

The implications on challenges faced by rural tourism businesses in Punjab

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Abstract:

This research paper seeks to explore the challenges faced by rural tourism businesses and the methods used by the business owners to respond to these within the rural areas of Punjab. There has been little consideration for both of the challenges faced by small scale rural tourism businesses and the methods by which the owners respond to these. Using convenience sampling and case based approach owners of small scale rural tourism businesses in Punjab have been interviewed. The research focuses on the challenges that the owners face and their methods of responses. The common challenges being faced by the rural tourism businesses are in the areas of operations, infrastructure and marketing. The methodology that has been chosen for this research is based in a small geographical location of Punjab that can limit the generalization to other rural locations. These results of this research are of interest to other rural businesses, governments and support organizations. The reason is that these all stakeholders work together to support economical development in rural areas that face industrial restructuring. This research contributes to the discussion of small scale tourism business issues in rural areas and supports efforts to support small scale business creation in relatively disadvantaged rural areas.

Keywords: *Rural tourism, small scale, tourism businesses*

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Introduction

Punjab has one of the oldest and richest cultures of the world. Its diversity and uniqueness is very much clear in the Punjabi poetry, education, spirituality, artistry, music, cuisine, science, technology, warfare, architecture, traditions, norms, ethics, values and history. The compassion and high spiritedness exhibited in the lifestyle of people of Punjab is hard to miss. While the Punjabis are known for their strong determination, their culture presents a multi-hued heritage of ancient civilizations (Government of Punjab, India). A guest in Punjab is considered as a representative sent by God and is well looked after (Government of Punjab, India). Tourism in the state has primarily been religion or rural based. There has been steady inflow of tourism of pilgrims within India and abroad to Amritsar for visiting the Golden Temple and other important gurudwaras located throughout the state. The distinctiveness of the Punjabi or 'Panjabipuna' is influencing the Directors of Indian Cinema (Bollywood) in showcasing the Punjabi culture to reach the Indian Diaspora worldwide.

Rural Tourism

Rural Tourism is known as country experience that encompasses a wide range of attractions and activities that take place in non-urban or rural areas. Its features are wide open spaces, low level of tourism growth, and opportunities for visitors to directly experience the natural environments. Features of rural tourism are located in rural areas, functionality rural, rural in scale, traditional in character (Lane, 1994). Rural tourism is a form of tourism that showcases the life, art, culture and heritage at rural setting and further, results in benefiting the local community socially and economically. It is an activity that happens in countryside.

Rural tourism has different meanings in different countries. In Greece, the main provision of rural tourism product is Bed and Breakfast with traditional accommodation (Turner, 1993). In Finland, it means renting out cottages in the countryside. In Netherlands, it means especially camping on the farm. In Hungary, it refers to village tourism that means tourism in villages presenting life in the country and traditions with active participation of visitors (Hungarian national tourist office, 2005).

The basic concept of rural tourism is to benefit the local community through entrepreneurial & income generation, employment opportunities, conservation and preservation of rural arts & crafts and environment and cultural heritage.

Review of literature

One industry that holds promise for many areas, especially those outside urban centers, is tourism, especially given the increased worldwide demand for tourism activities (M, Murray, & Kereluik, 2004) and (Lordkipanidze, Brezet, & Backman, 2005). From an economic development perspective, tourism businesses are appealing because they can often start with resources already present within the community and have fewer barriers to entry (Wilson, Fesenmaier, & Fesenmaier, 2001). In addition, tourism businesses can keep people, especially the youth, within the community by creating employment (Beshiri, 2005); (M, Murray, & Kereluik, 2004); (Lordkipanidze, Brezet, & Backman, 2005); (Murray & Haraldsdottir, 2004) and (Wilson, Fesenmaier, & Fesenmaier, 2001)). Tourism SMEs are unsophisticated in terms of their business operations and lack the necessary formal systems in place which are often required to do business with larger enterprises (Rogerson, 2004 a) (Rogerson, 2005).

Several studies highlight the critical importance of good and extensive marketing for the success of SMEs in tourism (Rogerson, 2004 a), (Rogerson, 2004 b) & (Rogerson, 2005). Skills represent a core issue for tourism SME development (Kaplan, 2004). Both Anderson (2007) and Visser (2006) point to poorly developed skills in tourism SMEs. Few SMEs have access to the right infrastructure, especially referring to problems associated with slow and/or expensive internet access and the lack of good service providers in rural areas (Louren, 2007). Finally, increased tourism infrastructure benefits tourists and the local residents with increased recreational opportunities as well as access to products and services that they might not have otherwise (Schroeder).

Rural tourism Businesses in Punjab

Individuals within the rural communities often consider starting tourism businesses for several reasons. Primarily, it is a business that allows people to meet lifestyle goals that includes staying within the native community and creating employment for their family members. Economic goals, such as profit and growth, tend not to be as important (Getz & Carlsen, 2000); (Getz &

Carlsen, 2005); (Szivas, 2001)). Secondly, tourism businesses are easier to start than other types of businesses as the barriers to entry tend to be less. Less financial and human capital is needed and the small business operators do not need complex business skills (Szivas, 2001). These small tourism businesses face many of the same problems that small businesses in other sectors and locations experience, which can include minimal management skills and inadequate access to funding (Ateljevic & Doorne, 2004).

However, there are several issues that are present in rural tourism businesses. Most of those issues are the result of their location in rural areas. Secondly, most of the businesses are greatly affected by seasonality, thus creating pressure for the business owners to work for long hours during the season to earn sufficient to see them through the off-season. Thirdly, the infrastructure is not always there, in case its there then it is of poor quality, or cannot sustain the increased number of people, thus results in increasing operating costs. Hence, profits and cash flow may be lower than similar urban businesses by making this more difficult for the small business operators to receive finance from the bank, a fourth critical issue. Fourth, finding qualified/professional human resources can be problematic due to the low-population density in rural areas. Lastly, after looking at the said issues, the question of sustainability becomes critical. It is not clear that these rural areas can accommodate the number of people coming, and places additional pressures on local businesses and residents (Page & Getz, 1997). There has been a little exploration of the ways that the enterprises use to overcome these various challenges. These challenges have been discussed in this research.

Methodology

Given the exploratory nature of this research, a case study methodology with multiple sites was selected in order to understand a larger phenomenon (Stake, 1995). The case studies facilitate the exploration of the companies' responses to their challenges that they face due to their locations (Cope, 2005); (Curran & Blackburn, 2001) & (Hill & McGowan, 1999). Convenience sampling is used to identify the businesses that meet specific criteria. The enterprises in this study have been selected through personal contacts and the enterprises are not meant to be representative of the general business population. But can act as examples of businesses that have successfully negotiated the various challenges. The criteria for participant selection include operating in a rural location of the state and business in operation for at least one year.

Results & Discussion

Each of the business enterprise owners have shared common challenges like the business owners work to integrate both home and work; they do not have much experience when they start up their own business. All the businesses highlight the importance of integration and cooperation among area businesses as a method to overcome marketing challenges and further to increase awareness among the tourists. For most of the respondents, word of mouth is very important, particularly where there tends not to be a repeat tourist customer base.

Within operational challenges, seasonality of the tourist trade is the biggest challenge and has several impacts on operations. This creates pressure on the business owner to earn sufficient revenues during the season. Several owners express their worries about their ability to continue their business for long-term and the potential of the businesses to be able to be transferred to new owners. To quote here a respondent was approaching retirement and it is not clear whether other family members will be prepared to work and undertake the sacrifices necessary to operate the business successfully or not and further while considering the remote location it is not clear that an outside buyer would be interested. Last but not the least infrastructure is lacking in several key areas for businesses. The first crucial thing here is the limited access to banking services in some communities. For example there is no bank facility in Jainti Majri, Distt. Mohali (Punjab). Secondly, there is very limited access to departmental and grocery store.

The challenge related to experience in rural tourism businesses has been already discussed in the studies of (Kaplan, 2004); (Louren, 2007) and (Visser). Marketing challenge has been quoted in the studies of (Rogerson, 2004 a) and (Rogerson, 2005). Louren (2007), Visser and Kaplan (2004) has discussed infrastructural and operational challenge in their research with reference to SMEs in South Africa. Therefore these challenges need to taken into consideration for the success of rural tourism businesses.

Further Research

Further step in the research can be taken to conduct a more comprehensive survey of rural businesses in Punjab to generalize these challenges and responses to other rural locations. This

information would begin to help government in the formulation of policy and determine the appropriate response on the part of government to further support these types of businesses.

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