

Lecture notes on Tourism Management relevant for students of P.G.IV SEM. Including M.Com cbcs students of E.D.C. of Vikram university (for academic use only) By Dr. Neha Mathur

SIGNIFIANCE/IMPORTANCE OF TOURISM

Tourism is the major revenue earning enterprises in the world. They happen to be the top employers too. With several business related activities associated with tourism, the industry has tremendous potential of generating employment as well as earning foreign exchange.

1. **Stimulation of Economic Growth:** There are many countries in the world whose economy is fully dependent on tourism. It greatly influences the economy of the country. It contributes significantly to a country's gross domestic product (GDP). Tourists from the developed countries bring valuable foreign exchange, which is essential to developing countries like India to offset the balance of payments (BOP) position.
2. **Maximization of Foreign Exchange Earnings:** The major economic benefit in promoting the tourism industry is the, earning of foreign exchange. Foreign travellers must exchange their currency into local currency for their spending purposes. This means that initially the foreign exchange earnings of the host country increase by the amount of tourism expenditure. It helps in generating foreign exchange without exporting anything out of the country.
3. **Creation of employment:** Tourism has brought many employment opportunities to people especially in the service related industries, retail sector, catering and transport ones. The tourism industry is a highly labor intensive service industry and hence is a valuable source of direct and indirect employment to millions of people. In many developing countries, where unemployment problems are very acute, the promotion of tourism can be great encouragement to economic development and especially, employment.

4. **Development of infrastructure:** Development and improvement of infrastructure is another important benefit. To become an important commercial or pleasure destination, any location would require the entire necessary infrastructure. The benefits from tourism infrastructure like airports, roads, water supply and other public utilities may be widely shared by other sectors of the economy. The benefits from tourism infrastructure like airports, roads, water supply and other public utilities may be widely shared by other sectors of the economy.

IMPACTS OF TOURISM

The impact of tourism focuses on the specific change that tourism and tourists have initiated in the community: in particular explores the areas of work and property, power and conflict, social identity and family and belief. It has a multitude of impacts, both positive & negative, on people's lives and on the environment.

- 1) **Economic Impact:** One of tourism's most salient influences is on the economy of the host country. Many tourism texts open with statistics proving the huge economic impact that tourism has in terms of cash flows, employment, gross domestic product (GDP) and so on.
- 2) **Environmental Impact:** The most outstanding result of environmental influence of tourism is its impact as the built environment. A large hotel built overlooking good scenic beauty, beach. Shops have opened to service the visitors: the majority of outlets are geared towards the tourism market. Roads have been indented and built to enable easier access for coaches and berries. Beyond the valley, tunnels have been blasted out of mountains to ease access and an airport has been built in.
- 3) **Social impact:** Tourism is related to the social system in a country and has definite impressions on the social system present in a

society. With the development of tourism many facilities are created to motivate people to travel and get relieved from the stress and burden of modern materialistic life. By touring different countries people get acquainted with different social customs and rituals; this shall create a strong bond of relationship with local community and creates a sense of affinity among different nationals of the world

- 4) **CULTURAL IMPACTS**: The concept of cultural tourism has gained prominence as people are interested to know and get familiar with the life style, arts, music, customs and festivals of different parts of the world. Tourism can have an in allowing exchange of cultures in promoting greater awareness on both sides.

Reference: www.blogspot.com