



International

Journal of Recent Research and Applied Studies

*(Multidisciplinary Open Access Refereed e-Journal)*

ISSN: 2349 - 4891

## MARKETING OF TOURISM PRODUCTS IN KERALA

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### **Abstract**

*Kerala, tourism has a significant role because of its potential in creating employment, enhancing production and productivity and contribution towards the development of the State. Effective marketing and promotional measures are essential to attract tourists and to highlight Kerala as a distinct destination. As part of tourism development, new destinations are being identified and various schemes are being implemented to develop them as important tourist spots in the State. Travel and Tourism is one of the largest industries in Kerala today, contributing Rs. 39.3 billion (US\$ 791.1 million), or 3.7 per cent, to the gross state product (GSP). This is projected to rise to 5.2 per cent, or Rs. 216.5 billion (US\$ 2.9 billion) of GSP, by 2013. In this context, an attempt is made here to analyse the various marketing initiatives and performance of Kerala Tourism.*

**Key words:** *tourism product, marketing, tourist's arrivals, earnings.*

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### **INTRODUCTION**

A land of incredible diversity, a tropical paradise intoxicating the tourists with its charming exotica, seductive beaches, serene backwaters, exhilarating mountains, enchanting waterfalls, magnificent monuments, delicious cuisine, colourful festivals, a sublime heritage....yes, it is the God's own country – Kerala. It is said that Kerala is named

after 'Kera' (Coconut) which grows plenty in almost all parts of the State. In Kerala, tourism has a significant role because of its potential in creating employment, enhancing production and productivity and contribution towards the development of the State.

### **SIGNIFICANCE OF THE STUDY**

Effective marketing and promotional measures are essential to attract tourists and to highlight Kerala as a distinct destination. For this, various measures such as classification and certification of tourism units, media advertisement, printing and distribution of multi-colour brochures, conducting festivals, participation in national and international fairs and festivals etc. are being adopted by the Department of Tourism, Government of Kerala (Sooraj, 2005). As part of tourism development, new destinations are being identified and various schemes are being implemented to develop them as important tourist spots in the State. In this context, an attempt is made here to analyse the various marketing initiatives of Kerala Tourism.

## **OBJECTIVES OF THE STUDY**

This study aims:

1. To make an analysis of the various marketing initiatives of the Department of Tourism, Government of Kerala.
2. To evaluate the performance of Kerala Tourism in terms of its tourists arrivals and earnings.

## **MARKETING INITIATIVES OF KERALA TOURISM**

The Department of Tourism, Government of Kerala is providing assistance to District Tourism Promotion Councils' (DTPCs) in all the districts. Private sector investment needs encouragement from the Government. Accordingly tourism was declared as an industry way back in 1986 and certain concessions / incentives were offered for investment in this sector. From June 1988, a Tourism Guidance Cell is functioning at the Directorate to provide a face to face interaction with those who propose to invest in the tourism sector. The following are the major marketing initiatives of the Department of Tourism, Government of Kerala.

### **1. Scheme for classification of Ayurveda Health Centers**

The elevation of 'Ayurveda' as a USP of Kerala Tourism has brought a substantial increase in the ayurveda massage centers in almost all the major tourist destinations in the State. Most of these operate according to their terms and often flout safety and health regulations. To forestall any such misuse and maintain a uniformity of practice, Government of Kerala has brought out a scheme for the Approval of Ayurveda Centers vide G.O. (MS) 140/98/GAD dated 23-03-1998. According to this order a uniform approval

is given to all the centers fulfilling the conditions prescribed, irrespective of its class in quality. The Department of Tourism then felt that a classification of the centers is necessary to differentiate in the level of quality of facilities and services provided in the approved ayurveda centers. Under these circumstances, Department of Tourism, Government of Kerala has worked out a revised scheme for the classification of the ayurveda centers in order to promote tourism in the State. The centers will be classified into **Green Leaf** and **Olive Leaf** categories based on quality standards maintained by the ayurveda centre as prescribed by the Government of Kerala.

## **2. Scheme for classification of House Boats**

Among the various new tourism products, houseboat cruising in the backwaters has become the USP of Kerala. During recent times the number of houseboats have proliferated and reached a figure of more than 650 numbers during the last 10 years. There have been some complaints regarding the upkeep and maintenance of some of the houseboats operating in the backwaters. Earlier there was no system to control the quality of the house boats such as quality of materials used for construction, facilities including

size of rooms, quality of furniture, quality of services or the safety & security measures offered by the house boat operators. Considering the sustainability of this unique tourism product and the fragile backwater environment, the Department of Tourism has evolved a scheme for classification of these house boats in the year 2000. The Department has also decided to grade the houseboats with respect to the quality of facilities and services so that interests of tourists can also be protected. With this objective, The Director of Tourism has conceptualized a scheme to grade the existing house boats which maintain the quality standards into **Gold Star** and **Silver Star** categories and also to give **Green Palm** certificate as a symbol of eco-friendliness to those house boats which adopt environment friendly practices in its operation. Government has also notified that only those house boats which are approved by the Department under the scheme will be eligible for 10% State investment subsidy contemplated in G.O (Rt)No.14/98/GAD dated. 12-11-88.

## **3. Scheme for classification of Home Stay units**

Even though the State has about 50,000 rooms for tourist accommodation in different categories, there are only less than 10,000 rooms of good quality.

Considering the potential and demand, it is estimated that there is a gap of about 5,000 quality rooms at present. The additional room requirement for the next 5 years will be another 10,000 rooms. If we take the average investment requirement per room for developing a hotel/resort as Rs. 20.00 lakhs per room, the investment requirement in the accommodation sector for the next 5 years will be in the order of Rs. 3,000 cores which are very ambitious ([www.keralatourism.org](http://www.keralatourism.org)). It is necessary to find out ways and means of achieving the target in a cheaper way without compromising on the quality. Kerala has a large number of well constructed houses in which there are unused rooms which can be converted into tourist accommodation with minimal improvements. Estate bungalows, heritage homes, farm houses, houses with vacant rooms owned by NRIs and residents etc. are ideal for Home Stays. Already many families are coming forward to share their homes with tourists as home-stays and there are some excellent home stays offered to the tourists in the State. The home-stays can offer the unique experience a tourist expects by sharing the traditions and its values and in turn earn sustained additional income and employment to the local people. Not only does the host get to know about their guests but it also works vice-versa.

Department of Tourism, Government of Kerala is already implementing a scheme to approve Home-stays in the state through the District Tourism Promotion councils. But the guidelines for the approval and the benefits to the home-stay operators were not clearly defined to make the programme a success. Department of Tourism introduced a new scheme for the classification of home stays in the month of August, 2006. This scheme brings out clear guidelines on the required facilities, procedures for classification, and benefits to operators, benefits to the community and the tourists etc. and to encourage the locals to participate in the scheme to increase the room capacity in the state with minimal investment.

The Department of Tourism introduced this scheme with the following objectives:-

- To increase the room capacity to accommodate tourists without compromising the quality of facilities, service and traditions through home-stays by introducing classification system for the Home-stay units.
- To help the tourists to have a first hand experience of the rich culture and heritage of the state of Kerala.
- To encourage the locals in earning an additional income other than

his/her regular income and sustained employment by optimally utilising the infrastructure they have already developed.

- To allow penetration the benefit of tourism directly to the local population and empowering the common man in promotion of tourism in the state by minimising its negative impacts.

#### 4. The Vazhiyoram Project

The Department of Tourism has chalked out a plan that envisages the creation of 250 ‘Vazhiyoram’ centers beside highways, waterways and major roads connecting important tourist destinations. Spread out evenly across the State, these outlets will ensure that travellers get a quality break offering the perfect mix of restaurants, mini shopping centers, rest rooms, paid toilets and so on. Careful planning will see to it that these outlets are spaced out in such a way that one centre is a minimum of 10 to 20 km away from the other. Petrol Bunks and existing restaurants too can take part in this project provided they adhere to Government specifications. Moreover, investors will also enjoy the added advantage of a standardized design and uniform branding. Anybody who has ten to twenty cents of land along any of the

major roads in Kerala, can become a part of the ‘Vazhiyoram’ project and as an investor in this highly lucrative venture conceived by Kerala Tourism, they can gain the following exclusive benefits.

(i) *Investment subsidy*: 25% of construction cost subject to a maximum of Rs. 5 lakhs for approved projects. Additional incentive of Rs. 2 lakhs will be allowed for adopting pollution control facilities, rain water harvesting, captive power generation and purchase of waste management equipments.

(ii) *Attractive benefits*: Department of Tourism will facilitate easy access to low interest loans. Finance institutions sanctioning the loans will remit the incentives as fixed deposits in the name of the entrepreneur for a period of two years. 90% of the project cost will be given as bank loans and the promoter will meet the remaining 10%.

(iii) *Brand promotion*: Kerala Tourism will actively promote the ‘Vazhiyoram’ centers in domestic and international markets through trade fairs and road shows. In addition to all this, the investor will enjoy the patronage of an increasing number of travellers as today Kerala is the favorite destination among domestic and international tourists.

## 5. The Green Farms Kerala project

The primary objective of the project was to prepare the Farms/Plantations of Kerala to receive tourists by presenting a positive image of the farm and of agriculture as a whole, in view of revitalising the agriculture sector through tourism and increasing tourist traffic to the state. This project was introduced in July, 2005. Kerala, being an agricultural dominated state, has tremendous potential for developing Farm Tourism in a big way without much additional investment. Kerala has 30.22 lakhs hectares of gross cropped area which is 56.78% of the State's total geographical area. More than 1/3rd of the area under cropped area is plantations of Tea, Coffee, Rubber, Pepper, Cardamom and Ginger, and another 1/3rd of area is under Coconut plantations. The State has about 3, 50,000 lakhs hectares of land under paddy cultivation. There is a possibility of converting potential cropped areas of the state as tourist attractions with minimum intervention to transfer the benefits of tourism directly to the farmers (Gopakumar, 2003). This project aims at the following benefits:-

- Increase in tourist arrival and the accrual of related benefits in socio-economic development

- Revitalising the plantation sector through the additional income generation
- Image boost of the agriculture sector and creation of a layer of employment opportunities for the educated unemployed in the agriculture sector who otherwise opt for non-agriculture activities
- Multiplier effect in employment generation

## 6. Tourism Conservation Act

This is a first of its kind Act in India. In a bid to regulate and facilitate tourism development in the state, the Kerala State Assembly passed the Kerala Tourism (Conservation and Preservation of Areas) Act, 2005. The Act provides for the constitution of a tourism conservation and preservation committee. This committee is entrusted with the following functions:

1. Prepare a sustainable Tourism Development Plan including guidelines to regulate developmental activities in the Special Tourism Zone;
2. Implement or co-ordinate the implementation of the Tourism Development Plan;
3. Enforce the guidelines issued in respect of the development of Special Tourism Zones;

4. Ensure proper and systematic programming by rendering appropriate advice to local authorities in regard to formulation of projects and determination of priorities in accordance with the Tourism Development Plan;
5. Direct the concerned local authority for taking action against any unauthorized construction, land development, encroachment and other such activities inconsistent with or in violation of the Tourism Development Plan;
6. Monitor the guidelines prepared by the committee, etc.(Tharani,2005).

### **7. Production of CDs, VCDs and DVDs**

For the purpose of effective promotion of various destinations, Kerala Tourism has been producing a wide range of CDs, VCDs and DVDs incorporating the unique features of Kerala's tourism products. At present the Department of Tourism is having 31 tourism titles to its credit. The various titles deal with some major tourism products of Kerala. This includes, 101 destinations of Kerala, Kathakali, Onam, Thrissur Pooram, Traditional music of Kerala, 100 traditional dishes of Kerala, Beaches and Backwaters of Kerala etc. Apart from this,

there are 36 sponsored titles which had been produced by the Department of Tourism. This includes Kerala: Green Symphony Version 1.0 and 2.0, Ayurveda: The manthra of Nirmaya, Panchakarma: Ayurveda's mantra of rejuvenation etc.

### **8. Advertisements in international media.**

The Department of Tourism has been giving advertisements in various national and international print media and electronic media. During the year 2002-2003 the Department of Tourism has published advertisements about Kerala Tourism in 69 national print media and 20 international print media. Apart from this, to make the promotional efforts more effective advertisements have been telecasted in a number of international electronic media such as CNN, BBC etc.

### **9. Participation in National / International fairs**

As part of promotional efforts, Kerala Tourism has been participating in various international as well as domestic fairs and festivals. In addition, 'road shows' are being conducted in various major cities throughout India and abroad. Some of the International fairs where Kerala Tourism has been participating are:-

- i. World Travel Market, London.
- ii. International Tourism Bosch, Berlin
- iii. Arabian Travel Market, Dubai.
- iv. PATA travel mart
- v. China International Travel Market, Shanghai

During the year 2005-2006 the Department of Tourism has participated in 11 national tourism fairs and 12 international tourism fairs (Government of Kerala, 2006).

#### **10. State Tourism Awards**

With the objective of giving encouragement to entrepreneurs in tourism industry the Department of Tourism has been distributing State Tourism Awards in 27 categories every year for outstanding performances.

#### **11. Preparation and distribution of promotional materials**

The Department of Tourism has been preparing and distributing a number printed materials like brochures, leaflets, directories, and maps etc. as part of its promotional efforts, which illustrates various festivals, crafts, art forms etc. (Gracious and Thomas, 2005).

#### **12. Kerala Tourism website**

The official website of the Department of Tourism, Govt. of Kerala,

[www.keralatourism.org](http://www.keralatourism.org), became functional on 24<sup>th</sup> December 1998. It is one of the largest and the best websites in India. The site contains around 2.5 GB of information on God's Own Country-Kerala, including more than 100 photographs, video and audio clips that can be downloaded. For a wider reach, French and German versions of the website are also available with basic details on Kerala Tourism. On an average the website receives a monthly hit of 2.5 million with 2, 50,000 pages views and 60,000 visitors per month. Kerala Tourism bagged the prestigious Award of Excellence instituted by the Government of India for the most innovative use of Information Technology/ Best Tourism Website/ Portal during the period 2000-01 and 2002-03 respectively. Kerala Tourism website had won the PC world Web Award for the year 2008.

#### **13. 'Grihasthali' project**

In addition to a wealth of natural beauty, Kerala has a rich and unique history and heritage. A new, two pronged development project aims at preserving the heritage of the land to promote tourism. The countryside abounds in sprawling traditional homesteads most of which are fast going to ruins. Under the *Grihasthali* project these heritage homes are converted

to tourist accommodations. This is also in view of the increasing preference shown by foreign tourists to stay in traditional buildings during their visit.

Grihasthali was a well thought out scheme to preserve our traditional architecture by converting them into excellent accommodation options with modern facilities. In addition to offering a taste of the authentic Kerala lifestyle which is increasingly becoming popular across the world, ‘Grihastali’ will also inspire public participation in the promotion and development of Tourism in the State. The Department of Tourism has designed an exclusive package of incentives and financial assistance to projects which are approved. The financial assistance proposed has been arranged in collaboration with the Kerala Financial Corporation and nationalised banks.

#### **14. Tourism Investment Guidance Cell**

Ever since tourism was declared as an industry several incentives which were available to investors in other industrial sectors have been extended to the Tourism Sector as well by the State Government. These include subsidies, technical guidance, marketing assistance, publicity through government publications, help in availing loans etc. But our experience over the last few years reveals that due to the

lack of awareness among potential investors and due to lack of a permanent forum where such awareness can be imparted, the implementation of the policy has not been up to the desired level. The ‘Tourism Investment Guidance Cell’ has been formed to provide an effective forum of experts to guide potential investors in the tourism sector in a desirable manner ([www.keralatourism.org](http://www.keralatourism.org)).

This Cell consists of a representative of each of the following organisations:

- \* the Kerala State Industrial Development Corporation (KSIDC)
- \* the Kerala Financial Corporation (KFC)
- \* one of the empanelled architectural agencies of the Department of Tourism
- \* the marketing expert of IATO and
- \* the Planning Officer of the Department of Tourism.

The KSIDC offers a wide range of promotional support services including preparation of feasibility reports, fund, technology and manpower sourcing and project management support. KFC's financial support services include special finance for tourism related projects,

industrial finance up to Rs. 2.5 crores and other short term loans.

### 15. Tourism Clubs

Setting up of Tourism Clubs in the colleges and schools is aimed at creating proper awareness about tourism among the youth. Some of the specific objectives of this club are:

- a) Generate more public attention towards tourism and its developmental efforts.
- b) Create awareness about the socio-economic relevance of tourism for the development of the state.
- c) Nullify and dilute the existing misconceptions and misguided apprehensions regarding the growth of tourism.
- d) Create platforms for more open expressions and exchange of ideas regarding tourism related activities.
- e) Impress upon the younger and upcoming generation, the importance and relevance of tourism in their career and thereby generate a positive attitude towards tourism.
- f) Make the younger generation participate in the

developmental activities of tourism.

- g) Achieve professionalism in tourism.

The Department of Tourism, Government of Kerala has drafted a standard calendar for the activities of Tourism Clubs.

### PERFORMANCE OF KERALA TOURISM

Travel and Tourism is one of the largest industries in Kerala today, contributing Rs. 39.3 billion (US\$ 791.1 million), or 3.7 per cent, to the gross state product (GSP). This is projected to rise to 5.2 per cent, or Rs. 216.5 billion (US\$ 2.9 billion) of GSP, by 2013. Kerala's international tourism receipts (excluding transport payments) have risen rapidly over the past decade. In 2000 – the latest year for which detailed statistics are available – they totalled Rs. 5.3 billion (Us\$ 1117 million) (WTTC,2001).

### FOREIGN TOURIST ARRIVALS TO KERALA

Table 1 shows the foreign tourist arrivals to Kerala during the last 27 years. Over the period (1980-2006) a compound Growth Rate (CGR) of 11.7 percent is observed. In the 10 years to 1989 it is 11.29 percent, 1990-1999 it is 11.82 percent and 2000-2006 it is 10.73 percent.

So the highest growth rate is for the 10 year period from 1990-1999 i.e. 11.82 percent. The trend analysis for the same period (1980-2006) reveals that the foreign tourist arrivals to Kerala increased to 1983.6 percent.

**Trend, Moving Average and Compound Growth Rate of foreign tourist arrivals to Kerala- 1980-2006**

Table 1

Year	Number of foreign tourist arrivals	Trend	Moving average	Compound Growth Rate
1980	21604	100.0		11.29
1981	24315	112.5		
1982	24515	113.5	23988	
1983	25215	116.7	28137	
1984	24292	112.4	33442	
1985	42347	196.0	38902	
1986	50841	235.3	44276	
1987	51816	239.8	52008	
1988	52083	241.1	56766	
1989	62952	291.4	60460	
1990	66139	306.1	68224	11.82
1991	69309	320.8	75849	
1992	90635	419.5	84172	
1993	90209	417.6	99539	
1994	104568	484.0	121048	
1995	142972	661.8	139406	
1996	176855	818.6	159353	
1997	182427	844.4	178874	
1998	189941	879.2	192266	
1999	202173	935.8	198661	
2000	209933	971.7	208688	10.73
2001	208830	966.6	229624	
2002	232564	1076.5	258299	
2003	294621	1363.7	285612	
2004	345546	1599.5	329553	
2005	346499	1603.9		
2006	428534	1983.6		
Compound Growth Rate (1980-2006)				11.7

Source: Compiled and computed from Tourist Statistics, Department of Tourism, Government of Kerala, (Various issues)

The total number of foreign tourist arrivals to Kerala in the year 2006 is 4, 28,534, showing an increase of 23.68 percent over the previous year. The latest published data for the year 2007 shows that 5, 15,808 foreign tourists visited Kerala. It shows an increase of 20.37 % over the previous year. Moving average of foreign tourist arrivals to Kerala were also calculated and presented in Table 4.2. This shows that the moving average for the year 2004 is 3, 29,553 as compared to 23,988 in the year 1982.

#### **EARNING FROM FOREIGN TOURIST ARRIVALS IN KERALA**

The earnings from foreign tourists for the last 27 years is given in Table 2. It is to be noted that earnings from tourism in Kerala shows an increasing trend over the years. The foreign exchange earnings from tourism in Kerala in the year 2006 are

1988.4 crores. Foreign exchange earnings for the year 2007 are 2640.94 crores which recorded a growth of 32.82 % over the previous year. Total Revenue (including direct & indirect) from Tourism during 2007 is Rs.11433 crores, showing an increase of 25.28 % over the last year's figure.

The trend analysis for the period 1980-2006 shows that foreign exchange earnings from tourism in Kerala stood at 15283.6 percent in the year 2006. This indicates a very satisfactory performance over the years. Consequently, the moving average also shows a high figure of 1299 crores in the year 2006. The Compound Growth Rate (CGR) for the 27 years (1980-2006) is 20.48 percent. For the last seven years (2000-2006) it is 20.94 percent. The highest Compound Growth Rate is for the 10 year period from 1990 to 1999 i.e., 31.46 percent.

**Trend, moving average and Compound Growth Rate of  
Earnings from foreign tourism – 1980-2006**  
**Table 2**

Year	Earnings from foreign tourism	Trend	Moving average	Compound Growth Rate
1980	13.01	100.0		4.98
1981	20.01	153.8		
1982	21.38	164.3	17	
1983	23.51	180.7	17	
1984	8.16	62.7	17	
1985	14.22	109.3	16	
1986	17.07	131.2	15	
1987	17.41	133.8	17	
1988	17.5	134.5	20	
1989	21.15	162.6	22	
1990	26.99	207.5	31	31.46
1991	28.28	217.4	48	
1992	59.75	459.3	67	
1993	105.72	812.6	94	
1994	116.11	892.5	127	
1995	158.76	1220.3	170	
1996	196.38	1509.5	209	
1997	273.2	2099.9	269	
1998	302.08	2321.9	343	
1999	416.07	3198.1	410	
2000	525.3	4037.7	497	20.94
2001	535	4112.2	633	
2002	705.67	5424.1	803	
2003	983.37	7558.6	1009	
2004	1266.77	9736.9	1299	
2005	1552.31	11931.7		
2006	1988.4	15283.6		
Compound Growth Rate (1980-2006)				20.48

*Source: Compiled and computed from Tourist Statistics, Department of Tourism,  
Government of Kerala, (Various issues)*

## CONCLUSION

The Government of Kerala should ensure that all the Ayurveda Rejuvenation Centers are authorized by the Department of Tourism and Health to function as such centers. All these authorized centers

should be pass through a compulsory certification and classification process. This is so, because some of the well equipped and professionally managed centers are yet to be certified or classified. At the same time some newly established,

exploitative units have acquired certification and classification. There is an urgent need for a major restructuring of the Department of Tourism to enable it to face the new challenges in international tourism. As part of this a special 'marketing cell' run by professionals drawn from different tourism sectors should be set up within the tourism department. This professional group should develop special marketing strategies for different sectors of the tourism industry. The marketing strategies should be directed with special emphasis on the state's unique tourism products.

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