Problems Faced by the Tourism Entrepreneurs in Madurai

Dr.S.Rajamohan

Professor
Alagappa Institute of Management
Alagappa University
Karaikudi
Tamil Nadu

S.Shyam Sundar

M.B.A., M.Phil, (Ph.D)
Assistant Professor
AR School of Business
Dindigul
Tamil Nadu

Abstract

Starting business is not an achievement, maintaining one is a big challenge. There are many usual and unexpected challenges that face every business whether they are large or small one. As a tourism entrepreneur every day they face various problems such as technological, economic, political, cultural and environmental problems. The present study explains the problems faced by the tourism entrepreneurs in Madurai.

Keywords: Tourism, Tourism Entrepreneurs, Tourism Business

Introduction

The tourism industry has tremendous capacity to generate direct, indirect and induced entrepreneurial opportunity. The tourism industry can be divided into five career areas such as accommodation, food and beverage services, recreation and entertainment, transportation and travel services. All of these areas involve providing business opportunity at different levels of socio economic people. Hotels, restaurants, tour operators and travel agency have been providing direct business opportunity to people at different level of local community. Entrepreneurs are facing various problems to run their business unit, because business is a different entity. The entrepreneurs take every day as a challenging one. Starting business is not an achievement, maintaining one is a big challenge. There are many usual and unexpected challenges that face every business whether they are large or small one.

Profile of the Study Area

Madurai has glorious past and a busy present with great temples that flaunt the architectural brilliance of the artisans, About 2500 plus year's old city, which has a rich heritage, is located on the banks of Vaigai river. Famously called 'The city that never sleeps'(in Tamil Thoonga Nagaram) . Madurai is always busy regardless of the time of the day. The city busy and even in the middle of the night, Anyone can find 'idlis'(Tiffin item) ,the famous south Indian dish served here. Historically it is also called as the Athens of the East. Megasthanes visited Madurai as early as 3rd BC. Later Romans and Greeks started visiting this erstwhile Pandya Kingdom and there were serious trade connections between them that flourished till the 10th century. Apart from the face of Pilgrim and Education center, Madurai is a modern Commercial and industrial city. It is also famous for its trade mark Chungudi cotton sarees, color dyeing, motifs, Handicrafts,

Brassware,Wooden Toys of Madurai is the favorite of the Young and Old as well.

Methodology

The sample of tourism entrepreneurs such as hotels owners, restaurants owners, travel agent, tour operators itself taken for the present study. The population of the study is finite, so the researcher has collected data from 206 tourism entrepreneurs. For data collection, cluster sampling method has been used for tourism entrepreneurs and obtained responses were analyzed by SPSS software.

Details of the Problems Faced in the Tourism Business-Cluster Analysis

Businesses in tourism face challenges which are not faced by other business. All the new businesses face problems in start up and operations stages. Financial issues, human resource issues and marketing issues are normal issues and it is common for all the business but tourism entrepreneurs face these problems along with additional challenges such as strict government regulation, highest tax rate, domination of corporate companies, lack of government advertisement, inadequate tourism infrastructure, lack of tourist destination amenities, lack of government incentives, law and order problem, inadequate bank loan assistance, lack of skilled workers, poor traffic management, poor civic facilities, power shortage, water scarcity, unfriendly tourism culture, lack of site seeing or entertainment, poor operation of TTDC ,lack of co-ordination between the department of tourism, bureaucracy and red-tapism and bribe threaten. On these variables, the respondents' opinions are collected to assess the problems by using of cluster analysis.

Cluster analysis is a multivariate statistical technique for grouping the data based on the similarity of responses to several variables/subjects. The purpose of cluster analysis is to place subjects/objects into groups, or clusters, suggested by the data, such that objects in a given cluster are homogenous in some sense, and objects in different clusters are dissimilar to a great extent. In cluster analysis, the groups are not predefined but are rather suggested on the basis of the data. The cluster analysis can also be used to summarize data rather than to find observed clusters. This process is sometimes called dissection.

The first step is to find out K. K-means in clustering is to find out the K-centers. This is done iteratively. In the present work, the value of K is three, because, three clusters are decided at the time of analysis. Once the initial cluster centers are selected, each case is assigned to the nearest cluster, depending upon its distance from the cluster centers. After assigning all the cases to these clusters, the cluster centers are once again recomputed on the basis of its member cases. Again, all the cases are assigned by using the recomputed cluster centers. This process keeps on going till no cluster center change appreciably. Since the number of iteration is taken as 10 by default, this process of assigning cases and recomputing cluster centers will keep repeating to a maximum of ten times.

Details of the Problems Faced in the Tourism Business – Initial Cluster Centre

Tourism entrepreneurs are facing lot of problems to do the business such as government regulations, high tax, and competition and so on. Table 2 explicates the each case nearest cluster value.

Table: 2 Details of the Problems Faced in the Tourism Business – Initial Cluster Centre

Initial Cluster Centers			
Cases	**Cluster**		
	1	**2**	**3**
1 Strict government regulation	5.00	6.00	2.00
2 Highest tax rate	7.00	7.00	1.00
3 Domination of corporate	6.00	1.00	7.00
4 Lack of government advertisement	7.00	2.00	7.00
5 Inadequate tourism infrastructure	1.00	6.00	7.00
6 Lack of tourist destination amenities	7.00	7.00	7.00
7 Lack of government incentives	7.00	7.00	7.00
8 Law and order problems	1.00	5.00	5.00
9 Inadequate bank loan assistance	6.00	7.00	7.00
10 Lack of skilled workers	1.00	6.00	2.00

11	Poor traffic management	6.00	7.00	7.00
12	Poor civic facilities	5.00	7.00	7.00
13	Power shortage	7.00	7.00	7.00
14	Water scarcity	1.00	2.00	6.00
15	Unfriendly tourism culture	7.00	7.00	7.00
16	Lack of site seeing/Entertainment	7.00	7.00	6.00
17	Poor operation of TTDC	7.00	7.00	6.00
18	Lack of co-ordination between the department of tourism	7.00	7.00	6.00
19	Bureaucracy and red-tapism	7.00	7.00	7.00
20	Bribe threaten	7.00	7.00	7.00

Source: Primary Data

Table 2 mentioned the initial cluster values of the responses given by the respondents on each value. Based on 206 respondents' responses there are three clusters that have been identified.

Details Of The Problems Faced In The Tourism Business- Final Cluster Centers

Table 3 explicates the final cluster values of the responses given by the sample respondents on each value.

Table 3 Details of the Problems Faced in the Tourism Business - Final Cluster Centers

Final Cluster Centers			
Cases		**Cluster**	
		1	**2**	**3**
1	Strict government regulation	4.11	4.86	2.71
2	Highest tax rate	6.66	6.21	3.12
3	Domination of corporate	6.11	6.49	7.00
4	Lack of government advertisement	6.70	6.77	7.00
5	Inadequate tourism infrastructure	4.89	6.40	7.00
6	Lack of tourist destination amenities	6.67	6.63	7.00
7	Lack of government incentives	7.00	7.00	7.00
8	Law and order problems	4.65	4.63	2.44
9	Inadequate bank loan assistance	6.93	6.95	7.00
10	Lack of skilled workers	3.82	6.81	2.03
11	Poor traffic management	6.88	6.91	7.00
12	Poor civic facilities	6.96	7.00	7.00
13	Power shortage	4.46	5.16	4.76
14	Water scarcity	7.00	7.00	7.00
15	Unfriendly tourism culture	3.22	2.72	4.09

16	Lack of site seeing/Entertainment	7.00	5.74	7.00
17	Poor operation of TTDC	6.82	6.86	3.76
18	Lack of co-ordination between the department of tourism	7.00	6.40	7.00
19	Bureaucracy and red-tapism	6.98	6.35	7.00
20	Bribe threaten	6.89	6.40	7.00
Number of Cases in each Cluster		**129**	**43**	**34**
Valid		**206**		

Source: Primary Data

Cluster 1

Under the first cluster respondents are agreed with the various problems affected the tourism business such as strict government regulation (4.11), highest tax rate (6.66) , domination of corporate (6.11) , lack of government advertisement (6.70) ,inadequate tourism infrastructure (4.89), lack of tourist destination amenities (6.67), lack of government incentives (7.00) ,law and order problems(4.65) ,inadequate bank loan assistance (6.93), poor traffic management(6.88),poor civic facilities (6.96), power shortage (4.46), power shortage (4.46),water scarcity (7.00),lack of site seeing/entertainment (7.00),poor operation of TTDC (6.82), lack of co-ordination between the departments of tourism (7.00), bureaucracy and red-tapism(6.98),bribe threaten(6.89). In the remaining activities they are disagreed. Thus, out of 206 respondents 129 are agreed with eighteen problems and disagreed with remaining two problems.

Cluster 2

In the cluster number two 43 respondents are agreed with strict government regulation (4.86), highest tax rate (6.21) , domination of corporate (6.49) , lack of government advertisement (6.77) ,inadequate tourism infrastructure (6.40), lack of tourist destination amenities (6.63), lack of government incentives (7.00) ,law and order problems(4.63) , inadequate bank loan assistance (6.95), Lack of skilled workers(6.81), poor traffic management(6.91),poor civic facilities (7.00), power shortage (5.16), water scarcity (7.00), lack of site seeing/entertainment(5.74) ,poor operation of TTDC(6.86) ,lack of co-ordination between the departments of tourism (6.40),bureaucracy and red-tapism(6.35),bribe threaten(6.40).Through this cluster it is understood that out of 20 problems they are agreed with 19 problems.

Cluster 3

It could seen from the cluster three that 34 respondents are agreed with domination of corporate (7.00) , lack of government advertisement (7.00) ,inadequate tourism infrastructure (7.00), lack of tourist destination amenities (7.00), lack of government incentives (7.00), inadequate bank loan assistance (7.00), poor traffic management(7.00),poor civic facilities (7.00), power shortage (4.76), water scarcity (7.00), unfriendly tourism culture (4.09), lack of site seeing/entertainment (7.00), lack of co-ordination between the departments of tourism (7.00),bureaucracy and red-tapism(7.00) and bribe threaten(7.00).

However, it is concluded that out of 206 respondents at the first 129 are agreed with eighteen problems and disagreed with the remaining problems. In the second cluster 43 are agreed with nineteen activities and disagreed with unfriendly tourism culture. As far as the third cluster is concerned 34 respondents are agreed with 15 activities and disagreed with the remaining problems.

Conclusion

Success and achievement will be the dream of all persons. But such success and achievement cannot come easily to people. Any success story is always a painful exercise. Tourism entrepreneurs are totally different from other entrepreneurs, their business problems also unique. Success or failure of the tourism entrepreneurs based upon the external environment support such as government policy, subsidies, tourism infrastructure facilities, and tax policy, political stability of the country and state or region. Since the government authorities moral support only could make them happy.

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