

Research Article

Assessment of the Role of Financial Institutions in Tourism Industry Development in Agra City

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ABSTRACT

The role of financial institutions and banks in economic and sustainable tourism industry development in India has been gaining prominence since introduce of the new economic reform of liberalization I 1990. Tourism has been one of the significance contributions of the economy of Agra city. However due to inadequate resources the inherent potential thus in order to make up for these inadequacies in finance infrastructure or modern. Modern technology tourism industry relies heavily on financial or bank development institutions. This research paper analysis and evaluate the role of financial institutes both private and public in the tourism development of Agra city. The study further seeks to major satisfaction level of stakeholder of tourism availing credits from financial institutions and banks or will suggest opportunities strategies for long term development of tourism with in domain. The empirical evidence reveled that financial institute are play significance role for tourism industry in Agra but respondent are not satisfied with the financial characteristics of financial institutions to tourism industry.

Keywords:

Financial Institutions, Banks, Tourism Industry, Economic Impact, Credit Assistance, Tourism.

1. INTRODUCTION

Tourism development in India has passed through many phases from ancient era through medieval to British time period. However the development of modern organized tourism started only in 1945. When the government of India builds first committee under the chairmanship of Sir John Sangent for promoting and development policies at national and international level have recognized credit as an important tool from promoting and sustaining tourism growth. National action plan (1992) emphasized that government should consider granting exemption for specific central taxes or provided fiscal policy incentive in the shape of financial subsidies, interest rate subsidies etc. it also recommended that government should set up tourism development found for provide equity support for investor.

Agra city as a city has tremendous potential of tourism for socio-economic development which is acknowledged at national as well as regions forms. However despite the potential being manifold its share in tourism is meager as compared to other city and states mainly due to lack of tourism infrastructure. The major factors which continue to be a biggest handle for the development of the sector is lack of timely or educate credit. There for in order to close the long term demand supply gap or meet the requirements of big investment for this financial intensive in Agra city, there is urgent need of alternative sources or specific

mechanisms of financing. More even the growth-oriented pattern of this tourism industry calls for designing appropriate financial policies to bridge the importance and long term demand supply mismatch or also ensure investment in frontline technologies. Taken together these factors financial institutions can play a main role to catalyze or channelize investment in too many segments of the tourism industry or across various locations in a need based manner. This literature also make it clear that various financial institutions have been established by Indian government to catalyze the all Industrial development or tourism promotions apart from some specialized tourism financial institutes.

Example: Tourism finance, corporation of India (TFCI), to cater to the financial requirements of the fastest growth travel and tourism industry.

2. REVIEWS OF LITERATURE

I. Christie and Crompton (2001)

Tourism in Africa. Africa Working Paper Series No. 12 Washington D.C. World Bank.

Finance as one of the core challenges for SME development as a whole in Africa. The national tourism policy (2002) acknowledgement the critical role of private sector in tourism, recommended there government to work as facilitator cum catalyst or emphasized sustainability as a guiding star of all development and management strategies.

II. P. Nayak (2004)

Role of Financial Institutions in Promoting Entrepreneurship in Small Scale Sector in Assam. Assam University Silachar.

Evaluated the role of financial institutions and banks in promoting entrepreneurship in Assam small scale industries in Assam or concluded that many financial institutions are making attractive and easy schemes for available of capital apart from other assistance including technical knowhow, sales, training and purchase etc.

III. V. Raje (2000)

Taking SSI toward new millennium: Massage of hope. Laghu Udhog Samachar, New Delhi.

Timely and adequate supply of credit finance is an essential input for setting up or working of small-scale industries.

IV. Iqbal Fazil and S. Husain Ashraf (2006)

Tourism in India, Planning and Development, Sarup and Sons, New Delhi.

Show the parameters of tourism industry which are wide and far reaching from a micro beginning of individual knowledge the mass movement of people all over the world has given rise to sophisticated, tourism to developed and promote visitors activities, to serve tourism facility so as to ensure tourist satisfaction and generate more traveling. Tourism industry promotes exchange of view or ideas and provides interaction of people and their social culture. It can be patent tools for achieving national integration, feel, co-existence for the people of the world.

V. Yashodhara Jain (2008)

Tourism Development Problem and Prospect, A.P.H. Publishing Corporation, New Delhi.

Had study tourism potentiality city of LUCKNOW. LUCKNOW is one of the tourist unit place in our country which offer manifold attract to visitors. This city has immense potential for tourism development or it has not been fully harnessed. Uttar Pradesh tourism development departments (UPTD), Uttar Pradesh tourism development corporation (UPTDC) are the department of promote and monitor tourism in state. A present corporation has 37 information center or 22 regional office in the state, 6 liaison offices in Mumbai, Ahmadabad, Chandigarh, New Delhi Kolkata and Chennai. State tourism sector need and want proper finance with good incentive, loan for U.P. government and other banks, non refundable capital grand from Indian and state government, user change entry fees or transport fleet.

VI. Joshi (2011)

In Dept analysis of financial support by a specialized financial institutions, Elixir International Journal.

In this study attempt to evaluate or analyzed the role of Tourism Financial Corporation of India (TFCI) in promoting tourism or tourism industry related services through the financial assistance sanctioned or distributed on same parameters. His analyses show that during the last fifteen years of study Tourism Finance Corporation of India played a significance role in tourism industry development.

VII. A.Vizjak E. Mujacevic and P.Jokic (2012)

Comparative analysis and assessment of the IFC and ERBD investment in international tourism project in the European and Central Asian Religion, The Institute for Business and Finance Research.

Highlight the role of international finance corporation (IFC) or European bank for reconstruction and development (EBRD) in financing projects in tourism or hospitality industry in developing countries. This research study made a compression between the IFC and EBR investment in the tourism and hospitality sector of the Europe and Central Asia.

VIII. Zapalska and Brozik (2013)

The Entrepreneurial Environment and the Life-cycle Growth and Development Approach to Analysis Tourism and Hospitality Family Business in West Virginia.

industry and entrepreneurial development and small business growth in tourism is hindered by high interest rate of taxation, unavailability of low cost financing, lack of tax incentive and unfavorable credit terms.

IX. S. Bhutia (2015)

Sustainable tourism development in Darjeeling hills of West Bengal: Issues and challenges, Global Journal of Human Social Science Research.

In this study issues and challenge growth of tourism and development in DARJILING HILLS of West Bengal. This paper based on both primary and secondary data. The present studay made and attempts to identify the important challenges or issue of DARJILING HILLS regarding its nature resources management with local people and others private and public sector organizations in a sustainable manner. At the end the paper suggest using sustainable tourism development to control also environment decay or encouraged a new possibility to planning in the region.

X. S. Ghose and J.K.Das (2017)

Problem and Prospective of Financing Tourism Industry in West Bangal: An Empirical Study Review of Professional Management.

In this paper researcher problem and perspective of financing tourism sector in west bangle identify the scope of tourism financing of investment and different nodes of tourism industry development across west bangle.

3. SIGNIFICANCE OF THE STUDY

In this study is confined to portray the major role of finance institutions in the tourism development of Agra city. The outcome of research work undertaken will be beneficial to the stakeholder of tourism industry as well as the policy makers in planning effectively the blue print for promotion or development of tourism as far as financial institutions are concerned.

4. OBJECTIVES OF THE STUDY

1. To suggest policy intervention for long term development of tourism industry with regards to financial institutions.
2. To evaluate the role of financial institutions for the development of tourism industry in Agra city.
3. To analysis the levels of satisfaction of many tourism stakeholders in availing capital credit from the financial institutions in Agra city.

5. RESEARCH METHODOLOGY

a) RESEARCH DESIGN

This study based on Descriptive Research Design. The sample unit select for this study first the list of all the financial institutions involved in the extension of credit to tourism industry in Agra city was completed.

b) AREA OF THE STUDY

The present study based on the Financial Institutions in Agra City.

c) SAMPLE SIZE

This present study sample size used 120 respondents respectively. Data was collected through self administered questionnaire distribution among related with Tourism Industries like Hotels, Guest Houses Honors, Tour and Travel Agencies, Financial Institutions and Guides in Agra city. Who have availed credit during the period of study?

d) SAMPLE DESIGN

In research study based on convenience sampling method for achieve the objectives of the study.

e) DATA COLLECTION

In research both primary and secondary data is used to gather information. Primary data is collected through structured questionnaire.

f) STATISTICAL TOOLS

In this study the quantitative data gathered from the survey was analyzed on appropriate scales using descriptive statistics like, standard deviation frequency and mean percentage deviation apart from tables or graphs for presentation of data.

6. LIMITATIONS OF THE STUDY

- a) The research found lack of responses from the Tourist, Hotel staff, and Financial Institutions staff members.
- b) This study was confirmed to Agra City.
- c) The time period of study was limited.

7. HYPOTHESES

- I. **Ho.** There is no significance impact of choice of availability hotels and Financial Institute staff on time.
- II. **Ho.** There is no significance impact of Cheap Interest Rate, and Easy loan Sanction by Financial Institutions.

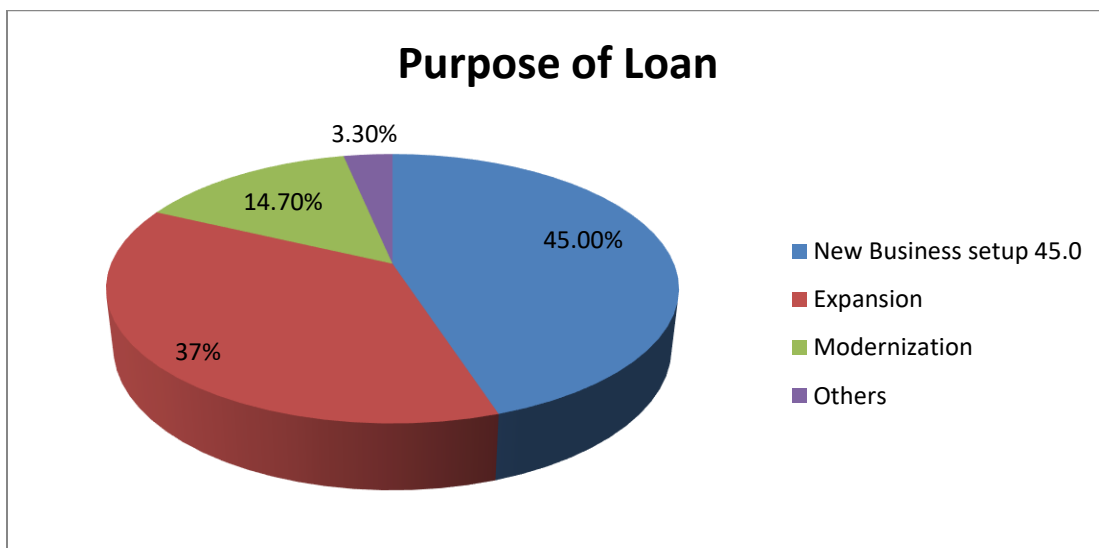
8. DATA INTERPRETATION

The role of financial institutions in tourism development of Agra city was evaluated on the basis of perception of respondents with respect to all variables like Purpose of loan, Various types of loan, Types of Financing, Grant of Subsidy, Availability of timely credit, Sufficiency of loan, Incentive loan schemes, Awareness of knowledge about credit scheme, Guidance and support in implementation of project and economy impact of credit assistance scheme on tourism business as below.

I. PURPOSE OF LOANS

Table 1. Frequency Distribution of Loan According to Purpose.

Parameters	Frequency	Percentage
Setting up new Business	54	45.0
Expansion	45	37.0
Modernization	17	14.70
Others	4	03.3
	120	100



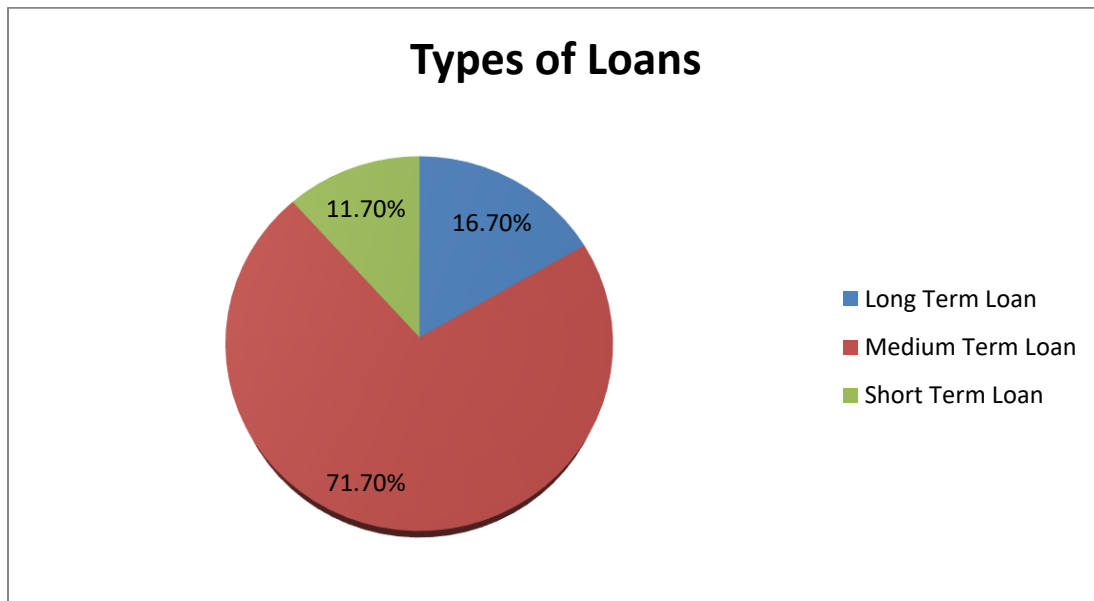
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The purpose of which loan assistance is availed (Table 1) shows that majority of the respondents of (45%) availed loan for setting up new business followed by expansion (37.0%).

II. TYPES OF LOAN

Table 2: Frequency distribution of loans according to Maturity Period

Parameters	Frequency	Percentage
Long Term Loan	20	16.7
Medium Term Loan	86	71.7
Short Term	14	11.7
Total	120	100



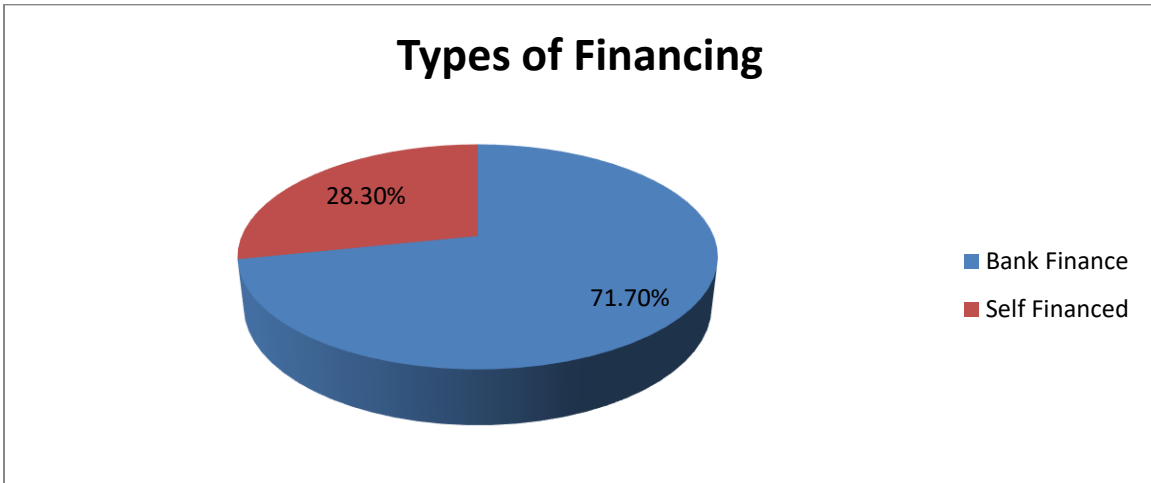
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Table 2 show that Financial Institutions in Agra provide financing support with long, medium or short term loan facility to tourism industry but majority of tourism industry business enterprises avail medium term loan (71.7%) followed by long term loans (16.7%) for their business.

III. TYPES OF FINANCING

Table 3. Frequency Distribution Loan According to Type of Financing

Parameters	Frequency	Percentage
Bank Financed	86	71.7
Self Financed	34	28.3
Total	120	100



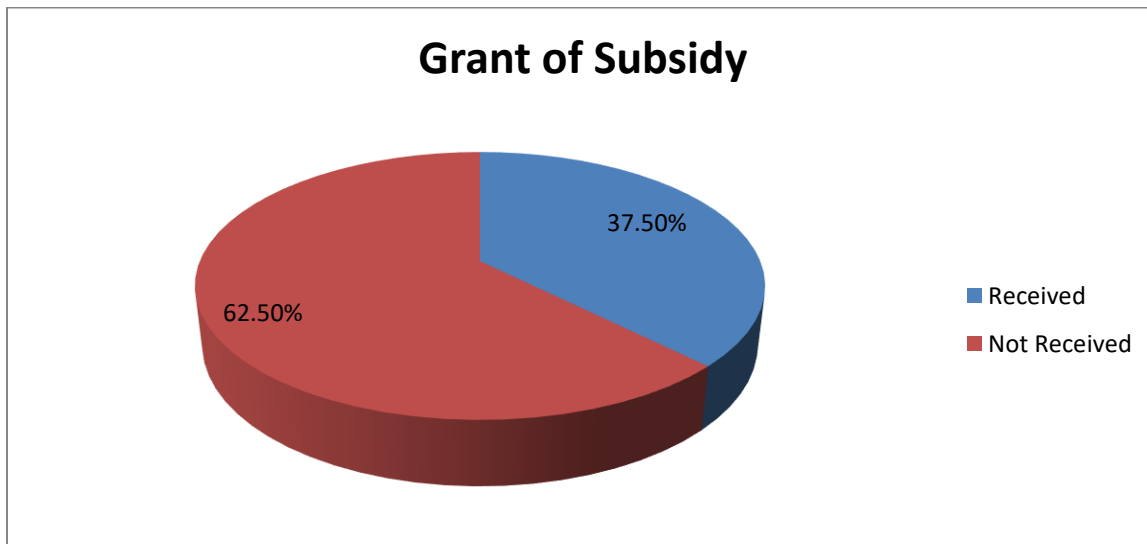
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Table 3. Reveals that majority of the respondents (71.7%) received financial assistance from financial institutions. Thus role played by financial institutions in the promotion or development of tourism industry in Agra through the financial support is being utilized by a large number of tourism entrepreneurs.

IV. GRANT OF SUBSIDY

Table 4. Frequency Distribution of Loans according to Grant of Subsidy.

Parameters	Frequency	Percentage
Received	45	37.5
Not Received	75	62.5
Total	120	100



INFERENCE

Table 4. Show that only limited number of tourism enterprises (37.5%) have been benefited with subsidies as against (62.5%) that have not been benefited.

V. STANDARD DEVIATION & MEAN

Table -5 Economy Impact of Financial Assistance of Tourism Development

Parameters	Increase		No Change		Decrease	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Sales/Income /Profit	82	68.3	30	25	08	6.7
Capacity/Assets	74	61.7	39	32.5	07	5.8
No. of working days	78	65.0	40	33.3	2	1.7
Employment	89	74.2	24	20	07	5.8
Use of modern technology	86	71.7	22	18.3	12	10

INFERENCES

Table -5. Clearly shows that there is positive economic impact of financial assistance of tourism development. Majority of respondents (68.3%), (61.7%), (74.2%), (65%) and (71.7%) revealed there is increase Sales/ Income/Profit, Capacity, Employment, no. of working days and use of modern technology respectively on ac of use of financial assistance from financial institutions.

Table-6 Perception about loans schemes for tourism industry in the Agra city.

S. No.	Parameters	Mean Score	Standard Deviation	Coefficient of Variance
1.	Timely availability of credit	1.3083	0.6052	46.2585
2.	Variety of loan products	1.7000	0.8754	51.4941
3.	Sufficiency of amount of loan assistance	3.9833	1.2568	31.5517
4.	Subsidized/incentive loan schemes	2.0417	1.4284	69.9613
5.	Long gestation period	2.5500	1.3833	54.2471
6.	Proper awareness and education regarding the loan assistance schemes	2.8917	1.5273	52.8167
7.	Guidance in implementation and monitoring of tourism business projects.	2.1500	1.11256	51.7470

INFERENCES

Table- 6. Show the mean value of 1.3083 & 1.7 for 1st & 2nd statements respectively reveals that there is lack of availability of timely credit and also dearth of variety of loan products for tourism industry in Agra City.

A high mean score (3.9833) for the 3rd statements show that financial institutions are playing main role in majority respondents believe amount of loan assistance given by financial institutions is sufficient enough for the purpose.

The low mean value of (2.0417) for 4th statement also confirm that financial institutions are not engaging in subsidized/incentive loan schemes for promotion & development of tourism industry in Agra City.

The respondents express that financial institute is not providing loan assistance with long term period as indicated by mean value (2.5500). Respondents are not satisfied with time period of loan assistance because respondents need reasonably long term period for commencing its repayment only after they start earning income from the utilization of loans.

On the aspect of providing proper awareness or education regarding the loan assistance scheme in the Agra city, it is found that respondents are almost neutral as mean score is very close to neutral position.

The mean value below neutral position for 7th statement suggests that sufficient guidance and assistance for implementations of projects is not providing by financial institutions in the Agra City.

Table-7 Level of Satisfaction from Availing Financial Assistance

S. No.	Items	Mean Score	Standard Deviation	Coefficient of Variance
1.	Quickness in processing of applications and sanctioning of loan	1.5333	0.9868	64.3579
2.	Simple procedure and formalities	1.9667	1.1297	57.4414
3.	Received credit installment timely	1.6917	0.7424	43.8848
4.	Convenient repayment scheme	2.1000	0.8638	41.1333
5.	Attractive rates of interest	2.3167	1.1738	50.6669

INFERENCE

Table-7. All the mean value below the neutral point (3) for each factor as show in table 7, suggest an overall dissatisfaction along each dimension measured. Therefore on the whole respondents were not satisfied with the financial activities of financial institutions in Agra City for tourism industry.

9. FINDINGS

1. Majority of 120 respondents only 45 percent respondents are set-up new business.
2. Majority of 120 respondents only 14.70 percent of the respondents modernization our business.
3. Majority of 120 respondents 71.7 percent respondents take medium term loan for growth-up our tourism business.
4. Majority of 120 respondents give Banks and Financial Institutions loan and frequency level is 86.
5. Majority of 120 respondents 62.5 percent of the respondents not receive loan any financial institutions and Banks.
6. Majority of 120 respondents only 45 frequency take loan any financial institutions and Banks.

10. SUGGESTION AND RECOMMENDATIONS

It is recommended that there should be timely & adequate availability of credit with simple producer and formalities. Financial institutions should endeavor to process loan application quickly and disburse approved loan promptly. There should be variety of loans product with sufficient long gestation time at attractive interest rates for tourism business.

The policy implementation of finding further stress that financial institution in the region should enhance effort to provide proper awareness and education regarding the loan assistance schemes. The financial institute should also encourage sustainable tourism development by extending proper guidance in implementation and monitoring of tourism development in the Agra City.

11. CONCLUSION

This research study provides evidence of the importance role of financial institutions in the tourism development in Agra City. The study quantifies various variables important for determining role of the financial institutions in tourism development and confirms that credit assistance has a positive economy impact on the tourism development.

The major finding of the study the financial institutions are the most popular source for financing tourism business in Agra City. The financial institute offers various type of loan scheme which tourism industry avails for various purposes like new business set up, Modernization and Expansion. However the result reveals that there is lack of timely available of credit and proper loan gestation period for tourism industry. The study also revealed that financial institutions are not providing sufficient guidance and proper information for implementation for projects. It's may also be concluded that one the whole respondents are not satisfied with the financing activities of financial institutions tourism industries in Agra City.

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