

**A Swot Analysis of Business Tourism and Its Influence on Hospitality Industry in Coimbatore District**

**\*Dr.S.Dhanabagiyam**

**\*\*Ms.Vijayalakshmi.J**

\*Assistant Professor, Avinashilingam University, Coimbatore

\*\*Teaching Assistant, Avinashilingam University, Coimbatore

**Abstract:**

Business travel is considered to be the backbone of the tourism industry. Research has shown that business tourism has grown and continues to experience growth as a segment of the tourism industry.

This study is a system of categorizing business travelers to describe how the Coimbatore business community tries to attract business travelers to this destination. The main Dimension of the study mainly focus on the strength and weakness and also to identify the holes in services provided by the tourism and hospitality industry in meeting the needs of business travelers – pointing out new opportunities. Based on this a small research survey has been undertaken among the Business travelers of Coimbatore destination and for the collected data a SWOT Matrix has been arrived. This tells about the Opportunities and Threats in relation with Hospitality industry. And finally the study suggests there is need in enhancement of infrastructure, accessibility and also service quality in hospitality industry for the business travelers to this Coimbatore Destination. Which in turn provide more other opportunities like employment, education for local community and finally threats like pollution, increase in demand for tourism product, changing trends could be rectified.

**Key words:** business, SWOT analysis, tourism, hospitality industry, business tourism

**1.1 Introduction:**

World tourism is considered as a significant factor in today's economy of many nations. In tourism, infrastructure of several countries has improved the quality of life of the local people. Also, it helped to promote local arts and crafts. Tourism has got its contribution towards increasing awareness about conservation of the environment and the cultural heritage. Tourism is the fastest growing industry in today's modern world. People always travel to different parts of the world to see monuments, arts and culture, taste new cuisine etc.

The term tourist was firstly used as official term in 1937 by the League of Nations. Tourism was defined as people travelling abroad for period of over 24 hours.

Tourism is multi-faceted phenomenon, which involves movement to and stay in destination outside the normal place of residence. Tourism is composed of three basic elements-

- A dynamic element, which involves travel to a selected destination or common destinations.
- A static element, which involves the stay in people destination.
- A consequential element resulting from the two preceding elements, which are concerned with effect on the economic, physical and social subsystems, which the tourist is directly or indirectly in contact.

**1.2 Tourism in India**

India is a land of great variety and contrast. Its unique cultural mystique, exotic heritage, aesthetic environment and outstanding natural resources have attracted international tourists. Tourism has emerged as one of India's important industry. Today tourism is a major source of foreign exchange earnings and employment. India is a huge market for tourism for outbound and inbound tourists.

**1.3 Need of the Study**

This study is based on SWOT analysis of business tourism in Coimbatore. This study primarily focuses on the strength, weakness, opportunity and threats of business tourism. Coimbatore is known for business tourism which is currently emerging in today's scenario. Thus, the study focuses mainly on Coimbatore, based on this research study the measures and suggestion are given to make popular as business tourist destination.

#### 1.4 Scope of the Study

The scope of the study is to know if Coimbatore city has strength, weakness, opportunity and threats of business tourism destination. And also it has the influence of Business tourism on Hospitality industry.

#### 1.5 Review of Literature:

**Slattery et al., (1991)** Business visitors are also a major source of demand for hotel accommodation, with hotels relying on business travelers to fill beds during the week. This also applies to other service providers in the travel and tourism industry, like the airline companies.

**Wootton et al., (1995)** describes “Business tourism denotes the activities of persons travelling to and staying in places outside their normal environment for the purposes of business. For further explanation, it includes activities, same-day travel and staying overnight, for which the principal reason is business, but it excludes all forms of commuting to work and the regular working journeys of businessmen in their local areas.

**According to Dorothy riddle (1999)** Business tourist are less cost-sensitive than leisure tourist, spending on average twice as much per day. Furthermore, she is stating that their purchase decisions are influenced primarily by their ability to sue time effectively within business travel schedules.

According to **Rogers (2003)** “A business tourist is a traveler whose main purpose for travelling is to attend an activity or event associated with his/her business or interest”. Conference , exhibition and trade fairs , incentive travel and corporate events (sometimes referred as corporate hospitality) are the four business tourism sector that are the prime focus of marketing activities by venues and destination because decisions about where the events take place are open to influence. Business tourism can involve substantial leisure elements “. Business tourism also leads to the creation and sustenance of permanent jobs, as opposed to the seasonal, temporary jobs, which are frequent characteristics of the leisure tourism sector”.

**Bernroider E (2002)** claims “A SWOT analysis as part of the strategic planning process to identify the organization’s strengths, weaknesses, opportunities and threats before proceeding to the formulation of a corporate strategy”

**Astroff & Abbey (2006) Fenich (2008) Isler (2008)** describes, the MICE industry of a destination always faces uncertain markets due to fluctuations in the economy and competitions from rivaling destinations in the case of business tourism.

**Hill and Westbrook (1997)** found none of the 20 companies that were subject of their study did not prioritize individual SWOT factors and only three companies use SWOT analysis in defining the mission. In addition, expression of certain factors was very brief and general in nature. Thus, it can be concluded that the results of the SWOT analysis are often only superficial and inaccurate or incomplete list of qualitative testing of internal and external factors.

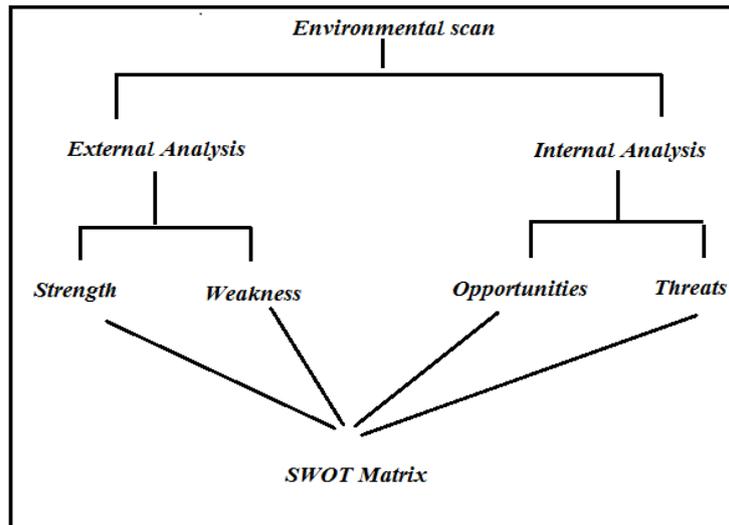
**David W. Picktonand Sheila Wright (1998)** describes The SWOT ( Strengths, weaknesses, opportunities, Threads) framework is proposed by many as an analytical tool which should be used to categorize significant environmental factors both internal and external to the organization .

According to **UNWTO (2012)** “MICE industry not only brings economic benefits but also provides a platform for knowledge sharing, networking and capacity building, making it an important driver for intellectual development and regional cooperation.”

**Rajeev Wagle, MD, Kuoni India (2013)**"Insights into the Indian MICE and Travel market and best practice sharing are through the eyes of Indian's top level executives and decision makers from the travel fraternity will prove beneficial in understanding and tapping the growing potential seen within this travel segment."

#### 1.6 A Framework for Swot Analysis

**Kahraman et al., (2008)** states SWOT analysis involves systematic thinking and comprehensive diagnosis of factors relating to a new product, technology, management, or planning. Figure 1.6.1 shows how SWOT analysis fits into an environment scan



**Fig. 1.6.1 SWOT analysis framework Kahraman et al., (2008)**

**1.7 objectives Of the Study:**

- To evaluate the Strength and Weakness of Business Tourism at Coimbatore destination.
- To analyze the opportunities and threats of Business tourism at Coimbatore destination.
- To enumerate the future scope of business tourism and its influence in Hospitality industry.

**1.8 Research Methodology:**

The sampling procedure used is cluster sampling. According to this sampling method the sample units are selected in clusters like Business travelers visiting Hotels, Business concerns, Tourist destination (sample units) are framed. Cluster sampling is a non-probability sampling technique used when "natural" but relatively heterogeneous groupings are evident in a statistical population. It is often used in marketing research. In this technique, the total population is divided into these groups (or clusters) they are as follows

**2.1 Tools Used For Study:**

Percentage analysis, Garrett Ranking scale

**2.2 Analysis of Data:**

- 1) **To evaluate the Strength and Weakness of Business Tourism at Coimbatore destination.**

| <b>STRENGTH</b>                     |          |                |                |             |             |
|-------------------------------------|----------|----------------|----------------|-------------|-------------|
|                                     | <b>N</b> | <b>Minimum</b> | <b>Maximum</b> | <b>Mean</b> | <b>Rank</b> |
| Availability of efficient resources | 230      | 1.00           | 5.00           | 4.33        | 1           |
| Local people support                | 230      | 1.00           | 5.00           | 4.08        | 2           |
| Good weather and climate            | 230      | 1.00           | 5.00           | 3.89        | 6           |
| Satisfaction of tourist             | 230      | 1.00           | 5.00           | 3.96        | 3           |
| Traditional cuisine                 | 230      | 1.00           | 5.00           | 3.93        | 4           |
| Incentive for local people          | 230      | 1.00           | 5.00           | 3.91        | 5           |

The perception of the organizers about Coimbatore as a business tourism destination ranges from 4.30 to 3.94 and it is clear the majority of respondents agree to the fact that Coimbatore is a business destination. Availability of efficient resources has highest mean value 4.30 and good weather and climate has the lowest mean value 3.94.

| <b>WEAKNESS</b>           |          |                |                |             |             |
|---------------------------|----------|----------------|----------------|-------------|-------------|
|                           | <b>N</b> | <b>Minimum</b> | <b>Maximum</b> | <b>Mean</b> | <b>Rank</b> |
| Lack of accommodation     | 230      | 1.00           | 5.00           | 4.30        | 1           |
| Accessibility problem     | 230      | 2.00           | 5.00           | 3.94        | 6           |
| No effective contribution | 230      | 1.00           | 5.00           | 4.00        | 5           |
| Lack of coordination      | 230      | 1.00           | 5.00           | 4.00        | 4           |
| Linguistics development   | 230      | 1.00           | 5.00           | 4.04        | 3           |
| Lack of foreign tourist   | 230      | 1.00           | 45.00          | 4.20        | 2           |

The perception of the organizers about Coimbatore as a business tourism destination ranges from 4.30 to 3.94 and it is clear the majority of respondents agree to the fact that Coimbatore is a business destination. Lack of accommodation has highest mean value 4.30 and accessibility problem has the lowest mean value 3.94.

**2) To analyze the opportunities and threats of business tourism at Coimbatore destination.**

| <b>OPPORTUNITIES</b>          |          |                |                |             |             |
|-------------------------------|----------|----------------|----------------|-------------|-------------|
|                               | <b>N</b> | <b>Minimum</b> | <b>Maximum</b> | <b>Mean</b> | <b>Rank</b> |
| Job opportunities             | 230      | 1.00           | 5.00           | 4.33        | 1           |
| Infrastructure                | 230      | 1.00           | 5.00           | 4.08        | 2           |
| Satisfaction of tourist       | 230      | 1.00           | 5.00           | 3.96        | 3           |
| Education for local community | 230      | 1.00           | 5.00           | 3.90        | 6           |
| Geographical position         | 230      | 1.00           | 5.00           | 3.95        | 4           |
| Impacts of technology         | 230      | 1.00           | 5.00           | 3.92        | 5           |

The perception of the organizers about Coimbatore as a business tourism destination ranges from 4.33 to 3.90 and it is clear the majority of respondents agree to the fact that Coimbatore is a business destination. A Job opportunity has highest mean value 4.33 and accessibility problem has the lowest mean value 3.90.

| <b>THREATS</b>                |          |                |                |             |             |
|-------------------------------|----------|----------------|----------------|-------------|-------------|
|                               | <b>N</b> | <b>Minimum</b> | <b>Maximum</b> | <b>Mean</b> | <b>Rank</b> |
| Increase in demand            | 230      | 1.00           | 5.00           | 4.34        | 1           |
| Pollution                     | 230      | 2.00           | 5.00           | 4.17        | 3           |
| Changing trends               | 230      | 1.00           | 5.00           | 4.10        | 4           |
| Competition                   | 230      | 1.00           | 5.00           | 4.08        | 5           |
| Satisfaction of tourist       | 230      | 1.00           | 5.00           | 3.96        | 6           |
| Availability of accommodation | 230      | 1.00           | 5.00           | 4.26        | 2           |

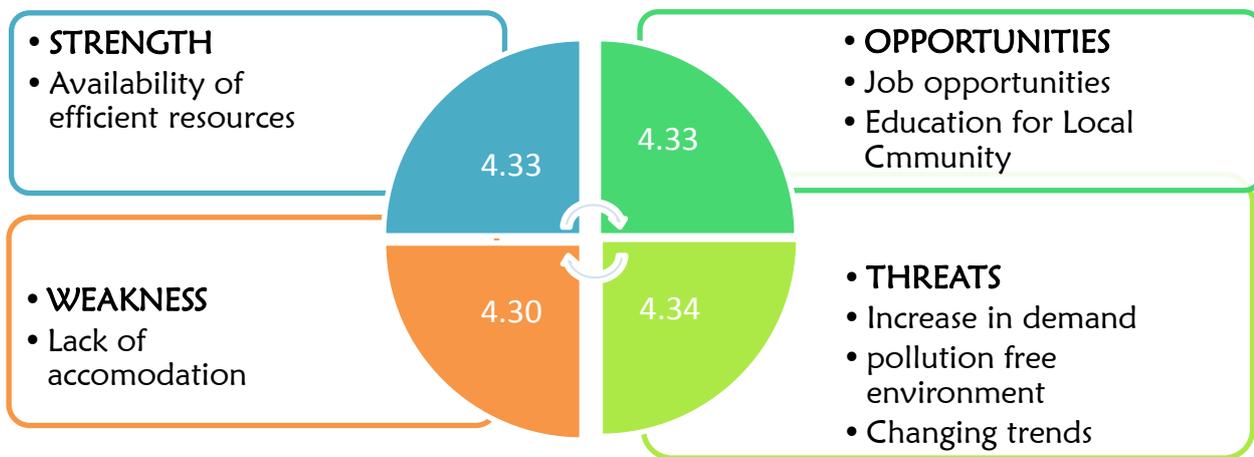
The perception of the organizers about Coimbatore as a business tourism destination ranges from 4.34 to 3.96 and it is clear the majority of respondents agree to the fact that Coimbatore is a business destination. Increase in demand has highest mean value 4.34 and satisfaction of tourist has the lowest mean value 3.96.

3) To enumerate the future scope of business tourism and its influence in Hospitality industry.

| S.no | Factors                             | Score | Mean | Total  | Rank |
|------|-------------------------------------|-------|------|--------|------|
| 1    | Poor connectivity/remote location   | 80    | 3.37 | 269.6  | 1    |
| 2    | Lack of health facilities/first aid | 67    | 3.62 | 242.54 | 4    |
| 3    | Water supply and sanitation         | 60    | 4.19 | 251.4  | 3    |
| 4    | lack of garbage disposal            | 53    | 4.99 | 264.47 | 2    |
| 5    | Lack of accommodation               | 47    | 4.22 | 198.34 | 5    |
| 6    | Power supply                        | 40    | 4.59 | 183.6  | 6    |
| 7    | Lack of travel booking              | 32    | 5.44 | 174.08 | 7    |
| 8    | Insecurity/instability              | 20    | 5.56 | 111.2  | 8    |

From above table it shows that respondent perception about negative impacts about Coimbatore as a business destination in Coimbatore. Poor connectivity/ remote location score the highest value of 269 and it rank first among all factor. Lack of garbage disposal score the second highest value of 264, water supply and sanitation core third highest value of 251, lack of health facilities/ first aid score the fourth highest value of 242, lack of accommodation score the fifth highest value of 198, power supply score sixth highest value of 183, lack of travel booking score seventh highest value of 174 and insecurity and instability score the least value of 111. Thus the poor connectivity / remote location score the highest value and insecurity / instability score the least value.

2.3 Swot Matrix of Business Tourism



From the above matrix it shows the strength, weakness, opportunities and threats with the highest rank factor by using mean value. The matrix is done with the help of review collected from the authors, the matrix is generated. The strength with the highest value of 4.33 of availability of efficient resources, the weakness with the highest value of 4.30 of lack of accomodation, the opportunities with the highest value 4.33 of job opportunities and threats with highest value of 4.34 of increase in demand show the majority of respondent of business tourism in Coimbatore.

3.1results and Discussion:

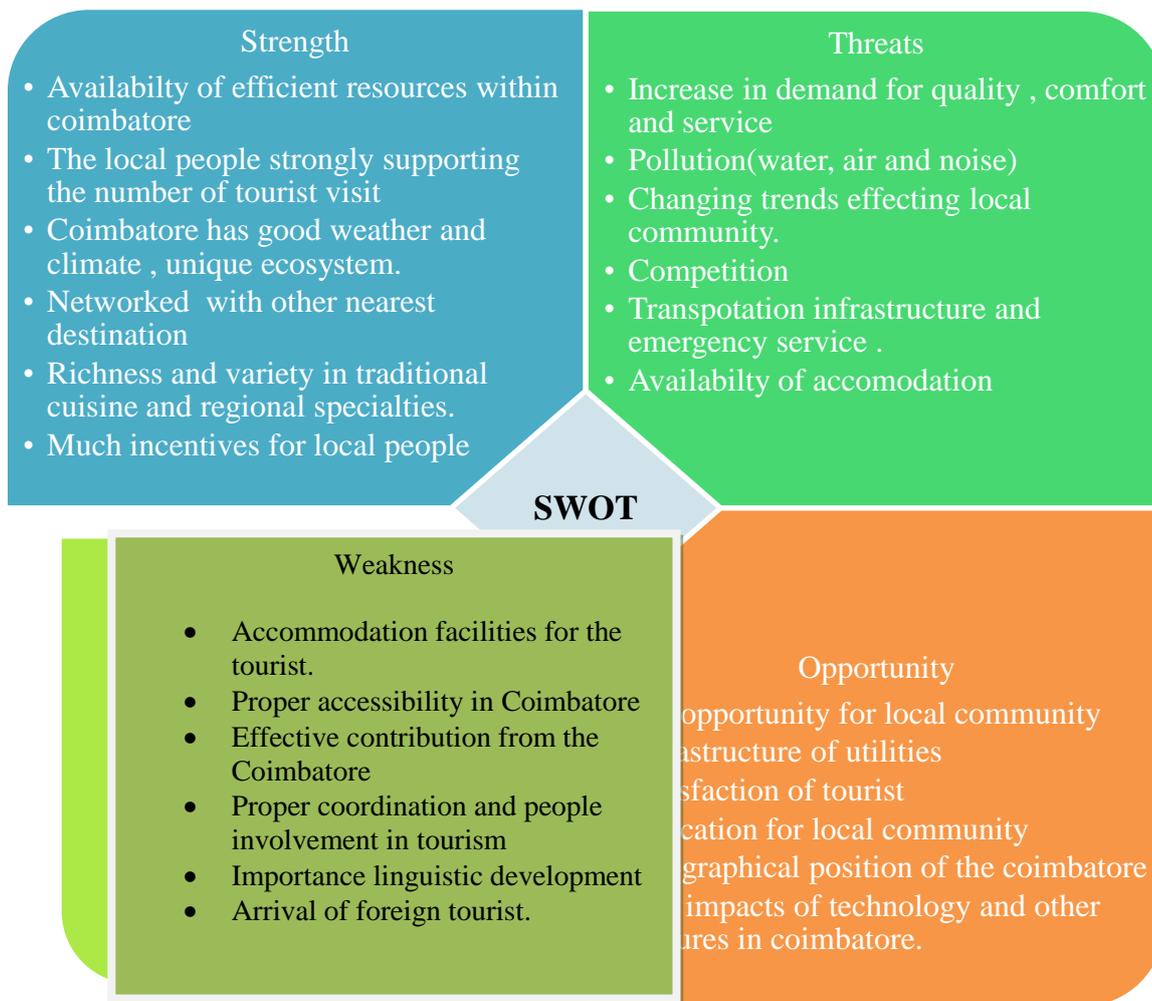
3.1.1 Findings

- By using the Garrett’s ranking scale analysis, the negative factors of Coimbatore are been identified. Through this analysis it’s found that lack of health facility/first aid has the highest value. So the special measure has to be taken to improve the negative factors.
- By using descriptive statistics, it shows the mean value of SWOT analysis. In terms of strength, availability of efficient resources within the Coimbatore has the highest mean value of 4.33. In terms of

weakness, lack of accommodation facility has the highest value of 4.30. In terms of opportunity, job opportunity, Education for local community score highest value of 4.33. In terms of threats, increase in demand for quality, Pollution free environment, comfort and service have the highest value of 4.34.

### 3.1.2 SWOT Analysis

• For this, a research framework has been followed by the opinion of **Kahrama et al., (2008)**. And through analysis a conceptual model has been arrived. It is necessary to make a thorough study of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the tourism industry and suggest how the strengths of the system should be used to overcome threats and opportunities should be grabbed to minimize weaknesses.



### 3.1.3 Suggestions:

• **According to Dwyer & Forsyth et al., (1996)** explained that MICE industry have been done based on the economic impacts on host destination and proven the host destination benefits. Likewise, Coimbatore should have good weather and climate in order to motivate more number of tourist to reach the destination, more number of transport like road, rail, airways and it should be accessible to the destination, they should take initiative to provide education to local community about the tourism so that they will get knowledge about it and more number of tourist are not satisfied with the service offered. So it comes to conclusion that local community should also take active participation in order to satisfy the customer.

• The major negative impacts like poor connectivity/remote location, insecurity and instability, lack of travel booking and lack of garbage disposal are to controlled by the government concern. In order to avoid that government should employee a local community people as well as various concern has to develop certain plan to improve the tourist flow.

#### **4.1 Conclusion:**

Coimbatore has a good educated population which can easily adapt to any latest technology giving it an advantage for business development, which in turn gives more business leading to business tourism. Coimbatore city has a very good waste disposal management and is one of the cleanest cities in the country which also indirectly helps business promotion, along with a very favorable climatic condition; it is cool in winter and not so hot in summer when compared to major cities in India. The city though does not have a metro rail for transport; the local bus service is well planned and frequent buses are available from any part of the city to important points within the city.

All this has helped Coimbatore develop as a perspective MICE destination. Coimbatore can become a major business tourism destination in south India, if basic infrastructures are improved upon.

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