

# COMPETITIVE ADVANTAGE AND ITS RELATIVE IMPORTANCE IN TOURISM INDUSTRY

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## Abstract

In present scenario, industries play a vital role in the development of any economy. Different types of industries having various specialties in their fields are growing fast and adapting it with the latest changes occurring in various sections in their concerned industry. Tourism industry is a valuable pillar in all available industries alternatives. It is the age of competition and one can survive only if it has competitive advantage over its competitors. Competitive advantage is a condition or circumstance that puts an entity in a favorable or superior business position. There is a great need of maintaining sustainable competitive advantage. For achieving favorable long-term position over competitors, individual attention must be given on the various sources of competitive advantage e.g. people, organizational culture and structure, processes and practices, products and intellectual property, capital and natural resources, technology etc. Practical implication of competitive strategies may open new avenues for better understanding of the said concept. A harmonious coordination among cost leadership, differential strategy and focus strategy results progressive stages of advantages for tourism industry. Porter's five forces and SWOT analysis provide macro-analytical and micro-analytical tool respectively for interpreting the various dimensions of the said one. Inter and intra-competitive advantages may provide broad and comprehensive outlook of the concept. It can provide a sound platform to grab the opportunities taking into account the outcome of analysis and interpretation of strengths. By getting the nerve of weaknesses and threats, preparation for handling future unwanted or contingent situations can be identified and responded accordingly. Enrichment in tourism industry will also foster the growth of other

interrelated industries. There is a need of continuous study of prevailing business environment to match the requirements of various new alternatives taking birth in tourism industry i.e. rural tourism, spiritual tourism, ecotourism and agro-tourism. For achieving the long-term goal of getting the advantages of positioning and marketing management, internal factors and components of business environment affecting the competitor's entity must also be taken into account. A sound correlation among the various factors affecting the spirit of competitive advantage can positively contribute in the development of said industry result a strong foundation for the growth and development of an economy.

**Keywords:** Sustainable Competitive Advantages, Competitive Strategies, Porter's Five Forces, Positioning and Marketing Management

## Introduction

Industrial development is the barometer of economic development of any country. In the age of fast changing environment whether it is economic, social, legal and political, survival and growth depend upon the tuning of concerned industry with the said changes. There is a great need of doing something different from the competitors to acquire a promising position in the market. According to Chacarbughi; Lynch (1999), competitive advantage refers to the ability gained through attributes and resources to perform at higher level than others in the same industry or market. It represents that a firm must have the quality gained through their specialties and resources. Concerned firm has to perform in a fruitful manner in comparison of their competitors working in the same industry. A firm

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has to draft and implement distinctive value creating strategy that is not followed by any current or potential player (Clulow, Val; Gerstman, Julie; Barry, Carol (1 January 2003)). Concept of competitive advantage is worthy for any sort of industry. In the present research paper focus has been on tourism industries of India. As India is basically an agro-based economy. Industries are contributing a mammoth portion in the GDP. Tourism industry is also progressing with the changes in business environment. According to the world travel and tourism council, tourism industry generated ₹ 16.91 Crore (US 240 billion) or 9.2% of India GDP in 2018 and supported 42.673 million jobs, 8.1% of the total employment. This shows that tourism sector of India is positively contributing towards the GDP and employment as per the need of hour. Future prospects of tourism industry are also bright because India is gaining renowned space in Asia-Pacific region. According to the world travel and tourism counsel the sector is predicted to grow at an annual rate of 6.9% to ₹ 32.05 lakh crore (US 450 billion) by 2028 (9.9% of GDP).

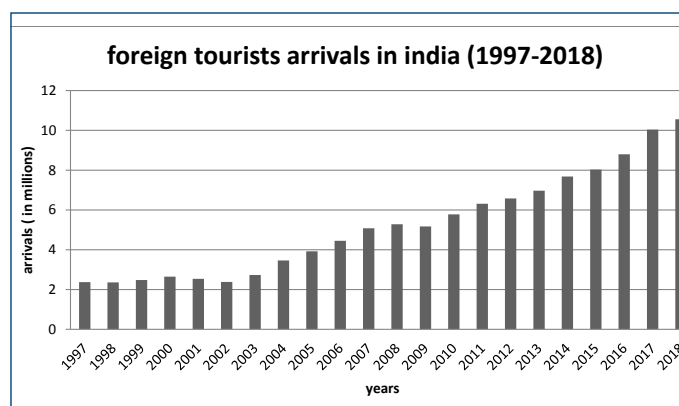
Tourism industry plays an important role in enhancing the foreign exchange reserve. When foreign tourist arrives in India, several avenues of revenue generating sources take birth. In the following table number of foreign tourist arrivals in India from 1997-2018 has been given.

**Table 1.1: Foreign Tourist Arrivals in India (1997- 2018)**

Year	Arrivals ( In Millions)	% Change
1997	2.37	3.83
1998	2.36	- 0.74.0
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	- 4.2
2002	2.38	- 6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0

Year	Arrivals ( In Millions)	% Change
2009	5.17	- 2.2
2010	5.78	11.8
2011	6.31	9.2
2012	6.58	4.3
2013	6.97	5.9
2014	7.68	10.2
2015	8.03	4.5
2016	8.80	9.7
2017	10.04	14.0
2018	10.56	5.2

Source: Bureau of Immigration, Govt. of India



1999 – 2003	12.78 Million	
2004 – 2008	22.19 Million	73.63% growth
2009 – 2013	30.81 Million	38.84% growth
2014 – 2018	45.11 Million	46.41% growth

From the above table we can notice that in the duration of 1997 to 2002 i.e. 6 years, 3 years have shown negative growth rate but in the next 5 years there is a remarkable growth rate between 13.3 % to 26.8 %. This astonishing performance has shown a marvelous 73.63 % growth rate in 5 years. In the next 10 years, there is only the year of 2009 where the growth rate is negative because of global slowdown. The growth rate in next two 5 years duration has reached a satisfying level.

Arrivals of foreigners also contribute to the foreign exchange. The following table contains the data from 1997-2018 about the foreign exchange earnings from tourism in India.

**Table 1.2: Foreign Exchange Earnings from Tourism in India (1997-2018)**

Year	Earnings US \$ Million	Changer %	Earnings Crore	% Change
1997	2889	2.0	10511	4.6
1998	2948	2.0	12150	15.6
1999	3009	2.1	12951	6.6
2000	3460	15.0	15626	20.7
2001	3198	7.6	15083	3.5
2002	3103	3.0	15064	0.1
2003	4463	43.8	20729	37.6
2004	6170	38.2	27944	34.8
2005	7493	21.4	33123	18.5
2006	8634	15.2	39025	17.8
2007	10729	24.3	44360	13.7
2008	11832	10.3	51294	15.6
2009	11136	5.9	53700	4.7
2010	14193	27.5	64889	20.8
2011	16564	16.7	77591	19.6
2012	17737	7.1	94487	21.8
2013	18445	4.0	107671	14.0
2014	20236	9.7	123320	14.5
2015	21071	4.1	135193	8.8
2016	22923	9.1	154146	14.3
2017	27310	19.1	177874	15.4
2018	28585	4.7	194882	9.6

Source: Reserve Bank of India, for 2000 – 2015

Ministry of Tourism; Govt of India, for 2016 – 2018

1999 – 2003	79453 Crore	
2004 – 2008	195746 Crore	146.36% growth
2009 – 2013	290667 Crore	48.49% growth
2014 – 2018	785415 Crore	170.21% growth

From the above table, it is clear that there are only two years have negative growth rate i.e. 2001 and 2002. It results a lower foreign exchange earnings between 1999-2003 and a remarkable growth in 2004-2008 has shown growth rate of 146.36%. However in next five years it has not repeated the same history. A beautiful height in foreign exchange reserve has been noticed in the duration of 2014 – 2018, i.e. 170.21%.

India is a largest market for travel and tourism, it offers a diverse portfolio of niche tourism products – cruises,

adventure, medical wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

In India, various programmes and policies regarding development and promotion of tourism industry at central, state and UTs level is done by the ministry of tourism, headed by the union minister of state for tourism (independent) charge. The ministry of tourism functions as the nodal agency for the development of tourism in country. It helps in coordinating and supplementing the efforts of various concerned agencies and government bodies.

The ministry of tourism has under its charge a public sector undertaking, the India Tourism Development Corporation and the following autonomous institutions:-

- Indian Institute of Tourism and Travel Management (IITTM)
- National Institute of Water Sports (NIWS)
- National Council for Hotel Management and Catering Technology ( NCHMCT)
- And the Institute of Hotel Management

The above institutes are working in different related areas of tourism to gain a respectable share in market. A proper and harmonious coordination among the institutions can enable the country to achieve competitive advantage. Efforts made by these institutions help the policy makers to identify opportunities and strength of the sector and also to dig out the reasons of weaknesses and threats of the said sector. Government should focus on the development of these institutions and build a progressive and positive atmosphere for growing of tourism sector.

## Review of the Literature

A great amount of work has been performed in the area of competitive advantage. A careful study of that can give a bright sight of the present topic. As stated earlier in the present paper that competitive advantage works as a stimulus for better performance. Any firm concerned with tourism industry can avail the advantage of their peculiarities gained though positive attitude and its implementation. According to Porter, Michael. E (1985), there are two ways in which an organization can achieve

competitive advantage over its rivals: Cost advantage and differentiation advantage. Cost advantage is when a business provides the same products and services as its competitors, albeit at a lesser cost. Differentiation advantage is when a business provides better products and services as its competitors. In porter's view, strategic management should be concerned with building and sustaining competitive advantage.

To achieve the end of competitive advantage, a value creating business strategy may work as a means. Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to out form current or potential players (Passemar & Calantone, 2000).

There are two types of factors which affect the firms and industry. These are also termed as general and specific forces. General forces are those which affect the industry as a whole and cannot be controlled by firms of that concerned industry. Specific forces affect the individual firm and within the control of it to a large extent. To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage. (Rijamampianina, Rasuava, Abrutt, Russel, Yumika (2003)). Business strategy is the tool that manipulates resources and creates competitive advantage (Powel, 2001).

Success of any industry depends upon the performance of the firms working or performing under the umbrella of industry. A firm or industry gains popularity if it has superior performance outcomes in comparison of that of competitors. According to (Lau & Ronald, 2002). Superior performance outcomes and superiority in production resources reflect competitive advantage.

The image of industry is the key factor in the eyes of consumers. Competitive advantage is also the result of positioning of firm's performance in the targeted groups. The positioning or competitive advantage is based on creating the "right" image or "identity" in the minds of targeted group (Mulwijk, E.).

How can a firm acquire a position in the minds and hearts of targeted groups? It is an alarming question that must be answered by all firms and industries seeking competitive advantage. Firms must identify their core competencies

and adhere to their growth and development for achieving the aim of positioning. Core competencies are part of the corporate competitiveness. The competitiveness of a company is based on the ability to develop core competencies (Alexener & Martin, 2013). A core competency is, for example, a specialized knowledge, technique or skill (Yang, 2015). Real advantage can be created by the management's ability to unify those capacitate individual businesses to adapt quickly to changing opportunities (Homel & Prahalad, 1992). Therefore, a firm and industry must focus on building corporate identity with that means of positioning, core competencies and management ability which result the end of competitive advantage. Corporate identity through corporate image and reputation with an end result of competitive advantage (Gray & Balmer, 1998).

## Research Methodology

In the present study "Competitive Advantage and its Relative Importance in the Indian Tourism Industry" various factors affecting the competitive advantage of tourism industries are studied. Secondary data have been gathered from statistical records published by government agencies. Travel and tourism competitiveness index 2019 drafted by world economic forum has been used to find out the core-competencies of Indian tourism industry in South Asia and Asia Pacific region. Analysis and interpretation of gathered data has been done by way of comparison with the help of grouping of data having same sort of attributes. Absolute and relative figures have been used in comparing of data.

## Objectives of the Study

Present study has been performed by taking into account the following objectives:

- To find out the various factors affecting the competitive advantage.
- To find out the core-competencies of Indian tourism industry.
- To find out the role of various factors of competitive advantage affecting the performance of Indian tourism industry.
- To provide suggestions for improving the performance of Indian tourism industry.

## Scope of the Study

- Present study is focused on competitive advantage of Indian tourism industry.
- Competitors are restricted to South Asia region's countries i.e. Pakistan, Sri Lanka, Bangladesh and Nepal.
- Core-competencies are found taking into account the Asia-Pacific countries.

World Economic Forum engaged in the identification of

various sectors contributing in the economic development of different regions of the world. WEF engaged leaders in travel and tourism to carry out in depth analysis of the travel and tourism (T & T) competitiveness. Published biennially T & T Competitiveness report and index benchmarks of the 140 economies and measures the set of factors and policies that enables the sustainable development of the travel and tourism (T & T) sector, which in turn, countries to the development and competitiveness of a country.

**Table 2.1: T & T Competitiveness Index 2019 Overall Rankings**

Rank	Economy	Score	Change Since 2017		Difference from Global Average (%)
			Rank	Score	
1	Spain	5.4	0	0.3	41.4
13	China	4.9	2	3.2	26.7
34	India	4.4	6	5.	14.9
77	Sri Lanka	3.7	- 13	- 2.3	- 3.2
102	Nepal	3.3	1	1.9	- 13.0
120	Bangladesh	3.1	5	7.3	- 19.4
121	Pakistan	3.1	3	7.1	- 19.4

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

According to T & T Competitiveness Index 2019, India is in 34<sup>th</sup> position in world with a score of 4.4. India has advanced its rank by 6 compared to 2017. We are above 14.9 % from global average. In south Asia region India is in 1<sup>st</sup> position. Nepal, Bangladesh and Pakistan have moved up in rank in compared to 2017 but Sri Lanka has fallen drastically by 13<sup>th</sup> rank. The performance of these countries is not good in global platform. All four countries of this region are below from global average.

India is in praiseworthy position to get the advantage from its competitors and try to move up in the table and secure a place in global or international tourism market in the forthcoming years.

As per the index India has improved remarkably in the field of business environment, environmental sustainability and cultural resources and business travel with respect of south Asian region compared to its performance of 2017.

**Table 2.2: T & T Competitiveness Index 2019**

Country	Enabling Environment				
	Business Environment	Safety and Security	Health and Hygiene	Human Resources and Labor Market	ICT Readiness
India	4.9	4.5	4.4	4.5	3.6
Sri Lanka	4.4	5.4	5.3	4.4	3.9
Nepal	4.0	5.2	4.3	4.4	3.5
Bangladesh	4.2	4.9	4.5	3.8	3.4
Pakistan	4.2	3.7	4.5	3.4	3.0
South Asia Average	4.3	4.7	4.6	4.1	3.5
Asia Pacific Average	4.8	5.4	5.3	4.8	4.8

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

From the above table, we can notice that there are five factors under the broad heading of enabling environment. India is in 1<sup>st</sup> position in South Asia and above the average of Asia-pacific region in business environment. In safety and security India is behind from Srilanka Nepal and Bangladesh and above from

Pakistan. In health and hygiene India is behind from Srilanka, Bangladesh and Pakistan and above from Nepal. In human resource and labor market, India has secured first rank in South Asia. In ICT readiness India is above from Nepal, Bangladesh and Pakistan but below Srilanka.

**Table 2.3: T & T Competitiveness Index 2019**

Country	T & T Policy and Enabling Conditions			
	Prioritization of T & T	International Openness	Price Competitiveness	Environment Sustainability
India	4.3	3.8	6.1	3.6
Sri lanka	5.2	2.7	5.4	4.0
Nepal	5.0	2.7	6.0	3.5
Bangladesh	3.6	2.5	5.3	3.8
Pakistan	3.6	2.2	5.7	3.6
South Asia Average	4.3	2.8	5.7	3.7
Asia Pacific Average	4.9	3.7	5.6	4.0

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

In above table, factors affecting T & T Policy and enabling conditions have been given. There are four sub-themes included in it. In prioritization of T & T, India is above from the average of South Asian countries but behind from the Srilanka and Nepal. In international openness, India is above from the average

of South Asia and Asia-pacific regional average. In price competitiveness India is above from the average of South Asian countries and Asia pacific region. As far as environmental sustainability is concerned India is below from South Asia average. Sri lanka and Bangladesh are above from the average of India.

**Table 2.4: T & T Competitiveness Index 2019**

Country	Infrastructure		
	Air Transport Infrastructure	Ground and Port Infrastructure	Tourist Service Infrastructure
India	4.2	4.5	2.8
Sri lanka	2.8	3.7	3.3
Nepal	2.3	2.0	2.2
Bangladesh	2.0	3.5	1.9
Pakistan	2.2	3.3	2.7
South Asia Average	2.7	3.4	2.6
Asia Pacific Average	3.8	3.9	4.0

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

In above table, three sub-themes air transport infrastructure, ground and port infrastructure and tourist service infrastructure are shown under the main theme of infrastructure. In air transportation infrastructure and ground and port infrastructure India is above from the

average of South Asia and Asia-Pacific region. In tourist service infrastructure, India is above of South Asian countries but behind from that of Asia-Pacific region. India is behind from Srilanka in this regard.

**Table 2.5: T & T Competitiveness Index 2019**

Country	Natural and Cultural Resources	
	Natural Resources	Cultural Resources and Business Travel
India	4.5	5.5
Sri Lanka	3.6	1.7
Nepal	3.9	1.3
Bangladesh	2.3	1.6
Pakistan	2.3	1.9
South Asia Average	3.4	2.4
Asia Pacific Average	3.6	2.9

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

In above table, we can notice that India is above from the average of South Asia and Asia-Pacific region in both the sub-themes of natural resources and cultural resources and business travel. There is vast gap in average in cultural resources and significant gap in average of natural resources.

## Core Competencies of Indian Tourism Industry

India, which accounts for the majority of South Asia's T & T GDP, remains sub-regions most competitive T & T economy, moving up six places to rank 34<sup>th</sup> globally. From a sub regional perspective, the nation has better air transport infrastructure (33<sup>rd</sup> Rank), ground and port infrastructure (28<sup>th</sup> Rank), international openness (51<sup>th</sup> rank), Natural Resources (14<sup>th</sup> rank) and cultural resources (8<sup>th</sup> rank) and price competitiveness (13<sup>th</sup> rank) compared to global benchmark.

In above six fields, India is securing a promising place in global tourism market. These factors are getting or catching the attention of foreign travelers. Positioning of Indian tourism industry largely depends on the core competencies of the said industry. Core – competencies can be identified in the following way by analyzing the above data.

### Cultural Resources

Number of world heritage cultural sites, number of oral and intangible cultural heritage expressions, number of sports stadium, number of international association meetings and cultural and entertainment tourism digital

demand are included in this theme by T & T competitive index, 2019. Indian tourism sector must focus on the above sub-themes and maintain their originality to remain or improve in the time to come. Cultural resources are a core competency which may provide benefit to the other concerned areas of it.

### Price Competitiveness

It is an important factor in deciding the competitive advantage, as per the T & T competitive index, 2019 India is in 13<sup>th</sup> rank in global platform which shows positive outlook in this regard. Ticket taxes and airport charges, hotel price index, purchasing power parity and fuel price levels are the sub-themes in the said broad category of price competitiveness. It can provide various advantages over the competitors of Indian tourism industry. India can be in a driving seat in South Asia and Asia Pacific region by maintaining or improving its price competitiveness.

### Natural Resources

It is one of the most valuable core competencies of Indian tourism industry recognized globally. India is in 14<sup>th</sup> rank in global as per the T & T competitive index, 2019. Indian tourism industry can get the advantage of its rich natural resources and secure a position in South Asia and Asia-Pacific region. Index has included number of world heritage natural sites, total known species, total protected area, natural tourism digital demand and attractiveness of natural assets. Natural resources as a core-competency can provide substantive benefit to Indian tourism industry in the long-run.

## Ground and Port Infrastructure

Indian tourism industry is taking the advantage of ground and port infrastructure and securing a peculiar space among its competitors at South Asia region and global level. For calculating the average rank in this above broad category quality of roads, road density, paved road density, quality of Rail-road infrastructure, rail road density, ground transport efficiency are considered in it. This factor as a core competency can explore the tourism in each and every corner of the country. Qualitative aspect o the said factor catches the attention of target groups and establishes a benefit of competition. According to the T & T competitive index, 2019 India is at 28<sup>th</sup> number in global tourism industry in this factor.

## Air Transport Infrastructure

Distance matters a lot when anyone wants to visit somewhere. Air transport may prove to be an effective tool to reduce the tension of distance by speeding the transport medium. India is at 33<sup>rd</sup> rank in this regard which is above its global rank of 34. T & T competitive index, 2019 has considered the quality of air transport infrastructure, available seat kilometers domestic, available seat kilometers, international, aircraft departures, airport density and number of operating airlines. India can focus on the development of air transport infrastructure to enrich the competencies to grab the market of tourism with special attention on South Asia and Asia – Pacific region.

## International Openness

Arrivals of foreign tourists largely depend on international openness. According to T & T competitive index, 2019 India has secured 51<sup>th</sup> rank out of 140 countries. Indian tourism industry is above the average of South Asia and Asia-Pacific region. Index has focused on visa requirements, openness of bilateral air service agreements and number of regional trade agreements in force. As a measure to boost tourism, the Indian government implemented a new visa policy in

November 2014, allowing tourists and business visitors to obtain “A visa on arrivals” at 28 international airports. By acquiring an electronic travel authorization (ETA) online before arriving without having to visit an Indian consulate or visa centre. This sort of liberal efforts must be continued so that the image of Indian tourism industry catches the large number of travelers.

**Table 3.1: Number of Domestic Tourist Visits to all states/UTs in India, (2000 – 2018)**

Year	No. of Domestic Tourists Visits ( in Million)	% Change Over the Previous Year
2000	220.11	15.4
2001	236.47	7.4
2002	269.60	14.0
2003	309.04	14.6
2004	366.27	18.5
2005	392.04	7.0
2006	462.44	18.0
2007	526.70	13.9
2008	563.03	6.9
2009	668.80	18.8
2010	747.70	11.8
2011	864.53	15.6
2012	1045.05	20.9
2013	1142.53	9.3
2014	1282.80	12.3
2015	1431.97	11.6
2016	1615.39	12.8
2017	1657.55	2.6
2018	1854.93	11.9

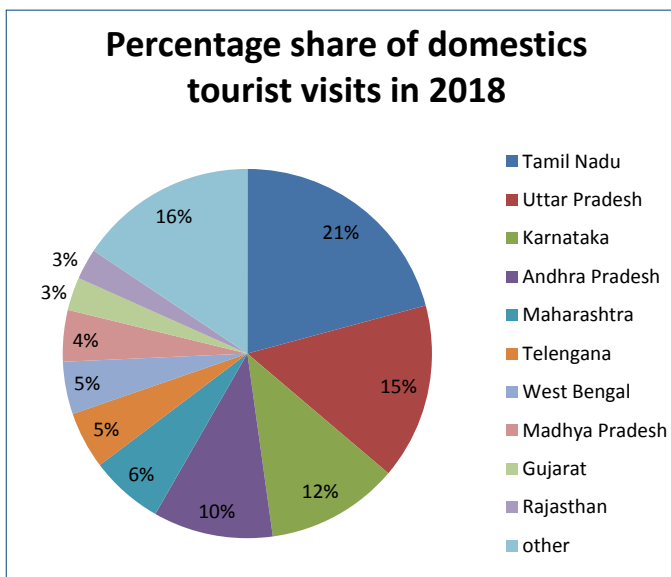
Source: State/Union Territory Tourism Departments

The above table shows that there is a continuous growth in domestic tourists' visits in states and UTs in India. Enhancement in domestic visitors provides economic, social, cultural benefit to the states. Growth in revenue generation of states makes them in a sound position to take decision for enrichment of various concerned areas of tourism.

**Table 3.2: Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2018**

Rank	State/UT	Number	Percentage Share
1	Tamil Nadu	385909776	20.8
2	Uttar Pradesh	285079848	15.4
3	Karnataka	214306456	11.6
4	Andhra Pradesh	194767874	10.5
5	Maharashtra	119191539	6.4
6	Telangana	92878329	5.0
7	West Bengal	85657365	4.6
8	Madhya Pradesh	83969799	4.5
9	Gujarat	54369873	2.9
10	Rajasthan	50235643	2.7
Total of top 10 states		1566366102	84.4
Others		288567282	15.6
Grand total		1854933384	100.0

Source: State/Union Territory Tourism Departments

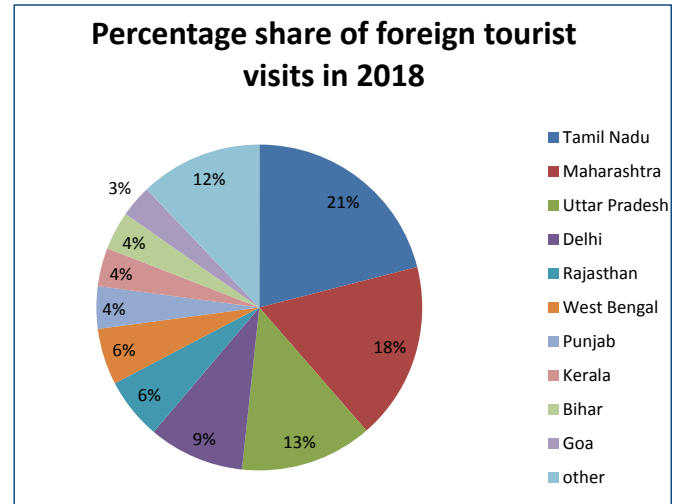


The above table shows that south India is a favorite place for domestic tourists. The choice of visitors reflects their interests in historical and spiritual places. Tourism industry of the concerned states and UTs must focus on their important aspects and Indian government should help the states to advance their strategies because working or efforts made in this regard will provide two fold results one for increasing number of domestic tourists and other of foreign tourists.

**Table 3.3: Share of Top 10 States/UTs of India in Number of Foreign Tourist Visits in 2018**

Rank	State/UT	Number	% Share
1	Tamil Nadu	6074345	21.0
2	Maharashtra	5078514	17.6
3	Uttar Pradesh	3780752	13.1
4	Delhi	2740502	9.5
5	Rajasthan	1754348	6.1
6	West Bengal	1617105	5.6
7	Punjab	1200969	4.2
8	Kerala	1096407	3.8
9	Bihar	1087971	3.8
10	Goa	933841	3.2
Total of top 10 states		25364754	87.9
Others		3507630	12.1
Grand total		28872384	100.0

Source: State/Union Territory Tourism Departments



By analyzing the data of above table, it is clear that Tamil Nadu is the top or favorite choice of visiting for domestic and foreign visitors. Delhi, Punjab, Kerala, Bihar and Goa are in the list of top 10 while these are not able to secure a place in domestic visitors list. It represents that the pattern of visiting is different to a large extent. Indian government should highlight these cities in global market and advertise their rich culture and heritage. Domestic visitors should also be motivated to visit these places so that revenue generation of these states reflects multifold effect.

A harmonious coordination of inter and intra - Indian tourism sector may give birth to various competitive advantages. A domestic pattern of visitors' e.g. spiritual places, historical places, hilly areas and pilgrimage places can provide a base of determining core-

competencies of Indian tourism industry. A visiting pattern of foreign tourists reflect the areas which are catching the attention in global market and can be established as a benchmark for attaining competitive advantage in global market.

## A Way Ahead to Asia-Pacific Region

**Table 4.1: Asia-Pacific TTCI 2019 Rankings**

Rank in Asia-Pacific Region	Global Ranking	Economy	Score	Difference from 2017	
				Rank	Score Growth (%)
1	4	Japan	5.4	0.0	2.1
2	7	Australia	5.1	0.0	0.8
3	13	China	4.9	2.0	3.2
4	14	Hongkong SAR	4.8	- 3.0	- 1.1
5	16	Korea Rep	4.8	3.0	4.7
6	17	Singapore	4.8	- 4.0	- 2.0
7	18	New Zealand	4.7	- 2.0	1.4
8	29	Malaysia	4.5	- 3.0	0.4
9	31	Thailand	4.5	3.0	2.6
10	34	India	4.4	6.0	5.7

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

In above table, India is in 10<sup>th</sup> position in Asia-pacific region. There is still a need of improvement in the performance of Indian tourism sector. India has shown a movement of improvement in its performance compared to 2017. Out of all the rest 9 countries, India is only one which has improved its rank by 6<sup>th</sup> and highest score growth rate of 5.7 %. Japan and Australia has remained stagnant and secure their places

of 2017. China, Korea and Thailand has improved their rankings. Hong Kong SAR, Singapore, New Zealand and Malaysia has shown deterioration in their performance by losing their earlier ranks of 2017. India must focus on its core competencies to retain its present position and try to work hard for strengthening its weak areas identified in T & T Competitiveness Index 2019.

**Table 4.2: India's Performance Above the Asia-Pacific Average Score**

Sr. No.	Factors	Asia Pacific Score	India's Score	Difference
1	Business Environment	4.8	4.9	+ 0.1
2	International openness	3.7	3.8	+ 0.1
3	Price Competitiveness	5.6	6.1	+ 0.5
4	Air transportation infrastructure	3.8	4.2	+ 0.4
5	Ground and Port Infrastructure	3.9	4.5	+ 0.6
6	Natural Resources	3.6	4.5	+ 0.9
7	Cultural Resources and Business Travel	2.9	5.5	+ 1.6

Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

In above table it is clear that cultural resources and business travel and natural resources are under the broad category of natural and cultural resources weightage of 25 % have given a great amount of advantage to tourism industry of India at global level. It must be given proper attention to maintain and improve the performance

in time to come. Moreover price competitiveness, air transportation infrastructure, ground and port infrastructure is establishing as a positive image in tourists result core competencies of industry.

In the following factors we are lagging behind from the average of Asia-pacific region:

**Table 4.3: India’s Performance Below the Asia-Pacific Average Score**

Sr. No.	Factors	Asia Pacific Score	India’s Score	Difference
1	Safety and Security	5.4	4.5	- 0.9
2	Health and Hygiene	5.3	4.4	- 0.8
3	Human Resources and Labor Market	4.8	4.5	- 0.3
4	ICT Readiness	4.8	3.6	- 1.2
5	Prioritization of T&T	4.9	4.3	- 0.6
6	Environment Sustainability	4.0	3.7	- 0.3
7	Tourist Services and Infrastructure	4.0	2.8	- 1.2

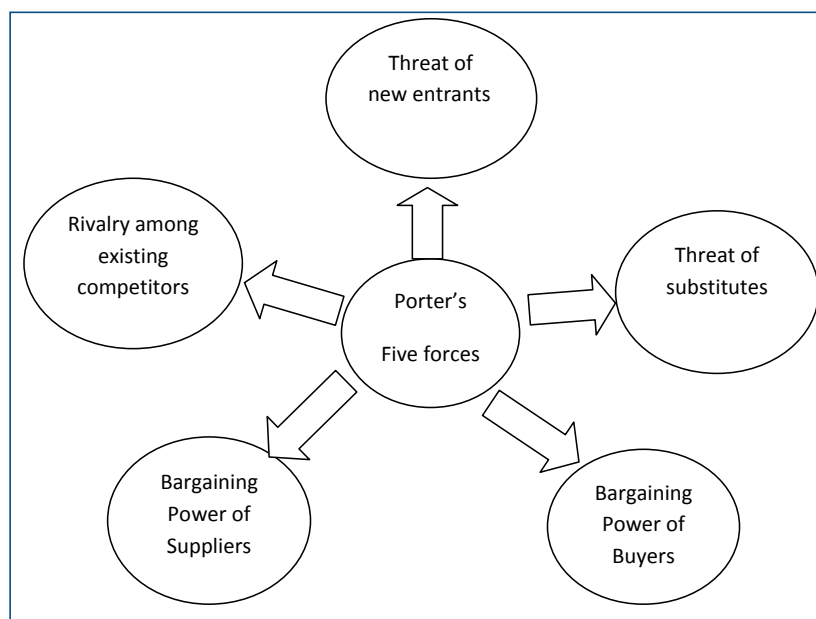
Source: The Travel and Tourism Competitiveness Report 2019, World Economic Forum.

To achieve a sound position in Asia-Pacific region, India must focus on its weak performing areas. Out of the above seven indicators first 4 relates to enabling environment broad category weightage of 25 % in index. The next three relates to T & T policy and enabling conditions. Therefore Indian tourism sector must focus on the business environment and conditions of working in travel and tourism. Safety and security, health and hygiene, ICT readiness and tourist services

infrastructure have a drastic need of efforts done by all stakeholders.

### Porter’s Five Forces Analysis

Porter’s five forces is a model that identifies and analyze five competitive forces that shape every industry and helps determine an industry’s weakness and strengths. Porter has given the following five forces that may affect the competition of an industry.



**Fig. 1: Porter's Five Force Analysis**

As far as Indian tourism industry is concerned, India is far ahead from its competitors in South Asia region but in Asia-Pacific region industrial rivalry is present. Tourism industry is facing the problem of substitutes as visitors have many alternatives available apart from their travelling schedule. At present India is not facing any threat of new entrants in its competitive field. Bargaining power of buyers in tourism sector is more than they have the ample resources and alternatives available at their pocket to switch from present options. As the industry is in its starting phase, the requirement of tourism industry is limited and depended upon the demand of targeted buyers i.e. visitors. Suppliers are not creating any sort of threat to the industry. In tourism industry, India has an ample supply from natural and cultural resources and cheap human resources but attention must be focused towards the smooth availability of physical resources. Therefore, we can conclude that Indian tourism industry is in advantageous situation in South Asia region.

## Marketing as a Means to Achieve the End of Competitive Advantage

If you are attractive but no one knows about you, this will not help you to catch attention of admirers. Marketing works as a tool to achieve the attention of tourists towards our products. India is rich in cultural and natural resources and marketing can provide this picture to the rest of the world. Philip Kotler defined marketing as “Satisfying needs and wants through and exchange process” and a decade later defines it as “a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with other.” Core competencies are the basic element of concept of positioning. Core competencies’ should be known to all the stakeholders of tourism industry. Through marketing we can create product, determine price, adopt promotional schemes and channel of distribution as per the need of our customers i.e. tourists. Marketing strategy may differ according the types of visitors.

Indian tourism industry has a wide range of products available to attract present and potential buyers. Historical places, historical monuments, natural creatures such as hills, rivers, valleys, lakes, seashores etc. National and regional festivals, folk arts, dresses, songs, dances are

the real wealth of the country. Various fairs and religious programs are available for marketing. With the help of various advertisement programs and sales promotional techniques, brand image of tourism give birth to mouth publicity results approach of publicity providing multifold effect of marketing. Therefore, marketing can prove to be an effective tool to secure a place in the hearts of our targeted groups and resulted effect will strengthen the factors of competitive advantage.

## Suggestions to Improve the Performance of Indian Tourism Industry

1. To improve the safety and security condition the following steps must be taken:
  - Incidences of crimes and violence’s should be strictly handled that causes obstacles in the proper functioning of the business. Chances of spreading rumors must be reduced by spreading the correct information as quickly as possible.
  - Police services should be made reliable so that the criminals afraid of committing crimes and public start showing their faith in their service.
  - States mostly affected from the terrorism activities must be provided guidelines and direction in handling the situation. Coordination among various agencies can reduce the chances of terrorism activities.
  - Homicide rate should be reduced by strengthening the local administrative bodies.
2. To move up in the index of health and hygiene the following steps must be taken:
  - Number of physician on per 1000 population should be arranged effectively so that the medical facilities can be reached to the last resort.
  - Basic sanitation facilities should be made available to each corner of the country to reduce the chances of spreading the diseases caused from lack of proper sanitation.
  - Basic drinking water should be provided to all the citizens in the country at a reasonable price or free of cost to the poor people of country.
  - Hospital beds per 10,000 populations should be reasonably provided in the public, private, general and specialized hospital.

- Incidences of Malaria should be minimized to their lowest level on the population of 1, 00,000. Efforts must be done for the eradication of this as quickly as possible to be equal to the country of China and Sri Lanka.
3. To cope up with the changes occurring in the field of ICT readiness, the following steps must be taken:
    - Mobile network coverage area should be enhanced significantly to cover the large portion of population.
    - Internet speed matters a lot, in India speed of internet is not good enough to attract and motivate the consumer to work on internet.
    - 24 Hour or reasonable amount of availability of electricity supply should be ensured so that the ICT mode can be effectively used.
    - B2B and B2C transactions should be encouraged to perform by digital medium. Digital India moment should be made effective by implementing in the government and private sector. Private sector is using this medium effectively but government organization is lagging behind in this respect. Government should make efforts to complete digitalization in their organization to set examples for other areas.
    - Broadband internet subscribers should be increased by providing the internet facility to the large portion of population in reasonable amount.
    - Mobile internet connection should be increased and their continuity must be assured to maintain and improve the present condition.
  4. To get the respectable place in the field of environment sustainability the following step can prove to be a beneficial one:
    - Proper enforcement of environmental regulation should be made ensured.
    - Pollution control should be on top priority. PM 2.5 level must be within the accepted international range.
    - Threatened species must be saved and a proper strategic program should be adopted to save the endangered species.
  - A proper wastewater treatment should be implemented to the source of waste water to save the environment from its negative and harmful impact.
  - Deforestation must be within the requirement of development of country. A proper arrangement and planning must be there to fill the loss of this strategy through the plantation and increase the area of forest.
    5. Tourism industry can progress to a large extent if the qualitative tourist service infrastructure is available in the country. The following step in this regard can provide the substantial results:
      - Number of hotel rooms per 100 populations should be increased so that the tourists get the chances of low price hotels by the working of market forces as per the demand and supply of concerned areas.
      - Quality of tourism infrastructure must be improved.
      - There should be the presence of major car and bike rental companies in the country so that the visitors can travel easily, where the public transport facilities are not available. Visitors can customize their tour as per their choice by hiring the vehicle suited to their needs.
      - Number of Automated Teller machines per 1, 00,000 adult population must be increased to fulfill the requirement of persons. In India, it has been noticed that the functioning of ATMs is not good enough. A proper functioning of established ATMs must be ensured so that the cash withdrawal and deposit are easy to the users. Local masses will get the maximum benefit from this as the tourists will spend on their product.

## Findings

In present paper titled “Competitive Advantage and its relative importance in the Indian tourism industry” several new things have come out. India as a tourist destination is gaining popularity in global market by moving up 6 places in rank to 34. Number of foreign tourists arrival and foreign exchange reserve results from it, is continuously in a growing path. Cultural resources,

price competitiveness, natural resources, ground and port infrastructure, air transport infrastructure, international openness have come out as core competencies of Indian tourism industries in international platform. India has gained most promising state in South Asia region and making its identity popular in Asia-Pacific region too. Apart from the above core competencies industry is performing satisfactory in respect of business environment, ICT readiness, prioritization of travel and tourism, tourist service infrastructure in South Asia region. When we position Indian tourism industry, there is great need of focusing towards safety and security, health and hygiene, ICT readiness, environment sustainability and tourism infrastructure as we are lagging behind from the average index score of Asia-Pacific countries. India must focus on swatch Bharat Abhiyan as we are below the average of Pakistan, Bangladesh and Sri Lanka as far as the factor of health and hygiene is concerned. In safety and security Sri Lanka and Nepal are performing better which can be a threat for Indian tourism industries in coming years as safety and security is the prime concern for tourists visiting in any tourism destination. Industry must shift their focus on improving their performance in ICT readiness, environment sustainability and tourist service infrastructure. However, India has improved its performance in business environment factor to a large extent in Asia-Pacific region but there are some other factors which is still required number of efforts. Infrastructure should be made as per the need of the hour matching the standard of the countries above in the global tourism market. It may result the improvement of other concerned factors also. Travelling pattern of foreign and domestic visitors have shown both some similarities and dissimilarities which can give new way of thinking or ideas to work ahead. South India is a popular destination for both types of travelers. There are some places where foreigners are showing their attention e.g. Goa, Delhi, Punjab but domestic tourists are not approaching these places in priority basis. We can target domestic travelers to reach these destinations to increase the revenue of central, state and UTs. Moreover, there are some places where domestic travelers are visiting in a great numbers, we must take the advantage of this pattern and try to make these destinations attractive for foreign tourists also. India has secured an advantageous stage in the field of competitive advantage as far as south Asia is concerned. India is performing remarkably in Asia-Pacific region too.

On the one side Indian tourism industry is gaining priority in the fields of cultural resources and business travel, natural resources, price competitiveness and infrastructure facilities but on other side health and hygiene, safety and security and ICT readiness are creating dark impact on the image of industry. Collective and collaborative efforts of administrative bodies and public support can reverse this situation and Indian tourism industry can secure a respective position in Asia-Pacific region with an objective to move further in global level.

## Conclusion

Change is the rule of nature and there is only one permanent thing in this world of uncertainty is change. Now it depends on the circumstances that it will be in positive direction or in negative one. Growth is indispensable element of an economy but whether it is contributing in the development or not is an alarming question. Indian tourism industry is playing its role prominently. Development of tourism industry has the potential to given birth a chain of benefit to other industries also. Movement of foreign and domestic visitors originates opportunities for other areas such as transport, hotel, restaurants, personal guides, travel agents and employment for local masses etc. Identification of core-competencies must be organized and analyzed carefully so that more amount of attention from significant stakeholders can be given. Core competencies help the industry in strategy of positioning which helps in building image of Indian tourism. Competitive advantage helps an entity to apply innovation to surpass the efforts of their competitors. The ray of hope from tourism sector is bright to contribute in GDP and generation of employment. India is rich in resources whether it is cultural and natural in international platform. Safety and security and health and hygiene are the areas of great concern for industry. Positive approach towards the efforts made by administrative bodies with inclusion of public and all other stakeholders will reduce the present worse situation to a positive extent. By taking the example of Indian tourism sector in South Asia, policy and strategy to secure a respectable place in Asia-Pacific region can be assured. This sector may prove to be revenue generating and a tool for providing employment. It has a multifold effect over the economy having multidimensional approach of affecting various inter and intra related identities. A bright future of the Indian tourism industry is

waiting and its contribution in the development of economy proposed to be progressive in the future.

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