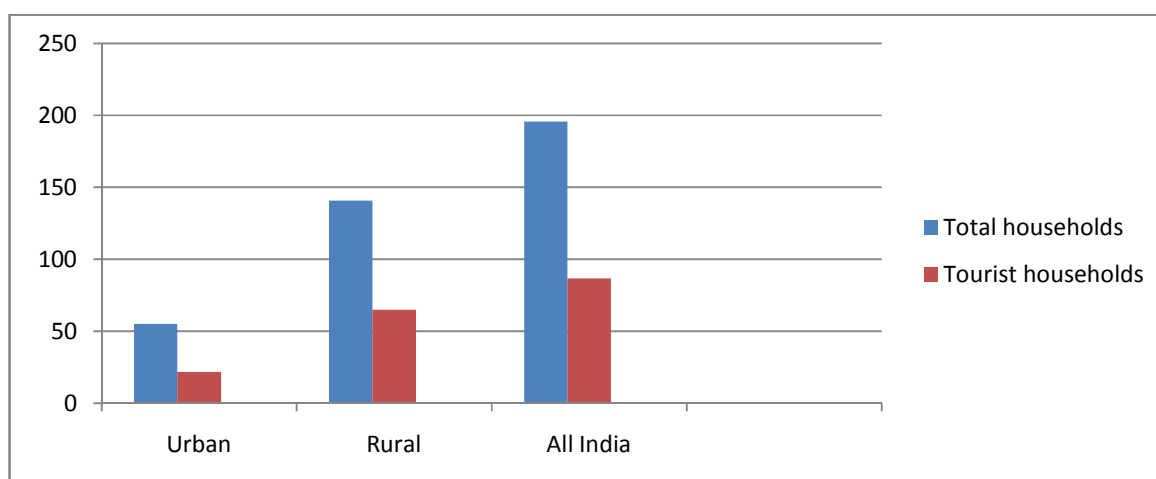


DEMOGRAPHIC PROFILE OF TOURIST HOUSEHOLDS

It has been estimated that there were about 196 million households in India in the year 2002: 141 million (72 per cent) in rural and 55 million (28 per cent) in urban areas. At the aggregate level, member(s) of about 44 per cent households(87 million) made atleast one domestic trip as a tourist during the reference period and as has been mentioned, such households are referred to as tourist households. Out of these 87 million tourist households, about 75 percent (65 million) are rural households.

Fig: Estimated household and tourist households



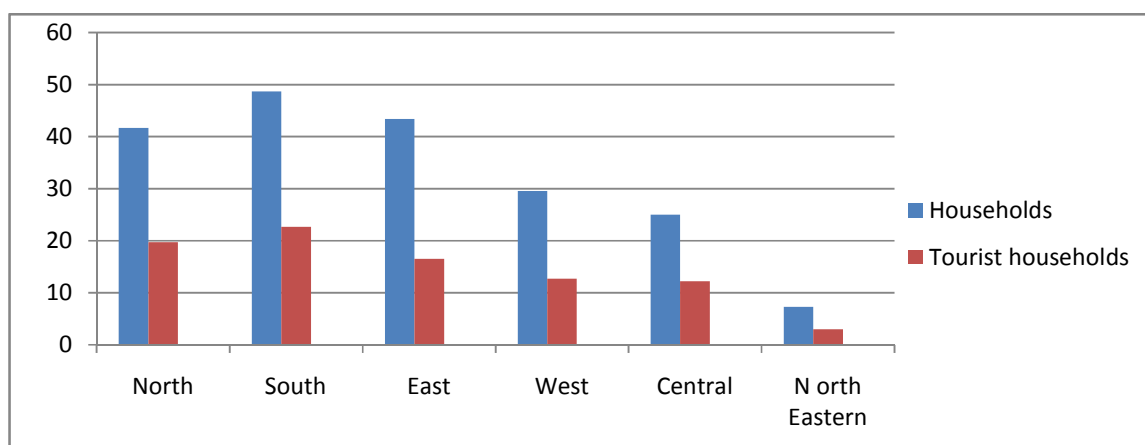
Urban : Total households 55.2; Tourist households 21.9
 Rural : Total households 140.6; Tourist households 64.9
 All India : Total households 195.7; Tourist households 86.8

The regional distribution of tourist households shows tourist households comprise more than 40 percent of total households across all regions* (except the esta). In fact, in the Central region, tourist households are almost half of total households.

➤ The composition of six regions are :
 North: Chandigarh, Delhi, Haryana, Himachal Pradesh, J&K, Punjab, Uttranchal, Uttar Pradesh
 South: Andhra Pradesh, Karnataka, Kerla, Pondicherry, Tamil Nadu
 East: Bihar, Jharkhand, Orissa, Sikkim, West Bengal
 West: Maharashtra, Gujarat, Goa, Daman and Diu
 Central: Rajasthan, Madhya Pradesh, Dadar & Nagar Haveli, Chattisgarh

A more tapered look at individual states might be useful here. In the current survey a total of 33 states have been covered and the top 20 states have been ranked based on two parameters: the percentage distribution of tourist households and density of tourist households in the respective states.* The top five states with respect to the former are Uttar Pradesh, Andhra Pradesh, Maharashtra, West Bengal and Tamil Nadu. Hence these states are important with respect to tourism expenditure. The proportion of tourist households in these states ranges from 15 percent in Uttar Pradesh to about 7 percent for Tamil Nadu.

Fig : Regional distribution of estimated households and tourist households



The density, which can be construed as the extent of tourism penetration in each stat, is the number of tourist households per 1000 households. The all India average density is 444 and it is interesting to note that 9 out the 20 states have densities above the national average. The top five states in descending order of density are Delhi (651), Rajasthan (556), Andhra Pradesh (498), Karnataka (494), and Uttar Pradesh (488). (Appendix –II)

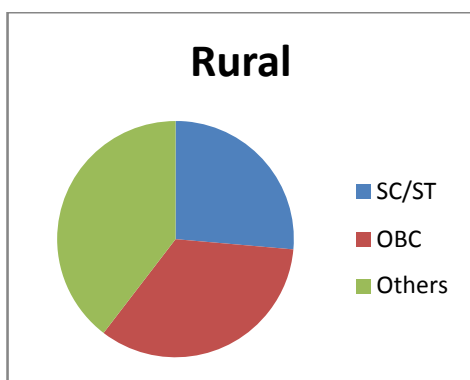
The demographic profile of tourist households is useful in understanding the socio-economic factors governing domestic tourist behavior in India. The remaining part of this chapter is a presentation of the tourist household profile, which shall essentially answer the question – What are the characteristics of domestic, tourist households?

North East: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura. These 20 states account for as much as 98 percent of the total number of households and tourist households in the country.

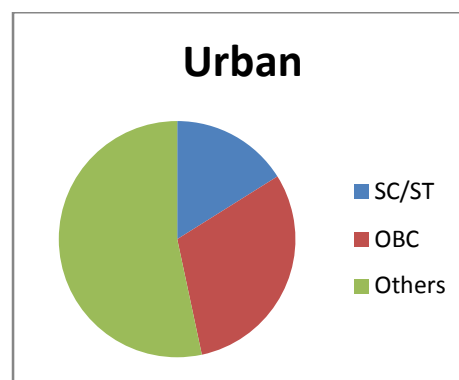
Social Status

The classification of tourist households by social group indicates that at the all India level, the 'General' category households were 43 percent of total domestic tourist households, while schedule Castes/Schedule Tribes (SC/ST) and Other backward Classes (OBC) formed one fourth and one third of the total respectively. The urban – rural classification indicates that rural areas have a higher percentage of SC/ST and OBC tourist households as compared to urban areas.

Fig :Distribution of tourist households by social status



SC/ST - 16.1, OBC – 30.6, Others – 53.4



SC/ST – 26.4 OBC – 34.0, Others – 39.6

Occupation

At the all India level as much as 40 percent of tourist households are engaged in agriculture related activities (cultivators and agricultural wage earners) as their primary occupation. While, over half of the rural tourist households depend on agricultural income (cultivators and agricultural wage earners), 63 percent of urban tourist households depend on salaried jobs and businesses. At the all India level 28 percent of tourist households pursue a secondary occupation.

Household Income

The concept of household income – strictly defined - is often misunderstood by survey respondents. Instead of stating income as net of production expenses, the common tendency is to refer to it as net of all expenses, including consumption expenses. Despite best efforts to get realistic levels of net income, the probability of some amount of understatement of income cannot altogether be ruled out. Subject to this limitation, the estimates of income should be viewed as broad indicators of proceeds that are earned. At the aggregate level, 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). The annual income of households from all sources has been classified into four groups

The below given table reveals that low-income households form a sizeable part of total travelling households at the all-India level. About 19 percent and 29 percent of tourist households belong to the least and low –income categories respectively, together recording 48 percent of total tourist households. The share of such households in rural areas was much higher (55 percent) as compared to their urban counterpart (27 percent). The fact that low income households are a majority has important policy implications. It would suggest that building of tourism infrastructure , its upgradation and provision of related facilities must also target this section of the tourists. This would affect, for instance the relative focus on building of say low cost hotel accommodation and *dharmashalas* as opposed to expensive luxury hotel accommodation.

Table : Distribution of tourist households by income (at 2002 prices)

(Percent)

Income Class	Urban	Rural	All India
Least income	7.1	23.2	19.2
Low income	19.9	32.1	29.1
Middle income	63.0	41.5	46.7
High income	10.0	3.2	4.9
Total	100.0	100.0	100.0
Average household income (Rs./annum)	89,191	55,780	64,199
Average per capita income (Rs./annum)	16,828	9,786	11,363

At the all-India level, middle income households constitutes about 46.7 percent of the total tourist household. While about 63 percent of the urban tourist households belong to this category, the share for rural areas was only 41.5 percent. The high-income groups have a 4.9 percent representation among the tourist households of the country.

Assets Ownership

The value of assets owned by a household is perhaps an important indicator of the economic status of the household, after income accruals. Operational land holding and animal/cattle ownership are considered here, which have more relevant parameters in the context of rural tourist households as opposed to urban ones. Of the total rural tourist households, about 39 percent were landless. Marginal and small farmers account for 34 per cent of all tourist households, followed by farmers who own medium sized holdings (23 percent). The share of large farmers was about 5 per cent. On the other hand, as regards animal/cattle ownership, close to 60 percent of the tourist households from the rural areas possessed some animal.

Household Composition, Age Distribution and Literacy Level

Survey results reveal that a little over 50 percent of the total tourist households have nuclear families while about 41 percent have joint families. The average family size is estimated to be 5.45 persons. This however, varies to some extent between rural and urban areas. For instance, tourist households in rural areas have a larger family size of 5.50 as compared to 5.31 in urban areas. A further analysis of households has revealed that the ratio of adults to children was about 1.8 : 1 and the male- female ratio stood at 1.1 : 1 for the country as a whole.

The age distribution of population indicated that a majority (over 60 percent) of people belong to the 15-50 years age category, followed by people less than 15 years of age who formed about 30 percent of the total population.

As far as the literacy level is concerned, at the aggregate level, about three-fourth of the total population of tourist households is literate and a majority of them (over 61 percent) is educated up to secondary level. As is expected, the data shows that the share of literate population, at various levels, in urban areas is significantly higher than its rural counterpart.

TRIP CHARACTERISTICS

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.

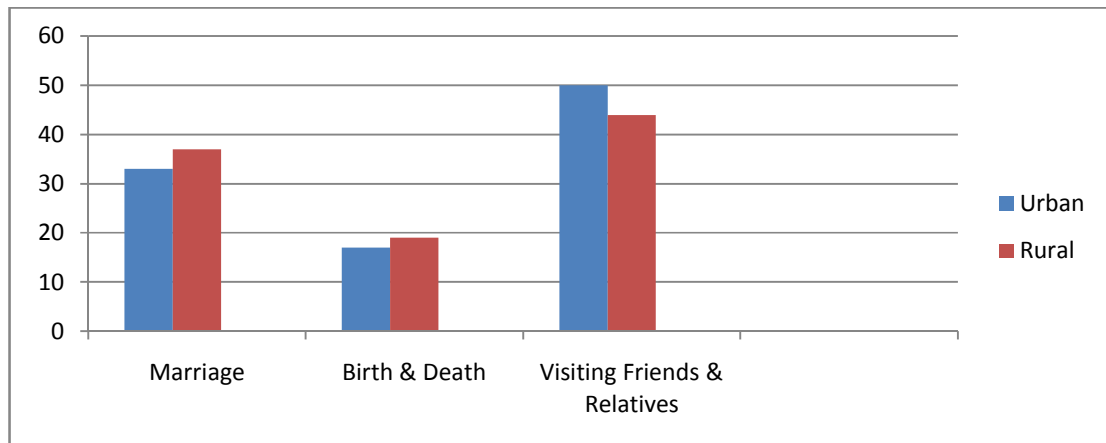
A total of 230 million trips were undertaken by domestic tourists in the country in 2002, of which 61 million were accounted for by urban residents and 169 million by rural inhabitants. This works out an average of 1.17 trip per household in the country and 2.64 trips per tourist households nationally. The ratio of trips per households in urban and rural areas was almost the same – 1.1 and 1.2 respectively. However, the ratio of trips per tourist households in urban areas was higher at 2.8 compared to 2.6 in rural areas.

The largest percentage of trips is accounted for by social travel in both urban and rural areas. However, while social reasons account for 61 percent of all rural trips, they underlie only 53 percent of urban trips. As would be expected, the percentage of trips accounted for by purposes* of BT and LH is higher amongst urban households than in rural. A greater percentage of urban trips is accounted for by religious/ pilgrimage travel than in rural areas (16 percent versus 13 percent respectively).

The largest reason for travel- social- is broken down in the figure below into three components, namely – visiting friends and family, birth and death, and marriage. The relative weight of each of these components shows a similar pattern across rural versus urban areas, although the quantitative share of visiting friends and family is higher in rural areas than in urban, and the share of the other two components is less. At the national level, 49 percent of social trips are for visiting friends and family and 33 percent for

attending marriages, with theremaining 18 percent of social travel related to births an deaths.

Fig: Distribution of social trips by purpose of travel



➤ Purpose of Travel : BT- Business and Trade, LH – Leisure and H
olidays, RP – Religious and Pilgrimage

Table :Relative ranking of states by purpose of trips – All India

Purpose	Rank				
	1	2	3	4	5
BT	Karnataka (15.0)	Andhra Pradesh (12.7)	Uttar Pradesh (10.8)	Maharashtra (7.9)	Punjab (7.5)
LH	Karnataka (17.8)	Tamil Nadu (9.6)	Uttar Pradesh (9.2)	West Bengal (9.0)	Gujarat (8.6)
RP	Maharashtra (17.6)	Karnataka (13.6)	Uttar Pradesh (11.5)	Andhra Pradesh (9.7)	Tamil Nadu (9.3)
Social	Uttar Pradesh (13.1)	Maharashtra (11.0)	Madhya Pradesh (9.3)	Andhra Pradesh (9.3)	Rajasthan (8.4)
Others	Uttar Pradesh (12.1)	Maharashtra (10.7)	Karnataka (10.4)	Bihar (9.2)	Madhya Pradesh (7.1)
All Trips	Uttar Pradesh (12.3)	Maharashtra (11.4)	Karnataka (10.0)	Andhra Pradesh (9.1)	Madhya Pradesh (7.3)

N.B : Figures in parentheses refer to percentage of trip accounted for by state for specific purpose, and in total

The rankings in the (Table and Appendix- III) are broadly dominated by states in the Southern and Northern regions. In particular, the Southern states of Karnataka, Tamil Nadu, Andhra Pradesh and also Kerala rank relatively high across most categories of travel by purpose. As a result, the regional distribution of trips shows states in the Southern region as dominant in accounting for most types of trips classified by purpose of travel, followed by the Northern region. More than one third of all trips in the country for BT, LH and RP are accounted for by the Southern states. Northern states account for almost a quarter of all BT and LH trips and about a fifth of all RP travel. Eastern and Western regions display comparable shares of travel for BT and LH, but eastern states have significantly lower share of RP travel. Not surprisingly, the distribution of social travel is relatively uniformly distributed across the regions.

Table: Relative ranking of states by purpose of trips per 1000 tourist households

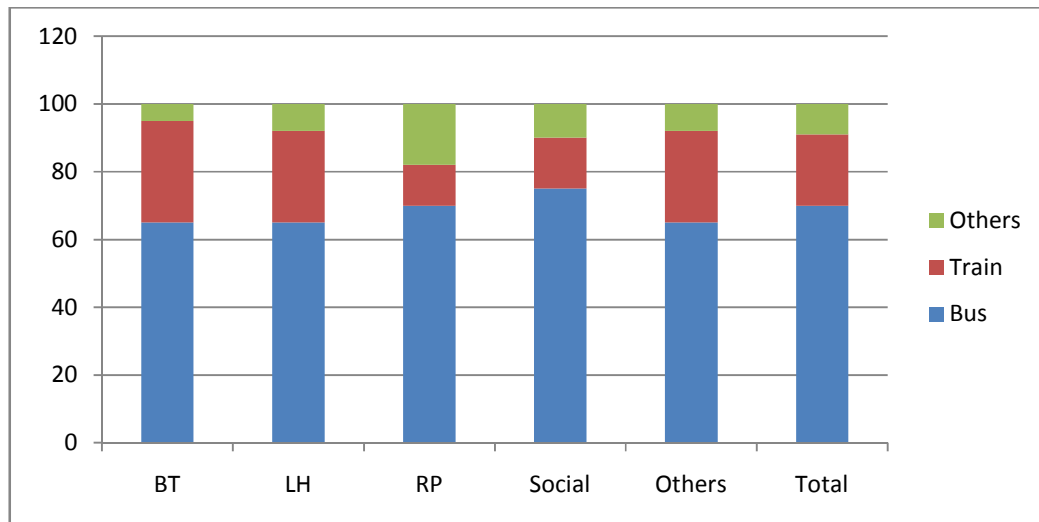
Purpose	Rank				
	1	2	3	4	5
BT	Punjab (727)	Himachal Pradesh (515)	Karnataka (491)	Haryana (348)	Assam (342)
LH	Himachal Pradesh (609)	Punjab (528)	Karnataka (466)	Delhi (276)	Gujarat (248)
RP	Karnataka (821)	Maharashtra (690)	Punjab (671)	Himachal Pradesh (603)	Delhi (545)
Social	Madhya Pradesh (2496)	Rajasthan (2081)	Karnataka (1971)	Maharashtra (1839)	Orissa (1806)
Others	Himachal Pradesh (1126)	Karnataka (617)	Punjab (583)	Bihar (566)	Orissa (521)
All trips	Himachal Pradesh (4419)	Karnataka (4366)	Punjab (4083)	Madhya Pradesh (3290)	Maharashtra (3234)

N.B. Figures in the () refer to trips per 1000 tourist households for specific purpose, and in total

The result is some smaller states move up the ranking, including Punjab, Himachal Pradesh, Orissa, Haryana, Assam and Delhi. Some of the larger states such as Karnataka and Maharashtra still retain their high rank in number of trips made by residents of the states, indicating their ranking reflects not just larger population but also greater incidence of trips by tourist households in these states.

The most popular mode of travel is bus transport followed by train travel. For almost all categories of travel by purpose, more than two-thirds of all trips are by bus, and together, bus and train account for at least 90 percent of trips in each category of travel, including BT and LH. In the small residual, two largest modes of travel are by two wheeler/car/jeep and by foot/bicycle, each accounting for about 2 percent of total trips. Air travel accounts for 0.18 percent of BT and 0.2 percent of LH travel, and less than 0.1 percent across other purposes of travel. Travel by ship/boat represents 0.5 percent of LH travels and is virtually insignificant across other categories.

Fig : Distribution of trips by mode of travel



TOURIST CHARACTERISTICS

This chapter presents major survey findings related to “tourists”, the members of “tourist households” that undertook tourism-related travel. A total of 549.4 million tourists were estimated for the country in 2002, of which 157.1 million were urban inhabitants and 392.4 million rural. The aggregate figure implies a ratio of 2.8 tourists per household in the country. On the other hand, the average number of tourists per tourist household was 6 in rural areas and 7.2 in urban areas, with 6.3 as the national average. These ratios are marginally higher than average household size, consistent with the fact that a tourist household made more than one trip on an average in the reference period.

The distribution of tourists by purpose of travel shows that close to two thirds of all tourists nationally travelled for social purposes. This is expected, given that social travel is the predominant purpose of trips in the country. While social tourists account for 67 percent of rural tourist, the urban is 58 percent. Travel for RP accounted for the next highest share of tourist at the all India level (15 percent). The percentage of tourists touring for RP, BT and LH purposes are higher in urban areas than in rural.

The below Table shows the top five states that account for the largest share of tourist in the country, both in total and by purpose of travel. The ranking by tourist shares are dominated by some of the largest states, including Maharashtra, Uttarpradesh, Karnataka and Andhra Pradesh. Karnataka has the highest percentage of BT and LH tourist, Maharashtra ranks first in case of RP tourist and Uttar Pradesh has the largest percentage of social tourists.

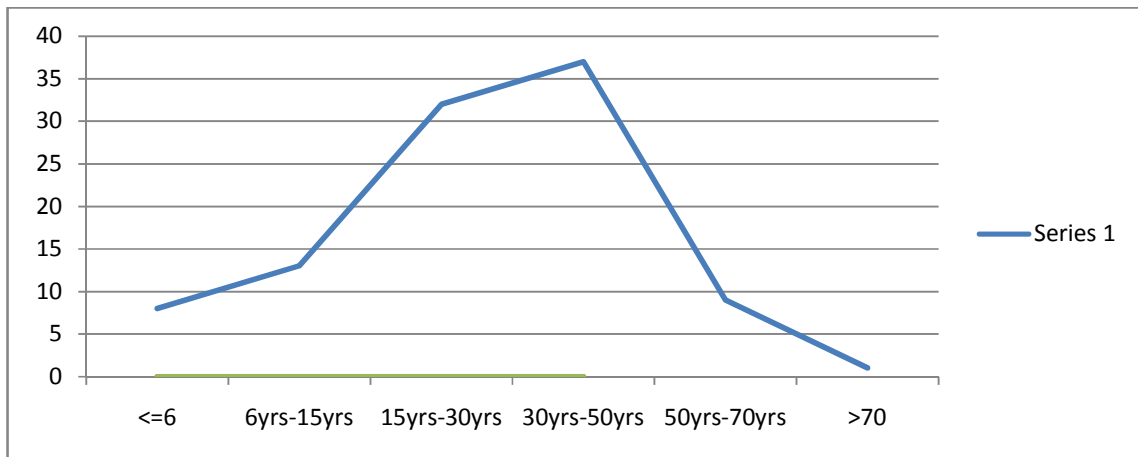
Table :Relative ranking of states by touristshares (purpose of travel and total)

Purpose	Rank				
	1	2	3	4	5
BT	Karnataka (14.5)	Uttar Pradesh (11.7)	Punjab (11.1)	Andhra Pradesh (11.0)	Maharashtra (6.4)
LH	Karnataka (18.4)	Tamil Nadu (11.1)	Maharashtra (8.7)	West Bengal (8.7)	Uttar Pradesh (8.1)
RP	Maharashtra (17.3)	Karnataka (13.9)	Andhra Pradesh (10.3)	Uttar Pradesh (10.2)	Tamil Nadu (9.7)
Social	Uttar Pradesh (12.1)	Maharashtra (11.1)	Rajasthan (9.7)	Madhya Pradesh (8.6)	Andhra Pradesh (8.2)
Others	Karnataka (10.9)	Uttar Pradesh (10.8)	Maharashtra (9.8)	Bihar (9.4)	Madhya Pradesh (6.9)
All trips	Maharashtra (11.6)	Uttar Pradesh (11.4)	Karnataka (9.6)	Andhra Pradesh (8.4)	Rajasthan (7.7)

N.B. Figures in the () refer to percentage of tourists accounted for by state for specific purpose, and in total.

The age profile of tourists shows that tourists in the working age group (15 – 50 years) account for more than two thirds of the tourist population. The age-group curve in the Fig below depicts that there is a sharp dip in the percentage of tourists beyond 50 years.

Fig : Percentage distribution of tourist by age



1. EXPENDITURE CHARACTERISTICS

Overall for all trips, 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 LH trips at all three levels – all India, urban and rural. This is followed by BT trips and RP trips are the third highest category. Among ‘others’ category, average expenditure for medical trips is the maximum. Social trips, which hold a significant position in the country both as far as number of trips and tourists are concerned, account for the lowest average expenditure per trip.

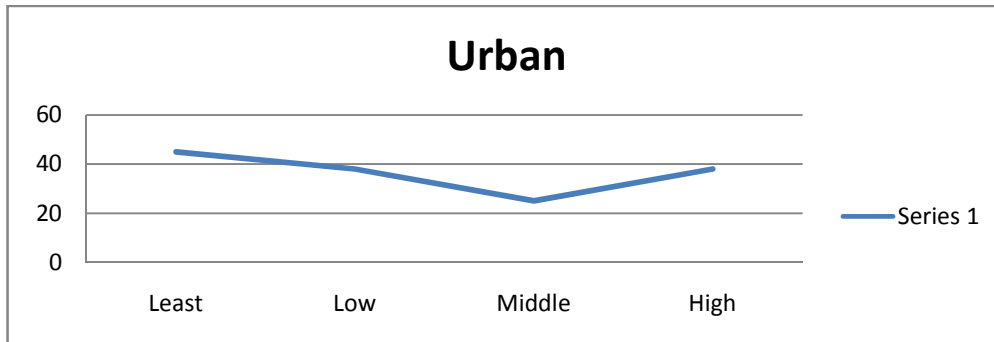
A division of average expenditure into different expenditure heads shows that, domestic tourists spend about a fourth of their budget on transport alone (Table below). A total of close to 40 percent of average expenditure per trip is spent on food(including processed food), clothing and accommodation. The remaining 35 percent is accounted for by medicines, durable goods, gems and jewellery, etc.

Table: Average expenditure (Rs) per trip

Items	Urban	Rural	All India
Transport	574	261	339
Accommodation	148	50	82
Food	230	124	150
Cloths	374	217	256
Processed food	59	42	46
Intoxicants	21	16	18
Durable goods	72	41	48
Footwear	41	28	31
Toiletries	33	25	27
Gems & Jewellery	55	36	41
Books & magazines	14	8	10
Medicines	59	99	89
Others	363	214	251
Total	2043	1160	1389

At the all India level, the expenditure is Rs.906 per trip for the 'least' income group households. For the 'high' income group it is almost six times higher at Rs 5263. While expenditure incurred by all income groups are higher for urban households than that for rural ones, maximum rural-urban variation exists for 'least' income households and minimum for 'middle' income households as shown below.

Fig: Urban – rural gap (%) in average expenditure



N.B. Percentage Difference is the percentage of the excess of urban expenditure over that of rural

Expenditure by occupation categories shows that expenditure per trip at the national level is highest for tourist belonging to households depending on business as the primary occupation. This is followed by the professional and self-employed categories. The expenditure is least for cultivators and agricultural wage earning households.

PACKAGE TOURS AND SAME DAY TOURISM

This chapter covers two specialized topics in the national survey :package tours and same-day tourism. Unlike in many industrialized countries, package tours in India are a relatively miniscule segment of domestic tourism. Nonetheless, this is a well defined industry segment and requires explicit treatment, particularly in the context of developing Tourism Satellite Accounts for the economy. Conceptually, package tours can be treated in two ways. They can be viewed as new, distinct product made using as intermediate inputs the different services included in the package (e.g., food, transport, accommodation, etc.). Alternatively, they can be viewed as simple agglomerations or bundles of the underlying products. The two ways, yield different valuations of the sector.* In either case, the person purchasing the package has no information on the costs of the specific components of the package. Thus, while the total expenditure on package

trips may be relatively more accurate than on other trips, the expenditure breakdown into components may be less reliable.

Day tourism is conceptually related but distinct from tourism for a number of reasons. The concept of the “usual environment” is central to both, in that the visitor is a tourist only if she is away from her usual environment. However, day tourism is confined to a single day, as distinct from the definition of tourism based on “at least one night away” from the usual environment. In addition, what constitutes “usual environment” in the context of day tourism is more complicated and has more nuances than in case of tourism. For these and various other reasons, including appropriate sampling design for day tourism, a comprehensive survey of day tourism should ideally be a stand-alone exercise.**However, virtually nothing is known about the quantitative aspects of day tourism in India and the survey included a small module on this phenomenon on a pilot basis.

PACKAGE TOURS

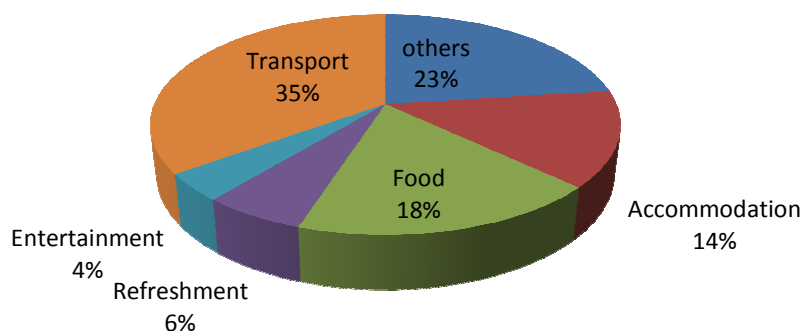
Of the total estimated 229 million tourist trips made in the country, only about 3.9 million – about 1.7 percent – were arranged as package tours. Thus, package tours comprise an extremely minute segment of domestic tourism in the country.

Although breakup of package tour components is not always known to travelers, the estimates suggest travel costs accounted for the largest share of total expenditure on package trips. A division of average expenditure into different expenditure heads shows that, domestic tourists spend more than a third of their budget on transport, that is more than that on accommodation and food put together. Entertainment and refreshment expenses account for only 4 percent and 6 percent of the total respectively.

➤ *For more details, see “Developing a TSA for India”. NCAER, New Delhi, May 2001.

➤ ** These arguments are developed in more detail in Shukla, R.K. and P.Srivastava, “Estimating Domestic Tourism Expenditures in Developing Economies: Lesson from India” Enzo Paci Papers on Tourism, vol.3, World Tourism Organization, Madrid, Spain, (forthcoming).

Distribution of average expenditure on package trips



The distribution of package trips by primary occupation of the households travelling shows salaried households accounting for the overwhelming share of package trips in urban areas, followed by households engaged in business of trade, and professionals and self employed. In rural areas too, household earning salary or non-agricultural wages account for the largest share of package trips, but their share is almost matched by households earning livelihood from cultivation and agricultural wages.

Same Day Tourism

A total of 243 million same-day trips for tourism is estimated from the survey results for the month of December 2002, of which 176 million were by rural households. As noted already, this component of the survey was undertaken on a pilot basis and these estimates are therefore better viewed as indicative.

The largest share of same-day trips was for social purposes followed by the category “others” and by RP. The relatively high share of the residual category (others) indicates that the questionnaire design for tourism may not have translated well into capturing same day tourism.* The relative share of different purposes of travel is similar and uniform across both rural and urban areas.

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. This implies a total expenditure of almost Rs 21.7 billion (or Rs 2100 crores) on tourist same day trips, of which almost 63 percent is accounted for by rural trips.

➤ For example, day trips are more likely to incorporate more than one purpose with no single purpose predominant. These may get classified by respondents in the others category. Regular tourist trips may also have multiple objectives, but typically there is more clearly understood primary purpose. A survey dedicated to same day tourism would be able to better capture these complexities