



HOTELIVATE
ELEVATION THROUGH INNOVATION



2017
INDIA
STATE
RANKING
SURVEY

MANAV THADANI, MRICS
FOUNDER CHAIRMAN, HOTELIVATE

SHUNIT C. ROY
ASSOCIATE, HOTELIVATE

IN ASSOCIATION
WITH



INTRODUCTION

India is one of the few countries in the world that thrives on its diversity. From geographic to cultural, linguistic to religious, overwhelming to some and deeply comforting to others, India is truly a feast for the senses. Sometimes, however, it is necessary to set aside those differences to gauge one's position and potential. The State Ranking Survey aims at assessing the relative competitiveness of India's 30 states, by analysing each individual state's potential for Travel and Tourism. Compiled by Hotelivate in association with the World Travel & Tourism Council – India Initiative (WTTC – II), the 2017 State Ranking Survey is the fifth edition of this publication since its inception in 2009.

While India's travel and tourism potential remains the focus of this report, let us first explore the magnitude of the region's travel and tourism sector. The *Tourism Highlights 2017 Edition* report by the United Nations World Tourism Organisation (UNWTO) highlights that on a global scale, a total of 1.2 billion tourist arrivals were recorded in 2016. The majority of these tourist arrivals were bound towards Europe (approximately 50%) while Asia & the Pacific witnessed only 25% of these tourist arrivals (approximately 308.4 million). In 2016, India recorded approximately 8.8 million international tourist arrivals (exclusive of NRI arrivals

FIGURE 1 – ASIA PACIFIC INTERNATIONAL TOURIST ARRIVALS (2016)

Sub Region	International Tourist Arrivals (million)	Market Share
Asia Pacific (APAC)	308.4	25.0%
North-East Asia	154.3	12.5%
South-East Asia	113.2	9.2%
South Asia	15.6	1.3%
Oceania	25.3	2.0%

Source: UNWTO Tourism Highlights 2017 Edition

and transit arrivals), accounting for 4.7% of Asia-Pacific's tourist arrivals and 1.2% of the global tourist arrivals. These tourist arrivals include only overnight visitors and are not inclusive of transit arrivals, same day visitors or Non-Resident Indian (NRI) arrivals.

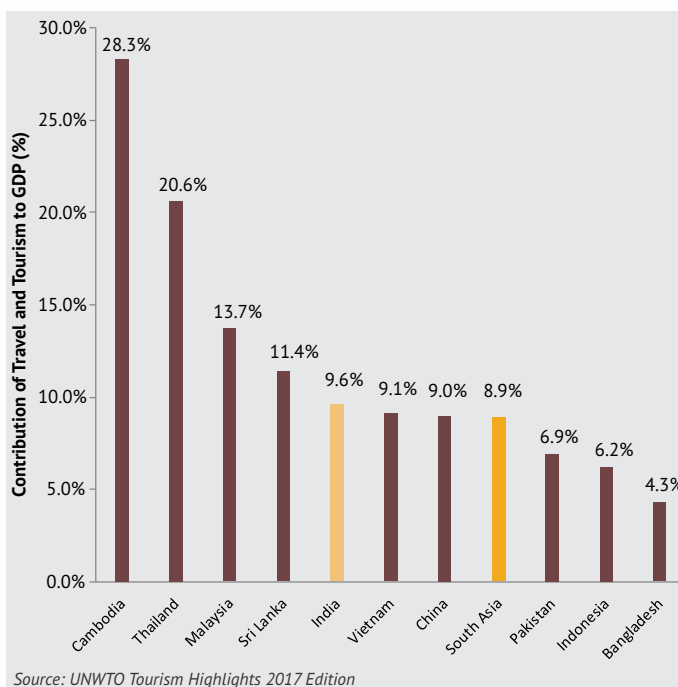
Not only is Travel, Tourism and Hospitality an integral part of the Indian economy, it is an integral part of our DNA as Indians. A quick performance review reveals that in 2016, an estimated US\$22.9 billion was earned as Foreign Exchange Earnings; an 8.8% increase over the approximate US\$21.1 billion earned in 2015. Additionally, India registered roughly 8.0 million international tourist arrivals in 2015 which grew by

9.7% to almost 8.8 million international tourist arrivals in 2016 (exclusive of NRI arrivals and transit arrivals).

Reportedly, India's total contribution of Travel and Tourism to GDP was 9.6% (US\$208.9 billion or ₹14,018.5 billion) in 2016, and is forecast to rise by 6.7% in 2017. On the employment generation front, having supported 40.3 million direct and indirect jobs in 2016, the travel and tourism industry accounts for almost 9.3% of the total employment in India. Despite the industry's growth in India, the country still needs to overcome numerous challenges to establish itself as the foremost tourist destination in the region. Figure 2 highlights India's position vis-à-vis other South Asian countries in terms of total contribution of Travel and Tourism to GDP.

International Tourist Arrivals grew by 9.7% to reach ~ 8.8 million in 2016.

FIGURE 2 – ASIA PACIFIC: RELATIVE TOTAL CONTRIBUTION OF TRAVEL AND TOURISM TO GDP (2016)



Source: UNWTO Tourism Highlights 2017 Edition

The Travel and Tourism industry consists of multiple verticals which include hotels, airlines, and travel & tour companies. The State Ranking Survey aims to identify the best performing states in India from the hospitality industry's viewpoint. In order to meet this objective, we employed 11 key parameters or criteria for evaluating the performance of different states. While some parameters apply specifically to hotel developers, others are more relevant for state governments.

It must be noted that the last edition maps 12

parameters to determine the actual ranking index of the different states. In earlier editions, states were also ranked as per the Luxury Tax levied; however, the 2017 implementation of the Goods & Services tax as a uniform tax system eliminates the need to rank different states on the basis of taxation. Our latest Survey thus employs 11 parameters against which states were assessed based on data collected from various reliable sources. Each parameter was further assigned a specific weight commensurate with its individual impact on the hotel industry. The methodology used in deriving each of these rankings has been explained in greater detail later in this report.

Figure 3 outlines the defined sample set of states covered in this survey. The analysis accounts for 30 states including Delhi but omits the Union Territories in order to avoid any probable distortion of data.

FIGURE 3 – DEFINED SAMPLE SET OF STATES

1) Andhra Pradesh	11) Jammu & Kashmir	21) Odisha
2) Arunachal Pradesh	12) Jharkhand	22) Punjab
3) Assam	13) Karnataka	23) Rajasthan
4) Bihar	14) Kerala	24) Sikkim
5) Chhattisgarh	15) Madhya Pradesh	25) Tamil Nadu
6) Delhi*	16) Maharashtra	26) Telangana
7) Goa	17) Manipur	27) Tripura
8) Gujarat	18) Meghalaya	28) Uttar Pradesh
9) Haryana	19) Mizoram	29) Uttarakhand
10) Himachal Pradesh	20) Nagaland	30) West Bengal

* Does not include Gurgaon, NOIDA, Greater NOIDA, Ghaziabad and Faridabad

Figure 4 presents the 11 identified parameters and their respective weightages used to determine the actual ranking index corresponding to their individual impact on the hospitality industry.

FIGURE 4 – IDENTIFIED PARAMETERS AND ASSIGNED WEIGHTS

Parameters	Assigned Weight	Impact
State Expenditure on Tourism	30	High
Tourist Visits	30	High
Presence of Branded Hotel Rooms	10	Medium
GSDP Per Capita	10	Medium
Effectiveness of Marketing Campaign	10	Medium
Urbanisation	10	Medium
Road and Railway Infrastructure	10	Medium
Aircraft Movement	10	Medium
Literacy Rates	05	Low
Ease of Doing Business	10	Medium
Intangible Aspects	15	Medium

HOTEL TAXATION (Erstwhile Luxury Tax)

In earlier editions of this report, Luxury Tax imposed by different states was a parameter of comparison between states. However, with the implementation of the Goods & Services Tax (GST) Luxury Tax is now obsolete, sealing the fate of this parameter as well. However, for our readers' insight, we have presented the variance between the GST and Luxury Tax.

Luxury Tax was a debatable subject for the Indian Travel and Tourism industry as it varied by state with some states refraining from levying it at all. Subsequently, the basis of computation varied - some states applied the Luxury Tax on the published hotel room tariff while other states levied the tax on the actual tariff, causing serious ambiguity from a consumer standpoint. Additionally, some states imposed seasonal luxury tax rates to encourage tourism during the off season. As part of a host of taxes, the Luxury Tax contributed anywhere between 0% to 20% additional tax over and above other taxes levied (i.e. - Service Tax, VAT etc.), yielding a total effective taxation of anywhere between 18-29% on hotel services.

While GST silences the debate on the variable Luxury Tax system, it restricts progressive states into maintaining a standard tax year-round.

The GST provides a simple solution to eradicate the issues mentioned above. With regard to hotel rooms, the GST has four major tiers displayed in Figure 5 below. However, as compared to previous tax structures, the effective tax rate has now increased significantly as a result of GST implementation. Figure 6 highlights the variance between Luxury Tax and GST indicating the additional tax exacted on hotels at present.

FIGURE 5 – GOODS & SERVICES TAX SLABS

Room Rates	GST% Applicable
Below ₹ 1,000	0%
₹ 1,000 - ₹ 2,500	12%
₹ 2,500 - ₹ 7,500	18%
₹ 7,500 and above	28%

The implementation of GST has its fair share of disadvantages as well. Firstly, it unfairly defines or redefines "Luxury Hotels" as those hospitality developments that charge room rates above ₹7,500. From an estimated 120,000 branded rooms in a country, approximately one-fifth of this inventory averaged a room rate of ₹7,500 or more in 2016. Additionally,

business or corporate travellers account for 70% of hotel demand in the country clearly indicating that hotels are indeed a “need” and not a “luxury”. The 28% tax slab should therefore be applicable to hotels that are truly positioned in the Luxury space, charging room rates of ₹10,000 and above, sparing the Midscale and Upscale hotels that have, at present, been caught in the crossfire. Secondly, while the stable tax rate silences the debate on the variable Luxury Tax system, it restricts progressive states into maintaining a standard tax year-round. States such as Goa and Rajasthan had, traditionally, maintained a seasonal Luxury Tax rate in order to attract tourists during periods of low demand (off-season) and are now mandated to exact the same rate of tax throughout the year. While seasonal tax structures had impacted demand patterns for numerous destinations across the country, thereby reducing the seasonality in demand, it would be interesting to observe how demand patterns will be impacted going forward. Additionally, as GST is still in a nascent stage, it would be even more interesting to see if some states decide to reduce or forfeit their share of GST on a seasonal basis in the interest of the improving tourism in the state. As the economies of some states are heavily dependent on the travel and tourism industry, going

FIGURE 6 – LUXURY TAX VS GST

State	Luxury Tax	Calculated On	Effective Tax Rate		GST-Effective Tax Variance	Rank 2017	Rank 2015	Rank 2013	Rank 2011	Variance (15-17)	Variance (11-17)
Arunachal Pradesh	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Jammu & Kashmir	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Manipur	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Mizoram	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Nagaland	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Odisha	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Sikkim	0.0%	-	0.0%	28.0%	28.0%	0	1	1	1	1	1
Uttar Pradesh	5.0%	Actual Tariff	5.0%	28.0%	23.0%	0	8	8	9	8	9
Andhra Pradesh	5.0%	Published Tariff	7.0%	28.0%	21.0%	0	9	10	11	9	11
Telangana	5.0%	Published Tariff	7.0%	28.0%	21.0%	0	9	-	-	9	-
Gujarat	6.0%	Actual Tariff	8.0%	28.0%	20.0%	0	11	11	12	11	12
Punjab	8.0%	Actual Tariff	8.0%	28.0%	20.0%	0	11	11	8	11	8
Uttarakhand	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	8	9	13	9
Bihar	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	14	13	14
Haryana	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	25	13	25
Madhya Pradesh	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	14	13	14
Maharashtra	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	14	13	14
Rajasthan	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	14	13	14
West Bengal	10.0%	Actual Tariff	10.0%	28.0%	18.0%	0	13	13	14	13	14
Goa	12.0%	Actual Tariff	12.0%	28.0%	16.0%	0	20	21	14	20	14
Karnataka	12.0%	Actual Tariff	12.0%	28.0%	16.0%	0	20	21	23	20	23
Assam	12.0%	Actual Tariff	12.0%	28.0%	16.0%	0	20	21	26	20	26
Kerala	12.5%	Actual Tariff	12.5%	28.0%	15.5%	0	23	24	24	23	24
Jharkhand	12.5%	Published Tariff	12.5%	28.0%	15.5%	0	23	24	13	23	13
Chhattisgarh	10.0%	Published Tariff	13.0%	28.0%	15.0%	0	25	26	14	25	14
Himachal Pradesh	10.0%	Published Tariff	13.0%	28.0%	15.0%	0	25	13	14	25	14
Tripura	10.0%	Actual Tariff	13.0%	28.0%	15.0%	0	27	13	14	27	14
Tamil Nadu	15.0%	Published Tariff	15.0%	28.0%	13.0%	0	28	28	27	28	27
Delhi	12.5%	Actual Tariff	17.0%	28.0%	11.0%	0	29	26	27	29	27
Meghalaya	20.0%	Actual Tariff	20.0%	28.0%	8.0%	0	29	29	29	29	29

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Assumptions for Published Tariff: Effective tax rate calculated on an actual tariff of ₹7,500 derived from a published tariff of ₹10,000 rate with a 25% discount.
Source: Hotelivate Research

forward, it may become increasingly relevant to explore the ideas of re-working GST slabs for the Hotel industry and state driven initiatives to apply seasonal GST rates at the state end to promote tourism.

While we have not considered taxation as a parameter of comparison for the current edition of this report, perhaps a revival may be in order by the next edition, subject to changes in the tax regime or dynamic/seasonal GST structures implemented at the state level.

STATE EXPENDITURE ON TOURISM

Although the average state expenditure has seen a consistently positive growth over the last five years, the same is not reflective in the expenditure allocated towards tourism. This is due to a number of reasons, the primary one being the allocation of resources and funds towards sectors of higher priority such as infrastructure,

FIGURE 7 – METHODOLOGY FOR STATE EXPENDITURE ON TOURISM

Range	Points
Above 0.55%	30
0.41% to 0.55%	25
0.26% to 0.40%	15
0.10% to 0.25%	10
Below 0.10%	05

or nurturing industries that are deemed pertinent to the economy of a particular state. Each state's expenditure has been bifurcated into Capital Expenditure and Revenue Expenditure to assess the nature of expenditure incurred on tourism. Capital Expenditure is incurred while acquiring a fixed asset or increasing the income earning potential of an existing one; Revenue Expenditure, on the other hand, is incurred in the course of daily business transactions (i.e. operating costs). Capital Expenditure may be incurred over the course of many years and is likely to be a one-time expense; however, Revenue Expenditure is a recurring expenditure incurred every accounting year.

Under this parameter, by tabulating the capital expenditure and revenue expenditure, we have assessed the total expenditure by each state government towards tourism. Figures 7 and 8 present our point allocation criteria and ranking of the states for this evaluation parameter, respectively.

Analysis of data released by the RBI reveals, that in 2016/17, Indian states on an average have registered a 43.2% increase in Tourism spending (Revenue and

Capital Expenditure combined) corresponding to a 12.1% average increase in Total spending, over 2014/15, highlighted in the previous edition of the State Ranking Survey. Goa leads the states in terms of tourism spend in 2016/17 with 0.673% of its expenditure allocated for travel and tourism. Moving up from Rank 3 to Rank 1, Goa has displaced Sikkim which previously maintained Rank 1 for the past three editions of this report. Exhibiting consistency, Jammu & Kashmir maintains its position at Rank 2 while Uttarakhand has moved up three places to Rank 3 for 2016/17. Both states have witnessed significant state expenditure in terms of both Tourism and Total Expenditure.

The biggest movers this year are Bihar, Punjab, Andhra Pradesh and Mizoram. Bihar has made praise-worthy progress in recognizing the need to improve Tourism Expenditure moving to Rank 4 from Rank 29 in the previous edition. Bihar has registered an astounding 2,850% increase in Tourism Expenditure translating to an estimated spend of approximately ₹67.0 crore in 2016/17 vis-à-vis a ₹2.3 crore allocation to Tourism Expenditure in 2014/15. A part of this increased Tourism Expenditure in the state may be attributed to active development of the Spiritual Circuit in Bihar under the

FIGURE 8 – POINT ALLOCATION FOR STATE EXPENDITURE ON TOURISM

State	Revenue Expenditure* (₹ in Lakh)		Capital Expenditure** (₹ in Lakh)		Total State Expenditure (₹ in Lakh)				Rank 2017	Rank 2015	Rank 2013	Rank 2011	Variance (15-17)	Variance (11-17)
	All Sectors	Tourism	All Sectors	Tourism	All Sectors	Tourism	Tourism Spend as a % of Total Expenditure	Points Obtained						
Goa	104,831	1,098	247,465	1,273	352,296	2,371	0.673%	30	1	3	2	3	2	2
Jammu & Kashmir	444,279	1,210	330,293	3,358	774,572	4,568	0.590%	30	2	2	3	2	0	0
Uttarakhand	322,504	594	241,110	1,878	563,614	2,472	0.439%	20	3	6	4	4	3	1
Bihar	1,099,408	295	581,302	6,407	1,680,710	6,702	0.399%	15	4	29	14	17	25	13
Sikkim	46,248	168	86,757	351	133,005	519	0.390%	15	5	1	1	1	-4	-4
Gujarat	1,131,299	1,096	1,906,572	4,431	3,037,871	5,527	0.182%	10	6	5	7	6	-1	0
Himachal Pradesh	267,460	597	89,500	38	356,960	635	0.178%	10	7	7	11	16	0	9
Kerala	976,831	1,874	2,031,152	2,159	3,007,983	4,033	0.134%	10	8	10	5	9	2	1
Delhi	358,475	622	107,525	0	466,000	622	0.133%	10	9	9	10	20	0	11
Mizoram	63,886	68	66,776	100	130,662	168	0.128%	10	10	17	18	18	7	8
Arunachal Pradesh	105,533	488	629,827	379	735,360	868	0.118%	10	11	4	16	8	-7	-3
Manipur	84,475	145	246,390	210	330,865	355	0.107%	10	12	8	23	11	-4	-1
Karnataka	1,302,361	1,571	3,752,234	3,496	5,054,595	5,067	0.100%	10	13	11	6	5	-2	-8
Meghalaya	85,940	242	248,647	85	334,586	327	0.098%	5	14	12	9	14	-2	0
Punjab	581,638	1,440	1,916,337	968	2,497,975	2,408	0.096%	5	15	30	15	28	15	13
Maharashtra	2,244,546	6,723	5,568,226	32	7,812,772	6,755	0.086%	5	16	16	12	7	0	-9
Andhra Pradesh	1,141,681	1,187	763,327	450	1,905,008	1,637	0.086%	5	17	25	28	29	8	12
Jharkhand	487,619	453	1,096,060	760	1,583,679	1,213	0.077%	5	18	21	27	10	3	-8
Odisha	744,434	525	1,756,323	1,069	2,500,757	1,594	0.064%	5	19	14	19	15	-5	-4
Madhya Pradesh	1,225,853	1,491	2,837,997	1,050	4,063,850	2,541	0.063%	5	20	18	17	19	-2	-1
Nagaland	96,671	139	126,640	0	223,311	139	0.062%	5	21	20	8	13	-1	-8
West Bengal	1,295,303	1,136	4,259,037	2,140	5,554,340	3,276	0.059%	5	22	15	20	27	-7	5
Chhattisgarh	563,895	339	1,093,578	335	1,657,473	674	0.041%	5	23	19	13	12	-4	-11
Rajasthan	1,320,525	795	2,927,868	851	4,248,394	1,646	0.039%	5	24	26	21	21	2	-3
Haryana	752,359	28	1,199,795	668	1,952,154	696	0.036%	5	25	23	25	25	-2	0
Telangana	972,064	543	649,482	0	1,621,546	543	0.033%	5	26	13			-13	
Assam	624,590	308	1,855,155	379	2,479,745	688	0.028%	5	27	24	24	26	-3	-1
Uttar Pradesh	2,533,545	468	5,327,680	1,525	7,861,225	1,993	0.025%	5	28	22	22	23	-6	-5
Tripura	105,272	27	576,012	90	681,284	116	0.017%	5	29	27	29	24	-2	-5
Tamil Nadu	1,640,296	247	3,785,496	550	5,425,791	797	0.015%	5	30	28	26	22	-2	-8

*Revenue Expenditure - incurred in the course of regular business transactions and availed during the same accounting year.

**Capital Expenditure - incurred for acquiring a fixed asset or one which results in increasing the earning capacity and is availed in multiple accounting years.

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.

Source: RBI - State Finances: A Study of Budgets 2016-17

Swadesh Darshan plan. While Punjab's Tourism Expenditure as a percentage of the state's Total Expenditure is 0.096%, it too has recorded a noteworthy increase of a 6,321% in Tourism Expenditure allocating ₹24.0 crore in 2016/17 as opposed to ₹0.38 crore in 2014/15. Andhra Pradesh's state government has rightly improved its spend on tourism registering a 34% increase in Tourism spend in 2016/17 over 2014/15. From a share of 0.048% of the Total Expenditure in 2014/15, Mizoram's Tourism Expenditure allocation currently comprises 0.128% of their Total State Expenditure causing the state to jump up seven positions – a noteworthy improvement.

Among the states falling behind in Tourism Expenditure are Telangana, West Bengal, Arunachal Pradesh and Uttar Pradesh. Despite a 25% increase in total State Expenditure, Telangana recorded a 52% drop in Tourism Expenditure in 2016/17 over 2014/15 causing the state to fall 13 places to Rank 26. Interestingly, while West Bengal, Arunachal Pradesh and Uttar Pradesh have all noted a drop in their rankings, each state has witnessed a growth in Tourism Expenditure over 2014/15. This growth however, is not proportionate to the increase of Total Expenditure of each state, thereby comprising only a miniscule share of the states' expenditure.

TOURIST VISITS

Tourist visitation per annum is one of the best indicators of the state's attractiveness and ability to generate travel and tourism demand. On a countrywide level, there has been an upward trend in tourist visitation. Additionally, there has been a surge of domestic tourism in the country. According to the Ministry of Tourism's *India Tourism Statistics 2017* report, the number of domestic travellers in 2016 (1,613.6 million) registered a noteworthy increase of 12.7% over 2015 indicating the rapid improvement in domestic tourism.

Our ranking methodology accounts for both international and domestic tourist visitations, with equal weights given to both. Figure 9 explains the

FIGURE 9 – METHODOLOGY FOR TOURIST VISITS

Rank	Points
1 to 5	15
6 to 10	12
11 to 15	08
16 to 20	05
21 to 25	02
Above 25	00

methodology of ranking and Figures 10 and 11 present the overall rankings for this parameter.

FIGURE 10 – DOMESTIC AND INTERNATIONAL TOURIST VISITS (2016)

Domestic Tourists			International Tourists		
State	Tourists	Rank	State	Tourists	Rank
Tamil Nadu	343,812,413	1	Tamil Nadu	4,721,978	1
Uttar Pradesh	211,707,090	2	Maharashtra	4,670,049	2
Andhra Pradesh	153,163,354	3	Uttar Pradesh	3,156,812	3
Madhya Pradesh	150,490,339	4	Delhi	2,520,083	4
Karnataka	129,762,600	5	West Bengal	1,528,700	5
Maharashtra	116,515,801	6	Rajasthan	1,513,729	6
Telangana	95,160,830	7	Kerala	1,038,419	7
West Bengal	74,460,250	8	Bihar	1,010,531	8
Gujarat	42,252,909	9	Goa	680,683	9
Rajasthan	41,495,115	10	Punjab	659,736	10
Punjab	38,703,326	11	Karnataka	461,752	11
Jammu & Kashmir	33,389,286	12	Himachal Pradesh	452,770	12
Uttarakhand	30,505,363	13	Madhya Pradesh	363,195	13
Bihar	28,516,127	14	Gujarat	343,752	14
Delhi	28,460,832	15	Andhra Pradesh	341,764	15
Himachal Pradesh	17,997,750	16	Haryana	331,291	16
Chhattisgarh	16,534,471	17	Jammu & Kashmir	169,442	17
Kerala	13,172,536	18	Telangana	166,570	18
Odisha	12,842,766	19	Uttarakhand	117,106	19
Jharkhand	9,414,579	20	Odisha	76,361	20
Haryana	7,382,995	21	Sikkim	66,012	21
Goa	5,650,061	22	Jharkhand	63,207	22
Assam	5,160,599	23	Tripura	36,780	23
Meghalaya	830,887	24	Assam	12,685	24
Sikkim	747,343	25	Chhattisgarh	9,220	25
Arunachal Pradesh	385,875	26	Meghalaya	8,476	26
Tripura	370,618	27	Arunachal Pradesh	6,598	27
Manipur	150,638	28	Nagaland	3,260	28
Mizoram	67,238	29	Manipur	3,064	29
Nagaland	58,178	30	Mizoram	942	30

Source: India Tourism Statistics 2015-16, Ministry of Tourism, Government of India

FIGURE 11 – POINT ALLOCATION FOR TOURIST VISITS

State	Points Obtained			Rank				Variance	
	Domestic	International	Total	2017	2015	2013	2011	(15-17)	(11-17)
Tamil Nadu	15	15	30	1	1	1	1	0	0
Uttar Pradesh	15	15	30	1	1	1	1	0	0
Maharashtra	12	15	27	3	1	1	4	-2	1
West Bengal	12	15	27	3	6	5	7	3	4
Rajasthan	12	12	24	5	4	4	1	-1	-4
Andhra Pradesh	15	8	23	6	10	5	4	4	-2
Delhi	8	15	23	6	6	5	8	0	2
Karnataka	15	8	23	6	4	5	4	-2	-2
Madhya Pradesh	15	8	23	6	8	9	8	2	2
Bihar	8	12	20	10	8	9	13	-2	3
Gujarat	12	8	20	10	10	9	8	0	-2
Punjab	8	12	20	10	10	13	22	0	12
Kerala	5	12	17	13	10	13	8	-3	-5
Telangana	12	5	17	13	10			-3	
Goa	2	12	14	15	18	16	13	3	-2
Himachal Pradesh	5	8	13	16	17	9	13	1	-3
Jammu & Kashmir	5	5	13	16	21	16	16	5	0
Uttarakhand	8	5	13	16	18	13	8	2	-8
Odisha	5	5	10	19	18	18	18	-1	-1
Chhattisgarh	5	2	7	20	21	25	25	1	5
Haryana	2	5	7	20	10	18	16	-10	-4
Jharkhand	5	2	7	20	10	20	20	-10	0
Assam	2	2	4	23	23	20	18	0	-5
Sikkim	2	2	4	23	23	20	20	0	-3
Meghalaya	2	0	2	25	23	23	22	-2	-3
Tripura	0	2	2	25	26	23	22	1	-3
Arunachal Pradesh	0	0	0	27	27	25	25	0	-2
Manipur	0	0	0	27	27	27	27	0	0
Mizoram	0	0	0	27	27	27	27	0	0
Nagaland	0	0	0	27	27	27	27	0	0

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Source: Hotelivate Research

Tamil Nadu and Uttar Pradesh have retained the top ranks in terms of tourist visits over the past five years. Tamil Nadu, well known for its temple towns, national parks, UNESCO world heritage sites, hill stations as well as state-of-the-art medical facilities, alone accounted for 21.3% of the total visitations in India in 2016, while Uttar Pradesh continues to be a strong contender primarily due to the various tourist attractions located in Agra, Varanasi and Sarnath. Overall, the state accounted for 13.2% of the total tourists in the country in the past year. Subsequently, Maharashtra, India's gateway to the west and the commercial capital of the country captured 7.4% of total tourist visits in 2016. Despite its numerous leisure destinations and commercial hubs, Maharashtra, once at par with Tamil Nadu and Uttar Pradesh, has fallen to Rank 3. Not for any major fault of its own, Maharashtra's domestic tourist visitation has been outpaced by Andhra Pradesh and Madhya Pradesh both of which have been aggressively targeting domestic tourists. Due to the notable increase in domestic tourism, Andhra Pradesh has moved up four ranks to Rank 6, definitely a step in the right direction.

Among other big movers is Jammu & Kashmir – a tourist's paradise, marred by political instability. In the

face of it all, however, Jammu & Kashmir witnessed the support of domestic tourists driving the state to move up by five places to Rank 16.

The only two states to exhibit extremely poor performances in the field of tourism are Haryana and Jharkhand, each dropping by 10 places to jointly sit at Rank 20. Both states have registered a decline in tourist visitations since 2014. Countrywide tourist visitation, however, has witnessed a year-on-year growth, registering a 14.4% growth in tourists between 2015 and 2016. States that do not make an active effort to drive tourism, will, as in the case of Haryana and Jharkhand, get left behind.

PRESENCE OF BRANDED HOTEL ROOMS

The total number of existing branded hotel rooms in a state is indicative of the tourism demand within the state as well as its economic, tourist and business

FIGURE 12 – METHODOLOGY FOR PRESENCE OF BRANDED HOTEL ROOMS

Rank	Points
1 to 3	10
4 to 6	8
7 to 9	6
10 to 12	4
13 to 15	2
Above 15	0

FIGURE 13 – POINT ALLOCATION FOR PRESENCE OF BRANDED HOTEL ROOMS

State	No. of Branded Rooms	State Area (km ²)	Branded Rooms per 100 km ²	Points Obtained	Rank 2017	Rank 2015	Rank 2013	Rank 2011	Variance (15-17)	Variance (11-17)
Delhi	14,296	1,483	963.99	10	1	1	1	1	0	0
Goa	6,400	3,702	172.88	10	2	2	2	2	0	0
Haryana	5,875	44,212	13.29	10	3	3	3	3	0	0
Kerala	3,586	38,863	9.23	8	4	4	4	4	0	0
Tamil Nadu	10,354	130,058	7.96	8	5	5	5	6	0	1
Maharashtra	22,786	307,713	7.40	8	6	6	6	5	0	-1
Karnataka	13,623	191,791	7.10	6	7	7	7	7	0	0
Telangana	6,254	114,840	5.45	6	8	8			0	
Punjab	2,533	50,362	5.03	6	9	9	8	8	0	-1
West Bengal	3,433	88,752	3.87	4	10	10	9	9	0	-1
Gujarat	6,584	196,024	3.36	4	11	11	11	15	0	4
Uttarakhand	1,412	53,483	2.64	4	12	12	12	10	0	-2
Rajasthan	7,832	342,239	2.29	2	13	13	13	13	0	0
Uttar Pradesh	5,433	240,928	2.26	2	14	14	14	14	0	0
Himachal Pradesh	784	55,673	1.41	2	15	16	17	16	1	1
Andhra Pradesh	2,058	160,205	1.28	0	16	15	10	11	-1	-5
Tripura	100	10,486	0.95	0	17	17	16	17	0	0
Sikkim	63	7,096	0.89	0	18	18	15	12	0	-6
Assam	465	78,438	0.59	0	19	21	22	21	2	2
Madhya Pradesh	1,593	308,245	0.52	0	20	20	19	18	0	-2
Jharkhand	359	79,714	0.45	0	21	19	18	19	-2	-2
Chhattisgarh	500	135,191	0.37	0	22	22	25	25	0	3
Jammu & Kashmir	668	222,236	0.30	0	23	23	21	22	0	-1
Odisha	408	222,236	0.18	0	24	24	20	20	0	-4
Bihar	46	94,163	0.05	0	25	25	23	23	0	-2
Arunachal Pradesh	19	83,743	0.02	0	26	26	24	24	0	-2
Manipur	0	22,327	0.00	0	27	27	25	25	0	-2
Meghalaya	0	22,429	0.00	0	27	27	25	25	0	-2
Mizoram	0	21,081	0.00	0	27	27	25	25	0	-2
Nagaland	0	16,579	0.00	0	27	27	25	25	0	-2

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Source: Hotelivate Research

potential. Most hotel projects undergo an extensive evaluation study prior to being developed, in order to assess the potential of long-term demand, growth and economic feasibility. Therefore, one can safely assume there to be a correlation between number of branded rooms in a state and its overall tourism attractiveness and hospitality competitiveness.

Figures 12 and 13 present our point allocation criteria and ranking for the number of existing branded rooms in each state, respectively.

The top 18 states in terms of density of branded hotel rooms have remained the same from 2015 to 2017, despite an increase in supply across the board. Telangana, formed in 2014, entered the competition by displacing Punjab on this list in the 2015 state survey and has continued to maintain its rank at 8. Among states that have witnessed a decline in rank, Andhra Pradesh, Sikkim and Odisha saw a significant drop in rank. While Andhra Pradesh's decline is attributed to its split into Telangana, Odisha and Sikkim have simply been outpaced by other states who have registered continual yet gradual improvements in this segment.

Delhi, as the capital of India and one of the country's most important business destinations, is also one of India's top hospitality markets. Not only does Delhi have a large share of branded rooms in the country, the branded rooms per 100 square-kilometres greatly exceeds any other state. On the back of activity in Delhi and primarily centred in Gurugram, Haryana's hospitality sector consists of the third most dense branded hotel supply in the country. Gurugram has established itself as one of the country's premier commercial hubs over the years and therefore has a sizeable number of branded hotel rooms, comprising a large share of the state's branded inventory. Unlike Delhi or Haryana, Goa is a leisure destination and one of India's foremost leisure destinations at that. Goa's branded hotel room supply, which has grown by 14.0% since the last edition of this report, is in itself an indication of the lucrative nature of this market for the hotel industry.

Himachal Pradesh and Assam are the only states to record an upward movement in rankings. While Himachal Pradesh registered a 39.5% increase in branded supply over 2014/15, Assam witnessed a 30.3% increase in supply. However, the significant increase in supply can be attributed to the small base of existing supply in these markets. Resultantly, Andhra

Pradesh and Jharkhand have fallen by 2 and 1 place, respectively.

GSDP PER CAPITA

Gross State Domestic Product (GSDP) is a major indicator of the economic well-being of a state. In monetary terms, GSDP is a measure of the volume of goods and services produced within a state annually. In difficult economic conditions, the Travel and Tourism industry is typically the first to get affected and the last to recover. Thus, GSDP per capita was introduced as a ranking parameter in 2011 and continues to be one of the fundamentals for our comparison.

FIGURE 14 – METHODOLOGY FOR GSDP PER CAPITA

Range	Points
Above 99,999	10.0
75,000 to 99,999	7.5
50,000 to 74,999	5.0
25,000 to 49,999	2.5

Goa, Delhi and Sikkim continue to maintain the top three positions in the country. While Sikkim has held its ground at Rank 3, Delhi and Goa have interchanged positions as Delhi moves up to Rank 1. Karnataka and Chhattisgarh have each moved up four places to Rank 9 and 18 respectively. Both states have registered praiseworthy increases in GSDP per capita with Karnataka reporting an increase of 67.1% over 2013/14 and Chhattisgarh witnessing a 40.4% growth over the same period.

Bihar and Uttar Pradesh have consistently maintained their positions too – at the bottom of the table. Despite a 20.3% and 33.7% increase in GSDP per capita, respectively, the states continue to fall behind perhaps on account of inadequate commercial activity to drive higher GSDPs.

Additionally, 56% of the sample states have a GSDP per capita lower than that of the state-wide average. While this is a marginal improvement over the last edition of this report, it is still alarming and requires measures for improvement.

EFFECTIVENESS OF MARKETING CAMPAIGN

Destination marketing plays a key role in the promotion of Travel and Tourism within a state. Each state in India has its own tourism department which helps strategise and develop an appropriate marketing concept in order

FIGURE 15 – POINT ALLOCATION FOR GSDP PER CAPITA

State	GSDP* (₹ in crore)	Population (2011)	GSDP Per Capita (₹)	Points Obtained	Rank 2017	Rank 2015	Rank 2013	Variance (15-17)	Variance (13-17)
Delhi	551,963	16,753,235	329,467	10.0	1	2	2	1	1
Goa	45,002	1,457,723	308,714	10.0	2	1	1	-1	-1
Sikkim	16,637	607,688	273,772	10.0	3	3	3	0	0
Haryana	485,184	25,353,081	191,371	10.0	4	4	4	0	0
Uttarakhand	184,091	10,116,752	181,967	10.0	5	7	9	2	4
Maharashtra	2,001,223	112,372,972	178,088	10.0	6	5	5	-1	-1
Kerala	588,337	33,387,677	176,214	10.0	7	9	7	2	0
Tamil Nadu	1,212,668	72,138,958	168,102	10.0	8	10	11	2	3
Karnataka	1,027,068	61,130,704	168,012	10.0	9	13	14	4	5
Himachal Pradesh	113,667	6,856,509	165,780	10.0	10	8	10	-2	0
Gujarat	994,316	60,383,628	164,666	10.0	11	6	6	-5	-5
Telangana	575,631	35,286,757	163,130	10.0	12	12		0	
Punjab	408,815	27,704,236	147,564	10.0	13	11	8	-2	-5
Arunachal Pradesh	18,784	1,382,611	135,862	10.0	14	14	12	0	-2
Andhra Pradesh	609,934	49,386,799	123,501	10.0	15	16	13	1	-2
Mizoram	13,374	1,091,014	122,582	10.0	16	15	15	-1	-1
West Bengal	1,039,923	91,347,736	113,842	10.0	17	18	18	1	1
Chhattisgarh	260,776	25,540,196	102,104	10.0	18	22	19	4	1
Rajasthan	672,707	68,621,012	98,032	7.5	19	19	17	0	-2
Nagaland	19,214	1,980,602	97,011	7.5	20	17	16	-3	-4
Jammu & Kashmir	118,387	12,548,926	94,341	7.5	21	23	22	2	1
Meghalaya	26,745	2,964,007	90,233	7.5	22	20	20	-2	-2
Odisha	341,887	41,947,358	81,504	7.5	23	24	23	1	0
Tripura	29,667	3,671,032	80,814	5.0	24	21	21	-3	-3
Madhya Pradesh	543,975	72,597,565	74,930	5.0	25	25	25	0	0
Jharkhand	241,955	32,966,238	73,395	5.0	26	27	24	1	-2
Assam	224,234	31,169,272	71,941	5.0	27	28	26	1	-1
Manipur	18,043	2,721,756	66,292	5.0	28	26	27	-2	-1
Uttar Pradesh	1,153,795	199,581,477	57,811	5.0	29	29	28	0	-1
Bihar	413,503	103,804,637	39,835	2.5	30	30	29	0	-1
Average	465,050	40,229,072	138,029						

*GSDP of 2015-16 at Current Prices.

Note: Rankings for Andhra Pradesh for 2013 includes Telangana.

**GSDP of 2014-15 at Current Prices for Manipur and Tripura due to non-availability of data.

Source: Census of India 2011, MOSPI, State Economic Surveys

to attract visitors to a destination, service or facility within the state. Our method of evaluation compares (i) on an All-India basis, the State Expenditure on marketing/publicity and the social media outreach of each state; and (ii) on a global basis, the state tourism website ranking.

Previous editions of the state ranking survey have ranked states solely on the basis of their tourism websites; however, the relevance of Social Media and Marketing/Publicity expenditure is too great to ignore. In analysing the effectiveness of each state's marketing campaign, we have assessed their tourism websites based on the volume of traffic received. For our rankings, we have used Alexa.com, a subsidiary company of Amazon.com, which tracks traffic on all websites and is considered an international benchmark for website ratings. Furthermore, we have tracked the state's official pages on Facebook, Twitter and YouTube to quantify state tourism following.

Figure 16 illustrates our methodology for point allocation and Figure 17 presents the Alexa ranking of the individual state tourism websites and accordingly our comparative ranking based on this criterion.

FIGURE 16 – METHODOLOGY FOR OFFICIAL WEBSITE

Rank	Points
1 to 5	4
6 to 09	3
10 to 12	2
13 to 15	1
Above 15	0

Incredible India, the country's official tourism campaign website, has recorded a downward movement from a rank of 63,701 in 2015 to 183,151 in 2017. Despite Incredible India's brand recall and its impact on inbound travel, a drop of this magnitude indicates that the website is not on a par with global standards and needs to be thoroughly improved in order to capture the attention of today's tech-savvy, information oriented audience.

Having held the number one spot for the last two editions consecutively, Bihar has stepped down to Rank 2 this year, yielding to Rajasthan which has moved up 10 places to lead the board. Chhattisgarh too has made astounding strides, moving up 18 places to secure Rank 3. Representing the North-East, Assam and Mizoram too

FIGURE 17 – POINT ALLOCATION FOR OFFICIAL WEBSITE

State	Official Website	Alexa Overall Ranking	Points Obtained	Rank 2017	Rank 2015	Rank 2013	Rank 2011	Variance (15-17)	Variance (11-17)
Rajasthan	tourism.rajasthan.gov.in	2,170	10	1	11	5	7	10	6
Bihar	bstdc.bih.nic.in	8,363	10	2	1	1	2	-1	0
Chhattisgarh	chhattisgarhtourism.net	23,083	10	3	21	25	16	18	13
Kerala	keralatourism.org	78,308	8	4	2	2	1	-2	-3
Maharashtra	maharashtratourism.gov.in	141,888	8	5	3	4	3	-2	-2
Mizoram	tourism.mizoram.gov.in	160,878	8	6	13	16	25	7	19
Delhi	delhitourism.gov.in/delhitourism/index.jsp	168,196	6	7	4	3	11	-3	4
Gujarat	gujarattourism.com	195,839	6	8	7	7	10	-1	2
Andhra Pradesh	aptdc.gov.in	197,160	6	9	10	10	13	1	4
Goa	www.goa-tourism.com	203,730	4	10	5	9	8	-5	-2
Tamil Nadu	tamilnadutourism.org	260,160	4	11	12	12	5	1	-6
Madhya Pradesh	mptourism.com	273,428	4	12	6	6	4	-6	-8
Karnataka	karnatakaholidays.net	286,352	2	13	9	11	6	-4	-7
Telangana	telanganatourism.gov.in	289,989	2	14	8			-6	
Uttarakhand	uttarakhandtourism.gov.in	315,400	2	15	15	17	12	0	-3
Sikkim	sikkimtourism.gov.in	323,998	0	16	17	19	20	1	4
West Bengal	westbengaltourism.gov.in	369,042	0	17	16	13	17	-1	0
Meghalaya	megtourism.gov.in	419,895	0	18	18	21	22	0	4
Uttar Pradesh	up-tourism.com	423,775	0	19	22	14	14	3	-5
Himachal Pradesh	himachaltourism.gov.in	436,164	0	20	24	8	9	4	-11
Assam	assamtourism.org	546,484	0	21	29	23	24	8	3
Jammu & Kashmir	jktourism.org	619,048	0	22	14	20	15	-8	-7
Haryana	haryanatourism.gov.in	643,689	0	23	19	18	19	-4	-4
Arunachal Pradesh	arunachaltourism.com	653,210	0	24	23	24	26	-1	2
Odisha	orissatourism.gov.in	1,115,324	0	25	20	15	18	-5	-7
Tripura	tripuratourism.nic.in	1,169,644	0	26	30	26	28	4	2
Punjab	punjabtourism.gov.in	1,590,433	0	27	25	27	23	-2	-4
Nagaland	tourismnagaland.com	2,265,263	0	28	28	29	29	0	1
Jharkhand	jharkhandtourism.in	2,544,320	0	29	26	22	27	-3	-2
Manipur	manipur.nic.in/tourism.htm	3,042,901	0	30	27	28	21	-3	-9
Average Incredible India	http://incredibleindia.org	625,604	183,151						

* Recent data for tourismnagaland.com is not available. The last available data has been used for this website.
Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Source: Alexa.com 2017

have made noteworthy jumps up to Rank 21 and 6 respectively ascending by 8 and 7 places respectively. While some states have done well, others have registered dismal results. Jammu & Kashmir, Madhya Pradesh, Karnataka, Telangana and Odisha among others have all recorded a drop of 5 places or more from 2015 to 2017. A total of 17 states across the country have registered a drop in website rankings indicating that serious steps need to be put in place to rectify this in order to promote tourism at the state level.

In an age where social media is one of the prime modes of visibility and connectivity, utilising these channels for marketing has become of utmost importance. Leading the states in terms of social media outreach is Kerala which has a significant following across all the major channels, namely Facebook, Twitter and YouTube. While Gujarat and West Bengal follow in second and third

FIGURE 18 – METHODOLOGY FOR SOCIAL MEDIA OUTREACH

Range	Points
1 to 5	3
6 to 10	2
11 to 15	1
Above 15	0

FIGURE 19 – POINT ALLOCATION FOR SOCIAL MEDIA OUTREACH

State	Facebook (Likes)	Facebook (Followers)	Twitter (Followers)	YouTube (Subscribers)	Total Social Media Outreach	Points Obtained	Rank 2017
Kerala	1,449,424	1,438,554	1,224,677	38,617	4,151,272	3	1
Gujarat	1,240,781	1,232,269	1,293,288	4,323	3,770,661	3	2
West Bengal	1,285,622	1,284,687	194,939	1,980	2,767,228	3	3
Goa	930,005	928,392	430,082	1,114	2,289,593	3	4
Odisha	164,374	164,579	884,950	927	1,214,830	3	5
Rajasthan	473,616	473,919	25,936	5,116	978,587	2	6
Madhya Pradesh	393,804	390,269	22,396	13,632	820,101	2	7
Uttar Pradesh	264,286	264,152	256,301	286	785,025	2	8
Maharashtra	111,747	115,328	202,690	118	429,883	2	9
Andhra Pradesh	184,265	183,700	3,053	1,506	372,524	2	10
Chhattisgarh	153,380	152,206	53,546	580	359,712	1	11
Telangana	42,061	42,106	2,614	0	86,781	1	12
Jammu & Kashmir	23,865	23,826	8,482	1,310	57,483	1	13
Delhi	24,121	24,063	1,543	51	49,778	1	14
Tamil Nadu	20,360	20,369	1,657	16	42,402	1	15
Meghalaya	16,750	16,798	707	0	34,255	0	16
Manipur	16,009	16,246	114	853	33,222	0	17
Arunachal Pradesh	10,111	10,173	104	163	20,551	0	18
Karnataka	6,036	6,087	4,946	740	17,809	0	19
Uttarakhand	7,925	7,920	1,267	178	17,290	0	20
Tripura	8,282	8,288	169	0	16,739	0	21
Jharkhand	5,791	5,951	2,633	12	14,387	0	22
Himachal Pradesh	1,580	1,585	10,300	0	13,465	0	23
Assam	5,546	5,546	1,754	335	13,181	0	24
Bihar	2,129	2,128	630	1,931	6,818	0	25
Sikkim	3,057	3,036	170	0	6,263	0	26
Haryana	2,237	2,221	1,675	65	6,198	0	27
Mizoram	2,479	2,479	247	0	5,205	0	28
Nagaland	926	928		0	1,854	0	29
Punjab	229	231	43	77	580	0	30

Source: Hotelivate Research, 2017

place, there is a difference of approximately 400,000 followers between Gujarat and Kerala and 1,000,000 followers between West Bengal and Gujarat. Additionally, the state-wide average outreach is only an estimated 613,000 followers which is only 1.5% of the state-wide average population of 40 million (Figure 15). 63% of states reach have an outreach of less than 100,000 people while 73% of states have a following of less than 500,000 people and an astounding 20% of states have a reach of less than 10,000 people across three social media platforms indicating a serious challenge. Our research indicates that there is a dire need for states to develop effective marketing

FIGURE 20 – METHODOLOGY FOR EXPENDITURE ON MARKETING AND PUBLICITY

Rank	Points
1 to 5	3
6 to 10	2
11 to 15	1
Above 15	0

FIGURE 21 – POINT ALLOCATION FOR EXPENDITURE ON MARKETING AND PUBLICITY

State	Expenditure on Marketing & Publicity	Points Obtained	Rank 2017
Madhya Pradesh	2,451,200,000	3	1
Delhi	2,077,300,000	3	2
Andhra Pradesh	1,396,533,000	3	3
Gujarat	1,140,000,000	3	4
Rajasthan	880,000,000	3	5
Haryana	694,000,000	2	6
Maharashtra	524,901,469	2	7
Jammu & Kashmir	520,000,000	2	8
Goa	500,000,000	2	9
Sikkim	452,263,000	2	10
Uttar Pradesh	352,520,000	1	11
Arunachal Pradesh	300,000,000	1	12
Tripura	264,030,000	1	13
Bihar	250,938,000	1	14
Assam	227,600,000	1	15
Telangana	224,300,000	0	16
Chhattisgarh	180,000,000	0	17
West Bengal	140,000,000	0	18
Manipur	126,933,000	0	19
Himachal Pradesh	84,500,000	0	20
Uttarakhand	76,856,000	0	21
Tamil Nadu	69,577,000	0	22
Meghalaya	49,471,000	0	23
Kerala	28,629,591	0	24
Jharkhand	23,509,000	0	25
Karnataka	16,000,000	0	26
Nagaland	5,782,000	0	27
Odisha	4,600,000	0	28
Mizoram	2,300,000	0	29
Punjab	1,400,000	0	30

Source: WTTC Research, Hotelivate Research

strategies to penetrate social media platforms in order to improve visibility and develop brand recall.

Madhya Pradesh, Delhi, Andhra Pradesh and Gujarat lead the states in terms of publicity/marketing expenditure. While approximately 60% of the states have an annual marketing/publicity budget of ₹10 crore or more, the same is not reflective in either their social media outreach or their tourism website global ranking. State Governments, therefore, require to utilize their resources efficiently in order to improve their marketing strategies.

FIGURE 22 – POINT ALLOCATION FOR EFFECTIVENESS OF MARKETING CAMPAIGN

State	Points Obtained			Total	Rank 2017
	Official Website	Social Media Outreach	Expenditure on Marketing & Publicity		
Rajasthan	5	2	3	10	1
Gujarat	3	3	3	9	2
Andhra Pradesh	3	2	3	8	3
Maharashtra	4	2	2	8	3
Kerala	4	3	0	7	5
Delhi	3	1	3	7	5
Madhya Pradesh	2	2	3	7	5
Goa	2	3	2	7	5
Chhattisgarh	5	1	0	6	9
Bihar	5	0	1	6	9
Mizoram	4	0	0	4	11
Uttar Pradesh	0	2	1	3	12
Odisha	0	3	0	3	12
Tamil Nadu	2	1	0	3	12
West Bengal	0	3	0	3	12
Jammu & Kashmir	0	1	2	3	12
Telangana	1	1	0	2	17
Sikkim	0	0	2	2	17
Haryana	0	0	2	2	17
Arunachal Pradesh	0	0	1	1	20
Uttarakhand	1	0	0	1	20
Karnataka	1	0	0	1	20
Assam	0	0	1	1	20
Tripura	0	0	1	1	20
Manipur	0	0	0	0	25
Punjab	0	0	0	0	25
Nagaland	0	0	0	0	25
Jharkhand	0	0	0	0	25
Meghalaya	0	0	0	0	25
Himachal Pradesh	0	0	0	0	25

URBANISATION

Urbanisation is defined as the shift from traditional or rural economies to modern and industrial ones. It also emphasises the transformation of a predominantly rural population to an urban one. The 1961 census set out to define 'urban' in India as those areas with a municipality corporation, having a minimum population of 5,000 people and a population density of

a minimum of 400 people per square kilometre where at least 75% of the male working population is engaged in activities outside agriculture.

The figures for this parameter have been drawn from the most recent *Census of India* in 2011, and hence the rankings remain unaltered from the last edition of this survey, except for the changes owing to the inclusion of Telangana.

Figures 23 and 24 present a percentage-wise listing of the urban population of each state along with our ranking methodology, respectively.

FIGURE 23 – METHODOLOGY FOR URBANISATION

Range	Points
Above 79.9%	10
65.0% to 79.9%	8
50.0% to 64.9%	6
35.0% to 49.9%	4
20.0% to 34.9%	2
Below 20.0%	0

FIGURE 24 – POINT ALLOCATION FOR URBANISATION

State	Total Population	Rural	Urban Population	As a % of total population	Points Obtained	Rank 2017
Delhi	16,753,235	419,319	16,333,916	97.5%	10	1
Goa	1,457,723	551,414	906,309	62.2%	6	2
Mizoram	1,091,014	529,037	561,977	51.5%	6	3
Tamil Nadu	72,138,958	37,189,229	34,949,729	48.4%	4	4
Kerala	33,387,677	17,455,506	15,932,171	47.7%	4	5
Maharashtra	112,372,972	61,545,441	50,827,531	45.2%	4	6
Gujarat	60,383,628	34,670,817	25,712,811	42.6%	4	7
Karnataka	61,130,704	37,552,529	23,578,175	38.6%	4	8
Telangana	35,286,757	21,585,000	13,609,000	38.6%	4	9
Punjab	27,704,236	17,316,800	10,387,436	37.5%	4	10
Haryana	25,353,081	16,531,493	8,821,588	34.8%	2	11
West Bengal	91,347,736	62,213,676	29,134,060	31.9%	2	12
Uttarakhand	10,116,752	7,025,583	3,091,169	30.6%	2	13
Manipur	2,721,756	1,899,624	822,132	30.2%	2	14
Andhra Pradesh	49,386,799	34,776,389	14,610,410	29.6%	2	15
Nagaland	1,980,602	1,406,861	573,741	29.0%	2	16
Madhya Pradesh	72,597,565	52,537,899	20,059,666	27.6%	2	17
Jammu & Kashmir	12,548,926	9,134,820	3,414,106	27.2%	2	18
Tripura	3,671,032	2,710,051	960,981	26.2%	2	19
Sikkim	607,688	455,962	151,726	25.0%	2	20
Rajasthan	68,621,012	51,540,236	17,080,776	24.9%	2	21
Jharkhand	32,966,238	25,036,946	7,929,292	24.1%	2	22
Chhattisgarh	25,540,196	19,603,658	5,936,538	23.2%	2	23
Arunachal Pradesh	1,382,611	1,069,165	313,446	22.7%	2	24
Uttar Pradesh	199,581,477	155,111,022	44,470,455	22.3%	2	25
Meghalaya	2,964,007	2,368,971	595,036	20.1%	2	26
Odisha	41,947,358	34,951,234	6,996,124	16.7%	0	27
Assam	31,169,272	26,780,516	4,388,756	14.1%	0	28
Bihar	103,804,637	92,075,028	11,729,609	11.3%	0	29
Himachal Pradesh	6,856,509	6,167,805	688,704	10.0%	0	30

Source: Census of India 2011, Telangana State Portal and Andhra Pradesh State Portal.

Given its importance as the national capital and its small size, Delhi's urbanisation rate of 97.5% is reflective of the same. Goa and Mizoram follow suit at Rank 2 and 3 respectively. By virtue of Mizoram's population residing around a few cities in the state, the reported urban population is a misrepresentation of data.

In actual terms the largest urban populations reside in Maharashtra, Uttar Pradesh and Tamil Nadu. However, because of the size of these states and spread of the population, the urban population as a percentage of total population is far lower. The 2011 Census highlights that 31.0% of the total population is urban. Furthermore, only 40% of states actually have an urban population higher than 31.0%, while approximately 60% of states comprise largely rural populations. Additionally, some states such as Himachal Pradesh, Bihar, Assam and Odisha have urban populations which are lower than 20% of the total state population.

ROAD AND RAIL INFRASTRUCTURE

Travel and Tourism is closely linked to transport policies and infrastructure development. In India, a major chunk of tourist movement is domestic in nature and, therefore, depends heavily on roadways and railways as modes of transportation. Despite the country having among the largest road and rail networks in the world, its infrastructural growth in these areas has not been able to match demand, leading to capacity constraints. Moreover, infrastructure development has also faced multiple roadblocks, such as funding, land acquisition issues, delays in identification and awarding of projects, securing of environmental clearances and skilled labour shortages.

To suitably compare the states against this parameter, we have taken into account the total road length (surfaced road) and total railway route length per 100 square kilometres of area within the state. Figures 25-28 present these criteria.

FIGURE 25 – METHODOLOGY FOR ROAD AND RAIL INFRASTRUCTURE

Rank	Points
1 to 5	5
6 to 10	4
11 to 15	3
16 to 20	2
21 to 25	1
Above 25	0

Delhi and Punjab have consecutively maintained their positions at the top of the table in both roadway and railway infrastructure. While some states such as Odisha, Tripura and Telangana have recorded marked improvements in their infrastructure, climbing by 6, 6 and 5 places respectively, other states have witnessed a decline in rank.

Road and Rail infrastructure has developed across all states with each state reporting higher numbers as compared to the last edition of this report. However, this development has been unevenly distributed and different states have exhibited varied levels of development since 2015. As a result, despite development and an actual increase in infrastructure, some states have declined in rank as other states' road and railway infrastructural development has outpaced their own.

In India, a major chunk of tourist movement is domestic in nature and, therefore, depends heavily on roadways and railways as modes of transportation. Despite the country having among the largest road and rail networks in the world, its infrastructural growth in these areas has not been able to match demand, leading to capacity constraints.

FIGURE 26 – ROAD INFRASTRUCTURE

State	Road Length (in km) per 100 km ² of area	Points Obtained	Rank 2017
Delhi	1,575.5	5	1
Kerala	359.0	5	2
Goa	269.0	5	3
Punjab	186.3	5	4
Tripura	181.6	5	5
Tamil Nadu	161.5	4	6
Odisha	158.5	4	7
Maharashtra	153.2	4	8
Uttar Pradesh	148.0	4	9
West Bengal	124.5	4	10
Bihar	115.0	3	11
Karnataka	113.0	3	12
Nagaland	107.9	3	13
Haryana	94.8	3	14
Gujarat	83.2	3	15
Sikkim	82.1	2	16
Andhra Pradesh	76.3	2	17
Assam	75.6	2	18
Madhya Pradesh	75.6	2	19
Himachal Pradesh	71.9	2	20
Uttarakhand	63.1	1	21
Manipur	59.8	1	22
Rajasthan	56.9	1	23
Telangana	56.6	1	24
Chhattisgarh	53.6	1	25
Meghalaya	40.1	1	26
Mizoram	34.5	0	27
Jharkhand	34.1	0	28
Arunachal Pradesh	18.0	0	29
Jammu & Kashmir	9.8	0	30

Source: Basic Road Statistics of India 2014-15, Transport Research Wing, Ministry of Road Transport and Highways, Government of India

FIGURE 27 – RAIL INFRASTRUCTURE

State	Railway Route Length (in km) per 100 km ² of area	Points Obtained	Rank 2017
Delhi	12.3	5	1
West Bengal	4.7	5	2
Punjab	4.5	5	3
Bihar	4.0	5	4
Haryana	3.9	5	5
Uttar Pradesh	3.8	4	6
Assam	3.1	4	7
Tamil Nadu	3.1	4	8
Jharkhand	3.0	4	9
Kerala	2.7	4	10
Gujarat	2.7	3	11
Andhra Pradesh	2.3	3	12
Goa	1.9	3	13
Maharashtra	1.9	3	14
Tripura	1.8	3	15
Rajasthan	1.7	2	16
Karnataka	1.7	2	17
Odisha	1.7	2	18
Madhya Pradesh	1.6	2	19
Telangana	1.5	2	20
Chhattisgarh	0.9	1	21
Uttarakhand	0.6	1	22
Himachal Pradesh	0.5	1	23
Jammu & Kashmir	0.1	1	24
Nagaland	0.1	1	25
Meghalaya	0.0	0	26
Arunachal Pradesh	0.0	0	27
Mizoram	0.0	0	28

Source: Press Information Bureau of India

FIGURE 28 – POINT ALLOCATION FOR ROAD AND RAIL INFRASTRUCTURE

State	Points Obtained			Rank 2017	Rank 2015	Rank 2013	Variance (15-17)	Variance (13-17)
	Road	Rail	Total					
Delhi	5	5	10	1	1	1	0	0
Punjab	5	5	10	1	1	1	0	0
Kerala	5	4	9	3	3	3	0	0
West Bengal	4	5	9	3	3	3	0	0
Bihar	3	5	8	5	7	6	2	1
Goa	5	3	8	5	7	6	2	1
Haryana	3	5	8	5	7	9	2	4
Tamil Nadu	4	4	8	5	5	6	0	1
Tripura	5	3	8	5	11	9	6	4
Uttar Pradesh	4	4	8	5	5	3	0	-2
Maharashtra	4	3	7	11	7	9	-4	-2
Assam	2	4	6	12	11	13	-1	1
Gujarat	3	3	6	12	11	9	-1	-3
Odisha	4	2	6	12	18	19	6	7
Andhra Pradesh	2	3	5	15	11	15	-4	0
Karnataka	3	2	5	15	15	13	0	-2
Jharkhand	0	4	4	17	15	19	-2	2
Madhya Pradesh	2	2	4	17	18	19	1	2
Nagaland	3	1	4	17	15	17	-2	0
Himachal Pradesh	2	1	3	20	21	17	1	-3
Rajasthan	1	2	3	20	18	15	-2	-5
Telangana	1	2	3	20	25		5	
Chhattisgarh	1	1	2	23	21	19	-2	-4
Sikkim	2	0	2	23	21	24	-2	1
Uttarakhand	1	1	2	23	21	19	-2	-4
Jammu & Kashmir	0	1	1	26	26	26	0	0
Manipur	1	0	1	26	26	26	0	0
Meghalaya	1	0	1	26	29	28	3	2
Arunachal Pradesh	0	0	0	29	29	28	0	-1
Mizoram	0	0	0	29	26	24	-3	-5

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana

Source: Hotelivate Research

AIRCRAFT MOVEMENT

Aviation is a major mode of transport in the country today, particularly with the advent of low fare-no frill models in the past decade. A strong economic growth,

coupled with the aspirations of a rising middle class, has driven the sector to new heights; Indian aviation is all set to become the third largest aviation market globally by 2020. As per the *Airports Authority of India (AAI)*, in 2016/17, India served a total of 264 million passengers at airports (inclusive of transit passengers). This was an 18.3% increase over 2015/16. Subsequently 77.6% of this passenger traffic was domestic while the remaining 22.4% was of foreign origin.

Multiple factors come to play when airlines decide which terminals or airports to fly to. These include Aviation Turbine Fuel (ATF) charges, taxes on ATF charges (which add 30-40% on an average to the airline's total operating cost), cost of capital, airport parking charges, and labour laws to name a few. Therefore, the total aircraft movement is reflective of all the factors that an airline would take into consideration in its decision-making process for flying certain routes, and is a good indicator of overall airport infrastructure. Figures 29 and 30 illustrate the aircraft movement across states and present our scoring methodology and rankings for this parameter, respectively.

FIGURE 29 – METHODOLOGY FOR AIRCRAFT MOVEMENT

Range	Points
Above 199,999	10
150,000 to 199,999	8
100,000 to 149,999	6
50,000 to 99,999	4
Below 50,000	2
No Movement	0

Maharashtra, Delhi, Karnataka and Tamil Nadu remain the top four destinations for aircraft movements since 2011 and have displaced each other's consistent rankings this year. Delhi has surpassed Maharashtra to take Rank 1 while aircraft movements in Karnataka have outpaced those in Tamil Nadu, enabling it to move up the ranks. Interestingly, Delhi and Maharashtra together account for approximately 40% of the country's aircraft movements.

After the Andhra Pradesh – Telangana split, we had witnessed Andhra Pradesh fall to rank 15 last year due to the absence of a major airport in the state. This year however, the state has gradually stepped up two places to rank 13 taking a step in the right direction while Telangana maintains its position at Rank 6.

Despite a shuffle in the rankings, the top 11 states have

FIGURE 30 – POINT ALLOCATION FOR AIRCRAFT MOVEMENT

State	Total Aircraft Movement*	Points Obtained	Rank 2017	Rank 2015	Rank 2013	Rank 2011	Variance (15-17)	Variance (11-17)
Delhi	397,799	10	1	2	2	2	1	1
Maharashtra	395,088	10	2	1	1	1	-1	-1
Karnataka	194,949	8	3	4	4	4	1	1
Tamil Nadu	192,845	8	4	3	3	3	-1	-1
West Bengal	135,753	6	5	5	6	5	0	0
Telangana	130,713	6	6	6			0	
Kerala	110,531	6	7	7	7	7	0	0
Gujarat	73,208	4	8	8	8	8	0	0
Goa	47,801	2	9	9	11	10	0	1
Uttar Pradesh	45,705	2	10	11	13	13	1	3
Assam	45,307	2	11	10	9	9	-1	-2
Rajasthan	45,156	2	12	12	12	11	0	-1
Andhra Pradesh	44,568	2	13	15	5	6	2	-7
Jammu & Kashmir	31,299	2	14	13	10	12	-1	-2
Madhya Pradesh	25,536	2	15	14	14	14	-1	-1
Bihar	17,701	2	16	16	16	16	0	0
Odisha	17,078	2	17	17	15	15	0	-2
Punjab	11,606	2	18	18	18	17	0	-1
Chhattisgarh	11,280	2	19	19	17	19	0	0
Uttarakhand	9,949	2	20	22	22	21	2	1
Jharkhand	9,051	2	21	20	21	20	-1	-1
Tripura	8,899	2	22	21	19	21	-1	-1
Manipur	6,598	2	23	23	20	18	0	-5
Himachal Pradesh	2,739	2	24	24	22	21	0	-3
Nagaland	2,251	2	25	24	22	21	-1	-4
Meghalaya	570	2	26	24	22	21	-2	-5
Arunachal Pradesh	0	0	27	24	22	21	-3	-6
Haryana	0	0	27	24	22	21	-3	-6
Mizoram	0	0	27	24	22	21	-3	-6
Sikkim	0	0	27	24	22	21	-3	-6

*Denotes number of take-offs and landings (one flight constitutes two movements).
Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Source: Airports Authority of India (Traffic News - Annexure IIC), Data from April 2016 to March 2017

remained constant since our last edition indicating the focus on travel to these states.

LITERACY RATE

Literacy rates are an important indicator of social mobility and development within a state. With respect to Travel and Tourism, literacy has an indirect impact. For that reason alone, we have attributed less weightage (5%) to this parameter.

Figures 31 and 32 present our ranking methodology along with the ranking of the states, respectively. The literacy rates have been drawn from the last Census carried out in India (2011), which is a decadal exercise. Therefore, results in our ranking remaining unchanged from the last edition of this survey, except for movements caused by the inclusion of Telangana.

FIGURE 31 – METHODOLOGY FOR LITERACY RATE

Rank	Points
1 to 5	5
6 to 10	4
11 to 15	3
16 to 20	2
21 to 25	1
Above 25	0

FIGURE 32 – POINT ALLOCATION FOR LITERACY RATE

State	Literacy Rate	Points Obtained	Rank 2017
Kerala	93.9%	5	1
Mizoram	91.6%	5	2
Tripura	87.8%	5	3
Goa	87.4%	5	4
Delhi	86.3%	5	5
Himachal Pradesh	83.8%	4	6
Maharashtra	82.9%	4	7
Sikkim	82.2%	4	8
Tamil Nadu	80.3%	4	9
Nagaland	80.1%	4	10
Manipur	79.9%	3	11
Uttarakhand	79.6%	3	12
Gujarat	79.3%	3	13
West Bengal	77.1%	3	14
Punjab	76.7%	3	15
Haryana	76.6%	2	16
Karnataka	75.6%	2	17
Meghalaya	75.5%	2	18
Odisha	73.5%	2	19
Assam	73.2%	2	20
Chhattisgarh	71.0%	1	21
Madhya Pradesh	70.6%	1	22
Uttar Pradesh	69.7%	1	23
Jammu & Kashmir	68.7%	1	24
Jharkhand	67.6%	1	25
Andhra Pradesh	67.4%	0	26
Rajasthan	67.1%	0	27
Arunachal Pradesh	67.0%	0	28
Telangana	66.5%	0	29
Bihar	63.8%	0	30

Source: Census of India 2011

India is a progressing nation, and the same is highlighted in the literacy rate recorded in 2011 compared to 2001. The country's literate population rose to 74% of the total population in 2011. Leading the states in terms of literacy is Kerala with an estimated literacy rate of 93.9%, a formidable target to achieve. Telangana and Bihar, however, lag behind and should address this issue to nurture development in the states.

EASE OF DOING BUSINESS

In 2014, the central government announced its aim to improve India's rank in the World Bank-led "ease of doing business index" from the 134th position to the 50th position. As of 2016, India ranked 131 globally and the 2017 rankings exhibit India's progress. Achieving a noteworthy rank 100 the country has moved up 30 places in the span of a year. As per data presented by the World Bank, some of the parameters that India struggles with are Starting a Business, Dealing with Construction Permits, Registering Property, Paying Taxes, Trading Across Borders, Enforcing Contracts and Resolving Insolvency. India ranks under 50 in only three parameters, namely Getting Electricity, Getting Credit and Protecting Minority Investors.

Under the Department of Industrial Policy and Promotion, a website has been set up where each state has only listed specific reforms planned for that state. Moreover, the website also tracks each states progress in achieving those goals. As of August 2017, Odisha leads the states attaining 5.9% progress of its goals, followed by Assam at 3.2%. While most other states are currently under a 2% mark, 11 states in the country are yet to commence work, presently exhibiting 0% progress.

Figures 33 and 34 present our ranking methodology and the results of this assessment, respectively.

FIGURE 33 – METHODOLOGY FOR EASE OF DOING BUSINESS

Rank	Points
1 to 5	10
6 to 10	8
11 to 15	6
16 to 20	4
21 to 25	2
Above 25	0

FIGURE 34 – POINT ALLOCATION FOR EASE OF DOING BUSINESS

State	Ease of Doing Business Score	Points Obtained	Rank 2017	Rank 2015	Variance (15-17)
Andhra Pradesh	98.8%	10	1	2	1
Telangana	98.8%	10	1	13	12
Gujarat	98.2%	10	3	1	-2
Chhattisgarh	97.3%	10	4	4	0
Madhya Pradesh	97.0%	10	5	5	0
Haryana	97.0%	10	6	14	8
Jharkhand	96.6%	8	7	3	-4
Rajasthan	96.4%	8	8	6	-2
Uttarakhand	96.1%	8	9	22	13
Maharashtra	92.9%	8	10	8	-2
Odisha	92.7%	6	11	7	-4
Punjab	91.1%	6	12	16	4
Karnataka	88.4%	6	13	9	-4
Uttar Pradesh	84.5%	6	14	10	-4
West Bengal	84.2%	6	15	11	-4
Bihar	75.8%	4	16	20	4
Himachal Pradesh	65.5%	4	17	17	0
Tamil Nadu	62.8%	4	18	12	-6
Delhi	47.6%	4	19	15	-4
Kerala	27.0%	4	20	18	-2
Goa	18.2%	2	21	19	-2
Tripura	16.7%	2	22	23	1
Assam	14.3%	2	23	21	-2
Nagaland	1.5%	2	24	28	4
Manipur	1.2%	2	25		
Mizoram	0.9%	0	26	25	-1
Sikkim	0.6%	0	27	24	-3
Arunachal Pradesh	0.3%	0	28	29	1
Jammu & Kashmir	0.3%	0	28	26	-2
Meghalaya	0.3%	0	28	27	-1

Source: Assessment of State Implementation of Business Reforms 2016, Department of Industrial Policy & Promotion

Gujarat, last edition's frontrunner, has been displaced by Andhra Pradesh and Telangana. Andhra Pradesh has moved up one position to lead the states in Ease of Doing Business while Telangana has jumped an astounding 12 places to jointly secure the top spot with Andhra Pradesh. Despite the split, both states seem to be on the right track in nurturing development of business.

The Ease of Doing Business parameter was introduced in our last edition of this report; however, this year we have noted great fluctuation in rankings. Similar to Telangana's jump in rankings, Uttarakhand and Haryana too have exhibited great progress, moving up by 13 and 8 places, respectively, to secure Rank 9 and Rank 6. Some of the decline in rank, however, as demonstrated by Delhi, Tamil Nadu or Jharkhand is purely due to other states outpacing their progress.

In 2015, the states registered an average Ease of Doing Business score of 32.9% which has grown to an average score of 58.1% in 2017. Notably, in 2015, not one state achieved a score of 90% or more; however, in 2017, 12 states have achieved a score north of 90% while a total of 18 states have registered scores higher than the national average, indicative of progress.

As of August 2017, Odisha leads the states in policy reforms attaining 5.9% progress of its goals, followed by Assam at 3.2%. While most other states are currently under a 2% mark, 11 states in the country are yet to commence work, presently exhibiting 0% progress.

INTANGIBLE ASPECTS

Travel and Tourism may be greatly impacted by the environment a destination provides. Therefore, this final parameter aims to capture certain intangible aspects that assist in creating an environment which may support or hinder Travel and Tourism. This parameter comprises three key factors namely, (i) Safety and Security (law and order conditions and safety); (ii) Human Resources (availability of qualified human resources for Travel and Tourism); and (iii) Political Stability (tenure of the ruling party, and development policies of the current government). A cumulative weightage of 15% has been allocated to the Intangible Aspects, thereby restricting the impact of subjective

FIGURE 35 – POINT ALLOCATION FOR INTANGIBLE ASPECTS

State	Points Obtained	Security (5)	HR (5)	Political Stability (5)	Rank 2017
Maharashtra	14	4	5	5	1
Gujarat	13	4	4	5	2
Himachal Pradesh	13	5	3	5	2
Rajasthan	13	5	4	4	2
Andhra Pradesh	12	4	4	4	5
Delhi	12	3	5	4	5
Haryana	12	3	4	5	5
Karnataka	12	3	5	4	5
Madhya Pradesh	12	4	3	5	5
Odisha	12	4	3	5	5
Punjab	12	3	4	5	5
Tamil Nadu	12	4	5	3	5
Telangana	12	4	4	4	5
Goa	11	3	4	4	14
Sikkim	11	3	3	5	14
Tripura	11	4	2	5	14
Uttar Pradesh	11	3	3	5	14
Uttarakhand	11	4	3	4	14
Assam	10	3	2	5	19
Kerala	10	3	3	4	19
Manipur	10	3	2	5	19
Mizoram	10	4	2	4	19
Chhattisgarh	9	2	2	5	23
Jharkhand	9	3	2	4	23
Meghalaya	9	4	2	3	23
Nagaland	9	4	2	3	23
West Bengal	9	3	3	3	23
Arunachal Pradesh	8	3	2	3	28
Jammu & Kashmir	8	2	3	3	28
Bihar	6	2	1	3	30

Source: Hotelivate Research

assessment.

Figure 35 presents our assessment of the intangible aspects for all states.

As evident from Figure 35, Maharashtra is the clear frontrunner with respect to intangible aspects, owing to stable state government, perceived security being relatively high when compared to other states, and a strong human resource talent pool. Following suit, we have three states in second place with Gujarat, Rajasthan and Himachal Pradesh registering improvements since the 2015 edition and displacing Tamil Nadu from Rank 2 to Rank 5.

On the other hand, Bihar has been ranked last in the intangible aspect. Perceived lack of law and order, alarmingly low statistics for urbanisation and literacy and consequently a limited pool of quality human resources, and a volatile political scenario have resulted in its poor performance.

CONSOLIDATED RANKINGS

Figure 36, overleaf, presents the consolidated rankings across parameters.

FIGURE 36 – CONSOLIDATED RANKINGS

State	Expenditure on Tourism		Tourist Visits		Presence of Branded Hotel Rooms		GSDP Per Capita		Effectiveness of Marketing Campaign		Urbanisation Infrastructure		Road and Railway		Aircraft Movement		Literacy Rates		Ease of Doing Business		Intangible Aspects		Total		Rank Rank Rank			Variance	
	30	30	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	5	5	10	10	15	15	150	2017	2015	2013	2011	(15-17)
Delhi	10.0	23.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	4.0	4.0	4.0	12.0	12.0	111.0	1	2	1	3	1	2
Maharashtra	5.0	27.0	8.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	4.0	8.0	8.0	8.0	14.0	14.0	105.0	2	1	2	1	-1	-1
Goa	30.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	2.0	2.0	2.0	11.0	11.0	105.0	2	3	3	2	1	0
Tamil Nadu	5.0	30.0	8.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	4.0	4.0	4.0	4.0	12.0	12.0	96.0	4	5	7	4	1	0
Gujarat	10.0	20.0	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	3.0	10.0	10.0	10.0	13.0	13.0	93.0	5	5	4	7	0	2
Kerala	10.0	17.0	8.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	5.0	4.0	4.0	4.0	10.0	10.0	90.0	6	7	5	6	1	0
Karnataka	10.0	23.0	6.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	6.0	6.0	6.0	12.0	12.0	87.0	7	4	5	4	-3	-3
West Bengal	5.0	27.0	4.0	10.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0	6.0	6.0	9.0	9.0	84.0	8	11	12	14	3	6
Punjab	5.0	20.0	6.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	6.0	6.0	6.0	12.0	12.0	78.0	9	8	11	11	-1	2
Andhra Pradesh	5.0	23.0	0.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	0.0	10.0	10.0	10.0	12.0	12.0	77.0	10	14	14	15	4	5
Rajasthan	5.0	24.0	2.0	7.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	0.0	8.0	8.0	8.0	13.0	13.0	76.5	11	14	13	13	3	2
Uttarakhand	20.0	13.0	4.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0	8.0	8.0	8.0	11.0	11.0	76.0	12	18	9	8	6	-4
Telangana	5.0	17.0	6.0	10.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	10.0	10.0	10.0	12.0	12.0	75.0	13	10			-3	-3
Uttar Pradesh	5.0	30.0	2.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.0	6.0	6.0	6.0	11.0	11.0	75.0	13	12	15	12	-1	-1
Madhya Pradesh	5.0	23.0	0.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	1.0	10.0	10.0	10.0	12.0	12.0	71.0	15	16	18	18	1	3
Haryana	5.0	7.0	10.0	10.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	10.0	10.0	10.0	12.0	12.0	68.0	16	13	17	16	-3	0
Jammu & Kashmir	30.0	13.0	0.0	7.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.0	0.0	0.0	0.0	8.0	8.0	67.5	17	17	10	10	0	-7
Bihar	15.0	20.0	0.0	2.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0	4.0	4.0	4.0	6.0	6.0	63.5	18	20	20	19	2	1
Himachal Pradesh	10.0	13.0	2.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	13.0	13.0	61.0	19	21	15	17	2	-2
Chhattisgarh	5.0	7.0	0.0	10.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	1.0	10.0	10.0	10.0	9.0	9.0	54.0	20	27	27	28	7	8
Odisha	5.0	10.0	0.0	7.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	6.0	6.0	6.0	12.0	12.0	53.5	21	19	19	20	-2	-1
Sikkim	15.0	4.0	0.0	10.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	0.0	0.0	0.0	11.0	11.0	50.0	22	8	8	9	-14	-13
Mizoram	10.0	0.0	0.0	10.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	0.0	0.0	0.0	10.0	10.0	45.0	23	22	21	21	-1	-2
Jharkhand	5.0	7.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	8.0	8.0	8.0	9.0	9.0	43.0	24	23	29	25	-1	1
Tripura	5.0	2.0	0.0	5.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	5.0	2.0	2.0	2.0	11.0	11.0	43.0	24	29	23	23	5	-1
Assam	5.0	4.0	0.0	5.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	10.0	10.0	37.0	26	25	25	26	-1	0
Nagaland	5.0	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	2.0	2.0	2.0	9.0	9.0	35.5	27	28	25	27	1	0
Manipur	10.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.0	2.0	2.0	10.0	10.0	35.0	28	26	21	23	-2	-5
Arunachal Pradesh	10.0	0.0	0.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	8.0	8.0	31.0	29	24	24	22	-5	-7
Meghalaya	5.0	2.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	9.0	9.0	30.5	30	30	28	29	0	-1

Note: Rankings for Andhra Pradesh for 2011 and 2013 include Telangana.
Source: Hotelivate Research

STATE RANKING: NORTH-EASTERN STATES

Having analysed the trend over the past four editions of this report, it is quite evident that the North-Eastern states in certain cases, are unable to compete at par with other states in the country owing to a host of challenges. While each state is blessed with natural beauty, the very same geographic challenges restrict access to and within the states. Similarly, all the North-Eastern states do not have the presence of any branded hotel supply. Therefore, for the first time, we are gauging the competition between North-Eastern states to ascertain which states have overcome their challenges and thrived and which states have succumbed to their weaknesses.

Figures 37, 38 and 39 present the best performing North-Eastern States.

FIGURE 37 – 2017 PERFORMANCE BASED RANK

State	North-East Rank 2017
Sikkim	1
Mizoram	2
Tripura	3

While Mizoram, Sikkim and Tripura have secured the top three positions, it is only Tripura that has truly made progress since the last edition of this report. On an All-India basis, the state has risen by 4 ranks and has displayed development in Road and Railway infrastructure. Sikkim has held on to its rank while Mizoram has witnessed a drastic decline in rank (15 positions) but has, in absolute terms, performed relatively better than its neighbours.

FIGURE 38 – BIGGEST MOVERS 2015 TO 2017 (ALL-INDIA RANKING)

State	All-India Rank 2017	All-India Rank 2015	Variance (15-17)
Tripura	24	29	5
Nagaland	27	28	1
Arunachal Pradesh	29	24	-5
Sikkim	22	8	-14

FIGURE 39 – BIGGEST MOVERS 2011 TO 2017 (ALL-INDIA RANKING)

State	All-India Rank 2017	All-India Rank 2011	Variance (11-17)
Assam	26	26	0
Nagaland	27	27	0
Arunachal Pradesh	29	22	-7
Sikkim	22	9	-13

COUNTRYWIDE BIGGEST MOVERS

Figures 40 and 41 present the biggest movers over a two-year and six-year period, respectively.

FIGURE 40 – BIGGEST MOVERS 2015 TO 2017

State	Rank 2017	Rank 2015	Variance (15-17)
Chhattisgarh	20	27	7
Uttarakhand	12	18	6
Andhra Pradesh	9	14	5
Tripura	24	29	5
Arunachal Pradesh	29	24	-5
Sikkim	22	8	-14

FIGURE 41 – BIGGEST MOVERS 2011 TO 2017

State	Rank 2017	Rank 2011	Variance (11-17)
Chhattisgarh	20	28	8
West Bengal	8	14	6
Andhra Pradesh	9	15	6
Jammu & Kashmir	17	10	-7
Arunachal Pradesh	29	22	-7
Sikkim	22	9	-13

THE TOP FIVE

Delhi, in a constant state of competition with Maharashtra, moves up to Rank 1 this year. As the capital of the country, a major port of entry and exit to the country and one of India's most vital business destinations, Delhi has many advantages. Due to these factors, it also has the highest concentration of branded hotel rooms per square kilometre, the best roadway and railway infrastructure in India and the highest aircraft movement in the country. Delhi has achieved first place in five out of eleven parameters, but failed to secure a good rank in Ease of Doing Business, State Expenditure on Tourism and Effectiveness of Marketing Campaign. Furthermore, the Intangible Aspects continue to deter tourism in the state causing the state to lag behind in Tourist Visits as well.

Maharashtra declines in rank from 1 to 2 in this year's survey as compared to the previous edition. While the state boasts a strong economy, good infrastructure and a large inventory of branded hotel rooms, it has only managed to secure Rank 1 in Intangible Aspects. The state's progress appears to be outpaced in many areas: Tourist Visits, State Expenditure on Tourism, GSDP per Capita, Effectiveness of Marketing Campaign, Road & Rail Infrastructure, Aircraft Movement and Ease of

Doing Business, and has fallen by at least one position in each of these focus areas. Maharashtra continues to lead the states in terms of total GSDP and total Tourism Expense; however, it falls behind in terms of the GSDP per capita and Tourism Expense as a percentage of Total Expense. It is perhaps the paradox of size that plays out in the case of Maharashtra. Nevertheless, the state continues to shine.

Goa moves up one position to jointly achieve Rank 2 alongside Maharashtra, indicating its stability and the state's strong growth potential. The state has placed among the top three positions in four parameters: State Expenditure on Tourism, Presence of Branded Hotel Rooms, GSDP per Capita and Urbanisation. As one of the country's top leisure destinations Goa ranks 15 in the country in terms of tourist visits which is disheartening, however, with an increased Expenditure on Tourism, where Goa leads the states, we anticipate some impact on tourism in the state going forward. Significantly, Goa has the second-highest density of Branded Hotel Rooms in India, and has consistently maintaining its rank over the last four surveys. Both these aspects highlight Goa's attractiveness as a tourist destination from the perspective of tourists, hoteliers and the government alike.

Tamil Nadu moves up one place this year to secure Rank 4. The state is ahead of all others in Tourist Visits, to which medical tourism has been a large contributor. Over the years, medical tourism has generated a large and increasing number of domestic and foreign visitors to Tamil Nadu. Additionally, temples and heritage sites, beaches and other nature-oriented leisure spots also attract significant domestic tourism to the state. In GSDP per capita, Tamil Nadu moves up two places to achieve Rank 8 this year, a positive development that draws attention to the state's growing prosperity.

Tamil Nadu, however, has dropped six positions in Ease of Doing Business and is the lowest-spending state in terms of Tourism Expenditure (0.015% of Total Expenditure) indicating that the state still has many challenges to overcome before it can truly flourish.

Gujarat maintains its position this year at Rank 5. While the state features in the top three in only three categories, its rank across the board remains fairly competitive on a country-wide basis as the lowest rank attained by the state is 13 for Literacy Rate. In almost all the parameters, Gujarat has managed to maintain its position. The state has achieved the second highest

social media outreach in the country with the fourth highest marketing and publicity expenditure. Gujarat, however, with all the effort to induce investment and drive businesses in the state, has been outpaced in GSDP per capita, having fallen 5 ranks compared to the previous edition of this report. However, efforts made by the state government are likely to improve the state performance going forward.

KEY TAKEAWAYS

- The insufficient attention towards tourism investment is evident from State Expenditure on Tourism as a percentage of Total Expenditure. Every state in the country registered a Tourism Expenditure less than 1% of Total Expenditure. Each state possesses great potential for tourism and with the right support including active investment in this sector from the Government, each state would be able to progress towards becoming a globally recognised travel destination.
- We have noted progress on the marketing front as a number of states have budgeted significant sums of money for publicity purposes. The subsequent effect is, however, not reflected in either the social media outreach or the global ranking of their tourism websites. It is therefore of utmost importance that funds and resources be utilised efficiently in order to widen visibility and optimise costs simultaneously.
- The introduction of GST is likely to shape demand trends for some if not all hotel markets across the country. It is important to note that the majority of hotels are a need and not a luxury and therefore must be treated as such. As GST is in a nascent stage, there is potential for flexibility in order to promote tourism in each state.

Since its inception in 2009, the State Ranking Survey has been published under the banner of HVS. Therefore, data or rankings, as highlighted in this publication, for the years 2011-2015 for each parameter, should be attributed to the HVS State Ranking Survey for those respective years.

ABOUT HOTELIVATE

Hotelivate's founding partners are renowned and sought-after hospitality business consultants with unparalleled professional consulting experience. They have nurtured and helped thousands of clients over the past twenty plus years in South Asia. Having worked in top hotel and consulting firms across the globe, the Hotelivate team provides a one-stop-shop consulting environment to its clients, thus eliminating the need for several different advisors and vendors. A focused approach to offering the entire spectrum of services, specifically for the hospitality sector is what differentiates us from the rest. Our core practices include Professional Skills Development, Project Execution Planning & Advisory, Revenue Management and Debt Advisory Services. Hosting the most sought-after hotel investment conferences across India, Sri Lanka, Indonesia & Thailand, Hotelivate brings the hospitality sector's biggest names together on a consistent basis. Our core businesses and strategic alliance partners make Hotelivate a very unique firm that can truly assist its clients at every step of their hospitality business.

OUR SERVICES

DEBT ADVISORY

Specialized solutions for financing needs of hotel projects in India

PROJECT EXECUTION PLANNING & ADVISORY

Strategic guidance and leadership throughout the initial development stages of a hotel project

PROFESSIONAL SKILLS DEVELOPMENT

An end-to-end Learning & Development solution provider specializing in the service industry

REVENUE MANAGEMENT

Strategic and operational revenue management support for the hospitality industry

OUR CONFERENCES & EVENTS



AUTHORED BY



MANAV THADANI, MRICS Serial entrepreneur, trusted advisor, foodie, phillumenist and a passionate hotelier, Manav brought HVS to South Asia in 1997. In a market that hadn't yet recognised the need for professional consulting expertise, Manav grew HVS South Asia into a formidable consulting, valuation and executive search firm before launching the now-highly acclaimed Hotel Investment Conference South Asia (HICSA) in 2005. With an ever-growing passion to provide solutions to the hospitality sector, he set up HOSI, THINC Indonesia & Sri Lanka conferences, a professional skills development vertical and most recently HVS Investment Advisory Services. As co-founder of SAMHI, India's most sought after Hotel Investment Company, Manav forayed into the world of hotel ownership on behalf of foreign institutional capital a few years ago. Hotelivate is the next step in his vision to provide one-stop-shop solutions to the hospitality sector with an eye on curating customized solutions by partnering with best-in-class firms that can assist hotel industry stakeholders throughout the life-cycle of a hotel.

Manav's passion for the hotel business coupled with his inimitable style of speaking his mind while constantly innovating in the space of hotel consulting has earned him a reputation that is highly valued by his clients and colleagues. For further information please contact: manav@hotelivate.com.



SHUNIT C. ROY Shunit joined Hotelivate in 2017. He brings with him two years of experience with HVS as an Associate in the Consulting & Valuation division with work experience in both domestic and international environments. Prior to his tenure at HVS, he gained experience in hotel operations and sales and marketing by working with Starwood Hotels & Resorts. He holds a Bachelor of Arts (Hons.) in Hospitality Management from the Institute of Hotel Management, Aurangabad (University of Huddersfield, UK). Passionate about music, food and writing, Shunit possesses a creative bent of mind as well. For further information please contact: shunit@hotelivate.com.

Editing support was provided by **Deepika Thadani**.