A study on entrepreneurial approach in tourism industry with the travel agents

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Abstract
Tourism development requires both public and private sectors active participation. The tourism development takes place through the travel intermediaries like the travel agencies which play a key role in tourism development. The electronic world has transformed the entire system and paving a new powerful way to locate, learn and buy all types of products and services provided by the travel agencies. The dawn of the budget airlines and the stiff competition among the airlines has reduced the airfares to a greater extent. Huge volume of online ticketing for airlines, hotel bookings could be made easy and simplified with the user friendly computerized reservation systems (CRS).

Keywords: Tourism, entrepreneur, entrepreneurial approach

Introduction
Travel and Tourism sector is an important economic activity in most countries around the world. Tourism development is gaining more significance globally. In India, the growth of the tourism sector is tremendous. In India Tourism is a vital and blooming sector in the country. It contributes nearly one third of the foreign exchange earnings of India and also provides employment to the highest number when compared to other sectors. Tamil Nadu covers an area of 130,058 km² (50,216 sq mi), and is the 11th largest state in India. The bordering states are Kerala to the west, Karnataka to the North West and Andhra Pradesh to the north. To the east are the Bay of Bengal and the union territory of Puducherry. The southernmost tip of the Indian Peninsula, the town of Kanyakumari, is located in Tamil Nadu. This point is the point where the Arabian Sea, the Bay of Bengal, and the Indian Ocean meet. The Tourism sector of Tamil Nadu is the second largest in India, with an annual growth rate of 16%. Tamil Nadu is a land of magnificent timeless temples that remain intact showcasing the marvel and glory of the Dravidian culture, art, architecture and spiritual values. Thirty temples in India have been declared as United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites, out of this five are in Tamil Nadu alone. Tamil Nadu is a tourist destination for people from different religious beliefs, and each person gets to see their places of interest. It has lush green mountains, luxuriant vegetations, beautiful beaches, ancient monuments, magnificent wildlife, brilliant sculptures and reverberating rural life. As Tamil Nadu has a unique culture and abundant tourism potential, tourists visit all the spots situated across the country throughout the year. Tourism sector is unorganized and it comprises of many Small–Medium Tourism Establishments (SMTEs). In this nexus, entrepreneurship is gaining importance in tourism development. An effort is made here to review the available literature regarding the tourism industry, entrepreneurship in tourism industry and more particularly about entrepreneurial aspects of tourism industry in order to assess the studies undertaken earlier.

Entrepreneurship Theories
Entrepreneurship has emerged over a period of more than two centuries. There are various opinions on the emergence of entrepreneurship. With an advance in science and technology, it has undergone transformation and has emerged as a critical input for socioeconomic development. A number of theories have been given by scholars to elucidate the broad field of entrepreneurship. All these theories have originated from sociology, economics, psychology and anthropology and from the field of management.
Sociological Theories
Thornton (1999) stated that Weber’s (1904) research illustrated how religious doctrine provided the cultural process needed to shape the economic behaviour of individuals in ways that, in aggregate, led to the rise of capitalism. Weber’s metatheory catalysed the supply-side perspective and led psychologists to develop research programmes on culture and personality as the ushers of entrepreneurship (McClelland, 1961). Dakle (2012) studied that Hagan put forth the view that psychological consequences of social changes are responsible for nurturing entrepreneurship among those subjected to the social changes. According to him many social groups experience a radical loss of status at some point of time. When this happens, it responds to such a loss in the following five ways, which he categorized as the response patterns, viz.: (i) retreatism, (ii) situationalism, (iii) innovation, (iv) reformism and (v) rebellion. Corcharan opines that an entrepreneur is a person who represents the society’s personality. His activities always depend on his or her own attitude towards his / her occupation. Society’s values are the most important determinant of these attitudes.

Economic Theories
Landstrom (2005) found that the crucial roles of the entrepreneur in economic theory were first and foremost recognized by Richard Cantillon (1755, 1931) early in the 18th century, who became the progenitor of the ideas that subsequent economists explored. Cantillon recognized that discrepancies between demand and supply in a market create opportunities for buying things at lower price and selling at a higher price and that this sort of arbitrage would bring equilibrium in competitive market. People who took advantage of these unrealized profit opportunities were called —entrepreneurs. Mirjam Van Praag (1999) state that the entrepreneur acts as a coordinator of both at the market and at firm levels. He is the leader and manager as well in his own firm. In order to be a successful entrepreneur a rare combination of qualities and experiences are required. Therefore this study concludes that competitors are limited in this field. Reisman (2004) stated that —Schumpeter terms —entrepreneurship. Schumpeter, and later Frank Knight, succeeded in infusing life to the entrepreneur (Baumol 1968), who had remained as an invisible man to economists for many decades. Schumpeter has strongly contributed to the understanding of entrepreneurship, mainly from a development economics lens. With his book, Theory of Economic Development (1911, 1934), he unveiled his concept of the entrepreneur against the backdrop of economic development, defending that development is a dynamic process that involves the disturbing of the economic status quo, hence attributing to the entrepreneur the responsibility for disturbing the equilibrium. Mises (1949) states that the entrepreneur looks at the opportunities for profit and make use of it to bring the market back with equilibrium by promoting and not necessarily by innovation, ownership or risk.

Psychological Theory
Pittaway and Freeman (2011) studied that Personality theory began to provide contributions to the subject of entrepreneurship in the early 1960s. It is considered to have started with the work of McClelland (1955), who used the concept of —achievement motive! to describe the behaviour of entrepreneurs. Most of the earlier personality theories are described as a single trait theory because theorists sought to identify a single trait and link it to a greater propensity to be a successful entrepreneur. Hoyos and Braun (2010) observed that the goal of any entrepreneur is innovation. Innovation is the specific instrument of entrepreneurship. Innovation is not only the goal of the entrepreneur, but also the instrument through which he/she exploits change. The entrepreneur is the agent who fulfills the social role of innovator by developing new markets and new businesses in the search for profits. The deliberation process helps us understand how human action can be carried out and to estimate the final outcome of a particular action.

Anthropology Theory
Simpeh (2011) found that the fourth theory, anthropology is a study of origin, development, customs and beliefs and culture of the people in a community. The social and cultural factors must be considered when someone wanted to be successful to initiate a venture into this field. Usually the venture is created by the influence of one’s culture. The culture reflects the ethnic, social, economical, ecological and complexities in individuals. The literature review mainly focuses on the important concepts related to the creation of entrepreneurship in tourism sector. These are classified as following:

(i) Tourism Development Strategy
a) Tourism Planning

(ii) Economic Benefits of Tourism
a) Social Benefits of Tourism
b) Classification of Tourism
c) Tourism Entrepreneurship
d) Finance for Tourism
e) Tourism Marketing
f) Constraints of Tourism Entrepreneurs

Tourism Development Strategy
Hjalager (2007) studied that globalization has an impact on tourism sector. This study differentiates four stages and different expression of the globalization effect on the sector. Outsourcing, transnational ownership and investments, cross border marketing collaborations, technology transfer and free movement of labour are highly relevant for the modernization of tourism sector. In this process, some segments of the travel industry benefit while some segments face competition. In this situation, there is a need to address the political benefits of globalization in a more detailed manner to develop new tourism policy models accordingly. These new policies should proactively embrace the potentials of globalization of the tourism sector. Hawkins and Mann (2007) states that past forty years the tourism development strategies for the developing economies are given importance by the World Bank. This study brings out the experience from the year 1966 to present day. With increase in demand for tourism services, the role in fulfillment of the United Nations Millennium Development Goals can be achieved. This research stresses the importance of inclusive growth, where in it will benefit the society at large. This research analyses the role and approach of the World Bank towards tourism development. This study focuses on tourism and development, tourism and the World Bank.
Tourism Planning
Potts and Harrill (1998) [13] stated that community tourism planning targets to unite the themes of social development and ecological sustainability. This study contends that tourism planning should help to create equitable, sustainable communities resilient enough to survive in a volatile international environment. Although it will be difficult to achieve community sustainability when confronted with international economics and politics, planners at all levels must recognize the tensions between the tourism industry as a primary player in the global economy and the desire for communities to cultivate tourism as an enriching experience and a source of meaningful work. On the basis of theoretical and practical considerations, we term this approach as travel ecology and provide six broad principles to guide tourism planners working for local, regional, national and international communities, the six principles are discovery, mutuality, locality, historicity, potentiality, and enhancement. Mitchell and Reid (2001) [14] studied the addition of community in tourism, tourism integration framework description, integration. Tourism impacts and management in the Andean community of Taquile Island, Peru. An outline of society incorporation in tourism was developed and applied to this community in a case study approach. It is framed in such a way a help guide planning, development, management, research and evaluation of community-based tourism projects. Incorporation of community in tourism is primarily defined in terms of decision-making power structures and processes, local control or ownership, type and distribution of employment, and the number of local people employed in the local tourism sector. Various tourism businesses were selected for financial analysis and additional information was obtained from census reports, visitor records and relevant literatures. The study found that a high level of community integration on Taquile Island led to greater socioeconomic benefits for a majority of residents. Raj and Morpeth (2006) [15] researched to get better knowledge of the community based festivals and events. Qualitative data were collected and analysed. The findings of the study state that local events and festivals have a huge potential for tourism development in United Kingdom and play a constructive role in destination development. Wu (2007) [16] found in his review that the whole tourism planning theories can be divided into three layers namely theoretical foundations, fundamental theories and application theories. Comprehending tourism planning theories will be useful in developing and perfecting the process of tourism planning. During the planning stages of domestic tourism industry if it is done properly this will lead to generation of new ideas in every aspect of tourism. This will result in all travel agencies and tour operators to contribute their ideas for tourism development. However there is very minimal research done on tourism planning.

Economic Benefits of Tourism
Henderson (2006) [17] conducted a study on Middle East tourism. This region attracts lesser number of tourists when compared with other regions of the world. The reason behind this is a political event created tensions and uncertainties often in the recent past which discourage the investor as well. Also barriers related to poor accessibility, lack of conventional attractions and limited promotional work. Inspite of this unfavorable situation’s, international tourism is adopted by the Dubai tourism authorities as a key element of economic diversification. They worked out a marketing strategy to do with expensive tourism facilities and huge investments. These developments lead to excellent growth in tourism sector of Dubai.

Social Benefits of Tourism
Kannan and Vijayakumar (2012) [18] pointed out that tourism sector is helping in the improvement of the socioeconomic conditions of the tour and travel operators, hoteliers, guide and other dependents. They focused on the strategies adopted by the state government in marketing of tourism products in its New Policy on Tourism 2009–2014. To know the marketing skills and strategies adopted in the policy, the study was carried out in the year of implementation of new tourism policy in the financial year 2009–2010. The study was purely based on Secondary Data obtained from the publications of Ministry of Tourism, Government of India and Government of Tamil Nadu. The data were also collected from various studies/research works already published in journals and books. In order to give new look to the Tamil Nadu tourism industry, a new tourism policy was approved by the government in 2010–2011, which helps to provide full potential employment and increase revenues of the economy. It is understood that the new policy should avoid the drawbacks of early tourism policy and it should create new opportunities, above all it should be friendly and risk free.

Himanshu et al. (2011) [19] investigated the relationship between tourism development and the economic growth in India from the year 1978 to 2009. In this study annual data on Real Gross Domestic Product (RGDP) was used; this measures the complete economic growth of the country and Tourism Foreign Exchange Earnings (TFEE) and Foreign Tourist Arrivals (FTA). This time series analysis provides the evidence of causal relationship between tourism activities and the economic growth of the nation. Hence it is suggested that the government of India and the respective State governments and private tourism organisations should work together to achieve sustainable tourism growth.

Tourism Entrepreneurship
Thomas et al. (2013) [27] studied heritage tourism entrepreneurship development in independent Wales. This study is concerned with opportunities to develop heritage tourism enterprises in the South Wales Valleys and in rural parts of Wales. The research was based on collective data in combination with the literature, four key themes to achieve a sustainable regeneration scheme for innovative heritage tourism entrepreneurship development. The main themes are agritourism, heritage tourism, cultural tourism and pilgrimage tourism as well as reviewing transport infrastructure. This analysis shows the growing implication of non-environmental sustainable development and socio cultural rejuvenation. From the main themes that have been analysed, the importance of heritage tourism entrepreneurship development has become particularly apparent. This research is based on secondary data. They proposed that this research will identify significant and sustainable heritage tourism entrepreneurship for independent Wales. It is proposed that this research will identify the significant and sustainable aspects of key tourism sectors. This will be useful to tourism entrepreneurs, policy makers, practitioners, researchers and educators. The approach is original and unique since tourism subsectors
have been refined for larger economies and with this study a new approach will be developed for developing and independent nations. Lee et al. (2012) [23] stated despite growing attention, entrepreneurship research remains understudied in the field of tourism management. A review of the literature shows that there is a lack of coverage devoted to the tourism entrepreneur and their innovative behaviours as antecedents of business performance in small tourism firms. This is surprising considering that literature advocates innovation and/or creativity as key components of entrepreneurship. Thus, this study develops a conceptual model which focuses on entrepreneurship and innovation as antecedents of business performance and offers research propositions. It is argued that a tourism entrepreneur’s entrepreneurial self efficacy and innovative behaviours play a role in enhancing the business performance of their firm. The main objective of this study was to identify the antecedents of business performance in small tourism firms and develop a framework which can be used to fill in the theoretical gaps in the literature. Finally, they found that literature has yet to explore whether entrepreneurs who believe they are innovative actually manifest that belief into action. They emphasized that measures of innovative perceptions must also be supplemented with measures of innovative behaviours. As such, they proposed that innovative behaviours will mediate the relationship between entrepreneurial self-efficacy (ESE) and business performance.

Baytok et al. (2009) [24] found that entrepreneurship is considered as a central force of economic development in all communities. Tourism is one of the economic industries in which a great degree of involvement is needed by the entrepreneurial sector. Entrepreneurship is a critical factor in tourism development, both globally and regionally, because of the nature of tourism and tourism products. Tourism entrepreneurs are the basic determinants of success of a society, who aims economic growth, development and differentiation via tourism. Entrepreneurs determine the magnitude of tourism industry, and what, where and when touristic enterprise will be created. The purpose of this study is to reveal the impact of the developments occurred in the superstructure of the tourism industry and show the importance of private sector entrepreneurial efforts in the sustainable economic development of Turkey between the period 1980 and present. Tourism is an important sector for the sustainable development of Turkish economy. Moreover, in order to eliminate the regional development differences, Turkey which has different touristic resources in its different regions should stimulate value-added sectors in underdeveloped regions. In this point, practices to encourage private entrepreneurs for investments in these regions make a major contribution to both regional and general economic growth and development. Therefore, it is important that government plans development regions and give some incentives to private sector.

Yang and Wall (2008) [25] pointed out that entrepreneurship is crucial to tourism development. However, only limited attention has been paid to entrepreneurship in tourism and virtually no academic attention has been paid to entrepreneurship in ethnic tourism development. This study analyses the core issues relating to Entrepreneurship and Tourism, Ethnicity and Ethnic Tourism in China and Tensions in Ethnic Tourism. This research employs observation and interviews to examine the role of entrepreneurs and their perceptions of ethnic tourism in Xishuangbanna, Yunnan, China. It is argued that there is a need to foster ethnic entrepreneurship and to encourage community-based and minority controlled business in future ethnic tourism development. True —mutual—economic development and —reciprocally—relationships should also be established between tourism developers and minorities if long-term harmonious development is to occur and tensions are to be avoided.

Ioannides and Pertersen (2003) [26] have pointed out that geographers have increasingly criticized the absence of theoretical rigour-characterizing studies of the tourism production system. Tourism entrepreneurship is one related area that has not received the level of attention it deserves. The role of innovation which plays a key role in small and medium tourism enterprises has not been studied in depth. This research focuses on a study of entrepreneurial activities among small and medium tourism enterprises in Danish island of Bornholm. The study is based on 30 in-depth, non-random, structured interviews with tourism entrepreneurs. An examination of the key characteristics of these small and medium tourism enterprises provides evidence that most can be —gap fillers—companies operated by so called —constrained—or —non-entrepreneurs, which do not display evidence of having adopted significant product or process innovations. Among the key barriers to innovation identified is the extreme seasonality plaguing the island’s tourism sector, related to this, the uncompetitive nature of the existing tourism sector. Thomas (2007) stated that although large firms have a significant influence on the nature of what is supplied to particular markets. For example tour operators in relation to mass tourism, the most significant units of supply in most locations are small medium establishments (SMEs) and, often, microenterprises. The quality of the tourist experience is, therefore, influenced heavily by the quality of the encounter with such businesses. This creates interdependence between tourism SMEs. This often encourages the degree of co-operative behaviour which in turn reflects the interest in successful destination development potential. SMEs are also significant for their economic development potential. This may apply in several ways. First, a flourishing visitor economy — or circumstances where entrepreneurs sense that visitors will be attracted to an area — creates opportunities for new enterprise creation. In these and other instances, the distinctive approach or form of the local tourism product was initiated by tourism SMEs. Subsequent development was supported by partnership working between the private and public sector.

Elita Bielza-Valdez (2009) [28] has determined the socioeconomic impact of tourism and entrepreneurship in Vigan City, particularly along the profile of tourism-related entrepreneurship. The research design used for this study was a descriptive method. A questionnaire was used to collect the data and some interviews were conducted. The data collected were analysed using frequency count and percentage analysis. The findings revealed that most of the respondents are in the middle age, more female entrepreneurs, married and Roman Catholics. Most of them are graduates and they are in the business for more than 15 years. Tourism business indicates a satisfying impact; however, tourism on the personal improvement of the
tourism entrepreneurs revealed is not so satisfying. The socioeconomic benefit of tourism entrepreneurs were achieved only to an average extent. The impacts of tourism entrepreneurship show that there were developments and this has enhanced their socioeconomic condition.

Blanchfeldti (2009) [29] states that the tourism industry contains many small- and medium-sized enterprises (SMTEs). Moreover, the tourism sector is often said to be less innovative than other industries and small and medium tourism establishments’ lack of motivation, knowledge and the required resources is the reason why they are not innovative. Enough data are not available as a result of lack of research in innovations in small and medium tourism establishments. In order to contribute and fill the gap, this study draws on a case of a Danish caravan site that has been innovative. The purpose of this study was to make a contribution to the understanding of the innovation in a small and medium tourism establishment context. The case study revealed a series of factors that the owners define as critical to the success of the company. These factors were innovation, differentiation, and pursuit of growth opportunities, hospitality and networks. The study contributes a series of reasons why this specific enterprise has been innovative and further, the study suggests how these findings may improve the small and medium tourism establishments’ innovations, implications and growth.

**Constraints of Tourism Entrepreneurs**

Nemasetoni and Rogerson (2005) [30] found that the segment of emerging black tour operators is confronted by an array of challenges in terms of its further expansion. Their study focused on the issues pertaining to the challenges of developing small tourism firms in South Africa, township tourism and emerging tour operators and enterprise development and challenges and constraints. This study revealed that the two core problems of tour operators concern access to sources of finance and access to markets and marketing support. Fifty per cent of the enterprises stated that access to finance was the major constraint on the expansion of their business both at the time of start-up and at present. It was observed that at start-up most entrepreneurs used their own savings or funds from retrenchment payouts in order to finance their business. The lack of support from commercial banks has been of critical concern. In South Africa, as in most of the developing world, the largest segment of enterprises in tourism would be regarded as small firms. Belatedly, the research agenda of tourism is beginning to acknowledge the importance of understanding issues around entrepreneurship and small enterprise development. The marginal role played by the small firm economy in tourism is mitigated only partially by the growth of —niche or —alternative forms of tourism.

**Conclusion**

On the basis of the review of literature it can be noted that globalization affects tourism sector unlike the other sectors, hence the new policies should proactively include the benefits of globalization and tourism planning, should be able to create a sustainable development. If there is high level of community integration there will be greater socioeconomic benefits for the majority of residents. The traditional events and festivals has the potential to attract tourists to the destination, this plays a significant role in destination marketing. Travel agencies who are the facilitators in travel and tourism play a vital role in tourism development. The economic benefits from tourism are excellent where tourism is given importance and developed as in the case of Dubai. Tourism sector helps to improve the socioeconomic benefits for the travel agencies, tour operators, hoteliers, tour guides and their dependants. It is evident that there is a unidirectional causality from tourism activities to economic growth of the country, hence all the organizations concerned should come together to attain sustainable growth in tourism. If there is external control of tourism establishments like in the case of multinational companies there will be high leakage, this will not benefit in local socioeconomic benefits. Tourism sector is an integrated and multi-sectoral, which can play a significant role in pro-poor poverty alleviation economic growth.

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