

19 RURAL TOURISM



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1. INTRODUCTION

Current trends in travel suggest a growing preference for authentic, offbeat experiences. Uttarakhand's rural tourism aligns with this preference, providing a distinctive combination of cultural engagement and breathtaking natural landscapes. The state's tourism policies are progressively leaning towards supporting sustainable and rural tourism endeavors. Entrepreneurs in this field stand to gain advantages from governmental incentives and assistance, streamlining their business processes. The essence of rural tourism lies in immersing visitors in the local culture. Travelers can participate in traditional folk dances, enjoy music performances, and partake in local festivals, offering them a genuine glimpse into the diverse cultural tapestry of the region.

2. SERVICE & ITS APPLICATION

The services in rural tourism include providing travelers with unique experiences, including homestays in traditional villages Musiyari, Khirsu and Chopta, guided nature walks, cultural performances, traditional culinary and food items and adventure activities. The services are designed to showcase the rich cultural heritage, natural beauty, and warm hospitality of rural Uttarakhand.

3. DESIRED QUALIFICATION FOR PROMOTER

The ideal qualifications for the promoter of this rural tourism venture include a strong background in tourism management or related field. Additionally, a profound understanding of the local culture and customs, coupled with experience in community engagement and sustainable tourism practices, is crucial. Effective leadership skills, a passion for responsible tourism, and the ability to forge positive relationships with local communities are key qualifications for the promoter.

4. INDUSTRY LOOKOUT AND TRENDS

The untapped potential of the region, coupled with the increasing focus on sustainable tourism, positions the business for favorable growth. The villages of Uttarakhand possess immense potential to emerge as captivating destinations for promoting rural tourism. The sacred pilgrimages in Uttarakhand, such as the renowned Chardham circuit comprising Shri Badrinath, Kedarnath, Gangotri, and Yamunotri, along with revered sites like Haridwar, have been drawing pilgrims for centuries. Additionally, the sacred Sikh pilgrimage of Hemkund Sahib further adds to the spiritual allure of the region. With careful planning, community involvement, and the preservation of cultural and ecological heritage, Uttarakhand has the potential to position itself as a premier destination for those seeking not only spiritual solace in its sacred sites but also a genuine and enriching rural tourism experience.

5. KEY BUSINESS ELEMENTS

- Strategic Partnerships with Local Communities: Collaborative efforts ensure that the local community is an integral part of the tourism experience, fostering mutual respect and benefit.
- Unique and Authentic Experiences: The heart of a successful rural tourism venture lies in crafting experiences that are both unique and authentic.
- Commitment to Sustainable and Responsible Tourism Practices: This involves minimizing the environmental impact of tourism activities, supporting local conservation efforts, and promoting responsible practices among visitors.

- Customer Satisfaction: Satisfied customers are more likely to become repeat visitors and advocates, contributing to the long-term success of the business.
- Community Involvement: Actively involving the local community in the tourism venture fosters a sense of ownership and pride.. Community involvement not only enriches the visitor experience but also ensures that the benefits of tourism are shared with the local population.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

Uttarakhand boasts an abundance of local fairs and festivals, such as Surkanda Devi Mela (Tehri), Magh Mela (Uttarkashi), Nanda Devi Mela (Nainital), Chaiti Mela (Udham Singh Nagar), Purnagiri Mela (Champawat), Piran Kaliyar Mela (Haridwar), Joljivi Mela (Pithoragarh), and Uttarayani Mela (Bageshwar). These events signify the vast potential for cultural tourism in the region. With a rich heritage that includes tangible assets like Nanda Devi, the Valley of Flowers, and Jageshwar temple, coupled with the intangible heritage of local customs and rituals, Uttarakhand presents a compelling draw for cultural enthusiasts. The diverse range of cultural events and historical landmarks enhances the appeal of Uttarakhand as a unique cultural tourism destination. But there are certain marketing challenges that can adversely impact the business. The region faces difficulties in road connectivity due to harsh weather conditions, including extreme cold, heavy rainfall, landslides, and cloud bursts. Addressing and enhancing road infrastructure are crucial for ensuring a seamless and safe travel experience for tourists. Besides, extreme weather conditions, such as prolonged snowfall in winter, can render certain areas inaccessible, impacting year-round tourism and economic sustainability. Collaborative efforts between the government, local communities, and tourism stakeholders are vital to overcome these issues and unlock the full potential of Uttarakhand's rural tourism sector.

7. SUPPLY OF RAW MATERIAL

In the context of rural tourism, ensuring availability of local resources, traditional crafts, and organic produce is the primary supply of inputs. Ensuring a sustainable supply involves establishing partnerships with local artisans and farmers, promoting their products, and maintaining eco-friendly practices. The availability of authentic raw materials contributes to the overall quality and authenticity of the rural tourism experience.

8. BUSINESS MODEL

The primary revenue streams include accommodation charges, guided tour fees, and event participation fees for local activities and festivals. Building strong customer relationships is emphasized through personalized experiences, excellent service, and community engagement to forge lasting connections with tourists. Marketing efforts must focus on online presence, influencer collaborations, and participation in promotional events to attract a diverse audience. Actively engaging local communities through training, empowerment, and cultural preservation initiatives is a core component, aligned with the business's commitment to responsible tourism practices and environmental conservation.

9. BUSINESS PROCESS

- Community Collaboration: This is the first step where active involvement of local communities is encouraged for authentic experiences.
- Effective Marketing Strategies: It is to create a strong online presence and collaborate with influencers.
- Personalized Tour Planning: At this stage, the promoter must tailor experiences to meet individual tourist preferences.
- Streamlined Operational Processes: It is to leverage technology for efficient online bookings.

- Hands-on Customer Engagement: The promoter must maintain a human touch alongside technological integration.
- Community Empowerment: This is a crucial step where the business must involve local residents in roles such as guides or hosts.
- Continuous Feedback Loops: The last step is significantly important as it involves gathering insights from tourists and the local community.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Tour Guide	1	12	0.25	3
3	Catering and Hospitality Staff	5	12	0.15	9
4	Cultural Instructor	2	12	0.25	6
	Total				18.00

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

12. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land (rented)	-
2	Building	-
3	Misc. Assets	-
4	Pre-operative and preliminary Exp.	0.15
5	Equipment and Furniture Exp.	8.00
6	Working Capital	5.04
	Total Project Cost	13.19

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	5.28
2	Bank Finance	7.91
	Total	13.19

14. FURNITURES AND FIXTURES

Sr. No	Particulars	Total Amount (Rs. in lakhs)
1	Tools(Tour Guide Kits, Cultural Activity Tools)	0.80
2	Equipment (Adventure Gear, Camping Equipment, Communication Equipment, etc.)	2.50
3	Accommodation Furniture	3.00
4	Workshop Fixture	0.85
5	Outdoor Lighting Fixtures	0.40
6	Outdoor Seating Fixture	0.45
	Total Rs.	8.00

Local suppliers in India offer a wide range of furniture and fixtures. The entrepreneur can avail office furniture after thorough research and analysis. Below are the tentative suppliers in India. Besides these, online platforms such as India Mart, Trade Mart, etc. can also be explored for ordering online.

1. Nilkamal & Supreme Furniture

Doon zone, 137, Rajpur Rd,
Below The Great Indian Pub,
Jakhan, Dehradun- 248001,
Uttarakhand, India

2. Amaltas Furniture Studio

1043 Mouza, Kanwali,
General Mahadev Singh Rd,
Dehradun- 248146,
Uttarakhand, India

3. Mount Craft

63, Old Connaught Place,
Chakrata Road, Dehradun,
Uttarakhand - 248001, India

15. SALES REALISATION

Sr. No	Product	Sales Realization in Value (Rs. in lakhs)
1	The Tourism Package (Accommodation, cultural experience, guided tours, adventure activities, local cuisine, handicraft workshops, agriculture tourism, community interaction, nature and wellness retreats, educational programs, etc.)	43.20

16. PROFITABILITY CALCULATIONS

The basis of profit calculation is:

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	43.20
B.	Cost of production	
i)	Raw materials	14.04
ii)	Utilities	1.00
iii)	Manpower Cost (Salaries/wages)	18.00
iv)	Administrative expenses	0.28
v)	Material Lost Cost	0.07
vi)	Selling & distribution expenses	1.44
vii)	Rent	2.00
viii)	Interest	0.90
	Total (B)	37.73
	Gross profit/loss (A – B)	5.47
	Less: Depreciation	1.30
C.	PBIT	4.17
D.	Income-tax	0.83
E.	Net profit/loss	3.34
F.	Repayment (Annual)	0.76
G.	Retained surplus (E-F)	2.58

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	2.00
Depreciation	1.30
Interest	0.90
Manpower	5.40
Total Fixed cost	9.60
Variable cost	
Raw materials	14.04
Utilities	1.00
Manpower	12.60
Administrative expenses	0.28
Selling & distribution expenses	1.44
Total Variable cost	29.36
Contribution margin	20%
Break-Even Point in Value	47.99

18. STATUTORY/GOVERNMENT APPROVALS

The project needs to carry out general formalities pertaining to firm establishment; tax registration and shops/establishment registration. The fire safety clearance is the specific requirement. The following specific permits are required

1. Pollution Control Clearance from the state government board; National Green Tribunal in some cases.
2. Protected Area permit, if the site is in forest area.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun-248001,
Uttarakhand, India
2. Indian Institute of Entrepreneurship (IIE)
NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India
3. Institute of Entrepreneurship Development (IEDUP)
A- 1 & 2, Industrial Area, Sarojini Nagar,
Kanpur Road, Lucknow-226008,
Uttar Pradesh, India

Besides, Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.