data is collected from the respondents. A total of 25 entrepreneurs doing business in the field of tourism

industry were taken for primary data collection. The data used in the paper are both the primary data as well as secondary data. With regard to the sampling plan, the simple random sampling is used for the purpose of collecting the data. The primary data collection was done with the help of structured questionnaire. The secondary data were collected from the journals and surfing on the Net.

4. ANALYSIS OF DATA AND FINDINGS

Simple percentage analysis was used to analyses, the collected data. It states the frequency and percentage of the profile, attitude and opinion regarding the people.

Table 1: Age of the respondents

AGE	NO.OF RESPONDENTS	PERCENTAGE
Below 18	-	-
18-29	8	16
30-49	23	46
50 and above	19	38
Total	50	100

Source: Primary data

The Table 1: shows that most of the Respondents are from 30-49 age and few of the Respondents are from 18-29 Age

but no one from below 18 age. This indicates that 30-49 ages of respondents are more interested in carrying business.

Table 2: Gender of respondents

GENDER	NO.OF RESPONDENTS	PERCENTAGE
Male	44	88
Female	6	12
Total	50	100

Source: Primary data

The above table 2 shows that Male respondents represent 88% and Female represents 12%. This clearly states that

Women's role in Entrepreneurship in Udupi district is so less as compared to men.

Table 3: Educational Qualifications of respondents

QUALIFICATION	NO.OF RESPONDENTS	PERCENTAGE
Up to 12 th	11	22
Graduation	32	64
Post-graduation	7	14
Total	50	100

Source: Primary data

The Table 3 indicates Education qualification of Respondents. 64% of majority Respondents were completed

Graduation and Least no of respondents were completed Post-Graduation.

Table 4: Previous job Experience profile of the respondents

OPTION	NO.OF RESPONDENTS	PERCENTAGE
Yes	19	38
No	31	62
Total	50	100

Source: Primary data

The above table 4 shows that Majority of 62% had no previous job Experience in Enterprise.

Table 5: Nature of Business of the respondents

BUSINESS TYPE	NO.OF RESPONDENTS	PERCENTAGE
Travel agency	20	40
Restaurant/Bar	10	20
Hospital	2	4
Hotel	14	28
Other	4	8
Total	50	100

Source: Primary data

From the above table clearly shows that 40% of respondents were running Travel Agency Business. So our most of the respondents are from Travel Agency Business.

Table 6: Training- wise Profile of Respondents

OPTION	NO.OF RECONDENTS	PERCENTAGE
Yes	12	24
No	38	76
Total	50	100

Source: Primary data

The Table 6 indicates Training wise profile of the Respondents. 76% of respondents in Udupi District had not taken any training and 24% of Respondents were taken Training before starting the Business.

Table 7: Initial Investment of the Entrepreneurs

INVESTMENT	NO.OF RESPONDENTS	PERCENTAGE
Below 5,00,000	28	56
5,00,000-25,00,000	18	36
25,00,000-50,00,000	4	8
50,00,000 & Above	-	-
Total	50	100

Source: Primary data

The above table 7 shows that initial investment of the Entrepreneur were below 500000. This encourages other to start the Business.

Table 8: Ownership Profile of Entrepreneurs

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Proprietorship	26	52
Partnership	20	40
Family Business	4	8
Total	50	100

Source: Primary data

From the above table clearly states that most of the Respondents ownership profile is Proprietorship. This indicates sole Proprietor can easily manage small and Medium Business.

Table 09: Source of funds used in the Entrepreneurship

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Own funds	10	20
Loan from banks	22	44
Loan from financial institutions	16	32
Others	2	4
Total	50	100

Source: Primary data

The Table 9 represents Source of Funds used in Entrepreneurship. 44% majority respondents used source of Funds from Banks. This clearly states that Banks are playing an important role in development of Enterprise.

Table 10: Challenges and Issues while starting the Business

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Delay in getting finance from Banks and other Institution	17	34
Family Problem	-	-
Obtaining Licence from	24	48

Government		
Other	-	-
No Challenges faced	9	18
Total	50	100

From the above table 10 clearly shows that Most of the Respondents facing challenges and issues while starting the Business because of Obtaining Licence from Govt.

and some of the least respondents were not faced any challenges while starting the Business

Table 11: Challenges in Running the Business

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Inadequacy of Working Capital	10	20
Labour Problem	5	10
Adopting Technology	3	6
Competition	32	64
Others	-	-
Total	50	100

The Table 11 shows Challenges in running the Business which indicates 64% majority of respondents facing challenges because

of Competition while running the business. Small 6% of Respondents because adopting technology.

Table 12: Monthly Turnover of Business

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Below 100000	11	22
100000 to 500000	35	70
500000 to 1000000	4	8
Above 1000000	-	-
Total	50	100

From the above table it is clear that 70% of Majority of respondent's monthly turnover is 100000 to 500000 and small number of

respondent's monthly turnover is 500000 to 1000000.

Table 13: Location of Business

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Tourist Destination	14	28
Availability of Skilled Labour	2	4
Marketing Facilities	25	50
Nearness to Home/ Own Building	9	18
Total	50	100

The table 13 indicates Location of Business, 50% represents Majority of respondents business is located in the area

of where marketing facility is more. This clearly states that most of the Enterprise is located where tourists are more.

Table 14: Stages of Tourism Sector in Present Scenario

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Start up	8	16
Advancing	38	76
Stagnant	4	8
Decline	-	-
Total	50	100

The table 14 shows the perception of entrepreneurs in tourism sector, 76% respondents opinion that tourism sector is

running advancing stage in present scenario. So this perception which indicates tourism sector is running in development process.

Table 15: Facilities provided to Customer in Enterprise

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Discount / Offer	14	28
Debit Card/ Credit Card	10	20
Online Booking	12	24
Transportation	6	12
All the Above	8	16
Total	50	100

From the above table 15 it is clear that the growth of the tourism sector and most of the enterprise providing different Enterprise facilities for customers. This encourages

Table 16: Marketing and Promotional Strategy in Enterprise

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Advertising	12	24
Product Differentiation	8	16
Word of Mouth	14	28
Quality Control	14	28
Others	-	-
All the Above	2	4
Total	50	100

The above Table 16 indicates most of the Marketing and Promotional Strategy in Enterprise is by word of mouth and Quality control. And Small respondents were adopted all types of promotional and

marketing strategy. This clearly indicates most of the enterprise attracts customers through their strategy. This helps the growth of the Enterprise as well as tourism sector.

Table 17: Economic Development is Possible through Entrepreneurship in Tourism Sector

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Yes	50	100
No	-	-
Total	50	100

The Table 17 shows 100% of respondents through Entrepreneurship in tourism sector perception is Economic development is possible.

Table 18: Role of Tourism Sector in Economic Development

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Employment Opportunity	16	32
Improvement in GDP	14	28
Improvement of Standard of Living	14	28
Exchange of Foreign Currency	6	12
Total	50	100

The Table 18 represents Role of Tourism Sector in Economic development, 32% of respondents perception is Employment opportunity is more and 28% of respondent's perception is improvement in GDP and Standard of living because of Tourism Sector. This clearly implies Tourism sector playing an important role in Economic development.

Table 19: Implementation of GST effected in Enterprise

TYPE	NO.OF RESPONDENTS	PERCENTAGE
Yes	12	24
No	38	76
Total	50	100

From the above table 19 it is clear that Most of the Respondents opinion that implementation of GST is not effected to their Enterprise.

5. MAJOR FINDINGS

- It has been found that most of the Entrepreneurs not taken any training before starting their carrier in Enterprise.
- Majority of Respondents initial investment was below 500000
- It has been observed that majority of the Entrepreneurs ownership profile is Proprietorship.
- Entire observation shows many of Entrepreneurs uses source of funds from Banks which helps them to run their business
- In relation to the challenges and Issues while starting the business, most of the respondents suffered in obtaining the license and Delay in getting finance and Loan from Banks and other Institution
- The observation shows that majority of Enterprise located in where marketing facility is more
- In relation to the perception of respondents about Stages of tourism Sector in Udupi District, Most of the opinion that tourism sector is in advancing stage.

- Entire observation shows that majority of enterprise providing offer to the customers to attract them
- It has been found that majority of enterprise using word of mouth and quality control strategy for marketing and promotion.
- 100% of the entrepreneurs opinion that tourism sector playing an important role in Economic development
- It has been found that 76% of enterprise is not affected through implementation of GST.

SUGGESTIONS

- Tourism related infrastructure and services should be expanded and further developed
- Government should adopt the policy of tourism promotion through offering incentives and marketing.

6. LIMITATIONS OF THE STUDY

- Lack of Statistical tools
- Time constraints
- Size of the sample (respondents) taken in this study is restricted to 25 respondents.

- There is a strong challenge to meet the owners due to their tight schedules and some of them are reluctant to answer as they took it more personal

7. CONCLUSION

Tourism with Multidimensional has evolved one of the largest and lucrative industries of the new millennium. Despite varied and rich cultural heritage, India's share in world tourism has been reported to be dismal. This study has found that Tourism industry has potential to solve problem of unemployment and reducing poverty as well as Entrepreneurship playing an important role in tourism development.

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