



Impact Of Conflict On Tourism Industry In Manipur – A Case Study Of Select Hotels In Imphal

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Abstract: Tourism has emerged in this decade as a central pillar of the services economy, and it can uniquely help society respond to global challenges, if its growth is managed wisely, with an emphasis on ethics, and poverty alleviation. The dynamic past and projected growth of the tourism sector, its broad direct and indirect impact across all economies – particularly those of developing states make it particularly well suited as a development tool. Since tourism is a multi- dimensional activity, and basically a service industry, private sector and voluntary organisations become active partners in the endeavour to attain sustainable growth in tourism. Hotel industry sector in India is accounted as very important in development of tourism and employment generation. It plays an important role such as bridging between clients and principal suppliers, image builder, rapid travel services, social and continues process. Manipur conflict cast a pall over tourism sector in the northeast. Over a 3 month-long clashes between two communities of Manipur, mounting death and destruction in the north eastern states of Manipur has brought life and livelihood to a grinding halt and completely derailed the momentum that tourism sector in the state and the region as a whole has received over the last few years. The key importance of the study is the assessment of the existing impact of conflict in the hotels undertaken in the study and to suggest measures so that supply meets the conflict period.

Keywords: Tourism Competitiveness, Conflict, Environmental Sustainability.

1. Introduction

Hotel is a basic component of tourism. Hotels provide accommodation, meals and refreshments for the irregular periods of time for those who may reserve their accommodation either in advance or on the premises. In broad terms, hotel provides facilities to meet the needs of the modern traveller. The concept of hotel has transformed itself as hospitality Industry on account of its utility in tourism and life away from home. A hotel has been focused around the relationship between the tourists as customers and the destination as service provider.

According to Manipur Tourism Policy 2014 & 2022 says that, Tourism has been the most affected sector by the Covid-19 pandemic. It has highlighted the vulnerabilities of the tourism sector and our capacity to respond to such a crisis. Post COVID-19, it is improbable that tourism will return to business as usual. Safety and hygiene will become critical factors in selecting destinations. Sustainability will become more prominent in tourism choices due to greater awareness of climate change and the adverse impacts of tourism. The crisis

is an opportunity to consider the long-term implications of the problem, re-imagining the future of tourism, and coordinate action across governments at all levels and in the private sector.

The Tourism industry in the northeast of India is in a state of shock and disbelief at the turn of events in Manipur over the last three months. For a State which was showing a serious intent to leave the past mistakes behind and march ahead on the path of growth and development and build an image as a peaceful destination for people to visit as well as businesses to invest in the last few years, the current state of affairs is something which even an incorrigible pessimist would not have dreamt of.

2. Relevance and Significance of the Study

Hotel industry in India is currently evidencing unprecedented growth. The industry is one of the largest and most profitable industries in India and contributes significantly to the national income. In this paper an attempt is made to understand the determinants and impact factors of hotels in the promotion of tourism industry in Manipur. Present paper is found to study impact of conflict on tourism industry in Manipur from the different effects of hotels in Imphal. The relevance of the present study effects from the following facts: i) effect of conflict on employment and the functioning of hotels in Manipur, ii) effect on profitability and the functioning of hotels in Manipur, iii) effect of conflict on service provided and the functioning of hotels in Manipur.

3. Research Design

3.1 Objectives of the Study

The main objective of this research paper is aimed at evaluating the impact on tourism industry in Manipur in the conflict period. To achieve the main objective, some specific objectives are considered as follows.

- i) To find out the nature & characteristic of the hotels under study.
- ii) To analyse different types of products offered.
- iii) To find out the problems faced by the hotels in Manipur.
- iv) To study the effect of conflict on hotels.
- v) To find out measures to overcome adverse effect caused by conflict.

3.2 Hypothesis

Ho – There is no significant effect of conflict on the functioning of Hotels in Manipur.

3.3 Research Methodology

The methodology which was followed, for conducting the study, is discussed under the following heads:

- (i) Topic: “Impact of conflict on Tourism Industry in Manipur: A Case Study of Select Hotels in Imphal.”
- (ii) Operational area of the study: The study is conducted in Imphal.
- (iii) Type of research: The study is mainly exploratory and descriptive in nature.
- (iv) Type of Universe: The units of the study are those elite hotels in Imphal as provided by the Tourism Department Govt. of Manipur.
- (v) Size of the Units: Eleven hotels were selected as sample size of the study.
- (vi) Type of sampling used: Stratified random sampling is conducted for the hotels under study.
- (vii) Type of data used: Both primary and secondary data are used for the study.
- (viii) Method of data collection: Questionnaire cum interview method is used to collect primary data. The questions were structured and undisguised consisting of both open ended and close ended.
- (ix) Data presentation & analysis: Data collected are presented in tables & graphs and mainly descriptive analysis is made.

4. Observational Analysis

(a) Table depicting nature & characteristics of Hotels

Sl. No.	Name of Hotels	Date of Estd.	Location	Category	No. of Employee
1.	Classic Group of Hotels	2009	North AOC	3, 4 Star	700
2.	Sangai Continental	2017	M. G. Avenue	3 Star	65
3.	Hotel Yaiphaba	2014	M. G. Avenue	3 Star	60
4.	New Hotel Airlines	2007	M. G. Avenue	Non Star	10
5.	Nirmala Hotel	1997	M. G. Avenue	Non Star	29
6.	Daani Continental	2020	Thangmeiband	Non Star	40
7.	Hotel Krishtina	2022	Pologround Road	Non Star	11
8.	The Hotel Castle	2019	Palace Compound	Non Star	36
9.	Hotel Tampha	1987	North AOC	Non Star	10
10.	Hotel Mass	1989	Assembly Road	Non Star	12
11.	Hotel Imolesh	2022	Old Lambulane	Non Star	79

Source: Field Survey

Year of Established of the Hotels

Sl. No	Decadal Year	No. of Hotels
1.	1980	2
2.	1990	1
3.	2000	2
4.	2010	3
5.	2020	3

Interpretation: It is observed from the table that the major numbers of Hotels were established in the decadal period of the 2010 & 2020. One hotel existed in the 1990, and two were established in the 1980 & 2000. All the offices of the Hotels are located in strategic locations within the greater Imphal area. Only 1 hotel had outlets or chains in other districts.

Star Category of Hotels

Sl. No	Star Category	No. of Hotels
1	3 Star	3
2	4 Star	1
3	5 Star	
4	Non-Star	7

Source: Field Survey

Interpretation: There is only hotel viz. The Classic Group of Hotels which belong to 3 & 4 Star categories, and other two hotels are 3 Star categories. The rest 7 hotels are non – star categorized.

b) Availability of Tour service

Nature	No. of Hotels	%
No. of Hotels that provide tours	4	36.36
No. of Hotels that do not provide tours	5	45.45

Source: Field Survey

Interpretation: It is seen that 36.36% provide tour business while 45.45% does not provide tour business.

c) Nature of Business

Sl. No	Nature of Business	Number of Hotels	%
1	Lodging	9	81.81
2	Fooding	10	90.1
3	Tour Operator	1	9.09

Source: Field Survey

Interpretation: From the above table, it is clear that 10 out of 11 hotels provide fooding, 9 of them provide lodging and another 1 provide as tour operator services.

d) Customer Analysis

Sl. No	Category of Customer	Most	Moderate	Somewhat	Seldom	Never
1.	Official	5	5	1	-	-
2.	Tourist	3	6	2	-	-
3.	Business	9	3	-	-	-
4.	Sports	1	6	3	2	-
5.	Health	-	6	3	2	-
6.	Political	1	1	5	4	-
7.	Visitors (Friends & Relatives)	1	3	4	3	-
8.	Missionaries	-	2	4	4	1
9.	Adventure	-	4	3	4	-
10.	Academic	2	3	4	1	-

Source: Field Survey

Interpretation: Business customers have the highest occupancy rate in 9 hotels, followed by tourists, sports and health rated as moderate in 6 hotels each. In 5 hotels, official occupancy ranked the highest and moderate in 5. The rest were evenly distributed and the least was missionaries. Visitors on business, health & sports are also ranked most & moderately. Officials and Adventure clients are ranked most & moderately 45% of hotels. Political, Visitors, Missionaries & Academic clients are ranked somewhat, seldom and never by 40% of hotels.

e) Promotional Methods used

Sl. No	Promotional Methods used	Number of Hotels	%
1	Newspaper	6	54.54
2	TV	2	18.18
3	Magazines	2	18.18
4	Posters	1	9.09
5	Bill boards	1	9.09
6	Hoarding	1	9.09
7	Events	1	9.09
8	Door to Door	-	-
9	Personal Selling	4	36.36
10	Referrals	7	63.63

Source: Field Survey

Interpretation: It can be seen that most popular method of promotional used is through referrals followed by newspaper and personal selling. TV and magazine each was used by 2(two) hotels. One used posters, bill boards & hoarding and events methods of promotion each.

f) Number of Employees in Years

Sl. No	Name of Hotels	No. of Employees				Remark
		2020	2021	2022	2023	
1.	Classic Group of Hotels	700	700	700	800	+100 (14.3%)
2.	Sangai Continental	60	105	110	70	-40 (36.36%)
3.	Hotel Yaiphaba	80	60	70	60	-10 (14%)
4.	New Hotel Airlines	25	20	20	10	-10 (50%)
5.	Nirmala Hotel	70	60	72	29	-43 (59.7%)
6	Daani Continental	40	40	40	40	0
7.	Hotel Krishtina	12	12	14	11	-3 (21.42%)
8.	The Hotel Castle	30	30	32	36	+4 (12.5%)
9.	Hotel Tampha	18	20	31	10	-21 (32.3%)
10.	Hotel Mass	18	12	12	12	0
11.	Hotel Imolesh	-	-	79	79	0

Source: Field Survey

Interpretation: From the above table it can be seen that Sangai Continental, Nirmala Hotels & Hotel Hotel Tampha saw a decrease of 50% employee each, Yaiphaba Hotel and New Hotel Airlines a decrease of 10

(ten) employee each, Classic Group of Hotels had an increase by one hundred employees while Daani Continental, Hotel Mass and Hotel Imolesh has the rest remained constant. Generally, the employment rate is seen to be very few in number, the highest number of employees being 800 (eight hundred).

g) Quality of service of Hotels in Manipur (Opinions)

Sl. No	Quality of service	Number of Hotels with same opinion	%
1	Low	0	0
2	Moderate	9	81.82
3	High	2	18.18

Source: Field Survey

Interpretation: With regards to the quality of services, 81.82% opines that it was moderate while 18.18% opines that it was high. None opines that it was very poor.

h) Demand of Service of Hotels in Manipur (Opinions)

Sl. No	Demand of Service	Number of Hotels with same opinion	%
1	Low	1	9.09
2	Moderate	8	72.73
3	High	2	18.18

Source: Field Survey

Interpretation: 72.73% of the respondents felt that demand for services are moderate while 2 felt that it was high. 1 opined it as low.

i) Awareness about Hotel Services in Manipur (Opinions)

Sl. No	Demand of Service	Number of Hotels with same opinion	%
1	High	1	9.09
2	Moderate	7	63.64
3	Low	3	27.27
4	Absent	0	0

Source: Field Survey

Interpretation: Awareness about the services is moderate at 63.64 %, 27.27 % at high and low at 27.27%.

j) Table showing degree of affect in their business caused by Manipur Conflict

Degree of affect	Number of Hotels	%
Greatly affected	10	90.91
Moderately affected	1	9.09
Not much affected	0	0
Not affected at all	0	0

Source: Field Survey

Interpretation: 90.91% strongly feels that conflict has greatly affected their business, 9.09 % expresses that it was moderately affected.

k) Affected aspects of hotels due to conflict

Sl. No	Areas affected	No. of hotels that face the problems	%
1	Booking/Reservation	11	100
2	Ticketing	3	27.27
3	Transport	4	36.36
4	Payment/Fund Transfer	6	54.54
5	Communication	7	63.63
6	Marketing	8	72.73
7	Others	4	36.36

Source: Field Survey

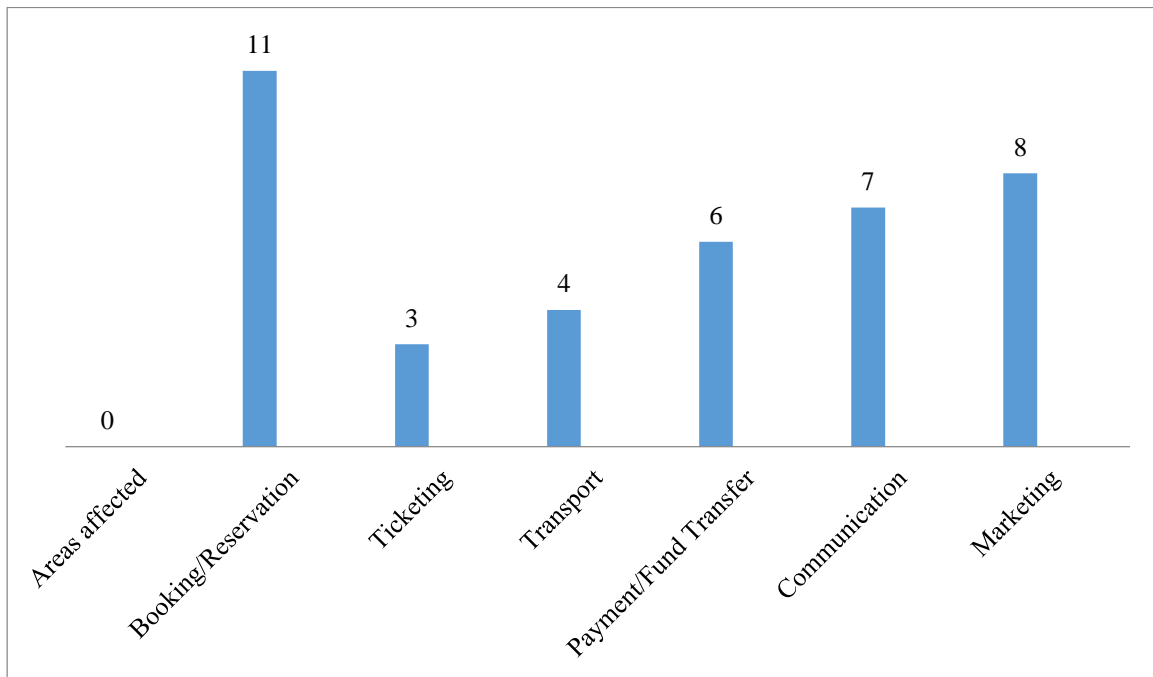


Figure-1: Affected aspects of hotels due to conflict

Interpretation: Conflict has affected booking/reservation 11 hotels, 8 was affected marketing of hotels, 7 was affected communications, payment/fund transfer was affected 6 hotels, transport & others were affected 4 hotels and 3 hotels was affected ticketing.

l) To what extent the conflict has given psychological effect on the customers/tourists (opinion)

Sl. No	Degree of effects	Number of hotels with same opinions	%
1	Great extent	8	72.73
2	Moderate	3	27.27
3	Not affected	0	0

Source: Field Survey

Interpretation: The above table shows that the respondents felt that 27.27% of their customers were psychologically greatly affected by the conflict while 72.73% were moderately affected.

m) Disadvantages faced by the hotels during conflicts

Sl. No	Disadvantages	No. of hotels that face the problem	%
1	Technology breakdown	9	81.82
2	Fear psychosis	11	100
3	Reluctance to travel	11	100
4	Law & order breakdown	11	100
5	Frequent closure of hotels	7	63.63

Source: Field Survey

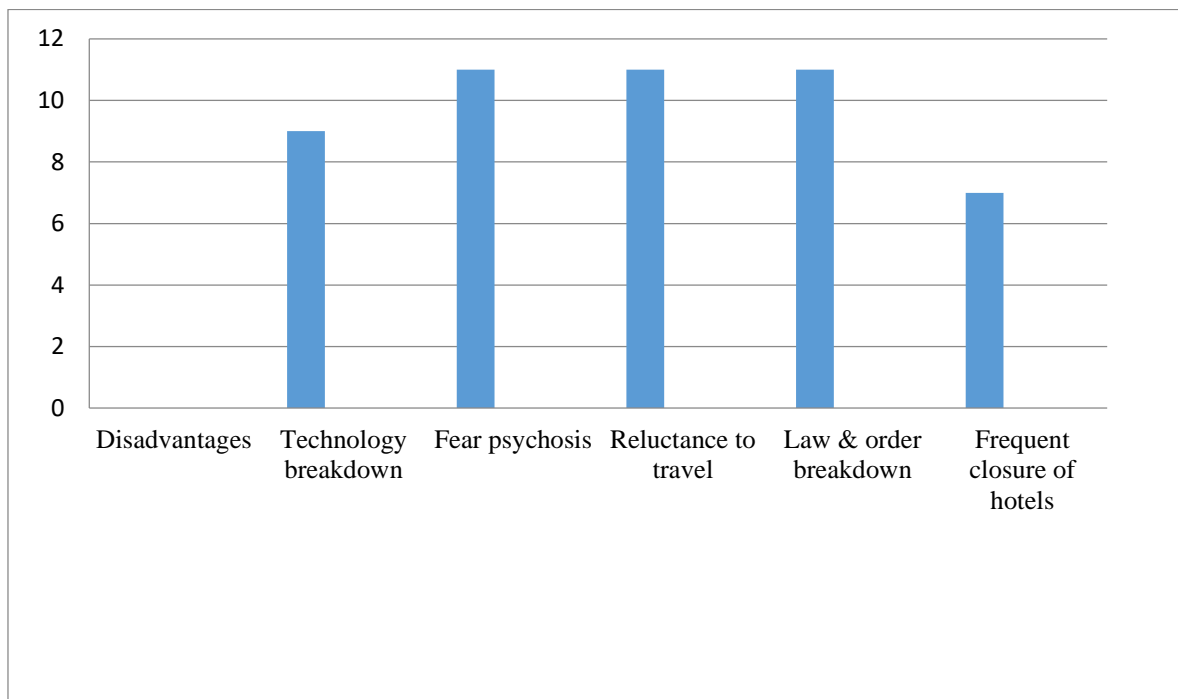


Figure-2: Disadvantages faced by the hotels during conflicts

Interpretation: From the above table shows that disadvantages due to fear psychosis, reluctance to travel and law & order breakdown were expressed by all the 11 hotels, technology breakdown was faced by 9 hotels each, 7 faced frequent closure of hotels.

n) Layoffs during Conflicts

Particulars	No. of Hotels	%
No. of hotels with layoffs	8	72.73
No. of hotels without layoffs	3	27.27

Source: Field Survey

Interpretation: The above table shows that layoffs during conflicts were faced 8 hotels and 3 hotels did not faced layoffs during conflicts.

o) Occurrence of Reservation Cancellation

Particulars	No. of Hotels	%
No. of hotels with cancelled reservations	10	90.91
No. of hotels without cancelled reservations	1	9.09

Source: Field Survey

Interpretation: Cancellations by customers during the conflict occurred in 10 hotels, 1 hotel was not affected.

p) Perception of people due to conflict (opinions)

Perception	No. of hotels with the same opinion	%
Fear	8	72.73
Reluctance	2	18.18
Distrust	4	36.36

Source: Field Survey

Interpretation: From the above table shows that perceptions of people due to fear of conflict were 72.73% of hotels, distrust faced 36.36% of hotels and 18.18% of hotels faced reluctance.

q) No. of hotels with degree of how much the conflict has affected following aspects of hotels.

Sl. No	No. of hotels with services	Total 0-20%	20-50%	50%+
1	Restaurant	1	1	6
2	Catering	-	1	5
3	Business	-	-	5
4	Internet	-	1	5
5	Conference hall	1	-	4
6	Banquet hall	1	-	3
7	Executive board room	-	1	2
8	Event Management	-	-	4
9	Outdoor entertaining	-	-	2
10	Others	-	-	4

Source: Field Survey

Interpretation: In respect of service provider majority of the Hotels felt that they were affected above 50% and more.

r) Reduction of Income during Conflict

Percentage of reduced income	No. of hotels with same % reduction	%
0-20%	1	9.09
20-40%	-	-
40-60%	-	-
60-80%	3	27.27
80%+	7	63.64

Source: Field Survey

Interpretation: From the above table shows that conflict has reduced income 0-20% in 1 hotel, 60-80% were 3 hotels each and 7 hotels saw a reduction by 80%+ respectively.

5. Findings of the Study

- Majority of Hotels were established in the decadal period of the 2010 & 2020. One hotel existed in the 1990, and two were established in the 1980 & 2000. All the offices of the Hotels are located in strategic locations within the greater Imphal area. Only 1 hotel had outlets or chains in other districts.
- There is only hotel viz. The Classic Group of Hotels which belong to 3 & 4 Star categories, and other two hotels are 3 Star categories. The rest 7 hotels are non – star categorized.
- Most of the respondents of hotels 36.36% provide tour business while 45.45% does not provide tour business.
- With regard to the nature of business it is clear that 10 out of 11 hotels provide fooding, 9 of them provide lodging and another 1 provide as tour operator services.
- Customers have the highest occupancy rate in 9 hotels, followed by tourists, sports and health rated as moderate in 6 hotels each. In 5 hotels, official occupancy ranked the highest and moderate in 5. The rest were evenly distributed and the least was missionaries. Visitors on business, health & sports are also ranked most & moderately. Officials and Adventure clients are ranked most & moderately 45% of hotels. Political, Visitors, Missionaries & Academic clients are ranked somewhat, seldom and never by 40% of hotels.
- Most popular method of promotional used is through referrals followed by newspaper and personal selling. TV and magazine each was used by 2(two) hotels. One used posters, bill boards & hoarding and events methods of promotion each.
- With regard to the employees in the year, Sangai Continental, Nirmala Hotels & Hotel Hotel Tampha saw a decrease of 50% employee each, Yaiphaba Hotel and New Hotel Airlines a decrease of 10 (ten) employee each, Classic Group of Hotels had an increase by one hundred employees while Daani Continental, Hotel Mass and Hotel Imolesh has the rest remained constant. Generally, the employment rate is seen to be very few in number, the highest number of employees being 800 (eight hundred).
- With regards to the quality of services, 81.82% opinions that it was moderate while 18.18% opinions that it was high. None opinions that it was very poor.
- 72.73% of the respondents felt that demand for services are moderate while 2 felt that it was high. 1 opined it to low.
- Awareness about the services is moderate at 63.64 %, 27.27 % at high and low at 27.27%.

11. 90.91% strongly feels that conflict has greatly affected their business, 9.09 % expresses that it was moderately affected.
12. Conflict has affected booking/reservation 11 hotels, 8 was affected marketing of hotels, 7 was affected communications, payment/fund transfer was affected 6 hotels, transport & others were affected 4 hotels and 3 hotels was affected ticketing.
13. The respondents felt that 27.27% of their customers were psychologically greatly affected by the conflict while 72.73% were moderately affected.
14. Disadvantages due to fear psychosis, reluctance to travel and law & order breakdown were expressed by all the 11 hotels, technology breakdown was faced by 9 hotels each, 7 faced frequent closure of hotels.
15. Layoffs during conflicts were faced 8 hotels and 3 hotels were not faced layoffs during conflicts.
16. Cancellations by customers during the conflict occurred in 10 hotels, 1 hotel was not affected.
17. Perceptions of people due to fear of conflict were 72.73% of hotels, distrust faced 36.36% of hotels and 18.18% of hotels faced reluctance.
18. In respect of service provider majority of the Hotels failed that they were affected above 50% and more.
19. The time of conflict has reduced income 0-20% by 1 hotel, 60-80% were 3 hotels each and 7 hotels reduced were 80%+ respectively.

6. Suggestions of the Study

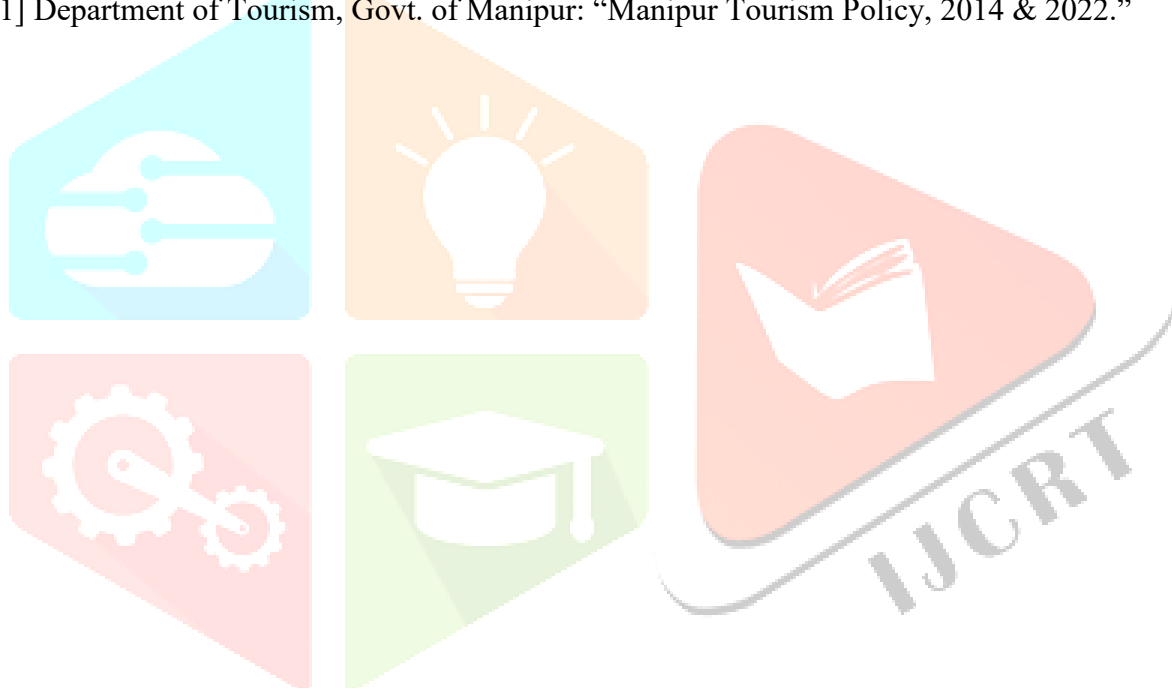
- The hotels should move every from traditional ways of providing accommodation and move towards providing state of the art accommodation. This will lead to economic, social contract and commercial activities resulting in economic development.
- In Manipur, no hotel industry operating today can be unaware of the swift pace of global change and its impact on every fact of the hospitality industry.
- Hotels must contently conduct research to identify what will be required in the competitive environment of the present and future with its intense focus on serving customer needs.
- It is very important to inform the masses regarding the various facilities and services provided by hotels through advertisements and promotional campaigns.
- A strategic planning focus is not only essential, but must embody a concept of planning for the future that anticipated change, rather than being based exclusively on historical models.
- Conflict is an unnatural and unforeseen occurrence and comes without a caveat. Losses during times of conflict are sudden and abrupt. Hence, the government should evolve a policy whereby loss could be minimized and compensated.
- Confidence building mechanism should be initiated by the State so that normalcy can be restored and all economic sectors can be revived as soon as possible.
- In state Government should consider the possibility of including tourism projects and particularly those relating to accommodation, in the list of projects eligible for loans from their industrial or other corporation, and that where required, they should establish special financial corporation's for tourism.

7. Conclusion

The study shows that tourism is a fast emerging priority sector of Manipur's economic development. Hotel and hospitality is the backbone of the industry. The study reveals that the accommodation and fooding, product offered strategic and planning management and facilities are presently implemented to promote tourism in Manipur are very weak and there is an urgent need to develop appropriate and workable role for promoting tourism in Manipur. Due to the high frequency of changing opportunities trends, surveys are to be conducted now and then to enable to implement appropriate role of hotels. With the advent of the Pandemic, many hotels went out of business as they could not sustain the business. However, a gradual recovery was being made and new hotels emerged. Another unprecedented conflict hit the state in the month of May and disrupted the entire sectors of economy. Hotels being hard hit. Loss of income due to reduced demand, cancellations, disruption of internet services, lay-off of employees, law and order breach, fear psychosis and insecurity were the main problems faced. Restoration of normalcy and peace are tantamount to the development and growth of the tourism industry in general and hotels in particular.

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