

## A STUDY OF “TOURISM ENTREPRENEURSHIP IN RAJASTHAN” WITH SPECIAL REFERENCE TO JAPANESE TOURISTS

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### ABSTRACT

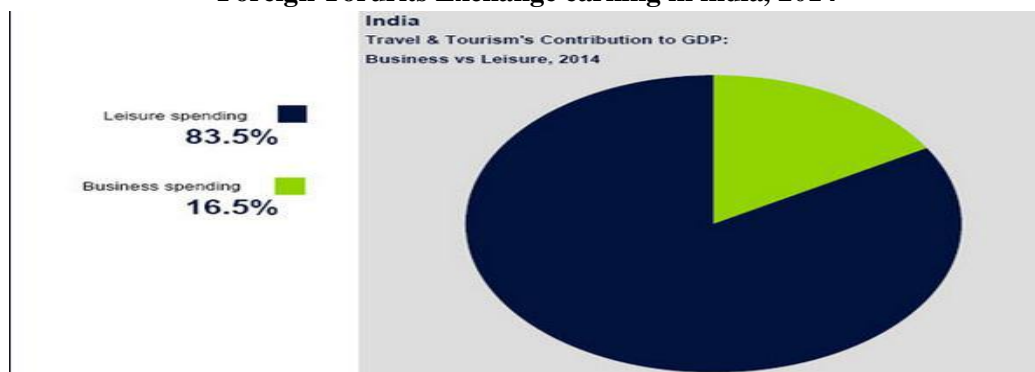
*The entrepreneurship and tourism have an interesting connection with each other especially in a state like Rajasthan, where tourism is the major source of the earning for masses. In this state, Tourism effects positively to the development of Entrepreneurship and in return Entrepreneurship also contributes a lot in development of tourism. Japanese tourists have a good number among foreign tourists arrival in Rajasthan. Then this study further goes deeper with the specific study of Japanese tourist's arrival in Rajasthan and Entrepreneurship development. In this paper we discuss the issues and future prospects of the Japanese tourist's potentials to develop the entrepreneurship in the state. In this Study, the Secondary data from the eminent sources of both tourism sector as well as Entrepreneurship resources are used. Finally this paper ends with the suggestions to Businessmen, and to tourist's stake holders, tourism policy makers as well as entrepreneurship policy makers.*

*Key words: Tourism, Entrepreneurship, Japanese Tourist, Preferences*

### 1. INTRODUCTION

Tourism contributed 10% of global GDP, generates more than 30% of the world's services exports and provides one in eleven jobs worldwide. Tourism is a phenomenon in which a traveller visits to a particular place and affects the socio economic condition of that particular destination or group of destination. On the other hand the tourist who is visiting the destination is also affected by the socio-economic condition of the state, in most of the cases it is the culture which gives a memorable impact on traveler's mind-set but sometimes it also gives an idea to traveler to do some business and motivate to become entrepreneur or explore existing entrepreneurial skills of traveling destination. This idea may lead to a great business. In 2014, 15 lakh foreign tourists arrived to India and visited various parts of India. India earns lots of foreign exchange through them as well as it affects the overall economy of country and many areas of exports too. These also include the amount which tourists invested in process of exporting individual souvenirs. In 2013, a survey was conducted by the Japan Bank for International Cooperation, among Japanese investors, and the result of survey ranks India as the second most promising country for overseas business operations in the medium term.

#### Foreign Tourists Exchange earning in india, 2014



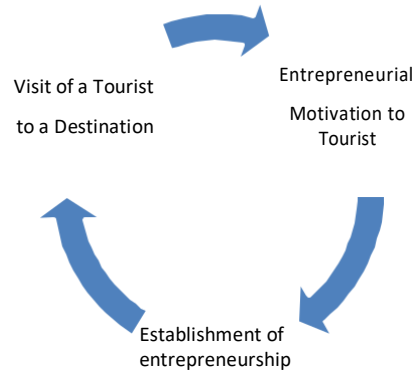
Source: WTTC Report on Tourism Department of India- Travel & Tourism Economic Impact 2015 India

In Report of WTTC (World Travel & Tourism Council ) on Tourism of India it is stated that Leisure travel spending (inbound and domestic) generated 83.5% of direct Travel & Tourism GDP in 2014 (INR5,502.3 bn) compared with 16.5% for business travel spending (INR1,085.1 bn). Business travel spending is projected to grow by 7.4% in 2015 to INR1, 165.8 bn, and further it rises by 6.6% pa to INR 2,202.2 bn in 2025.

### 2. ENTREPRENEURSHIP VERSUS TOURISM

Further, in order to understand the connection of Entrepreneurship with the tourism we need a discussion. I got an opportunity to talk with some tourism experts and stake holders especially who belong to export/import business. I discussed with them on several issues about the connectivity of tourism and entrepreneurs and conclusion is like this. Tourists coming to a destination having a variety of interests, they react differently on the various commodities and cultural elements which they see during the visit. Most of them have a positive impact and they purchase something as a remembrance and sometimes as a gift for the near and dear ones. But

in some cases this goes in different ways too, after visiting the tourism destination they got an idea to start a business in their home country, sometimes this idea takes birth during the period of travelling but grows after years, for example a student visits a tourist destination as a tourist and gets a strong impression through some commodity of local tourist destination, in future he may decide to do business. So at that moment the impression of that visit give him an idea and motivated to be an entrepreneur. So in this way tourism and entrepreneurship affect each other and have a positive impact, as both help in development of each other.



**Figure 1 A cycle showing how tourism and Entrepreneurship affect each other**

### 3. OBJECTIVE OF THE STUDY

To study the impact of foreign tourists' arrival on tourism entrepreneurial competence in Rajasthan with reference to Japanese tourists (Through a Discussion Method)

### 4. REVIEW OF LITERATURE

Irena Ateljevic & Stephen Doorne (2000) in their research work "Staying within the Fence: Lifestyle Entrepreneurship in Tourism" found that in maximum cases tourism research has focused on the conceptualization of entrepreneurship informed by economic analyses. If we discuss about the definition of tourism entrepreneurship Koh (1996:30) and Saayman and Saayman (1997) state that these are activities related to creating and operating a legal tourist's enterprise. Further they explain Legal Enterprises to those businesses that operate on a profitable basis and seek to satisfy the needs of tourists, and enterprises may be hotels, guest houses, travel agencies and tour operators. They define tourism entrepreneurs as persons who hawk goods or services, such as arts and crafts. One more perspective of the tourism entrepreneurship is discussed in the work of Nancy G. McGehee that is agri-tourism activities are influential factors to motivate agri-tourism entrepreneurs. Ramat-Aviv and Ben-Gurion(2001) studied that small performance of the small tourism venture's profitability is contingent on human capital, especially the skills of the entrepreneurs and also found out four theoretical approaches, each focusing on a different central facet: environmental milieu, institutional support, entrepreneurial human capital, and the venture's bundle of services. Both were also focused on promoting managerial competencies as an objective of advisory incubators. Relatively neglected research area of Shaw, G.; & Williams, A. M. holds an important key to understanding tourism's impact on local economies.

A K Raina, and N K Sharma researched on the sample of 47 entrepreneurs in Rajasthan. They found that there is a positive relationship between emotional intelligence and transformational leadership. A positive co-relational relationship between effectiveness and both emotional intelligence and transformational leadership was also evident. Analyzing the relationship between emotional intelligence and different non-transformational leadership styles yielded mixed results.

### 5. RESEARCH METHODOLOGY

**Research Design:** Research design followed in this study is exploratory in nature since we have tried to find out relationship between Tourism and Development of Entrepreneurship in State of Rajasthan and that is especially concerned with arrival of Japanese tourists. Data is collected through both the sources Primary (Case Studies) as well as Secondary (Books, websites, Reports). the study on the basis of four major tourist cities (Jaipur, Jodhpur, Udaipur, Ajmer) of the state which are pioneer in hosting Japanese tourists in state.

### 6. RAJASTHAN TOURISM AND ENTREPRENEURSHIP

Tourism department of Rajasthan for the economic development of the state has adopted many schemes like "Padharo Mhare Desh" that means "Rajasthan Invites You". Recently, On the occasion of Inaugural function of the 8th edition of the Great Indian Travel Bazaar (GITB), at Jaipur Chief Minister of state said "We expect a quantum jump in the tourist arrivals with foreign tourists going up from 1.5 million to 2.5 million and domestic

tourists from 33 million to 50 million by 2018." Rajasthan is a colorful tourism destination that attracts tourists from the various parts of the world for its diversity in terms of natural resources, cultural heritage, historical as well as archaeological wonders and rare wild life. There are various cultural as well as geographical elements among the motivational factors of attraction apart from several other factors. Due to 60 percent desert part Rajasthan has, an image of a destination with desert culture, dunes, camels and local dances on folk music for prospective tourists. Today the tourists have a wide canvas of places, attractions and activities to choose from in the state, which enhances the overall tourism experience. When a tourist visits Rajasthan for once he gets many memorable first-hand experiences through the performance of local artists including painters or by work of block printers, dye and tie artist, handy craft artists sometimes form music and dance artists also. So it is difficult for tourists to return to home country without purchasing the handicraft items or some artistic works. There are thousands of entrepreneurs in Rajasthan who are directly or indirectly dependent on the tourism industry. The handicraft items of the Rajasthan have a sense of elegance and this gives them a unique identity. In the same way there are many other location specific products and in order to provide originality to products it is needed to manufacture them on a certain place and by the same artist who has an aesthetic sense with the product which the artist has achieved from local culture.

The employment in this sector and the sector's contribution to the state economy, and employment potential were limited. However, over the last few decades, due to the focused efforts of Tourism Ministry of Rajasthan including various state government agencies, and selected entrepreneurs / individuals, tourism has grown from an elite and pilgrimage phenomenon to a mass phenomenon putting Rajasthan firmly on the foreign and domestic tourist map. At present, contribution of Tourism Industry to the State economy is estimated to be over Rs 2000 Cr and it is also providing employment to over one lakh people directly and over three lakh people indirectly. Above data shows that in the overall socio- economic development of the Rajasthan Tourism Industry plays an important role. Tourism Unit Policy is also a good approach by Government of Rajasthan which extends more support and incentives for establishment of Tourism Units in the State. Below table shows the number of foreign tourist's arrival in Rajasthan.

S.No.	Year	Number o f Tourist			Change in % with Comparison to Last year		
		Domestic	Foreign	Total	Domestic	Foreign	Total
1	2000	7374391	623100	7997491	10.47	10.74	10.48
2	2001	7757217	608283	8365500	5.19	-2.38	4.60
3	2002	8300190	428437	8728627	6.99	-29.57	4.34
4	2003	12545135	62860	13173695	51.14	46.71	50.92
5	2004	16033896	971772	17005668	27.81	54.6	29.09
6	2005	18787298	1131164	19918462	17.17	16.4	17.13
7	2006	23483287	1220164	24703451	25.00	7.87	24.02
8	2007	25920529	1401042	27321571	10.38	14.82	10.60
9	2008	28358918	1477646	29836564	9.41	5.27	9.21
10	2009	25558691	1073414	26632105	-9.87	-27.36	-10.74
11	2010	25543877	1278523	26822400	-0.06	19.11	0.71
12	2011	27137323	1351974	28489297	6.24	5.74	6.21
13	2012	28611831	1451370	30063201	5.43	7.35	5.52

Figure 2 Source: Tourism Annual Report 2012-2013, Department of Tourism, Rajasthan

In Jodhpur and Jaipur there are many exporters which are directly or indirectly dependent on Tourism Industry. Most of the exporters have now become entrepreneurs and have a continuous growth in their businesses. Some of the foreigners established their entrepreneurship; although they firstly came here as a tourist and later on they got attracted towards entrepreneurial potential of this destination.

## 7. JAPANESE TOURISTS AND THE ENTREPRENEURSHIP DEVELOPMENT IN RAJASTHAN

Rajasthan State was awarded as the Best Cultural Destination by the Lonely Planet at India Travel Awards in 2013 as well as the best destination for families at the Lonely Planet Magazine India Travel Awards in 2014. During the calendar year 2013, over 31.73 million tourists visited Rajasthan. Japanese people are known for their inventions in day to day life and they are always in search of the new thing around them. The Japanese tourists have a good contribution in the entrepreneurship development in Rajasthan because of their interest in handicrafts industry, including textiles, jewelry, miniature paintings, pottery, statuary, carpets. Below is the table of foreign tourist's arrivals in Rajasthan in the year 2014.

Sr.No.	Country	Number of Tourists Arrival (In Lakhs)	Percentage
1	France	2.23	14.61 %
2	U.K.	1.27	8.32 %
3	U.S.A.	1.19	7.80 %
4	Germany	1.13	7.41 %
5	Italy	0.86	5.64 %
6	Australia	0.80	5.24 %
7	Canada	0.58	3.80 %
8	Switzerland	0.49	3.21 %
9	Japan	0.47	3.08 %
10	Sri Lanka	0.28	3.83 %
11	Others	5.96	39.06 %
	Total	15.26	100.00 %

**Figure 3 Foreign Tourists arrival in Rajasthan in 2014**

**Case study 1:** Mr.Hedeki Nishioka is a Japanese national who came many years ago to India, as a tourist. He visited almost every part of India. He was impressed by various handicrafts artists in Rajasthan. He decided to start an organization and named it *Ananda*, as he found this name very peaceful. He approached the people through his contacts who were interested in taking first-hand experience of Rajasthan handicraft. Through his dedication and diligence got success and now he has a network of 2000 people from Japanese community who want to visit already visited Rajasthan for the same purpose. Some of them started doing businesses and Mr.Nishioka himself is doing some export import business. In this case Japanese tourist became an entrepreneur and motivated others for the same. There are approximately 300 Japanese tourists coming every year under the various programs related to Rajasthan visit and handicraft experience programs.

**Case Study 2:** Mr.Vikram Singh Shekhawat learned Japanese language in 1990 from Delhi and started working for Japanese clients in some organization related to tourism. Later on he found that the Japanese tourists as a buyer were not satisfied with the available products in market so he decided to be a manufacturer. After a struggleful beginning, with his efforts and hard work he became an entrepreneur. The understanding of Japanese tourists as a consumer helped him lot in manufacturing and marketing the project. He named his entrepreneurship as Rainbow and with his hard work and involvement the rainbow became Rainbow Texfab Pvt Ltd. There are two types of buyers he had now one is the retail buyer, that is Japanese tourist, and other is business tourist who has become or is already involved in entrepreneurship in Japan. They purchased Rajasthan handicraft cloth items from here and kept with them, gave as a gift to friends and relatives or sold it to various buyers in Japan in case of business tourists. Here in this case tourism is directly creating an entrepreneurship promoting the entrepreneurial potential of the tourism. Presently the annual turnover of the Texfab Pvt Ltd is over Rs. 2 crore. Other family members are involved in managing this entrepreneurship. There are more than three hundred people directly engaged and got employment and 600 persons engaged in indirect and induced by rainbow textile. In both of the cases tourism is contributing to overall economy of the Rajasthan and exploration of the Entrepreneurial Potential of the state.

## 8. FINDING AND SUGGESTIONS

Tourism is the motivational source of entrepreneurship development especially in some famous tourist circuits like Dhundhar Circuit, Merwara-Mewar Circuit, and Desert circuit in Rajasthan. Tourism and entrepreneurship both are positively related to each other and in certain touristic areas they are supplement to each other. Relationship between tourism entrepreneurial competence and tourism destination competitiveness in Rajasthan can be understood by the simultaneously growing trends of both the sectors. It is observed that tourism entrepreneurship in Rajasthan has a growing trend. Although Japanese tourist arrival in Rajasthan does not have a good number as compared to the French and German tourists but in spite of this approx. 47 thousand tourists came last year (2014) in Rajasthan. The arrival of Japanese tourists in Rajasthan is giving a good strength to tourism entrepreneurship as the number of business tourists is good in number. The preferences of Japanese tourists' to Rajasthan are also affected by the tourism entrepreneurship, sometimes a Japanese tourist comes here having two objectives in mind. First, to explore the culture of Rajasthan along with the exploration of entrepreneurial elements from the same for prospective business. Sometimes the Japanese tourists get an idea to do business and establish an entrepreneurship. In both the cases the entrepreneurship is positively affecting preferences of Japanese tourists to visit Rajasthan.





**Figure 4 Process of Dual Development of Tourism Entrepreneurship**

## 9. CONCLUSION

The Tourism policy 2015 (Draft) focuses on the strong public private partnership within a responsible tourism framework so that a win-win situation for the tourists, entrepreneurs and the community can be created. In order to create the favourable conditions for both guest and host as an entrepreneur, two approaches are needed to be focused. Firstly, the approach of a local host as a tourism entrepreneur should be more focused on long term two-way relationship with tourists as a consumer. Two ways relationship here means two different approaches, the local entrepreneur as a seller, should have approach to build a strong relationship with tourists, so that tourists can admire not only local products but also entrepreneurs' behaviour at his/her home country after returning home. This will increase faith as well as give a sense of bonding with products, tourists and entrepreneurs, and that will increase the good will of the entrepreneur as well. This good will somehow positively affects the future growth of sale of that product as well as growth in tourist's arrival. Secondly, an entrepreneur can find more and new foreigner customers who have not yet visited or have already visited that particular destination, on the basis of the reaction of current tourists on the product, even product can be improved. Tourism policy makers should be more liberal for the new entrepreneurs as well as existing entrepreneurs. New research projects are required in order to measure the potential tourism entrepreneurship in Rajasthan, and especially to the Japanese tourists. Japanese tourists are very innovative and the same tendency is brought to the entrepreneurship. Although there are some entrepreneurship already available in Rajasthan which belong to Japanese taste yet some entrepreneurship oriented to Japanese tourists are needed to be launched. There is requirement of International Conferences where Japanese entrepreneurs and Indian Entrepreneurs can find a platform to discuss the entrepreneurial competence of Rajasthan as a tourism Destination. A website should be launched dedicated to tourism Entrepreneurial scope and related opportunities, where both the groups can share their innovative ideas.

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