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A Study on the Socio-Economic Background of Tourism Entrepreneurs Financed by KFC and other Financial Institutions in Kerala.

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Abstract--The concept of tourism as a phenomenon involves the movement of people within their own country or across the national borders. Man's thirst for travelling has increased from time immemorial. Tourism or travelling opens up horizons, complements our personality, helps to differentiate between harmonies, and encourages contacts between various cultures and countries. While travelling, a traveler's mind must move and react, race and pause, and move on again. As far as Kerala is concerned there is wide scope for the tourism sector. In this case there are lot of new ventures are by the entrepreneurs. This particular study throws light towards the role of Kerala State Financial Corporation in lending the loan as well as other facilities in ensuring the socio – economic development of tourism entrepreneurs. The extent to which the training support has been availed in enhancing the tourism entrepreneurs for developing the skills as well as their potential for meeting the future development in their career and profession. This article throws light towards the future applications such as Kerala being a prime touring point as far as the economic sector is concerned. This is because the transition in tourism sector will enhance the growth of entrepreneurs which will throw light for the unemployment problem and hence the life style will change which will be booming in the socio-economic status of the state.

Keywords-- Kerala State Financial Corporation, tourism entrepreneurs, unemployment problem

I. INTRODUCTION

Tourism has been an effective instrument for generating employment, earning revenue and foreign exchange, enhancing environment, preserving culture and tradition. It can ensure an overall development in a sustainable manner. Economic diversification and technological improvement have created a conducive environment for tourism development in the present age of globalization. The concept of tourism as a phenomenon involves the movement of people within their own country or across the national borders. Man's thirst for travelling has increased from time immemorial. Tourism or travelling opens up horizons, complements our personality, helps to differentiate between harmonies, and encourages contacts between various cultures and countries.

While travelling, a traveler's mind must move and react, race and pause, and move on again. Travelling helps not only to reflect on the life and times of the world, it also helps to mix East with West, culture with culture and people with people. Our mind and view broaden, as we see that people are the same everywhere. Primary data required for the study was collected through survey of the tourism entrepreneurs in Kerala using a structured interview schedule. Also, relevant information was collected through holding discussions with various officials of KFC, other financial institutions and Department of Tourism, experts in tourism and academicians.

II. ABOUT KERALA FINANCIAL CORPORATION

Kerala Financial Corporation has its Head Office at Thiruvananthapuram with five Regional Offices situated Thiruvananthapuram, Kottayam, Ernakulam, Palakkad and Kozhikode. It is having 3 zonal office and 14 district offices. The Management of KFC is vested with the board of directors which consists of 10 members all of whom were non-executive directors except Managing Director with whom the day-to-day affairs are entrusted. The members of the board are nominated by the State Government, IDBI, SIDBI, Insurance Companies, banks and private shareholders as per the provisions of the SFC Act, 1951. There is also an Executive Committee consisting of Chairman, Managing Director (MD) and six directors. The MD is the chief executive of the Corporation. There is also a Settlement Committee with four members including Chairman and MD. The default review committee meets 3 times in a year and it includes MD and two other directors.

III. RESEARCH METHODOLOGY

Random sampling method was used for the selection of sample units for the study. The entire data was classified based on region-wide distribution as depicted in which is developed on the basis of the official records furnished by the Directorate of Tourism, Government of Kerala.



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Also, standard statistical methods were suitably followed for formulating the sample size.

Random sampling technique is used for the selection of respondents. 10 per cent from each of the region making a total of 400 units are taken for the study. The units were chosen randomly from each region i.e., 137 units (10 per cent of 1369 units in southern region) from Thiruvananthapuram district, 163 units (10 per cent of 1624 units in central region) from Ernakulam district and 104 units (10 per cent of 1004 units in northern region) from Malappuram district. This sample comprises of tourism units financed by Kerala Financial Corporation (KFC group) and also units financed by other financial institutions (non-KFC group). Primary data was collected with the help of an interview schedule. The interview schedule was administered to borrowers of tourism finance in Kerala.

A pilot study was conducted by interviewing 50 respondents in Thiruvananthapuram district. Both primary and secondary data were collected for the study. The interview schedule was finally designed in consultation with the experts in tourism, officials of KFC, academicians and tourism entrepreneurs. The responses of pilot study were collected and entered into the Statistical Package for the Social Sciences (SPSS) software version 17.0 data analysis system. A Cronbach's alpha coefficient was computed to determine the internal consistency (reliability) of the instrument. Cronbach's alpha is to provide evidence of the reliability of the instrument and to identify the reliability of the instrument (Smith, 2006). The Cronbach's alpha coefficient obtained for the identified items in the pilot study was equal to 0.7. This recommends the reliability of the instrument. An expert panel was formed to establish the validity of the interview schedule items. In addition to determining the validity, the expert panel was requested to judge the instrument for wording, format and clarity. Primary data was collected with the aid of the interview schedule after pretesting.

IV. TOOLS AND METHOD OF ANALYSIS

The collected data was tabulated and organized segment-wise and category-wise. The Statistical Package for the Social Sciences version 17.0 (SPSS 17.0) was utilized for analyzing the data. The data so classified are analyzed and interpreted suitably by using statistical tools like Percentage Analysis, Weighted Average, Chi Square test, Analysis of Variance (ANOVA), Kendall Tau-b, T-test, F-test, Pearson(r), Spearman rho, etc.

V. VARIABLES IDENTIFIED AND USED IN THE STUDY

The variables for the study were identified from studies included in the literature review and also from the discussion with tourism experts, officials of KFC and other financial institutions, academicians and tourism entrepreneurs. Earlier studies on tourism, Kerala Financial Corporation.

Analysis on the various aspects of entrepreneurs who have been financed by KFC and other financial institutions

1. Main reason for choosing the tourism business

The main reason why the respondents choose the business of tourism is also looked into and the data is analyzed. The different reasons for choosing tourism business are viz.

- on account of their own experience in the field
- guidance given by the tourism officials
- on the advice of consultants
- guidance given by the financial agencies
- advice of friends or relatives or
- on the basis of industrial surveys.

The break-up of data regarding the prime reason for choosing tourism business among KFC and non-KFC tourism finance borrowers are enlisted and analyzed suitably. The data is tabulated and presented in Table.

Table 1

Sl. No.	Reasons	KFC		Non-KFC		Not availed	Total	Ranking based on the total number of responses
		Number	%	Number	%			
1	own selection through experience	28	13.8	39	20.42	--	67 (16.75)	III
2	Guided by consultants	26	12.8	18	9.42	3	47 (11.75)	V
3	Through industrial potential survey	3	1.48	12	6.28	--	15 (3.75)	VI
4	Advice by friends and relatives	78	38.42	59	30.89	3	140 (35)	I
5	Guided by agency officials	32	15.76	50	26.18	--	82 (20.5)	II
6	Guided by Govt. officials/DOT	36	17.73	13	6.81	--	49 (12.25)	IV
	Total	203	100	191	100	6	400 (100)	

Source: Primary data

Inference: It is noticed from Table that the main reason for starting tourism business as opined by the majority of 140 respondents (35 per cent) out of 400 is because of the advice received from friends and relatives. The reason which guided some of them to the selection of tourism industry as suggested by 82 respondents (20.5 percent) is the advice and guidance received from agency officials. 67 respondents (16.75 per cent) revealed that the reason which led them to start tourism industry is basically on account of their personal experience. 49 respondents (12.25 per cent) out of 400 stated that the reason for starting tourism industry is due to the guidance from consultants.

47 respondents (11.75 per cent) revealed that the reason for selecting tourism business was on account of the guidance given by the Government officials especially officials of the Department of Tourism (DOT). The factor which motivated at least 15 respondents (3.75 percent) to start tourism industry is on account of the various surveys for identifying potential industries which finally resulted in setting a business in tourism industry.

78 respondents (38 per cent) of the KFC and 80 respondents (42 per cent) of non-KFC borrowers states that the reason which led them into tourism business is the advice from friends and relatives.

The reason according to 36 respondents (17.73 per cent) which led to the tourism business as per the KFC group is due to the guidance given by Department of Tourism officials. These two are reported as the major reason by majority of the respondents in the KFC group. Whereas in the case of non-KFC group, according to a majority of 59 respondents (30.89 percent), the reason which led them to tourism business was due to the advice given by friends and relatives. Another reason among the non-KFC group for starting tourism business as revealed by 50 respondents (26.18 percent) was on account of the guidance given by the agency officials. It is concluded that the main factor which led the tourism entrepreneurs into the tourism business is the advice of friends and relatives.

Analysis of the experience of entrepreneurs - KFC and non-KFC tourism finance borrowers

The significant association of the experience of entrepreneurs with the type of the tourism finance borrowers (KFC and non-KFC group) is tested by using Chi-Square and the results of which are displayed in the Table

Null Hypothesis H_0 : There is no association between the experience of tourism entrepreneurs and the type of financing (KFC and non-KFC).

Alternate Hypothesis H_1 : There is association between the experience of tourism entrepreneurs and the type of financing (KFC and non-KFC).

Table 2
Chi Square analysis- experience of tourism entrepreneurs-KFC and non-KFC

Experience of entrepreneurs		Major financing by		Total
		KFC	Non-KFC	
Less than 10 years	Count	82	78	160
	Expected Count	82.4	77.6	160.0
10 to 20 years	Count	89	91	180
	Expected Count	92.7	87.3	180.0
Above 20 years	Count	32	22	54
	Expected Count	27.8	26.2	54.0
Total Expected Count	Count	203	191	394
		203.0	191.0	394.0

Table 3
Chi-Square Values

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.610a	2	.447
Likelihood Ratio	1.619	2	.445
Linear-by-Linear Association	.458	1	.498
N of Valid Cases	394		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 26.18.

Table 4
Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.064	.447
	Cramer's V	.064	.447
N of Valid Cases		394	

The Chi Square test conducted and the value of asymptotic significance is 0.447. This is greater than the cut off value of 0.05 at 5 percent significance level. Hence the null hypothesis H_0 is accepted and the alternate hypothesis H_1 is rejected. Hence it is proved that there is no association between the experience of the tourism entrepreneurs and the type of financing.

Training of entrepreneur- Training is a factor which can influences the entrepreneurs in managing the business efficiently. Analysis is done to ascertain whether the respondents received any training in the respective field or not before starting the business. The breakup of tourism entrepreneurs with respect to the training is analyzed. Further analysis is also done as to ascertain whether there exists any significant association between training and type of financing. The data has been presented in Table.

Table 5
Training of respondents

Training	Major financing by					Total
	KFC	% To total	Non-KFC	% To total	Not availed	
Yes	78	38.42	51	26.7	6	135 (33.75)
No	125	61.57	140	73.29	--	265 (66.25)
Total	203	100	191	100	6	400 (100)

Source: Primary data

It is observed from the Table that 265 respondent (66.25 per cent) out of 400 are of opinion that they did not receive any training for conducting the business. But 135 respondents (33.75 per cent) out of 400 are of the view that they have received sufficient training in the respective fields. 78 respondents (38.42 per cent) of KFC borrowers and 51 respondents (26.7 per cent) of the non-KFC borrowers' group are of the opinion that they got training for starting tourism business. 125 respondents (61.57 per cent) of KFC and 140 respondents (73.29 per cent) of the non-KFC borrowers are of the view that they did not receive any kind of training in the area of tourism for starting tourism business. It is concluded that large majority of them reported that they have not received any kind of training in their respective areas of tourism business.

But among the group, the training received is more with respect to KFC group than others.

Analysis of the training of entrepreneurs - KFC and non-KFC tourism finance borrowers.

The significant association of training of entrepreneurs and the KFC and non-KFC tourism finance borrowers (type of financing) are tested by using Chi-Square and the results of which are displayed in Table

Null Hypothesis H_0 : There is no association between the training of tourism entrepreneurs and the type of financing (KFC and non-KFC group of borrowers).

Alternate Hypothesis H_1 : There is association between the training of tourism entrepreneurs and the type of financing (KFC and non-KFC group of borrowers).

Table 6
Chi-Square analysis –training of entrepreneurs

Training		Major financing by		Total
		KFC	Non-KFC	
Yes	Count	78	51	129
	Expected Count	66.5	62.5	129.0
No	Count	125	140	265
	Expected Count	136.5	128.5	265.0
Total	Count	203	191	394
	Expected Count	203.0	191.0	394.0

Table 7
Chi Square value

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.140a	1	.013
Likelihood Ratio	6.177	1	.013
Linear-by-Linear Association	6.125	1	.013
N of valid cases	394		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 62.54.

Table 8
Symmetric measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.125	.013
	Cramer's V	.125	.013
N of valid cases		394	

The Chi-Square test is conducted and the value of asymptotic significance is 0.013. This is less than the cut off value of 0.05 at 5 percent significance level. Hence the alternate hypothesis, H_1 : There is association between the training of tourism entrepreneurs and the type of financing is accepted and null hypothesis H_0 is rejected. Hence it is proved that there is significant relation between the training of entrepreneurs and the type of financing.

VI. MAJOR FINDINGS FROM THE STUDY

Analysis was done to identify the experience of the tourism entrepreneurs financed by KFC and non-KFC. 160 respondents (40 per cent) out of 400 have experience in running the business with less than 10 years of experience. 180 respondents (45 per cent) out of 400 have experience between 10 and 20 years. 6 respondents (2 per cent) out of 400 have an experience of above 20 years. 82 respondents (40 per cent) of KFC borrowers and 78 respondents (41 per cent) from non-KFC borrowers have experience of less than 10 years. 89 respondents (44 per cent) of KFC borrowers and 91 respondents (48 per cent) of non-KFC borrowers have experience between 10 and 20 years. Only 32 respondents (16 per cent) of KFC and 22 respondents (11 per cent) of non-KFC borrowers having experience of above 20 years. The entire respondents from the loan not availed have experience of above 20 years to conclude, a large majority of them have experience of 10 to 20 years and above 20 years but the experience of the borrowers in both cases are more or less similar. The significant association of the experience of entrepreneurs with the type of the tourism finance borrowers (KFC and non-KFC group) is tested by using Chi-Square and it is proved that there is no association between the experience of the tourism entrepreneurs and the type of financing.

Training is a factor which can influences the entrepreneurs in managing the business efficiently. Analysis is done to ascertain whether the respondents received any training in the respective field or not before starting the business. 265 respondents (66.25 per cent) out of 400 are of opinion that they did not receive any training for conducting the business earlier. But 135 respondents (33.75 per cent) out of 400 are of the view that they have received sufficient training in the respective fields prior to the starting of the business. 78 respondents (38.42 per cent) of KFC borrowers and 51 respondents (26.7 per cent) of the non-KFC borrowers' group are of the opinion that they got training for starting tourism business. 125 respondents (61.57 per cent) of KFC and 140 respondents (73.29 per cent) of the non-KFC borrowers are of the view that they did not receive any kind of training in the area of tourism for starting tourism Business. It is concluded that large majority of them reported that they have not received any kind of training in their respective areas of tourism business. But among the group, the training received is more with respect to KFC group than others. The significant association of training of entrepreneurs and the KFC and non-KFC tourism finance borrowers (type of financing) are tested by using Chi-Square and it is proved that there is significant relation between the training of entrepreneurs and the type of financing.

Suggestions were drawn from the tourism finance borrowers on their expectations about a tourism financial institution. A total of 363 respondents have suggested that there is a need for exclusive lending schemes in tourism. A total of 289 respondents suggested there is a requirement of setting up of tourism financial institution on a tie up basis with Department of Tourism of the Government of Kerala. The third highest response is with respect to the need for setting up of a separate institution for financing the tourism industries in Kerala.



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The third highest response is with respect to the need for setting up of a separate institution for financing the tourism industries in Kerala. The next variable

KFC assists not only in guiding the process of implementation of projects but extends beyond the monitoring as well. It means to assess whether the project produce desired result after its implementation. Out of the total respondents of KFC aided group, 125 respondents (61.58 percent) have received the help of the agency in monitoring of projects. In the case of non-KFC group, only 86 respondents (45.03 percent) received the agency assistance in this regard. It is therefore presumed that KFC assists not only in guiding the process of implementation of projects but also extends beyond to the monitoring as well. It is a means to assess whether the project produce desired result after its implementation. This is an additional service provided by the financing agency according to respondents in the sample is the need for getting up of a state financial agency for tourism borrowers.

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