

7.1 Objectives of the Survey :

The broad objectives of the survey were:

- i. Estimate the total number of domestic tourists by different purposes of travel; and,
- ii. Estimate the magnitude and patterns of tourist expenditure.

The survey was commissioned in the context of preparation of a 'Tourism Satellite Account (TSA)' and as such the expenditure pattern of domestic tourists and volume of domestic tourist traffic were given focus.

The Methodology

The geographical coverage of the survey included all the States and Union Territories of India except some parts of Jammu and Kashmir, Andaman & Nicobar Islands and Lakshadweep.

A three stage sampling design was adopted for the selection of households. In the case of rural areas, the districts formed the first stage sampling units, villages formed the second stage sampling units and tourist households in the selected villages formed the third and ultimate stage sampling units. The districts in each State were formed into a number of pre-determined strata based on percentage of rural population and income from agriculture, although the source of data for district level income from agriculture is not very clear. The allocation of sample districts in respect of each State was determined in proportion to rural population in each State. The requisite number of villages in each selected district was selected by adopting probability proportional to population of the village. The households in the selected villages were listed and identified the households which had at least one member who had visited some place as tourist.

The households thus identified were also stratified according to purpose of visit and sample households were selected from each stratum by using circular systematic sampling technique. A maximum of ten households were selected from each of the selected villages for detailed survey. In the case of urban areas, all the 64 cities with a

population of one million and above were selected with probability one. The smaller cities/towns were grouped into seven strata on the basis of population size and sample towns were selected from each stratum independently. A progressively increasing sampling fraction with increasing town population class was used for determining the number of towns to be selected from each stratum. In all 687 cities and towns were selected as first stage urban samples. A sample of urban blocks was selected independently from each selected city/town as the second stage samples. The households in the selected urban blocks were *Evaluation Study for the Scheme of 'Market Research - Professional Services* Final Report 3-6 listed and prepared the frame of tourist households and stratified according to the purpose of travel. The sample households were then selected as in the case of rural areas.

In all 858 villages and 8580 households were surveyed in rural areas and 3100 blocks and 31000 households were surveyed in urban areas. The field survey was conducted in sub-rounds of six months each. The first sub-round was from January to June and the second from July to December. Data were collected from the same set of villages and urban blocks in both the subrounds, except that the number of villages and urban blocks surveyed in the second sub-round were lower. How the reduction was achieved in the second sub-round or the sampling scheme adopted for selecting the sub-sample is not indicated. Though probability proportional sampling was used for the selection of villages and urban blocks, it is not known whether the sampling was with replacement or without replacement. The estimation formulae and the related descriptions as well as schedules used for the survey are not included in the report.

7.2 The Report of NCAER

Though the domestic tourism survey was primarily intended to be used for the compilation of Tourism Satellite Account (TSA), it was one of the major surveys undertaken both in terms of cost, spread and sample size. The survey could have been used for describing the characteristics of domestic tourism movement in the country including origin-destination mapping, frequency and motivation of travel, economic impact of tourism, etc. The report is however, very sketchy and does not contain any detailed statistical tables. Even the data sets are not made available for public use as per data dissemination policy of the Government of India. The sampling design and other technical aspects of the survey are also not fully described in the report. It was therefore, recommended that the Ministry of Tourism should insist on providing such details appropriately in the report in the case of such surveys in future. It should also be insisted that detailed statistical tables are included in the reports as appendices and unit level data sets are placed on the public domain for further analysis and research by any agency.

Summary of the Report

Demographic Profile of Tourist Households

- A 196 million households were estimated for the country in 2002 - 141million in rural areas and 55 million in urban areas. Of these, 87 million (44 percent) households are tourist households, with 65 million (75 percent) in rural areas.
- Uttar Pradesh, Andhra Pradesh, Maharashtra, West Bengal and Tamil Nadu are the five highest ranked states in terms of share in total tourist households in the country.
- Top five states with respect to number of tourist households per 1000 households are Delhi, Rajasthan, Andhra Pradesh, Karnataka and Uttar Pradesh.

- At the all India level, Scheduled Castes/Scheduled Tribes (SC/ST) and Other Backward Classes (OBC) formed one-fourth and one-third of the total domestic tourist households respectively
- Over half of the rural tourist households depend on agricultural income (cultivators and agricultural wage earners) and 64 percent of urban tourist households depend on salaried jobs and businesses.
- Nation-wide, the average annual income of tourist households was about Rs. 64,199; Rs. 55,780 for rural tourist households and Rs. 89,191 for urban tourist households
- For the country as a whole, about 19 percent and 29 percent of tourist households belong to the 'least' income and 'low' income categories respectively, together accounting for 48 per cent of total tourist households.
- Middle income households constituted 46.7 percent of the total tourist households at the aggregate level.
- 39 per cent of the total rural tourist households were landless and 34 per cent were marginal and small farmers.

Characteristics of Tourists' Trips

- A total of 230 million trips were undertaken by domestic tourists in the country in 2002; 61 million (27 percent) were accounted for by urban residents and 169 million by rural inhabitants.
- Average number of trips per household in the country was 1.17 and average number of trips per tourist household was 2.64.
- Travel for social purposes accounted for the largest percentage of trips in both urban and rural areas.
- Social travel is relatively uniformly distributed regionally across the country.
- Regional distribution of trips shows the Southern region as dominant in accounting for most types of trips classified by purpose of travel, followed by the northern region.
- Top five states ranked according to their relative shares in total trips

are Uttar Pradesh; Maharashtra, Karnataka, Andhra Pradesh and Madhya Pradesh.

- Karnataka has the highest percentage of BT and LH trips, and Uttar Pradesh ranks first in the social and other trips categories .
- Top five states ranked according to trips per 1000 tourist households are Himachal Pradesh, Karnataka, Punjab, Madhya Pradesh and Maharashtra.
- In rural areas, households involved in cultivation or agricultural wage earning account for the largest share of all purposes of travel except business trips.
- In urban areas, salaried and other wage-earning households represent the greatest share in trips of all types (excepting BT travel).
- Trips for BT are accounted for overwhelmingly by households involved in business or trade as primary occupation (in both rural and urban areas).
- Middle-income households represent the highest percent of trips in each category of travel by purpose as well as for all trips taken together.
- The major mode of transport for tourist trips in the country is by bus, representing atleast 70 percent of all trips across all purposes of travel. Together bus and train account for atleast 90 percent of trips in each category of travel.

Tourist characteristics

- Total estimated domestic tourists in 2002 at the national level are 549.4 million, of which 157.1 million (29 percent) were urban inhabitants and 392.4 million rural.
- On an average, there were 2.8 tourists per households and per household and 6.3 tourists per tourist household for the country as a whole.
- Close to two thirds of all tourists at the all India level travelled for social purposes.
- The Southern states account for the highest share of tourists for LH, RP and social travel.

- The Northern region accounts for the highest share of tourists for BT and “others” categories of travel.
- Top five states ranked according to their relative shares in total tourists are Maharashtra, Uttar Pradesh, Karnataka, Andhra Pradesh and Rajasthan.
- For the country as a whole, more than a third of tourists have education till the primary level and about 10 percent are graduates.
- Over two thirds of the tourist population belonged to the age group of 15 – 50 years.

Expenditures

- The average expenditure per trip at the all India level is Rs. 1389. It is Rs. 2044 for urban areas and Rs. 1170 for rural areas.
- Average expenditure per trip is the highest for travel related to leisure and holiday trips. This is followed by BT trips and RP trips are the third highest category.
- Social trips, account for the lowest average expenditure per trip.
- Average expenditure per urban trip is much higher than that for the rural one, the difference being most stark for social trips.
- Expenditure on transport accounts for the share of trip expenditure.
- Expenditure by occupation categories shows that expenditure per trip at the national level is highest for tourists belonging to households depending on business as the primary occupation. This is followed by the professional and self-employed categories.

Package Tours

- Out of a total of approximately 229 million trips made, a mere 3.9 million (about 1.7 percent) were organised as package tours.
- Half of the package trips were made for religious and pilgrimage purposes and about 28 percent for leisure and holiday purposes.
- Package trips comprise 7.8 percent of LH trips in the country and 6.2 percent of RP trips.
- Salaried, middle-income households accounted for the largest share of package trips.
- Average total expenditure on package trips was Rs. 1588. The average cost of package trips by urban households was Rs 2129 and was Rs.1288 for rural households.
- Travel costs accounted for the largest share of total expenditure on package trips in both Urban and rural areas.

Same Day Trips

- There were 243 million same day tourists in India in December 2002.
- The largest share of same-day trips was accounted for by trips for social purposes followed by the category “others” and by RP.
- The average expenditure on a same-day trip for all purposes taken together was Rs.119 in urban areas and Rs 78 in rural areas.
- Expenditure on travel for business & trade purposes is the highest at the all India level in case of same day trips.
- The lowest expenditure per trip is found in travel related to RP in both urban and rural areas

Scenario of tourism in India

Tourism in India, and domestic tourism in particular, veils many a mystery, in part due to inadequate collection of data related to the sector and partly due to the absence of a systematic framework for analysing the sector.¹ While statistics related to international visitors have periodically been collected, data on domestic tourists have been generated only sporadically, in an *ad hoc* manner, typically by non-government entities. In more than fifty years since Independence, only one large government survey -- the NSSO's 54th Round (January - June 1998), based on a thin sample -- contained a tourism module along with other modules focusing on daily commuters and the use of mass media by households. The definition of tourists underlying the survey was inconsistent with the current international definition and the survey did not include tourist expenditures except for travel costs. Earlier surveys date back to more than twenty years ago, and these were typically small, isolated attempts by state governments or business associations or researchers.

The present survey of Domestic Tourism in India thus marks the first time a national household survey dedicated to tourism has been undertaken in the country. Moreover, the survey methodology and framework are consistent with the most recent methodological advances in quantifying tourism and its role in the economy, as embodied in the framework for Tourism Satellite Accounts (TSA) adopted recently by the United Nations Statistical Commission. Indeed, the survey is part of an integrated approach by the Ministry of Tourism, Government of India, in developing and formulating a TSA for the Indian economy. However, the findings of the survey will also help generate important stylized facts – the critical building blocks of a broader exploration and understanding – of domestic tourism in India.

1. Unlike the typical sectors defined in the System of National Accounts, the “tourism sector” comprises a mixture of many different traditional sectors, from transport, to accommodation, to food, and so on. Since tourism is demand defined, the “tourism sector” includes all goods and services demanded by visitors. Substantial advances in methodology have culminated recently in the adoption in 2000 by the United Nations Statistical Commission of the framework of the Tourism Satellite Account (TSA) -- Tourism Satellite

The two broad objectives of the survey were to (1) to estimate the total number of domestic tourists by different purposes of travel; and, (2) to estimate the total magnitude and patterns of tourist expenditures. This report presents the major findings of the national household survey of domestic tourism in India. It is hoped that these findings will be of immense interest to a broad community including government entities, private- sector stakeholders in tourism, academics, media and even the vast majority of individuals whose aggregated travel and tourism behaviour is captured in these findings. In particular, it is also hoped that the survey findings will spur analysts and researchers interested in tourism to identify and develop hypotheses and models to better understand the “how’s and why’s” of the findings presented here, with a view to improving policies for development of tourism in the country. Consistent with that spirit, our constant endeavour in the presentation of the report is to focus tightly on providing material facts devoid of speculation and opinion. Or, as they say in crime novels, to provide “just the facts, and nothing but the facts”.

7.3 Details of the study done on Domestic Tourism

THE SURVEY CONCEPT, DEFINITIONS AND METHOD

Definitions

Popular perceptions of domestic tourists tend to be quite narrowly defined, as persons traveling to leisure resorts or tourist destinations or on religious pilgrimage. However, the internationally accepted definitions are broader, and are the ones adopted in the present survey. To avoid confusion, we define below some basic concepts used in the survey and in this report.

Tourist: The UN/WTO (World Tourism Organisation) defines visitors as “any person travelling to a place *other than that of his/her usual environment* for less than 12 months and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited.”¹

Visitors are further sub-divided into two categories: tourists, who must stay one or more night in the place visited, and same-day visitors, comprising visitors who visit a place and return the same day (without overnight stay).

This definition recognizes the following categories as characterizing the main purpose of travel for tourist: a) leisure, recreation and holidays, b) Visiting friends and relatives c) business and professional (including for study d) health treatment e) religion and pilgrimage, and, (f) sports.²

Tourist households : A household in which at least one member was a tourist during the reference period.

Tourist trips: A trip is defined as consisting of both travel to the destination(s) *as well as return to the usual environment* of the visitor. A trip is counted as part of tourism if it conforms to the definition of tourist travel given earlier.

Tourist Expenditures: All expenditures related to acquisition of goods and services for a trip, made by the visitor or on behalf of the visitor before, during and after the trip.

Survey Description and Methodology

The all-India survey of domestic tourism had two objectives: to estimate total number of domestic tourists by different purposes of travel, and to estimate domestic tourism expenditure. The target population of the survey was the tourist population in the country, with states and urban/rural categories as sub-populations or target groups, for whom too representative estimates were sought. The geographical coverage of the survey includes all the states and union territories of India.³

The survey methodology and sampling design adopted is quite similar to that used by the National Sample Survey Organisation (NSSO) in its Household Budget Surveys (HBS), but also distinguished by the need to incorporate important aspects of tourism activities. For example, domestic tourism is greatly affected by factors such as seasonality and socio-cultural traits. Cross-section data generated through a single point survey (as in a HBS) would not be able to capture any impact of such parameters. Instead, a repeated survey over a period (half yearly) enabling generation of longitudinal data was decided upon. Thus, the survey period was divided into two sub-rounds, each with duration of six months, the first from January to June 2002 and the second from July to December 2002. Second, the domestic tourism expenditure survey is a household survey but, unlike an HBS, the ultimate unit of selection is a tourist household. Consequently, a list of tourist households (sampling frame) is prerequisite to selecting the representative sample (tourist households) from which to collect the desired information. The sampling frame should be up-to-date and free from errors of omission and duplication (which is particularly problematic). In developing countries like India, such sampling frame is neither readily available nor can it be easily prepared since developing new frames is an expensive proposition. The survey design adopted a three-stage stratification in which a readymade frame could be used at least for the first two stages, and a sampling frame developed in the last stage

(discussed below). The same sample design was adopted for both rounds, with respect to coverage, stages of selection, stratification variables and sample size. In other words, primary data were collected from the same villages and urban blocks during both rounds. This was done in a view to keep costs low without any significant loss in precision.

NCAER's experience with socio-economic surveys in India has been that, more than the total sample size, it is the geographical spread over the country that is more important from the point of view of statistical efficiency of estimates. This applies perhaps even more so to tourism, whose distribution across the population is likely to show large degree of heterogeneity. Consequently, a notable feature of the survey design is that the sample of tourist households was selected from a wide cross-section of households in the country, covering both rural and urban areas, with the objective of enhancing the precision of the estimates. The rural sample for the survey were selected from a representative number of districts from across the country, while the urban sample covered a range from big metropolitan cities to small towns with populations below 5000. Appendix-I provides more details on selection of the rural and urban samples.

While the first two stages of stratification in the survey used pre-existing sampling frames (see Appendix-I), the survey developed a sampling frame of tourist households at the third and last stage. This was done by undertaking a listing of all households in the selected sampling area, which were then stratified using nine purposes of travel, from each of which households were then selected at random. Developing the sampling frame at the third – household selection – stage did add some costs to the survey, but it was deemed as highly desirable for two reasons related to the intrinsic nature of tourism. First, the distribution of various tourists is far from homogeneous across any population, particularly in rural areas of India, and therefore adoption of a sample design (through listing in this case) to select a representative sample is very crucial.

Second, and related, the distribution of tourists across purposes of travel is highly skewed in India (according to the NSSO survey that found an overwhelming concentration of tourists in two categories of travel – travel for social purposes and ‘others’). Given the skewed distribution, the listing at the third/household stage would ensure statistically adequate representation of low-frequency purposes of travel (such as for medicine, study, etc.) while attempting to estimate tourism *expenditures*.

The interviewers were provided training for a period of five days, both in canvassing the listing proforma and the household schedule. The training was deemed necessary in view of the types of concepts entailed in understanding and explaining domestic tourism, and it also enabled the interviewers to better communicate problems in the field to supervisors and survey managers, and to comprehend the feedback. In addition, the training also served another important role in improving the survey performance in the Indian context: the presence of senior researchers contributed strongly to increasing the motivation and dedication of the investigators.