

Saimaa University of Applied Sciences  
Business Administration, Lappeenranta  
Degree Program in International Business

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# **TOURISM BUSINESS ENVIRONMENT ANALYSIS CONDUCTED FOR KERALA/INDIA**

Bachelor's Thesis 2010

## ABSTRACT

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1 appendix

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The subject of this thesis is to analyze the tourism business environment of the Indian state Kerala. This is done under the assumption that tourism is a product of sale. Therefore a descriptive methodology is used.

The work is divided into two parts: the theory and application to the case. Within the theoretical part a basic description about tourism concepts and the included components is given to understand the complexity of the topic. Furthermore, four scientific models are shortly explained in order to identify the most suitable ones for the business environment analysis. By comparison the global forces model and the SWOT analysis were chosen. An adapted combination of both focusing on changing modes in global forces and the categorization of the identified changes into internal and external aspects, not considering any competitors, identifies the business environment Kerala`s tourism sector is operating in. In the second part the chosen models are used to conduct an adapted tourism business environment analysis for Kerala. The used information was gathered from books, internet sources and tourism magazine articles.

The result of this thesis identified that the business environment Kerala is operating in is quite comforting regarding the utilized sources and analysis methods. Threats, like changing climate and economy are rather marginal; opportunities such as ageing tourists or changes in technology may attract more tourists. But also negative aspects concerning local environment and societies are identified which have the potential to deconstruct tourism`s own foundation and therefore they might influence the business environment in the future. Furthermore it can be stated that the Department of Tourism as the driving force for the development of tourism in Kerala.

Keywords: tourism, tourism influential factors, tourism environment, tourism environment analysis, Kerala, Global Forces model, SWOT analysis

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# 1 INTRODUCTION

India has the image of an exotic and spiritual destination. Its geographic diversity varies from mountainous regions to deserts. Numerous foreigners visit the country every year experiencing the fascinating unique culture and nature. India is divided into 28 states and seven union territories. Each state differs from the others and possesses its own tourist attractions. It is interesting to see how a developing country with immense internal infrastructure, population and poverty problems handles and expands tourism. One of the states is Kerala, situated in the South-West. Since the author completed a five-month internship in Kerala and got in touch with the local tourism industry, the idea was born to conduct the thesis especially for this state. The purpose of this work is to analyze and describe the tourism business environment in Kerala. Therefore a descriptive methodology is used in order to examine the factors and components supplying, influencing and threatening the tourist business and the consequences for further performance.

The analysis of Kerala's tourism business environment results in a portfolio of external influential factors forming the basis for future marketing plans. The resulting information could be utilized by those included in local tourism performance. This mainly includes the Department of Tourism, Government of Kerala but also hotel chains and restaurants; airlines or even infrastructure development.

The composition of this paper is based on the fundamental idea to identify Kerala's tourism business environment. The related aspects of a product analysis are assumed as given and not part of this work. Although for strategic and marketing planning decisions a carefully conducted analysis of these topics is inevitable, it is not the purpose of this thesis to deal with them in detail. Needed background information about market segments, target markets and communication channels is given in chapter 4 and is assumed as preconditioned for the case application. The knowledge about them could be used for further marketing actions. Furthermore the chapter includes information

on the state itself, involved protagonists, marketing campaigns and the tourism industry in Kerala

The structure of the thesis is composed as follows. Starting with a product analysis, a detailed introduction about the general tourism concept is given. It is explained which different aspects influence tourism, how they are constituted and correlate with each other. Continuing with the tourism business environment analysis, two different approaches are reviewed. The first one is based on the idea that a tourist destination is constantly influenced by different forces varying in their steadiness and differing in changing time. The second one uses a SWOT analysis to range a tourist destination in its business environment. Here two different ways of conducting such an analysis are shortly presented. Finally the application to the Kerala case takes part - reviewing Kerala's tourism business environment from the marketing point of view. It must be considered that due to the availability of sources, interpretation of used models and the limited scope of this work, competitors and customers are not included in any analysis of this work.

An analysis of the topic is strongly influenced by the availability of sources. The theoretical part is based on scientific publications. Here numerous theories and analysis methods are available. The choice of referred models in this work is affected by sources related to tourism in Kerala. Not all theoretical papers apply to the case; hence needed information is not accessible. The information used in this paper is taken from local travel magazines and their related websites, governmental and associational internet sources and released tourism statistics. It has to be stated that the Department of Tourism, Government of Kerala is the only institution publishing tourism statistics. Independent sources monitoring tourism are not available. Since a veridical collection and evaluation of data is only of the government's interest to properly monitor tourism performance it is anticipated that those statistics are reliable. Nevertheless it became obvious that critical statements concerning tourism are rare and hard to find. Therefore available information has to be reviewed carefully. It is the author's aspiration to use sources critically in order to draw a reliable end result.

## **2 TOURISM INDUSTRY: DESCRIPTION AND CORRELATIONS**

When referring to the tourism industry, it is fundamental to understand its complexity. There does not exist an industry with a common structure functioning as an entity. Rather it is represented by an assembly of multiple diverse industries and factors influencing each other and commonly forming the tourism environment.

According to Lickorish and Jenkins (1997, p. 1) most academic writers tend to craft their definitions to suit their specific purpose. The term tourism already encompasses a range of parameters and meanings. Tourism can be seen as movement of people, service required to satisfy travelers, a sector of the economy (Williams 2004, p. 46). Yet defining movement belonging to tourism contains various aspects, e.g. the duration of the journey; the expanse - is it within national boundaries or across borders. The same applies to the purpose of movement. Lickorish and Jenkins point out that it should broadly be connected to either leisure or business (1997, p. 2). Describing the industry is even more complex. The interaction of different independent sectors and sub industries build its framework. It is commonly agreed that those factors include the accommodation sector, airlines, transportation systems, tourist features and gastronomy, even the government (Lickorish & Jenkins 1997; Kanjilal 2008). The interdependence of those factors is reviewed later on.

The complexity of the topic makes it difficult to analyze the tourism industry scientifically. First of all, due to the multidisciplinary nature of tourism (William 2004, p.46) it cannot be clearly identified which components affect the industry. Second of all, once the influential components are identified, the degree by which they influence tourism cannot be measured (Lickorish & Jenkins 1997, p.2). It can be said that the presence of a factor only completes the industry's performance, whereas a lack or malfunction can have a severe negative impact. Additionally separating the benefits for tourism and domestic handling is often not possible, e.g. when it comes to infrastructure. Measurements and statistics need to be critically contemplated. As mentioned, the factors used to draw

statistics vary according to the different assumptions of the tourism concept. Therefore it is recommended, if available, to consider the purpose, the material and methods used, the publisher and the addressee before interpreting a source.

## **2.1 Interdependence of tourism factors**

Since the tourism industry is dependent on different influential factors it is inevitable to understand their interaction and correlation. Each supporting sector is operating as an independent industry focused on generating economic value and competing with likewise enterprises. Nevertheless they are highly aligned with each other. The wellbeing of one sector directly or indirectly impacts the others. Therefore shared attempts and cooperation not only benefit the tourism in the region but also each enterprise involved.

The degree of interaction and dependence is closely related to the nature of every sector. Some sectors could not survive without others since they are provided by them with the basic material of their operation. The sectors are examined in detail later on. Referring to Ritchie, Crouch and Ritchie it can be noticed that cooperation strengthens a tourist destination and can increase the extent of efficiency and lead to product improvement (2003).

Increasing efficiency can also be realized through shared efforts. Associations can be formed to coordinate and centralize the activities implemented to head to a common goal. Still every sector, enterprise or organization is only driven by their self-interest and act in order to gain most benefits possible. However, shared attempts and cooperation of the different influential sectors lead to performance improvement and an enriching effect on tourist's perception of a destination.

Naturally the scope and scale of the operating enterprises, within each sector, varies in line with their ambition and potential to serve customers. The atmosphere is dominated by competition. This has a positive effect on the tourism industry hence innovation, quality, efficiency and effectiveness are

encouraged (Ritchie et al., 2003). Natural selection ensures the highest degree of performance available in this region.

The lack of cooperation, awareness of dependence or a whole supportive sector has tremendous influence on the tourism industry. An insufficient performance which does not fulfill tourists' expectations demotivates traffic to this destination (Kanjilal 2008). Once a negative image is established it is time and money intensive to overcome the problem therefore it indirectly influences the whole economy.

## **2.2 Generic content of tourism factors**

The influential factors of tourism can be interpreted in different modes pursuant to the assumed degree of influence on the industry, the needed fragmentation to match the analytical purpose or even due to the availability of sources. In the following the above mentioned sectors and their correlation are defined in order to picture their impact on the tourism industry.

### **2.2.1 Accommodation sector**

The accommodation sector is one of the most essential ones. It is the substructure of the entire industry since travelers need a place to stay. The industry's target groups are attracted by the wide varying range of rates and ambience provided (Kanjilal 2008).

This sector is of utmost economic importance because it includes not only influential tourism factors. In the accommodation sector the multidisciplinary complexity of tourism can be clearly stated out. A hotel construction alone generates numerous direct and indirect workplaces. Additionally also interior design and decoration, maintenance of hotel rooms, security services, house keeping and catering, to only mention a few, need to be manned (Babu 2008).



Although all influential factors are related, the overly importance of the accommodation sector for the entire industry is remarkable.

Airline business is conditioned to the availability of rooms. The more developed and promoted the accommodation sector the higher the demand for flights in this direction.

To ensure a reliably working logistics system in the hotel industry a well developed infrastructure is needed, besides the accessibility by tourists is strongly influenced by the existing infrastructure. A growing accommodation sector can be understood as a motivation factor for the development of the infrastructure.

Tourist features and the cultural industry get their attendants right out of the hotel beds. Many hotels have integrated souvenir shops which are supplied by local handcrafters (Goeldner & Ritchie 2006, p. 154). On the other hand the presence of ancient monuments, a rich and fascinating culture and places of breathtaking beauty are the driving forces which form the need for accommodation facilities.

Gastronomy and hotel business are mutually complementally factors. Especially the hotel industry closely correlates with gastronomy, whereas gastronomy can exist without the accommodation sector. Hotel guests need to be feed, which is best done through a variation between domestic cuisine and an adaptation to international taste.

### **2.2.2 Airlines**

Although airlines and aviation systems could be considered as part of transportation and infrastructure, for this work, it is discussed as a single factor of notable importance. The role of the airlines for the whole tourism industry is of remarkable importance such as the accommodation sector. Every year it transports over 1.6 billion travelers to the different destinations worldwide (Goeldner & Ritchie 2006, p. 122). Kanjilal points out that airports are the

primary infrastructure, which a destination has to offer to attract international tourists (2008). Its absence or malfunction consequently leads to untenanted hotel beds, unvisited tourist features, unsold souvenirs and unused supplying services (Goeldner & Ritchie 2006, p. 123).

The highly interdependence of airlines with the accommodation sector already has been stated out in the previous chapter. The availability of accommodation facilities increases the demand for transport. Simultaneously the expansion of transport encourages the development of the accommodation sector qualitatively and quantitatively.

Aviation and infrastructure round one another off. Their interrelation is similar as it is with the accommodation sector. The lack, presence or development of one influences the other one. So is, for example, the accessibility of airports a driving force for an infrastructure development, not only for tourism purpose.

The correlation with the gastronomy sector is basically one sided. The impact on aviation is reduced to catering service, whereas the aviation's indirect influence on gastronomy is of all-embracing effect. Not only that the arrival of numerous travelers increases demand for restaurants, also the improvement of language skills in order to overcome communication barriers is brought forward.

In general, it can be concluded that an insufficient coverage with international airports is a major discouraging factor for tourists to visit a destination (Kanjilal 2008). This absence has a negative economic influence on the whole region and hinders the development of a lucrative industry.

### **2.2.3 Transportation system/infrastructure**

Transportation and infrastructure is the one factor which is of utmost importance for the whole economy not only for the tourism industry. Nevertheless, it possesses a great significance as an influential factor. For the purpose of this work the definition of transportation and infrastructure is in close correlation with

Goeldner's and Ritchie's concept (2006). It covers the fields of rail and road traffic as well as navigation and public transportation systems.

The exploitation of rural areas plays a major role to extend the accessibility to accommodation facilities, airports and tourist features. Especially the accommodation sector is highly dependent on a properly developed infrastructure. Supply and maintenance services are in need of easy access in order to keep daily hotel business running.

A developed infrastructure can be equalized with time and money saving for all affected parties. For this work understanding the aspect of convenience for tourists related to time saving is essential. Travelers rather spend their time in nature, museums or restaurants than on a bad road to reach their accommodation.

#### **2.2.4 Tourist features and cultural industries**

In comparison to the previously mentioned influential factors the cultural industry does not as closely correlate with the others. Its presence attracts tourists, contributes value to the region and encourages traffic to this direction. However, the demand is not primarily driven by tourism, moreover it is part of the domestic identity (Ritchie et al., 2003). Nevertheless, the preservation of culture, nature and historical heritage ensures a competitive advantage.

Additionally, referring to Babu, traditional manufacturing and handicraft skills can be maintained and they generate revenues at the same time. Therefore tourists' desire to take home a memory is utilized by providing them with handmade souvenirs (2008).

Although correlation with the other influential factors is low the significance cultural climate has for a destination is outstanding. Experiencing foreign cultures is one motivation aspect that increases demand (Murphy 1986).

### **2.2.5 Gastronomy**

Tourists' holiday perception is often related to food and gastronomy experiences. Since food constitutes a basic human need it structures travelers' day. Most decisions are centered on the consumption or planning ingestion (Hjalager & Richards 2002). Hence a sufficient coverage of restaurants and bistros operating according to western hygienic standards fosters the entire image of a tourist destination. The domestic cuisine is one major factor through which tourists experience a different culture. Traditional dishes provide the exotic taste and new flavours of an unknown region (Ritchie et al., 2003).

The extent to which gastronomy is affected by tourism is highly related to the inbound of foreigners. Language barriers need to be overcome. Tourists expect a bilingual menu and service. Continuously the growing mobility of travelers has also encouraged the expansion of fast food restaurants. They mainly target the sector which seeks familiar taste and quick service (ibid.).

Regardless of the nature of a restaurant, a strategically effective logistics infrastructure needs to be established to provide an ongoing supply. This aspect is closely related to transportation systems and the infrastructure.

### 3 TOURISM ENVIRONMENT ANALYSIS

As the complex and multidisciplinary nature of tourism is understood, further examination efforts are required to identify the business market environment. Those analyses help to clarify the components affecting competitiveness, pointing out the present performance and enforce the comprehension of the necessity for adaptations.

Different models are available to describe the tourist environment. Such analyses examine environmental factors, which cannot be controlled, creating both opportunities and threats to a destination (Fyall & Garrod 2005). The PEST model includes political, environmental, social and technological forces, which have to be considered from a tourism standpoint. How do political forces, e.g. employment and environmental law, foreign trade agreements or security policy; economic factors including monetary and fiscal policy, inflation and exchange rates; socio-cultural factors, e.g. age groups, family structures, income distribution and education level and technological factors, e.g. internet expansion, computerized reservation systems or production technology affect the tourism industry? The importance in identifying the impact those factors have upon competitive and collaborative marketing practices is emphasized by Fyall and Garrod (2005). Hence threats posed by PEST factors could be compensated by a collaborative partner. On the other hand, assuming that the environment is competitive, the slightest changes can cause difficulties to respond. Generally speaking it can be said that factors impacting competing organizations equally affect collaborative ones, although the extent of the effect varies (*ibid.*).

Another approach, conducted by Butler (1980), utilizes the application of the product life-cycle to tourism, as is shown in Figure 3.1, (Fyall & Garrod 2005). The basic idea here is that a destination or tourism product goes through the following five phases of development: introduction, growth, maturity, saturation and decline.

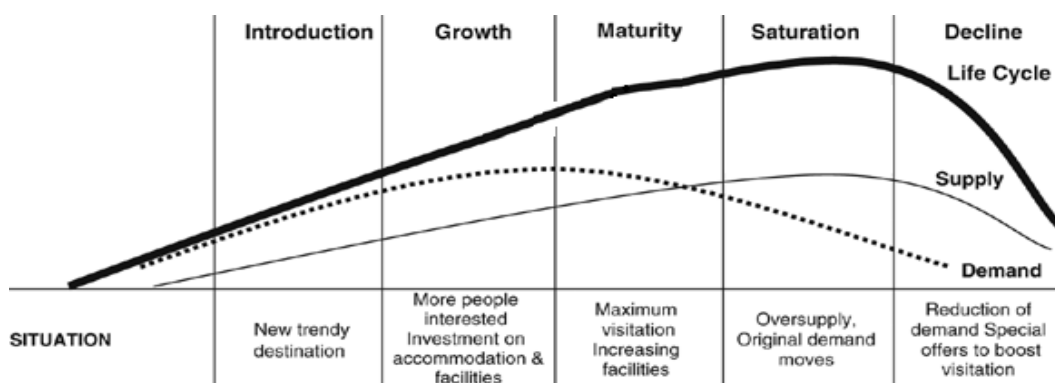


Figure 3.1 Destination life cycle (Fyall & Garrod 2005)

Figure 3.1 contrasts the demand and supply in every development phase. Each phase has to adapt to changing modes in characteristics like visitor numbers; price of service; accommodation capacity; image and attractions or expenditure per capita. The mentioned changes require a customized marketing response and strategic foresight in such a way that the marketing target changes from 'awareness' to 'persuasion'; that the product matures from basic to good via improvements or simply changes in the price. McKercher (1995) already identified limitations in the perspective. So this model is not able to reflect market shifts or the changing appeals of a destination to the various types of tourists with different desires. Nevertheless, the general idea is helpful drawing an overall picture for future marketing decisions (ibid.).

Since the emphasis of this work lies on the complexity of the tourism industry the above mentioned models do not sufficiently justify the multidisciplinary nature of tourism and neglect the mutual interference of the factors. Therefore, for this work Ritchie, Crouch and Ritchie's model of global forces and a brief SWOT analysis framework are reviewed more deeply.

### 3.1 Global forces model

Defining the context of competitiveness through correlating global forces is the basic idea of Ritchie, Crouch and Ritchie's global forces model published in

2003. In this manner “global” does not only describe the worldwide effects on competitiveness and its overall economic influence but more the absence of control any individual group or organization possesses. A destination’s ability to adapt to those forces and their changes is essential for its competitiveness and sustainability.

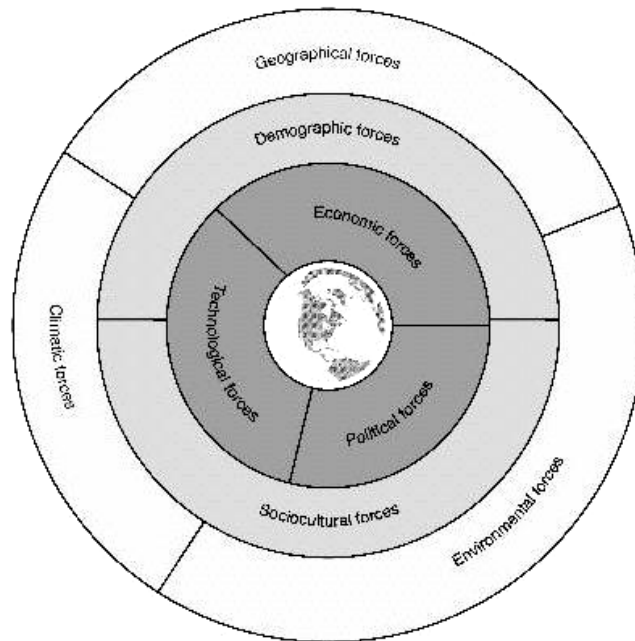


Figure 3.2 Global forces model (Ritchie et al., 2003)

The model in Figure 3.2 presents global forces arranged in three different layers surrounding the tourist destination in the middle. The closer to the center the more unsteady the forces are and the most directly they affect a destination’s performance and well-being.

The forces cannot be reviewed in isolation since there is no clear dividing line between the single layers. The impact each force has is related to the impact of all factors as a whole. A monitor system is proposed to identify changes as soon as possible. Overcoming the occurring changes is challenging. By dealing with them a destination is provided with new opportunities and can turn negative developments into advantages.

In principle the authors assume that a destination management organization (DMO) exists and coordinates and guides tourism development and

management. Such an organization cannot be equated with the structure and power of decision a company has. It is more the model's adaptation to the shared effort tourism factors need to succeed, as mentioned in the previous chapter.

### **3.1.1 Inner layer**

Layer one or the inner layer is characterized by its high instability and short changing time. Its three components consisting of technological, political and economic forces affect a destination's success instantaneously. Therefore a constant monitor system is suggested.

The definition of technological forces comprise so called hard and soft technology. On the one hand it focuses on areas including computers and microelectronics and on the other hand techniques of management, destination organization or supply logistics control. Regardless of the definition, changes rapidly influence the ability of tourism performance. For example marketing practices have been adjusted to changes in online information and booking development, mass tourism evolved due to aviation advancements.

Changes in political forces appear on a regular legislative basis at local, regional or national level. Often modifications in taxation, immigration, security or environmental policies arise, which directly or indirectly influence tourism in a destination. In the extreme case the whole political ideology changes. Shifts in political forces can have both positive and negative impact on tourism. To avoid harmful outcome for a destination an effective interaction with government officials is recommended at every level.

Factors including international exchange rates, global financial crisis, interest rates or consumers' bank savings define economic forces. All those aspects influence people's attempt to travel. Awareness and adaptations prevent loss of competitive strength. The circumstance that economic and technological factors mainly change for all tourist destinations equally and affect their performance at the same time forms a balanced competition area.



### **3.1.2 Intermediate layer**

In comparison to the inner layer the second or intermediate layer is more stable and predictable but not of more or less importance. It is divided into two forces: demographic and sociocultural. The relatively slow rate of changes implements the opportunity to adapt to the modified market situation.

Demographic forces stress the role of people's decision making process and their motives. Here the emphasis lays on the aging population – how do leisure time facilities have to change as the average age rises. Generally speaking, tourist destinations must readjust to the fact that active sports demand will shift to more sedate one.

Sociocultural forces implicate the alterations in societies' social and cultural foundations. The main focus is stressed on value systems, languages, attitude towards work and food preparation and delivery. The spread of Western values through tourism is the most remarkable shift. The unification and diminution of languages highly drives and influences tourism mobility. The attitudes towards work and rewarding systems are basically explained with the breakdown of communism in the past and its changes for the concerned societies. Food's role for tourism is assigned in two controversial ways. On the one hand it offers various experiences in terms of the nuances of taste, reflection of cultural traditions and exotic flavors; on the other hand the tremendous growth of branded fast food chains attracts those market segments not willing to experiment or adapt to the local cuisine.

### **3.1.3 Outer layer**

The forces united in the third or outer layer are so fundamental that changes are barely measurable from a managerial point of view. At normal times they are highly reliable and predictable. As shown in Figure 3.2 the outer layer includes geographic, climatic and environmental forces.

The land on which destinations are situated is fixed therefore geographic forces are viewed as highly stable and reliable. The only cognizable changes are driven by mankind - the changes of borders, amalgamations of countries or collapse of countries influence tourists' travel desire. In one case travel destinations are created and in another case they are eliminated.

Climatic forces include temperatures, sunshine hours, approximate rainfall and averaged weather forecasts. Based on statistic data it can be pointed out that climate is a fairly predictable force, although climate change discussions are recently omnipresent. Therefore, tourism operators and tourists can plan with a high degree of confidence either the development of a destination or their holidays. Since not everybody prefers the same climatic conditions the diversity of climate in different regions pleases different kind of tourist. The authors point out that, even though changes in climate are recognized, the rate of change is still slow, hence the positioning in the outer layer.

Understanding the concerns of environmental forces and in particular society's growing awareness of environmental impacts is the initial step to reduce negative impacts both on the environment and tourism. Within this force such aspects as wildlife habitat and species diversity protection, water quality, biodiversity protection, usage of pesticides, waste issues and deforestation are included. Consequently a destination must identify the degree to which tourism is contributing to environment degradation, how it affects the tourist destination itself and visitors' perception. It is challenging to minimize the environmental impact. Nevertheless, the growing awareness at the same time created a new market niche, which is slowly but constantly growing – ecotourism.

#### **3.1.4 Correlation and interpretation of global forces**

This model is a collection of global forces arranged in relation to their stability. It does not evaluate the forces according to their importance. Consequently when analyzing a destination's competitive situation importance, stability and predictability have to be examined in correlation as seen in Figure 3.3. Not two

tourist destinations are similar therefore the importance – stability (predictability) ratio has to be adjusted to each unique situation.

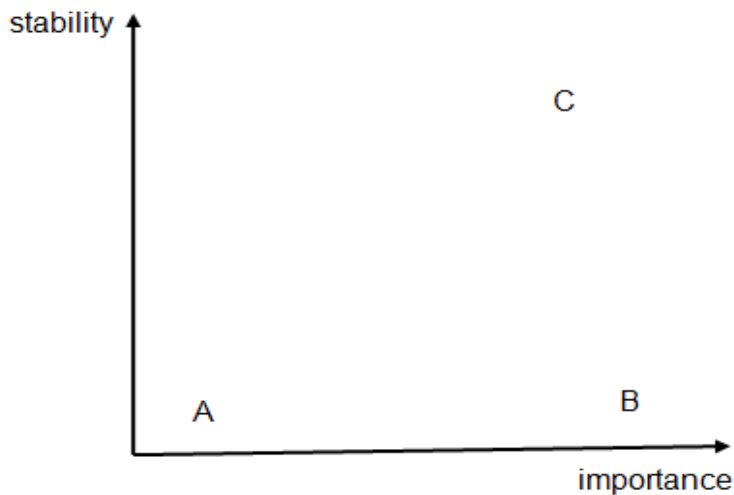


Figure 3.3 Importance – stability ratio (compiled by the author)

The three different combination ratios in Figure 3.3 illustrate possible scenarios of global forces combinations. Point A describes a force, which can be fairly ignored because its low importance does not influence a destination's performance although it is quite instable. On the contrary, Point B is in need of a permanent monitoring system. It is of extreme significance for the destination and changes rapidly. Point C is of immense importance for the destination, too. But compared to point B, this point is of high stability and gives the destination time to prepare for changes. These three examples illustrate why it is recommended to review global forces in the connectivity of importance and stability.

### 3.2 SWOT analysis

In order to analyse a current market situation and draw a marketing plan it is a common habit to undertake a SWOT analysis. SWOT is an acronym and stands for strengths, weaknesses, opportunities and threats. Here both internal and

external factors are reviewed and classified according to their impact on a company's market situation. As it is illustrated in Figure 3.4, strengths and weaknesses represent attributes occurring inside an organization. They often can be influenced and changed. Opportunities and threats are characterised by external attributes and often unchangeable. Positive or helpful incentives are given by strengths and opportunities whereas weaknesses and threats have negative or harmful effects (Stapleton & Thomas 1998; Briggs 2001).

According to Stapleton and Thomas (1998) any resource, skill or special capability, which can be put in relation to competition represents strength. On the contrary, a lack of any of those factors is characteristic for a weakness. An opportunity is the desirable constellation of environmental factors out of which the best should be made of. A threat is the unfavorable development of the environment, which negatively affects a company.

Once a SWOT analysis is conducted the outcome has to be integrated into the marketing plan. Strengths and opportunities have to be exploiting in the most efficient way and weaknesses and threats need to be minimized to the highest degree possible (Briggs 2001).



Figure 3.4 SWOT ANALYSIS (Excelsia)

The above described SWOT analysis methodology acts on the assumption that a company is the object of an analysis. Conducting a SWOT analysis for the tourism sector is much more complex and difficult than for a single company. Tourism is an accumulation of numerous companies from various industries and business segments acting independently but commonly contributing value to the tourism environment. For that reason all single influencing factors and industries have to be taken into account separately. This can be done in various ways. Here two different approaches are reviewed. One way of conducting a SWOT analysis for tourism is presented by Mr. Gour Kanjilal, another one by Susan Briggs. The application to the Kerala case is done in chapter 4.

### **3.2.1 SWOT analysis according to Kanjilal**

Kanjilal (2008) analyses the tourism industry in India under the assumption that various environmental forces influence the industry. Those forces have to work together to increase tourist traffic to the country. He identifies the supporting industries and undertakes a separate SWOT analysis for each single industry. Basically this is done under the premises of a tourist's expectation standpoint. According to Kanjilal the forces influencing the tourism industry are: the hotel industry, airlines, railways and road networks, tour operators and the government.

A special role is dedicated for the government. Here no common review of strengths, weaknesses, opportunity and threats is conducted. It is more the all-embracing importance of policy incentives, which is emphasized. In general, the government is in charge of developing and maintaining the infrastructure; giving legal and monetary incentives to the industry and providing security to encourage tourism development.

Since Kanilal's SWOT analysis is conducted with India as the basis of analysis and not specifically applied to Kerala, its findings are not reviewed at this point of the work. It is assumed that the identified aspects generically apply to the Kerala case although differences may appear due to unequal developments on

state or nationwide levels. However, certain viewpoints of Kanjilal's SWOT analysis do not go along with the concept of this paper.

### **3.2.2 Common way conducting a SWOT analysis**

Susan Briggs (2001) advises to use a SWOT analysis as a foundation for the development of a tourist destination's marketing plan. She conducts it in the widely practiced manner - pointing out strengths, weaknesses, opportunities and threats and allocating the different aspects according to the perceptions of the organization's management.

Briggs, in her disquisition, does not emphasize the cooperation of different influential factors specifically. This mode conducting a SWOT analysis is mainly addressed for individual enterprises operating in the tourism sector not for a destination as an entity. Nevertheless, it can simply be applied for a destination analysis. A few suggestions about what to take into consideration when conducting a SWOT analysis are given below.

Thinking about internal strengths contains, among others, facets such as location, staff, service and marketing. Is a location simple to find and accessible, does it provide all desired conveniences; is the staff professionally trained and friendly, does it have special language skills – anything that puts you in a better competitive situation; is the service offered at a satisfying level or even above; is the marketing profile strong enough and are innovative marketing methods used (Briggs 2001).

Weaknesses can include the converse strengths. Location, reputation and image, staff, service and internal problems are used as examples to picture a possible approach identifying internal negative aspects. If the location is the opposite of the above changes are needed. How is the reputation and image – can they be improved? Is the staff sufficiently trained and adequately manned? What can be done to increase the effectiveness and quality of service? How is the internal organization structured and organized – is there a more reactive or proactive management (ibid.)?

Opportunities, formed by external environment, are for instance represented by trends and fashion – by certain activities and attitudes such as walking or environmental thinking becoming popular; demographic changes and technical developments e.g. internet expansion make adaptations necessary (ibid.).

Opportunities can also reverse into threats as it is the case with strengths and weaknesses. Technological developments may affect a business negatively. A competitive environment always forms a threat. Therefore, it is inevitable to keep track of what competitors are up to. High inflation, unemployment or recessions characterize economic effects with negative impact (ibid.).

### **3.3 Comparison and adaptation**

As it is mentioned earlier the emphasis of this work lies on the multidisciplinary and interfering mode of tourism. To draw a realistic picture of the current business environment, always considering that here competitors are not included; it is presumed that these modes need to be reflected in an analyzing tool. Therefore, at this point the models are shortly compared and sort out according to their applicability to this paper.

The product life cycle model is an adequate tool to identify the phase of the development that a destination is in providing phase wise support for marketing decisions. However, this model does not match the requirements for this work; changes in market shifts or different appeals for different tourist groups are not considered; the destination is only reviewed as a whole entity without doing justice to the mutual influential factors it includes.

A more multidisciplinary approach can be identified in the PEST model. The affect political, environmental, social and technological changes have on a tourist destination are taken into account. But here again the analysis is not deep enough. No relation between the significance of the single factor for the destination, their changing time or stability is drawn.

The global forces model considers tourism's plurality and additional aspects such as steadiness and importance for the destination. It enables a tourist destination to identify and decide, which forces are the most important for its performance, how steady or unsteady they are and thereby to implement monitor systems, prepare for changes and timely adopt its marketing effort. Although it includes factors of the PEST model it is much more detailed and multidisciplinary and it better regards the diversity of different tourist destinations. Using the PEST model, it is only possible to identify the affect those factors have on a destination but not how fast they change or the significance for the individual tourism industry. Therefore it can be said that the global forces model best matches the analysis requirements for this work.

The concept of a SWOT analysis is not specifically compiled for the tourism sector, but can be applied easily. The division into self-created and externally-created attributes enables a destination to classify its performance in more detail. It requires the critical examination of a tourist destination and its business environment. Once identified, which factors are internally and externally created the responsible board has an additional base on which marketing decisions can be made. Internal factors can be changed whereas external factors are stated as given and therefore better represent the business environment the destination is in. For the tourism business environment analysis of this work the external factors are important. Nonetheless, the internal factors need to be identified since in the long run they also influence the performance and business environment. As seen above, there are different ways conducting a SWOT analysis for the tourism sector. The method used by Briggs seems to be better applied to this paper.

For the business analysis of this work the combination of global forces and an adapted SWOT analysis best meets the required outcome. In the practical part, first the influential factors are identified; the global forces model analyses and ranges the included factors, as per the model's definition. Afterwards they alone are categorized into strengths, weaknesses, opportunities and threats. Thereby a more precise picture of the existing tourism business environment is drawn, still assuming that competitors and customers are left out.



## **4 TOURISM ENVIRONMENT IN KERALA – A CASE STUDY**

Integrating Kerala's tourism environment as the subject of a case study in this work is a complex affair. The intention is to identify the business environment in order to get a basis for future marketing planning decisions. The economic importance of tourism for Kerala is explicit but it does not always positively affect local population or the environment. Tourism has to be reviewed in an overall picture: as an economic factor generating revenue and creating jobs; as a threatening factor for culture and community and as a destroyer of ecologically fragile areas and ecosystems.

This work is focusing on the marketing point of view and not deeply discussing social or environmental issues. Nevertheless, those aspects are sketchily considered since they have a great impact on future tourism performance, because it is possible that the unique and diverse nature from today's promotion campaigns will have totally changed or vanished in ten years; local cuisine might be replaced by international fast food chains and the intrusion of Western values might destroy social life forms in India.

From the marketing perspective, this work is an analysis of the existing tourism business environment based on the influential factors and models of the previous chapters, leaving out competitors and customers. This is done under the premise to gather information for the development of improved, sustainable future marketing plans. The outcome of this analysis aims to identify the business environment to detect the areas of special interest for future marketing actions to enhance tourism performance. It is not part of this work to discuss the required action steps resulting from the analysis. It is more the intention to give incentives for performance improvement to those involved in Kerala's tourism industry and related sectors. The basic principle of this chapter lies on identifying Kerala's initial situation, protagonists involved, action steps taken and the results. Based on the findings the models above are applied to draw a picture of its tourism business environment without considering competitors' actions.

## 4.1 Background information about Kerala

For the following case application and business environment analysis, according to the previously discussed and adapted models, additional background information is required. It is essential to understand the mode of a different cultural society since the degree to which different stakeholders are committed and have the power to influence this economic sector varies. The facts about natural conditions, background information about market segmentation, target markets and communication channels; governmental and private protagonists; as well as implemented marketing efforts and their impact on tourism development have been analyzed by the author in the forefront of this work. They are now stated as given and do not require any further analysis.

Statistics used in this thesis are all published by the Department of Tourism, Government of Kerala. Independent sources monitoring tourism are not available. There is no information about the accountability of departments within the government, i.e. to which degree their existence is dependent on success. Based on the fact that an authentic picture of current tourism numbers is needed to properly evaluate performance, it is only of the government's own interest to veridically collect these data. Sugarcoated statistics would monitor a false reality. Therefore it is anticipated that those statistics are reliable and offer an authentic picture.

Before analyzing published statistics, it is inevitable to get acquainted with the Indian numbering system. Figure 4.2 provides a supportive illustration.

100.000 = 1 lakh
100 lakh = 1 crore
1 crore = 10.000.000

Figure 4.1 Overview of the Indian numbering system (conducted by the author)

The terms 'lakh' and 'crore' are used to phrase large numbers. One lakh is used to express one hundred thousand whereas one crore implies one hundred lakhs or ten million.

#### 4.1.1 Natural conditions

Kerala is a stripe shaded state at India's south-west corner bordered by Karnataka in the North, Tamil Nadu in the East and South and the Arabic Sea in the West. Figure 4.1 gives a geographical outline. With its 38 863 km<sup>2</sup> area it represents only 1,03% of India's land.



Figure 4.2 Map of Kerala, India (UNEP 2009)

The geographical diversity is manifold and includes three forms of physiography: highlands, midlands and lowlands; various water sources which form the unique Backwaters, a network of lakes, canals and deltas drawing through Kerala forming a self-supporting eco system and connecting rural villages; forests as well as a diverse flora and fauna. Agriculture, along with the various physiographies, is of rich plurality and thereby contributes to a breathtaking landscape. Typical for the highlands are the wide reaching tea, coffee, rubber and spices plantations, whereas the cultivation of cashew, coconuts, tapioca, various vegetables and bananas is characteristic for the midlands. The lowlands, in Kerala defined as the coastal area, is rich in water

and ideal for the cultivation of rice and coconuts (How to travel 2010; Prokerala 2010).

Kerala's climate is comparable steady. The temperature only varies from 27° to 32° over the seasons, in the highlands temperatures might drop to 10°. The summer in Kerala is, according to theories from the end of February to the end of May and is characterized by low rainfalls, high temperatures and humidity. Summer is concluded by the first monsoon season: the South-West monsoon. This time of the year, starting by the beginning of June, ending at the end of September, is filled with heavy rain falls contributing most of the annual rainfalls. The months of October and November are dominated by the North-East monsoon bringing heavy afternoon rains and thunderstorms to the state. Winter in Kerala lasts from December to February. Temperatures and humidity at this time are comparably low; rainfalls are rare (Ramachandran 2008; Prokerala 2010).

Kerala's demographic and social situation is unique among Indian states. Full of controversies, it features the highest social development in terms of health, education and demographic change despite low economic development, distributed relatively equally among different social castes, male and female, urban and rural areas. Although Kerala's 3,18 crore inhabitants only represent 3,44% of India's total population is the state three times as densely populated as the rest of the country, i.e. 819 persons per km<sup>2</sup>. A versatile and peaceful coexistent of various religions can also be observed in the state. Hinduism, Christianity and Islam form the main religions (Absolute Astronomy 2010; Tharamangalam 2010).

Kerala can be reached by four modes of transportation: air, train, road or sea. Three airports operate at the moment in the state – Trivandrum International Airport and Kochi International Airport are linked with airports in Asia and Middle East. Calicut airport is used for domestic aviation only. The railway system is governmentally owned. It offers a good access to Kerala and direct connections from major Kerala cities to most Indian metropolises. Air conditioned cabins at higher rates are also available. The road network is run by the Kerala State Road Transports Corporation – KSRTC. National highways connect Kerala with

other Indian states. Rural roads are mainly in bad shape and cannot handle the high traffic density. The latest developments made Kerala also accessible via water. India's first international marina has been inaugurated in Kochi. It is supposed to become a driving force for the transport and tourism sector. (How to travel 2010; Kerala Café 2010; Kerala-God's own country 2010).

#### **4.1.2 Tourism**

##### **Segments**

Attracting a variety of tourists stabilizes the tourist industry and generates more revenue. Kerala's tourist market can be divided into three segments consisting of wellness, medical tourism and eco tourism.

Wellness offers numerous trained masseurs, Ayurveda therapists, the national and international cuisine served in five star deluxe hotels to tourists seeking for rejuvenation, serenity and luxury (Ultimate Spa Experience 2008).

Medical tourism arose due to recent development in India's healthcare sector. An efficient infrastructure and state-of-the-art technology as well as hospital expenses up to a tenth of what it is in Western countries attract thousands of foreigners every year. Kerala promotes medical tourism as one of its tourism products (Health tourism: India's new mantra 2008). It took over leadership in establishing centers specialized in traditional medicine like Ayurveda (Harrison 2002).

The growing world wide concern of tourism's impact on the environment established the new niche of eco tourism. It means making as little environmental impact as possible. Therefore Kerala already implemented eco tourism programmes emphasizing priorities like the coordination of central and state governments in the development of sustainable tourism and eco tourism, the encouragement of only eco tourism and eco-friendly growth in environmental fragile areas (Harrison 2002). Other programmes include the Responsible Tourism initiative, which focuses on minimizing negative economic, environmental and social impacts, generating greater economic benefits for the

local society and enhancing the wellbeing of host communities (RT comes to Kovalam 2008).

### **Target markets**

To turn Kerala into an all-season destination and to stabilize the tourism industry it is inevitable to focus on different target markets. For Kerala three main target markets can be identified: the domestic market, Middle East and Western countries.

India represents Kerala's domestic market. Kerala tourism launched a "Dream Season" campaign for the domestic market encouraging the lean off-season from April to September. This period of the year, usually, is dominated by the monsoon; foreign tourists mainly avoid the country at this time. A nation wide multi-media promotion and package offers at affordable rates should drive domestic tourism to the state (Kerala Awakes to the Dream Season 2008). The drop of basic aviation fares from Kerala and Andhra Pradesh, announced by Air India due to the state government's reduction of sales tax on aviation turbine fuel, implicates positive impulse to people's mobility (AI slashes Basic Fare from Kerala 2008). It can be claimed that this does not only generate traffic to Kerala but animates traffic from Kerala. On the contrary inner-Kerala flights and those from Andhra Pradesh to Kerala are also available at a lower rate now. In addition, further price reductions through competition are anticipated.

The Middle East as a target market is of importance due to numerous non-resident Keralites (NoRK) working there. Most of them coming home for family visits and holidays intend to utilize the various leisure facilities. Not only NoRKs but also foreigners living and working in the Middle East should enjoy Kerala as a holiday destination.

Western countries, including Europe, the USA and Australia, are generally fascinated by India's exotic cultural and environmental richness. Therefore Kerala as a single entity has to compete against other Indian states to attract foreign tourists. One of Kerala's advantages is its effort on promoting the affordable, state-of-the-art health care system and the traditional Ayurveda therapy (Health tourism: India's new mantra 2008).

## **Communication channels**

In general once the target markets are identified they need to be communicated too. Generally speaking, an internet presence is a key success factor. Web pages offer pre-travel information and online tour planners (Kerala-God's own country 2010). Tour operators, often situated in India, promote the region and offer package tours via the internet. The government of Kerala implemented the Department of Tourism to monitor and stimulate the tourism industry. Its incentives are found in the revenue the tourism industry generates. Promotion campaigns, e.g. "Dream Season", are communicated through nationwide multi-media channels. Over the years "Kerala-God's own country" became a brand of world wide recognition (Ravinsankar 2008).

## **Role of the government**

During the preparation of this work the outstanding role of Kerala's government in tourism development emerged. It first started operating in 1958 under the name of 'Tourism Department' being only responsible for looking after governmental guests' comfort and functioning as an estate office providing accommodation for ministers. Since 1981 it has been operating under the name of 'Department of Tourism'. Besides the earlier mentioned tasks more emphasis lies on promoting, planning and developing tourism in Kerala (Department of Tourism 2010). At the moment two different media are published: the Kerala tourism website and the Kerala Tourism magazine.

In December 1998 the website 'www.keralatourism.org' was launched. Its multi target approach can be seen in the fact that the website is available in eight languages. It provides information on the destination e.g. an accommodation facilities, contact data, visa information, geographical parameters, tourism features and culture as well as information about recent campaigns and promotion activities. The yearly tourism statistics are released here, too (Kerala-God's own country 2010).

The Kerala Tourism magazine, published on a monthly basis, provides updates of the industry to industry players. Furthermore, the latest issues are discussed from positive and negative standpoints (Kerala Tourism online 2010). Initially,

ten years ago, the magazine was named `Tourism India` and reported about Kerala tourism events and news. As the state developed to a global tourism destination and gained worldwide recognition, it was decided, in 2006, to give it exclusive coverage by Kerala Tourism Magazine (Ravisankar 2008).

The Department of Tourism also runs different corporations to better coordinate and control tourism activities. One of them is the `Kerala Tourism Development Corporation` short KTDC which hosts hotels, resorts and heritage properties providing accommodation from budget to premium customers (Department of Tourism 2010).

Since 2003 tourism statistics have been published on the Kerala website yearly. Changes in the statistics over the past years determine the growing awareness of tourism's role for the state (Kerala-God's own country 2010). The first statistics released included an array of tourist arrivals from 1999 onwards - split into domestic and foreign ones; market performance comparison in 2002 and 2003 of the top fifteen countries; country-wise overview of the mode of transportation in 2003, and list of foreign exchange earnings generated through tourism from 1994 onwards (Tourist Statistics 2003). The latest statistics are more explicit and thereby show that a detailed analysis better reveals the areas of potential and improvement. So, for example, the domestic and foreign tourist arrivals are reviewed in a month- and district-wise manner. Since 2004, statistics have included the total revenue, directly and indirectly, generated by tourism utilizing data from 2001 onwards (Tourist Statistics 2004).

### **Role of the private sector**

The coverage of the private sector collectively operating in the tourism industry is minor. There is only little information available, and it leads to this conclusion. All fields, including tourism, which are not run by the Department of Tourism, are in private hand. Hotels, handicraft shops, tour operators or restaurants represent the largest group of those working on their own profit. Nevertheless, even here the government infiltrates with guidelines and regulations, as it is discussed later on. Most of the time there exists a tied social network between private owners of all genres through which customers are referred. Their effort



does not necessarily lie on optimizing the whole performance of the industry but more on their own benefit.

Nonetheless there are privately organized associations aiming at the improvement of the industry. One of them is the Association of Tourism Trade Organisations, India – ATTOI. This non-government, non-profitable, apolitical organization has been established in 2003 in order to promote tourism in diverse sectors and to generate interest in a healthy business relationship among involved parties. ATTOI aims at offering a platform for all service providers where they can build business relationships. Thereby it is desired to continuously improve the association's value and to strengthen India's tourism. Great concern is given to the protection of natural and cultural environment and to a responsible mode of travelling. Although it is operating in the state of Kerala its international presents and activities at fairs, at the same time, affect the whole India's reputation. Action steps initiated by the association include, among others, the education programme for drivers – to train drivers proper driving habits and behavior manners since drivers are in daily contact with guests; the organization of the Kovalam carnival which is the first event of this kind at the Kovalam beach where traditional cultural performances have been shown; education programmes in schools to increase the awareness of employment opportunities in this sector and encourage ambitious students; assisting new tourism companies to provide knowledge and advice for newcomers in this field (ATTOI 2010).

### **Marketing efforts, action steps vs. tourism development**

Here campaigns, regulations and incentives given to the sector are summarized and reviewed with regard to their effectiveness measured by the means of tourist arrivals and revenue generated. Some of them already appeared in the previous parts of this work serving as a basis for an analysis or as examples to prove statements. Therein, again the complexity and correlation tourism sector has and the all-embracing consequences such campaigns and programmes have can be seen.

The overall presence of Kerala's government in the tourism sector has already become obvious. Thus all programmes and campaigns reviewed in this chapter

are initiated by the Department of Tourism, Government of Kerala. Besides the promotion and marketing attempts of the private sector are communicated through governmental channels, for example the ATTOI members who are part of the Kerala Travel Mart committee (ATTOI 2010).

Tourism's great potential to increase employment and generate revenues constantly urges the Department of Tourism to increase the number of tourist arrivals. One attempt is the construction of cruise terminals at Kochi port. Giving positive incentives to cruise tourism and attracting a wider range of travellers the marina offers facilities for fifty yachts at a time (India targets doubling foreign tourist arrivals by 2010 2008; Kerala-God's own country 2010). Another marketing approach utilizes non-residential Keralites to promote the destination abroad attracting more tourists to the state (Balakrishnan 2010).

To overcome the lean off season from April to September and allure more domestic tourists to the state, Kerala's Department of Tourism launched a campaign called 'Dream Season', in 2008. It is designed to transform this time of the year into a regular travel period and turn Kerala into an all season tourist destination. The campaign covers six categories including houseboat operators, ayurveda centres, hotels, home stays, resorts and tour operators offering their service at special rates (Kerala awakes to the Dreams Season 2008).

Other projects focus on the preservation of local societies, culture and nature. In May and June 2008 the Responsible Tourism initiative and the Kerala Haat project were implemented. Where the emphasis of the responsible tourism initiative lies on economic responsibility, trying to enhance the well-being of host communities and increasing the economic benefits for local societies, the Kerala Haat campaign primarily focuses on the preservation of traditional art and handicrafts skills. Combining tradition and tourism, Kerala Haat offers tourists the opportunity to see how traditional handicrafts are made, taste local food and follow traditional art forms (Project Kerala Haat launched 2008; RT comes to Kovalam 2008).

Kerala's Department of Tourism identified a lack of available tourist accommodation. Always considering new ideas to introduce fresh thoughts, enhancing tourist's experiences, the idea of 'Kerala Serviced Villas' was born.

With the implementation of the scheme Kerala is brought closer to tourists and additionally more accommodation facilities are created. To ensure accommodation standards an accreditation of the provided accommodation is implemented (Kerala-God's own country 2010).

As part of aggressive promotion activities the Department of Tourism regularly participates in national and international trade fairs to sell Kerala as a world class tourist destination (Economic Review 2003). The Department of Tourism is regularly organizing such a trade fair in Kerala – the Kerala Travel Mart, in the following referred to as the KTM. The KTM was the first of its kind initiated by an Indian state. Here tourism operators get the opportunity to interact face-to-face with either their clients or use the KTM as a platform for B2B contacts (All set for 2008 KTM 2008).

The overall power the government has in terms of legislative decisions, monetary and taxation regulations and bureaucracy enables it to give positive incentives to tourism via those panels. The Indian government identified that speeding up and easing immigration processes have positive affects on tourists' willingness to visit the country (India targets doubling foreign tourist arrivals by 2010, 2008). Additionally in order to boost medical tourism in India in general, which also affects Kerala, the government nowadays issues 'M' and 'XM' visas for patients and one accompanying person (Health tourism: India's new mantra 2008). Kerala's Department of Tourism took an initiative to standardise and ensure hygiene and quality for tourists. Hotels, restaurants, home stays, ayurveda centres and houseboats can be accredited and classified by the government. Accredited accommodations profit from certain benefits such as special electricity tariffs, investment subsidies or bar licences (Department of Tourism 2010). Appendix 1 includes a checklist for restaurants mentioning mandatory facilities and services according to the ranking varying from one to five stars (Department of Tourism 2010). From a European perspective the checklist rather does not seem to be serious – e.g. one WC brush per toilet seat – but considering cultural differences and habits, such details are mandatory to ensure tourists' convenience. The layout of checklists is similar for hotels, home stays etc.

The confidence Kerala's entire government has in tourism as a driving force for economic development can be seen in the state's budget plan for 2010/2011. Tourism sector and its subdivisions supported by the state government got increased provision compared to the previous year. Positive incentives are given by the reduction of luxury tax. The budget for the tourism sector is calculated with rupees (INR) 100 crore, compared to the previous year a rise of INR 10 crore. For marketing purposes INR 25 crore can be utilized. Also the budget available to subsidy private investments in the tourism sector almost doubled to INR 6 crore. Of remarkable importance is the rise in infrastructure development budget – from INR 13 crore up to INR 26,5 crore – which helps to overcome infrastructural difficulties (Jose 2010).

The impact of the above described campaigns and programmes can only be clearly evaluated in the coming years. For this work tourism statistics from 2003 to 2008 have been available. Therefore a detailed campaign analysis can not be conducted. Nevertheless, published tourism statistics provide a generic picture of marketing efforts influencing the tourism development. Generally, the number of tourist arrivals to Kerala is constantly increasing, as it is illustrated in Chart 4.1.

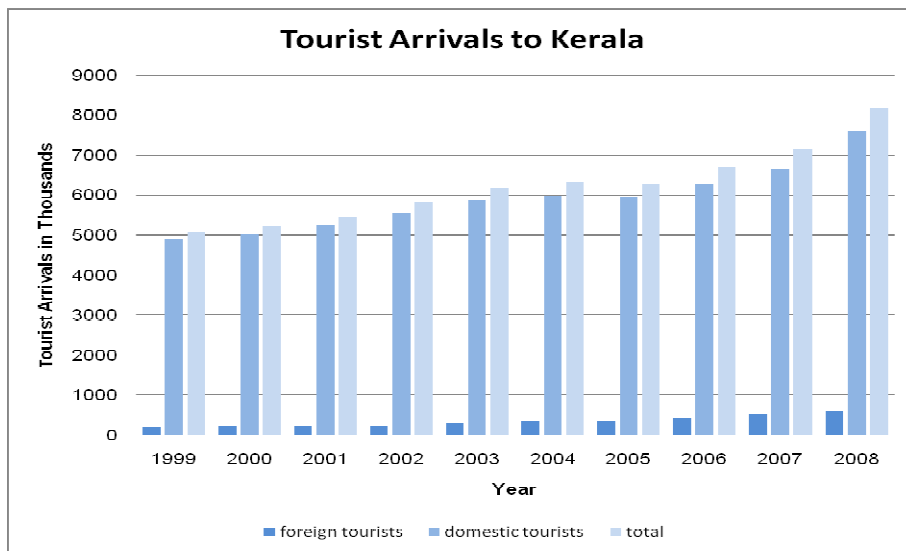


Chart 4.1 Tourist arrivals to Kerala (conducted by the author based on Tourism Statistics 2003, Tourism Statistics 2008)

Based on the launched campaigns it could have been estimated that the proportion of foreign tourists is much higher. Within the years 1999 and 2008 their number only accounted for INR 202.173 in 1999 and INR 598.929 in 2008 compared to domestic tourist with INR 4.888.287 in 1999 and INR 7.591.250 in 2008. This leads to two assumptions. Either the launched marketing campaigns are not effective enough, which is proved wrong by the steady growth of foreign tourist arrivals. Or that potential and need for further marketing campaigns to attract tourists abroad still exist.

The same trend seen in tourist arrivals can be identified in the revenue generated by tourism. Here the data of foreign earnings is available from 1994 onwards. Admittedly only from the beginning of 2001 the total revenue generated directly and indirectly by tourism is collected. Chart 4.2 shows the rising tendency of earnings through tourism.

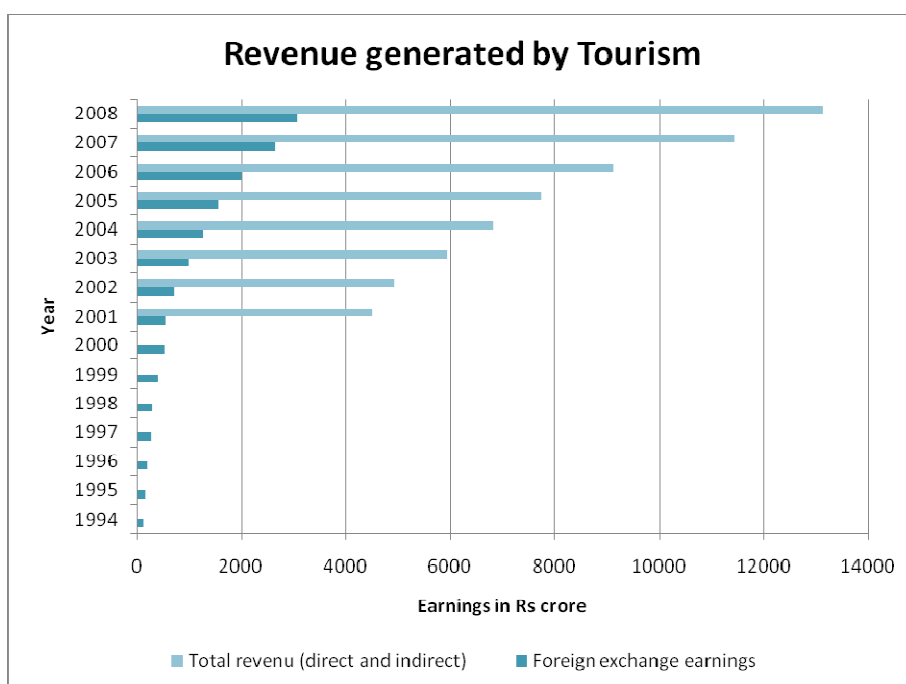


Chart 4.2 Revenue generated by tourism (conducted by the author based on Tourism Statistics 2003, Tourism Statistics 2008)

With the growing awareness of tourism’s complexity, its overall influence on mutual economic sectors is taken into account by monitoring indirectly the generated revenue too. In 2008 INR 13130 crore were contributed to Kerala’s

economy. Seen from this point of view, the all-embracing governmental effort in the tourism field can be understood.

## **4.2 Applied theory to the Kerala case**

In the following the previously discussed influential factors and theory models are applied to the Kerala case. This is done at the author's sole discretion utilizing numerous sources since analyses under this viewpoint have not been conducted before. The sequence follows the order in the text above. First of all the influential factors are reviewed. The following global forces application uses the given background information and the identified influential factors to rank them according to the models definition from the theoretical part. Finally the SWOT analysis classifies the identified global forces. Here again it has to be said that competitor and customer aspects are left out. The findings are summarized in chapter 4.3.

### **4.2.1 Tourism factors**

#### **Accommodation sector**

The official website of the Department of Tourism, Government of Kerala offers the overview of the provided accommodation facilities. Tourists in Kerala have the choice between hotels, home stays, houseboats and Ayurveda centres. Admittedly the accommodations mentioned on the website are accredited ones. This means on the one hand that a certain standard is fulfilled and on the other hand that on a regular basis an accreditation fee is paid. Local hotels at cheaper rates are also available but not listed there. Likewise the website draws the picture of the accommodation sector sufficiency: at the moment the existing capacity is not enough to fulfil the demand (Kerala-God's own country 2010; Kerala-God's own country 2010). Furthermore, the number of adequately trained staff is not sufficient enough, which more often leads to unsatisfying service and increasing number of customer complaints (Shailesh 2008).

## **Airlines**

The importance of airlines and aviation sector is undisputable. Kerala possesses three airports; two of them are international and one national. Therefore, the state is accessible from various different national and international destinations, e.g. Doha, Kuwait, Dubai, Maldives, Singapore, Bangalore, Goa, Hyderabad, Chennai, and Bombay, which increases the attractiveness and convenience for travellers. Also the variety of airlines operating to Kerala encourages tourism. Air India covers national flights, Air India Express international ones; other national and international operating airlines are Kingfisher Airline, Jet Airways, Gulf Air, Qatar Airways, and Singapore Airlines only to mention a few. Over the years operated flights from and to Kerala have been increasing indicating a rise of the destinations value (AI slashes Basic Fare from Kerala 2008; AIE to expand operation to Dubai 2008, Kerala Café 2010).

## **Transportation system/infrastructure**

As it was said in the theoretical part, the transportation system/infrastructure and the other tourism sectors are highly correlated. In Kerala the three remaining modes of transportation; road, railway and waterway are under governmental control. Generally, it can be stated that Kerala possesses a wide network of roads, which is constantly increasing. Unfortunately, interventions conducted by the Department of Transport, identified that the roads are of insufficient width, poorly developed and inadequately maintained to handle the present and future traffic volume. Major contributors to the bad road conditions are heavy rainfalls during the monsoon seasons, intensive traffic and overloaded vehicles. Additionally the minority of roads is designed as per standard. Another problem is the local public infrastructure – road connectivity to all rural areas is not given.

The railway system is a mode to handle long distance passenger traffic. In Kerala the network of over 1148 km rails offers a sufficient connectivity between all major cities and neighbouring states. Travelling by train is the cheapest means of transportation. But it has to be stated out that safety standards are not comparable with Western trains.

The remaining mode of transport is the waterway. Focus here lies on ports mainly because of their economic trade importance. The major port of Kerala can be found in Kochi, besides there are three intermediate and fourteen minor ports in the state. Gradually the potential of waterways for tourism has been discovered. Backwaters have already functioned as tourist attractions. Nowadays Kerala has discovered cruise tourism. India's first international marina was set up in Kochi. Situated close by the city centre and the tourist attraction Fort Kochi, it gives positive incentives to the tourism sector.

All together it can be said that the awareness of the infrastructure's overall economic importance is omnipresent, only the implementation of the necessary standards constitutes a great obstacle. Primarily financial aspects hinder the development. Nevertheless, also climatic and population conditions contribute to a backward development (Economic Review 2003; Kerala-God's own country 2010).

### **Tourism features and the cultural industry**

Kerala's tourism features and cultural industry is dominated by traditional art forms, natural beauty and history. Here again the official website of the Department of Tourism, Government of Kerala provides information about the featured destinations. Compared to the North of India, Kerala does not possess these majestic palaces and monuments. Nature is dominant and used for tourism purposes. Backwaters have already been mentioned previously, but also hill stations like Munnar or Rajmala with their wide reaching tea plantations and forests, beaches e.g. Kovalam or Cherai, Athirappalli waterfalls or wildlife sanctuaries are breathtaking landmarks. History can be experienced in Fort Kochi where colonial atmosphere and Chinese fisher nets attract various tourists every year. Kerala's classical dance drama Kathakali with fabulous make up and costumes and several martial arts presentations bring tradition and exotic rituals close to travellers (Kerala-God's own country 2010; Kerala-God's own country 2010). Besides esoteric festivals and traditional art and handicraft projects conserve age-old traditions, introduce them to tourists and generate revenue for local population (Festival of esoteric art forms 2008; Project Kerala Haat launched 2008). Unfortunately the previously described



problems in the infrastructure sector do limit the accessibility of those tourist features.

### **Gastronomy**

The gastronomy sector represents a very sensitive field of tourism. Since quality and hygienic standards in India vary from Western ones, the Department of Tourism released classification guidelines to ensure quality and hygiene. With those guidelines bad reputation causing incidents like food poisoning are tried to be avoided, since they affect the reliability of the whole tourist destination (Department of Tourism 2010).

#### **4.2.2 Global forces**

The application of Ritchie, Crouch and Ritchie's global forces model to Kerala as a tourist destination is undertaken with regard to the forces themselves. Afterwards an importance – stability (predictability) ratio is conducted. Positive and negative aspects of the separate forces are reviewed where they occur. It is inevitable to understand that the used terminology is based on the models definition and not on the category level. Therefore, also the content of each force is dependent on the definition given in chapter 3.1. For continuing analyses and applications within this work terms and forces are used as per definition in chapter 3.1. The composition of this analysis is designed conforming to the theory review starting with the inner layer via the intermediate to the outer layer.

#### **Inner layer**

During the last decades the development of the internet has been proceeding rapidly. The World Wide Web is nowadays a platform for entertainment, information, contacts and purchases. Adapting to this development of e-commerce offers Kerala a wide reaching marketing platform. As it can be seen in the list of references the internet is a large provider of information about the destination itself, hotels, tourism features, visa applications etc. Even online reservations and bookings are possible, and thus Thomas Cook India Ltd.

launched its online travel portal in 2008 to meet travelers' needs (Thomas Cook India launches travel portal 2008).

Political forces, as per theory, have great impact on tourism performance. In Kerala the government is also divided into three powers; executive, legislature and judiciary (Government 2010). The political system itself is rather stable and thus riots and sudden political changes are unlikely. As previously mentioned, the government is aware of tourism's importance and economic potential for the state. Therefore, positive incentives to the sector are given.

Economic forces influencing tourism performance in Kerala are mainly those other Indian states and worldwide tourism destinations face. Lately the worldwide economic crisis put Kerala in difficult times. Furthermore, the fluctuation of exchange rates has a great impact on foreign exchange earnings. At the time of writing the thesis they vary from 1€ = 62INR to 1€ = 56 INR (Finanzen.net 2010).

### **Intermediate layer**

Demographic forces and changes within the force are equal to all tourist destinations worldwide. The main concern here is the constantly ageing population. Due to the slow changing time Kerala as a destination has enough time to prepare. As stated out in the theory part older people do not seek for action holidays but rather for relaxation and rejuvenation (Ritchie et al., 2003). From this point of view Kerala already contributes value to this target group. Ayurveda centres, backwater tours, mountain resorts and traditional Kathakali performances represent the kind of activities and attractions ageing tourists seek (Kerala-God's own country 2010).

Sociocultural forces are of great concern for the tourist destination Kerala. As per definition these forces include the history of a nation, value systems within the society, the way and attitude towards work even food and language are included (Ritchie et al., 2003). The language issue is of importance for Kerala. Communication between staff and tourists turns out to be cumbersome from time to time. Here adequate language training but also cultural briefing is required (Shailesh 2008). During the research it became obvious that changes within

local communities are generated by tourism. Their effect on future tourism performance is severe and threatens the whole industry in Kerala, which would lead to massive economic losses. Once trapped in this circuit it is hard to get out. It is claimed that local communities do not benefit from tourism. Reports exist relating to incidents where local fishermen have been forced to sell their properties at ridiculously low prices to make space for new hotel constructions. Additionally the environmental damage caused by tourism, e.g. forest clearance for hotel construction, polluted water by houseboat sewage, loss of bio diversity due to intrusion wildlife habitat, tremendously influences the life of local inhabitants (Shaji 2008). Another problem occurs when taking into consideration the availability of labour force and resulting wages. Earnings are so low that blue-collar workers can barely afford their living (Bindu 2008). This is one of the reasons leading to another pity downside tourism encourages. Studies depict that exploitation of male children is on a rise. Social pressure on male children to earn the family's living pushes them towards prostitution. Although the problem is less visible in Kerala, due to the ban of child labour, it exists (Unholy nexus 2009). The sociocultural problems in Kerala have a high potential to damage tourism, therefore, they have to be monitored and counteracted carefully.

### **Outer layer**

The change in geographical forces as it is described by Ritchie, Crouch and Ritchie does not apply to Kerala. India as a destination experienced such changes – first with the independence from the United Kingdom and the separation of today's Pakistan, later with the separation of Bangladesh, Burma and Sri Lanka (Shirin 1998). But Kerala itself does not have to fear such changes at foreseeable time. The only aspect of geographical forces with an impact on Kerala is the high variety of different Indian states - all on their own unique and worth a visit.

Discussions about climatic changes are omnipresent in the media around the globe. Global warming puts destinations in the situation where modifying climate and weather conditions turn to become less predictable than in earlier days. For the state of Kerala this implies rising temperatures in summer and a

disturbed natural rhythm. Epidemics and viral diseases have already occurred directly affecting tourist arrivals (Ravisankar 2008). But as stated in the theoretical part those changes are rather slow. Nevertheless they need to be monitored and adapted to.

The last remaining forces of the model – environmental forces – are in this case closely related to the sociocultural forces, which confirms the theory that dividing lines between the forces are hard to distinguish. Pollution caused by tourism is increasing. Not only do the high carbon dioxide emissions contaminate water and air but inadequate sewage and waste disposal poison the ground and water. Cutting down of hectares of mangrove forests for resort and hotel projects eliminates the habitat of endangered species. Wrongly understood eco-tourism approaches, which do not isolate but open territories for tourists, endanger the divers and breathtaking nature of Kerala's marketing campaigns. Besides the growing awareness of tourism's impact on the environment in Western countries might distract traffic to Kerala (Bindu 2008; Ravisankar 2008; Shaji 2008).

### **Importance – stability ratio**

The discussed global forces are now ranked in the importance – stability ratio. Undertaking this analysis identifies their significance for Kerala's tourism industry and indicates areas of future concern. Figure 4.3 includes the classification of global forces according to the author's acquired best knowledge based on the previously discussed chapters. The classification seen below is not a numeric one based on measurements. It is rather an illustration of the author's perception of the reviewed forces. The ranking represents and includes the above issues of each force. It is only conducted with regard to Kerala as the destination of interest and not in comparison with other tourist destinations.

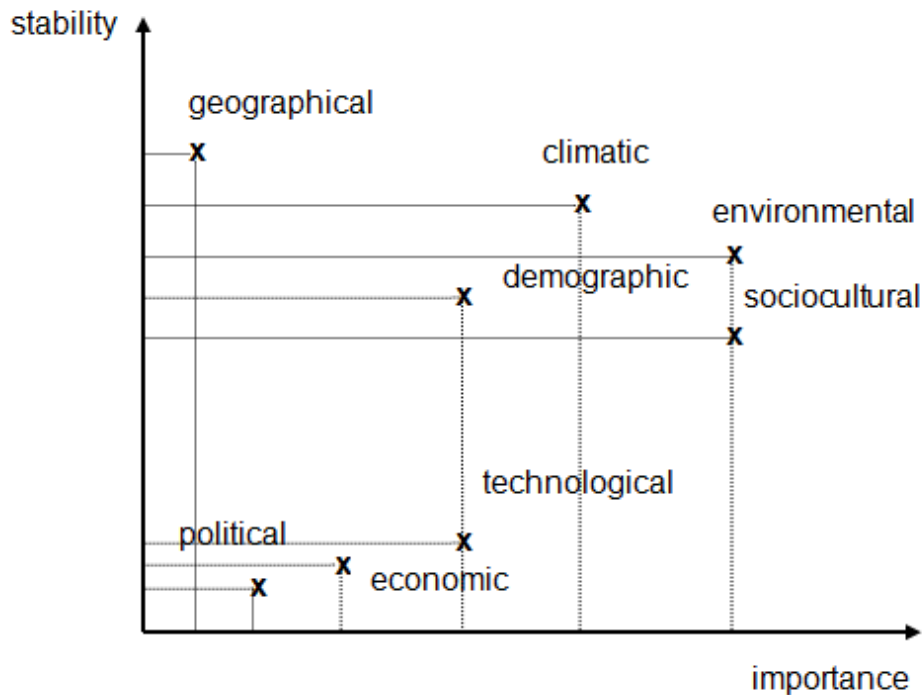


Figure 4.3 Importance – stability ratio Kerala (compiled by the author)

It became obvious that environmental and sociocultural forces are the main areas of concern for Kerala's tourism industry. They include essential parts of the destination's competitive advantages and therefore are of utmost importance. Since they have experienced tremendous changes over the past few years, they contain the highest latent danger for Kerala. The identified changes within this force directly affect Kerala's attractiveness for tourists. Natural beauty and traditional life forms are the tourist features of current marketing campaigns - once destroyed they cannot be recovered. Both forces are equally important but slightly vary in their changing time. The relatively slow changing time, if not speeded up by mankind, gives the destination time to counteract negative developments.

The second important force contains the climatic aspect. The climatic force does not have an as great impact on the destination as environmental and sociocultural forces have, because changes do not affect the attractiveness of Kerala itself, only cause inconvenience. Most of the existing tourist features are not dependent on weather conditions. Nevertheless, climatic conditions such as

extreme heat or extended heavy monsoon rainfalls are the criteria that especially foreign tourists consider when choosing a holiday destination. Since climate and environmental pollution are closely related, preventive action steps can bring a positive outcome for both forces. Here again the high stability is of advantage offering sufficient time to prepare for changes.

Demographic and technological forces are of the same importance for the destination due to the fact that they concern target groups and communication channels. As mentioned earlier, an ageing population requires other tourist attractions than a young one. The current tourism features Kerala offers are already constituted for an older age group. Nevertheless, there is space for improvement. Therefore it is ranked at this point of the ratio. Recent technological changes have been implemented in Kerala's marketing efforts as it can be seen in the communication channels. Thus it can be said that the destination is aware of the importance the technological force has and is willing to adapt to those changes.

Although economic conditions are of low stability, their impact on Kerala is minor. Short term changes in exchange rates are mainly balanced out over the long run. World wide economic crises affect other tourist destinations to the same extend as they affect Kerala. Thereby no major competitive harm is caused although the economic situation of the region is influenced.

As earlier mentioned the political force in Kerala is stable, therefore the categorization in the importance – stability ratio. The main concern about this force includes changes in taxation, regulations and subsidies. But since the government is highly involved and interested in the tourism sector negative developments do not have to be feared. Due to legislative regulations, changes occur regularly but they mainly affect Kerala's performance as a tourist destination positively.

The geographical force can be identified as the least important one in this analysis. Changes within it, as per definition, are highly unlikely.

### 4.2.3 SWOT analysis

In the following a SWOT analysis for Kerala as a tourist destination is conducted. This is not done according to normal SWOT analyses. As described in the theoretical part, in order to draw a precise picture of Kerala's tourism business environment only the findings of the global forces analysis are categorized. Since the global forces model focuses on changes this SWOT analysis, against normal procedures, is categorizing these changing and not present situations. Competitors are again not considered. The aim is to identify which of those forces are internally created and which are externally given. Internal aspects do not form the business environment; nevertheless for those involved in Kerala's tourism development they are important to identify. External factors need to be dealt with whereas internal aspects can be utilised or changed to a better. Therefore both are categorized at this point in Figure 4.4.

	<b>Strength</b>	<b>Weaknesses</b>
<b>internal</b>	political	environmental sociocultural
	<b>Opportunity</b>	<b>Threats</b>
<b>external</b>	demographic technological	climatic economic

Figure 4.4 SWOT categorization of global forces (compiled by the author)

Figure 4.4 illustrates the categorization of Kerala's global forces according to the author's findings based on the previous chapters. The classification of environmental and sociocultural forces into weaknesses is based on the fact that, in this case, both are created by tourism itself. They represent negative aspects the outcome of which can impact tourism performance. The negative development shown in the global forces analysis is created by tourism and

could have been avoided, therefore it has been categorized into internal weaknesses.

The political force is ranked as a strength due to the government's awareness and support for the tourism sector in Kerala. As seen above the economic interest in tourism transforms the government to a leading force in the sector. Positive incentives to encourage tourism development are given from inside. Having such a powerful backbone, the tourism industry in Kerala could profit from it.

The opportunities identified for Kerala are represented by demographic and technological forces. Since Kerala already possesses many tourist features and cultural attractions of interest for sedate tourists further development of those is not as costly and substantial as for other destinations. A competitive advantage can be drawn through the early adaptation to ageing travelers. Technological progress offers Kerala the same opportunities as other destinations. Simplified online booking and reservation, world wide access to travel destination information makes it easier and faster to reach potential tourists. Improvement in this field implies great potential for the destination's performance. The ranking into external factors is based on the fact that Kerala as a destination does not have any impact on the development of the forces. The fact that the tourism industry is already adapting to the above described changes categorizes those forces as opportunities.

The threats Kerala has to face are represented by climatic and economic forces. Since both are out of the sphere of influence and negatively affect the tourism sector they are categorized as external threats. As described in the global forces analysis both forces are quite stable. Nevertheless changes occur. Climatic changes mainly implement the trend in global warming, and its overall outcome is not yet fully understood. However, the caused variation modifies Kerala's initial climatic situation, which is integrated in existing marketing campaigns. Economic changes, as recently the mortgage crisis, affect people's desire and monetary ability to travel. Therefore, it is seen as a threat for Kerala's tourism industry.



### 4.3 Examination of the analysis

The combined analysis of global forces and SWOT made clear that the emphasis in one model does not necessarily lead to the same outcome in the other one. The global forces model identified environmental and sociocultural forces as the areas of greatest concern for Kerala, whereas the SWOT analysis ranked them as internal weaknesses and therefore as not part of tourism's business environment. On the contrary, the identified less important aspects of climatic, economic, demographic and technological forces are the ones creating the business environment Kerala is operating in.

However, it is said in the theoretical part that the global forces model is utilized to identify the forces which influence a destination's performance and well-being the most. This analysis is conducted in chapter 4.2.2. The result of the followed SWOT analysis does not change the importance of the several forces. It only ranges them into internal and external aspects. With this categorization the responsible protagonists, mainly the Department of Tourism, have a better basis for future marketing strategies and plans. Thus they know which forces have the greatest impact on Kerala's tourism performance and if those are self-created or given. Self-created problems are easier to overcome than externally given ones.

However, the aim of this thesis is to analyze the tourism business environment in Kerala. The combination of both models leads to a surprising result. Based on the evaluation in the global forces model it can be stated that the forces forming Kerala's tourism business environment are moderate. Both opportunities and threats do not represent the main forces influencing Kerala's performance and well-being.

Starting with the opportunities, the two included aspects – demographic and technological – are of medium importance according to global forces. This leads to the assumption that the potential these aspects contain for the tourism sector is comparatively high. The forces ranged as threats vary in their importance. Climatic aspects are categorized as the second important force after environmental and sociocultural, whereas economic forces are the third last

important ones. Based on the high stability climate possesses the actual threat, which is indicated by the importance of this force is compensated. The opposite applies to the economic force. Here the changing time is low but due to its unimportance for the destination the actual threat it represents is comparatively low.

Altogether Kerala is operating in a comforting business environment. The identified threats need to be considered but do not require utmost attention. The stated opportunities can be directly related to target groups and communication channels assuming the increasing number of tourist arrivals. Admittedly it has to be stated that competitors in form of other Indian states and world wide destinations have not been considered in this work although they are part of the business environment Kerala is operating in. A sufficient consideration would exceed the scope of this thesis. This work's focus lies more on the multidisciplinary nature of tourism and the all-embracing influence.

## 5 CONCLUSION

This work aims at analysing Kerala's tourism business environment under the assumption that the identified results are utilized for improvements in future marketing plans by those operating in Kerala's tourism sector.

The composition of this thesis is based on the assumption that tourism is a complex industry. Starting with theoretical explanations of the industry, continuing with two approaches of analyses and forming the author's own mode of analysis to best identify and evaluate the business environment, and finally applying the theory to the case, the author wants to draw a sufficient picture of Kerala and its tourism business environment.

The study started with the collection and evaluation of sources. It became obvious that available sources are mainly published by the Department of Tourism or related committees. Critical or independent sources are rare and if available barely match the topic of this work. Used sources are mainly utilized to give the needed background information based on which the analysis is done in the author's sole discretion.

During the background research tourism's utmost significance for Kerala's economy became obvious, which explains the government's high involvement in the sector. Therefore, it can be said that the outcome of this work is mainly addressed to the Department of Tourism, Government of Kerala. The applied theories identified quite a comforting business environment for the tourism sector. Findings are rather one sided due to the lack of competitor information and analysis based on the limited scope of this work. The combined analysis identified that the existing threats – climatic and economic - are rather marginal due to high stability or low importance. Climatic changes are slow enough to prepare for them. The low importance of the economic force for Kerala makes changes less threatening. Nevertheless, both threats need to be considered and reviewed. Demographic and technological forces represent the identified opportunities. They may attract more tourists to the state and at the same time are of medium importance. The demographic aspect of a world wide aging

population seeking for sedate leisure experiences perfectly contributes to the existing tourist features Kerala has. However, Kerala as a destination faces tremendous problems concerning its environment and society, which became clear in the first part of the case analysis. Water/air pollution and deforestation destroy the local ecosystem and lead to the minimization of species diversity. Local communities do not benefit from tourism; they rather suffer from its outcome. Those problems have the potential to deconstruct tourism's own foundation. Further examination identified that these are internal aspects, which do not contribute to the business environment. Nevertheless, they exist and over the long run will have an effect on the external business environment. Kerala's tourist features are dominated by natural beauty, traditional art and living forms and history. If the negative environmental and social development is not stopped, the promoted tourist features will vanish and Kerala will lose its attractiveness.

For the responsible Department of Tourism the outcome of this work indicates that Kerala's future as a tourist destination is not in great danger and that existing threats are less drastic. But as already indicated, this work is only focussing on the analysis of business environment under the premise of tourism's multidisciplinary nature and occurring changes not considering competitors and not paying much attention to the related fields of interest. Furthermore, more detailed information about internal performance is required to get a more authentic picture of the whole tourism industry in Kerala. Continuative studies could focus on the outcome implemented marketing campaigns have. Are they affective or not? Is Kerala's economic situation a hurdle for tourism development or is tourism a tool to overcome internal economic problems? How do other Indian states succeed in terms of tourism and does their performance threaten Kerala? How the product – tourism –needs to be modified over the years? Which marketing changes are required?

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## Classification of Restaurants

Department of Tourism  
Government of Kerala

### General terms, conditions and application format for classification of restaurants

<b>Checklist for facilities and services</b>					
General	1*	2*	3*	4*	5*
Minimum 2-meal operation, 7 days a week in season	N	N	N	N	N
Establishment to have all necessary trading license	N	N	N	N	N
24 hrs lifts for building higher than ground plus two floors	N	N	N	N	N
Restaurants, public areas and kitchens fully serviced daily	N	N	N	N	N
All floor surfaces clean and in good repair	N	N	N	N	N
Parking Facilities (Maximum No. of seats per unit car parking area)	12	10	8	6	4
<b>Restaurant</b>					
Multicusine restaurant of min. 30 pax and 600 sq.ft carpet area	N	N	N	N	N
Speciality restaurant	D	D	D	N	N
24 hrs coffee shop	D	D	D	N	N
Full service of all 3 meals in Dining room	N	N	N	N	N
Crockery & glassware of high quality	N	N	N	N	N
Cutlery to be at least stainless steel	N	N	N	N	N
<b>Kitchen</b>					
Refrigerator with deep freeze	N	N	N	N	N
Segregated storage of meat, fish and vegetables	N	N	N	N	N
Tiled walls, non-slip floors	N	N	N	N	N
Head covering for production staff	D	D	N	N	N
Daily germicidal cleaning of floors	N	N	N	N	N
Clean utensils	N	N	N	N	N
Six monthly medical checks for production staff	N	N	N	N	N
All food grade equipment, containers	N	N	N	N	N
Ventilation system	N	N	N	N	N
First-aid training for all kitchen staff	N	N	N	N	N
Drinking water	N	N	N	N	N
Garbage to be segregated - wet and dry	N	N	N	N	N
Insectocutor	N	N	N	N	N
Receiving and stores to be clean and distinct from garbage area	N	N	N	N	N
<b>Public areas</b>					
Alounge or seating in the lobby area	D	D	D	N	N
Reception facility	D	D	D	N	N
Souvenir shop	NA	NA	D	D	D
Public telephone	NA	NA	NA	D	N
Internet facility and tourist information kiosk	NA	NA	NA	D	D
Newspapers available	N	N	N	N	N
Conference facilities	NA	NA	NA	D	N
Staff Quality					

## Appendix 1 2 (2)

Staff uniforms	D	D	N	N	N
Handgloves and cap for kitchen staffs	N	N	N	N	N
Front office staff English speaking	D	D	N	N	N
Government recognized catering / hotel institutes	10%	15%	20%	40%	50%
Staff Welfare / Facilities	D	D	N	N	N
Staff rest rooms	D	D	N	N	N
Staff locker rooms	D	D	N	N	N
Dining area	D	D	N	N	N
Common Toilets					
Separate gents and ladies toilets	N	N	N	N	N
Access to the toilets not through kitchen/restaurant	N	N	N	N	N
Minimum number of Gents W.C	1	1	2	2	2
Minimum number of Ladies W.C	1	1	2	2	2
Minimum number of Gents urinal	1	1	2	2	2
Cleaning of the area in every	2 hrs	2 hrs	2 hrs	1 hr	1 hr
A wash-basin with running water, a mirror, a sanitary bin with lid-separate for gents and ladies with hand towels	4	4	4	4	4
Minimum size of W.C in sq.ft	12	12	15	15	15
One W.C. brush per toilet seat	N	N	N	N	N
Guest toiletries including liquid soap to be provided	D	D	N	N	N
Floors and walls to have non-porous surfaces	N	N	N	N	N
Energy saving lighting	N	N	N	N	N
A Notice showing staff should wash their hands every time they visit bathroom (in Malayalam & English)	N	N	N	N	N
Safety & Security					
Staff trained in fire fighting drill	N	N	N	N	N
Security arrangements for all entrances	N	N	N	N	N
Smoke detectors	D	D	N	N	N
Fire and emergency procedure notices displayed	D	D	N	N	N
Staff trained in first aid	D	D	N	N	N
First-aid kit with over the counter medicines with front desk	D	D	N	N	N
Eco-friendly Practices					
Waste management	N	N	N	N	N
Water harvesting and conservation	N	N	N	N	N
Water Recycling	D	D	N	N	N
Energy saving lights	N	N	N	N	N
Alternate energy use	D	D	D	D	D
Pollution Control Measures	D	D	N	N	N

**Note: D=Desirable, N=Necessary, NA=Not Applicable. There is no relaxation in the necessary criteria.**