

**AN EMPIRICAL EVALUATION OF INFLUENCING FACTORS ON TOURISM
IN HIMACHAL PRADESH**¹Prof. Usha Sharma, ²Kiran Chauhan¹Department of Commerce, H.P.U. Center for Evening studies, Shimla, 171001, India²Ph.D. Research Scholar (NET/J.R.F)

ABSTRACT- *Tourism as a socioeconomic phenomenon has evolved into one of the largest and emerging industry in the world. In Himachal Pradesh Tourism is an economically significant and has immense potential for developing various forms of tourism and attracting a variety of tourists. Tourism is now added to the long list of established industries with tremendous economic growth and social potentiality in the state as it contributes to the income in the form of tax revenue to the government; and also generating foreign exchange earnings, provide equitable distribution of income, correct regional imbalances and increase employment opportunities are also important contributing factors in the state. The impact of tourism industry, particularly in the host country, is manifold. This is reflected on the economic, socio-cultural and environmental aspects of the country. Tourism has been accorded a high priority because the government believes it will accelerate the overall development of the state. However, there are many hidden costs to tourism, which have an adverse impact on the local economy of the state. The present paper takes into account only positive impacts of tourism on the growth of the state. The study has been based on the primary data. The primary data has been collected through the questionnaire and factor analysis has been used as a statistical tool to achieve the results.*

Keywords: *Tourism, Economic, Socio-cultural, Environment*

I INTRODUCTION

Tourism is one of the leading and fastest growing industries of the world. Today, tourism is one of its promising industries and is making impressive strides. Tourist arrival statistics indicate that there has been a continuous increase in the tourist arrival to India. It has revealed that the number of Foreign Tourist Arrivals in India and the number of Domestic Tourist Visits to all States/UTs was 8.03 Million & 1,432 Million respectively in the year 2015 and India's has a 40th rank in World Tourist Arrivals. The sector's total contribution to GDP is expected to increase to US\$ 136.2 billion by the end of 2016 and is expected to further grow to US\$ 280.5 billion by 2026. The total contribution of travel and tourism to Indian GDP is forecasted to increase by 4.97 per cent per annum to US\$ 280.5 billion by 2025 (7.2 per cent of GDP). In 2014-15 the travel industry contributed Rs 7.6 trillion and 36.6 million jobs to the Indian economy. Investment in the travel and tourism industry is likely to rise by 10% in 2016 over 2015 when travel and tourism investments in the India accounts for Rs 2.12 trillion, or 6.02% of total investments received.¹

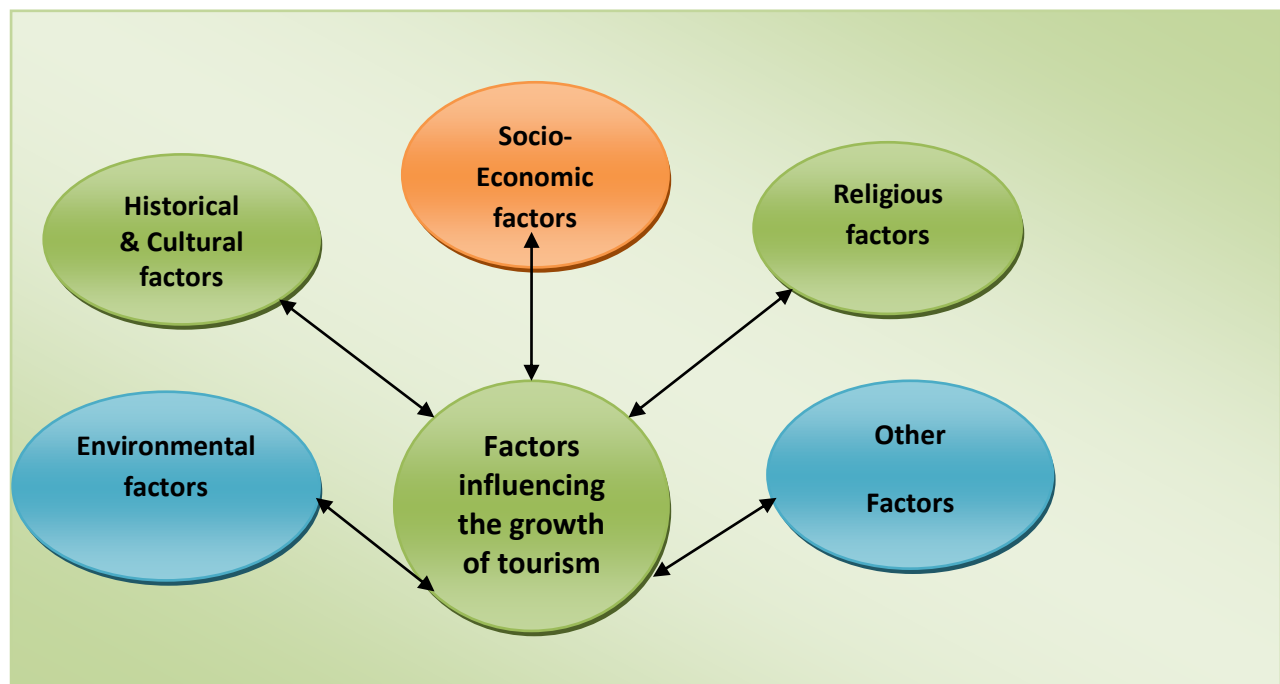
Himachal Pradesh has immense potential for developing various forms of tourism such as leisure tourism, cultural tourism, adventure tourism, religious tourism, health tourism, alternative tourism etc. and attracting a variety of tourists. The state has a number of charming hill station, historical, archaeological and religious sites, wildlife sanctuaries and national parks scattered throughout the state. As the impact of the tourism industry, particularly on the host country is manifold which directly affects its economic, socio-cultural and environmental aspect of the country. **Economic impacts-**As an industry, it generates income from sale of goods and services, increase opportunity of employment, increase the standard of living of the local people contributions to the government revenue, opportunity to infrastructure development, and foreign exchange earnings to the state. **Socio-cultural impacts-**Tourists are not only bringing money to the destination, but also bring a strong, a visible life style which is apparent in dress, food, habits and attitude etc. which all bring some newness to the destination area. It has potential to promote social development through employment creation, income redistribution, poverty alleviation, foster understanding between peoples and cultures and provide a cultural exchange between host and guests, increased awareness and financial means for maintenance and upkeep of historical and archaeological sites, revival in the observation of local cultural fairs and festivals, traditional arts and crafts are some of the positive socio-cultural impacts of the tourism.

Environmental impacts-It is the pleasant environment of the destination that is responsible for the growth of the tourism in the state. Tourism contributes directly to the conservation of fragile areas and habitat. The income from park entrance fees

and similar sources can be allocated specifically to pay for the protection and management of environmentally sensitive areas. Special fees for parks operations or conservation activities can be collected from tourists or tour operators. Tourism can also provide incentives for the introduction of administrative or planning controls, which help maintain a quality of the environment that ensures a satisfying experience for tourists.²

FACTORS INFLUENCING THE TOURISM

Figure 1.1



II REVIEW OF LITERATURE

Tyagi (1989) revealed that Himachal Pradesh is blessed with all the ingredients which impart an importance to places with respect to tourism. Although the state has all the attraction craved by the tourists but still it could not achieve its due place because of the lack of tourist image which is very important in tourism development. (**Gupta**, 1994) observed that tourist mainly preferred to travel to Shimla and its surrounding places, mainly for the purpose of leisure further study concluded that there are various problems generally faced by tourists such as shortage of accommodation, high hotel tariffs and poor sanitary services. (**Kumar**, 1995) emphasized in his study that there is a great potential of tourism in Himachal Pradesh, which can lead the state to be a paradise for tourists but these are still untapped. He conducted study in three major tourism potential districts that is Shimla, Kullu and Manali and concluded that to make tourism more influencing factor in the state focus must be given for adventure sports and ropeways for attraction of tourists. (**Jreat** (2001) has examined the tourism policy in the state. Government policies are one of the biggest factors which affect the potential of tourism in the state. The study revealed that the tourism policy of the state concentrates on urban areas without any major linkage to the rural economy. He suggested that tourism policy should be diversified in rural areas through the promotion of adventure and cultural heritage tourism so that the industry integrates with wider developmental plans. In this way, tourism will enhance the income and employment opportunities in the state. **Sharma et al.** (2013) made an attempt in identifying the image of Himachal Pradesh so that the implications may be used for proper branding of the state. He concluded that if Himachal want to position itself as a good tourist destination, then it has to go for the aggressive promotional campaign. It has also observed that domestic tourists in Himachal find some lesser shopping choices, since shopping is on the priority list of the domestic tourists. **Dayananda K.C** (2016) observed that tourism not only adds to the country's GDP, but also generates a lot of employment. In India, the growth of the tourism industry has a multiplier effect on the economic development of the country. He suggested that tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavor to attain sustainable growth

in tourism if India is to become a world player in the tourism industry. (Pratheep P. S., 2017) revealed that culture plays an important role in economic and social development of the state and strengthens its competitiveness in the coming years. The cultural impact of tourism is concerned with the question of protecting and maintaining the cultural heritage and certain allied issues. He concluded that tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the country's overall economic and social development by protecting and respecting our cultural heritage.

Objective of the study

To study the economic, Socio-cultural and environmental impacts of tourism in Himachal Pradesh.

III RESEARCH METHODOLOGY

Multi- stage sampling has been used for seeking information from the different categories of the respondents of the research. Three districts namely; Shimla, Kullu and Mandi (two blocks from each district) has been selected from twelve districts of the state of Himachal Pradesh. To achieve the objective, a sample of 240 local communities has been taken on the convenient random basis. Information has been collected from respondents by using pre-tested, well- designed questionnaire. The response of these local communities has been taken out five degrees Likert scale. The factor analytical model has been applied on these 28 statements. For analyzing the data factor analysis have been used as a statistical tool. Factor analysis is used to identify a set of latent dimensions that are not easily observed.

IV RESULT AND DISCUSSION

The 28 statements relating to perception of local community towards the tourism development have been subjected to factor analysis. To examine the appropriateness of Factor Analysis, the Kaiser-Meyer Olkin (KMO) and Bartlett's Test measure of sampling adequacy has been used. The approximate of Chi-square is 5154.856 with 378 degrees of freedom, which is significant at the 0.05 level of significance. The KMO statistic of 0.874 is also large (greater than 0.50). Thus, Factor Analysis is considered as an appropriate technique for further analysis of the data.

Table -1.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.874
Approx. Chi-Square	5154.856
Bartlett's Test of Sphericity df	378
Sig.	.000

Interpretation of KMO and Bartlett's Test of Sphericity

- **KMO Test**

Normally, $0 < KMO < 1$

If $KMO > 0.5$, the sample is adequate.

Here, $KMO = 0.874$ which indicates that the sample is adequate and we may proceed with the factor analysis.

- **Bartlett's Test of Sphericity**

Taking a 95% level of Significance, $\alpha = 0.05$

The p-value (Sig.) of $.000 < 0.05$, therefore the Factor Analysis is valid

1.3 EIGENVALUES (SELECT THOSE COMPONENTS WITH EIGENVALUES ≥ 1)

The initial components are the number of variables used in factor analysis. However, not all the 28 variables have been retained. In this present study only the 7 factors have been extracted by combining the relevant variables. The Eigenvalues are the variances of the factors. The total column contains the Eigenvalues. The first factor has always accounted for the most variance and hence, has the highest eigenvalues. The next factor has accounted for much of the left over variance as it can and the same have continued till the last factor. The percentage of variance shows the percent (%) of total variance accounted by each other factor and the cumulative percentage gives the cumulative percentage of the variance account by the present and the preceding factors. In the present research, the 7 factors explain 71.494 % of the variance.

TABLE 1.2 - EIGENVALUES -TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.278	35.245	35.245	13.791	31.814	31.814
2	4.691	10.823	46.067	5.399	12.455	44.269
3	3.365	7.762	53.829	3.172	7.318	51.587
4	2.216	5.111	58.941	2.405	5.548	57.135
5	2.071	4.777	63.718	2.222	5.126	62.261
6	1.803	4.159	67.877	2.155	4.972	67.233
7	1.076	3.617	71.494	1.847	4.261	71.494
8	.915	3.281	74.775			
9	.845	2.971	77.746			
10	.728	2.738	80.484			
11	.629	2.491	82.975			
12	.601	2.481	85.456			
13	.561	2.110	87.567			
14	.508	1.948	89.515			
15	.471	1.679	91.193			
16	.440	1.452	92.645			
17	.389	1.237	93.883			
18	.368	1.172	95.055			
19	.317	1.014	96.070			
20	.299	.832	96.902			
21	.252	.690	97.591			
22	.226	.520	98.112			
23	.224	.516	98.628			
24	.173	.399	99.027			
25	.162	.373	99.399			
26	.124	.285	99.685			
27	.087	.202	99.887			
28	.049	.113	100.000			

Extraction Method: Principal Component Analysis

The rotation sums of the squared loadings show the distribution of variance after the Varimax rotation with Kaiser Normalization. The Varimax rotation tries to maximize the variance of each of the factors. The table 1.4 explains the total variance show. Further, the table shows all the factor extract from the analysis along with their eigenvalues, the percent of variance attributable to each other, the cumulative variance of the factor and the previous factors. The Table reveals that the first factor accounts for **31.814** percent of the variance; the second factor **12.455** percent of the variance; the third factor **7.318** percent of the variance; the fourth factor **5.548** percent of the variance, the fifth factor **5.126** percent of the variance; the sixth factor **4.972** percent of the variance; the seventh **4.261** percent of the variance.

1.5 SCREE PLOT

A scree plot is a graph of the eigenvalues against the number of factors in order of extraction. The graph presents the eigenvalues on the y-axis and the number of factors on the x-axis. It tells us about that how many factors to retain. On the graph we found the point where the slope of the curve is clearly ‘leveling off’ which indicates the numbers of factors that are generated through the analysis. It can be seen from the graph that after factor 7 there is a change in the curve of the scree plot. This shows that after factor 7 the total variance accounts for smaller and smaller amounts. It can be seen from the graph that after factor 7 there is a change in the curve of the Scree plot.

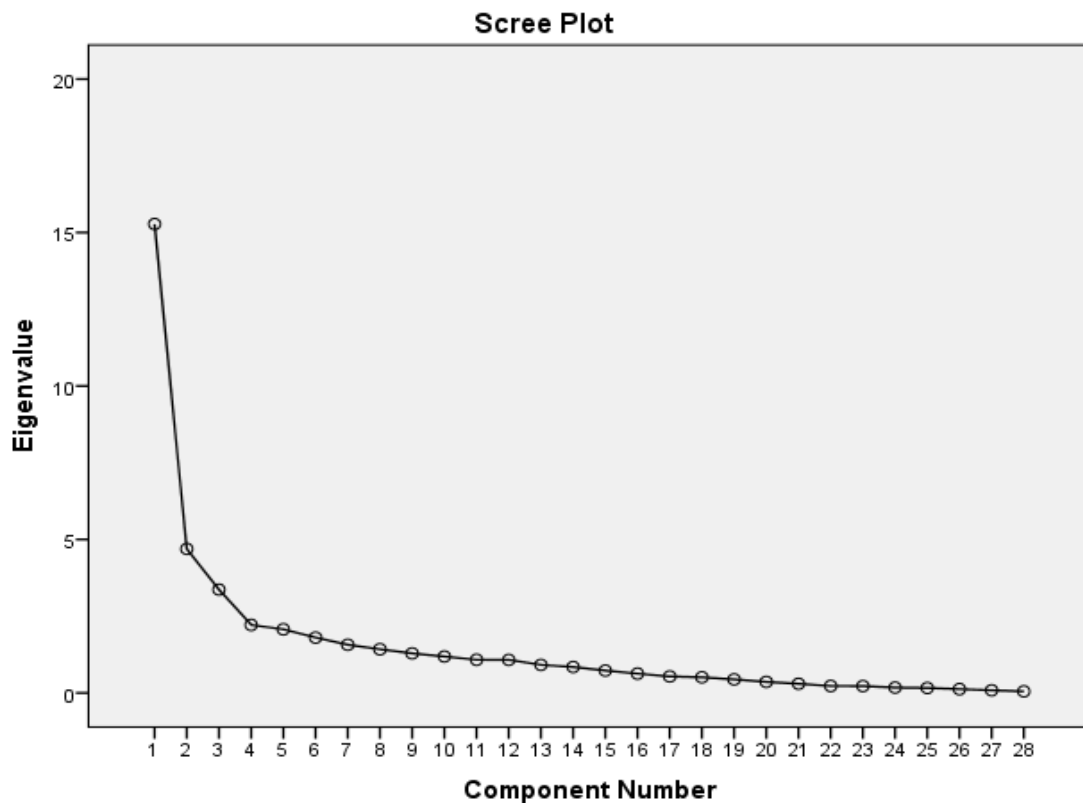


TABLE 1.3- ROTATED COMPONENTS OF THE MATRIX

Variables	Components						
	1	2	3	4	5	6	7
Tourism provides a various employment opportunity in the local area.	.908	.248	-.015	.046	.053	.004	.154
Tourist inflow provides foreign exchange to the state.	.907	.149	.043	.137	-.100	-.028	.099
Tourism provides extra income to the govt. in the form of tax each year.	.903	.169	.004	.189	.062	-.087	.110
Tourism attracts more investment and development in the locality.	.902	.134	.025	.139	.055	-.051	.080
Facilities and infrastructure developed for tourism can also benefit to the local community	.878	.260	-.023	.098	-.012	.061	.151
Tourism creates new markets for community, local products.	.863	.219	.055	.117	-.026	-.110	-.104
Tourism improves the economy of the local area.	.853	.244	-.005	.185	-.108	-.048	.143
Tourism leads to more spending in the locality.	.823	.186	.047	.093	-.043	-.192	-.151
Tourist inflow provides the guidelines for modernization in infrastructure facilities	.631	-.108	-.042	-.298	.165	.146	-.180
Tourism increases opportunity for shopping.	.631	-.008	-.199	-.295	-.265	-.027	.184
Tourism provides opportunities for economic	.607	.514	.039	.110	.176	-.092	-.038

diversification and skills upgrading.							
Tourism raises the standard of living of people because of money spends by tourists in the locality.	.209	.844	.017	-.021	.016	.140	.029
Tourism provides the concept of social interaction which further boosts the national integration among the tourist and host.	.249	.802	.031	-.082	.082	.120	.037
Tourist inflow improved the self image of the community.	.326	.792	-.043	.103	.191	-.052	-.144
Tourism provides the opportunities to local people to learn something new.	.009	.542	-.037	.144	-.113	.172	.346
Tourism provides cultural exchange between hosts and guests.	.010	.006	.947	.061	.024	.022	-.034
Tourism unites various groups in the community to work together.	-.023	-.023	.935	.017	.046	.012	.052
Tourism encourages the preservation and celebration of local festivals and cultural events.	.185	.050	.028	.658	.118	.179	.100
Tourism is helping to preserve the history of the region (area) that is likely to be lost.	.561	-.194	.096	.599	-.047	-.190	-.115
Tourism provides monetary support for the protection of natural resource management, making the destination more reliable and Attractive to visitors.	-.136	-.010	.046	-.018	.768	-.085	.068
Regulatory measures to help in protecting the tourism negative impacts on the environment.	.050	.268	-.007	.412	.655	.023	.171
Tourism raises awareness of environmental values among the people.	.372	.133	.321	-.168	.384	.340	.022
Tourism developments helping in the protecting and growth of wildlife.	-.154	.028	-.016	.107	-.059	.664	.087
Tourism supports forest regeneration conservation.	.036	.153	-.015	.434	.032	.541	-.399
Tourism encourages community beautification and revitalization.	-.042	.331	.073	-.065	-.012	.445	.111
Tourism improves public utilities infrastructure in the locality.	.138	.080	.023	.045	.199	.089	.765
Tourism improves transport infrastructure in the locality.	-.117	-.400	.133	-.060	-.005	.302	.557
Tourism has been able to maintain the quality of water and adequate supply of water in the Tourist destination.	-.198	-.233	-.029	-.078	.044	.252	.540

Extraction Method: Principal Component Analysis.

CONCLUSIONS OF FACTOR ANALYSIS

Table 1.3 shows the results of the rotated component matrix. The Rotated Factor Matrix exhibits the rotated factor loadings, which are the correlations between the variables and the factors. The factor column shows the rotated factors that have been extracted out of the total factor. These are the core factors and which have been used as the final factor after data reduction. The Factor Analysis has been identified 7 core factors. They can be categorized as under: -

1.	Economic factors
2.	Social factors
3.	Cultural factors
4.	Preservation of Heritage Resource factors
5.	Environmental factors
6.	Ecological factors
7.	Physical factors

According to the grouping of the factors, each group of factors is named which has represented the grouped factor and represent the factors. First factor seems to relate with **Economic factors** as tourism industry generates substantial economic benefits to both host countries and tourist's home countries it includes factors like opportunity for jobs, Foreign exchange earnings ,Generate revenue to the state , attracts more investment, development of facilities & Infrastructure, Creates a new market for local products, Improve local economy of the state, Leads to more spending in the locality Guidelines to provide modernization in infrastructure, increased opportunity for shopping, Opportunities for economic diversification and skills upgrading. All the factors could be termed as important in the improvement of the economy of the tourist destination area. The second factor named as **social factors** as it included the variable such as Raises standard of living, Social interaction and National Integration, self image of the community, provide opportunities to learn about tourist and their lifestyle etc.. The third factor named as **cultural factors** highlights the factor like cultural exchange between hosts and guest; bring community together to work with corporately. The fourth factor is loaded with the **preservation of heritage resources** includes factor like preservation and celebration of local festivals which indicates that people of the local culture are being flattered by the international interest in their culture. This enhances the resident pride and promotes the preservation and cultivation of the local culture. The fifth factor named as **Environmental factors** which includes three variables, i.e. monetary support for protecting natural resource, regulatory measures, raises environmental awareness to increase public appreciation of the environment which brings people into closer contact with nature and the environment. The sixth factor named as **Ecological factors** as it includes factors like help in to protect wildlife, to encourage beautification and revitalization of the environment ,support to forest regeneration as one of the tourism aims to provide basic information on wildlife management. Tourism encourages governments to manage wildlife resources in a sustainable way, taking into account environment and cultural aspects. The seventh factor named as **physical factors** which includes factor like to encourage the development of public utilities infrastructure, development of transport infrastructure, encourage maintaining quality and adequate water supply in the tourist destination.

V CONCLUSION AND SUGGESTIONS

The tourism impacts on local communities can be both positive and negative, either it comes from economic, socio-cultural or environmental effects. The state has to make more efforts for reaping the benefits of tourism in such a controlled manner so that industry is integrated into overall developmental plans, and local people also get enough time to adapt to the new opportunities open to them. The success of any tourism industry depends upon the local participation of the host community in decision making about the new developments as well as various attempts at introducing something more adaptable to local needs. Tourism is an economic, social, cultural and environmental phenomenon which contributes to generate employment opportunities, promote to infrastructural development, helps to improve poverty alleviation, generate environmental awareness, generate tax revenue to the government, foreign exchange for the state, strengthen the self-sufficient economy and help resource conservation. Therefore, local people should take active participation in the management and development of tourism .The government also plays an important role in the growth of the tourism industry to develop the necessary

infrastructure, so that the tourism industry will grow to greater heights. The Only need is to take bold decisions to revitalize the industry with the long –term benefits in view.

VI REFERENCES

1. <http://www.axissofttech.com>, Contribution of Travel and Tourism Industry to GDP and employment in India, April 2016.
2. Jreat Manoj, Tourism in Himachal Pradesh, Impacts of Tourism, Indus Publication of company,2004,pages-167-200
3. Tyagi Archana, “A study on development potential of Tourism in H.P. “M. Phil Thesis submitted to H.P.U. Shimla-1989.
4. Gupta D.R., “Tourism in H.P., “International Journal of Management and Tourism Vol. 3, No. 1-2, 1994, pp.28-46.
5. Kumar Maneet, “Tourism in H.P., Retrospect and prospect, “Tourism Management, a Global Prospective, Deep and Deep Publication, New Delhi, 1995, PP. 127-137.
6. Jreat Monaj, “Tourism Potential of Rural Himachal Pradesh,” Kurukshetra, July 2001, pp. 27-28.
7. Gautam Vikas, “An Empirical investigation of consumer preferences about tourism services in Indian Context with special reference to state of H.P.,” Tourism Management PP 1591-92 Vol. 33 Issue 6 (2012).
8. Dayananda. K.C, Tourism and its Impact on Indian Economy, Journal of Humanities And Social Science (IOSR-JHSS) Volume 21, Issue 6, Ver. 4 (June. 2016) e-ISSN: 2279-0837, p-ISSN: 2279-0845, PP 24-28
9. Pratheep P. S, The Impact of Tourism on Indian Culture, LSCAC Conference Proceedings The 4th International Conference on Language, Society and Culture in Asian Contexts (2016), Volume 2017, pp-429-437
10. Bansal P. S., Sandeep, Sharma Yogita, “Destination Image and Branding of Himachal Pradesh”, Tourism Innovations, Volume 2, No. 1. August 2013, pp.100-108.