

# PONDICHERRY UNIVERSITY

(A Central University)

**DIRECTORATE OF DISTANCE EDUCATION**

**Destination Planning and Development**

Paper Code : MBTM 3004



**MBA - TOURISM**

**III Semester**

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ISBN No. 978-93-81932-09-4

## TABLE OF CONTENTS

UNIT	LESSON	TITLE	PAGE NO.
I	1.1	Introduction to Destination Planning and Development	3
	1.2	Characteristics of Tourism Destination	14
	1.3	Destination Management System	23
	1.4	Destination Planning Guidelines and Selection Process	30
	1.5	Value of Tourism	40
II	2.1	Levels of Tourism Planning and Development	51
	2.2	Assessment of Tourism Potential	61
	2.3	Planning for Sustainable Tourism Development	71
	2.4	Economic, Socio-Cultural, and Environmental Considerations	81
	2.5	Planning For Demand Supply Match	91
III	3.1	Destination Image Development	111
	3.2	Attributes of Destination	122
	3.3	Measurement of Destination Image	132
	3.4	Destination Branding	141
	3.5	Web Based Destination Branding	150
IV	4.1	Framework for Tourism Destinations	167
	4.2	Tourism Stakeholders	176
	4.3	Destination Marketing Mix & Destination Competitiveness	185
	4.4	Distribution Channels	194
	4.5	Marketing Communication & Strategies	203
V	5.1	Public Private Partnership in Tourism	215
	5.2	Tourism Policy and Destination Development	231
	5.3	WTO Guidelines for Tourism Planning	243
	5.4	Characteristics of Rural Tourism	258
	5.5	National Planning For Tourism and Vision	270



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**PAPER-XIV**

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**Destination Planning and Development**

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**Objectives**

- To facilitate the assessment of the tourism potential of a destination and prepare tourism development plan as well as marketing techniques;
- To familiarize with the destination branding practices; and
- To introduce advanced analysis and research in the field of destination development.

**Unit - I**

Destination Development - Types of destinations, Characteristics of destinations - Destinations and products - Destination Management Systems - Destination planning guidelines - Destination Selection Process - The Values of Tourism.

**Unit - II**

Destination Planning Process and Analysis - National and Regional Tourism Planning and Development - Assessment of tourism potential - Planning for Sustainable Tourism Development - Contingency Planning - Economic, Social, Cultural and Environmental considerations - Demand and supply match - Design and innovations.

**Unit - III**

Destination Image Development - Attributes of Destinations: Person's determined image, Destination determined image, measurement of destination image - Destination branding perspectives and challenges - Creating the Unique Destination Proposition - Place branding and

destination image - Destination image formation process; unstructured image - Product development and packaging - Destination branding and the web - Case Study of Puducherry as a brand.

#### **Unit - IV**

Destination Promotion and Publicity - Six 'A's framework for tourism destinations - The dynamic wheel of tourism stakeholders - Destination Marketing Mix - Destination Competitiveness - Distribution Channels- Marketing Communication and Strategies.

#### **Unit - V**

Institutional Support: Public Private Partnership (PPP) - National Planning Policies for Destination Development- WTO Guidelines for Planners - Role of urban civic bodies: Town planning -Characteristics of rural tourism planning - Environmental Management Systems - Destination Vision- The focus of Tourism Policy: the competitive sustainable destination - Destination Mapping (practical assignment).

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## UNIT - I

### Destination Development

#### Unit Structure

Lesson 1.1 - Introduction to Destination Planning and Development

Lesson 1.2 - Characteristics of Destination

Lesson 1.3 - Destination Management System

Lesson 1.4 - Destination Planning guidelines and selection process

Lesson 1.5 - The Values of Tourism

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#### Lesson -1.1 Introduction to Destination Planning and Development

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#### Learning Objectives

*After studying this lesson you can be able:*

- To understand the basic terminologies of tourism destination planning and development
- To develop conceptual clarity about the fundamental concepts of destination planning and development
- To identify the steps involved in tourism planning process
- To know the importance of destination planning and development
- To familiarize with the elements of tourism destination planning

#### Introduction

When we think of tourism, we think primarily of people who are visiting a particular place for sightseeing, visiting friends and relatives, taking a vacation, and having a good time. They may spend their leisure

time engaging in various sports, sunbathing, talking, and singing, taking rides, touring, reading, or simply enjoying the environment. If we consider the subject further, we may include in our definition of tourism people who are participating in a convention, a business conference, or some other kind of business or professional activity, as well as those who are taking a study tour under an expert guide or doing some kind of scientific research or study.

These visitors use all forms of transportation, from hiking in a wilderness park to flying in a jet to an exciting city. Whether people travel by one of these means or by car, motor-coach, camper, train, taxi, motorbike, or bicycle, they are taking a trip and thus are engaging in tourism. This lesson will discuss tourism planning approaches to achieve the goals and objectives of tourism development for a destination. For the purposes of discussion, a tourism destination can mean an entire country, a region, an island, a resort area, or a single project. The tourism plan is generally a formal document to guide both public sector and private sector development activities.

Destination planning includes many different forms of planning such as economic development planning, land use planning, infrastructure planning, and social services planning and involves many groups with different perspectives including governments, private investors and developers, and local communities.

### **What is Tourism?**

Tourism and tourist are words which are commonly heard or mentioned in everyday life. Pick up any newspaper and you will find some reference to tourism i.e. in relation to government policy, tourist arrivals, products, destination, impact on economy, hostility or hospitality of the local people etc.

Over the years the definition of tourism has undergone a change along with the historical changes. According to Hunziker and Krapf tourism is “the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as it do not lead to permanent residence and is not connected to any earning activity”. This definition



emphasizes travel and stay, but excludes day trips, business trips etc. and the overlapping of these boundaries with other practices.

The League of Nations in 1937 recommended that tourism covers the social activity of those who travel for a period of 24 hours or more in a country other than the one a person usually lives in. However, the limitation of this definition was that it excluded domestic and emphasized only on international tourism.

The Rome Conference on Tourism in 1963 adopted the recommendation to replace the term “tourist” with the term “visitor” and defined tourism as a visit “to a country other than ones own or where one usually resides and works”; for the following reasons:

- Tourism - the activity of temporary visitors staying at least 24 hours for leisure, business, family, mission or meeting.
- Excursion - the activity of a temporary visitor staying less than 24 hours but excluding people in transit.

This definition also excluded the domestic tourist, although it did recognize the day visitor. The Tourism Society of Britain in 1976 proposed to clarify the concept of tourism by saying that “Tourism is the temporary, short-term movement of people to destinations outside the places where they normally live and work and their activities during their stay at these destinations, including day visits and excursions.”

### **What is Destination?**

One of the most frequently used words in tourism is ‘destination’, but it is used very differently by different authors. In the literature ‘destinations’ seem to be described as images, as narratives. ‘Destinations’ seem to be described through their content of attractions, facilities and services. At ‘destinations’ interactions may take place: between the tourists and the businesses, mutually in the tourist industry, and between the single establishment and the tourist organizations and the authorities.

Burkart and Medlik’s (1974) defined the destination as *‘the geographical unit visited by a tourist may be a self contained centre, a village or a town or a city, a district or a region, an island, a country or a continent.*

*This geographical unit may be described as the tourist destination....The tourist destination, however defined geographically, provides a convenient focus for the examination of the tourist movement and of its manifold impact and significance. How important any geographical unit is as a tourist destination, or how it is potentially, is determined by three prime factors: attractions, accessibility and amenities which may be termed the tourist qualities of a destination.*

Mill and Morrison (1992) deal with the destination as a part of the tourism system. Their definition says: *At a destination there is a mix of interdependent elements. The elements are interdependent, because in order to produce a satisfying vacation experience, all elements must be present. The destination is composed of: Attractions – Facilities – Infrastructure – Transportation – Hospitality.*

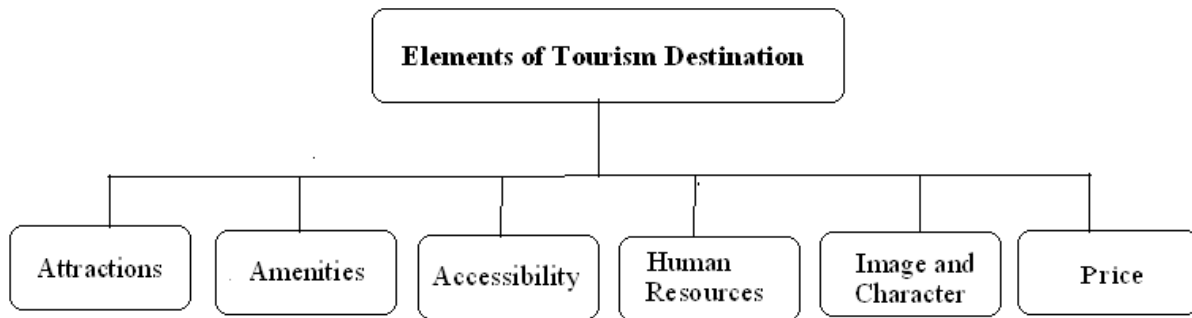
Jensen, Hansen and Metz' (1993) definition is very close to that we have learned earlier: *The definition of a tourist destination is a geographical area, which contains landscape and cultural characteristics and which as in the position to offer a tourism product, which means a broad wave of facilities in transport – accommodation – food and at least one outstanding activity or experience.*

### **What is Tourism Destination?**

A tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations. Destinations could be on any scale, from a whole country (e.g. India), a region (such as South India) or island (Andaman), to a village, town or city, or a self-contained centre (MGM Park, Chennai).

### **Elements of Tourism Destination**

Tourism destination is constituted by the following six elements. There are briefly discussed in the line of depicted figure.



### Elements of Tourism Destination

*Attractions:* These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. These can be categorized as natural (e.g. beaches, mountains, parks, weather), built (e.g. iconic buildings such as the Eiffel tower, heritage monuments, religious buildings, conference and sports facilities), or cultural (e.g. museums, theatres, art galleries, cultural events). They could be in the public realm such as a nature park, cultural or historical sites or could be community attractions and services such as culture, heritage or lifestyle. Other, less tangible factors, such as uniqueness and emotional or experiential triggers are also attracting tourists to destinations.

*Amenities:* These are the wide range of services and facilities which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor, 'Destination', includes accommodation, visitor information, recreations facilities, guides, operators and catering and shopping facilities.

*Accessibility:* The destination should be accessible to a large population base via road, air passenger services, rail or cruise ships. Visitors should also be able to travel with relative ease within the destination. Visa requirements, ports of entry, and specific entry conditions should be considered as part of the accessibility of the destination.

*Image:* A unique character or image is crucial in attracting visitors to the destination. It is not sufficient to have a good range of attractions and amenities if potential visitors are not aware of this. Various means can be used to promote the destinations image (e.g. marketing and branding, travel media, marketing). The image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people.

*Human Resources:* Tourism is labour intensive and interaction with local communities is an important aspect of the tourism experience. A well-trained tourism workforce and citizens who are equipped and aware of the benefits and responsibilities associated with tourism growth are indispensable elements of tourism destination delivery and need to be managed in accordance with the destination strategy.

*Price:* Pricing is an important aspect of the destination's competition with other destinations. Price factors relate to the cost of transport to and from the destination as well as the cost on the ground of accommodation, attractions, food and tour services. A tourist's decision may also be based on other economic features such as currency exchange.

### **What is Planning?**

Planning is mental activity, which involves desk work to decide or answer the questions what, how, when, where and who. It is all about setting and meeting objectives and preparing future course of action.

### **Tourism Destination Planning**

Tourism provides a major economic development opportunity for many countries and a means of improving the livelihoods of its residents. Both the public and private sectors involved in tourism depend on planning to achieve sustainable tourism development that respects the local community, creates appropriate employment, maintains the natural environment, and delivers a quality visitor experience. However, many tourism destinations have pursued development without proper planning and without considering the many impacts such development will bring to the community.

### **The Tourism Planning Process**

*Levels of Tourism Planning:* Tourism planning is implemented at different levels from the general level which may apply to an entire country or region down to the local level which may apply to detail planning for specific resort. What is important to emphasize is the tourism planning and development must be integrated among all levels to take into account different levels of concern and to avoid duplication of efforts and policies. Each level involves different considerations as follows:

- *International level* - Tourism planning at the international level involves more than one country and includes areas such as international transportation services, joint tourism marketing, regional tourism policies and standards, cooperation between sectors of member countries, and other cooperative concerns.
- *National level* - Tourism planning at the national level is concerned with national tourism policy, structure planning, transportation networks within the country, major tourism attractions, national level facility and service standards, investment policy, tourism education and training, and marketing of tourism.
- *Regional level* – Tourism planning at the regional level generally is done by provinces, states, or prefectures involving regional policy and infrastructure planning, regional access and transportation network, and other related functions at the regional level.
- *Local or community level*- Tourism planning at the local level involves sub-regions, cities, towns, villages, resorts, rural areas and some tourist attractions. This level of planning may focus on tourism area plans, land use planning for resorts, and planning for other tourism facilities and attractions.
- *Site planning level* - Site planning refers to planning for specific location of buildings and structures, recreational facilities, conservation and landscape areas and other facilities carried out for specific development sites such as tourism resorts and may also involve the design of buildings, structures, landscaping and engineering design based on the site plan.

### **Importance of Tourism Destination Planning**

Tourism planning is primarily economic development planning that is directed towards tourism-related objectives which differ between the public sector and the private sector. In the public sector, most planning is done by different levels of government. Public sector tourism planning includes consideration of economic and social factors, land use policies and zoning controls, environmental concerns, infrastructure development, employment concerns, and the provision of public services.

Private sector tourism planning is usually concerned with investment objectives involving various aspects of product development,

building and design, financial feasibility, marketing, management and operations.

Tourism planning is important because it provides a common vision, direction and commitment for tourism which are the result of participation of many representatives. The process of tourism planning includes:

- Assessing the possible impacts of development and the resource problems which will be faced
- Analyzing the competitive status of a destination and its ability to respond to changes in the travel market
- Providing a level of stability and predictability in the progress of the overall development of tourism in a given area.

### **Tourism Master Plan for Destination**

Many tourism destinations have an overall or general plan that includes all aspects of the tourism development process. This is often referred to as the tourism master plan and sometimes called the comprehensive master plan. A master plan for a destination will vary by project depending on the type of destination being developed, its current level of development, and the theory or style of planning being used. Elements of a master plan usually include economic development, human resources, environmental impacts and social and cultural impacts. Master plans are designed to cover a certain time frame or period such as a five-year plan or a ten-year plan.

#### **Case Study: Master Plans for Effective Destination Management (Croatia)**

Croatia has emerged as a leader in terms of tourism development in Southeastern Europe. Two critical factors have been identified in the emergence of Croatia's tourism industry. Firstly, the Croatian Government has taken an active role in developing a state-level tourism strategic framework. The second factor of success is the production of tourism development master plans on a local level within the country, focused on achieving goals in the mid-term.

Croatia's tourism master planning process was initiated in 2000, and has incorporated four key principles:

- Local focus: Many localities situated on the Adriatic coast (the most important tourist region of the country) developed their own master plans;
- Stakeholder involvement: Local Master plans were developed with the involvement of a broad network of stakeholders through a series of workshops held in cities, towns and villages;
- Structure and focus: The master plans have focused on means by which competitiveness can be increased (eg. Vision and positioning, product plans, investment plans and action plans);
- Pragmatic orientation: The master plans all have a highly pragmatic and implementation-oriented approach.
- The development of local level master plans has been identified as a key factor of success in building a competitive tourism industry in Croatia.

*Source: Cizmar and Lisjak 2007*

## Elements of a Tourism Destination Plan

Tourism destination plans generally include the following elements:

- *Tourism Demand Analysis* - Demand analysis examines the existing and intended visitor markets for the destination. It involves a market analysis that examines the likely tourist arrivals and characteristics and the travel patterns and trends of the markets. Demand analysis is essential in understanding the competitiveness of the destination with other tourism destinations with similar attractions.
- *Tourism Supply Analysis* - Supply analysis examines the destination itself including its attractions, accommodations, and facilities. The analysis should include transportation, infrastructure, human resources, and other factors which have a direct or significant impact on the quality of the visitor experience. In the assessment of a new development for a previously undeveloped area, site selection is an important element and the analysis will examine various

locations or sites for proposed hotels and commercial buildings. In the case of self-contained resort destinations where planning is for integrated resort development, consideration must be given to a number of factors including:

- Relationship of the site to tourist attractions
  - Desirability of climate
  - Attractiveness of physical environment
  - Availability of land for development
  - Access to tourism gateways and regional attractions
  - Adequate transportation and utilities infrastructure
  - Attitudes of the resident population to the development
  - Availability of a local work force and sufficient housing
- *Tourism Impact Analysis* - Two of the most important impacts in a tourism plan are the environmental impacts and the social-cultural (socio-cultural) impacts of development. While tourism generally is considered environmentally friendly, sustainable tourism development places a high priority on preservation of the environment including land use, water quality, natural scenery, and waste disposal. An important goal of tourism planning should be to protect the natural setting and avoid exploitation of the natural resources. Many analyses include a study of the carrying capacity of a destination which defines the environmental and physical limits and ability of the destination to accommodate a given level of visitors with the least destruction to the natural resources. Social-cultural impacts concern the pressures and changes that tourism might bring to the resident population in a particular destination. Tourism can have both beneficial and harmful effects on local culture as a result of the use of culture as a tourist attraction and the direct contact between residents and tourists.
- *Economic and Financial Analysis* - For most destinations, economic development is the primary reason for tourism development. Tourism is viewed as a source of visitor expenditures which will benefit the local economy, creating spending and employment while increasing the standard of living of the local population. However, the economic perspective differs between the public sector or government and the private sector. For the public sector,



the economic benefit for the local community is the most important concern. In the economic analysis for the public sector, the areas which are examined are the type of visitor and spending habits of the visitors, the products and services that the visitors seek, the importation costs and supply of goods required by visitors, the costs related to infrastructure development and maintaining an adequate work force with the required skills and training for the industry. The economic effects of tourism include changing work and consumption patterns, standards of living, and social roles and practices. For the private sector, financial risk and profitability are the primary concerns including the sources of capital for the planned project, extent of foreign ownership or control, wage rates for the local labor force, and availability of private sector funds for investment.

- ▶ *Action Plan and Recommendations* – The action plan is the final product of the planning process and will depend on the goals of the plan. It generally includes a summary and analysis of all of the data used in the planning process and includes strategies, guidelines, recommendations, and schedules for development.

## **Conclusion**

It is clear that if a tourism destination is to succeed, good planning must take place. Planning is critical to the competitiveness and survival of a destination. Planning must take into consideration not only the economic and financial interests of the public and private sectors, but also the concerns of the residents of the resort destination and the visitors and their preferences. Destination planning involves a number of steps and activities that include designing, financing, developing, and marketing of a destination to attract the visitors. It requires cooperation and commitment of a number of different segments including government and community leaders, architects, engineers, investors, economists, environmentalists, and others to ensure the sustainability of a destination.

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## Lesson 1.2 - Characteristics of Tourism Destination

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the types of tourism destination;
- To know the characteristics of tourism destination;
- To identify the characteristics of tourist destination management;
- To familiarize with the system of destination and tourism and;
- To aware the importance of developing a tourism destination.

### Introduction

A destination is both a site and an event, and these two factors are the attractions. In a site attraction, a location exercises appeal like the Shimla hills, the Kerala coastline or - the Khajuraho temple complex. With an event acting as a pull, tourists are drawn' to a particular place because of what 3s happening at that location. Where both site and event are attractions, like the Konark Dance Festival or the Elephant March or Boat race in Kerala, the success of such a destination multiplies. Destinations can be spread over a wide geographical area. The attraction to a destination lies in the image it has or the attractions it offers.

### Primary and Secondary Destinations

All destinations are not created equal; some have more potential than others to draw visitors. Primary Destinations influence a traveler's decision about where to go, are often the main reason for visiting an area, and are closely linked to the image of the destination as promoted in marketing campaigns. Secondary Destinations are those that enhance the tourist experience, but are not part of the major destination selection process.

## Concept and Characteristics of Tourism Destination

In the **conceptual estimation** of destination, different standing-points can be followed. In the whole, *destination* (Dr. Roger Carter – Dr. Mike Fabricius, 2007) is a *physical location where the tourist is spending at least one night. It is containing tourist attractions, products, relating services that are necessary to meet the stay of a tourist on the place at least for one day. Destination has physical and administrative limits, which are determining its management, and has an image and perception. It includes a lot of elements being concerned, it is capable for constructing a network, a cooperation and to become a bigger destination; the determination of destination is made from the point of view of the tourist.*

To become a tourist destination the location, the region has to have the factors that determine the tourist destinations. These factors are determinants in the bordering, determination of the core area destination; their development is essential by the increase of the competitiveness of the specific destinations. According to Buhalis (2000) **determinants of the destination** are as follows:

- Tourist attractions, e.g. natural factors, factors made by human being, heritage, special events, etc.;
- Approachability, e.g. the entire traffic system, including roads, traffic means, etc.;
- Tourist services, e.g. accommodation, host services, other tourist services, etc.;
- Product packages;
- All kind of activities that can be run by the tourists during their stay; public-utility services, e.g. banks, telecommunication, hospitals, etc..

Definition of destination, summarizing the aspects regarding the nature of destination and its determining factors (Angelo Presenza – Lorn Sheehan – J.R. Brent Ritchie, 2005); the **characteristics of destination** can be summarized as follows:

- Area target that is chosen by the tourist as the target of his travel
- Receiving area that is providing services for the tourist and people living on the spot

- It is defined from the point of view of the tourist
- A place/region that is confinable physically and geographically
- A place/region that is containing tourist attractions, products, services and other background services being necessary for spending at least one day
- The tourist is spending at least one night here
- It is containing a lot of persons being concerned who are cooperating with each other
- It has an image
- It has perception (it means that each of the tourists can form an opinion about a destination through his own “screen” subjectively)
- It is providing integrated experience for the tourist
- In a wider sense it is a tourist product that is competing with other tourist products (destinations) on the market of tourism
- A kind of a complex and integrated system that is taking the existence of a modern tourism controlling and management system to the successful operation for granted
- It is a system being built from below and supported from above

Not all locations, regions can become a tourist destination. There are such kind of basic criterions that has to be met so that a location, region could become a tourist destination. The above mentioned are only the most basic criterions. The determination and bordering of the destinations or the core area destinations are supposing the development of a special system of criterions that is made according to preferences, expectations, points' of view of the tourist first of all.

### **Features of Tourism Destination**

Features of destinations include *quality, authenticity, uniqueness, drawing power, and activity options*. It is the combination of these elements that sets destinations apart from one another.

*High Quality* is a key guiding value in tourism development. For any attraction this means having a pleasing clean appearance, offering smooth customer oriented operations and procedures, resource protection, friendly hospitality.

*Authenticity*, being real, matters. It means letting the distinctive local flavor of a community shine through in ways that create and produce a “sense of place”.

*Uniqueness* is the “edge” that sets an attraction in your community apart from the competition somewhere else.

*Drawing Power* is measured in terms of the number of visitors who will travel a specified distance to visit your community and whether they will return for repeat visits.

*Activity Options* are important characteristics of destinations. The first impulse is to concentrate on buildings, sites, facilities. But, it is important to remember the activities that provide resident and visitors things to do.

## **Development of Tourism Destination**

The destinations – as the organizational systems developing on the regional concentration and cooperation – have to be taken into connection with the economic processes in the world; one basic principle of which is that the durable industrial and business competitive advantages are appearing concentrated geographically more and more. In the competition there are not taking part separate persons of the market but the basic units of the market competition, the companies, enterprises and regional institutions. The establishment and operation of these systems are helped by the government schemes and supporting resources as well. The regional concentration principle is playing a determinant role in the effective operation of the destination as well, which is generating competitive advantages. The tourist target areas are worth settling to a regional concentration being significant from the point of view of tourism, based on definitive basic principles, so that the economic potential of the region can be increased.

Determinant factors of the tourist competitiveness of each region are the development and operation of the management system with the effective, suitable competences and calculable financing and organizational background. Modern tourism management and operation, that is the revaluation of the current traditions, are needed to the development of

an effective management system organized on the basis of the regional concentration principle. The integrated planning, management and operation of tourism are needed on all levels of tourism. Development of the system is taking for granted such kind of regional and organizational planning basic principles are:

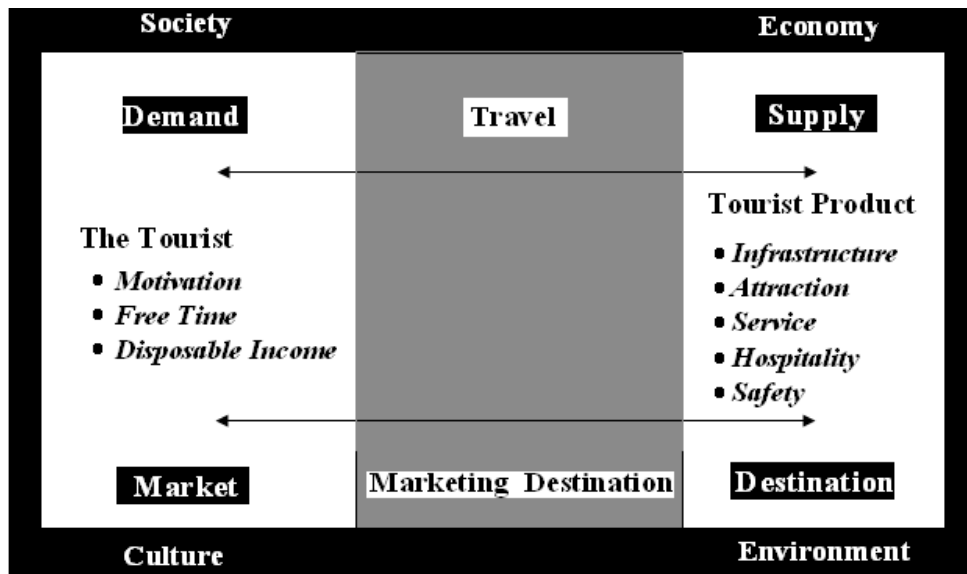
- Reevaluation of cooperation, development of consciousness in the cooperation, development, planning, organization, operation of the forms of cooperation;
- More close cooperation with other regions, branches in the processes of planning and development originating from the multiplier effect of tourism;
- More complex approaches in the development of the service system of tourism: beside the development of the tourist infra- and superstructure the development of the background infrastructures, the supporting factors have to be emphasized too;
- The use of innovative, modern, up to date technologies in the processes of development.

### **System of Destination and Tourism**

The place of destination in the system of tourism is demonstrated by the system of tourism. Destination can be found on the side of the supply (the product) from the two sub-systems of the tourism system. The tourist supplies are consisting of the factors of the receiving area that is used by the tourist during his stay. Central element of the supply is the tourist product that is containing the services meeting the demands of the tourist.

Tourism is an integrated, open, complex system operating dynamically each element of which (its micro- and macro environment) there is in a mutual dependence with the others. It can be understood from the following figure:

From the factors forming the two sub-systems of the tourism market, the *supply (tourist product)* is consisting of the following elements: attractions, accessibility, services, safety, hospitality, etc.



### System of Tourism and Destination

The elements of the tourist destination according to the above definition (Buhalis, 2000) run as follows: tourist attractions (natural and made by human being, special events, etc.), accessibility, tourist services, product packages, active activities, and public services. From the above-mentioned one can say that the elements and combination of the factors of the supply and the ones forming the destination are the same.

However there is a difference because the tourist product can be only one product or some services or even a pile of services meeting the demands of the tourist being away from his home. From the point of view of the tourist only the pile of complex services is meaning a product because it has to meet all of his demands (Dr. Márton Lengyel, 1992).

The product can be only one or several products as well; however destination can be characterized as a set of complex services and attractions related to each other. Some scientists put an equal mark between the tourist product in a wider sense and the tourist destination: e.g. after Bieger (1998) destination is just like a tourist product that is competing with other products on the tourist market.

Destination management system being responsible for the tourist destination controlling and management is forming a connection with the poles of demand and supply.

### Characteristics of Tourist Destination Management

On the basis of some definitions summing up the point of the tourist destination management organization

- The tourist destination management organization (Buhalis, 2000) takes the entire responsibility for the tourist products of the whole destination, for their development through controlling, encouraging and other means and for the development of a partnership that is able to provide positive experience for the tourists;
- Its main role, function is the establishment of the cooperation and coordination between the non-profit and private characters of tourism. Its purpose (Dr. Hilda Faragó, 2006) is to increase the tourism, the tourist income of the specific area and to strengthen the image of the territory.

It usually introduces the tourist supplies of a specific area for the tourists and the branch of tourism on a way free of competition. According to the *tourist destination management model* (Dr. Márton Lengyel, 2005) the tourism destination management and its organizational characteristics can be understood from the following figure:

Dimension	Characteristics of destination Management
<b>Character</b>	<ul style="list-style-type: none"> <li>➤ Directing</li> <li>➤ Management</li> <li>➤ Coordinating activity</li> </ul>
<b>Mission:</b>	<ul style="list-style-type: none"> <li>➤ To establish the sustainable and competitive tourism in a specific area through the comprehensive creation and operation of the system of tourism</li> </ul>
<b>Purposes:</b>	<ul style="list-style-type: none"> <li>➤ To meet the demands of the tourists</li> <li>➤ To ensure the profitability of the branch</li> <li>➤ To get the local community take part in the processes of development, to improve the quality of life</li> <li>➤ To protect and take care of the environment</li> </ul>



Dimension	Characteristics of destination Management
<b>Means</b>	<ul style="list-style-type: none"> <li>➤ Tourist planning</li> <li>➤ Development</li> <li>➤ Monitoring</li> <li>➤ Business federation (and lobby activity)</li> </ul>
<b>Main working practices</b>	<ul style="list-style-type: none"> <li>➤ Establishment of the communal partnership</li> <li>➤ To get to know the demands and interests of the characters (tourists, inhabitants, authorities, partner organizations, tourist enterprises)</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>➤ From the bottom to the top (at the same time it is supported from the top), it means that the organizations with regional level are forming the small regional and regional co-operations</li> </ul>
<b>Characteristics of organization</b>	<ul style="list-style-type: none"> <li>➤ Prepared professionally, skilled organization</li> <li>➤ Decision are made with the contribution of the persons being interested</li> <li>➤ Has the suitable independence (own resources and means) needed to the execution of its decisions</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>➤ Self-maintaining (provided by the characters)</li> <li>➤ Supported from the top</li> </ul>

### **Tourism Destination Management and its Organizational Characteristics**

#### **Conclusion**

While tourism has been growing over the last few decades, it has been relatively easy for most tourist destinations to maintain a healthy rate of growth despite declining market shares. This is changing as growth in the total market size is slowing down and more destinations are

## Notes

emerging to compete within this market. In the whole, tourist destination management (Dr. Márton Lengyel, 2005) means an activity keeping an eye on the interests both of the tourists and the receiving communities and serving them as well. Its mission is: to provide adventures for the tourists, economic, social and environmental advantages for the receiving communities. Tourist destination management has to be an independent organization with the suitable competence, means and experts to be able to perform its involved tasks.

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## Lesson 1.3 - Destination Management System

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the destination and about information;
- To know the impact of information on destination selection;
- To identify system operations in destination;
- To familiarize with destination management system and;
- To understand the ICT role in virtual networking at destination.

### Introduction

Tourism development has been acknowledged as one of the key areas for India's socio-economic development at present and in the future. The sector has already been gradually contributing significantly to the country's GDP, employs directly and indirectly a large number of people and is attracting a large portion of the foreign direct investment (FDI) in the country.

As the global tourism industry continues to perform strongly, there has naturally been an increasing demand for more efficient and effective marketing activities for tourism destinations (UNWTO, 2007). Wee (2006) commented that for sustainable tourist arrivals, marketing and promotional activities play a vital role. Only proper marketing tools which are carefully formulated will ensure the success of our efforts in attracting tourists to visit the countries. Destinations around the world have had to adapt to the new technologies, which are causing a change in the travel market, and harness technology to become effective and cost-efficient. National tourism organizations and administrations need to work with industry partners to draw up action plans as to how they can differentiate themselves from their competitors (UNWTO, 2007).

## **Destination and Information**

Sheldon (1997) states that “information is the lifeblood of tourism” have rightly been frequently quoted in the literature. Tourism is an extremely information-intensive industry, with the result that it is only logical for information and communication technologies (ICT) to be used along the entire tourist value creation chain. It is in particular at process level that ICT increase efficiency and effectiveness, and differentiates at the product level. Compared with other industries, the tourist industry has a relatively low degree of innovation. The reason for this is to be found in the many individual providers, leading to small market structures. This is counteracted in particular by ICT, which make a considerable contribution to the commercial development of the market. Ideally the guest perceives the booked service not as an aggregation of part-services but as a cohesive total product. This requires successful coordination between the individual service providers.

## **Tourists Information and Destination Selection**

Destinations are to be regarded as bundles of services, the concept “destination” being dependent on the guest’s perception. For instance, a US citizen can perceive Europe as a destination, a German tourist Dubai, or a passenger the “Freedom of the Seas”, the currently largest cruise liner in the world. The decision in favour of a destination is based on the guest’s expectation that his needs will be satisfied there. Thus it is only in exceptional cases that the hotel itself is the reason for the journey. Instead, culture and society, sites and landscape, sporting opportunities etc are the actual motivators for travel.

The need for information that is highly up-to-date and of good quality is in particular of relevance if a large number of suppliers are involved in the creation of a total product. In this respect, the idea of a network in tourism has always been more of a necessity than a novelty.

## **Destination Management System**

According to UNWTO (2007), there are already clear signs that tomorrow’s successful destination and other tourism industry stakeholders will be those that adapt to the new operating environment and cater to

all forms of distribution. Information and Communication Technologies (ICTs) has become the key. Tourism destinations emerge as umbrella brands and they will need to be promoted in the global marketplace as one entity for each target market they try to attract. The emerging globalization and concentration of supply increase the level of competition and require new Internet marketing strategies for destinations (Rita, 2000).

Palmer (2006) discusses that Destination Management Systems (DMS) take the development of an online destination brand beyond the stages of merely offering an online brochure, or providing an online reservation service. A DMS provides a suite of tools for managing a destination's tourism activities. This includes systems for managing information for all of the constituent tourism organizations' websites as well as sales offices, call centers, literature fulfilment and marketing functions. Many researches agree that DMSs are strategic ICT tools that can help operators and tourism enterprises in developing countries integrate, promote and distribute tourism products and services.

According to UNCTAD (2005), the two primary functions of a destination management system are to:

1. Provide consumers with comprehensive and accurate information for the preparation of their vacations, and with booking facilities for tourism services and products,
2. Provide tourism enterprises with the means to be better integrated into the tourism supply chain by organizing and promoting personalized and enriched tourism experiences.

### **Case Study: The online Destination Management System of Gulliver, Ireland**

Gulliver Ireland is the leading online destination management system underlying much of Ireland's multi-billion Euro tourism business. Conceived in 1990 and was re-engineered in 1997 as part of a public private partnership, it is now a successful private enterprise providing comprehensive information and online reservation services for Irish Tourism.

Gulliver Ireland provides and operates a destination management system (DMS) for Irish tourism products and services using advanced and comprehensive integrated tourism databases to connect the national and regional tourism industry with the national and international marketplaces. It is the primary source for up-to-date all-Ireland destination management services and probably the world's most widely used national booking system. Its information rich reservation, direct consumer booking and enhanced listings facilities have generated numerous spin off services directly marketed to regional and specialist tourism agencies. Its databases and booking engine powers over 50 websites including the Failte Ireland website ([www.ireland.ie](http://www.ireland.ie)), the Tourism Ireland International promotion website ([www.tourismireland.com](http://www.tourismireland.com)), the Dublin Tourism Website ([www.visitdublin.com](http://www.visitdublin.com)), the other regional tourist authority websites and the Irish Times website ([www.ireland.com](http://www.ireland.com)).

*Source:* The European e-business Market Watch

### **System Operation**

The primary goal of the system is to function as the main channel of distribution of information and reservations on all major aspects of tourism in India. The objectives of the system are:

1. To make it easier for a tourist to choose as a destination;
2. To improve visitor servicing while in India

The system is supposed to have two main functions:

1. To make tourist information about India more available in the marketplace and
2. To facilitate communication between the service providers and tourists

The DMS forms a large network, with the provincial tourism departments all participating in the formulation of overall marketing strategy and policy.

## **Centralized Structures and Information Deficit**

The increasing competitive pressure on the international markets is forcing destinations and their providers to ensure that they can achieve sustained success with a clear positioning and communication of the unique selling proposition (USP) and with the quality of the product. This is a consequence of numerous trends within the tourism industry. The development of the low-cost carriers for instance permits travel at short notice and as inexpensive as possible, while at the same time permitting a larger choice of destinations. The opening of new markets, the trend towards short holidays and the continuing fall in the share of regular customers is also intensifying the competitive pressure. Service and quality campaigns in an information-intensive business such as tourism depend in particular on the quality of the information available. A market that is characterised largely by small structures particularly needs a stronger network between the participants in order to be able to prevail internationally with a differentiated programme at a high level.

In the last years, the Internet has become the most important information medium for travel planning. (Rosendorf 2005; Krause 2007; AC Nielsen 2006) In particular, the search for information on hotel websites is, according to the ADAC Travel Monitor (2008) the number one source of information for 50% of Internet users. For the hotelier, this means that he must apply a deep concept of destination and present his business in the network of the destinations offered online. It is only by providing plenty of information about attractions and activities at the destination that the hotelier can influence the travel decision-making process of potential guests to his own benefit. Since this information, however, is not in the hands of the hotelier (third-party content), there is the problem of making available the necessary content with the appropriate quality, topicality and scope. As long as a lack of a virtual network prevents the reciprocal and dynamic exchange of data, all the parties involved (destination management organizations, providers of culture and leisure activities, accommodation providers and finally the guests) will suffer from this information deficit.

## **ICT Supports Virtual Networking at Destinations**

The use of ICT creates new networking opportunities at both the informational and the transactional level. Numerous processes in the

tourism value creation chain can be performed virtually with the help of Internet, Intranet or Extranet solutions. The virtual value creation chain therefore no longer consists of sub processes conducted linearly. Instead, it represents a freely-configurable matrix with a number of starting points (Morris and Morris, 2002). Among the numerous descriptions and definitions to be found in the literature, the following is especially appropriate for this paper: “A tourism network system is the one that comprises a multiplicity of autonomous, interdependent, enterprises without physical borders of separation from the environment, that rely on the Internet infrastructure to integrate and exchange value” (Ndou and Passiante 2005: 440-451).

The primary objective of a Virtual Tourism Network should lie in the creation of a sustainable win-win partnership (Hakolahti and Kokkonen, 2006), in which the partners involved can interact dynamically, creatively and proactively. Such networks are characterised by a healthy blend of cooperation and competition in which the provision of up-to-date content plays an essential role. However, the desired common use of information can only be efficient and available widely if all enterprises can participate in the network with a minimum of expenditure and cost. This requires an innovative, but easy-to-use system. In this context, a trend toward open platforms and standards can be observed (Ndou and Passiante, 2005). As a prerequisite for the implementation of an innovative and successful VTN, a radical change in thinking and acting on the part of organisations is necessary, along with the establishment of new business models. Increasing tendencies towards integration ensure that even SMEs can no longer cut themselves off from these developments.

The European Commission indicated as early as 2003 that SMEs must prepare themselves mentally and technologically for participation in virtual networks (European Commission, 2003). Particularly organizations with complex structures, as are often found among destinations, can gain time-related, monetary and qualitative advantages along with increased flexibility through virtual networking (Ndou and Petti, 2004). Consequently, it is not surprising that most of the established Virtual Tourism Networks (VTN) can be found at the destination level. Contemporary literature regularly refers to Destination Management Systems.



## Conclusion

In recent years, most destinations have developed or introduced a DMS. Put simply, a DMS constitutes a portal that bundles the information of relevance to the destination. As a result, interactive access is possible to this content, the aim being to present, advertise and market the destination as a single entity. Thus destination management systems have a centralistic character. In contrast, true networks have a decentralised structure and have nodes that can be interpreted as areas of greater density. Although a DMS creates economies of scale and scope through the bundling of content, the value created through a true self-regulating network between the individual partners is of much greater importance. To date, the potential of VTNs is far from having been exhausted. This is due firstly to the insufficient integration and networking of the actors, and secondly to standardization and compatibility problems.

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## Lesson 1.4 - Destination Planning Guidelines and Selection Process

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### Learning Objectives

*After studying this lesson you can be able:*

- To identify the major elements of tourism destination plan;
- To understand the concept of master or comprehensive planning in tourism development;
- To understand the importance of tourism destination planning;
- To understand the factors that influence the tourism planning process and
- To develop awareness about the destination selection process.

### Introduction

Tourism provides a major economic development opportunity for many countries and a means of improving the livelihoods of its residents. Both the public and private sectors involved in tourism depend on planning to achieve sustainable tourism development that respects the local community, creates appropriate employment, maintains the natural environment, and delivers a quality visitor experience. However, many tourism destinations have pursued development without proper planning and without considering the many impacts such development will bring to the community.

This session will discuss tourism planning approaches to achieve the goals and objectives of tourism development for a destination. For the purposes of discussion, a tourism destination can mean an entire country, a region, an island, a resort area, or a single project. The tourism plan is generally a formal document to guide both public sector and private sector development activities. Destination planning includes many different forms of planning such as economic development planning, land use planning, infrastructure planning, and social services planning and

involves many groups with different perspectives including governments, private investors and developers, and local communities.

**Planning tourism:** Planning tourism at all levels is essential for achieving successful tourism development and management. The experience of many tourism areas in the world has demonstrated that, on a long-term basis, the planned approach to developing tourism can bring benefits without significant problems, and maintain satisfied tourist markets. Places that have allowed tourism to develop without the benefit of planning are often suffering from environmental and social problems. These are detrimental to residents and unpleasant for many tourists, resulting in marketing difficulties and decreasing economic benefits. These uncontrolled tourism areas cannot effectively compete with planned tourist destinations elsewhere. They usually can be redeveloped, based on a planned approach, but that requires much time and financial investment.

### **The Tourism Planning Process**

Planning is about setting and meeting objectives. Although various approaches have been developed in general planning, e.g. boosterism, integrated, interactive, collaborative, bottom-up etc. The outcomes of tourism planning was restricted primarily to the measurement of the economic impacts for destination areas, due to the ease with which economic impacts may be measured, compared to environmental and social impacts. Planning is an essential activity to achieve the goals of tourism development. Planning is concerned with anticipating and regulating change in a system to promote orderly development so as to increase the social, economic and environmental benefits of the development process. To do this, planning becomes 'an ordered sequence of operations, designed to lead to the achievement of either a single goal or to a balance between several goals.

**Levels of Tourism Planning:** Tourism planning is implemented at different levels from the general level which may apply to an entire country or region down to the local level which may apply to detail planning for specific resort. What is important to emphasize is the tourism planning and development must be integrated among all levels to take into account different levels of concern and to avoid duplication of efforts and policies. Each level involves different considerations as follows:

- International level - Tourism planning at the international level involves more than one country and includes areas such as international transportation services, joint tourism marketing, regional tourism policies and standards, cooperation between sectors of member countries, and other cooperative concerns.
- National level - Tourism planning at the national level is concerned with national tourism policy, structure planning, transportation networks within the country, major tourism attractions, national level facility and service standards, investment policy, tourism education and training, and marketing of tourism.
- Regional level – Tourism planning at the regional level generally is done by provinces, states, or prefectures involving regional policy and infrastructure planning, regional access and transportation network, and other related functions at the regional level.
- Local or community level- Tourism planning at the local level involves subregions, cities, towns, villages, resorts, rural areas and some tourist attractions. This level of planning may focus on tourism area plans, land use planning for resorts, and planning for other tourism facilities and attractions.
- Site planning level - Site planning refers to planning for specific location of buildings and structures, recreational facilities, conservation and landscape areas and other facilities carried out for specific development sites such as tourism resorts and may also involve the design of buildings, structures, landscaping and engineering design based on the site plan.

### **Importance of Planning**

Tourism planning is primarily economic development planning that is directed towards tourism-related objectives which differ between the public sector and the private sector. In the public sector, most planning is done by different levels of government. Public sector tourism planning includes consideration of economic and social factors, land use policies and zoning controls, environmental concerns, infrastructure development, employment concerns, and the provision of public services. Private sector tourism planning is usually concerned with investment objectives involving various aspects of product development, building and design,

financial feasibility, marketing, management and operations. Tourism planning is important because it provides a common vision, direction and commitment for tourism which are the result of participation of many representatives. The process of tourism planning includes:

- Assessing the possible impacts of development and the resource problems which will be faced
- Analyzing the competitive status of a destination and its ability to respond to changes in the travel market
- Providing a level of stability and predictability in the progress of the overall development of tourism in a given area.

### **Tourism Master Plan**

Many tourism destinations have an overall or general plan that includes all aspects of the tourism development process. This is often referred to as the tourism master plan and sometimes called the comprehensive master plan. A master plan for a destination will vary by project depending on the type of destination being developed, its current level of development, and the theory or style of planning being used.

Elements of a master plan usually include economic development, human resources, environmental impacts and social and cultural impacts. Master plans are designed to cover a certain time frame or period such as a five-year plan or a ten-year plan.

### **Elements of a Tourism Destination Plan**

Tourism destination plans generally include the following elements:

- Tourism Demand Analysis - Demand analysis examines the existing and intended visitor markets for the destination. It involves a market analysis that examines the likely tourist arrivals and characteristics and the travel patterns and trends of the markets. Demand analysis is essential in understanding the competitiveness of the destination with other tourism destinations with similar attractions.
- Tourism Supply Analysis - Supply analysis examines the destination itself including its attractions, accommodations, and facilities. The

analysis should include transportation, infrastructure, human resources, and other factors which have a direct or significant impact on the quality of the visitor experience. In the assessment of a new development for a previously undeveloped area, site selection is an important element and the analysis will examine various locations or sites for proposed hotels and commercial buildings. In the case of self-contained resort destinations where planning is for integrated resort development, consideration must be given to a number of factors including:

- Relationship of the site to tourist attractions
- Desirability of climate
- Attractiveness of physical environment
- Availability of land for development
- Access to tourism gateways and regional attractions
- Adequate transportation and utilities infrastructure
- Attitudes of the resident population to the development
- Availability of a local work force and sufficient housing
- Tourism Impact Analysis - Two of the most important impacts in a tourism plan are the environmental impacts and the social-cultural (socio-cultural) impacts of development.

While tourism generally is considered environmentally friendly, sustainable tourism development places a high priority on preservation of the environment including land use, water quality, natural scenery, and waste disposal. An important goal of tourism planning should be to protect the natural setting and avoid exploitation of the natural resources. Many analyses include a study of the carrying capacity of a destination which defines the environmental and physical limits and ability of the destination to accommodate a given level of visitors with the least destruction to the natural resources. Social-cultural impacts concern the pressures and changes that tourism might bring to the resident population in a particular destination. Tourism can have both beneficial and harmful effects on local culture as a result of the use of culture as a tourist attraction and the direct contact between residents and tourists.

*Economic and Financial Analysis* - For most destinations, economic development is the primary reason for tourism development.

Tourism is viewed as a source of visitor expenditures which will benefit the local economy, creating spending and employment while increasing the standard of living of the local population. However, the economic perspective differs between the public sector or government and the private sector. For the public sector, the economic benefit for the local community is the most important concern. In the economic analysis for the public sector, the areas which are examined are the type of visitor and spending habits of the visitors, the products and services that the visitors seek, the importation costs and supply of goods required by visitors, the costs related to infrastructure development and maintaining an adequate work force with the required skills and training for the industry.

The economic effects of tourism include changing work and consumption patterns, standards of living, and social roles and practices. For the private sector, financial risk and profitability are the primary concerns including the sources of capital for the planned project, extent of foreign ownership or control, wage rates for the local labor force, and availability of private sector funds for investment.

*Action Plan and Recommendations* – The action plan is the final product of the planning process and will depend on the goals of the plan. It generally includes a summary and analysis of all of the data used in the planning process and includes strategies, guidelines, recommendations, and schedules for development.

### **Benefits of Tourism Planning**

There are several important specific benefits of undertaking national and regional tourism planning. These advantages include:

- Establishing the overall tourism development objectives and policies - what is tourism aiming to accomplish and how can these aims be achieved. Developing tourism so that its natural and cultural resources are indefinitely maintained and conserved for future, as well as present, use.
- Integrating tourism into the overall development policies and patterns of the country or region, and establishing dose linkages between tourism and other economic sectors.

- Providing a rational basis for decision-making by both the public and private sectors on tourism development.
- Making possible the coordinated development of all the many elements of the tourism sector. This includes inter-relating the tourist attractions, activities, facilities and services and the various and increasingly fragmented tourist markets.
- Optimizing and balancing the economic, environmental and social benefits of tourism, with equitable distribution of these benefits to the society, while minimizing possible problems of tourism.
- Providing a physical structure which guides the location, types and extent of tourism development of attractions, facilities, services and infrastructure.
- Establishing the guidelines and standards for preparing detailed plans of specific tourism development areas that are consistent with, and reinforce, one another, and for the appropriate design of tourist facilities.
- Laying the foundation for effective implementation of the tourism development policy and plan and continuous management of the tourism sector, by providing the necessary organizational and other institutional framework.
- Providing the framework for effective coordination of the public and private sector efforts and investment in developing tourism.
- Offering a baseline for the continuous monitoring of the progress of tourism development and keeping it on track.

### **Planning for Sustainable Development**

The underlying approach now applied to tourism planning, as well as to other types of development, is that of achieving sustainable development. The sustainable development approach implies that the natural, cultural and other resources of tourism are conserved for continuous use in the future, while still bringing benefits to the present society. The concept of sustainable development has received much emphasis internationally since the early 1980s, although tourism plans prepared even before that period often were concerned with conservation of tourism resources.



The sustainable development approach to planning tourism is acutely important because most tourism development depends on attractions and activities related to the natural environment, historic heritage and cultural patterns of areas. If these resources are degraded or destroyed, then the tourism areas cannot attract tourists and tourism will not be successful. More generally, most tourists seek destinations that have a high level of environmental quality - they like to visit places that are attractive, clean and neither polluted nor congested. It is also essential that residents of the tourism area should not have to suffer from a deteriorated environment and social problems.

One of the important benefits of tourism is that, if it is properly developed based on the concept of sustainability, tourism can greatly help justify and pay for conservation of an area's natural and cultural resources. Thus, tourism can be an important means of achieving conservation in areas that otherwise have limited capability to accomplish environmental protection and conservation objectives.

A basic technique in achieving sustainable development is the environmental planning approach. Environmental planning requires that all elements of the environment be carefully surveyed, analyzed and considered in determining the most appropriate type and location of development. This approach would not allow, for example, intensive development in flood plain and steep hillside areas.

An important aspect of sustainable development is emphasizing community-based tourism. This approach to tourism focuses on community involvement in the planning and development process, and developing the types of tourism which generate benefits to local communities. It applies techniques to ensure that most of the benefits of tourism development accrue to local residents and not to outsiders. Maximizing benefits to local residents typically results in tourism being better accepted by them and their actively supporting conservation of local tourism resources. The community based tourism approach is applied at the local or more detailed levels of planning, but it can be set forth as a policy approach at the national and regional levels. The benefits accruing to local communities are also beneficial to the country, through the income and foreign exchange earned, employment generated and support that local communities give to national tourism development and conservation policies.

Also related to sustainable development is the concept of quality tourism. This approach is being increasingly adopted for two fundamental reasons – it can achieve successful tourism from the marketing standpoint and it brings benefits to local residents and their environment. Quality tourism does not necessarily mean expensive tourism. Rather, it refers to tourist attractions, facilities and services that offer 'good value for money', protect tourism resources, and attract the kinds of tourists who will respect the local environment and society. Quality tourism development can compete more effectively in attracting discriminating tourists. It is also more environmentally and socially self-sustaining. Achieving quality tourism is the responsibility of both the public and private sectors. This concept should be built into the tourism planning, development and management process.

### **The Destination Selection Process**

It has already been established that the image is an important determinant in tourists' destination selection process. Research has demonstrated that there is a clear relationship between a positive image of a destination and positive purchase decisions. Thus, one of the biggest challenges facing destination marketers is that of creating and projecting a memorable and positive image of the destination. Ideally, this image should be recalled by potential tourists in the selection process and entice them to visit this particular destination

According to Gartner, the destination image is formed by three different, yet interrelated, components: cognitive, affective and conotive.

- Gartner describes the cognitive component as '*the sum of beliefs and attitudes of an object leading to some internally accepted picture of its attributes*'. In other words, the cognitive component is formed on the basis of the tourist's beliefs of a destination.
- The affective component is related to the motives of the tourist for choosing one destination at the expense of another. The affective component becomes operational in connection with the tourist's evaluation of destination choice.
- Finally, the conotive image component leads to action, because a decision is reached, and one destination from the 'decision set'

is chosen. Thus, the conotive image is formed on the basis of the cognitive and affective components: *'The conotive component's relationship to the other two components is direct. It depends on the images developed during the cognitive stage and evaluated during the affective stage.'*

## **Conclusion**

It is clear that if a tourism destination is to succeed, good planning must take place. Planning is critical to the competitiveness and survival of a destination. Planning must take into consideration not only the economic and financial interests of the public and private sectors, but also the concerns of the residents of the resort destination and the visitors and their preferences. Destination planning involves a number of steps and activities that include designing, financing, developing, and marketing of a destination to attract the visitors. It requires cooperation and commitment of a number of different segments including government and community leaders, architects, engineers, investors, economists, environmentalists, and others to ensure the sustainability of a destination.

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## Lesson 1.5 - Value of Tourism

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the economic value of tourism;
- To find out the need to create value for destination;
- To understand the destination branding for creating value and;
- To know the importance of customer value of tourist product.

### Introduction

It is important for tourism organisations and businesses to be able to understand the value of tourism, both at national level and within the destination or destinations they operate in. At face value, the question of what tourism is worth seems as though it ought to be straightforward to answer. However, consumer spending is only one measure of worth, and in talking about the value of the sector, it is also useful to understand tourism's contribution to the country economy. Clearly, economic contribution is not unrelated to consumer spending, but it is not quite the same thing.

For example, a British consumer might choose between spending £500 on a new TV set, or on a domestic holiday. If the TV set was manufactured overseas, then it may be that only a small part of the £500 spent stays in the UK economy, with the rest "lost" by paying the costs of overseas production and transportation. In contrast, if the consumer chooses the holiday, it is likely that more of the money spent will stay in the UK, but not all of it – money spent on things like imported food and drink, or souvenirs manufactured abroad is also "lost." From the consumer's point of view, the same amount of money will have been spent – but the two choices have quite different implications for the UK economy. Therefore, in order to understand the contribution of tourism to the economy, we need to be able to calculate the proportion of tourism

expenditure that stays in the UK and contributes to economic growth – a less straightforward exercise than simply capturing spending information through surveys.

### **Understanding the Economic Value of Tourism**

According to a survey report, the domestic tourism has grown from a figure of 63 million in 1990 it stood at 234 million in the year 2001. The foreign tourist arrived to India increased to 4.43 millions. Tourist arrived to India increased to 4.43 million in 2006, up 14.2 per cent from 3.92 million in 2005. The foreign exchange earnings from tourism grew to \$6.569 billion in 2006, an increase of 14.6 per cent from 2005. A study on the economic impact of tourism conducted by the World Tourism and Travel Council estimated that in 2001, the consumption activity arising from domestic and international tourism will contribute 5.3 per cent of India's Gross Domestic Product.

This phenomenal growth of domestic tourism is an inevitable by-product of the prosperity that India has achieved as an after effect of privatization and globalization. It is estimated world travelers will spend over US\$ 7,060.3 billion as per estimates of World Travel and Tourism Council (WTTC) for year 2007. It is expected to grow at a rate of 3.9% in year 2007 and expected to contribute 3.6% to the GDP. Every 12th person in the world is engaged in travel & tourism industry for livelihood with 231,222,000 persons will be employed in this industry in 2007.

It is estimated the India generate only US\$ 61.0 billion as per the report of World Travel and Tourism Council (WTTC) for year 2007. It is expected to grow at a rate of 8.7% in year 2007 and expected to contribute 2.0% to the GDP. Every 18.3th person in the world is engaged in travel & tourism industry for livelihood with 25,607,000 persons will be employed in this industry in 2007. 5.5% of the total population will be engage in travel and tourism industry.

One of the objectives of the National Action Plan for tourism announced in May, 1992 by Government of India was to increase India's share in the world tourism market to 1% by 2000 AD. Presently India ranks 44th in the top 60 destinations of the world International tourism and contributing 0.9% of global tourism.

There is a huge domestic tourism market with an estimated 240 million tourists, with 140 million general tourists and 100 million religious tourists per annum. During the last decade, Rajasthan and Kerala have emerged as one of the favorite tourist destinations in India for both domestic and foreign tourists. As a whole, the value of tourism would realized on the following components:

- *Tourism Spending:* In calculating consumer spending on tourism, four basic components are included
  - Inbound visitor spending
  - Domestic overnight visitor spending
  - Domestic day visitor spending
  - Domestic outbound visitor spending
- *Economic Contribution of Tourism:* The Indian Tourism sector contributes 5.3 percent of India's GDP 2006-07. The tourism industry shows that India had 367 million domestic tourists and 3.92 million international tourists. The Forex earnings from the tourism industry were 25,000 crores. The tourism industry created 38.8 million direct and indirect jobs. The tourism trend shows as per the 10th five year plan Indian government is willing to spend over ₹ 2900 crores in the next five years to boost the growth in this sector. It is also seen that domestic tourism has displayed greater buoyancy and resilience. The centre has committed to contribute 765 crores for the state tourism development.
- *Tourism Employment:* Tourism Sector is a major generator of employment. As a highly labour intensive activity, tourism and tourism support activities create a high proportion of employment and career opportunities for low skilled and semi-skilled workers, particularly for poor, female and young workers. Women make up 70% of the labour force in tourism sector and half of all tourism workers are 25 years or under. The tourism sector can be an important source of employment for many of the unemployed youth and consequently reduces the poverty in the society.

Tourism is one economic sector in India that has the potential to grow at a high rate and ensure consequential development of the infrastructure at the destinations. It has the capacity to capitalize on the



country's success in the services sector and provide sustainable models of growth. In India, the travel and tourism sector is estimated to create 78 jobs per million rupees of investment compared to 45 jobs in the manufacturing sector for similar investment. Along with construction, it is one of the largest sectors of service industry in India. Apart from providing employment to a wide spectrum of job seekers from the unskilled to the specialized, a higher proportion of tourism benefits (jobs, petty trade opportunities) accrue to women.

### **Need to Create Value for Destination**

Substitutability has become one of the main problems for destinations today, especially in the most competitive markets such as the sun, sea and sand, where many destinations are becoming increasingly substitutable. Moreover, tourists are becoming increasingly sophisticated and discerning, and destination choice is now a considerable indication of lifestyle and a way to express identity. Thus, destinations have been required to find new ways to differentiate themselves from the competition and to establish connections with consumers. Morgan et al. (2002) emphasize that the key to effective destination differentiation is the development of a destination brand.

### **Create Value through Destination Branding**

A brand is a name, symbol (logo, trademark, package design), or other marker that distinguishes one product or service from those of competitors. Branding offers organizations a means for differentiation which is a significant competitive strategy. The extension of the brand concept from products to service industries such as tourism offers implications for resort and travel destination management. Branding helps cities attract tourists or funds in the increasingly competitive environment. Brands also contribute to the creation of added value for customers and are correlated with loyalty.

Destination branding can be defined as a way to communicate a destination's unique identity by differentiating a destination from its competitors. Thus, similarly to general brands, destination brands exert two important functions: identification and differentiation. Although a product in general terms represents a physical offering that can be easily



modified, a place as a product is a large entity that contains various material and nonmaterial elements to represent it.

### **Case Study: Tourism Destination Branding (New Zealand)**

New Zealand is recognised as perhaps the world's place brand pioneer and most successful exemplar of nation branding. There was a strong understanding of the link between the natural environment and quality produce, which led to a focus on natural, pure and clean brand values. This resonated with customers internationally and helped turn around New Zealand's fortunes in sales of food, drink and natural produce.

But the natural environment also worked wonders for tourism. New Zealand's majestic beauty and unspoilt natural environment, coupled with a passion for adventure and innovation in extreme sporting activities (e.g. bungee jumping, jet-boating etc), projected a new image of New Zealand as a fresh, crisp, clean, natural, youthful adventure destination. This was a far cry from its previously staid and rather old-fashioned image. This was helped by a steady stream of young backpackers who fuelled the demand for a more exciting form of tourism, which led both to a growth in adventure activities and a fresh image of the country.

New Zealand's focus on its natural environment, youthful energy and quality produce seamlessly transcended all sectors, most particularly agricultural produce and tourism. New Zealand's slogan '100% Pure' may now be more associated with tourism. The slogan and the values it represent, have a much wider impact across different sectors, not just tourism. Such powerful synergy between tourism and other sectors is rare. But the New Zealand example shows how shared values can apply across different sectors as the basis for a strong place brand, as long as they are credible and rooted in reality.

New Zealand's advertising powerfully conveys these values by projecting an engaging youthfulness, an unspoilt natural environment and the prevalence of adventure activities.

*Source:* Handbook of Tourism Destination Branding

## Customer Value of Tourist Product

The guest's overall perception of customer value results from a variety of quality-related perceptions and experiences with the service provider over a period of time. On this service continuum, the value concept can be divided into three stages. *Expected value* reflects the desire value of the customer, referring to the needs, goals and purposes of the customer, and how customers expect the alternative products to satisfy these needs (see Woodruff 1997). The basis for value expectancies in tourism can be derived, first of all, from the person's underlying holiday-taking motivations, which can be classified into four motivational needs, based on the work of Maslow: intellectual (learning, exploring, discovering, thought or imagining), social (interpersonal relationships, esteem of others), competency-mastery (need to achieve, master, challenge, compete) and stimulus-avoidance (a drive to escape from stressful life situations).

*Perceived value* reflects both the guest's perceptions and experiences before entering the facilities of the service provider (these may include e.g. customer information, reservations, hours, grounds) and those the guest encounters while the service is actually being performed (including, e.g., check-in/point of entry, payment terms, guest assistance, physical facilities, guest services, checkout/point of departure,. So, the perceived value of a tourist product consists of two components: the perceived value before, and during, the service process.

*The experienced value* is formed both by the experiences encountered during the service process (episodes in the modules) and by those that occur after the guest has departed (customer follow-up, complaint resolution, frequent guest incentives) and reflects customer satisfaction with the received value, evaluated against the customers' goals and purposes.

## Conclusion

Tourism has emerged as an instrument for employment generation, poverty alleviation and sustainable human development. Tourism promotes international understanding and gives support to local handicrafts and cultural activities. It is an important segment of the country's economy, especially in terms of its contribution towards foreign exchange earnings,

generation of additional income and creation of employment opportunities. The foreign exchange earnings from tourism during the year 2000 were estimated at about ₹ 14,408 crores with an estimated direct employment of about 15 million, which is about 2.4% of the total labour force of the country. Tourism is the third largest foreign exchange earner for India. The International tourist traffic in the country is estimated to be 2.64 million during the year 2000. However, according to the World Tourism Organisation (WTO), India's share in world tourism arrivals is only 0.38%, accounting for 0.62% of the world tourist receipts. This indicates that much of the tourist potential is yet to be tapped.

### Self Assessment Questions

1. What is tourism destination?
2. What are the elements of tourism destination?
3. What is planning?
4. Why is tourism planning important?
5. What are the levels of tourism planning?
6. What are the major elements of a destination plan?
7. What is tourism master plan for a destination?
8. What do you mean by primary and secondary destinations?
9. What are the characteristics tourism destinations?
10. What do you mean by management of tourism destination?
11. Why is the system between destination and tourism?
12. What is tourism destination management?
13. Explain the importance of destinations information.
14. What is the role of information on destination selection?
15. What do you mean by destination management system?
16. How do you develop system operation in a tourist destination?
17. Narrate an example for ICT supported virtual networking at destination.
18. Why is tourism planning important?
19. What are the levels of tourism planning?
20. What are the major elements of a destination plan?
21. How Does destination selection process takes place?
22. What is the economic value of tourism?

23. What is the need to create value for a tourist destination?
24. How destination branding helps in creating value?
25. What is the importance of customer value of tourists product

## **CASE STUDY**

### **Ecotourism destinations in Kerala**

#### **Introduction**

Ecotourism is gaining popularity all over the world today, especially with the emergence of the alert, independent traveller in search of experiential holidays. Renowned as God's Own Country, Kerala is a tourism destination that focuses on sustainable and eco-friendly development of tourism. A rich biodiversity and unmatched natural attractions make the State a unique ecotourism hotspot, of which the world is largely unaware. To explore the ecotourism possibilities in Kerala, a host of products have been developed with the active support and involvement of the local community. Unfolding in the following pages are some of these products that will make every journey to Kerala truly enriching. Products that will let the traveller discover God's Own Country - all while respecting the nature, environment and the community.

#### **Ecotourism**

**Ecotourism** is a new concept in tourism. It is a purposeful travel to natural areas to understand the cultural and natural history of environment, taking care not to alter the integrity of the ecosystem, while producing economic opportunities that make conservation of natural resources beneficial to local people. In short, ecotourism can be conceptualised as Any tourism programme that is a) Nature based, b) Ecologically sustainable, c) Where education and interpretation is a major component and d) Where local people are benefited can be called ecotourism. If it does not satisfy any one of these components then it cannot be called a real ecotourism venture.

**Vagamon:** Vagamon is a hill station located in Kottayam-Idukki border of Idukki district of Kerala, It has a cool climate with the temperature between 10 and 23 °C during a summer midday. It is situated

1,100 meters above sea level. Vagamon also known as the 'Scotland of Asia', was discovered by the Britishers who found the place ideal for tea plantations and they were followed by Christian missionaries who built their abode of service at Kurisumala in Vagamon. Still untouched by commercialization, the sleepy town with its scenic valleys, beautiful green meadows, enchanting pine forests, mists, fogs, tea estates, waterfalls with the overall greenery is really striking. Vagamon has amenities for trekking, paragliding, mountaineering and rock climbing

**Thattekad:** It is covering an area of hardly 25 km, and located about 60 km north-east of Cochin (Kerala state, India), is one of the important bird sanctuaries of India. The literal meaning of **Thattekad** is flat forest; the region is an evergreen low-land forest and is located between the branches of Periyar River, the longest river in Kerala. The **Thattekad Bird Sanctuary** has a rich and varied bird life. Around 210 species of birds have been identified here so far. Birds like – Indian Roller, Cuckoo, Common snipe, Crow pheasant, Jungle Nightjar, Kite, Grey Drongo, Malabar Trogon, Woodpecker, Large pied wagtail, Baya sparrow, Grey jungle fowl, Indian hill myna, Robin, Jungle babbler and darter are found here. Crimson-throated Barbet, Bee-eater, Sun bird, Shrike, Fairy blue bird, Grey-headed fishing eagle, Black winged kite, Night heron, Grey heron, Common Grey Hornbill and Malabar Hornbill are some of the rarer birds found.

**Athirappilly waterfall:** It is the largest waterfall in Kerala. Athirappilly is popular among tourists. Athirappilly is one of the best places to visit in Kerala. Athirappilly Falls is a part of Chalakkudy River and it is approximately 80 feet in height. It is located 60 km from Thrissur City, 70 km northeast of Cochin city, 55 km northeast of Cochin international Airport, and 30 km from Chalakkudy town. Originating as a sliver streak from the high ranges, and crashing through gorges lined with wild bushes and trees the waterfall gains strength and size as it thunders down at its final sojourn before it joins the rivers downstream. It is one of the best places in India to enjoy the serene charm of nature at its best.

**Vythiri:** Vythiri is a very popular tourist destination, Vythiri, a land blessed abundantly by nature, situated 3000 m above MSL, is famous for its numerous spice plantations dotting the landscape. The salubrious climate and scenic beauty of Vythiri made it a popular hill-retreat during the colonial times. Rocky terrains, lush forests, numerous waterfalls and wild

streams make Vythiri an ideal destination for adventure travelers. There are numerous opportunities here for trekking, rafting, wildlife adventure safari etc. Wayanad wildlife sanctuary, a part of the Nilgiri biosphere reserve, is located near Vythiri. Traveling to Vythiri is not all that hard. There are many options available, and buses to Vythiri can be taken from nearby cities and towns. Kozhikode is the nearest major city from Vythiri.

***Thenmala:*** It is a very popular tourist place near Punalur in Kollam district. India's first eco tourism project is located at Thenmala. Thenmala is located about 72 kms from Thiruvananthapuram. This is a predominantly forest area in the Western Ghats. Shenduruney Wildlife Sanctuary is one of the major attractions of this place. Other places of tourist importance are Thenmala Dam, Palaruvi, the adventure zones etc. Palaruvi Waterfalls is only 16km from Thenmala. The main attraction is a 300 foot-high waterfall which looks like a Stream of milk and hence the name Palaruvi.

### **Discussion Questions**

1. Explain the major attractions of ecotourism destinations in Kerala.
2. How the Kerala Ecotourism destinations are different from other States of India.
3. What is the role of State Tourism Department in planning and promoting ecotourism destinations in India?

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## UNIT – II

### Destination Planning Process and Analysis

#### Unit Structure

Lesson 2.1 - Levels of Tourism Planning and Development

Lesson 2.2 - Assessment of Tourism Potential

Lesson 2.3 - Planning for Sustainable Tourism Development

Lesson 2.4 - Economic, Socio-cultural and Environmental Considerations

Lesson 2.5 - Planning for Demand and Supply Match

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#### Lesson 2.1 - Levels of Tourism Planning and Development

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#### Learning Objectives

*After studying this lesson you can be able:*

- To appreciate the importance of tourism planning;
- To familiarize with the tourism planning process and
- To acquaint with the different levels of tourism planning.

#### Introduction

It is now recognized that tourism must be developed and managed in a controlled, integrated and sustainable manner, based on sound planning. With this approach, tourism can generate substantial economic benefits to an area, without creating any serious environmental or social problems. Tourism's resources will be conserved for continuous use in the future. There are numerous examples in the world where tourism has not been well planned and managed. These uncontrolled developments may

have brought some short-term economic benefits. Over the longer term, however, they have resulted in environmental and social problems and poor quality tourist destinations. This has been detrimental to the area's residents, and tourist markets have been lost to better planned destinations elsewhere. Many of these places are now undergoing redevelopment. It is obviously better to plan for controlled development initially, and prevent problems from arising in the first place.

Tourism planning is carried out at all levels of development - international, national, regional and for specific areas and sites. Planning tourism at all levels is essential for achieving successful tourism development and management. The experience of many tourism areas in the world has demonstrated that, on a long-term basis, the planned approach to developing tourism can bring benefits without significant problems, and maintain satisfied tourist markets. Places that have allowed tourism to develop without the benefit of planning are often suffering from environmental and social problems. These are detrimental to residents and unpleasant for many tourists, resulting in marketing difficulties and decreasing economic benefits. These uncontrolled tourism areas cannot effectively compete with planned tourist destinations elsewhere. They usually can be redeveloped, based on a planned approach, but that requires much time and financial investment.

### **Tourism Planning Process**

Tourism planning is a complex and rational process and as such it should be carried out on the basis of a systematic process in order its results to be realistic and effective. This process varies according to the systems situation, the type and the level of planning. According to Inskeep (1991) the basic steps of tourism planning are:

- i. Study Preparation
- ii. Determination of objectives
- iii. Surveys
- iv. Analysis and Synthesis
- v. Policy and Plan Formulation
- vi. Recommendations
- vii. Implementation and monitoring
- viii. Periodic Review



It's important to be mentioned here that planning constitutes a circular process which provides knowledge to decision makers and it is refilling the system with the appropriate information. In case that the decisions made and the processes followed cannot fulfill the objectives defined at the beginning of the process then those objectives as well as the process followed can be redrawn.

**i) Study Preparation:** The first step in the planning process is careful preparation of the study so that it provides the type of development guidance that is needed. Study preparation involves formulating the project terms of reference, selecting the technical team to carry out the study, appointing a steering committee, and organizing the study activities. It is realization of the need for planning and for the systematic preparation of a tourism plan and preliminary interpretation of:

- current tourism circumstances
- pending tourism development
- latent tourism opportunities
- potential problems for and because of tourism

Decision to undertake systematic assessment include:

- preparation of terms of reference
- specification of the problem to be addressed
- specification of preferred end-product (e.g. set of guidelines, comprehensive tourism plan, or specialist plan).

Under this step government together with the private sector should take a decision to develop or expand or improve tourism development in a planned way. In this stage the use of typologies could assist the identification of the basic issues of planning just because it can highlight trends and constraints of tourism development in an area. The planning authority within the local or regional government (it may be one national agency on small islands that do not have a complex planning structure) decides to proceed with the development of a tourism plan. It is observed that while a number of agencies may be actively involved in tourism, it is normally a statutory body which undertakes the plan although quite often where a local and regional agency both develop a tourism plan,

it is important that they dovetail and are integrated to ensure a unified structure to tourism.

- ii) **Determination of objectives:** Goals and objectives indicate the desired results of developing tourism. Goals refer to more general aims of development and objectives to the more specific ones. Goals and objectives should be carefully determined because they are basic determinants of the tourism policy and plan. In this stage, the main purpose of the plan is identified (i.e. is it pursuing a sustainable strategy to development? Is it being undertaken in response to a crisis such as saturation tourism to identify managerial measures to reduce the social, cultural and environmental impacts?)

Obtaining clear statements of goals and objectives is difficult, but important. Ideally, tourism development goals should flow from more general community goals and objectives. It is important to understand how a tourism plan serves these broader purposes. Is the community seeking a broader tax base, increased employment opportunities, expanded recreation facilities, better educational programs, a higher quality of life? How can tourism contribute to these objectives? If tourism is identified as a means of serving broader community goals, it makes sense to develop plans with more specific tourism development objectives. These are generally defined through a continuing process in which various groups and organizations in a community work together toward common goals.

- iii) **Surveys:** This step involves collecting quantitative and qualitative data on all relevant aspects of the tourism system. The survey step should be carefully conducted in order to be efficient. Often in this step a map or aerial photograph can help on the observation of spatial relationships that are not obvious in any other way. An inventory of all the existing tourism resources and facilities are surveyed together with the state of development. This will require the collection of data on the supply and demand for tourism, the structure of local tourism economy, investment and finance available for future development. It will also involve identifying the range of other private and public sector interests in tourism within the destination or locality. Surveys will cover such matters as

- existing tourist profiles
- assessment of tourism features

- assessment of complementary features
- assessment of investment sources and capability (including entrepreneurship and local leadership)
- assessment of government structures and organizations, and their involvement in activities which interact with tourism.

Survey stage can assist in the creation of a typology but it also can be assisted by the use of a typology by facilitating the process of collecting available data. At this point new technological and methodological tools like Geographical Information Systems could make the process more easy, representative and accurate through the use of their extensive and powerful spatial databases.

iv) **Analysis and Synthesis:** In this step data gathered on the previous stage of surveys are combined and synthesized in order to identify major opportunities and constraints for tourism development in the area. The information and data collected in the previous stage are analyzed and incorporated as data when formulating the plan. Four principal techniques are frequently used here: asset evaluation, market analysis, development planning and impact analysis (especially economic impact analysis such as input-output analysis, multiplier analysis and tourism forecasting). This stage involves an integrated analysis of environmental, social and economic factors, to reveal:

- tourism opportunities
- problems to be addressed
- needs for tourism

Further it involves interpretation of potential environmental, social and economic impact, and the determination of management strategies to overcome any potentially detrimental impact. Finally an assessment of the impact of prevailing government policies and organizations and industry bodies on the achievement of the set objectives is done -including assessment of the suitability of existing tourism organizations, legislation and regulations. The use of typologies here can help to highlight the real touristic image of the destination area, to show the trends, the problems and conflicts together with the opportunities of development.

v) **Policy and Plan Formulation:** This stage refers to the formulation of tourism policy and preparation of the physical structure of the plan. The use of scenarios is essential at this point. The data gathered in the previous stage are used to establish the various options or development scenarios available for tourism. This frequently involves the drafting of a development plan with tourism policy options, with certain goals identified. It is argued that there are three main elements evident in most tourism policies that are germane to the tourist experience: visitor satisfaction, environmental protection and ensuring adequate rewards exist for developers and investors. By developing a range of policy options at this stage of the planning process, the future direction can be considered. This stage is concerned with the preparation of a series of integrating policies concerned with:

- economic strategy
- marketing
- human resources development
- environmental conservation
- investment
- organization

This stage involves cross-referencing with preliminary objectives -perhaps necessitating review and revision in the light of further experience. Further, there should be a preparation of integrated development options (not a single plan, but a number of alternatives which may be tested against the reformulated objectives). Here the use of typologies is essential, especially in cases where the spatial and time scales are extended where obviously tourism development could not have the same strength or characteristics in everywhere. Basically the creation of a typology is a process where destination areas presenting similar characteristics are grouped together in classes. Main aim in this process is to assist tourism planning and decision support process. So typologies can basically help in this step through the process of formulation policies that are suitable and essential for each set/group/type of touristic area.

vi) **Recommendations:** Based on all above steps alternative scenarios should be evaluated here in order the most suitable to be selected and implemented. Alternative scenarios can be applied in each

type/group of touristic area. The full tourism plan is then prepared and forwarded to planning committee of the public agency responsible for the process. A period of public consultation is normally undertaken in most western industrialized countries. The draft plan is then available for public consultation so that both the general public and tourism interests can read and comment on it. A number of public hearings may also be provided to gauge the strength of local feeling towards the plan. Once this procedure is completed, the plan will then be approved by the planning authority and the final plan is then produced.

Preparation of final plan may be either of the previously considered options, or a new hybrid with a mix of the best compatible features from these options. This involves finalization of the plan in respect of:

- tourism development regions/zones
- transportation links
- infrastructure systems
- tourism attractions
- labour skills
- investment levels and sources
- environmental and cultural conservation
- organization (including legislation)

vii) **Implementation and monitoring:** At this final step the plan prepared above should be implemented while tourism development should be monitored in order to be ensured that the goals and objectives defined are accomplished. By the use of a typology it is easy to monitor/observe the effectiveness of the plan through the transitions that will happen between and within groups/classes. The means of implementation and monitoring involves:

- creation of an agency or agencies with the responsibility to ensure the finalized plan is implemented and monitored;
- preparation of a schedule of tasks to be completed within prescribed time frames and period for review and revision
- creation of an agency or agencies for on-going supervision to ensure the plan remains relevant and feasible

The plan is put into action; this is normally seen as ongoing process by the planning team. In some instances, legislation may be required to control certain aspects of development (e.g. the height of buildings and developments) which will need to be implemented as part of the plan. The political complexity of implementing the plan should not be underestimated.

Often, the political complexion of the elected representatives on the statutory planning authority may change and cause the priorities to change although, if an Action Plan is produced alongside the plan, it will allow for some degree of choice in what is implemented; it will also need to be monitored. This is an ongoing process where the planning agency assesses if the objectives of the plan are being met.

The operational time frame for a tourism plan is normally five years after which time it is reviewed. Plans generally need to be adjusted over time due to changing goals, changing market conditions, and unanticipated impacts. It is a good idea to build monitoring and evaluation systems into planning efforts.

- viii) **Periodic review:** The process of reporting back on the progress once the plan has run its course and been implemented. Some of the reasons for the failure of the plan to achieve its stated objectives may relate to a change of political complexion amongst the elected members of the planning authority (e.g. where an anti-tourism lobby dominates the local authority when the plan was commissioned by a pro-tourism council), a failure to achieve a degree of consensus between the private and public sector on how to address 'bottlenecks' in the supply of services and facilities for tourists; inadequate transport and infrastructure provision; and public opposition to tourism from a misunderstanding of residents' attitudes.

### **Levels of Tourism Planning**

Tourism planning is implemented at different levels from the general level which may apply to an entire country or region down to the local level which may apply to detailed planning for specific resort. What is important to emphasize is the tourism planning and development must

be integrated among all the levels to take into account different levels of concern and to avoid duplication of efforts and policies. Each level involves different considerations as follows:

- i) **International Level:** Tourism planning at the international level involves more than one country and includes areas such as international transportation services, joint tourism marketing, regional tourism policies and standards, cooperation between sectors of member countries, and other cooperative concerns.
- ii) **National Level:** Tourism planning at the national is concerned with national tourism policy, structure planning, transportation networks within the country, major tourism attractions, national level facility and service standards, investment policy, tourism education and training, and marketing of tourism.
- iii) **Regional Level:** Tourism planning at the regional level generally is done by provinces, states, or prefectures involving regional policy and infrastructure planning, regional access and transportation network, and other related functions at the regional level.
- iv) **Local or Community Level:** Tourism planning at the local level involves sub-regions, cities, towns, villages, resorts, rural areas and some tourist attractions. This level of planning may focus on tourism area plans, land use planning for resorts, and planning for other tourism facilities and attractions.
- v) **Site Planning Level:** Site planning refers to planning for specific location of buildings and structures, recreational facilities, conservation and landscape areas and other facilities carried out for specific development sites such as tourism resorts and may also involve the design of buildings, structures, landscaping and engineering design based on the site plan.

## Conclusion

Tourism is a growth industry; and while that growth may, from time to time, show some short-term slowing, the long-term prospects are good. Growth is expected to continue based on continuously rising per capita incomes, lower relative travel costs, increased leisure time, sound promotional strategies, changes in consumers' tastes/preferences

## Notes

toward travel, abundance of recreational opportunities, substantial leisure goods and services, a supply of good facilities and the introduction of new technology. However, to make this happen, sound strategic tourism planning must occur. While the economic aspects are important, planning should also emphasize the site's environmental integrity and the social benefits to the community, especially enhanced human welfare, happiness and quality of life

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## Lesson 2.2 - Assessment of Tourism Potential

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### Learning Objectives

*After studying this lesson you can be able:*

- To familiarize the meaning of 'tourism potential'
- To appreciate the attributes concerning assessment of tourism potential
- To understand the indicators for assessing tourism potential and
- To acquaint with the procedure for assessing tourism potential of a destination.

### Introduction

The term "tourism potential" is widely used in the tourism literature, but attempts for its precise scientific definition are scarce. Generally, tourism potential can be defined as the ability of an area (territory) to form a complete tourism product ("a complex of material and nonmaterial elements to provide satisfaction of needs and benefits to the tourist, offered for consumption" – Krippendorf, 1980) and develop an economically vital tourism. It is not necessary for this ability to be displayed or realized at the present moment but it must exist, according to the knowledge of contemporary tourism.

This ability depends on many factors. Above all, a territory must be attractive, it must interest potential visitors. This has to do, above all, with tourist resources (or resource potential), which are defined as the original (basic) sites and phenomena that attract tourist flows to a given destination. Through the resources a psycho-physical regeneration and enhancement of the erudition of tourists – directly or indirectly, is implemented, through the services offered at their basis.

The resources alone, however, are not enough to prove that a territory has tourism potential or the ability of forming a tourism product. A tourist must be able to reach it comparatively easy (i.e. the position and accessibility of the territory are elements of the potential) and to get at least elementary services needed for his staying (which requires servicing installations such as food and accommodation facilities etc.). The functioning of such facilities requires the existence of adequate infrastructure, workforce etc.

These factors are reflected as a whole in the definition of Gunn (1988) as “areas with tourism development potential” (“destination zones”), which are expected to have attractions (things to see and do), local communities (settlements) to provide services, goods, facilities and attractions, as well as transportation to secure the access to the area and in it. As was noted already, it is not necessary for all elements to be available to say that a territory has tourism potential. However, for the tourism potential to exist, it is important that the development of the rest of the elements of service must be possible.

### **Attributes Relating to Assessment of Tourism Potential**

It is important to state that practically every territory has certain tourism potential. Practically every site or phenomenon can be a tourism resource in a specific situation. This is because there are many different types of tourism and each one of them is based on different resources or attractions, i.e. different territories have different potential for different types of tourism. Besides, this peculiarity is due to the heterogeneous tourism demand – different segments of the tourism market look for different conditions and attractions which also affect the tourism potential of the territory.

It is necessary to stress the fact that not all areas can develop economically vital tourism, i.e. tourism that has considerable economic, social and other benefits and justify the investments needed. Having in mind these conceptions of the nature of the tourism potential, the following definition for the places (areas) having such potential can be given. The places having tourism potential must: a) have tourism resources (attractions) allowing the attraction of considerable amounts of tourist flows, securing a short term or medium term economically effective

development of tourism; and b) be situated relatively close to important centers of forming and distributing tourism demand.

As observed in different researches, performance of tourism is dependent upon the quality of services provided as well as the socio-economic and socio-cultural background of the tourists. There is a wide range for destination choices of the tourists, though the choice-value can be enhanced only by upgrading the quality of services. Thus the analysis for assessment of tourism potential is restricted with existing tourist infrastructure and proxy data of tourist attractions. Three broad aspects namely physical, social and environmental are considered as level-1 attributes in connection with assessing tourism potential. Each of level-1 aspect consists of a set of variables which are explained hereunder:

- 1) **Physical** aspects include geographic terrain, regional connectivity and vehicular accessibility, versatility in accommodation system, guide and tourist information factors, local souvenirs, tele-communication systems, availability of quality and special foods, parking and other recreational facilities.
- 2) **Social** factors include existing tourist influx (for existing tourist spots only), intensity of fairs and festivals, timing to visit a spot, duration of stay, compatibility of the spot with surrounding land use, safety and security for the visitors, probability of social crimes, behavioral aspects of the operators or service providers etc.
- 3) **Environmental** aspects are probability of natural calamity during a specific time window, natural and anthropogenic threat, hazardous land-use, quality of air and water, and pollution etc.

### **Indicators for Assessing Tourism Potential**

Tourism potential can be viewed conventionally as primary (resource) or potential in the narrow meaning of the word, and secondary or potential in the broad meaning of the word including the position and accessibility of the territory, the availability of ecological problems, the contemporary level of development etc. The existence of tourism resources and tourism sites is perceived as one of the most important indicators for evaluating the primary tourism potential based on both the natural and the manmade recreational tourism resources. Existence of water basins and

streams on the territory (rivers and lakes) – characterizes the existence of water resources as one of the main factors of tourist attraction. Due to the importance of sea recreation, respectively of seaside, the seaside zones are always included in the areas with a considerable primary tourism potential. Existence of forest areas is also included in the tourism resources. They characterize another important and complex factor of tourist attraction – the forest vegetation with its healing and prophylactic role, influencing strongly the landscape diversity etc.

The tourist-geographic position and transport accessibility (proximity to airports, seaports, main roads) criterion characterizes the accessibility of the places with tourism potential from the sources of tourist demand and the possibility of reaching easily the tourist site. Proximity to big centers of tourist demand and big transportation centers facilitates access of the market, i.e. modifies the influence of the primary potential. Transport accessibility is a complex indicator that can be specified on the basis of specific indicators of accessibility with different types of transportation and through different transport routes. Further, tourists also look for an ecologically clean, non-polluted and unharmed natural environment to make their trip or vacation, and so tourist activities take place mostly in ecologically clean territories. The existence of any ecological problem in a territory – pollution with hard waste materials, water pollution, high soil acidity, disrupted and annihilated vegetation, noise pollution, existence of noxious emissions in the air etc. affect tourism development in it in a most negative way. Existence of ecological problems is one of the strongest restricting factors for modern tourism development and so they are an important criterion for assessing tourism potential.

Thus, the tourism potential assessment indicators could be summed up into four broad categories viz., cultural values, physical values, product values, and experiential values as discussed below:

### **Tourism Potential Assessment Indicators**

#### ***Cultural Values***

1. Do the stakeholders want tourists/tourism?
2. Can the asset withstand visitation without damaging its cultural values (tangible and intangible)?

3. Does the asset reflect a unique cultural tradition (living or disappeared)?
4. Is the asset of local, regional or international cultural significance?
5. Does a visit create an emotional connection with the individual?
6. Is the asset worth conserving as a representative example of the community's heritage?

### ***Physical Values***

1. Can all areas be accessed (if not what can be done to rectify)?
2. Does the site represent potential hazards for visitors (if so what can be done to rectify)?
3. What is the physical state of repair (any wear and tear) and will its authenticity be damaged after repairs are made?
4. Can it be modified for use (legally, practically)?
5. Are both the site (inside its physical boundaries) and the setting (its surrounds) appealing to tourists?

### ***Product Values***

1. Is the site big enough to attract and retain tourists for a long time?
2. Is the effort required by tourists to get to it too difficult to make a visit worthwhile (time, cost, effort)?
3. Is it near other attractions (similar or different types)?
4. Is there sufficient information about the site available (e.g. magazine, website, etc.)?
5. Does the site have tourist market appeal?

### ***Experiential Values***

1. Does this asset have the potential to offer interesting experiences to tourists?
2. In what ways is this asset capable of providing a participatory, engaging and/or entertaining experience?
3. Is this asset capable of meeting different tourists' expectations?

4. How authentic would general tourists perceive of the experiences offered by the asset?
5. Is good quality interpretation currently available and if not, how can it be provided?

### **Procedure for Assessing Tourism Potential of a Destination**

Literature suggests a five-step heuristics procedure to help destinations to select the best bundle of resources in which to invest. This procedure consists of identifying the destination's strategic assets; assessing the need for a change in their condition; estimating for the destination and its competitors the size of the investment and the pace needed for such changes; evaluating the strategic assets in the light of the different possibilities of the destination and its competitors for building these assets; and selecting the assets that should be developed. These heuristics are developed with a view to constructing a procedure which would enable the competitive potential of a specific type of tourism in an area to be evaluated.

#### **Step 1**

*Identification.* The first step is to determine the assets which enable the particular type of tourism studied to be successfully carried out. These elements are the strategic assets which determine the level of activity that one area can achieve with respect to others. Consultations with a group of experts on the type of tourism are proposed with a view to identifying these resources. The consultation would be carried out using in-depth interviews. The information obtained above should be complemented by further input extracted from a survey.

This would take the form of a questionnaire carried out on a sample of tourists to the destination being studied, as well as to its rival destinations. Identification of tourism potentials is in close relation with the need of achieving destination competitiveness on tourist market. In addition, identification of tourism potentials and assessment of competitiveness in tourism sector is more complicated due to the heterogeneous character of tourism. Crouch & Ritchie (1999) underlined that it occurs because of the analysts' perspective and focus of their interest which is related to their respective areas of research.

## Step 2

*Assessment of the Shortfall.* In order to evaluate the shortfall of the resources considered to be valuable, their current situation in the destination in question, as well as that of its competitors must be analyzed. To do this, it is necessary to consult the experts on the type of tourism, who should also have in-depth knowledge of the area. Thus, they are able to assess the conditions of the valuable resources of an area. Other experts in resources must also be consulted in cases where the former experts do not have sufficient knowledge of the asset in question to express an opinion. In addition, a tourist sample in each of the destinations needs to be asked about the current situation with respect to that area's valuable resources. By using this information about the different areas, it is possible to ascertain the degree of heterogeneity of the destinations analyzed with respect to valuable assets.

## Step 3

*Analysis of Imitability and Mobility.* In this stage, each destination's valuable resources are grouped into three categories: attractive, neutral, or unattractive. An asset will be more or less attractive depending on the relative difficulty for a destination to acquire or develop it. Therefore, those valuable resources which an area does not possess and cannot develop or acquire are classified as not attractive. This is also the case for those assets which a destination possesses but which require changes and cannot be carried out. These resources suppose a disadvantage that is proportional to the significance of the change needed. Such situations represent the opposite case to those resources which a destination possesses and do not require any change.

On the other hand, those assets which require change and where such is possible must be analyzed from two perspectives: the extent of the investment required to carry out such a change, and the speed at which the change can be made. As it can be highly complex or even impossible to make these evaluations, the experts consulted can be asked directly about these two aspects for each resource. Furthermore, the experts are asked to advise the size of investment in the light of both the amount of financial resources and other factors including the availability of capital in the area. The risk involved in the investment could represent another

element to be considered. As far as the degree of mobility is concerned, this is analyzed on the basis of the characteristics of each asset, resulting in a basis for a destination's sustained competitive advantage, which is inversely proportional to the degree of mobility of the valuable resources.

#### **Step 4**

*Competitive Evaluation.* With the information obtained for the area and its competitors, the analysis needs to be carried out in order to reach conclusions about the competitive potential of a type of tourism in each area. Thus, comparing the relative attractiveness of one area's valuable resources with those of its competitors, as well as their degrees of mobility, the relevant assets of each area fall into three categories of strategic assets: offensive, equal, and defensive. A territory's offensive resources are those considered attractive for that area, are mostly unattractive for its competitors, and are also imperfectly mobile. The more offensive strategic assets a destination owns, the stronger its basis to establish a competitive advantage, since these are resources which this area possesses and others do not, and which are difficult to acquire or imitate.

On the other hand, a destination's defensive resources are those considered unattractive in the context of that particular area, yet which are mainly considered to be attractive for others. These assets must be considered by the area in order to establish actions to counter their use by competitors. It must be taken into account that substitutes can be found for those considered offensive for the destination, thus reducing their effectiveness. The resources with few differences among destinations in terms of ability to create or develop them, or with high mobility, are classed as equal. These assets cannot be a source of sustained competitive advantage. But, on occasion, they must be developed, depending on the importance they have for the economic activity studied. If they are considered important, their development, albeit without competitive advantage, is essential to achieve parity with other areas.

#### **Step 5**

*Selecting the Assets.* Identified potentials should be taken into consideration of the regions' possibilities for developing certain types of tourism but, with obligatory attention of their sustainability within following:



- *Potentials for tourism and recreational activities in mountain areas by undertaking the following:* marking ski runs at the mountains where possibilities prevail; building cable-cars and ski-lifts; defining, establishing and equipping sites for viewpoints; establishing mountain and alpine trails; establishing education-recreational trails; organizing and equipping sites for bird/animal watching; establishing center for logistics in the mountains and hunting activities; opening centers for presentation of the mountain tourist values; determining locations for mountain lodges, hunting lodges and other kinds of shelters and catering capacities.
- *Potentials for initiating transit tourism:* locate tourist information centers; equipping the infrastructural contents for the visitors' stay; location of catering and accommodation capacities on most significant and most frequent roads; horticultural arranging of the areas; appropriate sanitary and hygienic facilities; gift shops.
- *Eco-tourism activities:* measures and activities for maximum protection of areas; defining and differentiating eco-tourist units in the region; establishing education-recreational trails; encouraging activities for surviving in nature; encouraging organic food production
- *Activities towards promotion of speleo tourism:* providing access to caves; arranging information tables in front of caves for educational-cultural activities; arranging and equipping the caves for visit; animation of the area through illumination and audio effects; encouraging travel agencies' activities for creation of speleological tourist offer; providing speleological guide service and service for facilitating the stay.
- *Water activities:* swimming activities within arranged beach areas; walking paths by the coasts; water sports; green areas protection; fishing activities; determination of spots for fishing activities; sport recreational and entertainment programs.
- *Activities for development of spa tourism:* arranging the spa areas and surrounding; modernization of spa infrastructure; equipping spas with modern medicine diagnostics and other amenities; arranging areas for health-recreational activities (walking paths, open swimming pools); including programs for dietetics, relaxation, beauty treatments etc.

- *Activities for developing rural tourism:* organizing seminars, lectures and meetings with citizens for the benefiting of development of the rural tourism; arranging and equipping the area for tourist offer; encouraging enrichment the live-stock fund in size and variety; establishing programs (agro-farming entertainment) and activities during the period of stay of tourists; providing infrastructural facilities of the area for visit.
- *Activities for promoting cultural heritage for tourism:* tourist valorization of monuments of culture and arranging the areas around them; protection of sites from danger of devastation (pot-hunters, thefts, etc); intensifying the cultural-research activities; revitalization of cultural heritage; definition and establishing of heritage trails.

### **Conclusion**

The term “tourism potential” is widely used in the tourism literature but attempts for its precise scientific definition are scarce. Generally, tourism potential can be defined as the ability of an area (territory) to form a complete tourism product. It is not necessary for this ability to be displayed or realized at the present moment but it must exist, according to the knowledge of contemporary tourism. The Ministry has identified 24 destinations/circuits in India, based on their tourism potential, to be covered in the first phase of this initiative. The Ministry is also working with States to give emphasis on construction and upkeep of wayside amenities along highways/ roads leading to tourist destinations, cleanliness at the tourism sites and development of tourism projects in backward areas.

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## Lesson 2.3 - Planning for Sustainable Tourism Development

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the need of planning for sustainable tourism Development;
- To comprehend the basics for sustainable tourism Development;
- To realize the principles on which sustainable tourism Planning is built upon
- To appreciate the benefits of planning for sustainable tourism Development;

### Introduction

Tourism has had a profound impact upon destinations worldwide, and although this impact has been positive for many destinations, there are numerous examples where tourism has adversely impacted upon the environment and social fabric of the destination community. The negative impacts of tourism have been attributed, among other things, to inadequate or non-existent planning frameworks for tourism development. As such, tourism planning is considered vital to offset some of the negative impacts that tourism can have on the destination community. While several different approaches have been advocated over the years, tourism planning based on the philosophies of sustainability has emerged as one of the most comprehensive approaches. Two concepts are acknowledged as contributing to sustainable tourism development: enhanced levels of multiple stakeholder participation in the tourism planning process and a strategic orientation towards tourism planning.

The concept of sustainable tourism development/ tourism sustainability began to be used at the end of the 80s when those involved in tourism industry (academics, tour operators, etc.) began to realize the effects of tourist development in destination places. The meaning of

sustainability is applicable in tourism industry through the concept of sustainable tourism development which consist an important place of application for sustainability principles. Sustainability in tourism has to do with a tendency of development that recognizes and puts principles in tourism development. In bibliography there are two basic trends for the concept of sustainability in tourism: sustainable tourism and sustainable tourism development. For their dissociation and definition, Butler (1993) stated that "... sustainable development in the context of tourism could be taken as: tourism which is developed and maintained in an area (community, environment) in such a manner and at a such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes".

Tourism sustainability is the key in the search of a more productive and harmonic relation between three basic elements: the tourist-guest, the host society and the environment. This relation is a dynamic one. The achievement of this desirable harmony depends upon the ability of the host region to accept the absorption and adapt changes that come as a result of tourism development and may be predictable or not or they can differ in intense and extent. Those differences are inter-correlated with the characteristics and the special features of each destination.

As for the host society economic effectiveness should exist together with positive social relations between hosts and guests. Positive attitudes on the side of host societies intensify the quality of the tourist experience offered and contribute positively in the attractiveness of the destination. Again, it should be mentioned here that during the past decade or so is observed an increased interest on behalf of tourists in sustainable tourism development. Tourists are also interested in more "independent" journeys that are organized from their selves. Tourists are now more informed, unanticipated and they also have ecological conscience.

### **The Basis of Sustainable Tourism**

Over the past two decades, the inter-relatedness of all earth systems and human systems has become abundantly clear. We have clearly understood that no human action ever occurs in total isolation

from other natural systems, and we have appreciated the reality that humans are dependent on the earth's limited resources. We have realized the fundamental importance of somehow finding ways to live within the carrying capacity of the earth. Over the last twenty years, the global community has been primed for some fundamental changes, including a search for "sustainable development" that is based on new modes of resource allocation and accounting, new attitudes toward the preservation of environmental integrity, and new ways of making decisions in all sectors.

Among the imperatives that promote and enhance the vision of sustainable futures, including that of a sustainable future for tourism, are the following:

- prudent use of the earth's resources within the limits of the planet's carrying capacity;
- devolution of top-down decision-making responsibilities and capabilities to a broader range of the destination's stakeholders;
- the abatement of poverty and gender inequalities, and respect for fundamental human rights;
- enhancement of quality of life through improved health care, shelter, nutrition, and access to education and income-generating skills;
- preservation of biodiversity and life support systems for all natural habitats; and
- preservation of indigenous knowledge and ways of living, and respect for the spiritual and cultural traditions of different people.

In fulfilling these imperatives, governments and other societal agents must struggle to find an appropriate balance between different, sometimes apparently conflicting needs and value systems. Sustainable development must meet three fundamental and equal objectives, namely:

- economic: production of goods and services (the overriding criterion in fulfilling this objective is efficiency);
- environmental: conservation and prudent management of natural resources (the overriding criterion is the preservation of biodiversity and maintenance of ecological integrity); and

- social: the maintenance and enhancement of the quality of life (equity is the main consideration in meeting this objective) and inter-generational, as well as intra-generational equity in the distribution of wealth.

Achieving sustainable tourism development also requires that the private sector and the public sector cooperate as partners in working toward a sustainable society. Making decisions about sustainable tourism development also requires that governments work within a broader framework than may have been used traditionally, working toward decisions that are:

- longer-term: to better anticipate and prevent problems;
- multi-sectoral: to include the full range of functions of the tourism environment;
- ecosystem based: to recognize the cumulative and synergistic effects of actions;
- wider: to recognize the impacts of their actions on other sectors, regions, and communities;
- deeper: to recognize that the causes and consequences of the problems they seek to solve may involve others and other institutions; and
- full-cycle: to consider the full context of resource use from initial extraction to end use.

Individual tourist resource management decisions will have to be taken with increased understanding of all these dimensions if the goal of sustainable futures is to be attained. Achieving sustainable futures requires the development of appropriate tourism on a continuum where growth decisions, development viewpoints and sustainability issues are balanced with environment and economy. In order to achieve profitability and environmental sustainability in the tourism industry, the tourism industry as a whole must take a different approach to planning and development.

### **Principles for Sustainable Tourism Planning**

Many destinations are now pursuing strategies that aim to ensure a sensitive approach when dealing with tourism. Many of these strategies are based on a formal expression of principles for sustainable tourism.

Planners and others can use these principles as basic guidelines when attempting to incorporate the broad vision of sustainability into local policies and practices. The list of principles provided below are important for destinations and organizations that wish to be guided by the ethic of sustainable and responsible tourism.

1. Residents of a community must maintain control of tourism development by being involved in setting a community tourism vision, identifying the resources to be maintained and enhanced, and developing goals and strategies for tourism development and management. Equally important, community residents must participate in the implementation of strategies as well as the operation of the tourism infrastructure, services, and facilities.
2. A tourism initiative should be developed with the help of broad-based stakeholder input.
3. Tourism development must provide quality employment. The provision of fulfilling jobs has to be seen as an integral part of any tourism development. Part of the process of achieving quality employment is to ensure that, as much as possible, the tourism infrastructure (hotels, restaurants, shops, etc.) is developed and managed by local people. Experience has demonstrated that the provision of education and training for local residents and access to financing for local businesses and entrepreneurs are central to this type of policy.
4. Broad-based distribution of the benefits of tourism must occur at the tourism destination. Local linkages and resident participation in the planning, development, and operation of tourism resources and services will help to ensure that a more equitable distribution of benefits will occur among residents, visitors, and other service providers.
5. Sustainable tourism development has to provide for intergenerational equity. Equitable distribution of the costs and benefits of tourism development must take place among present and future generations. To be fair to future generations of tourists and the travel industry, society should strive to leave a resource base no less than the one we have inherited. Sustainable tourism development must, therefore, avoid resource allocation actions that are irreversible.

6. A long-tenure planning horizon needs to be adopted by businesses and destination tourism organizations to ensure that destinations are not used for short-tenure gain and then abandoned as visitor tastes and business interests move elsewhere. A longer-tenure horizon encourages the use of proactive strategies to ensure destination sustainability and the establishment of local linkages over time.
7. Harmony is required between the needs of a visitor, the place, and the community. This is facilitated by broad stakeholder support with a proper balance between economic, social, cultural, and human objectives, and recognition of the importance of cooperation among government, the host communities, and the tourism industry, and the non-profit organizations involved in community development and environmental protection.
8. Tourism strategies and plans must be linked with a broader set of initiatives and economic development plans.
9. A need exists for more coordination at both policy and action levels among the various agencies involved and among different levels of government. This is particularly relevant to tourism and environmental policies. Service provisions such as transportation, parking, and water and sewer capacities must also be considered in conjunction with tourism plans and developments.
10. Cooperation among attractions, businesses, and tourism operators is essential given that one business or operation can be directly affected by the performance or quality of another.
11. There is a definite need for impact assessment of tourism development proposals. The capacity of sites must be considered, including physical, natural, social, and cultural limits and development should be compatible with local and environmental limits. Plans and operations should be evaluated regularly with adjustments as required.
12. Guidelines have to be established for tourism operations, including requirements for impact assessment. There should be codes of practice established for tourism at all levels - national, regional and local. There is also a need to develop indicators and threshold limits



for measuring the impacts and success of local tourism ventures. Protection and monitoring strategies are essential if communities are to protect the resources that form the basis of their tourism product.

13. Tourism planning must move away from a traditional growth-oriented model to one that focuses on opportunities for employment, income and improved local well-being while ensuring that development decisions reflect the full value of the natural and cultural environments. The management and use of public goods such as water, air, and common lands should include accountability on behalf of the users to ensure that these resources are not abused.
14. Sustainable tourism development requires the establishment of education and training programs to improve public understanding and enhance business, vocational and professional skills.
15. Sustainable tourism development involves promoting appropriate uses and activities that draw from and reinforce landscape character, sense of place, community identity and site opportunity. These activities and uses should aim to provide a quality tourism experience that satisfies visitors while adhering to the other principles of sustainable tourism.
16. The scale and type of tourism facilities must reflect the limits of acceptable use that resources can tolerate. Small-scale, low impact facilities and services should be encouraged, for example, through financing and other incentives.
17. The tourism process must also ensure that heritage and natural resources are maintained and enhanced using internationally acceptable criteria and standards.
18. Sustainable tourism marketing should include the provision of a high quality tourist experience which adheres to the other principles outlined above, and whose promotion should be a responsible and an ethical reflection of the destination's tourism attractions and services

## **Benefits of Sustainable Tourism Planning**

One of the important benefits of tourism is that, if it is properly developed based on the concept of sustainability, tourism can greatly help justify and pay for conservation of an area's natural and cultural resources. Thus, tourism can be an important means of achieving conservation in areas that otherwise have limited capability to accomplish environmental protection and conservation objectives. A basic technique in achieving sustainable development is the environmental planning approach. Environmental planning requires that all elements of the environment be carefully surveyed, analyzed and considered in determining the most appropriate type and location of development. This approach would not allow, for example, intensive development in flood plain and steep hillside areas.

Another important aspect of sustainable development is emphasizing community-based tourism. This approach to tourism focuses on community involvement in the planning and development process, and developing the types of tourism which generate benefits to local communities. It applies techniques to ensure that most of the benefits of tourism development accrue to local residents and not to outsiders. Maximizing benefits to local residents typically results in tourism being better accepted by them and their actively supporting conservation of local tourism resources.

The community-based tourism approach is applied at the local or more detailed levels of planning, but it can be set forth as a policy approach at the national and regional levels. The benefits accruing to local communities are also beneficial to the country, through the income and foreign exchange earned, employment generated and support that local communities give to national tourism development and conservation policies.

Also related to sustainable development is the concept of quality tourism. This approach is being increasingly adopted for two fundamental reasons - it can achieve successful tourism from the marketing standpoint and it brings benefits to local residents and their environment. Quality tourism does not necessarily mean expensive tourism. Rather, it refers to tourist attractions, facilities and services that offer 'good value for money',

protect tourism resources, and attract the kinds of tourists who will respect the local environment and society. Quality tourism development can compete more effectively in attracting discriminating tourists. It is also more environmentally and socially self-sustaining. Achieving quality tourism is the responsibility of both the public and private sectors. This concept should be built into the tourism planning, development and management process.

## **Conclusion**

The underlying approach now applied to tourism planning, as well as to other types of development, is that of achieving sustainable development. The sustainable development approach implies that the natural, cultural and other resources of tourism are conserved for continuous use in the future, while still bringing benefits to the present society. The concept of sustainable development has received much emphasis internationally since the early 1980s, although tourism plans prepared even before that period often were concerned with conservation of tourism resources.

The sustainable development approach to planning tourism is acutely important because most tourism development depends on attractions and activities related to the natural environment, historic heritage and cultural patterns of areas. If these resources are degraded or destroyed, then the tourism areas cannot attract tourists and tourism will not be successful. More generally, most tourists seek destinations that have a high level of environmental quality - they like to visit places that are attractive, clean and neither polluted nor congested. It is also essential that residents of the tourism area should not have to suffer from a deteriorated environment and social problems.

Sustainable tourism is a positive approach intended to reduce the tensions and friction created by the complex interactions between the tourism industry, visitors, the environment and the communities which are host to holiday makers. It is an approach which involves working for the long term viability and quality of both natural and human resources. It is not anti-growth but acknowledges that there are limits to growth. Sustainable tourism implies an approach to development aimed at balancing social and economic objectives with environmentally sound management.

It is not synonymous with unlimited growth of tourism development. Although we use the phrase “sustainable tourism development”, this terminology can be considered misleading because it emphasizes continued and increasing growth rather than the long-term viability or sustainability of tourism, environments, and cultures. Tourism development implies trade-offs and, in fact, planning for sustainable tourism requires identifying possible constraints or limits for tourism development. While tourism is welcomed almost universally for the benefits and opportunities it creates, there is a growing recognition of the need to see tourism in its environmental context, to acknowledge that tourism and the environment are interdependent, and to work to reinforce the positive relationship between tourism and the environment.

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## Lesson 2.4 - Economic, Socio-Cultural, and Environmental Considerations

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### Learning Objectives

*After studying this lesson you can be able:*

- To acquaint with the economic considerations in tourism planning;
- To understand the socio-cultural considerations in tourism planning;
- To know the environmental considerations in tourism planning and;
- To understand the concept of contingency planning in tourism.

### Introduction

Tourism is a rather complicated activity that overlaps several different sectors of the economy. Tourism is also still a relatively new type of activity in many countries. Some governments and often the private sector have little or no experience in how to develop tourism properly. For countries that do not yet have much tourism, planning can provide the necessary guidance for its development. For those places that already have some tourism, planning is often needed to revitalize this sector and maintain its future viability. Tourism planning efforts are most popularly directed toward improving the economy – more jobs, income and taxes generated.

Although this continues to be an important goal it will not be achieved unless planning for the economy is accompanied by three other goals – enhanced visitor satisfactions, protected resource assets, and integration with community, social and economic life. Tourism planning, therefore, requires careful consideration of the goals and principles of sustainable tourism. Some of the goals and principles that should be considered in tourism planning are:

### **Economic**

- Development which takes into account the full costs and benefits of the alternatives and decision embarked upon, from an overall economic and social perspective;
- Broad-based distribution of benefits among all stakeholders;
- Provision of a quality visitor experience that is compatible with the destination's goals and values;
- Ensure that fiscal costs of infrastructure provision and marketing do not outweigh the benefits (for example, residents may end up paying higher taxes to subsidize tourism development but may not benefit from improved income, social services, use of or access to the publicly constructed infrastructure, education and training opportunities, etc).

### **Social**

- Steady employment avoids the underemployment and unemployment associated with seasonal hiring for peak tourism periods;
- Better employment opportunities than the low pay positions typically associated with tourism services;
- Quality jobs that encourage the use of local knowledge, skills and traditions, and offer a sense of fulfillment and satisfaction to the residents;
- Improved standard of living and equitable distribution of benefits within (and between) generations in the present and future.

### **Cultural**

- Tourist activities and behaviors should be respectful of cultural activities, sites and values;
- Designs should be compatible with national and local heritage and character and should foster the community's identity or sense of place;
- Tourist types and activities should match the needs and expectations of the local people, with protection of sensitive and indigenous cultures against any adverse impact.

## Environmental

- Maintenance of essential ecological processes, biological diversity and non-renewable resources for future generations (through preservation or conservation strategies);
- Planning at a scale and pace that enables effective and ongoing monitoring and mitigation of long-term impacts;
- Full-cost accounting of environmental resources in cost-benefit analyses;
- An environmental and cumulative impact that analyses important prerequisites to development, and environmental management systems need to be implemented by businesses and organizations.

The above economic, socio-cultural, and environmental considerations are discussed in detail in the following sections.

## Economic Considerations in Tourism Planning

Economic benefits of tourism include increased employment, income, and foreign exchange; improved transportation facilities and other infrastructure for tourism that residents also can utilize; generation of government revenues for improvement of community facilities and services; and the catalytic effect of tourism on development of other economic sectors. On the negative side, the local area can lose economic benefits if outsiders own and manage tourist facilities.

Foreign exchange can decrease when tourism uses imported goods and services instead of taking advantage of locally available resources. Concentrating tourism in only one or a few areas of a country or region without corresponding economic development in other places can create economic distortions. And tourism can cause inflation of local prices of land, goods, and services. Various socioeconomic policies can lessen negative impacts and optimize benefits of tourism.

Planners should develop tourism gradually so that residents have sufficient time to understand and adapt to it, and the scale of tourism should remain at a level that allows the society to cope with it. The planners or the government should involve the residents in the decision making

process of developing tourism and give them sufficient opportunities to receive its benefits through employment at all levels, easy access to tourist facilities and attractions, and equity ownership of facilities and services.

Where the local culture comprises a major attraction for tourists, the government needs to establish and maintain quality control standards for dance, music, drama, fine arts, and handicrafts. In some areas, selective marketing techniques can attract the types of tourists who will appreciate and respect the social traditions. Education of residents about tourism and of tourists about local customs is often essential for socially integrating tourism into the economy. Economically, it is important to create strong cross-sectoral linkages between tourism and other local activities.

From the early stage of development, tourism planners should try to formulate and implement an integrated and institutionalized socioeconomic program that involves the government, private, community, and religious sectors. The tourism agency must continuously monitor socioeconomic impacts to identify problems and take corrective measures to alleviate them. In the final analysis, as with any type of development, even well-planned and well-controlled tourism will generate some environmental and socioeconomic change. The trade-offs between costs and benefits should be understood and accepted.

### **Socio-Cultural Considerations in Tourism Planning**

Tourism involves contact between residents and visitors and consequently may result in considerable socio-cultural impacts. Those impacts can be particularly problematic in developing areas, where traditional cultural patterns may differ appreciably from those of the tourists and where substantial socioeconomic differences exist between tourists and residents; but they also occur in more developed countries. Although most nations and regions develop tourism primarily for its economic benefits, tourism can nonetheless generate some economic problems or at least not bring maximum benefits.

Socio-cultural impacts of tourism have engendered much comment in recent years and made tourism a controversial issue in some places. All types of new development bring change and certain types of impact. Tourism is usually only one of the agents of social change, albeit a very



visible one. Socio-cultural impacts of tourism can often be positive if the government carefully plans and controls its development. However, if the government perceives that the socio-cultural and environmental costs may outweigh the benefits, they should not develop tourism in the area but should pursue growth in other economic sectors.

An important positive socio-cultural impact of tourism is conservation of the historic and cultural heritage of an area because those features comprise major attractions for tourists. Tourism can directly and indirectly support the costs of conservation and maintenance. That is particularly important in developing countries that have limited financial resources for conservation and often higher priorities in their development programs.

Significant types of cultural tourist attractions include historic and archaeological sites, museums and cultural centers, traditions of dress, music, drama, ceremonies and festivals, fine arts, handicrafts, architectural styles, customs, and ways of life. Some areas in danger of losing their cultural heritage due to the general development process can revitalize some of their traditions through tourism.

An approach that seems to be effective is cultural selectivity and adaptation within the general framework of maintaining the unique character and sense of identity of the society. An additional benefit of tourism can be that residents develop renewed pride in their culture when they observe tourists appreciating it. Tourists and residents can enjoy a cross-cultural exchange, learning about one another's culture, gaining mutual understanding and respect, and overcoming ideological and religious barriers.

Some major negative socio-cultural impacts can occur if tourism is not well guided or well planned. Such problems may include overcrowding of amenity features and transportation, shopping, and community facilities to the extent that residents cannot conveniently use them, which leads to resentment of tourism; over-commercialization and loss of authenticity of traditional customs, arts, and crafts to suit tourists' demands; "demonstration effect" on residents, especially young persons, who may begin to imitate the behavior, dress, and life style patterns of tourists; preemption of beaches and other areas for exclusive tourist use;

misunderstandings and conflict between residents and tourists because of differences in languages, customs, and value systems; exacerbation of problems of drugs, crime, and prostitution; and violation of local dress and behavior codes.

Therefore, it is very much essential that the tourism planner must understand the various types of socio-cultural impacts and principles that can reinforce positive impacts on the area and mitigate negative ones. It is dangerous to over-generalize, however, because each area is socially and culturally unique and planners must be especially aware of possible impacts of different types of tourism on the specific locale (Pearce 1982).

### **Environmental Considerations in Tourism Planning**

Properly planned and controlled tourism can help achieve environmental conservation but, on the other hand, tourism can cause environmental deterioration. Tourism planners need to be aware of two related environmental concerns. One is conservation of important environmental features and maintenance of the overall environmental quality of the area. The other is prevention, or at least minimization, of environmental problems that can result from tourism.

Those problems include air, water, noise, and visual pollution; vehicular and pedestrian congestion; ecological degradation; and land use incompatibility. Various environmental impacts have been documented in literature, although more research is needed, especially in ecologically sensitive environments such as tropical islands, marine areas, mountains, and deserts. The physical planning of tourism should utilize the environmental planning approach at all levels. General principles and techniques of environmental planning are well established and are adaptable for tourism planning.

An essential element of environmental planning for tourism is determination of the carrying capacities or use saturation levels of tourism areas. Carrying capacity indicates the optimum level of facility development and visitor use that will avoid environmental degradation. Setting limits on tourism development involves establishing regional planning policies for opening up new areas; and manipulating admission and pricing policies can help minimize overuse of important attraction

feature. Specific techniques can lessen negative environmental impacts of tourism and maintain or improve environmental quality.

Basic to them is application of development controls, such as prohibition of linear commercial development, establishment of maximum building heights and minimum setbacks of major buildings from beaches and roads, provision of adequate open space and landscaping in tourism areas, and suitable architectural and landscaping design standards. Proper installation and operation of water supply, sewage, solid waste disposal, and drainage systems are essential.

Tourist abuse of the environment by such activities as collection of live seashells and coral, removal of scarce plant and animal species, and littering must be carefully controlled. Tourist facilities should make maximum use of energy conservation techniques, especially in energy deficient areas. Maintaining high environmental health and safety standards is essential to control diseases and accidents. The government should require appropriate design and construction standards in areas prone to earthquakes, high winds, and heavy rainfall; and must apply environmental impact assessment procedures to tourism development projects. There should be continuous and systematic monitoring of environmental impacts, with remedial actions where necessary.

The rapid growth of tourism over the past 20 years has, together with industrial pollution, given rise to development constraints in an attempt to preserve the quality of the environment. Fortunately, protection of environmental quality is widely recognized as essential for the long-term health of the travel industry, since much tourism development depends on scenic attractions. Tourism also exposes large numbers of individuals to environmental issues, promoting greater public awareness of needs and bringing about a climate of opinion in favour of environmental protection. The community of tourists is a body of opinion large enough to carry weight when conservation issues are being debated.

Furthermore, tourism development puts unused natural resources to determinate use, thus protecting them from encroachment or damage that could result if they remain unattributed. Though the ecosystems of many developing countries are more fragile than those of developed nations in temperate zones, the issue of environmental protection is

among the factors likely to redistribute tourist flows away from traditional destinations and towards the developing world. The debate about precisely what environmental standards are realistic and desirable continues, but the tourism industry is well-placed to respect whatever standards are adopted at national or international level.

### **Contingency Planning**

Contingency planning in tourism is aimed at prevention and reduction of crises and disasters through sensing potential problems. According to some authors the current state of the world is directly responsible for an increase in disasters and crises. As Richardson (1994) notes, our environment has become a more crowded world and as the population increases pressures such as urbanization, the extension of human settlement, and the greater use and dependence on technology have perhaps led to an increase in disasters and crises.

The globalization of the tourism industry has led to a rapid expansion of tourism businesses on an international scale in order to expand their market share and profitability. However, this process has also opened businesses up to a wider set of 'global risks' involved in running businesses at such a scale, as globalization is often seen as complex and chaotic. Greater exposure to political, economic, social and technological change in countries often removed from the bases of tourism companies requires tourism managers to effectively deal with crises and disasters.

The world is also becoming more interdependent and connected so that small-scale crises in one part of the world can have a significant impact on other parts of the world. Political instability or the outbreak of war in one part of the world can dramatically reduce tourist travel patterns to other parts of the world as experienced by the Gulf War of 1991 and the Iraq conflict in 2003. Tourism is therefore highly susceptible to external factors and pressures in the wider operating environment.

However, tourism is also an important economic sector for many countries and many destinations are dependent upon tourism for their growth and survival. This puts increasing pressure on managers and planners concerned with tourism to consider the impact of crises and disasters on the industry and develop strategies to deal with the impacts

to protect tourism business and society in general. There is a need to understand such incidents and examine strategies that can be used to stop or limit their impacts on a growing and important industry sector. Crisis and disaster management should be a core competency for tourism destination managers as well as business managers.

At the pre-event (where action can be taken to prevent disasters e.g. growth management planning or plans aimed at mitigating the effects of potential disasters) and prodromal stage (when it becomes apparent that the crisis is inevitable) of a crisis or disaster activities can be undertaken by public and private sector organisations and managers to develop strategies and plans to stop or limit the impacts of a crisis or disaster (ranging from employee strikes, terrorist attacks, economic recessions, etc.).

Although organisations are able to design pre-crisis strategies to help with crisis management they are often unable to prevent a crisis from occurring. However, the real challenge is to recognize crises in a timely fashion and implement coping strategies to limit their damage. Authors such as Kash and Darling (1998) note that decisions undertaken before the occurrence of a crisis, will enable more effective management of the crisis, rather than organisations being managed by the crisis and making hasty and ineffective decisions. Proactive planning through the use of strategic planning and issues management will help reduce risk, time wastage, poor resource management and reduce the impacts of those that do arise.

## **Conclusion**

A number of techniques have been identified by researchers and practitioners to help in the proactive planning and strategy development for the prevention or reduction of crises and disasters through sensing potential problems. Authors such as Kash and Darling (1998) suggest that developing processes to deal with future crises as they arise are more efficient than continually scanning for all potential impacts.

Problem recognition through environmental scanning and collecting data on the political, economic, social and technological environment can provide information on possible trends and their likely impacts on the organization. Among other tools identified by Kash and Darling (1998) include the contingency planning. These are alternative

## Notes

plans which can be implemented if a crisis or disaster hits and impacts upon the strategic direction of an organization. These are helpful for less certain situations and can help resolve crisis situations quickly if they were to occur. Examples include contingency plans for impending war or the possible striking of key airline workers. Plans may include removing some destinations from tour operator itineraries or moving tasks from frontline to management staff for the duration of the strike.

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## Lesson 2.5 - Planning For Demand Supply Match

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the demand side in tourism planning;
- To understand the supply side in tourism planning;
- To realize the need for a match between demand and supply side in Tourism planning and
- To appreciate the design and innovations in tourism planning.

### Introduction

Tourism is a socio-economic phenomenon comprised of the activities and experiences of tourists and visitors away from their home environment, serviced by the travel and tourism industry and host destinations. The sum total of this activity, experience and services can be seen as the tourism product. Understanding the interrelationships between several parts of the system enables all tourism stakeholders to improve planning and management effectiveness and enhance the likelihood of success. Essentially, the tourism system can be described in terms of supply and demand. Tourism planning should strive for a balance between demand (market) and supply (development). This requires an understanding not only of market characteristics and trends but also the planning process to meet these market needs. Furthermore, the context of the supply and demand sides needs to be carefully monitored and managed, e.g. ecological, political, social, cultural and other factors in the external and internal environments of the visitor demand, and destination supply components must be carefully considered.

Often tourists from core generating markets are identified as the demand side; the supply side includes all facilities, programmes, attractions and land uses designed and managed for the visitors. These

supply side factors may be under the control of private enterprise, non-profit organizations and/or governments. New and innovative forms of partnerships are also evolving to ensure the sustainable development and management of tourism-related resources.

The supply and demand side can be seen to be linked by flows of resources such as capital, labour, goods and tourist expenditures into the destination, and flows of marketing, promotion, tourist artifacts and experiences from the destination back into the tourist generating regions. In addition, some tourist expenditures may leak back into the visitor-generating areas through repatriation of profits to foreign tourism investors and payment for imported goods and services provided to tourists at the destination. Transportation provides an important linkage both to and from the destination.

An examination of the demand side of tourism reveals three major factors. First, a tourist (for business or pleasure) must be motivated for travel. Those who do not have interest, desire, and purpose for travel and stay home cannot be counted in the demand side of tourism. Second, within total populations, unless one has the financial ability to pay for the services and facilities, travel is less likely to occur.

Third, as the population live longer and as medical science and practice improve, more people are able to travel. However, unless they have the time and physical ability to travel they will not be counted in tourism demand. These and many other factors make predictions for travel very difficult. Equally important in the functioning of tourism system is the driving force of supply side – all the objects and services that are provided to meet demand. For planning purposes, the major components that comprise the supply side are:

- Various modes of transportation and other tourism-related infrastructure.
- Tourist information.
- Marketing and promotion provided.
- The community or communities within the visitor destination area.
- The political and institutional frameworks for enabling tourism.



The dynamic nature of tourism systems makes it critical to scan the external and internal environments of the destination on a regular basis and to be prepared to make changes necessary to ensure a healthy and viable tourism industry. The tourism system is dynamic and complex due to many factors and sectors linked to the provision of the tourist experience and the generation of tourism revenues and markets. A large number of stakeholders are involved in this system. There is growing recognition that the interdependence of these stakeholders is essential for sustainable tourism.

It is at the destination and site levels that demand-supply linkage is especially important. It is here that land use planning and controls can guide development into those zones best adapted to attractions and services. At the site level, designers / developers must be cognizant of market segment requirements and yet adapt development in balance with the local resources. Thus, it is clear that preferred demand-supply match must be evaluated case-by-case. Finally, because development policies and market trends continue to change, the creation of demand-supply match is dynamic, not static. All public and private actions must remain flexible so that annual adaptation may take place.

### **Understanding the Demand side of Tourism**

Demand is driven by the desires of consumers – both existing and potential visitors. The tourism planners role, in identifying who they are and why they are visiting a particular destination, will help reveal the potential for new or “improved” tourism products. At this stage, it is important to analyze existing and potential markets and their size. This understanding of market demand will help identify any major considerations regarding product development, facility designs, visitor use plans, and marketing. Initial tourism development activities often consist of identifying the existing features that residents see as interesting and trying to market them.

These features, however, may or may not be attractive to potential visitors. The tourism planners will need to take an objective look at the destination’s market potential by basing product development on the probable interest to the consumer. Tourism products include an ensemble of tangible and intangible components such as:

- Resources and attractions;
- Facilities and infrastructures;
- Services;
- Activities;
- Images and symbolic value.

### **Conducting Market Demand Research**

The tourism planners should start the market demand analysis with a review of already available information. The first place to look is state, county/provincial, or regional travel offices for estimates of domestic and international visitation. These estimates would be very helpful for developing preliminary visitor trends.

The planners may want to build on these estimates by including all existing sources of visitation-related data for the local area. These data sources often provide a sufficient and economical way to develop an understanding of current markets. After the initial estimates have been made, it will be worthwhile to consider ways to improve estimates and make future projections. Recommended starting points for identifying visitor estimates include:

- Hotel, motel, campground and homestay occupancy;
- Event attendance records;
- Local attraction attendance;
- Accommodation and other sales tax collections;
- Roadway traffic data;
- Nearby local and national park attendance;
- Public transportation passenger counts from air, train, bus, or ferry;
- Tourist market profiles compiled by local/provincial tourism offices;
- Market studies by local communities, universities or consultants, tourism associations, etc.
- Local tour operators registration and customer surveys;
- Guest book registration and comments at local visitor centers and attractions.

To access this information, the tourism planners would:

- Use studies and reports done by universities; local, regional and national government tourism offices; non-governmental organizations (NGOs); consultants; chambers of commerce; and tourism associations;
- Review tourism business records and their own customer satisfaction surveys;
- Refer to the surveys of attractions and business.

The planners will need to determine the relationship between available data and actual visitation. Not all visitors stay in commercial lodging, so many would be missed in hotel and campground records. Initially, the planners may consult with businesses and those familiar with the local tourism market to develop the assumptions about how existing data relate to actual tourism numbers. The more one relies on assumptions rather than hard data, the less precise the estimates will be. However, reasonable assumptions provide estimates that are acceptable for immediate decision needs. If a destination is new, without having had any tourism previously, the tourism planners may wish to seek market and visitor information from similar destinations or benchmarks. This should only be done if there is no secondary data available and no means of conducting surveys of existing visitors.

### **The Value of Conducting Visitor Surveys**

If secondary research doesn't produce enough information about market potential or if there is not secondary data available, the tourism planners may choose to conduct a Visitor Survey. Surveys can be done at strategic entry points such as airports, park entrances and popular areas. Not only can the survey results provide a demographic and psychographic understanding of the tourist market(s) visiting the destination, but also of their preferences, chosen activities and their overall opinion regarding key aspects of the destination such as hospitality, safety, transportation and attractions. The seven-step recommended process for conducting a visitor survey is as follows:

- Plan the visitor survey.
- Design the survey questionnaire.

- Collect the desired data.
- Process the data for analysis.
- Analyze the data.
- Interpret the results and draw conclusions.
- Prepare and present findings.

### **Understanding Market Segments**

The tourism industry is dependent on tourist willingness to visit a destination. This motivation is mainly driven by their own personal wants and needs. In order to determine future potential markets, the tourism planners will need to understand these motivations. To do this, they should review the data collected to better understand who is visiting the destination and why. This includes answering the following questions:

- *Demographic Profiles:* What is the age range, gender, education level, country of origin, and nationality of the visitors? Who is already traveling to the destination? How many are visiting foreign residents and how many are tourists?
- *Purpose of Trips:* Have the visitors come for business or leisure? Are they visiting friends and family? Have they come for educational or volunteer purposes? Why are they traveling to the focus area?
- *Travel Motivations:* What psychological, physical, emotional, and professional needs are visitors seeking to fulfill while on their vacation? What sites are they visiting during their stay?
- *Experiences and Knowledge Being Sought:* Are they interested in gaining a deeper understanding of the wildlife, the local culture, or local history? What attractions are they coming to experience? What are they planning to do during their visit?
- *Services Purchased:* What kind of tours and packages are they buying? And from whom? Do they purchase their tickets internationally or locally? What other services are they using? Are they satisfied with the services they are purchasing? Who is benefiting most from the revenue of these purchases? How much do they generally spend? How many tourists are staying in the focus area as opposed to those just stopping by?

- *Travel Behavior:* What are the travel party sizes? Have the visitors been to the destination before? How much money have they spent at the destination? What information/reservation method did they use? What types of transportation did they use to get to the destination and once at the destination? How many are “touring?” How many are just going to the destination?
- *Overall Satisfaction:* Is the destination meeting visitor needs? Are they gaining the experiences and knowledge they seek? Are these being delivered in the way they want? Are services meeting their needs and expectations? What are the potential gaps and opportunities for meeting visitor needs and wants?

By answering the questions outlined above, the tourism planners should have an adequate idea about the tourists traveling to the destination. Gaining an in-depth understanding of who is visiting will give them an idea about which tourist market(s) would typically like to visit the area, which areas/countries they originate from, and most importantly, what additional services and activities that the destination could provide. It has to keep in mind that the size of the potential tourism markets will influence the number of attractions, facilities and services that can be developed in a destination. The size of the market often depends on the flow of tourists in or near the destination. If the destination is near a major attraction, such as a national park or an established tourism destination, the potential size of the market is likely to be larger. Or, if it is near a large urban area or the interstate highway system, the potential market also will be greater. Sometimes festivals or other attractions can serve as a magnet for tourism development, even when there is not a natural tourism flow near the community.

***Estimating Market Size:*** Using the information that has been gathered thus far on tourists’ visitation, their profiles and motivation, the next step is to try to estimate current visitation based on the categories below:

- *Pass Through:* On vacation and just passing through the area. Avoid stopping.
- *Touring:* On vacation, stay in 3 or more locations in the area. Unplanned, spontaneous, impulse location choices.

- *Visiting*: Visiting friends and/or relatives. Family and friends influence choices.
- *Destination*: On vacation, stay in 2 or less locations in the area. Use tour operators and other advertising to plan trip.

Efforts should be made to estimate the size of the tourism market for any tourism product in order to establish its viability. In addition to researching potential markets, it is also necessary to focus on the development of tourism products that will service the types of markets the destination hopes to attract. The survey process can be overwhelming; therefore, the tourism planners are encouraged to seek professional help in administering the survey and analyzing the results if time and resources allow. Local businesses, universities and government bodies may be able to provide survey expertise and support.

### **Understanding the Supply-Side of Tourism**

The tourism planners' understanding of the current and local tourism industry, as well as how it is functioning is vital to identifying new products that could bring added value to the destination. In addition to this insight, assessing supply and competitiveness will help ensure new concepts that are competitive within the overall tourism industry are recommended. To do this, the planners must research businesses and destinations that are supplying tourism services. The first step is to analyze the supply of tourism services existing in the area to determine:

- The size and health of the local and national tourism industry;
- How the local tourism industry is structured and branded;
- Opportunities for collaboration;
- Potential target markets;
- Competitors and how to differentiate from them.

Specifically, the planners should look for the following information:

- *Location of Tourism Operations*—What are the tourism clusters (areas of intense tourism activity)?
- *Facilities and Amenities*—Which lodging, restaurants, shops, etc. are being used by tourists?

- *Rates Charged*—What are the current price levels (inexpensive, moderate and expensive)?
- *Occupancy Rates*—Which properties are successful and how many visitors do they receive per year or season?
- *Market Segments Served*—Who is currently visiting these operations and where do they originate? What brands are being promoted? How are they marketed?
- *Employment*—How have the employees changed over the years? Are there projected growths or declines in the industry?
- *Sustainability*—What measures are in place to minimize negative socio-cultural and environmental impacts? Are there current issues with these?

Recommended sources of information on the local tourism industry include:

- Registration of hotels, restaurants and retail shops with local business council or chamber of commerce.
- Studies or reports done on these business establishments by NGOs, universities, consultants, and others.
- Surveys of the tourism businesses and potential competitors

The tourism planners' understanding of the current and local tourism industry, as well as how it is functioning is vital to identifying new products that bring added value to the destination. Competition can often be a positive factor in creating opportunities for partnerships and developing complementary products and services.

### **Surveying the Tourism Industry**

It is better if the tourism planners conduct survey of the tourism industry without local participants to maintain objectivity. If local participants conduct the survey, the result could be less objective because personal interests may be infused into the results. It is important to focus on aspects of quality and customer service because they often affect the success of tourism products and services.

After each survey, they need to take note of some general observations and comment on the following factors:

- *Cleanliness*—Are the facilities well kept? Is garbage taken care of? How clean are the bathrooms? Kitchens?
- *Organization*—Are the facilities designed to help increase productivity? Are adequate equipment and supplies available, such as professional kitchens, stocks of food, linens, cleaning supplies, employee areas, clear passage ways, washbasins, and so forth?
- *Maintenance*—Are buildings and furnishings in good repair? Are there any major infrastructure issues? Are the surrounding areas, such as landscaping and driveways, well kept?
- *Friendliness of Staff*—Do they offer service with a smile? Do they seem like they care? Do they listen to customers? Do they spend time informing them?
- *Level and Quality of Service or Product*—Is the staff attentive, quick and efficient? Is the staff able to efficiently correct a situation? Is the product of good quality? What is the attention to detail? For instance, what is the variety and quality of activities offered by tours operators, or the type of food being sold by restaurants?
- *Level of Comfort and Reliability*—What is the type of furnishing? Are facilities or products well designed to meet customer needs? Are they reliable and safe?
- *Quality of Interpretation*—This is a key area for tour operators. How well do they present the destination and/or attraction? Is interpretation interactive? Is it interesting?
- *Main Draw for Customers*—Why are customers attracted? What is their main benefit?
- *Location*—Is the business near major attractions, good scenery, or other businesses?
- *Information available on services*—How easy is it to find out about the business?

When reviewing these factors, it is essential to think of how each has been successful, as well as any areas that need improvement. Also, it is important to try to project future competition. Factors to consider are:



- Current properties to be refurbished or expanded;
- Current properties to be removed;
- New properties, including those that are planned, already financed, or under development.

### **Evaluating and Finalizing the Results**

First, it is necessary to summarize the conclusions from the survey and findings. Secondly, to list those businesses that will function as competitors and/or potential partners for collaboration, such as joint-marketing and so forth. Finally, to provide conclusions on the following key factors:

- Where are the main tourism areas?
- Is the local tourism industry doing well? Which businesses are successful and why?
- Do businesses plan to grow? Will they employ more people in the next year?
- What types of facilities and services are being offered? Which ones are missing?
- Who are the main competitors and potential partners?
- What are the opportunities for collaboration?
- What are the opportunities for developing differentiated products and services?
- What recommendations are there for providing a different, unique service?
- What are the opportunities for incorporating sustainable and ecotourism principles?
- What are the prices like? Do they vary? Are they high, low, or moderate?
- What price range(s) are likely suitable for the destination?
- Where are visitors coming from and how are they finding out about the area?
- Are there opportunities to target new markets? If so, which ones?

## **Design and Innovations**

The design and innovations in tourism and destination planning consists of five components, each representing a key area of tourism:

- A. Internet Marketing 1: The Tourism Website
- B. Internet Marketing 2: Social Media
- C. Branding
- D. Creating Tourism Experiences
- E. Sustainable Tourism

### **A. The Tourism Website**

Most people research, plan, and book their travel online. This means that a destination's tourism website needs to be comprehensive, attractive, professional, and up-to-date. Whether it's the website of an individual tourism operation or that of the community as a whole, potential travelers want professional quality photos and videos of your services, the ability to book a trip online from home or from a mobile phone, a map of how to get there, suggestions for nearby restaurants and attractions, and quick and easy site navigation.

Some of the strategies and tools for Tourism Website Development include the following:

- Improve the basic content of the website
- Improve the basic usability of the website
- Add value to the content of the website
- Learn how to track web traffic and optimize visits to the site

### **B. Social Media**

Social media is the new word-of-mouth. Web technologies have created two brand-new communication paths: 1) Travelers who may or may not know each other are interacting across time and distance. They are talking about their tourism experiences and recommending them (or not) to others. 2) Travelers are interacting with their tourism hosts before, during, and after the trip.

Some of the strategies and tools for social media for tourism operators include the following

- Maintain an active, engaging Facebook page for the business
- Track what people are saying about, and respond
- Start a blog on the website
- Use Twitter

### **C. Branding: Perception and Promise**

A brand is a perception and a promise. The brand communicates how a particular business is different from or better than its competition. The brand's focus should be not on geography or places, but on experiences, activities, emotions, and the senses.

Some of the strategies and tools for tourism destination branding include the following:

- Understand the importance of branding
- Examine the current brand
- Develop a brand

### **D. Experiential Tourism**

The tourism industry sells personal experiences. Although there are identifiable products involved such as air tickets, hotel rooms, and restaurant meals, the important part of tourism is intangible—it's the feeling, the experience, the learning. Those intangibles, if they are captivating, motivate tourists to try a tourism experience, to recommend it to others, and to return next year.

Some of the strategies and tools for creating tourism experiences include the following

- Study tourism trends, demographics and motivators
- Assess tourism experience opportunities
- Offer geographic, cultural, and personal exploration;
- Give visitors real encounters with real people

- Develop regional packages, clusters, partnerships and itineraries
- Develop a community or regional tourism plan
- Support tourism experiences with good dining and shopping

### **E. Sustainable Tourism**

Sustainable tourism is a new international tourism movement that has several names and related practices including fair trade tourism, responsible tourism, green tourism, community-based tourism, and ethical tourism. There are new organizations such as the Global Sustainable Tourism Council, tourism alliances, websites, government commissions, and conferences devoted to sustainable tourism.

Some of the strategies and tools for sustainable tourism include the following

- Conserve energy
- Reduce waste
- Purchase sustainable products and services
- Hire and purchase locally
- Publicize, partner, and connect around sustainability

### **Conclusion**

Tourism is a socio-economic phenomenon comprised of the activities and experiences of tourists and visitors away from their home environment, serviced by the travel and tourism industry and host destinations. Tourism planning should strive for a balance between demand (market) and supply (development). This requires an understanding not only of market characteristics and trends but also the planning process to meet these market needs. Furthermore, the context of the supply and demand sides needs to be carefully monitored and managed, e.g. ecological, political, social, cultural and other factors in the external and internal environments of the visitor demand, and destination supply components must be carefully considered.

The supply and demand side can be seen to be linked by flows of resources such as capital, labour, goods and tourist expenditures into

the destination, and flows of marketing, promotion, tourist artifacts and experiences from the destination back into the tourist generating regions. In addition, some tourist expenditures may leak back into the visitor-generating areas through repatriation of profits to foreign tourism investors and payment for imported goods and services provided to tourists at the destination. Transportation provides an important linkage both to and from the destination.

### **Self Assessment Questions**

1. What is the need of tourism planning?
2. Explain the various steps involved in tourism planning process.
3. Discuss the considerations involved in planning tourism at different levels.
4. What is the meaning of 'tourism potential'?
5. What are the attributes relating to assessment of tourism potential?
6. Point out the indicators for assessing tourism potential of a destination.
7. Explain the procedure for assessing tourism potential of a destination.
8. Discuss the need for planning for sustainable tourism development.
9. What is the basis for sustainable tourism planning?
10. What are the principles on which sustainable tourism planning is built upon?
11. Explain the benefits of planning for sustainable tourism development.
12. What are the economic considerations to be taken into account in tourism planning?
13. What socio-cultural considerations need to be taken into account in tourism planning?
14. What environmental considerations are required in tourism planning?
15. Explain the concept of contingency planning in tourism.
16. Why it is essential to have a demand and supply match in tourism planning?

17. How would you make a balance between demand and supply in tourism planning?
18. Discuss ways to bring new design and innovations in tourism planning.

## **CASE STUDY**

### **Wetland Tourism Destination: The Ladakh (Jammu & Kashmir)**

#### **Introduction**

Ladakh has been growing over the past 20 years as one of the major tourism destination in Jammu and Kashmir. In 1989, the region received very few visitors, and this was followed by fluctuating numbers of tourists as the region experienced a period of political instability. By 2006, however, as the political situation became more stable, numbers increased dramatically to around 50,000 tourists a year. This increase was also linked to the development of transport infrastructure in the region, India's updated national policies on tourism, and investment in marketing and promotion. During the summer season of 2011 Ladakh saw a huge growth in tourism with the area receiving more than 170,000 tourists, the highest total so far.

#### **Tourism in Ladakh**

Tourism now plays an exceedingly important role in Ladakh's economy, and the Ladakh Autonomous Hill Council (LAHDC) has set out objectives to scale up tourism's contribution to the economic and social well-being of the people of the region, while protecting the region's fragile ecosystems and cultural heritage through sustainable development. Tourism to the lake is run by the tour operators of Ladakh, based at Leh, and is promoted by the Jammu & Kashmir, Department of Tourism and the All Ladakh Tour Operators Association (ALTOA) based at Leh.

#### **Wetland Tourism: Lake Tsomoriri**

*Lake Tsomoriri* is one of the highest lakes in the world, at 4,595 metres altitude, and lies in the Changthang Cold Desert Sanctuary of Ladakh in the Jammu and Kashmir state of India. Surrounded by marshes

of sedges and reeds, the lake covers almost 12,000 hectares (120 km<sup>2</sup>). It provides vital breeding grounds and key staging posts on migration routes for over 40 species of water birds; in particular, it is important as breeding ground for the highly threatened Blacknecked Crane and Bar-headed Goose. The region also supports the Himalayan blue sheep, Tibetan argali, Kiang, Tibetan Wolf, Lynx, and Snow leopard. A tent-dwelling tribe of nomads, the Changpas, live and graze their livestock on pastures around the lake. The Changpas depend on livestock for their livelihood and produce the world famous Pashmina wool used as raw material to produce pashmina shawls.

### ***Tourism in Tsomoriri***

It is the major attraction for tourists and has experienced rapid development of tourism ever since it was first opened up to outside visitors in 1994. At present about 20,000 tourists, mainly from European countries and other parts of India, visit Lake Tsomoriri each year during the short summer season between June to September. The construction of a metalled road which connects the capital of Leh and the village of Korzok near Lake Tsomoriri has made it much easier for tourists to reach the lake. In fact, the reputation of the lake is an important feature in attracting tourists to visit and travel in the Ladakh region, even though comparatively only a small proportion of the tourists visiting the region actually travel to the lake itself.

### ***Attractions***

A survey of tourists visiting Tsomoriri has found that tourists come to experience its scenic beauty and remoteness, as well as the local culture – which includes the 300-year-old monastery at Korzok, the local village and the nomadic herders. It also attracts tourists who want to see the lake's birds and wildlife, as well as adventure tourists taking part in trekking and jeep safaris. The survey also showed that most tourists feel that the local communities should benefit from tourism. Unfortunately, tourism development around Lake.

### ***Issues at Isomoriri***

Tsomoriri has taken place without any systematic planning or controls. As a result, tourism camps have been located in areas where there

is a high risk of disturbing wildlife, and provisions for garbage and sewage disposal are inadequate. Tourist facilities have been built near the lake shore without proper impact assessment, and this unplanned development has long-term negative impacts on biodiversity and key habitats, as well as on the scenic value of lake. The peak tourism period also coincides with the peak breeding period for the lake's avifauna. In addition, although the economy of the Ladakh region has benefited from tourism, most of the benefits have accrued to tour operators at Leh and others based outside the area. The Changpas and the inhabitants of Korzok have so far received relatively limited benefits from tourism, while experiencing all the problems caused by the uncontrolled influx of tourists, including damage to pastures, accumulation of wastes in the environment, and social tensions.

The evidence shows that wastes, pollution, and environmental damage are increasing around trekking routes and campsites, and they affect both people and wildlife. Grazing, without local consent, of pack horses accompanying tourist groups is reducing pastures available to livestock owned by local people. Offroad driving of jeeps over the pastures is causing soil compaction and damage to vegetation, reducing productivity, and opening these fragile soils to erosion. There are also reports of jeeps being used to chase kiangs and other species.

Thus, overall, one of the biggest threats to Tsomoriri comes from unregulated tourism. Lake Tsomoriri is under the administrative control of Department of Wildlife Protection, Government of Jammu & Kashmir. WWF-India initiated a conservation project in the area in 2000 to involve all the key stakeholders, especially the local community, in the conservation process.

### **Management Plan for Isomoriri**

A management plan for the site was prepared in 2007 and is designed to ensure that tourism is operated and developed in a sustainable manner that contributes to the livelihoods of local people and protects the lake's environment and wildlife. The management plan sets out guiding principles for tourism in and around the lake – these include protecting community interests to ensure that local people receive a fair share of benefits from tourism, and that their rights to use the key sources of their livelihoods,



such as pastures, are respected; conserving the natural heritage of the wetlands, including the role of traditional management by local people; and managing tourism to sustain the wetlands as an important place for tourism and recreational use, through proper planning, community-based tourism such as local homestays and local guides, and protection of key habitats from damaging tourism activities.

The management plan was prepared in consultation with the local communities, which now regularly participate in management decisions at the site. A local community trust called Tsomoriri Conservation Trust has been created with technical support from WWF-India and is active in promoting community interests, including the development of community-based tourism. WWF is also working with the tour operators of the region to involve them in the conservation of the lake. Many tour operators are regularly helping, for example, in various garbage cleanliness drives in the area. In addition to this, regular education and awareness programmes are also organized for the armed forces personnel present in the area. All these efforts are collectively directed towards the conservation of this lake to ensure a better future for local communities through sustained livelihoods and for wildlife through protection of critical habitats.

### Questions

1. How do you promote the Lake Tsomoriri as a wetland tourism Destination to generate more revenue for local community?
2. What are reasons for existence of unsustainable practices in the Lake?
3. Prepare a plan for better management of the Lake destination.

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## UNIT – III

### Unit Structure

Lesson 3.1 - Destination Image Development

Lesson 3.2 - Attributes of Destination

Lesson 3.3 - Measurement of Destination Image

Lesson 3.4 - Destination Branding

Lesson 3.5 - Web based Destination Branding

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### Lesson 3.1 - Destination Image Development

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the meaning and definition of destination image;
- To know the dimensions of destination image;
- To learn the formation of destination image and
- To appreciate the internal factors influencing the formation of destination image -

### Introduction

Tourism product is a combination of services, commodities and other material and immaterial items including the whole travel experience from leaving home to return individual experience, impressions and things learned and enjoyed at a destination. In general business, products are goods or services which are bought and sold in the market. A product is anything that can be offered to a market for attention, acquisition, or use, or something that can satisfy a need or want. Therefore, a product can be a physical good, a service, a retail store, a person, an organization,

a place or even an idea. Products are the means to an end wherein the end is the satisfaction of customer needs or wants. Kotler distinguished three components of product:

- Need: a lack of a basic requirement;
- Want: a specific requirement for products or services to match a need;
- Demand: a set of wants plus the desire and ability to pay for the exchange.

The destination is a location that travelers choose to visit in the preferred time and where they spend time, no matter what their motivations, needs, and expectations. A destination can be as small as a single building or as large as an entire continent. Howsoever the size of the destination, adequate facilities and services must be developed to satisfy the needs of visitors.

Destination images give ideas to tourists to generate a set of expectations about a destination prior to experiencing the activities in the destination. The expectation and actuality of the destination differ largely if the former does not match with the later. Due to tourism's intangible and changeable nature, the fate of many destinations depends on how they are presented and perceived by their surroundings and the potential customers. It is through a certain image that a destination, region or country is differentiated from all the others in the consciousness of the consumers/tourists.

Destinations of any dimensions adhere to the principles of satisfying the tourists by offering competitive services. Intermediaries directly and indirectly associated in dealing with the tourist services around the destination. Destinations meet with early unpopularity and the loss of identity for the cause of flaws of the destination developers at the implementation stage of planning. It is absolutely pertinent to associate the hoteliers, transporters, travel agents, tour operators, meeting planners, souvenir exhibitors, tourist offices, local municipality, Non Governmental Organizations (NGO), etc; to popularize the unique selling points (USP) of the destinations.

## Meaning of Image

The destination image has become a strategic tool and competitive advantage. The direct and indirect beneficiaries of destinations take crucial responsibility for description, promotion, distribution, amalgamation, organization and delivery of the destinations' product.

An image may be defined as the sum of beliefs, ideas and impressions that a person has of a destination. The concept of image can be applied to a political candidate, a product, and a country. It describes not individual traits or qualities but the total impression an entity makes on the minds of others.



An image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of total impressions. It comes into being through a creative process in which selected impressions are elaborated, embellished and ordered. Image is comprised of the ideas and conceptions held individually or collectively of the destination under investigation. Image may comprise both cognitive and evaluative components.

## Defining Destination Image

Destination image is defined as 'the sum of beliefs, ideas and impressions that a person has of a destination'. 'A destination's image is a composite of various products (attractions) and attributes woven into a total impression'. Destination image is not only the perceptions of individual destination attributes but also the holistic impression made by the destination. It consists of functional and psychological characteristics and the images can be arranged on a continuum ranging from common to unique traits.

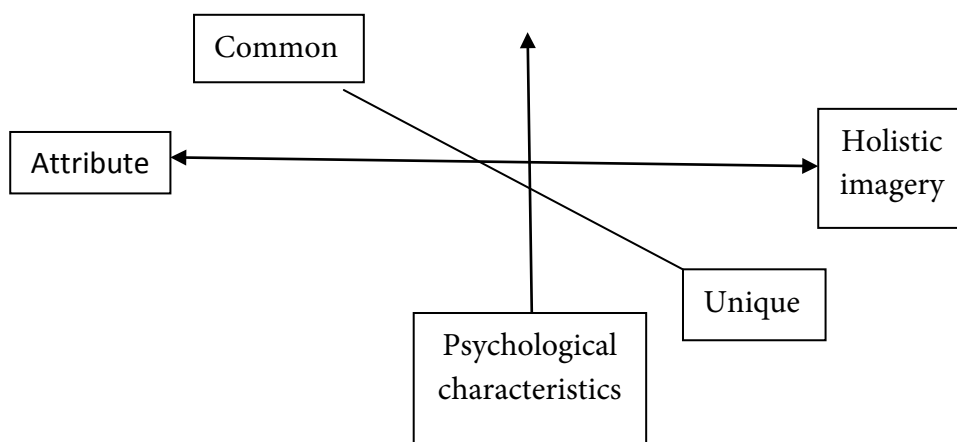
The destination image is influenced with the two important attributes of tourist behavior, one is atmospheric attributes and another is environmental attributes. Atmospheric attributes are related to the

climate, weather, temperature, humidity etc; and the environmental attributes encompass the socio- cultural, economic, political aspects of a destination. Destination image is also defined as, “the expression of all objective knowledge, impressions, prejudice, imaginations, and emotional thoughts an individual or group might have of a particular place”.

**The Dimensions of Tourist Destination Image**

For a long time in the destination image research, many researchers only put their eyes on the dimensions of destination image composed by the various destination attributes what can be measured or observed directly. Functional characteristics, such as scenery, climate and congestion, are the basic dimensions of destination image. The psychological characteristics, such as the atmosphere or romance of the setting of a destination, are difficult to be measured.

But to identify the dimensions of destination image should consider tourist’s holistic impression towards a destination as well, or else missing any dimensions will lead an incomplete assessment of the destination image. Therefore, both the tangible attributes and the intangible feelings should be investigated while assessing the image of a destination. Because there is lack of conceptual framework, Echtner and Ritchie then establish the existence of three axes to identify the dimensions of destination image, which supports the image of any destination and includes three continuums of destination image: attribute/holistic, functional/psychological, and common/unique.



**The Dimensions of Tourist Destination Image**

Source: Echtner and Ritchie, 1991: 7

From the previous figure, it is clear that, destination image is composed of people's perceptions of individual attributes, such as climate, tourism facilities and so forth; the holistic imagery stands for the holistic impressions towards the destination, for instance, atmosphere and general feeling. For the second continuum, the functional characteristics refers to the physical characteristics of destination what can be observed or measured directly, such as the tourism infrastructure and environment; whereas the psychological characteristics concern with the intangible aspects, for instance, the quality of tourism service and friendliness of the local people.

On the attribute side, there are numerous perceptions of the individual characteristics of the destination (from functional to psychological). On the holistic side, the functional impression consists of the mental picture (or imagery) of the physical characteristics of the destination such as mountainous, whereas the psychological characteristics can be described as the mood of place. For common-unique continuum, it highlights that the dimensions of destination image can be formed from those perceptions based on 'common' functional and psychological characteristics which exist in all the destinations to those perceptions based on the 'unique' features which are unique or at least different to one's everyday surroundings.

### **Formation of Destination Image**

The marketing of destinations thrives on the presentation of a clear and concise image that has the capacity to catch the attention of potential tourists. Images in tourism marketing used to reflect complicated cultural systems of travel destinations. These images often reflect how it is perceived that people want to see a destination and they may reveal visions and aspirations that have existed in a society for a long time.

Attractions provide the pull factors, which energize individual needs to travel. It is the job of attractions to pull people toward them to satisfy their needs. Attractions awaken a sleeping or dormant need and energize the individual to act by traveling to the attraction. They are the reason people travel instead of doing something else to satisfy their needs. Another important role attractions play is to create an image that distinguishes one place from another.

Each tourist's perceived image of a certain destination is unique based on his or her own 'memories, associations or imaginations of a destination'. A tourist's attitude to a particular destination is as the same as his or her strength of belief about the attributes of the destination. In order to be successful in intense competition, the destinations should understand how the image is formed and what affects the process. A seven stage theory reveals the process of tourist forms an image of a destination, which is widely accepted and introduced by many researches.

### Seven Stage Theory on the Formation of Destination Image

1. Accumulating the mental images of a destination in daily life, then the organic image is formed.

(Organic Image)



2. Modifying the initial images through searching more information about destination on tourist's initiative, thus the induced image is formed

(Induced Image)



3. Deciding to have a trip to the destination
4. Traveling to the destination
5. Experiencing the destination
6. Return to home
7. Modifying the image of destination based on tourist's own experience.

(Modified-Induced Image)

Source: Gunn, 1988: 120

This seven stages theory sets up three levels of destination image forms in tourists' minds: organic image, induced image and modified-induced image. The organic image is formed through the accumulation of information about destination in one's daily life such as from school education (e.g. geography course), mass general media (e.g. news, books, movies) and the opinions of relatives or friends; whereas the induced image is developed through the commercial promotions, such as advertising and brochures from tourism services; The modified-induced im-



age is formed from the result and evaluation of tourist's actual experience of the destination.

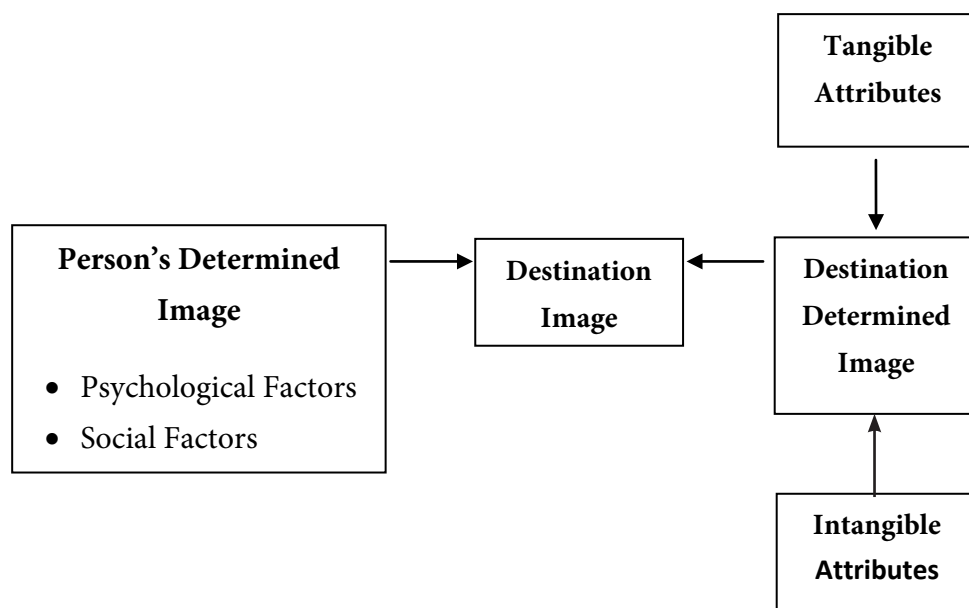
For the organic and induced image, destination image is mainly formed based upon the secondary information sources, whereas the modified-induced image is formed from the tourist's actual first-hand experience and individual evaluation of a destination. Even though the information source plays an important role in formulating the organic and induced images in tourists' minds, it is very limited. Especially the non-commercial information sources concerning with social, economic and historic factors are hardly connected with destination image, it may form a wrong or non-holistic image of the destination. Therefore, some authors point out that as a consequence of visiting the destination, the destination's image perceived and modified in tourists' minds is more realistic, complex and differentiated based on their actual experiences, which can achieve comprehensive assessment of destination image.

### **The Internal Factors Influencing the Formation of Destination Image**

It is important to understand what influence the formation of image before image can be used to affect tourist's destination choice behavior. Based on seven stage theory, some researchers argue that the formation of destination image is not only determined by stimuli information sources, but also influenced by the tourist's personal characteristics, in another words, are the social and psychological characteristics of the tourists. Further the factors that influence the destination image perceived by tourists were divided into two categories: external forces (stimulus factors) and internal forces (personal factors).

### **The Formation of a Destination Image**

External forces include information sources and past experience, whereas internal forces consist of tourists' social and psychological characteristics of tourists, for instance, traveling motivations and social background such as age, gender, educational level, etc. develop this path model and address that the previous visitation experience may also be seen as an internal factor that influences the formation of destination image in tourist's mind because it may affect the post-visit perceived image of the destination.



**The formation of a Destination Image**

Source: Pikkemaat, B. (2004). The Measurement of Destination Image: The case of Austria. The Poznan University of Economics Review, 4(1), 89

Even though tourist's perceived image of a destination could be formed from the external information sources, but it is more relating to organic image and induced image. The realistic and holistic image of a destination perceived by tourists largely relies on their personal characteristics. In this way, tourists form their own perceptions of the destination image based on their own motivations, preferences and socio-demographic characteristics which gives rise to their own and personal perceived image, which is more relating to the modified-induced image. In addition, the image of a destination that tourists perceived is clearly conditioned by their experiences, and this is because the behavior of each tourist is the result of his or her own characteristics. Hence tourists with different preferences or characteristics have no homogeneous and will hold different perceptions of destination image towards the same tourist destination.

**Socio-Demographic Characteristics**

The socio-demographic characteristics, such as age, education, income, gender, occupation, marital status, region, etc, are considered as the internal factors influencing tourists' perceived image of the destination. Everyone's perceived image of a certain destination is unique,

the perceived image of a destination held by tourists not only depends on a specific stimuli, but also on stimuli more related to the individual's own characteristics. As a result, the perceived image of a destination may differ from person to person.

A destination image study in four different countries: Turkey, Greece, Italy and Egypt, point out that age and level of education significantly influence tourists' perceived images. Furthermore, a research about the international students' perceptions of image towards a rural tourist destination in Australia, confirms that the tourist's gender and family status significantly affect the formation of image in tourists' minds. In a later work, in a study of Lanzarote in Spain, the result shows that the variables of gender, age, level of education and social class influence tourist's perceived image.

Additionally, some studies indicate that there is a strong relationship between geographical location and destination image. The distance from the destination plays an important role in the image formation process, and tourist's perceived image of a destination might be more realistic and holistic if the destination is more close to tourists' hometowns.

### **Previous Visit Experience**

As mentioned before, the previous visit experience to a destination can be regarded as one of the internal factors that influence the perceived image of a destination the previous visitation experience is related to the fact that if the tourists have been there before or not. According to Gunn's seven stage theory, the first-time tourist and repeat tourist would have the different perceptions towards a destination's image due to they are affected by the different criteria. In tourism sector, the previous visitation experience may be more significant than information sources.

Once tourists have the previous visitation experience to the same destination, they may tend to put more weight on their previous visitation experiences than on external information sources to perceive the destination image because the need of information sources becomes weaker. But if the tourists are the first-time to visit this destination, their perceptions of destination's image are more related to the information they gained from the external stimuli.

## **Psychological Characteristics: Traveling Motivations**

Traveling motivations are those necessities that make an individual direct his or her actions in order to fulfill a need. Traveling motivation is defined as 'a need that drives an individual to act in a way to achieve to the desired satisfaction'. Tourists travel to a destination depending upon the different reasons and motives. From the tourist's point of view, it is not only one of the most important elements to affect tourist's decision-making behavior before the trip, but also as one of the personal factors that influences the perceived image of a destination after visiting the place. Because after visiting there, tourists' benefit sought may be achieved from a richer destination image. Tourists' traveling motivation highly influences their awareness and holistic evaluations of the destination image.

Many researchers have demonstrated that there is a strong relationship between the psychological motivations of tourists and their perceived images of destination, the different traveling motivations they have, the different extents of the destination image would be perceived by them. Tourists' travel motivations can be distinguished by push and pull factors, these two factors explain how the tourists are pushed by motivation variables into their travel decision-making, and how they are pulled or attracted by the attributes of a destination. This is to mean that, push factor refers to the socio-psychological desires that stimulating a person to travel, such as to meet friends or family, to participate in the conference or events, to escape from the routine life or to seek adventure, and so forth. Whereas a pull factor is one that the person is motivated or aroused by towards the attributes of destination, for instance, to experience the beautiful sceneries, interesting activities, attractive history, etc.

### **Conclusion**

Tourism marketing is generally concerned with the selling of dreams, since expectations of an intangible tourism service can only be realised after travel. The images held by consumers therefore play a critical role in their decision-making. Since tourism services can only compete via images, it is imperative marketers understand that 'perception is reality'. The brand image of the destination may or may not be quite different to the brand identity intended by the DMO. Since the first destination

image studies appeared in the 1970s, the topic has become one of the most prevalent in the tourism literature. A destination's image is a repertoire of brand associations held in the mind of the consumer. These associations may be cognitive, affective or a combination of both. They may have been developed through organic sources such as previous visitation or induced sources such as advertising.

Consumers are spoiled by choice of available destinations, but will only actively consider a limited number in the decision-making process. The size of the consumer's decision set of destinations will be limited to around four. The implication for DMOs examining the image of their destination is that destinations not included in a consumer's decision set will be less likely to be selected.

Both the images held of destinations and the consumer's decision set composition will vary according to the travel context. Travel context refers to the type of travel situation, such as a romantic getaway, family camping trip, or golf weekend. A traveller will not only experience different travel contexts in the course of a lifetime, but also at different times of the year.

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## Lesson 3.2 - Attributes of Destination

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the destination attributes in general;
- To know the dimensions of competitiveness and its determinants;
- To learn the push and pull framework and
- To appreciate the commonly attractive destination attributes.

### Introduction

In today's competitive global marketplace, a tourist destination tends to be seen no longer as a set of distinct natural, cultural, artistic and environmental resources, but as an overall appealing product in a certain area: a complex and integrated package offered by a territory able to supply a holiday which meets the varied needs of the customers. Tourism destination is defined as 'a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes'.

The more varied the tourism (service) products or tourism experiences are, the greater the number of individual service providers participating in the creation of a tourism value chain. Customers perceive a tourism destination as a whole, a fact which allows the providers in a destination to develop a joint tourism product which can, in itself, represent the attraction of a tourism destination. On the other hand, to achieve the social and economic objectives and to maximize the benefits from tourism, the 'destination' has to provide high-quality goods and services to satisfy the local, regional, and international customers. However, without knowing the customers' most important needs and quality expectations, initiatives in this endeavor are based on guesswork. Therefore, destination authorities and managers have to identify those destination attributes that are the most important determinants of the customer satisfaction

and positive post-purchase behavior. In the existing tourism literature, numerous studies can be found about the customer satisfaction and post-purchase behavior topics. Conversely, research attempts are quite limited about the identification of the destination attributes for various market segments in the content of micro or macro level competitiveness.

### **Destination Attributes in General**

For any tourism and recreation activity i.e. holiday resort, tracking, ski, wind surf, paragliding, bird watching etc, destination choice is a critical issue. There have been several definitions of destination. One of them is, “places towards which people travel and where they choose to stay for a while in order to experience certain features or characteristics a perceived attraction of some sort”. On the other hand, destination is a focus of facilities and services designed to meet the needs of the tourists. For example, a country, city, town or an area could be called as a destination but also a cruise ship is accepted as a destination.

Destination choice of the tourists has been of great interest to tourism scholars and many other studies could be added to this list. There are so many factors affecting destination choice process of a tourist. Generally, these factors are grouped into two categories called “push” and “pull” factors. Push factors indicate psychological factors; e.g. values, motives and personality as well as social factors; e.g. age, education, marital status. Pull factors are destination related dimensions; these can contribute formation perceived attraction among tourists; e.g. distance, type of area, infrastructure, size of area, type of vegetation and activities in the destination. Also, it is accepted that pull factors (attributes) could be grouped as tangible and intangible attributes. Many destination competitiveness models have been offered so far that can be classified into three major categories:

- (1) Tourism destination resources and attractors;
- (2) Tourism destination strategies; and
- (3) Tourism destination environments. From the point of destination attributes, 17 data sets are summarized. These researches were conducted to determine factors affecting destination choice of the tourist. In the researches’ data sets different operative variables

were used to measure importance of destination attributes. These variables were surface area, price, natural attributes, infrastructure, accessibility, programmed activities, reputation of the destination, restrictions of navigation, population of species, time of journey, entry prices, hotel size and services, parking areas and shops.

Destinations comprised a core of some components. He categorized these components into six headings and called 6A's framework because of first letter of each heading. Attractions represent natural, hand-made, artificial buildings, special events. Accessibility refers entire transportation system, terminals and vehicles. Amenities refer accommodation, catering, retailing and other tourist services. Available packages mean pre-arranged packages by intermediaries and principals. Activities represent all the activities could be done by tourists while they are in the destination. Ancillary services refer banking, telecommunications, posts and hospitals, etc. Crouch and Ritchie classified the destination factors into six dimensions:

- (1) 'the core resources and attractors' which include physiography and climate, culture and history, market ties, activities, special events, and the tourism superstructure;
- (2) 'supporting factors and resources' which are infrastructure, accessibility, facilitating resources, hospitality and enterprise;
- (3) 'destination management';
- (4) 'destination policy, planning, development';
- (5) 'competitive (micro) environment'; and
- (6) 'qualifying and amplifying determinants'.

### **Destination Competitiveness and its Determinants**

There are many ways to examine the factors, which can significantly impact on tourists' decision on destination selection, one popular way of which is to look at destination's attractions. Attractions have been viewed by many researchers as the reason for tourists visiting a particular destination. There are two perspectives that a destination's attractions can be examined, namely, tourism sites which are physically included in the destination, and attributes which are associated with the destination.



## **The Push-Pull Framework**

Dann referred to a destination's attributes as the 'pull factors'. The pull factors (such as landscape, culture, price, service, climate etc.) can pull one to some of the tourism supply components such as attractions or destinations. In other words, the 'pull factors' can lead an individual traveler to select one destination over another once the decision to travel has been made. The 'pull factors' can be deemed as exogenous forces, which have been characterized in terms of the features, attractions, or attributes of a destination. Dann also examined the endogenous forces, which he named as 'push factors'. The 'push factors' are viewed as relating to the needs and wants of a traveler, such as the desire for escape from their mundane home environment, relaxation, nostalgia, rest, prestige, knowledge, experience, and social interaction. Dann's 'push-pull framework' provides a simple and intuitive approach for understanding tourists' motivations for travel, and explaining why a certain tourist selects one destination over another.

He indicated that "once the trip has been decided upon, where to go, what to see or what to do (relating to the specific destinations) can be tackled. Thus, analytically, and often both logically and temporally, push factors precede pull factors". It means that push and pull factors can be deemed as relating to two different decisions made at two separate points in time. Tourists, firstly, are pushed by their needs and wants to make a decision of 'whether to go', and then are pulled by destinations' attributes to make a decision of 'where to go'. Therefore, destination attributes are very important for a destination to be successful in attracting more tourists.

## **Commonly Attractive Attributes**

As there are many attributes associated with a specific destination, it is impossible for every attribute to be important in tourists' destination choice. Some attributes reveal attractive to tourists, but others may be not. It raises a need to identify what could be attractive attributes for destinations.

### **Price as Attractive Attribute**

Price is a major attribute in a tourist's decision to choose one destination over another. This is especially the case, when tourism

products are consumed by the form of a package. The total cost of a package plays a significant role in the selection of a destination for all but high-income tourists. There are two categories of price, namely, travel cost - relating to travel to and from a destination, and ground cost - relating to commodity prices within the destination. Both of the two categories of price can influence tourists' decision making on destination selection. In fact, price, by itself, is meaningless to be attractive to tourists. Only when it is associated with a certain destination, or a tourism product, and their corresponding services and quality, it becomes an important attribute for tourists' buying consideration. Price competitiveness is usually regarded as one of the most important attributes of competitiveness for a given destination. Studies by tourism researchers indicate the price sensitivity of travelers is high in certain markets.

### **Culture as Attractive Attribute**

In the past decade, the fast growth of cultural tourism has been leading to some researchers argue that cultural attractions have become the most important attribute, which motivates people to travel. The fast growth of cultural tourism is by two reasons. Firstly, the increasing affluence and disposable income has boosted tourism in general, and in turn boosted cultural tourism as well. Secondly, increasing levels of education have stimulated the demand for cultural tourism in particular. In other words, tourists are increasingly interested in the cultural aspects associated with a destination. Cultural tourism has become the mass market in tourism industry. The World Tourism Organization (WTO) asserted that the cultural tourism currently accounts for 37% of all tourists' trips and that demand is growing by 15% per annum.

Cultural tourism has already gained much attention from many national and local governments as well. In Bali (Indonesia), cultural tourism, which is the most important regional development policy, has been adopted by the provincial government of Bali. The South Korean government defined 1998 as the year of its historic and cultural tourism. As tourists are increasingly interested in culture, destinations are competing fiercely with each other to develop cultural attractions that will act as a 'must see sight' for tourists. Culture has become one of the most important and attractive attributes for a destination to attract more tourists.

## **Entertainment and Relaxation as Attractive Attributes**

A destination's "entertainment attribute" can be found in many forms, such as outdoor activities, gambling, and nightlife. Tourists enjoy pursuing entertainment during their trip - even at museums and other cultural sites. A survey reports that 46% of respondents were pursuing for entertainment when they were visiting a cultural site. Entertainment has become an essential attribute of tourist destinations in their competition to attract visitors, more and more cities are profiling themselves as an Entertainment City". In the United States of America (USA), entertainment destinations have been growing substantially over the past decade.

Branson, Missouri, for example, is an entertainment destination, which has become the second-most popular tourist destination in the USA. The real reason why people travel is that they seek to escape from their everyday reality through the consumption of shallow and inauthentic experiences. People are weary of the drudgery of their everyday life. They travel for fun, entertainment, and relaxation. Thus, entertainment and relaxation could be significantly attractive attributes for a destination to satisfy travelers' needs.

## **Scenic Beauty as Attractive Attribute**

Since the day when tourism became a mass market due to a number of people starting to enjoy travel, tourism has been defined as a "landscape industry", and regarded as fully integrated with destinations' environment. Tourists, especially those in holiday mood, would like to enjoy their destinations' natural views and beautiful scenery. That natural vistas and appealing landscapes have always been key attributes in determining the tourism attractiveness of a destination. A representative survey of German citizens to evaluate the importance of certain destination attributes. The attribute - landscape, was found to be the most important even before price considerations. In a study of measuring the importance of destination attributes, they concluded that natural beauty and climate were of universal importance in defining destinations attractiveness. Thus, nature-based beautiful scenery could be deemed as a meaningful attribute for a destination to attract more visitors.

### **Pleasant Weather and Climate as Attractive Attribute**

Weather can be defined as “the state of the atmosphere in a given place at a given time, and can be described by one particular weather station or for a specific area of the earth’s surface. By contrast, climate is the prevailing condition of the atmosphere deduced from long periods of observation”. Both climate and weather can significantly influence tourists’ activities and behavior, just as they affect people’s routine lives as well. Climate and weather could become attractions in their own right and play a decisive role in tourists’ decision on destination selection.

When tourists are thinking about buying a tourism product, they weigh up its different attributes, such as services, entertainment and price. The climate and weather are also evaluated in this process, as they could be deemed as the natural resources that usually form a part of the product. In the study of “the pull of tourism destinations”, found that the ‘warm climate’ appear to be a significant pull attribute, especially for those tourists who were interested in relaxing and getting a suntan. Climate acquires greater importance than the other attributes and is valued so positively when tourists decide to buy a tourism product.

Although climate and weather can be deemed as an important attribute associated with a destination, tourism planners and marketers can do nothing to affect them. However, the understanding of how tourists perceive a destination’s climate and weather would be helpful for tourism planners and marketers to better arrange their tourism resources and activities.

### **Accessibility as Attractive Attribute**

Accessibility can be defined as the “relative ease or difficulty with which customers can reach the destination of their choice”. Tourists’ destination choice is often influenced by convenience. Given a choice between similar destinations, a tourist will tend to choose the more convenient one. Thus, destinations, which are more proximate, would be more likely to be accepted over destinations offering similar products that are less proximate. The accessibility of a destination is governed by a wide variety of influences, many of which may depend on much broader economic, social, or political concerns, such as regulation of the airline

industry, entry visas and permits, route connections, hubs, landing slots, airport capacities, and competition among carriers. From this point of view, it is difficult to evaluate the accessibility of a destination, based on supply-side. Suggested that accessibility could be measured by the relative difference in the time, cost, distance, or effort required to access different destinations, based on demand-side. Accessibility might be an attractive attribute for a certain destination.

### **Safety as Attractive Attribute**

Although there are many attributes associated with a destination, safety is the major concern for tourists to make a decision on destination selection. Safety, tranquility and peace are necessary conditions for prosperous tourism, most tourists will not spend their hard earned money to go to a destination where their safety and well-being may be in jeopardy. It has been generally accepted that safety and security at a destination are critical determinants of its competitiveness. Elements of safety and security include political instability/unrest, probability of terrorism, crime rates, record of transportation safety, corruption of police/administrative services, quality of sanitation, prevalence of outbreak of disease, and quality/unreliability of medical services.

In this age of globalization, serious crime against tourists hits the international headlines around the world and can destroy the tourist destination in the short run. The 1992 Florida, USA, tourist murders, for example, generated considerable media attention and resulted in a significant decline of tourism. The travel and tourism industry is very sensitive to crisis events. After the terrorist attacks of September 11, the volume and pattern of tourism flows were affected and has not recovered from that event. Particular destinations, such as the USA and countries in the Middle East, are experiencing greater turndowns in visitors than others because of tourists' safety and security considerations.

Tourists' perceptions of safety and security to a destination will have a significant effect on the destination's image. Researchers have testified that the image of a destination can significantly impact on tourists' destination choice. A good safety and security image can attract more tourists to visit a certain destination.

### **Friendly Attitude and Cooperation of Local People toward Tourists as Attractive Attribute**

Local people's attitude toward tourists is a major social factor forming part of the macro-environment of a destination, which may influence tourists' satisfaction with their trip and is, therefore, vital to the success of the destination. Local people's attitude toward tourists is determined by how they perceive the tourism industry. Most residents of a certain destination may perceive tourism in a positive way due to its potential for job creation, income generation and enhanced community infrastructure. This may lead to a friendly attitude toward tourists. Alternatively, if most residents of a destination perceive tourism in a negative way due to the socio-cultural and environmental costs, local people's attitude toward tourists will not be gracious.

Residents' support for tourism development can foster a competitive destination. Local people's attitude toward tourists is very important for the long-term success of tourism in a destination. It is because if tourists are greeted with hostility in their destination, they are unlikely to visit the destination again.

### **Service as Attractive Attribute**

The services of a destination are important in tourists' destination choice. In the eyes of many tourists, destinations function more effectively, when their services are in abundance. Thus, prosperity of a destination's tourism is highly related to its provision of numerous ancillary services. In fact, tourism, by itself, can be deemed as a service industry. Services exist in the whole processes of a tourist's visitation, such as in transportation, shopping, diet, accommodation, and administration. Provision of reliable and responsive visitor services can significantly enhance a destination's competitive advantage. Research shows that the range of services is the main attribute in growth or decline of most destinations. Generally speaking, services of a destination can be evaluated by its quality, especially the quality perceived by tourists. The perceived quality of services is vital for a destination, because it can significantly impact on tourists' satisfaction with the destination. If a tourist receives low-quality services at a destination, and will be dissatisfied with the trip, the future re-visitation to the destination might be in doubt. On the other hand, a

good quality of services received by a tourist may increase the perception of 'trip-value', and in turn, increase the tourists' likelihood to visit the destination again and recommend the destination to other people. Thus, service is an important attribute for a destination to attract more tourists.

## **Conclusion**

It is clear from the above discussion that price, culture, entertainment, relaxation, landscape, weather, accessibility, safety, local people's attitude toward tourists, service and many more aspects can be termed as the destination's attributes. All of them have affect and effect of the tourist's experience and ultimately on the destination's image. Analysis of different studies can give a list of commonly considered attributes, however, each destination is unique and carries own set of attributes.

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## Lesson 3.3 - Measurement of Destination Image

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the concept of destination image;
- To know the components of destination image;
- To learn the dimensions for the destination image measurement and
- To know the mechanism of measuring destination image.

### Introduction

The unprecedented growth in the tourism industry during the last fifty years has created major challenges in tourism marketing. As more and more areas of the world are developed for tourism, the destination choices available to consumers continue to expand. Furthermore, today's consumers, facilitated by increased leisure time, rising levels of disposable income and more efficient transportation networks, have the means to choose from among this much larger variety of destinations. As a result, tourism marketers are now faced with influencing consumer decision making in an increasingly complex and competitive global marketplace. One of the most significant marketing challenges arising from this situation is the need for an effective destination positioning strategy. In order to be successfully promoted in the targeted markets, a destination must be favorably differentiated from its competition, or positively positioned, in the minds of the consumers. A key component of this positioning process is the creation and management of a distinctive and appealing perception, or image, of the destination.

The study of destination image is a relatively recent addition to the field of tourism research. However, several studies have illustrated that destination images do, indeed, influence tourist behavior. In essence, the



research suggests that those destinations with strong, positive images are more likely to be considered and chosen in the travel decision process. As a result, destination image has an important role in the various models of travel decision making developed to date. Once at the destination, satisfaction largely depends upon a comparison of expectations based on previously held images and the actual reality encountered at the destination. The important role of destination image, both in terms of understanding travel behavior and in designing effective tourism marketing strategies, underscores the need to develop methodologies to comprehensively and accurately measure this concept.

### **The Concept of Destination Image**

A destination image is 'the expression of all objective knowledge, impressions, prejudice, imaginations, and emotional thoughts an individual or group might have of a particular place'. Destination images influence a tourist's travel decision-making, cognition and behavior at a destination as well as satisfaction levels and recollection of the experience. Tourist destination image can be assessed on a set of attributes that related to the attractions or resources that a destination has of. Those attributes such as activities, landscapes, and experiences, are the elements of a destination attract tourists.

However determining an exact meaning of the term 'tourist destination image' is problematic. The term has been used in a variety of contexts, including those pertaining to the destination images projected by tourism promoters, the publicly held or 'stereotype' image of destinations and the destination images held by individuals. Following a comprehensive study of the definitions provided in the major destination-image measurement studies, it is clear that the definitions used in previous studies are quite vague. At the heart of the definitional dilemma is the understanding of the term 'image'. Image is a term that has already been used differently in a large number of contexts and disciplines, thus creating different meanings. In psychology, 'image' tends to refer to a visual representation, whereas in behavioral geography the concept of 'image' is more holistic and it includes all of the associated impressions, knowledge, emotions, values and beliefs. Definitions from marketing, however, point to the attributes that underlie image and relate image to consumer behavior.

In the past three decades, three basic rules are followed by researchers to select attributes to measure destination image. First is that the revised attributes are extracted from the previous statistical results, but there are just the items but not factors or dimensions, researchers have to regroup them into categories to represent the dimensions of destination's image. Second, in order to hold a holistic result, the primary survey should be given a large number of attributes and destination characteristics, but only the more universal attributes should be considered, ignoring those that correspond to the idiosyncrasies of a particular destination (such as water quality at beach-stations). Third, when the study lists many similar attributes (like fishing, hunting, and skiing), these attributes need to be bunched into one category (such as sports activities). When attributes to design a scale to measure destination image are selected, they largely depends upon each destination's own attractions.

### **Why Study Tourist Destination Images?**

Tourist destination images are important because they influence both the decision-making behavior of potential tourists and the levels of satisfaction regarding the tourist experience. The image of a destination area is a critical factor in a tourist's destination choice process. However, whether an image is a true representation of what any given region has to offer the tourist is less important than the mere existence of the image in the mind of the person. Perceptions of foreign countries and their inhabitants may be wildly inaccurate. Probing destination images is an immensely important exercise because action proceeds on the basis of such subjective reality. Marketers are interested in the concept of tourist destination image mainly because it relates to decision-making and sales of tourist products and services. Imagery pervades the whole consumption experience.

Before purchase, vicarious consumption may take place through imagery. During consumption, imagery can add value and increase satisfaction. After consumption, imagery can have a re-constructive role in which a person relives the experience via memories and vacation souvenirs. Understanding the differing images that visitors and non-visitors have of a destination is invaluable, enabling the salient attributes of the naive image and the re-evaluated image to be incorporated into tourism marketing planning. Marketers can also use imagery to increase remembered satisfaction and to encourage repeat purchases of holidays.

National tourist organisations, track the images held by potential visitors in the international marketplace. Such tracking studies and market segmentation analyses are used in the design of their promotional campaigns. However, image assessment alone will not guarantee success in new markets because other variables (e.g. access, prices and distance) may be more important in the tourist's overall decision-making process.

### **The Components of Destination Image**

What are the important components or dimensions of destination image and how do people structure their understanding of destinations? Few studies have attempted to include the less tangible components of destination image or the difficult to measure psychological characteristics, such as the atmosphere or romance of the setting. The only psychological variable measured in the majority of studies is 'friendliness' of locals. Much of tourism has to do with going somewhere unique or at least different to one's everyday surroundings. Common functional attributes include traits by which most destinations can be compared (e.g. price, climate, types of accommodation).

Unique functional attributes consist of the icons and special events that form part of a destination image. Common psychological or abstract attributes consist of the friendliness of the locals, notoriety or beauty of the landscape, whereas unique psychological attributes include feelings associated with places of religious pilgrimage or places associated with some historic event. One of the basic problems of tourist destination image research is that destination images are 'holistic' representations of a place and that in attempting to measure them, researchers are compelled to look at the parts or attributes singularly. Some aspects of image, however, such as the aura or atmosphere, are not able to be broken down.

Echtner and Ritchie overcome this problem by proposing a model that includes attribute + holistic as one of three dimensions. In this way, those parts of destination image that can be broken down into attributes are captured, as are the total, holistic impressions. At one end of the dimension are functional and psychological attributes, and at the other end are the functional and psychological holistic images concerning the overall impressions, the atmosphere or mood.

## **Dimensions for the Destination Image Measurement**

Following dimensions along with their various attributes are considered for the measurement of destination image.

- Natural resources
- General infrastructure
- Tourism infrastructure
- Leisure and recreation activities / facilities
- History, Culture and Art
- Political and Economic factor
- Natural environment
- Social environment
- Atmosphere of the place

## **Measuring Destination Images**

The failure of most studies to address the holistic components of destination image is related to the methods used by researchers. There has been a strong preference for structured methods that concentrate on the attribute component of destination image. The determination of the 'media of representation' (that is how an environment should be presented to respondents) is one of the critical methodological considerations in the study of people and their settings. Many studies in the field of environmental perception have used photographic media.

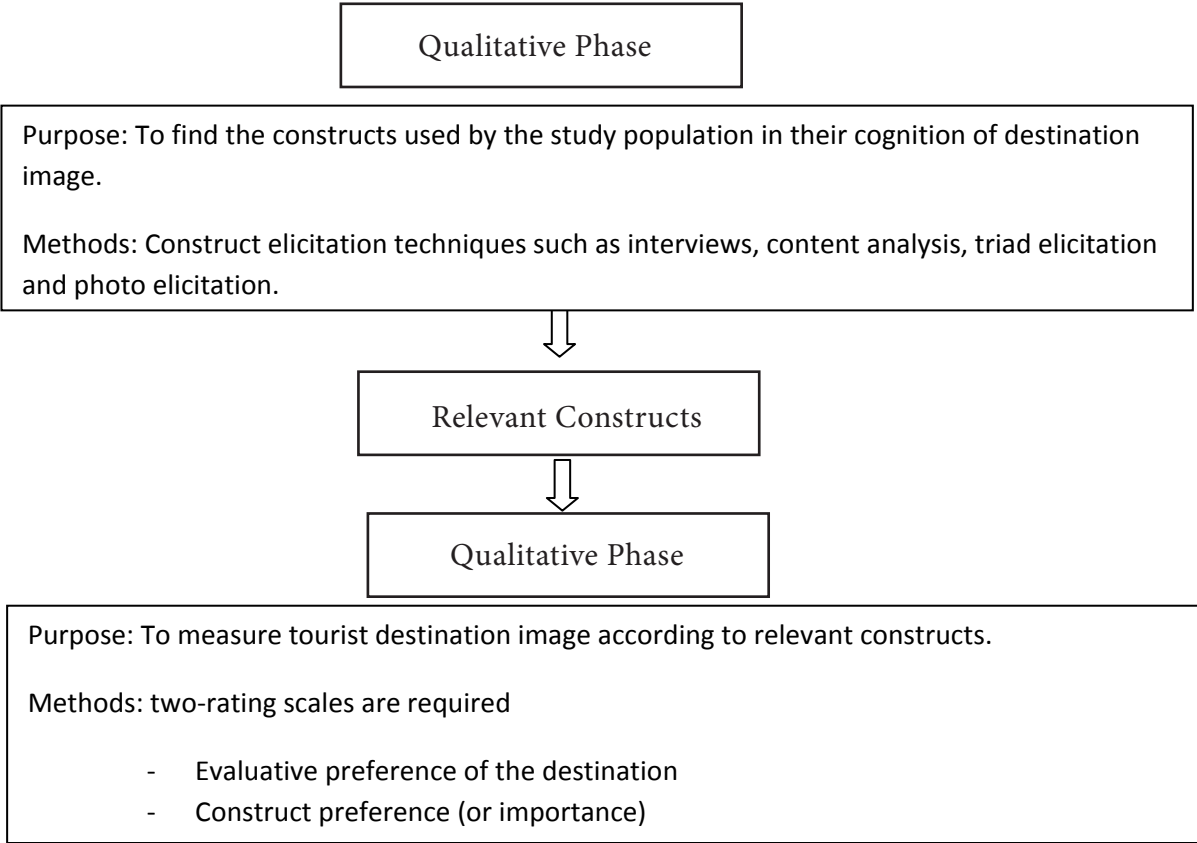
## **The Qualitative Phase: Construct Elicitation**

The elicitation of constructs from the population being studied through qualitative research minimizes the danger of forcing respondents to react to a standardized framework that may not be an accurate representation of their image.

**Content analysis:** Content analysis of written information, such as guidebooks or visual information including photographs in travel brochures, can provide a great deal of information about the images projected of tourist destinations. Content analysis can also be performed on other forms of communication, including information gathered through

interactive interviews or focus groups. Interviews where respondents discuss their image of a destination are taped and transcribed, and then the important dimensions, constructs or attributes are extracted.

**A Model for Destination Image Measurement**



**Free elicitation:** Free elicitation, in the form of word-association, has been used widely in the field of marketing research. Its main use, however, has been for the assessment of motivations rather than construct elicitation.

The main advantages of free elicitation for destination image research are that it allows the respondent to describe the target stimulus in terms that are salient to the individual, rather than responding to the researchers’ predetermined image dimensions. Another advantage is that it will measure whether the image of a destination is lacking or weak, that is, if respondents are unable to provide responses. When combined with

other techniques, the free elicitation technique is best used first because it offers a spontaneous 'window' on the image held by tourists.

**Triad elicitation:** Researchers have adapted Kelly's 'triad elicitation technique' to extract constructs about destinations. Following Kelly, constructs are essentially bipolar discriminations made by a person which represent their fundamental way of viewing the world. Triad elicitation involves the successive presentation of groups of three elements, which in a tourist context, are usually place names. The subject is asked to compare the three place names and explain a construct that makes two of the places similar, but separate from the third, with the resulting reason known as a construct. This method can be very time-consuming and is highly dependent on the continual full cooperation of the subjects. Triad elicitation and its parent, the repertory grid technique, have been used by a number of researchers in the study of leisure, recreation and tourism.

**Photo-elicitation:** Photo-elicitation is a simple variation on open-ended interviewing where the interview is guided by images. These images are typically photographs that the researcher presents of the subject's world. A model has combined the use of the repertory grid technique with visual images by using personal holiday snapshots and brochure photographs to elicit constructs pertaining to particular destination images.

**The quantitative phase: measuring Image:** Once the researcher has found the constructs, parameters or attributes that are used by a particular group of tourists in their cognition and perception of tourist destination image, it is possible to use more structured methods to measure directly the images held by individuals. Measurement involves asking the tourists to rate certain destinations according to the attributes distilled earlier. Previous studies have tended to use five- or seven-point Likert or semantic differential scaling techniques. The characteristics of the population sampled, and the geographic scale of the image that is being measured are likely to influence the image held by individuals, both in terms of the importance (or salience) of certain attributes and the evaluation of these attributes.

When it comes to actually using the attributes to measure the images held by tourists of a particular place, there are two important aspects of the rating process. First, the respondent can evaluate the place

according to a particular construct (e.g. 'How do you rate Puducherry in terms of scenic beauty on a scale where 1 is "not at all beautiful" and 7 is "very beautiful" '). This rating is called the evaluative perception. Second, the respondent rates the salience or importance of the actual construct to himself or herself (e.g. 'How important is scenic beauty in your personal travel decision-making? Please rate on the following scale where 1 is "not at all important" and 7 is "very important"'). This second rating is called the construct preference. The combination of the two scales (evaluative perception and construct preference) allows the researcher to understand the image held of particular destinations by individual tourists. It also enables the researcher to assign weights to those aspects of image that are considered important by a particular individual or group of individuals. The construct preference ratings also allow the distillation of market segments according to travel preferences.

The aggregate or 'stereotyped' image of one place can be compared with the image of another place within these market segments. The measurement of image in this way also allows the researcher to observe changes in image over time due to travel experiences. A model called 'value-expectancy model' is useful for combining the two types of measurements into a single measure, 'attitude'. An individual's attitude towards a destination is equal to his strength of belief about (or preference for) each attribute of a destination multiplied by the importance or salience that he or she assigns to that attribute. Thus, in calculating a person's attitude towards a destination, the results of the two rating scales are multiplied together.

***Analysis of the data:*** There are numerous ways of analyzing the data collected through image assessment studies. Often a simple descriptive analysis of aggregated data (e.g. the mean rating and standard deviation of a particular attribute over a certain market segment) will go a long way in providing useful marketing information, such as the stereotyped images of places held by individuals and groups. Multivariate analyses using statistical packages, such as SPSS, which provide statistical procedures including cluster analysis, factor analysis, principle components analysis, and multidimensional scaling, provide a more sophisticated analysis. As in any research, the type of statistical analysis chosen should be based on its appropriateness for the research question being investigated and the nature of the data being analysed. In many image studies, a combination

of statistical methods has been used, including factor analysis followed by multidimensional scaling. Using several different techniques adds to the validity if there is convergence between the results achieved using different analyses.

### **Conclusion**

As the global tourist industry expands to become an increasingly important part of international trade, countries are competing in the international marketplace to attract tourists. The recipe for a country's attraction (e.g. Switzerland's reliance on the natural and scenic attractions) needs to be re-evaluated taking into account changing patterns of tourism flows such as recent growth in new market sectors such as backpackers. There is a need to investigate whether the images of countries projected to the world and perceived by international tourists and potential tourists are the most appropriate for new markets.

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## Lesson 3.4 - Destination Branding

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the importance of brands;
- To know the components of brand equity;
- To learn the dimensions of branding destinations and
- To know the difficulties in destination branding.

### Introduction

Today's consumers have more product choice but less decision time than ever before. Consequently, a brand that can help simplify decisions, reduce purchase risk, create and deliver expectations is invaluable. The topic of product branding first appeared in the literature 50 years ago, but while research published in the time since provides a valuable resource for consumer goods marketers, work related to the branding of tourism destinations has been relatively sparse. This is a significant gap in the tourism and travel research fields, particularly given that a number of leading brand authors have cited the prediction that the future of marketing will be a 'battle of brands, a competition for brand dominance', and that within the tourism industry destinations are emerging as the biggest brands. However, it is likely that many destinations will become increasingly substitutable, if not already so, and therefore are commodities rather than brands.

Destination branding is amongst the most complex branding process, as the stakeholders include both the public and private organizations, local residents and the citizens staying abroad. According to the American Marketing Association, a Brand is a " name, term, sign, symbol, design, or a combination of them, intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competition". However, brands go much beyond the connotation

of type and source of identification. Brands evoke familiarity and feelings in the minds of the consumer (both positive and negative) and reputation and revenue (both positive and negative) for the company that creates the brand. The most important aspect of the process of brand management is to give out consistent messages and remain relevant not only to the current target group of customers, but also to the future group of customers. This is a great challenge for any company due to changing consumer behavior of the current and future group of customers, competition, and availability of substitute products. Brand management in the context of a destination becomes even more challenging and complex. Destination branding is the management process which leads to a strategic plan to build brand identity based upon destination attributes selected on the basis of competitiveness, uniqueness and desired identity.

### **The Importance of Brands**

The first branding papers appeared in the literature during the 1950s. Gardner and Levy discussed stereotypes that had emerged in advertising which failed to differentiate competitive products. They espoused the importance of considering a brand as representing a personality (p. 35): a brand name is more than the label employed to differentiate among the manufacturers of a product. It is a complex symbol that represents a variety of ideas and attributes. It tells the consumers many things, not only by the way it sounds (and its literal meaning if it has one) but, more important, via the body of associations it has built up and acquired as a public object over a period of time. The net result is a public image, a character or personality that may be more important for the overall status (and sales) of the brand than many technical facts about the product.

There is evidence to suggest branding practice was around centuries before it became an academic field. Keller cited reports about identification marks of craftsmen being found on pottery in China, Europe, and India dating as far back as 1300 BC. The evolution of brand development since the 1870s was examined and suggested that the driving force was the cyclical balance of power in the manufacturer–distributor relationship. Branding of manufactured goods emerged during the late 19<sup>th</sup> century to counter the dominating force of wholesalers who controlled what were essentially commodity markets. Retailers purchased what was available in stock from wholesalers, who in turn dictated what manufacturers should

produce. From the 1900s to the 1960s the role of the wholesaler was reduced to that of distributor, as manufacturer numbers declined to the level of oligopolies. Brands were then used to build demand for a smaller line of goods, with economies of scale leading to increased profits for manufacturers. This occurred at the expense of retailers' margins, since manufacturers controlled consumer prices. By 1970, the balance of power had shifted towards large-scale retailers, where economies of scale and their own brand labels enhanced profit levels. The new role for product marketers was to improve the value of their brands to the consumer as well as to the mega-retailer. The term brand personality suggests that brands held values beyond their physical and functional attributes. People choose their brands as they choose their friends. You choose your friends not usually because of specific skills or physical attributes but simply because you like them as people. It is the total person you choose, not a compendium of virtues and vices.

There are a number of compelling reasons why branding is generating increasing awareness of the importance of brands among product and service providers: brand equity, increasing global competition, commodification, the power of retailers, sophisticated consumers, brand extensions, media cost-effectiveness, and a short-term performance orientation.

### **Brand Equity**

One of the most important impacts of branding for commercial organizations has been the increasing awareness of the balance sheet value of brands, referred to as brand equity. That is, a brand can be an asset or a liability to the firm, and as such can affect the valuation of the firm. Given the difficulty in developing new brands, there is willingness by firms to pay a premium for the purchase of well-known brands.

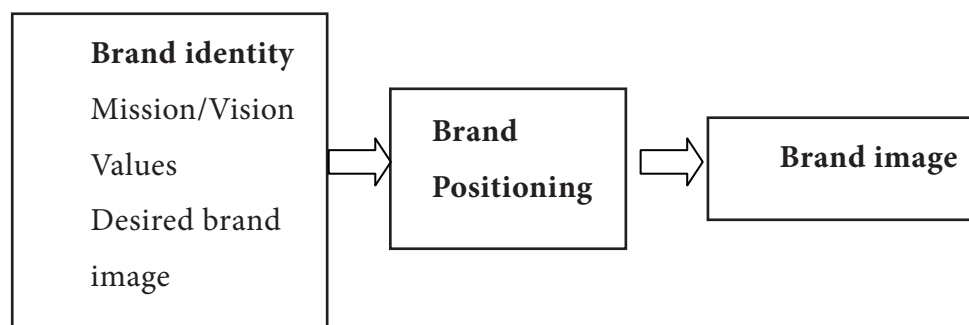
An effective brand strategy can provide a means for successful differentiation. After all, in commodity categories 'something' must make a greater difference to a consumer's thinking about the competing products that offer features of a similar quality, and that something is the symbol a brand represents to the consumer. Successful branding is difficult among certain commodity categories, where product differentiation is difficult to achieve, such as water (Bisleri), Biscuits (Parle) etc.

## Branding Destinations

What exactly is a destination brand? Are they ‘collective hallucinations’? When considering definitions of the brand construct, it is important to consider the perspectives of both the organisation and the market. From the market perspective the commonly cited definition is,

A brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods from those of competitors.

A brand must stand for something, a promise to the consumer, and so is much more than merely symbols presented to the public. It is useful to consider a brand as representing an identity for the producer and an image for the consumer. Aaker distinguished these separate components of a brand as the brand identity (internal organisation orientation), representing self-image and aspired market image, and the brand image (external market orientation) of the actual image held by consumers. The model in Figure highlights these two distinctive components, along with a third overlapping element, which is brand positioning. It is proposed brand positioning that is the interface between brand identity and brand image, over which the DMO has some control.



### Brand Identity, Brand Positioning and Brand

#### Difficulties in Destination Branding

Little has been reported in the tourism literature regarding the complexity of destination branding. Following are six issues that make the application of branding theory to destination a complex undertaking:

1. Destinations are far more multidimensional than consumer goods and other types of services. To be effective, positioning theory suggests reaching the minds of busy consumers requires a succinct message focusing on one or a few brand associations. Nowhere is this challenge better highlighted than in the development of a seven word slogan that encapsulates a destination's diverse and often eclectic range of natural resources, built attractions, culture, activities, amenities, and accommodation.
2. The market interests of the diverse group of active stakeholders are heterogeneous. Counter to a market orientation, where products are designed to suit market needs, DMOs are forced into targeting a multiplicity of geographic markets to attract a wide range of segments for their range of products, most of which are rigid in what they can be used for. Is one slogan, such as Beautiful China or Slovenia – the grown place of Europe, likely to be meaningful to all market segments?
3. The politics of decision-making can render the best of theory irrelevant. The issues of who decides the brand theme, and how they are held accountable, are critical. At the level of DMO governance and decision-making, politics arises through inequality between tourism organisations.
4. There is a fine balance to be struck between community consensus and brand theory, since a top-down approach to destination brand implementation is likely to fail. Critically, DMOs lack any direct control over the actual delivery of the brand promise by the local tourism community. Without buy-in from these stakeholders the strategy will likely flail.
5. Brand loyalty, one of the cornerstones of consumer-based brand equity models, can be operationalised to some extent by measuring repeat visitation through a DMO's visitor monitor programme. Staying in touch with previous visitors is a powerful but untapped means of enhancing the destination brand, but DMOs have no access to the hundreds of thousands of visitors' contact details left at accommodation registration desks.
6. Funding is often a continuous problem for DMOs, in both scale and consistency. Even the largest DMO budgets pale in comparison

to those of the major corporate brands, with which they compete for discretionary consumer spend. Since DMOs have no direct financial stake in visitor expenditure, they must continually lobby for public and private funding. A successful brand campaign leading to increased yields for local businesses does not often translate into increased revenue for the DMO.

### **Critical Success Factors**

In moving towards a structure for destination brand strategy it is useful to consider potential critical success factors. In this regard Keller identified ten characteristics of the world's strongest brands, which could be used by marketers to identify strengths and weaknesses of a brand and its competitors. Unfortunately no destination brands were included in the analysis. However, Keller's brand report card does warrant consideration by destination marketers, albeit with a caveat that the level of control or influence able to be exerted by DMOs makes implementation problematic.

- **The brand excels at delivering the benefits customers truly desire.** Two implications of this for DMOs are effective marketing research and stimulating the consistency of service delivery in a myriad of service encounters over which the DMO has no control.
- **The brand stays relevant to customers.** This is a key challenge for all destinations, which evolve over time through a lifecycle. As well as staying in tune with changing consumer and travel trends, two other aspects of this are important. The first is the necessary (re) investment in product improvements to maintain and enhance the destination experience. The second is the influence of the development of new attractions and facilities by entrepreneurs, which may or may not fit the original character of the destination brand.
- **The pricing strategy is based on consumers' perceptions of value.** While DMOs usually have no control over product pricing, it is possible for the DMO to institute measures to monitor perceptions of value held by customers and non-customers in target markets. Clearly this is an important issue for DMOs, given the importance placed on value for money as an important destination attribute by travelers.

- **The brand is properly positioned in the market by offering a distinctive value proposition.** This is challenging for DMOs given the multi - attributed nature of a destination, and the sheer number of competing places with similar offerings crowding the market place.
- **The brand is consistent.** DMOs should ensure that the delivery of all communications consistently reflects the brand's values. Politics can be a problem for destinations in this regard. At another level is the politics of intermediaries such as airlines, travel agents and wholesalers.
- **The brand portfolio and hierarchy make sense.** The plethora of brands used by tourism businesses to promote London had led to a dilution of the brand designed by the London Tourist Board. In tourism there may be up to six or more levels in the destination brand family tree, ranging from the country brand to local tourism businesses. The issue becomes complex when considering that a major product supplier might have different destination umbrella brands at the Region, State, and National levels with which they work with. A destination may be viewed as the umbrella brand, with individual products as sub-brands. Such an umbrella brand can be used to endorse the credibility of the tourism sub-brands. The purpose is to spread positive elements of a brand's value over multiple products. Potentially, the marketing efforts of each product within the brand hierarchy can flow across to other partners.
- **The brand makes use of, and coordinates, a full repertoire of marketing activities.** If it is accepted that the focus of marketing activity is to enhance consumer-based brand equity; this is a critical issue for DMOs, and one over which the organisation exerts control.
- **The brand's managers understand what the brand means to consumers.** This emphasises the importance of establishing and monitoring a focused brand positioning strategy for the destination, based on sound research to stimulate congruence between the brand identity and the brand image.
- **The brand is given proper support, and that support is sustained over the long run.** Senior management must genuinely share the belief that brand building results in a profitable competitive

advantage (Aaker & Joachimsthaler, 2000). More case studies examining the long-term effectiveness of destination brands are required, particularly in terms of monitoring the long-term nature of the investment.

- **The organisation monitors the sources of brand equity:** Keller (2000) used the example of a brand audit undertaken by Disney during the 1980s, to highlight how such sources could be diluted in value. The audit found that the Disney characters, which were the main source of brand equity, were overexposed in the market through a myriad of product endorsements and licensing agreements. The serious impact of this commercialism resulted in strong negative perceptions of the brand by consumers. The Disney example highlights the value of developing a system of brand-equity management. This begins with a brand charter, detailing the philosophy of the brand and the value of branding, details of brand audits, tracking and research, and guidelines for strategies, tactics, and treatment of the brand's visual components. Within this system, there must be effective communication between key stakeholders and marketing decision-makers.

### **Brand Community**

The effective development and nurturing of the destination brand will depend on the identification of a brand community. Ultimately, the destination brand community will be as important a brand communications medium as any advertising campaign, since it is they who must deliver the brand promise. Therefore it is critical that the brand identity encapsulates the values of the community, the essence of the visitor experience, as well as provide a vision to guide and motivate active stakeholders.

Various researches suggest that the views of the host community must be taken into account. There is also a huge influence of travel intermediaries. If there is a view within the community that branding of the place is not appropriate, it needs to be ascertained. It has been asked whether selling a city to tourists is a Faustian bargain. Packaging and promoting the city to tourists can destroy its soul. The city is commodified, its form and spirit remade to conform to market demand, not residents' dreams. The local state and business elites collude to remake a city in which



their special interests are paramount; meanwhile, resources are diverted away from needy neighborhoods and social services”.

## **Conclusion**

It has been suggested that the future of marketing will be a battle of the brands, and that in tourism, destinations are emerging as the world's biggest brands. The concept of branding consumer goods has attracted research interest in the marketing literature since the 1950s. In the time since, a rich resource of information has been developed to guide product marketers. However, in the tourism literature, the issue of branding destinations was not reported until the late-1990s. While interest in the field is increasing, there remains a dearth of published information to guide destination marketers. This represents a significant gap in the literature given the acknowledged importance of brands in competitive markets and the emergence of destinations as the tourism industry's biggest brands. While many aspects of brand theory have applications for DMOs, the process of branding destinations is a more complex undertaking than that for most consumer goods and services.

The purpose of a brand is to establish a distinctive and memorable identity in the marketplace that represents a source of value for the consumer. For DMOs, the value of strong consumer-based brand equity lies in the opportunity to minimise destination switching through a differentiated value proposition and increased loyalty. The fundamental challenge for DMOs is to somehow develop a brand identity that encapsulates the essence or spirit of a multi-attributed destination representative of a group of sellers as well as a host community. Such a brand identity should serve as a guiding focus for the marketing activities of the DMO and stakeholders.

Little has been reported on the effectiveness of destination brand campaigns. A useful hierarchy for tracking effectiveness is consumer-based brand equity (CBBE). CBBE is operationalised by measuring brand awareness, associations, resonance, and loyalty.

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## Lesson 3.5 - Web Based Destination Branding

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### Learning Objectives

*After studying this lesson you can be able to*

- To understand the necessity of internet in business;
- To know the basics of internet marketing;
- To learn the impact of internet marketing on destination branding
- To understand the collaboration between destination branding and internet marketing.

### Introduction

Destination branding is being increasingly used in today's world by nations to enhance their global goodwill and brand image. Technology plays very important role in every process and function of the business and it is the case in the process of destination branding also. Technology of internet is widely used tool to brand any place or destination now days. Countries like Malaysia, Australia and South Africa have used it very successfully in their tourism development efforts. Through the unlimited space of World Wide Web, one can brand even a remote place of any country and if the branding strategies are used wisely the place can be great tourist attraction. In destination branding, internet has played a major role. People see images and videos of various parts on internet sitting in their homes and they learn a lot about different places without even visiting them.

Destination branding is about combining all the attributes associated with the place (i.e. its products, and services from various industries such as agriculture, tourism, sports, arts, investment, technology, education, etc.) under one concept, which expresses a unique identity and personality of the destination and differentiates it from its competition. Most importantly, branding requires a vision and mission about the

destination and its future success. Destination branding is growing rapidly as an approach to tourism destination promotion. While this concept has been borrowed from the world of general consumer goods and applied in a number of national tourism destinations, academic analysis of the value and effectiveness of destination branding has emerged more slowly.

The aim of applying branding in tourism industry is to differentiate a tourism destination from others and creating a unique brand image of a certain place in the minds of target market. Tourism destinations are intangible or abstract because travel experiences cannot be processed or evaluated before purchasing. However Despite all of its merits, branding is not a panacea.

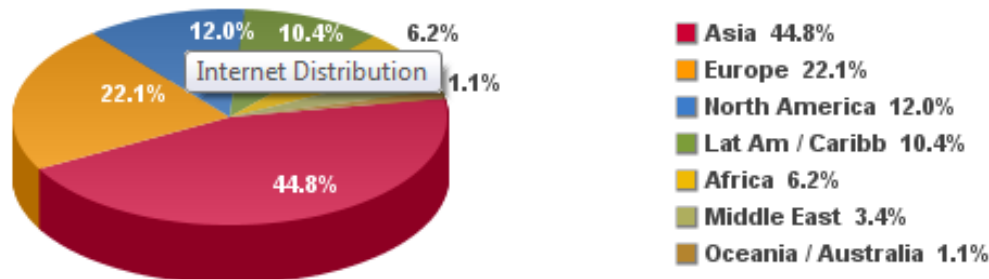
A destination brand is as powerful as its underlying product. If the tourist resources of a destination are not attractive or its super- and/or infrastructure suffer, then branding cannot help it remain competitive in the long run. Furthermore, a destination brand cannot last long without proper management. It needs periodic refreshment through change of its logo, slogan and/or the association set in order for potential tourists to see more and different reasons to (re)visit it.

Information and communication technologies (ICTs) and recent technological revolutions have deeply affected destination marketing and promotion. In addition, explosive increases in the number of Internet users worldwide have provided travellers with diverse communication channels and new ways to acquire travel information. In particular, with the emergence of Web 2.0, Internet users play the roles of co-marketers, co-designers, and co-producers of tourism information, generating a considerable amount of content.

Moreover, with the advent of Web 2.0, diverse technologies have been introduced that increase travellers' access to a wide range of data, and DMOs have recognised that these new technologies are meeting the needs of sophisticated travellers (Buhalis, 1998a). Thus, DMOs and other tourism-related organisations will be at a disadvantage if they fail to adopt these new technologies. Only when DMOs and tourism-related managers fully understand innovative technologies and have the ability to use them can these communication tools be effective for destination promotion.

**The Necessity of Internet in Business**

**Internet Users in the World  
Distribution by World Regions - 2011**



**Internet users in the world distribution by world regions 2011  
(Internet World Stats 2011)**

Internet also has been having a certain impact on business environment. As the number of Internet users dramatically increase, also with the rise in consumer’s buying behavior complexity, Internet gives a stronger impact on business. According to a survey published in 2007 from Nielsen/Net Ratings about consumer behavior and attitude about online marketing, 81 per cent of respondents said that the Internet was *vital* to their life.

In more detail, it was stated that in 2008, the number of Internet users accounted for 20.3% of world estimated population. The new statistics in 2011 then showed that Internet users accounted for 32.7% the world population, which increases by 0.6 times from 2008 (Internet Word Stats 2011).

Precisely, the impact of Internet in business can be described with three significant points: understand consumers’ buyer behaviour, give specific product’s information to customers through Internet and using Internet as a part of business strategy. While other media push the marketing to consumers, Internet, in contrast, is a pull medium that gains curiosity and interest from consumers and lets them find out the product or service themselves. Because of this, companies, through the effect of Internet, get more accurate details concerning consumers’ needs and wants.

<b>WORLD INTERNET USAGE AND POPULATION STATISTICS</b>						
<b>December 31, 2011</b>						
<b>World Regions</b>	<b>Population (2011 Est.)</b>	<b>Internet Users Dec. 31, 2000</b>	<b>Internet Users Latest Data</b>	<b>Penetration (% Population)</b>	<b>Growth 2000-2011</b>	<b>Users % of Table</b>
<u><a href="#">Africa</a></u>	1,037,524,058	4,514,400	139,875,242	13.5 %	2,988.4 %	6.2 %
<u><a href="#">Asia</a></u>	3,879,740,877	114,304,000	1,016,799,076	26.2 %	789.6 %	44.8 %
<u><a href="#">Europe</a></u>	816,426,346	105,096,093	500,723,686	61.3 %	376.4 %	22.1 %
<u><a href="#">Middle East</a></u>	216,258,843	3,284,800	77,020,995	35.6 %	2,244.8 %	3.4 %
<u><a href="#">North America</a></u>	347,394,870	108,096,800	273,067,546	78.6 %	152.6 %	12.0 %
<u><a href="#">Latin America / Carib.</a></u>	597,283,165	18,068,919	235,819,740	39.5 %	1,205.1 %	10.4 %
<u><a href="#">Oceania / Australia</a></u>	35,426,995	7,620,480	23,927,457	67.5 %	214.0 %	1.1 %
<u><b>WORLD TOTAL</b></u>	<b>6,930,055,154</b>	<b>360,985,492</b>	<b>2,267,233,742</b>	<b>32.7 %</b>	<b>528.1 %</b>	<b>100.0 %</b>

World Internet usage and population statistics 2011 (Internet World Stats 2011)

## **Basics of Internet Marketing**

Within our world nowadays, Internet plays a vital role to the society. This part gives a brief introduction of different tools of Internet. Furthermore, it also introduces main types of Internet marketing used in business today.

### **Website**

Website is for sure the most common thing when discussing about Internet and Internet marketing. Some parts of website and website management that are essential to marketers and brand makers are: domain names, website design and management and the real important matters in website management in marketers' point of view. Every essence on the Internet is identified by a series of numbers – called the Internet Protocol, or IP, address. The primary of a domain name is the suffix. When a name is registered, it will take the suffix of the registered naming authority. The most popular suffix is dot com, or.com. When indicating their use as the URL (Uniform Resource Locator), it had become accepted to use the prefix 'www' on the primary domain name.

The case of second, third, fourth and more level domain basically is because there are so many names are already registered, so to prevent the identical domain name, there is a need for second, third or fourth level domain. Moreover, domain names needs to be at least three and less than sixty three characters. In website design and management, simplicity is the key. If a website is full of text and hard to access, visitors do not find creativity, or easiness, to approach information and interest, they will not come again. Usages of website are to generate return on investment (ROI), brand development and support online sales and marketing. Hence, it is vital to take care of website development. Today, flash technology is well-known in website designing. It is used a powerful tool to make the websites become more user-friendly, easy to access and surf.

Besides, key issues in designing a website are: download time, make things easy on the eye, font size, page width, subject of page width, respect the conventions of the web, avoid non-standard, ensure the design features of the site are appropriate to its objectives, be aware of using images on website and grammar and spelling.

## Search Engines

Search engines, for example Google, Bing, Yahoo, etc., are used by millions of users every day to look for information they need. Search engine operates by providing services (searching, matching results, showing relevant results, etc) to users and leading users to a website or multiple websites relevant to their search. The search engine works by assessing websites for suitability in matching the search and presenting the results of its assessment. When searching on a search engine, the result page will show two types of results: organic result and paid result.

Organic result, or natural result, is free results chosen by search engines by relevance, visitors' statistics, trusty level of the website, etc., while paid result is sponsored links and is paid by companies to promote their product. Both organic and paid results are presented on the same result page and relied on keywords selection. Paid result, however, appears on top, or on one side of the search engine result page to get users' attraction.

Companies see search engine as a chance to promote their product or service to wide-range users. As a result, the definition of search engine optimization and keyword bidding were born. Search was the largest single advertising revenue generator on the Web. It accounted for 47% of all online advertising revenue, as opposed to 22% for online display advertising and 10% of classified ads. And also, over 90% of people use search to launch websites, whether they know the URL address or not. Keyword selection is vital in search engine optimization (SEO) as well as search marketing.

Keyword is the bridge to connect searchers with the businesses that have services that searchers are looking for. In order to get higher ranking on searching result service pages, website developers should figure out and then concentrate on the right keywords. It is claimed that English gives no big help in SEO because the search localization is more developed now, so local people tend to use their mother tongue for search. In some cases, foreigners use local language to search, especially for destinations' names, such as: Munich / Muchen. Also, some languages have similarities, consequently, people have the tendency to search based on what they are mostly used to and not to use English in search.

## **Search Marketing**

As mentioned above, results from search engine result pages are shown with organic results and paid results; thus, search marketing can be made on both of them. First of all, for organic results, or natural results, the process of search engine optimization (SEO) is vital. Because organic results are free links, there is a harsh competition to gain your site's appearance on the search engines. SEO includes: choosing the right keywords and phrases that are potential, unique yet necessary; focus specific keywords for specific parts of the page; name your website with relevance and submit your sites to as many directories as possible to gain the ability to get into your site. On the other hand, for paid results, it is certainly that your link will appear on top of the search engine result page. Paid search has been one of the most growth sections among online advertising types. For branding destination, search is a filter that gives analysts a better knowing about customers' trend and interest which will lead the business to the right direction. Naturally, places that pay more attention on building a strong base of service websites would conduct a strong brand. Consequently, they have more advantages than other destinations.

## **Social Networks**

Not long before, people were not so aware of what social media is and how it appears to be a part of our lives. Years have passed since the development of Web 2.0, the pre-stage of tremendous advance of social media and social networks, but the implementation of social media in marketing and branding is popular just few years recently. Some common kinds of tourism development tools implemented by social media are: blog, vlog, public videos, social forums and social networks. Social media marketing is competitive because, first of all, they save time and cost. Second of all, they change the way consumers hear and learn about and decide about the products and services, which shows the synergy of social media with viral marketing.

Customer relationship is tightened through social networks. Lastly, it contains the ability to gather larger groups of people to have idea about the services and the brand and get them to give suggestions to develop. The important feature of social media is that everything is a



two-way communications. Also, the reason why social media marketing is more favored nowadays is that people are fed up with brochures, posters, billboards and advertising because they do not provide trusted and helpful necessary information. Social travel forums offer handy, useful and updated tips, experience and information on the destinations.

### **Social Media Marketing**

The cooperation of social media and traditional way of doing marketing and advertising can create a much bigger influence from viewers, tourists and travelers. It is mentioned that even though the use of social media in tourism branding is increasing now, it is necessary not to forget the destination's slogan and marketing message. In short, the application of social media enhances tourism strategy in many aspects, plus, it is wise to make use of the advantages of social media in the brand marketing strategy in order to spread out the brand's image, message and information.

### **E-mail Marketing**

E-mail marketing is a basic marketing form when mentioning about Internet marketing. Almost any Internet user is familiar with this type of advertising because, everyday, uncountable number of e-mails is sent to end-customers, to potential partners, to communicate with customers, etc. with different meanings, purposes and all in order to update information for customers. Using e-mail for business improvement, expansion and updating is not new, yet it is still a supportive and efficient tool in marketing. In total, e-mail marketing can be divided into two categories lies on its aim: E-mail as a medium for direct marketing and E-mail as a medium for marketing message.

E-mail direct marketing represents by email subscription, announcement e-mail sending after a period of time and all. However, in order to avoid spam and junk e-mails, also confuse the customers and decrease the business's image, development the email campaigns that request the permission of the consumer, is a wise choice. This campaign needs the understanding of two ways of getting the customer's permission which are: opt-in and opt-out. Opt-in and op-out help marketing executives receive more precise email address database, target groups and customers'

interest. 'Opt-in is where the receiver chooses to receive email by taking action' (or it is 'where the consumer requests to continue receiving the e-mailings'. While on the other hand, 'opt-out is where the receiver must take an action to opt-out of receiving e-mail messages' or 'where the consumer does not opt-in then they will receive nothing more'.

E-mail marketing is used widely in tourism industry with the purpose of giving both direct and marketing message. E-mail marketing is chosen because it is fast, time-saving, cost effective and wide spread. By carrying out e-mail marketing campaign, together with offline advertising to bring out the better enhancement, tourism business is active, moving and updated all the time, and finally directs to the change, the development, the improvement of destination branding strategy.

### **Impact of Internet Marketing on Destination Branding**

*The application of Web 2.0 in tourism branding:* Online marketing develops from the capability of Internet as the communications medium which has been growing up through stages. Overall, the notable stages are the development of Web 1.0 and Web 2.0. Web 1.0, unsurprisingly, was the technology that used before Web 2.0. For marketers, Web 1.0 is seen as a narrow and static communications medium. The appearance of Web 1.0, though contained some concrete information and interactivity, in reality, it still represented a linear communication, or one way communication.

That was when the idea and application of Web 2.0 dominated online world. Web 2.0 was notable as it marked the emergence of two-way communications and the real interactivity between customers and businesses. Development in web exposure, consumer – friendly platforms and powerful search engine optimization actions are basic advancement of Web 2.0 at the beginning of its era. Moreover, Web 2.0 also represents for familiar applications, supported websites that working based on people's favorite activities, social networks, business support activities, and advertising and marketing campaigns. New programming technologies enable constant and continuous feedback.

There are four unique characteristics of Web 2.0 that make it and its applications become the new promising path for marketing and advertising. First of all, Web 2.0 has the ability to gather interest on networks.

Facebook, LinkedIn, Twitter and all kinds of networks are playing major role in Internet marketing strategy of many small and medium companies. Secondly, personalization is enhanced by the advancement of Web 2.0. It changed from Messenger and emails with small sized communications to one-stop websites, forums, and pages specialize in personal interests. Blog, social forums, use of widgets and RSS, tagging functions on social networks represent for personalization character. Users do not just only get information from Internet but also share and contribute information to online world.

Visualization is the next function of Internet marketing function. Youtube has millions of users and visitors every day, plus recently, it has been one of the promising marketing channels for various types of products, services and also people. Lastly, data/content targeting is showed as widgets, landing pages and applications for computers, smart phones, tablets, etc. In short, brand and revenue payoff are strongly supported by the new technology, and the introduction of Web 2.0 and its advanced applications are doing well in brand development.

The use of Web 2.0 in tourism is profound as it includes direct and combined marketing. Social media marketing and website marketing can be seen as major tools for destination branding Internet marketing because nowadays they are showing many useful sides and helping destinations, as well as tourism organizations, a lot in brand enhancement.

Social media receives much affection from marketers because consumers are losing the trust with posters, brochures, advertising programs and television ads. They now look for trusted brands, and Internet seems to be the solution to gain curiosity and trust from customers. Internet has changed communications methods and thus changed the brand development strategy. Moreover, social media marketing is a bridge to bind the gap between other online marketing tools such as website development, email marketing and search engine marketing. With social networking marketing, customers have more ways to approach information and help to contribute the brand's image. Sharing can be viewed as the strong power of social media. People get tourism information from social networks. They also share their travelling experience on Internet. Videos, pictures, blog articles, entries, etc. are uploaded on Internet on Flickr, Facebook, Google plus, Youtube and so on.

Social media has the strong ability to spread out information in such a short time. Nonetheless, at the same time, it is the flaw of social media marketing. Social media marketing shows off its advantages most when it is combined well with traditional marketing approaches. Even though social media marketing is a wise choice, the root of destination branding belongs to traditional branding strategy. For example, destinations' slogans cannot be too overused or provocative. Destinations' images also cannot be too old or be used wrong, otherwise, that wrong image will be spread out dramatically fast and will lead to a damage of destination branding strategy.

All in all, tourism branding marketing strategy can be done more effective by applying integrated online marketing communications, or offline and online integration. Internet obtains the capability to bridge the gap between destination organizations and tourists, and offline marketing helps to decide appropriate slogans and image, control and manage destination's reputation and monitor the online process to promote destinations' image. Besides, website and email marketing also take part in destination branding planning. Web 2.0 generation support web developers create websites with friendly appearance, better exposure, and leave places for customers' feedback in a more open way.

Also, website development relates to the activities of search optimization because search optimization evolves the websites exposure, information and ranking. Moreover, not only tourism department or tourist businesses run websites about the destination but also individual hotels, travel agencies and tour operators. In terms of destination branding, each of the individual website of hotels, resorts, tour operators, etc. support building up the destination brand. However, website marketing cannot express its usefulness without the help of email marketing, search engine marketing and social media marketing.

### **Collaboration Between Destination Branding and Internet Marketing**

The previous part has coherent information to prove that Internet marketing brings solutions to certain issues in destination branding, for instance, saving cost in promotion and getting world-wide recognition in a short time. From time to time, online marketing has not only taken

part in branding strategy as a minor function to support main marketing program, but it also becomes the main marketing approach used alongside other marketing techniques. This part concentrates on what Internet marketing in general can bring to destination branding process.

### **Changing Nature of Tourism Distribution**

Global Distribution System (GDS) and Computer Reservation System (CRS): Global Distribution Systems (GDS) refer to the online reservation tool used for air ticket, accommodation, transportation, etc. booking. It is now applied widely in tourism industry as an innovative way to develop booking system. GDS is contributed by each company's Central Reservation System (CRS). Travel agents work together with hotels and resorts, and tourism distributors to create online distribution system, or reservation pages, which travelers can easily find information, hotel's rating, facilities and updated room rates and availability at any times. GDS distribution and CRS system are intelligent innovation as it reduces the searching and booking routine, increases the distribution networks and develops the visualization of reservation system.

Travel agents rely on GDS distribution because it contains multiple advantages over the old ways of reservation. Unlike the old reservation ways which need much effort to enlarge the networks and markets and much time when something is needed to be fixed within the reservation process, GDS system deals with these issues really fast. Online distribution systems can broaden the market reach, widen distribution networks, create new distribution channels and afford an easy reservation process for users. In addition, the system provides synchronous information about the destinations or accommodation for every party that involves in the system who are hoteliers, travel agents, tour operators and any intermediaries in between, as well as customers.

### **Online Marketing in Destination Marketing Organization (DMO)**

Most destination organizations are now familiar with the use of Internet in branding development. The Internet can benefit destinations to strengthen their image in the competitive marketplace. Internet sustains a more equal competition between destinations as any destination can post information to the online world. Furthermore, customers actively choose

to find and read the information from Internet by themselves which show their voluntarily interest in the destination. Therefore, destination branding organizers take advantage of the benefits of Internet into their marketing strategy. In this study, there are two examples illustrating the presence of online marketing in tourism management

### **Conclusion**

Over the past few years, online marketing develops tremendously. It brings a large variety of opportunities to destinations in terms of tourism and other economic sectors. Internet saves time and cost in spreading, sharing and sending relevant content to mass media, customers and investors. Destination organizations grab the opportunity to save promotion cost and time, plus the effect of advertising and promotion goes beyond expectation if it is done appropriately. People receive the marketing message at the same time through Internet regardless where they are, which means there is a big chance to hold attraction from travellers all over the world through effective internet tools.

Furthermore, the appearance and impact of Internet creates a more equal competition between destinations. As mentioned above in this study, online marketing supports the brand image, opens more passageways to customers, becomes a communication medium and sends the brand identity to all suppliers and customers, therefore, any destination recognizes this usefulness and knows the ways to apply Internet into their destination strategy obtains a bigger chance to be successful.

However, the first and foremost challenge when it comes to Internet strategy is technological problems. It is right that Internet marketing reduces the issues in maintenance because websites, links and distribution systems connect and work with each other in a concrete structure, thus the maintenance is easy to do. Nonetheless, it is unavoidable to face technological problems at times. Being hacked, lost customers' information and lost data are some common technological problems that DMOs should be aware and have backup plan to react with such issues.

Another significant challenge in using Internet for destination branding promotion belongs to governmental factor. This factor affects organizational activities in pushing the destination brand identity to

media and also communications process. It relates to government policies in using Internet in certain areas, as well as destination governmental situation in Internet educating and connecting system. For instance, in some countries, Facebook, Youtube and some other social networks are blocked for different reasons, and in some areas, Internet has not become popular. So, there is either that too little information is provided for customers and investors or the information is not reliable at all, which influences the destination's identity and reputation.

### **Self Assessment Questions**

1. What do you mean image?
2. Explain the dimensions of destination image
3. Discuss the internal factors influencing the formation of destination image.
4. What are the socio-demographic characteristics of destination image?
5. Narrate the psychological characteristics of destination image.
6. Explain the destination attributes in general.
7. What are the determinants of destination competitiveness?
8. Discuss the push and pull framework of destination.
9. What are the commonly attractive attributes of destination?
10. Explain the concept of destination image.
11. What are the reasons for studying destination image?
12. Discuss the components of destination image.
13. Describe the dimensions for the destination image measurement.
14. What is the importance of brands?
15. Describe the relevance of brand equity for tourism destination.
16. What is the mechanism of destination branding?
17. Explain the difficulties in destination branding.
18. What are the critical success factors?
19. What is the necessity of internet in business?
20. Explain the basics of internet marketing.

21. Enumerate the impact of internet marketing on destination branding.
22. How do you develop collaboration between destination branding and internet marketing?

## CASE STUDY

### Jaipur: A destination of Palaces and Forts

#### Introduction

Jaipur is known all over the world as the Pink City. It is called so because of the pink color of the forts, havelis and palaces. Jaipur is probably the most important tourist destination in India after the Taj Mahal. It is the capital city of the state of Rajasthan. The city was founded in the year 1727 by Maharaj Sawai Jai Singh II, who was the ruler of the nearby city of Amber. The old city is surrounded by a strong wall and beautiful ornately painted gates. This was the first planned city of India. The city has been battle ground in the past and has witnessed great victories; hence, Jaipur is also referred to as the city of victory. Various hill top palaces and forts paint the picture of a glorious past. Jaipur city is the most important center of education, culture and art in the state of Rajasthan. It has many reputed colleges, institutes, museums and art galleries. The old walled city of Jaipur has crowded streets, but the forts and palaces in a regal set up are amazing sights. There are several places of tourist interest in the city. This lively city is an ideal tourist destination. Know more about the historical place by referring to the Jaipur travel guide.

#### Attractions

**Amber Fort:** Amber fort is an important attraction, located just 11 kms from the city center of Jaipur. It is situated in the Amer district. It was constructed by Raja Mansingh I. The great architecture of the fort blends both Rajput and Hindu styles. The palace made of sand stone and marble and has possibly the best hall of mirrors in the world in the form of the magnificent Sheesh Mahal, other attractions are the Sukh Niwas, Diwan e Aam and Diwan e Khaas.



**City Palace:** The city palace of Jaipur is a historical monument with great architecture. The palace has carved arches with marble columns with beautiful floral patterns in golden and colorful stones. The two marble elephants welcome the visitors on the main entrance. The palace has an art gallery with great collection of paintings and astronomical works acquired by Sawai Jai Singh. The palace has an in-house museum, that has weapons and Rajasthani dresses.

**Hawa Mahal:** Hawa Mahal is a beautiful monument with striking architecture in Jaipur. It was built by Sawai Pratap Singh who was a poet king. The monument has various stone carved windows of jalli work. These jalli screens enabled the women in the Mahal to view the royal procession passing through the market place.

**Jantar Mantar:** Jantar Mantar is a collection of astronomical instruments made of stone, brick, mortar and marble in Jaipur. This array of instruments is the greatest representation of Indian astronomical acumen. It has been listed as a World Heritage site by UNESCO.

**Events / Festivals:** Teej is a traditional festival, in which women and girls participate. They worship goddess Parvati. They sing songs, perform folk dances, dress up beautifully in new clothes and jewellery, and apply Mehendi on their palms. Girls pray for their future life partners, while married women worship for the long life and prosperity of their husbands.

Gangaur festival is celebrated with great enthusiasm and religious fervor in Jaipur. It is a festival celebrated by women folk. Lord Shiva and goddess Parvati are worshipped this day with great devotion. It is celebrated in the Chaitra month of Hindu calendar, that fall in the months of March and April. Women sing devotional songs and make clay idols of Shiva and Parvati to worship.

The Kite festival is celebrated in the month of January on the day of Makar Sankranti. The Sankrant marks the movement of sun towards the northern hemisphere. Several kite competitions are organized across the state of Rajasthan. The International Kite festival with participants from all over the world is organized by the Rajasthan State Government and the Jaipur sky is filled with colorful kites during this three day festival.

The annual Elephant festival is organized in Jaipur on the day of Phalgun Purnima. It generally falls in the months of February or March. Huge majestic elephants are decorated with paintings and jewellery. Then processions of these royal elephants are taken. Female elephants are used for the festival. Several events such as Elephant race, Elephant polo, and tug of war between elephants are organized.

### **Questions**

1. Describe the necessity of preserving the legacy of Palaces and Forts in Jaipur destination.
2. In the realm of digital society, how do you identify the demand for Jaipur tourism destination?
3. Develop a plan for involvement of local people in the management of heritage destinations.

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## UNIT – IV

### Destination Promotion and Publicity

#### Unit Structure

Lesson 4.1 - Frameworks for Tourism Destination

Lesson 4.2 - Tourism Stakeholders

Lesson 4.3 - Destination Marketing Mix and Destination Competitiveness

Lesson 4.4 - Distribution Channels

Lesson 4.5 - Marketing Communication and Strategies

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#### Lesson 4.1 - Framework for Tourism Destinations

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#### Learning Objectives

*After studying this lesson you can be able:*

- ▶ To acquaint with the various ways for destination promotion and Publicity;
- ▶ To understand the six A's framework for tourism destinations and
- ▶ To learn the process of medial familiarization, travel writer tours and visiting Travel journalism programme.

#### Introduction

Destination Marketing Organisations (DMOs) focus mainly on marketing as the principal management function. They may play some role in product development and operations, but this is still rare and is normally left to the private sector to arrange, with government providing a tourism policy and regulatory framework. Marketing, therefore, is the

principal purview of DMOs. More specifically, recognizing that marketing entails much more than just 'selling' or 'advertising', destination promotion is normally the DMOs' major activity and budget item. Promotion may be undertaken in a variety of different ways, including advertising, direct marketing, sales promotion, personal selling and publicity and public relations.

DMOs in general, and NTOs in particular, appear to have recognized the potential value and effectiveness of publicity in destination promotion, but again the lack of studies on this topic indicate that little is known in general about how much use and emphasis is placed on this form of promotion.

Publicity campaigns can be used as part of any destination's normal promotional strategy. They are also useful in targeting and developing new market segments. DMOs also pursue publicity opportunities to capitalize on major events, to soften or reverse adverse trends, such as the decline in Asian tourism following the economic crisis experienced in 1997–1998 or to improve poor public relations, such as that in response to the events of 11th September. In some cases DMOs report receiving greater annual value from publicity programmes (often) than from their entire annual budgets.

### **Destination Promotion and Publicity**

Destination promotion can be conducted in a variety of ways, and most destinations appear to make widespread use of most of the possible forms of promotion. Some promotional tools, however, tend to attract more use and attention. Advertising, for example, targeting either travel consumers or alternatively the travel trade, is the most manifest form of promotion. Consumer advertising, particularly using print, television, radio, outdoor and now Internet media, predominates. But trade advertising in travel trade magazines and newspapers, for example, also plays an important role. DMOs also undertake personal selling of destinations.

This is executed mainly through the travel trade for reasons of efficiency and effectiveness. Examples include trade shows, exhibitions and events; specialist travel agency training programmes; trade familiarization

tours; and meetings, conventions and incentives sales management. But personal selling to consumers via telephone call centres and tourist information kiosks run by DMOs is also common. Because DMOs are rarely operators of much of the tourism product, the use of sales promotion techniques is limited to facilitating promotional partnerships and alliances among member enterprises.

Travel trade planner guides listing the products and services of member firms are a commonly produced resource that serves to encourage sales promotion possibilities. It appears the use of direct marketing methods has increased as destinations have turned to the direct mail of destination brochures or visitor guides/magazines, as well as the use of global distribution systems and destination Web pages to facilitate direct communication and bookings.

The last element of the promotional mix involves the use of publicity or public relation techniques. Whereas publicity involves information from an outside source used by the news media based on its news value public relations is a much broader concept as it involves in addition a broader range of planning activity for building good relations with the company's various publics by obtaining favorable publicity, building up a good "corporate image", and handling or heading off unfavorable rumors, stories and events.

Public relations is defined as the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes a program of action to earn public understanding and acceptance.

Based on these definitions, one can say that publicity represents the tools by which public relations objectives are carried out. Kotler et al. (1998) identify these tools as consisting of news, speeches, special events, written materials, audio-visual materials, corporate identity materials and community service activities which communicate information about the organization to its publics through the various news, information and entertainment media.

The majority of destination publicity is incidental; that is, it is not preplanned or deliberate but merely occurs in the natural course of

'news' events being picked up and transmitted by the various media and commonly having nothing to do directly with tourism but nevertheless impacting on tourism. Tourism may have little or nothing to do with these events. However, as long as the event says something about 'the place', the perception that such publicity creates accumulates to form, or influence at least, the image that potential visitors may develop about what that place would be like to visit. Incidental publicity might arise from world events, movies, documentaries, celebrities who originate from and therefore represent the place in some way and a wide variety of other direct and indirect symbols and indicators.

Tourism authorities have moved to 'capture' or capitalize on this incidental publicity, endeavouring to shape, influence, create or foster publicity that helps to promote the place as a tourism destination. DMOs, for example, have been keen to sell movie producers on the virtues of their 'location' for filming, to invite travel writers and other journalists to visit for the purpose of featuring the destination in their work and to leverage the tourism impact of major events such as a Formula One Grand Prix. Of the various publicity tools described above, those which appear to have the greatest prevalence in destination marketing include movies, press kits and media familiarization tours.

### **Movies**

Movies are a form of audio-visual material. Movies can communicate a striking image and they are recognized as powerful forces when publicizing and promoting consumable items. Busby and Klug (2001) note that 'Many countries... have seen a dramatic increase in visitor numbers to locations that have been featured in films or television programmes.' In addition to movies, the hosting of television crews is also seen as an important generator of publicity for DMOs. Television broadcasts provide access to large audiences and provide an additional form of publicity for destinations.

### **Press Kits**

Press kits represent another technique employed to generate publicity for a destination in the form of written material. Press kits are an effective way to inform travel writers about a destination. Although press

kits provide valuable information concerning a destination, their study revealed that a personal visit was considered to be the most effective way to inform travel writers about a destination. Press kits were used extensively by the Australian Tourist Commission (ATC) with success to inform the media and thereby promote the 2000 Sydney Olympics and Australia.

### **Media Familiarization, Travel Writer Tours and Visiting Journalist Programmes**

These activities or programmes represent a form of special event designed to generate news. They may be known by a variety of names including press tours, visiting journalist programmes (VJPs) and travel writer or media familiarization tours. They are all designed, however, to attract a variety of journalists, writers, film crews, documentary producers, etc, to a location to experience the tourism product and provide media exposure for a particular destination. Personal visits or those described as media familiarization tours are a routine part of DMO promotional activities.

Hosting the international media provides many benefits to individual tourism organisations and entire destinations. Although hosting international journalists is seen as a cost effective promotional activity, some DMOs question the qualitative and quantitative results of such a programme. Problems in meeting journalist expectations, the provision of quid pro quo services and the lack of control over the finished product and desired image are just some of the negative elements associated with conducting a media tour programme, according to these authors.

Despite the challenges associated with conducting media familiarization tours, these tours have become an essential part of the promotional activities of many DMOs. The tours are designed to attract the international media to a destination with the sole purpose of generating free publicity from the articles and stories written or audio-visual material produced about the destination. Although many DMOs conduct travel writer tours as part of their marketing and promotional programme mix, very little is known about the conduct and management of these tours, nor of the level of free publicity that is generated from them. For this reason there is considerable scope for theory development in this field.

## **Six A's Framework for Tourism Destinations**

Destinations are amalgams of tourism products, offering an integrated experience to consumers. Traditionally, destinations are regarded as well-defined geographical areas, such as a country, an island or a town. However, it is increasingly recognized that a destination can also be a perceptual concept, which can be interpreted subjectively by consumers, depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience. For example, London can be a destination for a German business traveler, whilst Europe may be the destination for a leisure Japanese tourist who packs six European countries in a two week tour. Some travelers will consider a cruise ship to be their destination, while others on the same cruise may perceive the ports visited during the trip as their destination.

Often destinations are artificially divided by geographical and political barriers, which fail to take into consideration consumer preferences or tourism industry functions. An example of that is the Alps shared by France, Austria, Switzerland, Italy by often perceived and consumed as part of the same product by skiers. For the purpose of this topic, destinations are considered to be a defined geographical region which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning. This definition enables Destination Management Organisations (DMOs) to be accountable for the planning and marketing of the region and to have the power and resources to undertake action towards achieving its strategic objectives.

Destinations offer an amalgam of tourism products and services, which are consumed under the brand name of the destination. Leiper (1995, p.87) explains that destinations are places towards which people travel and where they choose to stay for a while in order to experience certain features or characteristics-a perceived attraction of some sort. Destinations are the focus of facilities and services designed to meet the needs of the tourists. Most destinations comprise a core of the following components, which can be characterized as the six A's framework as illustrated in Table 1. Therefore, a destination can be regarded as a combination (or even as a brand) of all products, services and ultimately experiences provided locally. It also enables us to assess the impact of tourism regionally, as well as manage demand and supply in order to maximize benefits for all stakeholders.



### Six as Framework for Tourism Destinations

- Attractions (natural, man-made, artificial, purpose built, heritage, special events)
- Accessibility (entire transportation system comprising of routes, terminals and vehicles)
- Amenities (accommodation and catering facilities, retailing, other tourist services)
- Available packages (pre-arranged packages by intermediaries and principals)
- Activities (all activities available at the destination and what consumers will do during their visit)
- Ancillary services (services used by tourists such as banks, telecommunications, post, newsagents, hospitals, etc)

**Attractions:** Attractions are the primary elements of destination appeal. They are the key motivators for visitation to a destination (Crouch and Ritchie 1999). They are the fundamental reasons why prospective visitors choose one destination over another. Tourists are motivated to leave their normal place of residence (the origin market) and travel to destinations. What they are actually travelling to can be considered the attraction base of the destination area.

A tourist attraction is a place of interest that tourists visit, typically for its inherent or exhibited cultural value, historical significance, natural or built beauty, or amusement opportunities. Some examples include historical places, monuments, zoos, museums and art galleries, botanical gardens, buildings and structures (e.g. castles, libraries, former prisons, skyscrapers, bridges), national parks and forests, theme parks and carnivals, ethnic enclave communities, historic trains and cultural events. Many tourist attractions are also landmarks.

**Accessibility:** Transport is needed to physically move tourists from where they live to where they are visiting. Globally, air transport dominates the movement of international visitors. In many places, roads and private motor vehicles serve as significant forms of access. Sealed roads offer

greater opportunities for vehicle access. A healthy ground touring sector, either day or extended coach tours, is also required to serve the needs of tourists who prefer not to transport themselves.

***Amenities:*** All destinations need accommodation nearby otherwise tourists will have nowhere to sleep. This seems basic enough but investors will only invest in accommodation infrastructure if there is sufficient economic return. Many places are blessed with excellent attractions and are readily accessible but lack tourist accommodation. In recent years the market has seen a proliferation of accommodation types from basic camping and backpacking facilities to mega-resorts. Successful accommodation development, more than ever before, depends on building the right type of facility to suit the needs of a profitable segment of the market.

***Available Packages:*** Tour packages are arranged by the principals and travel intermediaries that plan and arrange a trip for the individual who wants to travel or take a holiday. There are many advantages of these package tours over self-planned tours. These advantages include: no planning required, assured reservations, assured comfort, more travel for less, and finally, comprehensive package.

***Activities:*** The range of activities within a destination is an important pull factor and represents some of the most critical aspects of destination appeal. Moreover destination managers have significant control and influence over the mix of activities. The mix of activities is a result of initiatives and creativities by the destination. The activities are important as tourists increasingly seek experiences that go beyond the more passive visitation practices of the past. The variety of the attractions and the mix of activities offer the tourist a wide choice and ultimately they stay longer.

***Ancillary Services:*** Ancillary Services are required to meet the needs of tourists while they are away from home. They include public toilets, signage, retail shopping, restaurants and cafes, visitor centres, banks, post offices, hospitals, telecommunications and emergency services. Because many of these are government services delivered by local, state and national agencies, a high degree of co-operation is needed, particularly where tourist services may be seen to be competing with the needs of local residents.

## Conclusion

Destination marketing organisations (DMOs) focus mainly on marketing as the principal management function. They may play some role in product development and operations, but this is still rare and is normally left to the private sector to arrange, with government providing a tourism policy and regulatory framework. The area of publicity and public relations is normally seen to be of secondary importance compared to these other elements of the promotional mix. For this reason, research into the use and effectiveness of publicity as a promotional tool for destinations is quite limited, as evidenced by the apparent lack of published research in this area. In the context of tourist destinations, however, anecdotal evidence suggests that publicity can produce significant results, potentially overshadowing the effect of all other promotional efforts combined.

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## Lesson 4.2 - Tourism Stakeholders

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### Learning Objectives

*After studying this lesson you can be able:*

- To know the meaning of tourism stakeholders;
- To understand the notion of dynamic wheel of tourism stakeholders and
- To appreciate the involvement of stakeholders in tourism planning and development

### Introduction

A stakeholder is defined as ‘ any group or individual who can affect or is affected by the achievement of the organisations objectives ’ ( Freeman, 1984: 46 ), and that group or individual has a legitimate interest in the organization. Tourism exists as a powerful economic force in the development of both community-based and global markets. Today, its activities comprise the world’s largest industry. Despite its economic significance, debate continues as to whether or not tourism truly benefits all entities involved in its system. At a most basic level, two schools of thought exist regarding its role in community and/or market development. The political economy view posits tourism as an exploitative force which emanates from the desire of affluent middle classes in metropolitan countries. This somewhat fatalistic view suggests that residents of a destination have little, if any, voice in the developmental process of the tourism function and, as a result, can only react to its consequences on their home environment. Indeed, the industry is often criticized for its rather imposed planning decisions on the local population from outside groups or planning bodies

Alternatively, the functional view approaches tourism as a proactive force which, if developed appropriately, seeks to maximize positive returns to a community’s overall growth while minimizing the costs to the

environment and culture. A functional approach suggests that all parties or stakeholders interested in or affected by this business within a particular market or community should collectively manage the tourism system. This co-operative approach toward its development is advocated in research involving collaboration and development. These collaborative efforts are defined as a process of joint decision-making among autonomous, key stakeholders of an inter-organizational, community tourism domain [designed] to resolve planning problems of the domain and/or to manage issues related to the planning and development of the domain.

### **The Dynamic Wheel of Tourism Stakeholders**

Destinations are some of the most difficult entities to manage and market, due to the complexity of the relationships of local stakeholders. Managing and marketing destinations is also challenging because of the variety of stakeholders involved in the development and production of tourism products. The destination experience is essentially comprised of regions, resources and amalgams of tourism facilities and services, which often do not belong to individuals. Instead they represent a collection of both professional and personal interests of all the people who live and work in the area. Managing often conflicting stakeholders' interests makes controlling and marketing destinations as a whole extremely challenging.

Hence, strategies and actions should take into account the wishes of all stakeholders, namely indigenous people, businesses and investors, tourists, tour operators and intermediaries, and interest groups. Perhaps the most difficult problem is ensuring the rational use of zero-priced public goods, such as landscapes, mountains, and the sea for the benefit of all stakeholders and at the same time preserving the resources for future generations. Conflicts can easily develop, especially when some (perhaps greedy) stakeholders exploit resources for short-term benefits. A compromise encompassing all these interests is extremely difficult if not impossible, but is the key to long term success.

And yet tourists perceive the destination as a brand comprising of a collection of suppliers and services. Before visiting they develop an image about destinations as well as a set of expectations based on previous experience, word of mouth, press reports, advertising, and common beliefs. During their holiday, they "consume" destinations as a

comprehensive experience, without often realizing that each element of the product are produced and managed by individual players. Most service providers are small and medium-sized tourism enterprises which have a wide range of strengths and weaknesses whilst are also characterized by their independent nature.

Tourists' overall experience is composed of numerous small encounters with a variety of tourism principals, such as taxi drivers, hoteliers, waiters, as well as with elements of the local attractions such as museums, theatres, beaches, theme parks etc. Their overall impression develops their image of a destination after their visitation. As a consequence there is much overlapping between strategic marketing of the destination as a whole and of each individual supplier at the region. Hence, the competitiveness of each player is often interrelated and almost indistinguishable from one another.

As consumers increasingly value environmental resources they are prepared to pay for them premium prices. Hence, local resources become a central asset for destinations and tourism suppliers and their sustainability a core function of tourism marketing. Middleton and Hawkins (1998, p.8) state that "a marketing perspective is essentially an overall management orientation reflecting corporate attitudes that, in the case of travel and tourism, must balance the interests of shareholders/owners with the long-run environmental interests of a destination and at the same time meet the demands and expectations of customers". DMOs tend to be part of the local, regional or national government and have political and legislative power as well as the financial means to manage resources rationally and to ensure that all stakeholders can benefit in the long term.

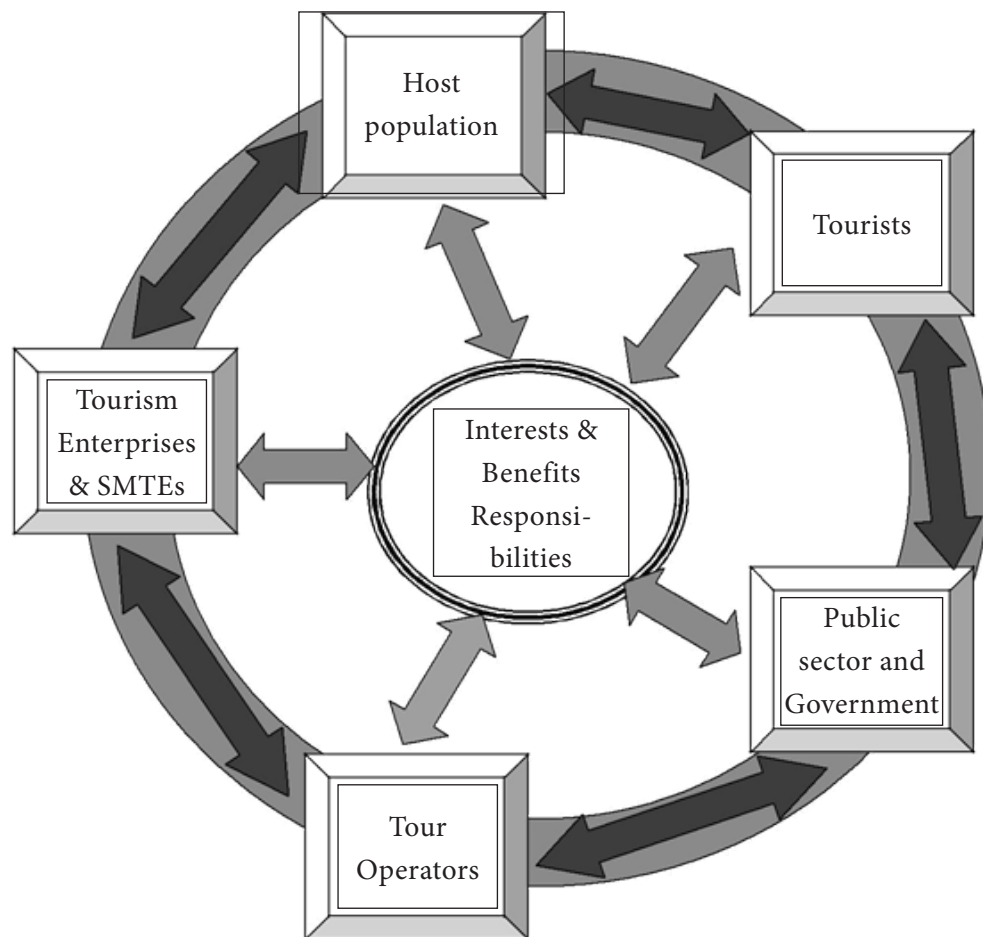
Destination management and marketing should act as tools and facilitators to achieve a complex range of strategic objectives, which will ultimately need to satisfy the needs and wants of stakeholders. Four key generic strategic objectives should be addressed by DMOs, as illustrated in the following Table and Picture demonstrates the dynamic wheel of tourism stakeholders. The development and implementation of strategic objectives at destinations depends on relationships between stakeholders and thus the implementation of the key generic strategic objectives illustrated in the following Table will be determined by the dynamics of the actors on this wheel.

Naturally each stakeholder aims to maximize the benefits emerging for themselves. Inevitably, the interests of some stakeholders may be conflicting with others and thus some of the four key strategic objectives may be jeopardized. This is often a result of some stakeholder trying to enhance its benefit at the expense of others. For example a tour operator may try to reduce the prices paid to local suppliers in order to increase its profit margin and remain competitive in the marketplace. It is imperative, therefore, for DMOs to use legislative and management tools during planning and management of destinations in order to ensure that the benefits of tourism activity is shared fairly between all stakeholders and that sustainable practices safeguard the regeneration of resources utilized for the production of tourism. Failure to ensure and maintain a balance effectively jeopardizes relationships between stakeholders, and threatens the achievement of the strategic objectives and the long term competitiveness and prosperity of destinations.

#### **Strategic Management and Marketing Objectives for Destinations**

- Enhance the long term prosperity of local people
- Delight visitors by maximizing their satisfaction
- Maximize profitability of local enterprises and maximize multiplier effects
- Optimize tourism impacts by ensuring a sustainable balance between economic benefits and socio-cultural and environmental costs

Hence, tourism marketing should not only be regarded as a tool for attracting more visitors to a region, as it has been the case for most destinations. Instead, tourism marketing should operate as a mechanism to facilitate regional development objectives and to rationalize the provision of tourism in order to ensure that the strategic objectives of destinations are achieved. Tourism marketing should also ensure equitable returns-on-resources-utilized for the production and delivery of tourism products, as well as the regeneration of these resources. It should also provide suitable gains to all stakeholders involved in the tourism system. Hence, marketing should be used as a strategic mechanism in co-ordination with planning and management rather than a sales tool.



***The dynamic wheel of tourism stakeholders***

*Source:* Adapted from Buhalis and Fletcher, 1995.

Destinations may also involve **de-marketing**, i.e. the discouragement of certain market segments from visiting the destination during certain periods, through a range of prohibitive measures or by charging premium prices. Examples of these techniques include:

- Visitor management techniques in theme parks which divert people from congested attractions to less busy ones by using a leading story/attraction;
- Towns like Cambridge, which aims to attract only visitors who stay overnight and to discourage excursionists who contribute little to the local economy by controlling their parking processes;
- Mauritius which provides high quality resort accommodation and does not allow charter flights, therefore promoting high expenditure tourism; or



- Venice, which deters more visitors by charging premium prices for all services offered and recently initiated negative advertisement to reduce mass tourism.

In this way marketing is used as a mechanism to achieve strategic objectives of destination regions and thus, should be guided by the policies for regional development.

### **Importance of Stakeholder Involvement in Tourism Planning & Developments**

Tourism has become one of the main industries identified as having the potential to assist local communities through diversifying the economy, enhancing community pride and awareness, and supporting the increased development of public services. For tourism development to be successful however, it must be planned and managed responsibly. Inskip (1991) furthered the concept of responsible management stating, 'ill-conceived and poorly planned tourism development can erode the very qualities of the natural and [social] environments that attract visitors in the first place' (p. 460).

Communities that use or plan to use tourism as a tool to diversify their economy must develop policies for the sustainable development of the community. Gunn (1994) suggests that the success and implementation of a tourism development plan is often based on the support of stakeholders such as citizens, entrepreneurs, and community leaders. Therefore, tourism as a development strategy requires deliberate planning with the inclusion of stakeholders.

To include stakeholders in tourism development planning, they must be identified and their interests and needs understood. Traditionally, stakeholders have been identified in a community based on geographic and socio-graphic characteristics. Planners identify groups based on characteristics and then develop and implement strategies to include the different groups in the planning process. There are inherent biases to these approaches that limit their usefulness. The major bias is that planners make subjective judgments on who and what groups are included to represent stakeholders.

Stakeholder involvement in policy development is associated with the early ideas of community participation and public involvement that are central to basic democratic beliefs as well as modern business management concepts. There is a substantial literature on stakeholders and stakeholder involvement in both business management which focuses on the management and power of the stakeholder, and public administration which focuses on the right a stakeholder has to be involved no matter their level of power. Researching stakeholder groups and the significance of their interests has also been a reoccurring theme in the tourism literature. Current tourism concepts about stakeholders and their role in tourism development are built on the business management and public administration literature.

In general, there are four major stakeholder perspectives identified in tourism. These perspectives are the tourist, the residents, the business owners, and the local governmental officials. These perspectives were used to categorize different groups involved in the tourism development process. Much of the research investigating the complex relationship between stakeholders and tourism has focused on individual stakeholder groups; residents, visitors, business owners, or government officials; and their perceptions and attitudes. The need for studies that look at multiple stakeholder groups and compare them based on their interests is often emphasized.

Researchers have argued that tourism planners should consider the interests of all stakeholders before proceeding with development efforts. The incorporation of stakeholder views and interests can reduce conflicts in the long term by drawing on the knowledge and insights of stakeholders. Two distinct areas of thinking about stakeholders and tourism have emerged. The first is closely related to the classical idea of stakeholder management. The central agency considers the interest of the stakeholders and develops policies and practices based on the stakeholders' power and influence. Those with more power would be given more consideration than those with less.

The second area of stakeholder theory that has emerged over the past decade includes the concept of collaborative thinking. This idea is based on the normative approach to stakeholder theory. It implies that consideration should be given to each stakeholder group without one being

given priority over others. In particular, stakeholder identification and involvement is the main step towards achieving community partnerships and collaboration within tourism. While collaborative planning may be time-consuming and difficult, it can be justified because potentially it can avoid the costs of resolving conflicts in the long term, it is more politically legitimate, and it can build on the store of knowledge and capacities of the stakeholders. Collaboration and partnerships are essential to the development of bonds and networks among diverse stakeholders for their benefit.

## **Conclusion**

A stakeholder is defined as ‘ any group or individual who can affect or is affected by the achievement of the organisations objectives ’ ( Freeman, 1984: 46 ), and that group or individual has a legitimate interest in the organization. Tourism exists as a powerful economic force in the development of both community-based and global markets. Today, its activities comprise the world’s largest industry. Despite its economic significance, debate continues as to whether or not tourism truly benefits all entities involved in its system. At a most basic level, two schools of thought exist regarding its role in community and/or market development.

Alternatively, the functional view approaches tourism as a proactive force which, if developed appropriately, seeks to maximize positive returns to a community’s overall growth while minimizing the costs to the environment and culture. A functional approach suggests that all parties or stakeholders interested in or affected by this business within a particular market or community should collectively manage the tourism system. This co-operative approach toward its development is advocated in research involving collaboration and development.

Destinations are some of the most difficult entities to manage and market, due to the complexity of the relationships of local stakeholders. Managing and marketing destinations is also challenging because of the variety of stakeholders involved in the development and production of tourism products.

The destination experience is essentially comprised of regions, resources and amalgams of tourism facilities and services, which often

do not belong to individuals. Instead they represent a collection of both professional and personal interests of all the people who live and work in the area. Managing often conflicting stakeholders' interests makes controlling and marketing destinations as a whole extremely challenging. Hence, strategies and actions should take into account the wishes of all stakeholders, namely indigenous people, businesses and investors, tourists, tour operators and intermediaries, and interest groups. Perhaps the most difficult problem is ensuring the rational use of zero-priced public goods, such as landscapes, mountains, and the sea for the benefit of all stakeholders and at the same time preserving the resources for future generations.

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## Lesson 4.3 - Destination Marketing Mix & Destination Competitiveness

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### Learning Objectives

*After studying this lesson you can be able:*

- To know the concept of destination marketing mix;
- To understand the principles of developing appropriate destination marketing mix and
- To appreciate the concept of destination competitiveness.

### Introduction

Developing a marketing strategy and mix for destinations is a complex process, mainly because there are many independent stakeholders and principals involved. Destinations cannot be managed or marketed as enterprises, due to the dynamics of interests and benefits sought by stakeholders. In addition, most destinations are amalgams of independent SMTEs, which already follow their own marketing strategies. Although DMOs have traditionally taken marketing responsibility for the destination product, they fail to control marketing activities and mixes of individual players and hence can only co-ordinate and guide, rather than undertake a comprehensive marketing strategy. Perhaps the most important challenge for destination marketing therefore is to bring all individual partners together to compete rather than to co-operate and to pool resources towards developing an integrated marketing mix and delivery system.

The international tourist industry is becoming an increasingly competitive marketplace where only the best-managed destinations are likely to prosper. Comprehensive strategic business plans therefore need to address all factors that have an impact on the product. Tourism strategies should not only concentrate on visitation, but also include the entire range of impacts such as overcrowding, environmental problems, visitor safety and security, seasonality problems, and sensitivity to local culture. This

will enable destinations to develop comprehensive strategies to fulfil all strategic objectives.

### **Destination Marketing Mix**

The term “marketing-mix,” was first coined by Neil Borden, the president of the American Marketing Association in 1953. It usually refers to the 4P classification for developing an effective marketing strategy, which encompasses: product, price, place (distribution) and promotion. When it’s a consumer-centric marketing mix, it has been extended to include three more Ps: people, process and physical evidence, and three Cs: cost, consumer and competitor. Depending on the industry and the target of the marketing plan, marketing managers will take various approaches to each of the four Ps.

Once a tourism management and marketing strategy has been decided, destinations will have to develop their marketing mix. This will enable them to approach each target market with a comprehensive range of offerings and to propose an integrated solution to consumer needs and wants. Developing a marketing mix for destinations will depend on each destination, the types of target markets and a whole range of issues on the external environment. Nevertheless some principles need to be addressed and the following text illustrates examples and frameworks which can assist destination marketers to decide on the most appropriate marketing mixes.

- a) ***Formulating the destination product:*** Destinations are amalgams of individually produced tourism amenities and services (accommodation, transportation, catering, entertainment etc) and a wide range of public goods (such as landscape, scenery, sea, lakes, socio-cultural surroundings, atmosphere etc). All these elements are branded together under the name of the destination. The ubiquity of the destination concept effectively means that the tourism product for each prospective traveler is very subjective and depends heavily on his/her image and expectations of the place. Nevertheless, the tourism product for a region consists of the entire range of facilities and services offered locally, plus all socio-cultural, environmental resources and public goods. Understanding the core product as well as the facilitating, supportive and augmented

products for each target market is of paramount importance for destination marketing. The augmented environment will include intangible elements such as interaction and customer participation as well as accessibility and physical environment.

DMOs have an overall responsibility for the entire destination product and through incentives and policies facilitate the development of products, which is desirable from the demand side, and at the same time does not jeopardize local resources. DMOs should therefore be the guardians of the image and resources of destinations. However, throughout the world tourism services are offered by small and medium tourism enterprises (SMTes) which tend to be family managed. The challenge for destination management organisations is therefore to provide leadership in the development of innovative products and create local partnerships for the delivery of seamless experiences. These partnerships should bring together both private and public sector and should ensure that the long term competitiveness of the tourism product prevails all decision making processes.

DMOs also need to enhance and differentiate their products by emphasizing their uniqueness. Destination marketers will need to re-assess the entire range of their resources and identify suitable tourism products for each particular target market segment. Themed or alternative tourism enables destinations to provide unique experiences. Attracting appropriate target market segments should also assist the reduction of seasonality, as special theme offerings, as well as festivals and events should enable destinations to increase their demand during the low season.

*b) Pricing the destination:* A wide range of pricing techniques are applicable to tourism destinations. However, pricing is a difficult process for destinations as it is often determined by the pricing and marketing policies of individual enterprises both at the destination and distributors at the place of origin. Local suppliers can have their own policy and thus coordinating and establishing a destination wide pricing strategy is almost unachievable. Furthermore, national economic policies and economic conditions in the international marketplace also influence pricing. Therefore, both macro- and micro- economics determine the pricing function of tourism organisations locally and destinations. The cost of living and

employment, as well as inflation, exchange rates and local efficiency and competition all contribute to the pricing equation.

Pricing the destination and all the individual elements of the local tourism product is a very complex process. Principals tend to have their own pricing mix and policies. DMOs can control elements of pricing through regulation, advice and through partnerships with the private sector. However, DMOs often provide guidelines by suggesting minimum prices to protect small suppliers from fierce competition and maximum prices to protect consumers from overcharging.

For example, in several destinations the public sector determines the lowest price per category for accommodation, advises on the retail price of consumer goods and foods, set the maximum prices for transportation or taxi services. Although enforcing pricing policies is extremely difficult, destination managers should formulate partnerships with principals and train them on the importance of maintaining a fairly standardized pricing structure and policy.

In several leisure destinations tour operators also play a critical role in determining the price consumers pay for products locally. This has significant implications for destinations which depend on intermediaries (tour operators) for their clientele, and in particular for destinations which have an oversupply of facilities. Tour operators especially the larger/mass/integrated operators exercise bargaining and coercive power because of the large volume of tourists they represent and reduce the prices of principals at destinations. This enables them to offer competitively priced products at their marketplace. However, as local suppliers may not be able to gain enough profit from the basic product (i.e. accommodation and transfers) they may need to overprice other element of the product (i.e. catering, entertainment, local excursions) in order to boost their profitability.

- c) ***Distributing tourism destinations:*** Distribution or marketing channels are defined as sets of interdependent organisations involved in the process of making a product or service available for use or consumption. The ultimate objective of distribution channel can be summarized as: delivering the right quality and quantity of a product, in the right place, at the right time, at the right cost, to the right customer. Several important distribution and marketing



functions are performed by channel members, such as: carrying of inventory; demand generation through promotion; market information collection and analysis; negotiation between channel members and consumers; physical possession and distribution; risk taking; payment and financial arrangements; and after-sale service.

Distribution is emerging as a critical element of strategic management and as one of the few remaining sources of real competitive advantage. Apart from influencing costs, increasingly distribution channels also support and enable product differentiation by adding value on the product and by contributing to the total brand experience and projecting powerful images. The entire range of players that bring together tourism demand and supply for a region formulate its distribution channel. Distribution of destinations becomes increasingly more important because it determines whether and under what conditions suppliers can meet their target markets.

The availability of information on the Internet and the emergence of electronic intermediaries revolutionize distribution. Destinations that appreciate the new developments and build comprehensive tools for their local suppliers increasingly improve their ability to reach their strategic objectives. IT enables consumers to seek for information as well as construct and purchase individual itineraries on-line, and thus it revolutionized destination marketing. Not only do they provide opportunities for reducing dependency on traditional intermediaries for remote, peripheral and insular destinations but they also provide a mechanism to develop and promote specialized products for mini-market segments. Electronic distribution also offers opportunities for closer interaction and co-operation at the local level.

- d) **Promoting the destination:** Promoting destinations essentially implies the development of communicating channels with clientele and other stakeholders to increase awareness and persuade to purchase products. Destination promotion requires a coordinated campaign and message for all local principals and suppliers. Designing a cost-effective promotional mix is difficult because of the diversity of tourism suppliers at destinations and the spread of consumers throughout the world. Achieving a consensus on the marketing campaign as well as raising adequate funds to develop

and implement it is one of the most challenging tasks for destination marketing. Traditionally, DMOs lead promotional campaigns, whilst suppliers participate and contribute.

A wide range of techniques are used, both above and below the line. Above the line promotional activity includes advertising on television, radio, and press as well as using poster campaigns. Advertisements use slogans, which change frequently in order to follow tourism demand trends and to update the image of destinations. In addition, DMOs often use below the line promotional techniques. They participate in major annual tourism and travel fairs in Berlin, London, Milan, Madrid, Paris and elsewhere. There they have the opportunity to meet intermediaries and members of the public to promote their offerings. They produce brochures, which they distribute to all their partners in the industry and to prospective consumers who require information on the destination. Brochures normally show local attractions and activities, whilst they also feature a number of local suppliers such as hotels, entertainment and catering establishments.

Increasingly DMOs are forced to play a more active selling role as consumers appreciate a one-stop-service. Direct marketing is also used as destinations can identify prospective customers and promote elements of the local offerings that satisfy the specific demand. Developing relationship marketing and loyalty clubs enables repeat visitors to be recognized and appreciated. Discount schemes and other add-ons are currently developing for several destinations to reward and maintain their loyal clientele. Finally, public relations are extensively used for most tourism destinations. Destination representatives at national level establish tourism offices in their major markets to distribute promotional material and information. Public relations are also critical for the development and updating of the right image.

### **Destination Competitiveness**

Competitive strategy is the search for a favorable competitive position in an industry. This is a function of both the attractiveness of the industry and the relative competitive position within that particular industry, as well as alternative activities that an organization can undertake. Competitive strategy aims to establish a profitable and sustainable position

against the forces that determine industry competition. Competitiveness is, therefore, defined here as the effort and achievement of long term profitability, above the average of the particular industry within which they operate as well as above alternative investment opportunities in other industries. This definition includes the concept of opportunity cost and illustrates that successful organisations should not only compete within their particular industry but also against other investment opportunities. When referring to tourism destinations competitiveness should also include the sustainability of local resources for ensuring the maintenance of long term success as well as the achievement of equitable returns-on-resources utilized to satisfy all stakeholders.

Ritchie and Crouch (1993) have developed a comprehensive model for tourism organisations, as illustrated in Figure, which can be analyzed further to include the entire range of factors affecting the competitiveness of destinations.

Tourism Competitiveness = Fn

{destination appeal (attractiveness and deterrents)}

{destination management (marketing and managerial efforts)}

{destination organization (DMO capabilities, strategic alliances

{destination information (internalmanagement information system,research capabilities)}

{destination efficiency (integrity of experience, productivity)

### **Ritchie and Crouch model for tourism destination competitiveness**

**Destination prosperity = fn Competitiveness (Sector 1, Sector 2, tourism...)**

*Source:* Adapted from Ritchie and Crouch, 1993.

The framework explains that the prosperity of destination depends on the competitiveness of all economic sectors as well as the competitiveness of tourism. A further analysis illustrates that the competitiveness of tourism is a function of several factors related to destination administration. A wide range of elements are included in the model illustrating that tourism is affected by an endless number of factors in its internal and external environment. Although the model fails to rate

the importance of each of the elements examined, it is suggested that a dissimilar rating should be adopted by different destinations depending on the types of markets they attract, their life cycle stage and specific characteristics. Nevertheless the contribution of the Ritchie and Crouch lies on the comprehensiveness and wideness of the elements taken into consideration. The model also highlights that it is the combination of all factors comprising the competitiveness of destinations as well as synergies between these elements that determine the attractiveness of a region.

Destination marketing is increasingly becoming extremely competitive worldwide. Providing innovative and well-coordinated tourism products is therefore exceedingly important for tourism regions. Consumers assess their travel experience as a whole and they associate destinations with the entire range of local producers and suppliers. Producing innovative and specialized tourism products will enable destinations to attract intentional demand and to differentiate their products. Flexible specialization will also support local suppliers and the region as a whole to evolve with consumer trends and support the requirements of the emerging sophisticated clientele as well as compete globally. Destinations, which appreciate these principles, can develop and maintain competitive advantage and as a result achieve their strategic objectives.

Partnerships between the public and private sector and close co-operation between all local suppliers are key to the ability of destinations to offer quality products. Exceeding consumers' expectations is therefore instrumental for the ability of both suppliers and destinations to attract visitors in the long term. Hence the competitiveness of each supplier locally as well as their distributors determines the competitiveness of destinations. Local suppliers should co-operate rather than compete. Taking advantage of new technologies and the Internet can also enable destinations to enhance their competitiveness.

Technology can improve the efficiency of all local suppliers and also provide tools for the development and delivery of differentiated tourism products. Provision of information on local facilities and attractions and the ability to reserve the whole range of tourism products determines the ability to attract the new and sophisticated types of tourism demand. The recent evolution of Destination Management Systems (DMSs) enables

destinations to co-ordinate the entire range of products and services offered locally and to promote them globally. The provision of differentiated and tailor made products becomes much easier as consumers can assemble specialized products and construct their own itinerary. The availability of information on local resources and services reduces the cost of individual travel and enables destinations to offer mass-customized services.

## **Conclusion**

Developing a marketing strategy and mix for destinations is a complex process, mainly because there are many independent stakeholders and principals involved. Destinations cannot be managed or marketed as enterprises, due to the dynamics of interests and benefits sought by stakeholders. In addition, most destinations are amalgams of independent SMTEs, which already follow their own marketing strategies. Although DMOs have traditionally taken marketing responsibility for the destination product, they fail to control marketing activities and mixes of individual players and hence can only co-ordinate and guide, rather than undertake a comprehensive marketing strategy.

The international tourist industry is becoming an increasingly competitive marketplace where only the best-managed destinations are likely to prosper. Comprehensive strategic business plans therefore need to address all factors that have an impact on the product. Tourism strategies should not only concentrate on visitation, but also include the entire range of impacts such as overcrowding, environmental problems, visitor safety and security, seasonality problems, and sensitivity to local culture.

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## Lesson 4.4 - Distribution Channels

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the meaning of tourism distribution channel;
- To appreciate the different variations of tourism distribution channel;
- To know the various functions of tourism distribution channels and
- To understand the conflicts within the tourism distribution channel.

### Introduction

Tourism distribution channels have attracted a growing amount of attention in recent years because their importance has been belatedly recognized by researchers. Distribution becomes one of the most significant elements of tourism marketing as it determines all other aspects of the marketing mix. Distribution can be seen as that part of the marketing mix that makes the product available to consumers as the link between the producers of tourism services and their customers, the bridge between supply and demand.

Distribution channels in tourism are increasingly regarded as one of the most critical elements in marketing, as they determine the competitiveness and profitability of organizations. Tourism distribution channels attract more attention by contemporary researchers and strategists. According to Buhalis (2000), their purpose is twofold: to provide *information* for prospective tourists and intermediaries as well as to establish a mechanism which would enable consumers to make, confirm and pay for *reservations*. In tourism, the position of the distribution sector is much stronger: trade intermediaries (travel agents and tour operators of course, but also charter brokers, reservation systems and other travel distribution specialists) have a far greater power to influence and to direct demand than their counterparts in other industries do. Since they do, in

fact, control demand, they also have increased bargaining power in their relations with suppliers of tourist services and are in a position to influence their pricing, their product policies and their promotional activities.

### **Defining Distribution Channels**

Several scholars attempt to define the tourism distribution channel concept. Middleton (1994) proposes that “a distribution channel is any organized and serviced system, created or utilized to provide convenient points of sale and/or access to consumers, away from the location of production and consumption, and paid for out of marketing budgets.” However, this definition ignores the promotional and marketing research activities undertaken by the channels, while it underestimates their information provision function. It also excludes local outlets, such as box offices or incoming travel agencies at destinations.

Furthermore, McIntosh defines tourism distribution channels, as “an operating structure, system or linkages of various combinations of travel organization, through which a producer of travel products describes and confirms travel arrangements to the buyer”. The promotional element is still ignored but, the information provision function is highlighted.

The World Tourism Organization (WTO, 1975) suggests that “a distribution channel can be described as a given combination of intermediaries who co-operate in the sale of a product. It follows that a distribution system can be and in most instances is composed of more than one distribution channel, each of which operates parallel to and in competition with other channels.”

Perhaps more accurately Wanhill (1998) suggests that “the principal role of intermediaries is to bring buyers and sellers together, either to create markets where they previously did not exist or to make existing markets work more efficiently and thereby to expand market size.”

### **Variations of Tourism Distribution Channel**

There are endless variations of the tourism distribution channel, depending on each particular industry structure and external environment. Often ad-hock partnerships are established between channel members to

satisfy specific demand or to provide services requested by consumers. The literature often refers to two different types of intermediaries, i.e., tour operators (wholesalers) and outgoing travel agencies (retailers). Leisure tourism distribution channels normally include some more members. For example, incoming/handling travel agencies based at destinations undertake the handling of incoming groups. Moreover, national or regional tourist organizations and Destination Management Organizations are used by both tourists and travel trade for additional information, support documentation, classification and inspection of tourism products, co-operation in promotion, and special arrangements. Furthermore, a number of organizations offer ancillary services and may also be considered as tourism distribution channel members. These include specialty intermediaries, clubs, credit card companies, special privileged user cards, societies, religious groups and organizations

Middleton (1994) highlights that “paradoxically, the inability in travel and tourism to create physical stocks of products, adds to rather than reduces the importance of the distribution process. In marketing practice, creating and manipulating access for consumers is one of the principal ways to *manage demand* for highly perishable products.” Contemporary channels not only distribute tourism products, but also influence all the other elements of the marketing mix. For example, channels often determine the price by assessing real-time demand and available supply; manipulate and formulate tourism products by combining and tailoring products according to customers’ needs and wishes; and finally facilitate promotion by targeting specific markets and establishing communication.

Hence, tourism distribution decisions are critical for tourism enterprises, as they influence their entire marketing mix. Suitable intermediaries should be utilized by suppliers, as they influence both branding and image of tourism products. Tourism distribution channels vary according to products, industry structures and countries. Although similar principles normally apply there are several significant differences which prevent generalizations.

### **Functions of Tourism Distribution Channels**

Several generic functions and benefits are therefore enhanced by the tourism distribution channel, as illustrated in Figure. Consumers may



purchase various components directly from producers, while numerous distribution and sales intermediaries are involved in promoting and distributing the tourism product.

- Identify consumers' needs, requests and expected experiences
- Assemble tourism products from different providers according to customer expectations
- Provision of coordinated and seamless tourism products
- Facilitate the selling process by reserving and issuing travel documents
- Reduction of prices by negotiating and pre-purchasing tourism products in bulk
- Ameliorate inventory management by managing demand and supply
- Issue and deliver travel documentation, i.e., ticketing, vouchers, etc.
- Assessment of quality of facilities and products
- Assistance in legal requirements for consumers (e.g., visas) and suppliers
- Facilitate communications between consumers and suppliers especially in multilingual and multicultural environments
- Reduce the perceived risk for consumers
- Provision of information by using leaflets, maps, brochures, video, CDs
- Consumers guidance/advice/consultation
- Undertake pre- and post- experience marketing research
- Facilitation of access to often remote tourism products, for both bookings and purchasing
- Establish a clearing system where each channel member receives payments for their services
- Spreading the commercial risk involved between channel members

- Arranging details and ancillary services, such as insurance, visa, currency, etc.
- Assume risk when pre-purchasing tourism products
- Promotion of particular products or packages, in co-operation with suppliers
- Promotion of distressed capacity in low period and at the last minute
- Complaint handling for both customers and industry

### **Conflicts within the Tourism Distribution Channel: Hotels vs. Tour Operators**

Since each member of the tourism distribution channel has different commercial and strategic interests, as well as operational procedures, several intra-channel conflicts emerge inevitably. A major source of conflict is usually the incompatibility and antagonism between targets and goals set by each partner. As each channel member attempts to protect and advance its own interests, they tend to exert a variety of power forces on their partners in order to achieve their objectives, often at the expense of their partners' gains. A variety of conflicts are evident in tourism distribution channels. These conflicts emerge from four major sources.

Firstly, the *price and profit margin distribution* generate inter-channel conflict. Consumers have a certain budget for their holidays and therefore channel members compete directly with their partners for a larger share. Secondly, the exceeding *vertical integration generates oligopolistic behavior*, which reduces the negotiation power of small/ independent channel partners and jeopardizes their competitiveness. Thirdly, several *operational issues* can also generate conflicts often as partners fail to fulfill their obligations and/or provide the service they promised. Fourthly, as bankruptcies, mergers and take-overs are not unusual in the tourism distribution channel, partners' *financial security* is often quoted as a major source of conflict. The limited financial commitments and assets required by travel intermediaries make this industry extremely volatile.

The following analysis examines the major conflicts between hotels and tour operators, from the former's point of view. The analysis also illuminates the sources of conflict and examines which types of hotels face this problem more than others and why. Conflicts between hotels and tour operators are frequent in the tourism industry. They can be both operational and strategic. At the strategic level, the objectives of hotels and tour operators are antagonistic and incompatible to a certain extent as the two partners compete within the channel in order to maximize their financial benefit.

Tour operators and in particular the larger/mass ones attempt to increase their profitability by enlarging their market share and volume, through offering inexpensively priced holiday packages. In contrast, hotels have to balance the volume of clients they serve with their average room rates, in order to maximize their yield and achieve a reasonable return on investment. Volume of business is not necessarily the best strategy, as it may jeopardize their image, profit margins and long term profitability.

The proliferation of tourism supply in many destinations worldwide, combined with a lower growth of demand, enables both consumers and the travel trade to increase their bargaining power over suppliers. Almost unlimited and undifferentiated supply in numerous destinations around the world essentially increasingly forces the industry to compete on a "cost advantage" basis. The vast majority of suppliers are Small and Medium-sized Tourism Enterprises (SMTEs). Due to the structural and functional weaknesses of most SMTEs, hotels depend almost entirely on tour operators for their communications with consumers and visibility in their major markets.

In addition, through vertical integration, tour operators control both transportation companies (charter airlines) and retailers (travel agency chains). Therefore such firms have established their position as channel leaders of the distribution channel. Moreover, exclusivity rights (i.e., the right of tour operators to exclusively represent hotels in their markets), provide tour operators with control over hotels' distribution mix, as they effectively determine which other channel member can feature a particular establishment in their programme. These conflicts are evident on several destinations around the world

These conflicts generate an enormous pressure on principals to reduce their prices. They also reduce the economic impacts of tourism at the macro level. As a result, a consumption of local resources can be observed in most destinations, while very few initiatives are undertaken to sustain the invaluable environmental and cultural wealth of these regions. A great differentiation between small/independent and large/mass tour operators can be observed, due to their dissimilar strategies. Most conflicts between hotels and tour operators are generated by large/mass operators, rather than small/niche ones. Small/niche operators, as for example the members of the Association of Independent Tour Operators (AITO) in the UK tend to have a greater commitment to properties and destinations. Hence, they are often considered by hoteliers as partners and even friends. They tend to concentrate more on quality and normally have higher quality standards and very loyal customers.

Some of their products are specialized and often have specific requirements, which they are prepared to pay for. However, hoteliers appreciated that smaller tour operators have to compete in their marketplace with larger counterparts and thus they also require competitive and comparable pricing. In addition, tour operators from different countries have different attitudes and priorities. Typically, larger British, Scandinavian and Dutch operators are concerned with price, whilst German, American and Japanese operators seek value for money and hence are prepared to pay for better quality. This often reflects the level of competition in their home markets, as well as the orientation, values, needs and wants of their clientele.

In conclusion, the majority of hotels' conflicts with tour operators tend to concentrate on the profit margin they are allowed to gain, the occupancy and coverage of contracts, as well as the financial security of their co-operation. Evidently hoteliers rated these conflicts according to a number of factors, mainly their competitiveness in the distribution channel, as well as their dependence on the tour operators. In most cases respondents from larger and higher category hotels under-rated the aforementioned conflicts, due to their ability to amend their distribution mix in order to take advantage of alternative and more profitable tour operators, should their co-operation fail to yield satisfactory results.

In addition, the differences between contract types also played a significant role in ratings. For example properties which are based on commitment contracts, such as “apartments,” tend to underrate conflicts referring to occupancy, release periods and contract coverage. The number of tour operators a property co-operates with was often instrumental in the rating of conflicts, as it determined dependency. The more the tour operators in co-operation, the easier it is to reengineer the distribution channel and therefore the lower the conflict levels were rated.

In addition, the stronger the competitive position a hotel gains, the less problems it encounters with tour operators, due to a more equal distribution of power within the channel. In contrast, easily replaceable, small, unsophisticated hotels which lack a wide range of required facilities tend to face a wide range of problems, on both occupancy and profit margin aspects. Should they fail to obey tour operator requirements; small properties can experience extensive coercive and expertness power from tour operators.

Therefore, hotels are required to assess their strategic position, identify specific attributes which would enable them to differentiate their product, attract and satisfy niche markets and formulate co-operation schemes at the destination level. Closer collaboration and the utilization of information technology would enable hoteliers to expand their distribution mix and to enhance their position in the distribution channel.

## **Conclusion**

Tourism distribution channels have attracted a growing amount of attention in recent years because their importance has been belatedly recognized by researchers. Distribution becomes one of the most significant elements of tourism marketing as it determines all other aspects of the marketing mix. Distribution channels in tourism are increasingly regarded as one of the most critical elements in marketing, as they determine the competitiveness and profitability of organizations. Tourism distribution channels attract more attention by contemporary researchers and strategists. According to Buhalis (2000), their purpose is twofold: to provide *information* for prospective tourists and intermediaries as well as to establish a mechanism which would enable consumers to make, confirm and pay for *reservations*. In tourism, the position of the distribution sector

is much stronger: trade intermediaries (travel agents and tour operators of course, but also charter brokers, reservation systems and other travel distribution specialists) have a far greater power to influence and to direct demand than their counterparts in other industries do.

There are endless variations of the tourism distribution channel, depending on each particular industry structure and external environment. Often ad-hock partnerships are established between channel members to satisfy specific demand or to provide services requested by consumers. The literature often refers to two different types of intermediaries, i.e., tour operators (wholesalers) and outgoing travel agencies (retailers). Leisure tourism distribution channels normally include some more members. For example, incoming/handling travel agencies based at destinations undertake the handling of incoming groups. Moreover, national or regional tourist organizations and Destination Management Organizations are used by both tourists and travel trade for additional information, support documentation, classification and inspection of tourism products, co-operation in promotion, and special arrangements. Furthermore, a number of organizations offer ancillary services and may also be considered as tourism distribution channel members.

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## Lesson 4.5 - Marketing Communication & Strategies

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the concept of marketing communication;
- To know the various marketing communication tools and
- To comprehend the ways of developing an effective marketing communication strategy.

### Introduction

Marketing communication helps to develop brand awareness, which means that consumers translate product information into perceptions about the product's attributes and its position within the larger market. Businesses also use marketing communication to retain the product's current customer base, and to cement relationships with customers and suppliers. Marketing communication strategy defines the business's plan for product information dissemination and brand awareness development.

Raising awareness of the product in the target market is where sales begin, and this is where marketing communications activities begin the selling process. With today's multiple channels for content to reach potential customers, the art and science of marketing communications has become increasingly important. The marketing communications function has many communications tools available. Some companies in an industry might rely on paid advertising in print and online media. While other companies in the same industry might rely on a very different media mix, such as public relations and events.

However, no company can be sure they are using the most efficient media mix without creating a marketing communication strategy that is aligned with their overall strategic marketing direction.

## **Marketing Communication Tools**

The following text describes some of the marketing communication tools used by the companies to reach out to the potential and existing customers.

### **1. Advertising**

Its objective is to encourage or persuade a customer to make a decision with respect to a commercial offering. Making the product familiar to the customer and associating the benefits of using the product influences the demand for the product. Advertising is the most visible form of communication. It makes commercial offerings known to buyers so that rightful decisions are made to satisfy their expectations. It is important in building the brand image of a product. The advertising campaign elaborates detail regarding: a) the target market, b) the objectives to be attained by advertising, c) the form of media/channel to be used, d) a measurement for efficient advertising control

### **2. Sales Promotion**

Sales promotion aims at increasing purchase of product offerings by using a collection of incentive tools. It is designed for short-term use and consists of consumer promotion tools such as coupons, samples, premiums, prizes, patronage, rewards, free trials, warranties and free goods. Incentive tools are designed to meet specific customer expectation or strengthen existing customer relationships. While advertising explains the reason of purchasing a product, sales promotion tries to induce a customer to purchase an offering. Sales promotion is defined as any paid consumer or trade communication programme which increases the tangible value of an offering in a given period of time. The use of sales promotion is due to the reduction of perceived risks of the buyer in purchasing a product and accountability of the volume sales in respond to the sales promotion.

Sales promotion can be categorized into two groups. First, consumer promotion includes samples, coupons, cash refunds offers, money off, premiums, prizes, patronage, rewards, warranties, free trials, demonstrations and cross promotions. Second, trade promotion are free goods, advertising and display allowances while salesmen contests and



specialty advertising and enterprise promotions are examples of trade exhibitions and fairs. The use of sales promotion is effective and cheap as the customer becomes knowledge oriented.

### **3. Events and Experiences**

The use of sponsorship of sport events, art festivals, fairs, charity events is employed to target a niche market where companies desire to deepen and forge a stronger relationship, prestige and credibility with consumers. However, events have to be carefully chosen, and parameters executed to ensure the effects of the events. Objectives of event sponsorship revolve around the enhancement the company's brand or corporate image. Attaining those objectives require that companies have to:

- a) Identify a particular target market or lifestyle,
- b) Increase awareness of product name or company,
- c) Enhance company image,
- d) Create experiences to evoke feelings,
- e) Entertain key customers and reward employees,
- f) Reinforce perceptions of brand image associations.

Events sponsorship also allows shareholders and executives to meet directly with their customers and offer instant feedback on both the marketing campaign and the products. Sponsorship delivers increased awareness, brand building and propensity to purchase. Experiences are just as effective as referrals as it impacts the psychological thoughts of customers. The objective of experiences is not to sell products but demonstrate how a brand could enrich a customer's lifestyle.

### **4. Public relations and Publicity**

Public relations is defined as the coordination of a set of complex activities to create a spirit of cooperation with a group of stakeholders and to establish confidence and understanding within the company (internally) and between the company and its stakeholders (externally). Public relations seek to project an organization's strategic intent and corporate policy. Management tries to identify and close any discrepancies between how an organization is viewed and how it would like to be seen by its

stakeholders. While customers are principal targets, other constituencies such as employees, shareholders, government/politicians, the media, the general public implicitly or explicitly is needed for a successful public relations performance. In order for companies to plan and sustain mutual understanding with customers, public relations will have to be used together with other marketing communication tools. Public relations employ certain tools such as: 1. Press releases, 2. Press conferences, 3. Lobbying, 4. Sponsorship

### **5. Direct Marketing**

Direct marketing entails the use of consumer-direct channels to access and market offerings to potential customers excluding marketing middlemen. Direct marketing is any activity aimed at individuals with the objective to elicit a response from them through contact details that are added to the database. It is essentially an aspect of marketing which is based on the development and utilization of company database to forge relationship directly with the customer.

Segmentation, positioning, database collection, are essentials to successful direct marketing campaign. It entails several processes comprising the development of a system of customer management to the application of direct communication techniques. Individual customers are personally targeted using different approaches that include distribution, communication and sales methods. Direct marketing through consumer database systems helps to convey the rightful offerings to customers while assuring its low costs. Otherwise, termed individualization, direct marketing is effective when dealing with complex and ever-demanding customers in a changing business environment.

### **6. Personal Selling**

Personal selling is defined as a two-way communication process designed to achieve immediate feedback. Customer screening process is identified by the use of a marketing computerized database. Sales force tasks are to channel offerings with the help of customers. Their task is to change potential buyers to real and loyal customers. It is a precise channel for persuasion as the selected message is designed for a particular targeted audience. Personal selling is a two-way process that involves the

interaction of both buyers and sellers. Identification of specific customer's demands is crucial as the seller provides appropriate solutions. Although expensive, it is efficient on having immediate feedback from customers. Personal selling is effective with a certain type of products and particularly suitable for small businesses. Information about competition and current market trends is easily obtained through this promotion channel.

## **7. Word of Mouth – (Referrals)**

Word-of-mouth consist of the propagation of rumors, favorable to the awareness of consuming a particular products or service. Customers show approval of their satisfaction by making recommendations to potential buyers. Certain customers view referrals more credibly than advertising as it reflects the true customer experience. Although it is effective, many companies cannot control the content of the message which is transmitted to the buyer.

Essentially, word-of-mouth is defined as an interpersonal form of marketing communication, emphasized that, it is effective for small businesses seeking the development of special relationships with customers. Companies are increasingly aware of the strength of word-of-mouth in brand building and profitability and must comply with customers' expectations. However, the impact of a lack of controlled information transmitted from already existing buyers to potential buyers is a source of concern for most companies.

## **8. Internet Marketing**

For many companies or organisations, the internet has become an important channel to communicate their offerings and reach a wide target group. The internet has transformed marketing as a new drive of enterprise competition. Internet marketing refers to how the internet is used in association with other traditional forms of media to acquire and provide information and services to customers. Names associated with internet marketing are e-marketing, digital marketing, e-business, and e-commerce. It is worthy to note that the internet provides a direct response tool which enables customers to react to offers and promotions which are channeled through other forms of media.

## 9. Relationship Marketing

Companies are increasingly forging to build ties and bonds with customers aiming to increase both sales volume and loyalty. Relationship marketing is an effective tool in this direction that requires trust and constant interaction to attain its objectives. Companies have a task of transforming prospective customers to active partners in adding value and profitability. This requires the readiness of firms/companies to build long-lasting relationships as prospect buyers become customers. Status will depend increasingly on the level of trust and commitment of both the company and the customers, but the ultimate is for customers to become partners so that they are involved in the marketing campaign through channels such as referrals or word-of-mouth and experiences. In the process, companies could also receive instant feedback and try to enhance their offerings to meet the expectation of the customers.

### Developing a Marketing Communications Strategy

For Marketing Communication, to be effective, various stages have to be identified which will include: identifying the target audience, determining the communications objective, designing the message, selecting the communication channels, allocating the total promotions budget, deciding on the promotion mix, measuring the results of the promotion.

The marketing communications strategy process usually begins with creating a “messaging strategy” -- determining the consistent theme or fundamental selling message that will be used in all marketing materials. Another key part of the messaging process is creating the positioning statement. This statement tells what a company sells, to whom, and why customers should buy it.

The positioning statement is critical to making all of the other parts of the marketing communications strategy work well. This is because every awareness-building and product information program needs to paint a clear, concise picture of what one sells and how customers will benefit from using its products.

Once a company has settled on a strong positioning statement, one can develop sound strategies for its marketing communication programs.

For most companies this means considering programs such as: public relations, advertising, website promotion, seminars, conferences and trade shows, direct marketing (offline & online), packaging event sponsorships, merchandising promotions. The process of creating a marketing communication strategy has got more complex as more marketing activities move to the Internet. This has made it even more important to understand customer segments and how to communicate with those potential customers.

When one develops a marketing communication strategy based on a sound strategic marketing view of the market the marketing communication program will be more effective -- and customers will have a better, more consistent brand experience.

Designing an effective marketing communication strategy with one or more marketing communication components include several aspects. Advertising allows a business to reach a large audience through mass market or target market appeals. Personal selling enables a company to communicate product benefits directly to the customer, as in a retail setting. Direct marketing permits a business to reach customers without a third party medium; examples include catalogs and direct mail. Sales promotion provides a customer with an incentive to buy the company's product, such as a company that makes a charitable contribution with each sale. Public relations involve a company's outflow of information to customers, suppliers and other groups affected by company operations.

Businesses employ five general marketing communication strategies. Company owners often inspire customer trust by presenting the personal story that led to the business's creation. A business clearly presents its products, along with projected customer benefits. The business illustrates why its product is superior to similar competitors' products. A company utilizes customer testimonials to highlight a product's value. A business often creates customer goodwill by developing an informational sheet on a customer-focused topic.

A well-chosen marketing communication strategy utilizes one or more components to disseminate the company's outgoing message. A market-appropriate strategy increases the company's chances to accurately transmit the product's benefits, and to have that message positively received by the customer. The business is likely to benefit from customer

goodwill when the company story or customer testimonial strategies are used. A business owner must utilize a marketing communication strategy appropriate for each product.

### **Conclusion**

Marketing communication helps to develop brand awareness, which means that consumers translate product information into perceptions about the product's attributes and its position within the larger market. Businesses also use marketing communication to retain the product's current customer base, and to cement relationships with customers and suppliers. Raising awareness of the product in the target market is where sales begin, and this is where marketing communications activities begin the selling process. With today's multiple channels for content to reach potential customers, the art and science of marketing communications has become increasingly important. However, no company can be sure they are using the most efficient media mix without creating a marketing communication strategy that is aligned with their overall strategic marketing direction.

### **Self Assessment Questions**

1. Discuss the various tools used for destination promotion and publicity.
2. Explain the six A's framework for tourism destinations.
3. Describe the media familiarization, travel writer tours and visiting journalists programmes
4. What is the meaning of tourism stakeholders?
5. Explain the concept of dynamic wheel of tourism stakeholders.
6. Discuss the importance of stakeholder involvement in tourism planning and development.
7. Explain the meaning of destination marketing mix.
8. Discuss the principles that need to be addressed for developing an appropriate destination marketing mix
9. Explain the concept of destination competitiveness
10. Explain the meaning of tourism distribution channel
11. Describe the variations of tourism distribution channel

12. What are the functions of tourism distribution channel?
13. Discuss the conflicts that exist within the tourism distribution channel with the help of an example
14. Explain the concept of marketing communication
15. What are the various marketing communication tools?
16. Discuss ways to develop an effective marketing communication strategy.

## **CASE STUDY**

### **Kolleru Wildlife Sanctuary**

#### **Introduction**

Kolleru, the largest fresh water lake in India, falls in the West Godavari and Krishnab districts of the state of Andhra Pradesh. The catchment of the lake extends up to 6121 km<sup>2</sup>, of which 4763 km<sup>2</sup> comprise of upland, and 1358 km<sup>2</sup> deltaic. The high lands of the Eastern Ghats and northern plains in the Krishna basin and the southern plains of Godavari basin form its catchment. The lake is, in effect, two large conjoined elliptical sub basins, of which the larger one runs on its long axis from North to South. The two major islands in the lake, located at 1 to 2 m above Mean Sea Level (MSL), are Kolletikota and Gudivakalanka. The lake Kolleru debouches in to the Bay of Bengal through the meandering channel called Upputeru, which is about 65 km long. The channel is under strong tidal influence and turns brackish especially towards its downstream stretch.

#### **Kolleru Lake**

Kolleru lake system represents one of the largest and oldest natural lacustrine systems in the country. The lake receives water from several sources, of which the streams Budameru, Tammileru (East and West branches), Ramileru, Gunderu and Bulusuvagu are natural and foremost in terms of water input. Like all wetlands, the lake lacks definite boundary and has an irregular shoreline. In fact, the lake's boundary varies depending upon the seasonal inflows and outflows, as is the case of all inland wetlands. The Lake could extend to an area falling below +10 feet contour with a water-spread over 901 km<sup>2</sup> during monsoon. It could recede down

in summer to at +3 feet contours with water spread of about 135 km<sup>2</sup> or lower at times. The Kolleru and its surroundings have 148 rural settlements (50 in the lake-bed and 98 in the belt area). Primary occupation of people in the bed villages is fishing; agriculture being the second option. People in the belt villages have agriculture as primary occupation, followed by fishery related activities. Major crop raised here is rice, cultivated twice in a year. Kolleru also supports duckary, earlier an important means of livelihood for the locals. Capture fishery was also an important means of livelihood for large proportion of the people residing in the area. Fishery in the area, during the last couple of decades had shifted to a more capital intensive corporate venture.

### **Kolleru Wildlife Sanctuary**

In 1999, 308 km<sup>2</sup> of the Lake falling below +5 feet above MSL contour line was declared as Kolleru Wildlife Sanctuary (KWS). Even after the declaration, ecologically not-so-benign activities and encroachments continued unabated in the area. Regularizing the possession of land, aquaculture and related activities in the area became a matter of local public concern and political agenda.

The comparatively shallow Kolleru lake ecosystem offers excellent habitats for a variety of resident and migratory avian species. Several endangered or threatened species are also seen here. The Kolleru Lake is also an Important Bird Area. Avifauna of the area include a variety of waterfowl including ducks, teals, storks, egrets, herons, ibises, bitterns, cormorants, and a number of waders. More than 200 species of birds have been reported from the lake and its environs. Around 100 species of birds reported from the lake are migratory birds coming from different parts of Eurasia (Palearctic region). These species depend largely on the wetland to meet their resource requirements. Other fauna in and around the lake include various species of invertebrates, fishes, amphibians, reptiles, and mammals. About 63 species of fishes belonging to families have been recorded from the lake. Of these, 44 are freshwater species.

The natural species composition of fishes seems to have considerably changed for various reasons. Recently air breathing fish such as *Anabas testudineus*, *Anabas oligolepis*, *Heteropneustes fossilis* and *Clarias batrachus* are reported more frequently from the lake, perhaps for the low dissolved



oxygen due to high organic pollution load in the water. Besides offering critical habitats to several globally important faunal and floral groups, the lake offers many important ecological services some of which are discussed elsewhere in this report. Considering that the lake functions as a flood moderating reservoir between the Krishna and Godavari deltas and that it supports several vulnerable species and a variety of resident and migratory birds, the Kolleru wetland was declared as a Wildlife Sanctuary, a RAMSAR site and also as an Important Bird Area (IBA).

### **Critical Issues**

However, of late, indiscriminate exploitation of the Kolleru area has evidently resulted in depletion of many of the ecological goods and services conventionally derived from it leading to unwanted flooding and other negative consequences. Anthropogenic pressures such as cultivation in the lake bed, lavish use of fertilizers and pesticides, large-scale encroachment of lake bed for aqua farms, fishpond discharges, domestic wastes and sewage from three municipalities, and discharge of industrial effluents and agricultural run-off carrying inorganic nutrients have vitally affected and altered the ecological character of the wetland.

Looking at the issues confronting the KWS, the local inhabitants and the lake ecosystem we conclude that reduction of the wildlife sanctuary area would worsen the situation in Kolleru. In due course of time most of the lakebed is likely to be converted into fish tanks. Floods will remain incessant. The ecological setup of the area will degrade and wildlife will certainly suffer and many species will become locally extinct.

### **Questions**

1. Explain the silent features of Kolleru Wildlife Sanctuary
2. How do you promote Kolleru Wildlife Sanctuary as a tourist destination in the given constrains.

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## UNIT – V

### Institutional Support

#### Unit Structure

Lesson 5.1 - Public Private Partnership (PPP) Model in Tourism

Lesson 5.2 - Tourism Policies and Destination Development

Lesson 5.3 - WTO Guidelines for Tourism Planning

Lesson 5.4 - Characteristics of Rural Tourism

Lesson 5.5 - National Tourism Planning & Vision

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#### Lesson 5.1 - Public Private Partnership Model in Tourism

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#### Learning Objectives

*After Studying this lesson you can be able to*

- To understand the meaning, motives and modalities of Public Private Partnership (PPP);
- To know the strengths and weaknesses of PPP;
- To understand the institutional framework of PPP;
- To know the rationale behind the PPP;
- To familiarize with policies and structures of PPP and
- To understand PPP in Indian tourism industry.

#### Introduction

As tourism development has slowly shifted from the informal economy to public management, corporations have been actively lobbying the government for a larger role in the planning, implementation and evaluation of tourism activities. So far the government has consulted with

private sector players and invited their representatives on planning boards and policy initiatives, through which the largest tourism companies have been able to influence government priorities. Now there is a major thrust toward formalising this relationship and legitimising it in ways that need to be probed.

In light of the importance placed upon public-private partnerships (PPPs) in the management of natural resources, development planning, and social services – erstwhile responsibilities of the government – this report interrogates the significance of PPPs for the future of governance. Specifically, the report aims to shed light on the implications of PPPs for democratic community control and for the much-touted power of tourism development for the poor.

### **Meanings, Motivations and Modalities**

Broadly, PPP refers to “an arrangement between the public and private sectors with clear agreement on shared objectives for the delivery of public infrastructure and/or public services.” Research Republic LLP (2008: 13). The Department of Economic Affairs (DEA, 2008), Ministry of Finance, Government of India defines PPPs as: *A partnership between a public sector entity (sponsoring authority) and a private sector entity (a legal entity in which 51% or more of equity is with the private partner/s) for the creation and/or management of infrastructure for public purpose for a specified period of time (concession period) on commercial terms and in which the private partner has been procured through a transparent and open procurement system.*

International agencies which have promoted PPPs use similar, functional definitions of PPPs. Public Private Partnerships are defined as: “Arrangements where the private sector supplies infrastructure assets and services that traditionally have been provided by the government.” *The International Monetary Fund (IMF, 2004: 4).*

Those that “are for services traditionally provided by the public sector, combine investment and service provision, see significant risks being borne by the private sector, and also see a major role for the public sector in either purchasing services or bearing substantial risks under the project” - *The World Bank (2006: 13).*

“Long-term, contractual partnerships between the public and private sector agencies, specifically targeted towards financing, designing, implementing, and operating infrastructure facilities and services that were traditionally provided by the public sector” - *The Asian Development Bank (ADB) (2006: 15)*.

“Agreements that transfer investment projects to the private sector that traditionally have been executed or financed by the public sector. To qualify as a PPP, the project should concern a public function, involve the general government as the principal purchaser, be financed from non-public sources and engage a corporation outside the general government as the principal operator that provides significant inputs in the design and conception of the project and bears a relevant amount of the risk” - *The European Union (EU) (2010: 262)*

Although definitions of PPPs abound, five characteristics can be identified in common (Research Republic LLP, 2008).

1. First, they are based upon cooperative and contractual relationships between the government and the private sector intended to draw upon the strengths of the two sectors. PPP agreements are long-term in nature, typically extending over a 15 to 30 year period.
2. Second, PPPs can be distinguished from privatisation by the shared responsibilities between public sponsors and private providers throughout the project development and delivery, and often also in operation and maintenance. It is generally understood, however, that the government “remains ultimately responsible and accountable for the provision of high quality services that meet the public need” (Research Republic LLP, 2008: 14).
3. Third, PPPs are a form of procurement that allows private agencies a greater role in the planning, finance, building, operation and maintenance of public infrastructure and services than traditional procurement methods. Rather than starting with the question of how the government will deliver the necessary services within its means, PPPs begin with a focus on the desired service identified by the public sector and how the private sector can play a part in its delivery.

4. Fourth, PPPs are praised for the ability of the public sector to transfer risks associated with the project, eg. design, construction and operation, to the private sector which is perceived as better equipped to handle them, with the incentive of higher rates of return related to high standards of performance. This is seen to result in more economically efficient public projects and services.
5. Finally, PPPs allow the public sector to decide whether or not it is more cost-effective to own and operate assets directly than to buy these from the private agency which has been contracted to build the facilities or supply equipment. With flexible ownership intrinsic to PPPs, services may be bought by the government, for itself, as an input to provide another service, or on behalf of the end user.

These five basic characteristics of PPP, which constitute a long term collaboration and transfer of risk and responsibility from the public to the private sector, need to be considered in a wider context of the Indian economy's trajectory since the formal launch of the New Economic Policies in 1991. PPP represents another notch in the Indian government's efforts to open up the economy to the private sector and foreign direct investment, while limiting its role to the bare minimum as facilitator of growth. As the very nature of PPP has grave implications for a democratic and accountable governance system, the following section delves deeper into its associated roles and modes of functioning before turning to an examination of its strengths and weaknesses vis-à-vis community development.

### **Roles and Modalities**

A PPP generally comprises a public sector agency and a private partner, which may be a private company, a consortium of private interests, or a non-governmental agency (NGO). Typically, a consortium consists of contractors, maintenance companies, private investors or financiers, and consulting firms. The roles of each are as follows (Research Republic LLP, 2008):

- Public agency – (Purchaser) to specify the desired outcomes or outputs, and pay the private partner if the assets and services are delivered in accordance with the defined performance standards;

- Private partner – (Service Providers) usually come together as a ‘special purpose vehicle’ (SPV) to contract with the public agency and with subcontractors to design, construct, operate and maintain the facility. In order to achieve this, the SPV will need to raise the necessary capital (IMF, 2004);
- Private financiers – (equity investors and debt providers) provide the initial outlay either through equity stakes in the project or through loans from fund managers and other financial institutions;
- Consultants – (Project advisors) provide technical, legal or financial advice to the public agency in structuring the tender or to the private partner in composing a viable PPP proposal.

In addition to these players, multilateral agencies have been playing instrumental roles in creating “effective enabling conditions for private sector participation” in public service delivery in India (ADB, 2006: 68). They have been doing this in collaboration with the Government of India (GoI) by disseminating research reports, conducting technical skills workshops and providing major funding. Early in India’s foray into PPPs, for instance, the World Bank (2006) interpreted country-level experience of PPPs and made several recommendations to improve India’s performance on the PPP front.

Most of the Bank’s following recommendations have been executed by the GoI: to develop a policy rationale for PPPs; to adopt legal frameworks for the procurement, development and regulation of PPPs, especially at the state level; Information dissemination and guidance materials in terms of standard contracts and clauses to increase the confidence of bureaucrats; Dedicated PPP units at the national and state levels; and additional resources for PPPs for the states from the central government.

The Asian Development Bank (ADB) has similarly identified ‘key issues and challenges’ facing GoI in the support of PPPs. Specifically, it has called for a streamlining of appraisal mechanisms, land acquisition and environmental clearances. It considers the “[d]evelopment of public sector capacity to prioritize, plan, appraise, structure, bid, and financially close PPPs remains the topmost challenge for mainstreaming of PPPs at the state as also the central level” (ADB, 2006: 68). In fact, over two-thirds of the ADB’s development aid to India, ostensibly for poverty reduction,

in 2006-08 was focused on infrastructure development. With a multitude of players and a complex interplay of goals in relation to public services, there is no standard model of PPPs. Rather, PPPs are organised in different forms, some of the most common of which are described in the table below.

### PPP Schemes and Modalities

A.	Design-Build (DB) Build-Transfer (BT) Build-Transfer-Operate (BTO) Design-Build-Operate (DBO) Build-Operate-Transfer (BOT) Build-Own-Operate-Transfer (BOOT)	The private sector designs and builds an asset, and then transfers it to the government. The private sector may also operate it, and then transfers it to the government when the operating contract ends. The private partner may subsequently rent or lease the asset from the government for a specified period.
B.	Wrap Around Addition (WAA) Lease-Develop-Operate (LDO) Buy-Develop-Operate (BDO)	The private sector buys or leases an existing asset from the government, renovates, modernises and/or expands it, and then operates the asset with no obligation to transfer ownership back to the government
C.	Design-Build-Finance-Operate (DBFO) Design-Build-Finance-Maintain (DBFM) Build-Own-Operate (BOO) Build-Develop-Operate (BDO) Design-Construct-Manage-Finance (DCMF)	These are variants of Design-Build-Finance-Operate (DBFO) schemes. The private sector designs, builds, finances, owns, develops, operates and manages an asset with no obligation to transfer ownership to the government.

Source: IMF (2004: 8)

Although the PPP modalities are classified in three distinct sets above, they may in fact have overlapping features. A useful way of distinguishing the PPP schemes above is by a number of parameters such as: (1) ownership arrangements; (2) the role of government; (3) the extent



of private sector participation in public service provision; (4) the risks and responsibilities of each of the players. The figure below depicts the changing role of the state and the distribution of risk and responsibility with the increasing degree of private sector participation along a select set of PPP modalities.

### Changing Roles and Distribution of Risk and Responsibility in PPP Modalities:

<b>Degree Of Private Sector Risks And Responsibility</b>	10. Privatization
	9. Build, Own, Operate.
	8. Build, Own, Operate, Transfer
	7. Design, Build, Finance, Operate
	6. Design, Build, Operate, Maintain
	5. Operations Concessions
	4. Design, Build
	3. Management Contracts
	2. Service Contracts
	1. Government Directly Providing the Public Service
<b>Degree of Private Sector Involvement</b>	

As the role of service provider is gradually transferred from the government to the private sector, the degree of risk and responsibility of the private partner increases (from 1 to 10 in the figure above). The degree of risk and responsibility of the two major partners varies according to the modality and the terms and conditions of the contractual agreement. PPP include the following risks:

1. Feasibility or organisational risk which demands considering different alternatives and choosing the best option based on feasibility, demand projections, cash flow, rate of return on investment, etc.;
2. Preceding conditions risk involving acquisition of land, assets, clearances, and such which may cause delays or pose challenges prior to the start of the project;
3. Financial risk due to variability in interest rates, exchange rates, and other factors;
4. Construction risk related to design problems, building cost overruns, and project delays;

5. Operation and maintenance risk related to the specified quality and standard of services to the public;
6. Demand risk related to the ongoing need for services;
7. Revenue risk in case of a shortfall in demand and unrealistically high user fees, depending upon the formula used for tariff fixation;
8. Risk from unseen developments such as natural disasters, technological changes or a changing political and business environment;
9. Termination risk due to management failure, bankruptcy, bad performance, indebtedness, and so on of the private partner which can be addressed by tighter qualifying procedures, reporting and oversight by the public partner; and
10. Residual value risk related to the future market value of an asset (CAG, 2009: 46-50; IMF, 2004).

Each of these risks faced by the major partners in turn poses risks to the community. An implicit challenge in all PPP modalities is ensuring that the best interest of the end users and local community as well as the investors are taken into account. Besides the nature of the project and its goals and objectives, the main factor influencing the choice of PPP structure is the existing regulation and legislation that constitute an institutional framework, which is the subject of the next section.

### **Strengths and Weaknesses of PPP**

In theory, PPPs offer some advantages over traditional forms of procurement. They can allow public and private agencies to complement each other's strengths in order to deliver value for money. In this sense, PPPs open up space for "mutually agreed allocation of resources, risks and returns" (Research Republic LLP, 2008: 13).

They can be successful under certain conditions such as clear boundaries and measurable standards of performance for the private party (DEA, 2011), and mechanisms for dispute resolution should any disagreements or conflicts arise between the two parties or complaints from the end-users. Practice falls short of the ideal, however, as will be shown in later sections.

Proponents suggest that the concept of PPP holds much promise for the public sector. Foremost is the ability to raise finance capital and delegate responsibility for service design and construction to the private sector, claimed to deliver services and infrastructure efficiently and cost-effectively. Finding innovative solutions to address social needs, allegedly a strength of the private sector, are highlighted as another advantage to the public sector.

A comparison of conventional procurement and PPPs is shown to be favourable toward PPPs in infrastructural projects where the focus on cost effectiveness is over the entire duration of the asset whereas it is on the lowest upfront costs in the former.

For the private sector, PPPs open up a wide range of business opportunities that were previously the exclusive domain of the public sector, and they offer a stable ground for growth through long-term contracts (Research Republic LLP, 2008). The “most compelling reason” identified by the Indian government for the private sector to engage with PPPs is that they provide “a high return on investment...[ as] India is a free market democracy with a legal and regulatory framework that rewards free enterprise, entrepreneurship and risk taking.”

PPPs are expected to deliver services and infrastructure to the public in an efficient and cost-effective manner (ADB, 2010). PPPs are said to maintain high standards throughout the duration of the project with clear expectations outlined at the start in relation to the quality of the service to be achieved. In contrast, the construction of assets in traditional procurement methods is separated from their operation and maintenance, and as a result, both the condition of assets and quality of services are perceived to deteriorate in time (Research Republic LLP, 2008).

### **Institutional Framework**

Although public-private partnerships are fairly new in India in comparison to other countries such as the United Kingdom (UK), they are rising in number and financial value. Between 2004 and 2005, PPPs rose phenomenally from 85 to 500 projects (ADB, 2006). Since National Development Council’s resolution regarding the necessity to turn to PPPs in India (ADB, 2006), the total investment in infrastructure, including

roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation, is estimated to have risen from 5.7 per cent of the gross domestic product (GDP) to approximately 8 per cent under the 11th Plan (Planning Commission, 2011b: 13). Sectors in which PPPs have been most ardently adopted are telecommunications, energy, roads, ports and railways.

There is a general consensus in the public sector about the need to attract private sector finance for infrastructure development. Infrastructure development is one of the top three priorities of the Planning Commission for an increase in gross budgetary support (GBS) during the 12th Five Year Plan, with PPPs as the priority mode of operation (Planning Commission, 2011a: 10). In its Approach Paper for the 12th Plan, which will commence in 2012-13, the Planning Commission states: “It is necessary to review the factors which may be constraining private investment, and take steps to rectify them” (Planning Commission, 2011b: 14).<sup>4</sup> The GoI and many state governments have already been taking steps toward modifying the institutional framework to facilitate a greater role for the private sector through PPPs, as this section explains.

### **Rationale of PPP**

By far the most common explanation for the pursuit of PPPs in India is to bridge the infrastructure gap requiring over ₹ 24 trillion (\$500 billion) over a five year period (2007-2012), of which \$150 billion is needed from the private sector (ADB, 2010).

There are many different estimates of infrastructure investment needed in India by 2012 to meet the ‘infrastructure deficit,’ ranging from US\$ 350 billion by the Confederation of Indian Industry (CII) to US\$ 800 billion by the Asian Development Bank (Research Republic LLP, 2008). Quality infrastructure, it is suggested, will boost India’s gross domestic product (GDP) growth rate by 1 to 2 per cent each year (Research Republic LLP, 2008).

Speaking more generally, the Union Tourism Minister Subodh Kant Sahay has recently encouraged states to pursue PPPs due to a shortage of sufficient funds (Press, 2011). This message is indirectly reinforced by the Planning Commission, which prioritises PPPs for infrastructural

development, when it states: “The Tourism and Hospitality sector has a key role to play in promoting faster, sustainable and more inclusive economic growth—the goal of the 12th Five Year Plan” (Planning Commission, 2011b: 155).

Going beyond the Indian government’s rationalisation of PPPs solely as a source of investment capital, a tendency criticised by the World Bank (2006), Capoor also points to the ability of the public sector to benefit from the commercial dynamism, innovations and efficiencies of the private sector through PPPs. The prevailing view of the public sector among PPP promoters like Capoor is that of a monolith beyond transformation for vibrancy and efficiency, at the same time that it is being altered to widen the space for the private sector to take over governmental functions.

Using management jargon, Capoor lists the benefits of PPP in tourism as nothing short of the accomplishments of a magic wand: acceleration of infrastructure provision; faster implementation; value for money; partnership-building; enhanced public management; genuine risk transfer; output specification; asset performance and reduced costs; performance related reward; private investment promotion; and improved quality service. Rather than finding ways to achieve these within the democratic framework of the public sector, she reveals an ideological bias against governmental intervention when she calls for a dominant role of the private sector in tourism development.

## **Policies and Structures**

Neoliberal ideology and pro-privatisation rhetoric are being translated at record speed into public policy and structures around the country. Position papers of the GoI for the sectors in which PPP is the presumed way forward, namely the airport, ports, power, railway, roads, solid waste management, telecommunications, and water and sanitation sectors, are available on the official website for PPPs in India (<http://www.pppinindia.com>) run by the Ministry of Finance, GoI. The national capacity-building programme consists of a comprehensive curriculum on every aspect of PPP delivered to public administrative staff functioning at different tiers and sectors of government through 14 Administrative Training Institutes (ATIs), three Central Training Institutes (CTIs) and various training programmes in 14 states (Thomas, 2011).

Some of the institutional initiatives taken at the national level to facilitate the adoption of PPPs are considered in this section.

*PPP Enabling Structures:* Foremost among the decision-making bodies set up to craft and implement the PPP agenda in India is the Cabinet Committee on Infrastructure (CCI), which functions under the Chairmanship of the Prime Minister within the Secretariat for Infrastructure of the Planning Commission. Constituted on 9 July, 2009, its mission is to approve and review policies, and monitor implementation of programmes and projects across infrastructure sectors.

*Public Financial Capital Sources:* Four sources of financial capital are available to potential PPPs. Two of these – the Viability Gap Fund (VGF) and the India Infrastructure Finance Company Limited (IIFCL) – provide long-term capital which contribute to institutional capacity-building and help finance PPPs. The other two are the India Infrastructure Project Development Fund (IIPDF), situated within the DEA, which promotes credible and bankable PPP projects, and the Tourism Finance Corporation of India Ltd. (TFCI), cited earlier.

### **Tourism PPPs in India**

At a time when the GoI is modifying the institutional framework to promote PPPs nationally, as discussed in the previous section, many states are doing the same to compete for private investment. This section explores state level legislative frameworks that allow PPPs, with an emphasis on the tourism sector, following a national overview of PPPs that have been carried out so far.

*National Overview:* Since January 2006 when it was formed, the Public Private Partnership Approval Committee (PPPAC) alone has approved 226 proposals with an estimated project cost of ₹ 2,24,464.51 crore. All of the proposals concern infrastructure development, specifically national highways (128), ports (22), airports (2), housing (17), tourism Infrastructure (1), railways (1), and sports stadia (5) (GoI, 2011). According to a report by the Department of Economic Affairs, Ministry of Finance, states have entered into PPPs with 450 such projects worth an estimated total of ₹ 2,24,175.75 crore underway (DEA, 2011). The table below classifies these projects by sector and value of the contracts.

### Sector-Wise Figures

Sector	Total Number of Projects	Based on 100 crores	Between 100 to 250 crores	Between 251 to 500 crores	More than 500 crores	Value of contacts
Airports	5	0	0	303	18808	1911
Education	1	93.32	0	0	0	093.32
Energy	24	175.59	558	2669	13708	17110.59
Ports	43	96	970	24440	62992.95	66498.95
Railways	4	0	102.22	905	594.34	1601.56
Roads	271	3162.5	5526.49	32861.87	60453.92	102004.7
Tourism	29	742.56	674.52	0	10132	15288.47
Urban Development	73	1283.86	1463.	72403.91	10132	15288.47
Total	450	5638.83	9299.93	41582.78	167739.21	224175.8

By far, the largest proportion of the PPPs is in the roads sector. Only 29 (less than 9%) of the total projects are in the tourism sector, which account for just over 1% of the total value.

According to the same report, almost all contracts have been of the BOT/BOOT type (either toll or annuity payment models) or close variants. Provider selection in almost all of the projects in the sample was competitively bid either nationally or internationally. The table below depicts the level of foreign investment in Indian PPP projects by sector.

### State-Level Policies and Structures Facilitating PPPs: State Relevant Policies Structure

Sl.No.	State	Relevant Policies	Structure
1	Andhra Pradesh	Andhra Pradesh Infrastructure Development Enabling Act, 2001 Andhra Pradesh Tourism Policy, 2010	Infrastructure Authority; State Tourism Promotion Board (STPB) State Tourism Promotion Committee (STPC); District Tourism Promotion Committee (DTPC)
2	Uttarakhand	Procurement Rules, 2008	Uttarakhand Tourism Development Board (UTDB)

## Notes

3	Karnataka	Infrastructure Policy in 2007	Karnataka Udyog Mitra Infrastructure Development Department; High Level Clearance Authority (HLCA); Empowered Committee on Infrastructure (ECI)
4	Orissa	Orissa PPP Policy 2007	Orissa PPP Technical Society; Orissa Infrastructure Development Fund (OIDF)
5	Madhya Pradesh	Model Request for Proposals (RFP) for projects up to ` 50 crores; Model RFP for the appointment of Transaction Advisors for such projects	Guidelines and Detailed Process for PPP Scheme and Guidelines, M.P.; Project Development Fund. State Level Empowered Committee (SLEC) Madhya Pradesh Project Development Fund MP Ecotourism Development Board
6	Assam	Terms of Reference, transaction advisor, development heritage hotels; PPP Policy of Assam, 2008; Tourism Policy of Assam, 2008	Apex Authority (PPP) Empowered Committee (PPP)
	Punjab	Punjab Infrastructure Development and Regulation Act, 2002	Punjab Infrastructure Development Board (PIDF)
	Rajasthan	Draft PPP Guidelines: Rajasthan Social Sector VGF Scheme; Rajasthan Tourism Unit Policy, 2007	Project Development Company of Rajasthan (PDCOR); The Board of Infrastructure Development and Investment Promotion (BIDI) The Empowered Committee on Infrastructure Development (ECID); Rajasthan Project Development Fund

All the states above have PPP cells functioning either as independent structures or within established departments. In some cases, for eg. Andhra Pradesh and Assam, the current tourism policy explicitly proposes PPP as a channel for infrastructure development. The infrastructure development policies on PPP of Orissa, Andhra Pradesh, Karnataka, and



Punjab are often held up as models for others. States such as Orissa, Punjab, Rajasthan have set up structures parallel to the ones at the national level, for eg. Infrastructure development Fund, to attract multilateral aid for PPPs. It is important to bear in mind that some states such as Goa may be adopting PPPs in tourism (and other sectors) without any specific policy (Kamat, 2011).

Although Goa's Tourism Department officially announced its intention to pursue PPPs only in October, 2010 (ToI, 2011), the state government has taken major steps toward privatization in the tourism sector since a foiled 2001 attempt to privatise Miramar beach in Panjim. In 2008, the Director of the Infrastructure and PPP cell in Goa reported 16 PPP projects in six sectors worth a total of ₹ 2,250 crores, with five projects in the tourism sector alone. 66 The first PPP proposed in the state was the development of a convention centre at a total cost of ₹ 450 crore on 25 acres of public land sponsored by the Finance Department. Since PPPs have taken root in the tourism sector of a handful of states, a plethora of construction projects have been undertaken with greater participation of the private sector and heavily subsidized by public policy and public capital funds discussed in the previous section. Both the speed at which these projects receive the requisite clearances and the scale of the projects themselves demand a closer investigation of the nature of PPPs.

## Conclusion

While the main PPP website of the DEA outlines the above structures, schemes and their roles, the actual decision-making process remains unclear. Many critical questions arise in relation to the approval (or shelving for a re-bid), the implementation and monitoring of the projects. Promotion materials on PPPs are mostly silent on issues of transparency, public participation, and redress of violated rights or conflicts. PPPs are negotiated and designed by the two partners – a government body and a private company – with the support of other public and private agencies, eg. the PPP cells or the sectoral department and the empanelled corporate groups set up for the purpose.

There is very little information provided about the role of the public, ie. communities affected by the project or benefiting from them ('users'), and civil society, ie. environmental groups, citizens' rights

activists, urban planners, and so on. For instance, the DEA's Guidelines for Monitoring of PPP Projects outlines the obligations of the public sector and the concessionaire during the construction and operation phases, and lists a number of performance indicators for an evaluation of the projects. However, the emphasis is on whether or not the project complies with the agreed time, cost, and quantity and quality standards from a managerial point of view, not on the consequences of non-compliance for workers, local residents or users.

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## Lesson 5.2 - Tourism Policy and Destination Development

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### Learning Objectives

*After studying this lesson you can be able:*

- To know the aim of tourism policy;
- To understand the historical perspective of tourism policy;
- To understand the importance of tourism destination planning;
- To understand the beginning of modern tourism policy;
- To know the objectives of tourism policy;
- To familiarise with the elements of tourism policy;
- To know the challenges of tourism policy and
- To familiarise with the schemes of tourism circuits and destinations.

### Introduction

*Policy* means 'A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions'. The popular tourism textbook *Tourism: Principles, Practices, Philosophies* (Goeldner & Ritchie, 2006) defined tourism policy by stating, 'Tourism policy can be defined as a set of regulations, rules, guidelines, directives, and development/promotion objectives and strategies that provide a framework within which the collective and individual decisions directly affecting long-term tourism development and the daily activities within a destination are taken'. This definition is highly useful in most circumstances.

Another useful discussion of tourism policy is contained in a new tourism book titled *Travel and Tourism: An Industry Primer*. Biederman (2007) adds importantly to the definition of tourism policy the following thoughts, 'A tourism policy defines the direction or course of action that a particular country, region, locality or an individual destination plans to take when developing or promoting tourism. The key principle for any

tourism policy is that it should ensure that the nation (region or locality) would benefit to the maximum extent possible from the economic and social contributions of tourism.

### **The Aim of Tourism Policy**

Tourism policy should aim to improve the quality of life of the local citizenry at any given destination. A good tourism policy will assist in that process. This book will attempt to identify some of the issues and concerns that tourism policy should address in order to insure a positive sustainable future for the tourism industry. Local, state/provincial, regional and national governments and other leveraging regional and global organizations such as the United Nations World Tourism Organization and the World Travel and Tourism Council help determine tourism policies that best represent the business environment, local community interests in tourism and governmental structure. Numerous tourism associations and organizations seek to influence tourism policy so that their interests are also included. This aspect of tourism is discussed later in the book with some case study examples.

### **Historical Perspective of Tourism Policy**

There is no single moment in the history of tourism to pinpoint as the sole foundation for tourism policy development. Humans always have travelled for one purpose or another. Primitive man travelled place to place as he searched for food, shelter from the weather and safety from wild beasts and hostile tribes. Records of early travel are limited, at best, to cave drawings, folk tales and songs, hieroglyphics and epic sagas. Certainly, in relation to prehistory, it is difficult to imagine how decisions related to travel developed. Religious pilgrimages played an important role in travel. Planning such pilgrimages added new dimensions to the ways and means of travel as well as the necessary preparations to

### **The Beginnings of Modern Tourism Policy**

If Marco Polo is the father of early tourism policy, we have to wait almost another 700 years to reach a place in history where we can identify the beginnings of modern tourism policy. It has taken place at different stages in different parts of the world. Reviewing tourism policies from

individual countries with limited exceptions is beyond the scope, research and interest of this book. However, one way to trace world tourism policy is a partial review of the history of the UNWTO. The UNWTO had its beginnings as the International Congress of Official Tourist Traffic Associations, organized in 1925. In 1934, it became the International Union of Official Tourist Propaganda Organizations, and by 1947, another conversion took place resulting in a new name: the International Union of Official Travel Organizations.

After numerous discussions and meetings throughout the early 1970s, the UNWTO was born in 1975 and its headquarters established in Madrid, Spain, in 1976.

The UNWTO became a United Nations specialized agency in 2003; it is the leading international organization in most every aspect of tourism, including tourism policy. It serves as a global forum for tourism policy issues, definitions, directives, data, research, education, facilitation, crisis guidelines, sustainability, development and worldwide economic cooperation. UNWTO's membership is comprised of about 150 member states, 7 associate members and 300 affiliate members representing the private sector, educational institutions and others (<http://www.worldtourism.org/aboutwto/eng/menu.html> 18 December 2006). UNWTO has sponsored many tourism policy forums that have discussed tourism's capacity to generate income, its impact on society and to consolidate cultural and environmental assets.

### **Objective of Tourism Policy**

The ultimate objective of a tourism policy is to improve the progress of the nation (region or locality) and the lives of its citizens'. For purposes of the approach taken in this book, tourism policy will be more broadly defined to include marketing, planning and sustainability. In this context, tourism policy is 'a progressive course of actions, guidelines, directives, principles, and procedures set in an ethical framework that is issues-focused and best represents the intent of a community (or nation) to effectively meet its planning, development, product, service, marketing, and sustainability goals and objectives for the future growth of tourism'. This definition acknowledges the important role marketing, product development and hospitality services play in tourism policy.

In addition, the tourism sustainability concept (discussed later) must support the long-term goals in economic, environmental and social development. More importantly, this definition recognizes that tourism policy is 'dynamic' and flexible enough to allow adjustments and refinements as the occasion arises.

### **The Elements of Tourism Policy**

The classic tourism-planning elements include a 'vision' and 'mission statement'. The vision should be a few words that describe where local or national tourism policy wants to be while the mission statement explains how to get there. The vision and mission statement would be followed by a set of 'goals, objectives, strategies, and tactics', sometimes represented in the form of a 'tree diagram'. It consists of the following dimensions.

- Goal
- Objective
- Strategy
- Tactic

### **Challenges of Tourism Policy**

The tourism industry will be faced with some difficult challenges over the next several years. Technology, whether in communications information, new aerospace developments, or other fields, will heavily affect the tourism industry. The industry will need to develop effective policies and plans to deal with terrorism and other disruptions to the tourism market'. Goeldner and Ritchie (2006) said, 'Tourism policy seeks to ensure that visitors are hosted in a way that maximizes the benefits to stakeholders while minimizing the negative effects, costs, and impacts associated with ensuring the success of the destination.

In effect, tourism policy seeks to provide high-quality visitor experiences that are profitable to destination stakeholders while ensuring that the destination is not compromised in terms of its environmental, social and cultural integrity'. The tourism industry is composed of private, public and not-for-profit components interested in tourism development, new products, destination marketing, economic benefits and future

sustainability. These tourism interests have broad ramifications on community life and need parameters and guidelines to help define and plan the future direction of tourism policy, ultimately providing quality tourism products and services.

### **A New Look at Tourism Policy**

Since the tourism industry is difficult to clearly define because of the involvement of so many different economic sectors, it tends to foster many major policy development challenges. Fundamentally, tourism policy should present a set of guidelines, which, when combined with planning goals, charts a course of action for sound decision-making. Tourism policy, typically fragmented and poorly defined by governments throughout the world, is sometimes difficult to understand. For the past decade, leading tourism thinkers have called for increased attention to the social science aspects of tourism in an effort to continue to improve the quality of life and promote global peace.

Public policy is both a process and a product – the decision-making process and the product of that process. Today, there is recognition that policy should serve not only the government, but also the public's interest in tourism. Policy, when properly applied, is a vehicle for a government to direct and stimulate the tourism industry, as for example through tax policy and research. The actions of public, private and non-profit tourism sectors play an important role in policy determination and, in turn, affect economic and political influence on policy decisions of other tourism related industries.

***Who sets the tourism policy:*** The tourism policy formulation is unique to each state. Tourism policy should set the regulations, rules, guidelines, directives and development/ promotion objectives and strategies for long-term tourism development. Usually, the governor's office and administration, working together with the state legislature, serve as the architects, budgeters and planners for initiating, implementing and supporting a state's tourism program.

But there are many other stakeholders: private citizens, local governments, private businesses, economic, as well as environmental, social, and other groups that must all be involved in the process. Ultimately

and ideally, a framework for public/private discussions is created that addresses the important tourism policy questions of taxation, financing, transportation, regulatory practices, environmental practices, human resources, community relationships, technology, marketing practices and the many other aspects of the tourism industry.

***A strategic tourism plan:*** As already established herein, tourism is a growth industry, and while growth may show some slowing in the short term, the longterm prospects are good, with expected growth based on continuously rising per capita incomes, lower travel costs, increased leisure time and changes in consumers' tastes and preferences toward travel, recreation and leisure goods and services. While tourism has many positive attributes for a community, it should not be regarded as a panacea for all the area's development problems. It needs a strategic plan with following expectations:

1. It provides employment opportunities, both skilled and unskilled, because it is a labor-intensive industry.
2. It increases income.
3. It adds new products.
4. It provides special opportunities for spawning new businesses, especially small ones.
5. It helps to diversify the local economy.
6. It tends to be one of the most compatible economic development activities.
7. It requires the development of an infrastructure that will also help stimulate local commerce and industry.
8. It reinforces preservation of heritage and tradition.
9. It justifies environmental protection and improvement.
10. It increases governmental revenues.
11. It creates a favourable image for the destination.
12. It provides tourist and recreational facilities that may be used by a local population who could not otherwise afford to develop such facilities.
13. It offers a showcase to promote social tourism interests in history, heritage and culture of the local area.
14. It can be developed with local products and resources.



15. It broadens educational and cultural horizons and improves feeling of self-worth.
16. It spreads development.
17. It has a high multiplier impact.
18. It provides opportunities for improving the quality of life of the local citizens.

### **Schemes of Development of Tourism in Circuit and Destination**

Under the Central Financing Assistance Scheme, the Ministry of Tourism, Government of India, has been extending assistance to all the states for development of tourism products /infrastructure. In the 8th and 9th Five Year Plans, nearly 2,526 projects were sanctioned. However, some projects are still incomplete. Therefore, for a coordinated approach to implementation of these two schemes, and for a quick and substantial impact, during the 10th Five Year Plan, new Schemes for Integrated Development of Tourist Circuits, Destination Development Schemes and Rural tourism Schemes have been taken up. The review and scope of applicability both of the schemes for development of tourism in circuit and destinations are given below:

*Scheme for Integrated Development of Tourist Circuits:* Under the scheme of integrated development of Tourist Circuits to improve existing products and developing new products of international standards in identified circuit, funds to a maximum of ₹ 8 crore per circuit are made available to the state governments for implementation based on the project proposals. Basically, a circuit consists of a minimum of three destinations. The objective of the scheme is to provide all infrastructure facilities required by the tourists within the identified circuits. Activities, that are advisable under the scheme, are mentioned below:

- Improvement of surroundings
- Landscaping
- Fencing
- Development of parks
- Illumination
- Water management
- Provision of budget accommodation

- Wayside amenities
- Signage
- Reception centres
- Refurbishment of monuments.

The scheme envisages convergence of resources and expertise through coordinated action with other departments, the states and private sectors.

*Objective:* The main objective of the scheme is to develop tourism product and provide infrastructure facilities required by tourists within the identified circuits.

*Circuit Identification:* A tourist „circuit“ is a route with at least three major tourist attractions such that their location is not in the same town/ village/city. Instead, they are located close to each other and their entry and exit are well defined such that the tourist is encouraged to visit all if one of them is visited. This will increase the number of visits to all the destinations on the circuit. A circuit to be taken up will be identified by the Ministry of Tourism at the beginning of each year, in consultation with the State Government. While selecting the Circuit, the tourism potential of the places included would be borne in mind. It will be ensured that a circuit is identified for each State/UT in the full Plan period. A circuit could be limited to a State or it could be a regional circuit covering more than a State/UT.

*Components of the Scheme:* The components of the projects under the schemes would be:

- a) Making the land available for development.
- b) Implementation of rehabilitation package, where shifting of dwelling or commercial units are required. However, the Government of India would provide assistance for construction of Tourist reception centres including shopping complexes to house the displaced shops.
- c) Maintenance and management of the assets created.
- d) Any other item decided by the High Power Committee.
- e) External infrastructure like water supply, Electricity and Roads.

*Permissible activities:* Work to be taken up as per the requirements for attaining the above components would be:

- a) Improvement of the surroundings of the destination. This would include activities like landscaping, development of parks, fencing, compound wall etc.
- b) Illumination of the Tourist destination and area around, SEL Shows etc.
- c) Improvement in solid waste management and sewerage management.
- d) Construction of budget accommodation and wayside amenities.
- e) Procurement of equipments directly related to tourism like water sports and adventure sports equipments, eco-friendly modes of transport for moving within the tourism zone etc.
- f) Construction of public buildings, which are required to be displaced because of implementation of the master plan.
- g) Refurbishment of the monuments.
- h) Signage.
- i) Tourist arrival centres/reception centres/interpretation centres.
- j) Other work/activities directly related to tourism.

### **Destination Development Scheme**

Under Destination Development Scheme focus is to improve existing tourism products and developing new ones to international standards in identified destinations. Funds to a maximum of Rs 5 crore per destination are made available to state governments for implementation based on the project proposals. Activities carried out are similar to those included in the Development of Tourism Circuits scheme. Some of the additional potential areas that get priority under this scheme are mentioned below:

- Rural tourism
- Heritage tourism
- Eco-tourism
- Health tourism
- Wildlife tourism.

*Objective:* This scheme aims at improving the quality of the environment of these destinations as well as working towards increasing the tourist inflow to these attractions. The maximum amount to be sanctioned for the above purpose for a particular destination would be ₹ 5 crores. The implementation would be the responsibility of the State Government, ASI, State Archaeology Department, CPWD or any other company decided by the Ministry of tourism.

*Destination Identification:* A destination is a place of tourist interest. To be eligible for development under the Destination Development Scheme, it must be one of the most visited places in the state or a heritage site. A group of attractions in the same village/ town / city would also qualify. Under the revised scheme, the Destinations are carefully selected based on the tourism potential. Master planning of these destinations is undertaken so as to develop them in an integrated holistic manner. Important tourist destinations in each State, in consultation with the State/ Union Territory Governments, are taken up for development.

*Components of the schemes:* The components of the projects under the schemes would be

- a) Making the land available for development.
- b) Implementation of rehabilitation package, where shifting of dwelling or commercial units are required. However, the Government of India would provide assistance for construction of Tourist reception centres including shopping complexes to house the displaced shops.
- c) Maintenance and management of the assets created.
- d) Any other item decided by the High Power Committee.
- e) External infrastructure, like water supply, Electricity and Roads.

**Permissible Activities:** Work to be taken up as per the requirements for attaining the above components would be:

- a) Improvement of the surroundings of the destination. This would include activities like landscaping, development of parks, fencing, compound wall etc.

- b) Illumination of Tourist destination and the area around, SEL Shows etc.
- c) Improvement in solid waste management and sewerage management.
- d) Construction of budget accommodation, wayside amenities.
- e) Procurement of equipment directly related to tourism, like water sports, adventure sports, eco-friendly modes of transport for moving within the tourism zone.
- f) Construction of public buildings, which are required to be displaced because of implementation of the master plan.
- g) Refurbishment of the monuments.
- h) Signage.
- i) Tourist arrival centres/reception centres/interpretation centres.
- j) Other work/activities directly related to tourism.

## Conclusion

Tourism emerged as the largest global industry of the 20<sup>th</sup> century and is projected to grow even faster in the 21st century. India has immense possibilities of growth in the tourism sector with vast cultural and religious heritage, varied natural attractions, but a comparatively small role in the world tourism scene. A New Tourism Policy, which builds on the strength of the national Tourism Policy of 1982, but which envisages new initiatives towards making tourism the catalyst in employment generation, environmental re-generation, development of remote areas and development of women and other disadvantaged groups in the country, besides promoting social integration is, therefore, vital to our economy. It would lead to larger foreign exchange earnings and create conditions for more Foreign Direct Investment.

The Tourism 2020 Vision forecasts show that international tourist arrivals are expected to reach over 1.56 billion by the year 2020. This demonstrates an annual growth rate of 4.1 per cent over the period 1995-2020. Long-haul (interregional) travel worldwide will grow faster than intraregional travel. In 1995, long-haul travel accounted for 18 per cent of all international trips; by 2020 this is expected to increase to 24 per cent.

The 22 destinations of the Indian Ocean country grouping are forecast to receive 179 million international tourist arrivals in the year 2020, thus recording an annual growth rate of 6.3 per cent over the period 1995-2020. Consequently, the Indian Ocean region is gaining market share of worldwide tourist arrivals and by 2020 one-in-every-nine (or around 11 per cent) of tourist arrivals will be to an Indian Ocean country. Thailand will become the leading Indian Ocean destination with a forecast of 36.9 million arrivals in 2020, an average annual growth between 1995 and 2020 of 6.9 per cent South Africa will occupy the second place, third place will be occupied by Indonesia, Malaysia at number four; fifth and sixth positions will be held by Australia and Singapore respectively. India will be the seventh largest Indian Ocean country in terms of arrivals.

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## Lesson 5.3 - WTO Guidelines for Tourism Planning

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand WTO guidelines for tourism planning;
- To know the role of local authorities in tourism planning
- To identify the need to involve tourism micro-business in planning;
- understand the need of a plan for sustainable tourism and
- To familiarize with essence of involving public in planning.

### Introduction

It is now recognized that tourism must be developed and managed in a controlled, integrated and sustainable manner, based on sound planning. With this approach, tourism can generate substantial economic benefits to an area, without creating any serious environmental or social problems. Tourism's resources will be conserved for continuous use in the future. There are numerous examples in the world where tourism has not been well planned and managed.

These uncontrolled developments may have brought some short-term economic benefits. Over the longer term, however, they have resulted in environmental and social problems and poor quality tourist destinations. This has been detrimental to the area's residents, and tourist markets have been lost to better planned destinations elsewhere. National and regional planning lays the foundation for tourism development of a country and its regions. It establishes the policies, physical and institutional structures and standards for development to proceed in a logical manner. It also provides the basis for the continuous and effective management of tourism which is so essential for the long-term success of tourism.

## System of Planning

WTO approaches are widely used in international tourism planning at national and regional levels. In some countries a national tourism plan is prepared and implemented by central authority - very much a “top-down” approach, but with a strong focus on sustainable development. A more “bottom-up” approach can also be used where early public involvement determines what the community would like to see developed. Local objectives are then fitted together in the national or regional plans. A combination of both ‘top-down’ and ‘bottom-up’ approaches can be used.

Different models of tourism planning can be used at the more detailed local level plans and can be directed by a policy approach at national and regional level. For example:

- Planning Tourism as an Integrated System - balance of ‘demand’ and supply’ factors
- Planning for Sustainable Development - balance of economic and environmental systems, conservation emphasised in natural areas; host community considered
- Environmental Regional Planning approach - addresses all environmental elements and key focus on community-based tourism and maximising benefits to local community
- Quality Tourism Approach - related to sustainable development - achieves benefits to both marketing perspective and community
- Long Range and Strategic Planning.

The general processes for tourism planning under the WTO approach do not differ greatly from those used in non-statutory strategic planning in New Zealand, including phases of Terms of Reference and objective setting, steering or reference group formation, survey, analysis and synthesis, policy and plan formulation, institutional recommendations and implementation and monitoring. As a top-down approach, however, driven by national or regional government, implementation mechanisms not part of New Zealand system may be available to agencies implementing plans. National and regional objectives generally prevail over local or sectoral concerns. Monitoring is considered an integral part of plan implementation and management under the WTO approach.



Typically monitoring will address progress of implementation, the number and types of tourists to see if market is being maintained, tourism satisfaction levels, economic, environmental, socio-cultural impacts of tourism generally. Targets can be set and these can then be monitored as to their achievement.

### **Application**

Typically a plan prepared under a WTO model would include the following elements:

- ▶ *Spatial* - should cover most natural areas - generally concentrates tourism activities into zones (zoning) to maintain environmental protection, and adopts techniques of reducing impacts of tourism. Site-specific details are not usually covered at regional or national levels.
- ▶ *Conservation* - provides a focus on conservation in terms of providing capacity in an area that otherwise without tourism may not be conserved well. Considers that tourism is always a critical component to consider in the establishment and management of protected areas: if well planned it helps justify and pay for conservation of important natural areas, archaeological and historic sites, helps improve environmental quality, and increases local environment awareness.
- ▶ The WTO has published an influential set of guidelines that provide a theoretical structure and practical guidelines for natural area tourism managers. The underlying aim is to ensure that tourism contributes to the purposes of protected areas and does not undermine them.
- ▶ *Environmental Protection* - is often an integral part of the planning process - seen as application of environmental planning and sustainable development approach including establishing carrying capacities of tourism areas. At national and regional levels, biophysical carrying capacities must be considered more generally.
- ▶ *Economic* - planning is driven by a view that tourism 'fuels' economy, conservation, protection, heritage and cultural values of an area. Economic benefit is recognised as the primary reason for

developing tourism but the approach acknowledges that economic, environmental and socio-economic costs and benefits must all be weighed together to achieve a balanced development.

- *Social* - Host communities considered as something to address as opposed to direct involvement in plan and policy development. Host community not generally considered except where bottom-up tourism plans used at more detailed level, nothing about indigenous peoples.
- *Institutional/legal* - planning generally carried out under a framework where central government assumes control and implementation of national and regional plans. Sometimes this makes an erroneous assumption that local communities have capacity and desire to work effectively within a national or regional framework.

### **Local Authority Role in Tourism**

*It is crucial to understand how pivotal the role of the local authority is in the wider picture of the local tourism product. Tourism is all about destinations and the totality of the experience. The tourism industry in most areas is in reality thousands of small businesses competing with one another, with relatively few big players in any one destination. Those businesses look to the local authority to act as a co-ordinator, creating and marketing a product in a way that they are unable to as individual units. They recognize the breadth of an authority's involvement from the services and facilities it provides, namely:*

- Beaches, museums, country parks, pools, information centres
- Car and coach parks, signposting, litter bins, toilets
- Waste management, street cleaning, beach cleaning
- The regulation of standards in planning, catering, health and safety

The overall nurturing of the all important 'sense of place', the essential ambience of a local area, be it the attractive rural settings, the well cared for historic town or the exciting seaside resort. All of these services and facilities have a major impact on the quality of the visitor's experience. If we get significant elements of our job wrong, that may be the abiding memory of our destination and the deciding factor in precluding repeat business.

***Developing tourism partnerships:*** The most effective way for destination managers to achieve sustainable tourism management is through a genuine partnership involving all stakeholders, including the private and commercial sector. Effective tourism partnerships can deliver significant benefits such as:

- Collective stakeholder working towards shared strategic objectives, improving the likelihood that they will be achieved
- Better working between organisations and departments, reducing the strain on resources
- Shared and more effective market intelligence
- Co-ordination of development and marketing budgets and activities
- Improved communication and understanding, and mutual respect between local authority and industry
- Devolved responsibility locally and greater visitor, industry and community involvement.

All of these will contribute to any project in terms of ideas, resources and, above all, commitment.

***Basic partnership structure and principles:*** There are many tourism partnerships in England. Local authority tourism departments have established most of these partnerships to co-ordinate public- and private-sector marketing. While most focus on planning and promotion, some also handle issues such as quality, training, environment and joint purchasing agreements. Existing tourism partnerships take various forms, including:

- Formal or informal
- Ad hoc or continuing
- Action-based or for generating awareness and ideas.

To plan and implement a sustainable tourism initiative, partnerships must involve all stakeholders and follow a few general principles:

- Working in partnership means listening to, and understanding, partners' needs and aspirations.

- There will be some benefit to all partners, though not all will be looking for financial benefit.
- They will share overall key objectives.
- Engagement and feedback needs to be tailored to different audiences within the partnership.

**Stakeholders:** The stakeholders will be determined by the nature of the issues that the partnership plans to address, and the number of stakeholders will be determined by the size and complexity of the destination. Stakeholders could include:

- The local authority – often the catalyst and enablers of the process
- The host community, represented by residents, businesses and interest groups
- The environment; represented by organisations such as National Parks, conservation NGOs, landowners
- Visitors.

**Key groups and organisations from which a partnership may be formed (they are not always needed) include:**

Sl. No.	Stakeholder	Represented by	Incentives for participation
1	Local Authority / National Park / AONB / Landowners	<p style="text-align: center;"><b>Tourism</b></p> <ul style="list-style-type: none"> <li>➤ Leisure</li> <li>➤ Economic development</li> <li>➤ Planning (strategic planning, development control, conservation)</li> <li>➤ Highways</li> <li>➤ Community development</li> <li>➤ Access for All</li> <li>➤ Other public services (public health, trading standards, etc)</li> </ul>	<p style="text-align: center;"><b>Destination Management Plan</b></p> <ul style="list-style-type: none"> <li>➤ Policies in Structure Plans and Local Plans</li> <li>➤ Economic development and community strategies</li> <li>➤ The state of the local economy</li> <li>➤ Residents' (voters') views</li> </ul>

2	Partners agencies such (local / regional / national)	<p><b>Regional Tourist Board</b></p> <ul style="list-style-type: none"> <li>➤ Regional Development Agency</li> <li>➤ Business Link</li> <li>➤ Education Business Link</li> <li>➤ Countryside Agency</li> <li>➤ Local economic partnerships</li> <li>➤ Joint strategic partnerships for Community Strategies</li> <li>➤ City/town centre management partnerships</li> <li>➤ Other local authorities</li> <li>➤ Voluntary sector</li> </ul>	National policy, regional strategies and organisations' action plans
3	Community (local)	<p><b>Elected members</b></p> <ul style="list-style-type: none"> <li>➤ Community groups</li> <li>➤ Interest groups</li> </ul>	<p><b>Convenient, attractive, place to live</b></p> <ul style="list-style-type: none"> <li>➤ Concerns over increased disturbance, congestion, etc</li> <li>➤ Need for employment</li> </ul>
4	Industry (local)	<p><b>Key players</b></p> <ul style="list-style-type: none"> <li>➤ Trade associations</li> <li>➤ Representatives from existing established business forums</li> </ul>	<p><b>Profit mcotive</b></p> <ul style="list-style-type: none"> <li>➤ Need to develop to meet changing market conditions</li> <li>➤ Need to improve quality and marketing</li> <li>➤ Active in a competitive environment</li> <li>➤ Recognition of the importance of the local environment on</li> <li>➤ their business success</li> <li>➤ Staff involvement and motivation</li> </ul>

5	Environment (local / regional / national)	<b>Conservation NGOs (National Trust, RSPB, County Wildlife Trust)</b> <ul style="list-style-type: none"> <li>➤ English Nature</li> <li>➤ English Heritage</li> <li>➤ Countryside Agency (landscape)</li> <li>➤ Environment Agency</li> <li>➤ Civic Trusts</li> <li>➤ LA21 officers and groups</li> <li>➤ National Park Authorities and AONB management groups</li> <li>➤ Countryside management initiatives</li> </ul>	<b>European and national legislation; eg Disability Discrimination Act</b> <ul style="list-style-type: none"> <li>➤ Reduction of disturbance and damage</li> <li>➤ Opportunity to harness tourism as a force for environmental improvement</li> </ul>
6	Visitors	<b>By survey</b> <ul style="list-style-type: none"> <li>➤ User-group representatives</li> <li>➤ Visitor stewardship programme</li> </ul>	<b>Underlying demand for enjoyment</b> <ul style="list-style-type: none"> <li>➤ Increasing expectations of quality</li> <li>➤ Increasingly healthy lifestyles</li> <li>➤ Growing awareness of green issues</li> </ul>

*Key stages for developing a successful partnership:* The work of setting up a tourism partnership will vary by destination, depending on the issues involved, the nature of the destination (rural, urban etc.) and whether there are existing partnerships. Key stages of the process are as follows:

1. identify participants, invite participation and agree shared overall objectives
2. Devise a strategy and action plan
3. Obtain resources
4. Manage delivery of the action plan

5. Monitor developments and feedback results
6. Keep the partnership alive

The requirement for 'tourism clusters' under EU funding is leading to the development of a number of tourism partnerships, often formed through collaboration between existing partnerships and trade organisations. These could provide ready-made partnership structures.

### **Engaging Tourism Micro-Businesses**

Tourism micro-businesses are many and varied. Within England, around 75% of tourism related businesses have a turnover of less than £250,000. Numerous other micros, such as catering services, visitor attractions, transport operators, gift and craft retailers and recreation providers, combine to make the tourism-related micros total much higher. Micros therefore play a vital role in determining the overall character and quality of the tourism experience and, of course, are essential stakeholders in the development of sustainable tourism.

It has been estimated that they are directly responsible for providing services to 90% of all domestic and international, staying and day visitors in the UK. Yet micros can be difficult to engage and are often overlooked by business support initiatives, since these tend to be focused on more traditional engagement and performance criteria.

By drawing attention to the special characteristics of tourism micro-businesses and by highlighting good practice, this handbook component will help policy intermediaries to develop and deliver sustainable initiatives that are relevant, meaningful and helpful to the vital micro sector.

***A dominance of sole operators and family businesses:*** Most tourism micro-businesses are family owned or sole operators run by one or two individuals (frequently husband and wife). These businesses often have:

- ▶ Few or no employees (typically fewer than five)
- ▶ A high proportion of part-time, female employees
- ▶ An informal decision-making structure in which the final decision rests with the owner or family unit

- a family home that often doubles up as the place of business and is often used as collateral for funding
- An overlap of family and work responsibilities
- A disproportionate reliance on seasonal activity
- A high turnover of owners
- Low entrance requirements in terms of professional/vocational qualifications, capital requirements or knowledge of the local business environment.

***A specific set of priorities: Important*** decisions about the enterprise and its future are typically driven by a combination of business and family (or individual) considerations.

- Priority is often given to maintaining family or personal income or to providing work for family members.
- Quality of life, lifestyle, personal and family considerations are powerful motivators in the way in which the business develops.
- Flexibility and independence are particularly important.
- Owners do not necessarily aim to maximise their profits or staff numbers or to engage in year-round tourism activities.

***A reliance on the business owner:*** The owners of micros usually represent the backbone and character of their enterprise. They:

- are required, sometimes with little or no specialist knowledge, to tackle a wide range of business tasks, from accounting to personnel
- often have a strong sense of independence and are not used to, or inclined to, seek external support
- have diverse backgrounds and can bring with them a range of experience
- may have no formal business qualifications or training.

***Restricted in-house resources:*** Tourism micro-businesses often have limited resources (financial, time and labour) for business development. This may have implications in terms of their:



- opportunities for business networking
- ability to cope with disproportionately high regulatory and compliance demands
- ability to undertake any medium to long-term planning
- capacity to withstand critical business or family incidents.

***Resilient enterprises:*** Tourism micro-businesses often display considerable resilience through:

- engagement in a number of facets of the tourism business (such as provision of accommodation, catering and merchandise)
- the availability of other income sources and earners in the family
- the use of family, part-time, seasonal or casual labour.

***A local profile:*** While tourism micro-businesses may depend on outside visitors, local factors are crucial to their success. In turn, tourism micros play an important role in local economic development and environmental sustainability by:

- attracting spending visitors to an area and by creating income which tends to remain in the local economy and which may help to sustain local services
- supporting both direct and indirect employment
- sourcing locally (goods, services and staff) throughout the year, although less so off-season
- relying heavily on the local environment and local amenities to provide the basis for the tourism experience
- playing an important part in maintaining local culture and traditions.

## **Planning Tourism Development**

Tourism makes a major contribution to the national economy and to the prosperity of many cities, towns and rural areas. Its continuing growth generates a range of economic activity and new job opportunities. Good land-use planning has a crucial role to play in ensuring that the economic opportunities of tourism are realised without prejudicing the

aims of sustainable development. In addition, because tourism often depends on a high quality natural and/or built environment to attract tourists, there is an added dimension to the important role of planning in tourism development. Tourism policy has always assumed an overriding need to protect the natural and built environment; the amelioration of existing problems and/or the control of inappropriate new development.

***The special circumstances related to planning for tourism affecting local design guidance:*** Planning for tourism needs to involve both specific tourism land-uses **and** tourism activity in general, as tourists use a wide variety of land-uses, including shops, restaurants, leisure and sports facilities, as well as tourism attractions and accommodation. More significantly, many tourism-related activities are not subject to traditional development planning and control; eg. general sightseeing in towns and walking in the countryside. Local design guidance offers an agreed set of rules, either regulatory or non-regulatory, which give destination managers some influence over the protection of natural and built environments. It is important that destination managers become involved in the development of local design guidance and, where no guidance is currently available, work proactively with local planners to encourage the development of guidance.

Effective planning for tourism, ie the promotion of positive benefits and the control of any negative impacts should not, therefore, be concerned simply with new tourism land-uses (the micro level) but must involve the management and control of all land-uses and activities (the macro level) that go to make a tourism destination. The special nature of tourism activity means that destination visitor management in its widest sense is the most effective way to promote beneficial tourism development, as its aim is to ameliorate the perceived impacts associated with the development of a diverse range of activities at tourism destinations.

***Tourism planning: a partnership approach:*** Tourism is a fragmented industry. Tourism planning/management therefore requires an extensive, consistent and effective public policy framework, co-ordinated between many parties (different departments in the local authority as well as other public, private and voluntary sector agents) through relevant partnerships and supported by sound background research, co-ordinated plans and monitoring at local and regional levels.

***Information needs for tourism planning:*** Tourism planning policy must be based on sound information at all levels. There is an already established need for more and better tourism data<sup>7</sup> at a national level. However, there is a particular need for more localised research in relation to planning impacts at a sub-regional and local level.

## **Planning for Sustainable Development**

The underlying approach now applied to tourism planning, as well as to other types of development, is that of achieving sustainable development. The sustainable development approach implies that the natural, cultural and other resources of tourism are conserved for continuous use in the future, while still bringing benefits to the present society. The concept of sustainable development has received much emphasis internationally since the early 1980s, although tourism plans prepared even before that period often were concerned with conservation of tourism resources.

The sustainable development approach to planning tourism is acutely important because most tourism development depends on attractions and activities related to the natural environment, historic heritage and cultural patterns of areas. If these resources are degraded or destroyed, then the tourism areas cannot attract tourists and tourism will not be successful. More generally, most tourists seek destinations that have a high level of environmental quality - they like to visit places that are attractive, clean and neither polluted nor congested. It is also essential that residents of the tourism area should not have to suffer from a deteriorated environment and social problems.

One of the important benefits of tourism is that, if it is properly developed based on the concept of sustainability, tourism can greatly help justify and pay for conservation of an area's natural and cultural resources. Thus, tourism can be an important means of achieving conservation in areas that otherwise have limited capability to accomplish environmental protection and conservation objectives. A basic technique in achieving sustainable development is the environmental planning approach. Environmental planning requires that all elements of the environment be carefully surveyed, analyzed and considered in determining the most appropriate type and location of development. This approach would not allow, for example, intensive development in flood plain and steep hillside areas.

## Public Involvement in Planning

Planning is for the benefit of people, and they should be involved in the planning and development of tourism in their areas. Through this involvement, tourism development will reflect a consensus of what the people want. Also, if residents are involved in planning and development decisions - and if they understand the benefits the tourism can bring - they will more likely support it. At the national and regional levels of preparing tourism plans, the common approach to obtaining public involvement is to appoint a steering committee. This committee offers guidance to the planning team and reviews its work, especially the draft reports and policy and planning recommendations that are made. A planning study steering committee is typically composed of representatives of the relevant government agencies involved in tourism, the private sector, and community, religious and other relevant organizations. Also, open public hearings can be held on the plan. These hearings provide the opportunity for anybody to learn about the plan and express their opinions. Another common approach, when the plan is completed, is to organize a national or regional tourism seminar. This meeting informs participants and the general public about the importance of controlled tourism development and the recommendations of the plan. Such seminars often receive wide publicity in the communications media.

In a large country or region, the usual procedure is for the tourism plan to be prepared by the central authority with public involvement as described above. This can be termed the 'top-down' approach. Another procedure sometimes used is the 'bottom-up' approach. This involves holding meetings with local districts or communities to determine what type of development they would like to have. These local objectives and ideas are then fitted together into a national or regional plan. This approach achieves greater local public involvement in the planning process. But it is more time consuming and may lead to conflicting objectives, policies and development recommendations among the local areas. These conflicts need to be reconciled at the national and regional levels in order to form a consistent plan. It is important that the development patterns of the local areas complement and reinforce one another, but also reflect the needs and desires of local communities. Often a combination of the 'top-down' and 'bottomup' approaches achieves the best results.

## Conclusion

This component has focused on the importance of thorough planning in the context of successful tourism development. Local authorities are faced with a complex range of statutory and non-statutory guidance and regulatory advice in their quest to develop their particular destination/s in a way that will bring economic, environmental and social benefits through tourism. The case studies used throughout this component highlight ways in which measures and initiatives can be utilized to maximum advantage for a range of stakeholders involved in tourism development.

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## Lesson 5.4 - Characteristics of Rural Tourism

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### Learning Objectives

*After studying this lesson you can be able:*

- To know the definition of rural tourism;
- To understand the types of rural tourism;
- To explore the driving forces of rural tourism;
- To understand the benefits of rural tourism;
- To aware the means for making rural tourism successful and;
- To know the state of rural tourism in India

### Introduction

According to the World Travel and Tourism Council, tourism generates 12% of the global gross national product and it employs around 200 million people worldwide<sup>4</sup>. Tourist arrivals are estimated to reach 1 billion by 2010 and 1.6 by 2020 worldwide. Given the expected growth of tourism there is a great optimism for rural tourism. Numerous agencies and academic researchers have identified tourism as a potential economic development tool, particularly for rural communities.

Rural Tourism is increasingly being used as a development strategy to improve the social and economic well being of rural areas. Rural Tourism encompasses a huge range of activities, natural or manmade attractions, amenities and facilities, transportation, marketing and information systems<sup>9</sup>. Rural tourism is very diverse and fragmented in terms of operational structures, activities, markets and operating environments. Rural tourism is not just farm-based tourism. It includes farm-based holidays but also comprises special interest nature holidays and ecotourism, walking, climbing and riding holidays,

## Rural Tourism

Tourism growth potential can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of Rural Tourism is definitely useful for a country like India, where almost 74% of the population resides in its 7 million villages. Across the world the trends of industrialization and development have had an urban centric approach. Alongside, the stresses of Urban lifestyles have led to a “counter urbanization” syndrome. This has led to growing interest in the rural areas. At the same time this trend of urbanization has led to falling income levels, lesser job opportunities in the total areas leading to an urbanization syndrome in the rural areas.

Rural Tourism is one of the few activities which can provide a solution to these problems. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle. This concept has taken the shape of a formal kind of Rural Tourism.

Under this Scheme, thrust will be to promote village tourism as the primary tourism product to spread tourism and its socio-economic benefits to rural and its new geographic regions. Key geographic regions would be identified for development and promotion of Rural Tourism. The implementation would be done through a Convergence Committee headed by the District Collector. Activities like improving the environment, hygiene, infrastructure etc. would be eligible for assistance. Apart from providing financial assistance the focus would be to tap the resources available under different schemes of Department of Rural Development, State Governments and other concerned Departments of the Govt. of India.

### Definition of Rural Tourism

Rural tourism can be defined as the country experience’ which encompasses a wide range of attractions and activities that take place in agricultural or non-urban areas. Its essential characteristics include wide-

open spaces, low levels of tourism development, and opportunities for visitors to directly experience agricultural and/or natural environments.<sup>11</sup> Consequently, rural tourism in its purest form should be<sup>12</sup>:

- Located in rural areas.
- Functionally rural – built upon the rural world's special features of small-scale enterprise, open space, contact with nature and the natural world, heritage, —traditional societies and traditional practices.
- Rural in scale – both in terms of buildings and settlements – and, therefore, usually small-scale.
- Traditional in character, growing slowly and organically, and connected with local families. It will often be very largely controlled locally and developed for the long term good of the area.

Any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching tourism experience can be termed as rural tourism. Rural tourism is essentially an activity which takes place in the countryside. It is multi-faceted and may entail farm/ agricultural tourism, cultural tourism, nature tourism, adventure tourism, and eco-tourism. As against conventional tourism, rural tourism has certain typical characteristics like; it is experience oriented, the locations are sparsely populated, it is predominantly in natural environment, it meshes with seasonality and local events and is based on preservation of culture, heritage and traditions.

### **Types of Rural Tourism**

Tourism is synthesized from mass and alternative tourism. Mass tourism is characterized by large numbers of people seeking culture holidays in popular resort destinations. Alternative tourism is sometimes referred to as special interest tourism or responsible tourism and it's usually taken to mean alternative forms of tourism which give emphasis on the contact and understanding of inhabitants' way of living and the local natural environment.



The diversity of attractions included within rural tourism includes heritage tourism (sometimes referred to as cultural heritage tourism), nature-based tourism/ecotourism, agritourism, as well as partnership-based approaches, such as scenic byways and heritage areas. Heritage tourism refers to leisure travel that has as its primary purpose the experiencing of places and activities that represent the past.

A second major type of rural tourism activity is nature-based tourism/ecotourism (sometimes called recreation-based tourism), which refers to the process of visiting natural areas for the purpose of enjoying the scenery, including plant and animal wildlife. Nature-based tourism may be either passive, in which observers tend to be strictly observers of nature, or active (increasingly popular in recent years), where participants take part in outdoor recreation or adventure travel activities.

A third major form of tourism is agritourism, which refers to, —the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation<sup>14</sup>. It includes taking part in a broad range of farm-based activities, including farmers' markets, —petting farms, roadside stands, and —pick-your-own operations; engaging in overnight farm or ranch stays and other farm visits; and visiting agriculture-related festivals, museums, and other such attractions

### **Driving Forces in Rural Tourism**

These forces have been identified by many authors and can be summarized as:

- Tourism generating regions for rural tourism are highly developed and urbanized – the stresses of urban living and the remoteness from the natural environment has created a desire for escape from the monoculture of city living. Rural locations offer an idealized release from stress and the opportunity to re-engage with a simpler, quieter way of life that offers rest and relaxation.
- Demand fuelled by media, over-familiarity and congestion with traditional tourist resorts and increased interest in alternative attractions – with its voracious appetite for content and the resultant

over-exposure of many traditional tourist destinations, the media have sought out new and interesting tourism experiences for their lifestyle productions.

- Increasing environmental awareness and interest in the relationship between humans and the environment. Green issues have raised the attractiveness of rural experiences as ecologically sustainable tourism.
- Transport, communications, and the removal of political and economic barriers to travel have facilitated accessibility of rural areas.
- Increasing numbers of Free Independent Travelers and world-wide long-haul travel – many more travelers are FIT than in the past due to the increased capacity, especially in long-haul transport modes. When combined with increasing discretionary incomes, greater awareness of the range of experiences on offer, and greater mobility through private transport, the accessibility and attractiveness of rural destinations has been dramatically improved.
- A move toward short-break holidays - income and leisure time have changed so that shorter breaks with greater choice of leisure activities are sought. Changing work patterns have increased the popularity of shorter breaks that minimize the absence from work and the effect of absences on work flow and involvement.
- Better-educated travelers have increased interest in outdoor recreation, eco-tourism and special interest tourism - individualism drives a need for unique experiences and rural tourism, because of its fragmented nature and diversity of offerings, can satisfy this need.
- An increased interest in heritage can be satisfied through rural tourism as rural areas are often the repositories of remnant heritage.
- Rural areas are perceived as healthier, offering fresher air, cleaner water and the opportunity for outdoor recreation. Rural areas offer fresh, and sometimes, specialty foods.
- An increasing desire for authentic experiences including interaction with local people - Rural tourism is REAL (Rewarding, Enriches the spirit, provides Adventure and Learning); authenticity is believed to be found in genuine country experiences and lifestyles.

## Benefits of Rural Tourism

Rural tourism, while still only a minority tourism market, is making a valuable contribution to rural economies. Its contribution can be expressed not only in financial terms, but also in terms of jobs, contributions towards funding conservation, encouragement to the adoption of new working practices, and the injection of a new vitality into sometimes weakened economies. Potentially rural tourism promises some of the following benefits to rural development:

**Job retention:** Rural tourism cash flows can assist job retention in services such as retailing, transport, hospitality and medical care. It can also provide additional income for farmers, and, in some cases, for foresters and fisherman. Job retention is not as politically glamorous as job creation, but, by helping the viability of small communities, it is critical to the survival of marginal areas. Studies of rural Austria, Sweden and Ireland have documented the role of tourism in job retention.

**Job creation:** Job creation typically occurs in the hotel and catering trades, but can also take place in transport, retailing, and in information/heritage interpretation.

**New Business Opportunities:** Tourism generates new opportunities for industry<sup>18</sup>. Even those rural businesses not directly involved in tourism can benefit from tourist activity through developing close relationships with tourist facilities where local foods can be used as part of the tourism offering in a locality. Rural tourism facilitates expansion of complementary businesses such as service stations and new businesses are created to cater to tourist needs for hospitality services, recreational activities and arts/crafts.

**Opportunities for Youth:** The tourism industry is often promoted as an exciting and growing industry suited to the energies and enthusiasm of young people. Career options are enhanced with the opportunities for training and direct involvement in running tourism businesses, especially those within small communities.

**Community diversification:** Community diversification is an important activity in many upland and climatically marginal regions.

Forest regions have suffered serious socio-economic problems in recent years, partly because of the mechanization of tree felling and processing, and partly because of falling prices following reduced timber demand. Rural tourism can assist forestry by diversifying income sources for forest communities if the special qualities of the forest environment for recreational use are realized and developed.

***Preservation of Rural Culture and Heritage:*** In rural tourism the —sense of place’ is a fundamental element in both the tourists’ and host community’s feelings of what makes the area attractive to visit and live in. This sense of place is maintained partly through rural museums which play a vital role in preserving heritage<sup>25</sup>.

***Increase arts and crafts sale:*** Arts and crafts have a special place in the cultural heritage of regions and nations. Many commentators have noted that tourism can assist arts and crafts, both by recognizing their importance, and by purchasing craft products. Income flows from these activities are well documented. Support between the arts and tourism can be a two-way process. Many communities now use arts and crafts festivals as a marketing mechanism to encourage visitors to come to their areas.

***Landscape conservation:*** Landscape conservation has become an increasingly important form of heritage protection. Landscape is of crucial importance to rural tourism but, equally, visitor use is vital to the landscape conservation industry. Visitor use brings political benefits, can bring economic gains, and can provide jobs in maintaining and repairing traditional landscapes worn by recreational activities.

***Environmental improvements:*** Environmental improvements such as village paving and traffic regulation schemes, sewage and litter disposal can be assisted by tourism revenues and political pressures from tourism authorities. These help develop pride of place, important in retaining existing population and businesses, and in attracting new enterprises and families.

***The historic built environment:*** The historic built environment can benefit from rural tourism in two ways. Many historic properties now charge for admission in order to maintain their fabrics and surrounding gardens and parklands. Secondly, there are important buildings from

the past which have become redundant. Churches have lost their congregations, castles have lost their wars, farm buildings have become too small for modern equipment, railway stations have lost their trains, and canal warehouses no longer have barge traffic.

A wide range of benefits has been identified as potential outcomes associated with promoting the development of agritourism. From an agricultural industry perspective, agritourism is perceived to be a means of:

- expanding farm operations;
- using farm based products in new and innovative ways;
- improving farm revenue streams;
- developing new consumer market niches;
- increasing awareness of local agricultural products;
- increasing appreciation of the importance of maintaining agricultural land uses;
- channeling additional on-farm revenues directly to family members who might otherwise have to work off the farm;
- giving a stimulus to upgrade farm living and working areas, as well as leisure facilities;
- providing opportunities to acquire managerial skill and entrepreneurial spirit, and
- Increasing the long term sustainability for farm businesses.

### Means for Making Rural Tourism Successful

**Community involvement:** For an area to become a rural tourism destination, not just a stop off point, structured networks and collaborative agreements between public and private sector actors are essential. Community involvement is a key part of the equation.

**Proximity to a generating market or gateway:** Rural tourism destinations must be easily accessible to potential visitors through reliable transportation systems.

**Product Development (Tourism planning, infrastructure, and activities):** This should include sound tourism development planning,

investment in tourism-related infrastructure, and a range of activities to satisfy the diverse tastes of visitors. Work to support rural tourism infrastructure development by providing technical assistance, facilitation and promotion, and economic impact analysis support.

***A visitor center:*** Rural communities must have a welcoming center where visitors can seek information on local attractions, activities, and accommodations, and ask questions of people who are knowledgeable about the area.

***Partnership Collaboration /Cultural Heritage Welcome Centers:*** Key to maximizing rural tourism marketing efforts is the need to create and leverage potential partnerships with cultural/heritage segments. It may help to provide value-added services for consumers, including providing directions and creating awareness for rural tourism locations and historical/cultural activities—successfully differentiating them from other destinations.

***A quality brand and regional label:*** Brand identity may increase awareness of the destination among its identified target market segments. A brand is the way in which consumers perceive or distinguish a destination. To be effective, a brand should unify all of rural's functional (recreation and events) and emotional benefits (fun, culture and solitude) under one all-inclusive identity (image and positioning statement) to create an indelible impression in the mind of the consumer.

***Funding:*** Identify creative ways to support rural tourism funding in an effort to maximize and leverage existing marketing efforts. The long-term sustainability of tourism rests on the ability of community leaders and tourism professionals to maximize its benefits and minimize its costs.

### **Rural Tourism in India**

The basic concept of rural tourism is to benefit the local community through entrepreneurial opportunities, income generation, employment opportunities, conservation and development of rural arts and crafts, investment for infrastructure development and preservation of the environment and heritage (Mishra,2001). Rural tourism will bring people of different cultures, faiths, languages and life-styles close to one another

and it will provide a broader outlook of life. It will not only generate employment for the people but it can also develop social, cultural and educational values.

In Asia, especially in India, rural tourism in its true form is relatively new. The potential for rural tourism to be a major force in rural economic development resulting in poverty alleviation is yet to be realized to the fullest extent. Tourism growth potential can be harnessed as a strategy for Rural Development.

The development of a strong platform around the concept of Rural Tourism is definitely useful for a country like India, where almost 74% of the population resides in its 7 million villages. Rural Tourism is one of the few activities which can provide a solution to these problems. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle.

***Developing Rural Tourism Clusters (RTCs):*** Promotion of rural tourism helps in employment generation, enhancing earning capacity, check migration and better livelihood for the rural population. Rural tourism also helps the inclusive development in remote and backward areas. Though Ministry of Tourism has already sanctioned 172 rural tourism projects, desired benefits have not been achieved. One of the limitations of the current strategy is the sanctioning of rural tourism projects on stand-alone basis. In the 12th Plan, current strategy is proposed to be revised to pursue a cluster approach rather than stand-alone approach. Brief details of the proposed strategy are given below.

- i. Identification of clusters of 5 to 7 villages having unique craft, ethnic art form, or other USP for development as a Tourism Product
- ii. Creation of tourism awareness in host community
- iii. Facilitating marketing of local products through creation of Craft Bazaars/Haats
- iv. Developing basic local infrastructure and sanitation through the local government

- v. Physical infrastructure components eligible for CFA at village level would include tube well, sewerage, roads and drainage, solid waste management, solar/street lights, etc.
- vi. Components for cluster as a whole would include haat/ bazaar, amphi-theatre with green rooms, toilet blocks, tube wells, etc.
- vii. Development of Accommodation/ Home-Stay facilities for tourists within the cluster
- viii. 70 clusters to be identified and developed in XII Plan with an outlay of Rs 770 Crore

Broad indicative details of the component wise expenditures are given below

➤ Average Cost for Developing a Village	: ₹ 1.37 Cr
➤ Cost for developing common facilities for a cluster	: ₹ 2.30 Cr
➤ Cost for Developing a Cluster of 6 villages	: ₹ 11 Cr
➤ Number of RTCs	: ₹ 70
➤ Cost for Developing 70 RTCs	: ₹ 770 Cr

### Conclusion

Rural tourism is an opportunity for rural development however; it may not be as great as some perceive and it may not be suitable for every location. For example, local tourism impact varies greatly among rural regions and depends on a host of factors including work force qualifications, characteristics and seasonality issues. Therefore, the development of rural tourism offers potential solutions to many of the problems facing rural areas. As a result there has been an increasing dependence on and support for rural tourism in the hope of achieving the potential benefits.

The extent to which these benefits are realized remains the subject of much debate. Certainly, there is evidence to support the claim that, as a vehicle of economic growth and diversification, tourism can make an important contribution to rural incomes both at the level of the tourism operators and more widely in the local economy.



Rural Tourism events have been found to increase business, income and employment and are seen to assist with social and economic development. Tourism can be an important source of jobs for rural communities. Tourism not only offers business opportunities to local residents, but it can also enhance local quality of life. Tourism can also support local culture in rural areas by encouraging restoration of local and regional historic sites.

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## Lesson 5.5 - National Planning for Tourism and Vision

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### Learning Objectives

*After studying this lesson you can be able:*

- To understand the tourism growth through five year plans;
- To know the development of infrastructure and destination management;
- To understand the institutional framework of PPP;
- To know the national tourism policy;
- To familiarize with national level tourism planning in India and
- To understand the tourism vision 2020.

### Introduction

Tourism has been a major social phenomenon of the societies all along. It is motivated by the natural urge of every human being for new experience, adventure, education and entertainment. The motivations for tourism also include social, religious and business interests. The spread of education has fostered a desire to know more about different parts of the globe. The basic human thirst for new experience and knowledge has become stronger, as technological advances are overcoming communication barriers. Progress in air transport and development of tourist facilities has encouraged people to venture out to the foreign lands. Tourism's importance, as an instrument for economic development and employment generation, particularly in remote and backward areas, has been well recognized the world over. It is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings.

Tourism can play an important and effective role in achieving the growth with equity objectives, which we have set for ourselves. Tourism is one economic sector in India that has the potential to grow at a high rate and can ensure consequential development of the infrastructure at the

destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth. Tourism has the potential to stimulate other economic sectors through its backward and forward linkages and cross-sectoral synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, etc.

Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure, also induces more employment and generates a multiplier effect on the economy. As a result, additional income and employment opportunities are generated through such linkages. Thus, the expansion of the tourism sector can lead to large-scale employment generation and poverty alleviation. The economic benefits that flow into the economy through growth of tourism in the shape of increased national and State revenues, business receipts, employment, wages and salary, buoyancy in Central, State and local tax receipts can contribute towards overall socio-economic improvement and accelerated growth in the economy.

### **Tourism Growth in Five Year Plans**

Tourism has proved to be an engine of growth in many economies in the world. It provides for the generation of income, wealth and employment, and helps in the sustainable development of remote areas. In India, tourism provides direct employment to 9 million people and indirect employment to another 13 million persons, thus providing a livelihood to 22 million persons. It contributes an estimated 2.4% of the gross national product. Its contribution to the economies of states like Rajasthan, Goa and Kerala are significant. Although beginning to be understood for its potential to provide for development in India, tourism still remains a sector that needs serious attention.

**Ninth Plan:** The Ninth Plan envisages the Government playing a role of facilitator for private sector participation in the development of tourism. The Plan seeks to diversify the tourism product by encouraging rural and village tourism, pilgrim and spiritual tourism, adventure and eco tourism, indigenous and natural health tourism, heritage tourism and youth and senior citizens' packages. The outlay for the Central Sector in the Ninth Plan is ₹ 793.75 crore, comprising a budgetary support of ₹

485.75 crores and internal and extra budgetary resources of ₹ 308 crores. The main schemes of the Ministry of Tourism relate to infrastructure development, human resource development and publicity and marketing.

**Tenth Plan:** The Tenth Plan approach towards tourism had distinct shift from the earlier plans. The Tenth Plan recognized the vast employment generating potential of tourism and the role it can play in furthering the socio-economic objectives of the Plan. The strategic objectives were: -

- Positioning tourism as a national priority. Enhancing India's competitiveness as a tourist destination.
- Improving and expanding product development.
- Creation of world-class infrastructure.
- Effective marketing plans and programmes.

**Major Components of the Tenth Plan Strategy were as follows: -**

- To develop a national consensus on the role of tourism in the development agenda of the nation through the National Development Council.
- To create world-class circuits and destinations, eschew haphazard development.
- To augment training facilities in hotel management, food craft and build the capacity of service providers at the cutting edge.
- To remove the barriers to growth to leverage private sector investment.
- To provide legislative and regulatory support to protect the tourism industry, the consumer and the environment.
- To mobilize public support by creating awareness of the socio-economic benefits of tourism for the host community.

**Eleventh Plan:** At the operational level, it is the quality of infrastructure that can provide the critical connectivity between the tourism product and the target market for both domestic and international tourists. Creation of tourism infrastructure has its multiplier effect in terms of overall economic growth, employment generation vis-à-vis investment and the preservation of art, culture and heritage. Tourism

projects in underdeveloped areas have helped in the creation of roads, telecommunication, medical facilities etc.

Tourism projects like Destination Development are capital intensive, commercially nonviable and require government funding. It is necessary that such infrastructure is created with the professional expertise of architects, landscaping experts and is then privately managed through a transparent process. Other projects such as setting up of hotels, convention centers, golf courses, tourist trains, etc., normally have substantial gestation periods and become economically viable over periods exceeding 12-15 years. In order to attract tourists, it is necessary that these facilities be created to a through private initiative with the Government acting as a facilitator and catalyst, apart from part funding such projects.

### **Development of Infrastructure and Destination Management**

Tourist sites and destinations should be carefully selected on the basis of their potential to provide all infrastructure facilities required by the tourists within such destinations and circuits. Master Planning of destinations and circuits will enable their development in an integrated holistic manner.

- Achieve convergence of resources and expertise through coordinated action with State Governments/UTs and the Private Sector.
- A panel of 10-12 outstanding Architects/Consulting Agencies with sensitivity towards conservation, preservation and aesthetics aspects may be identified to prepare the Master Plans and the project implementation constantly monitored by them.
- Select only 10 major Destinations and 6 Circuits (North, South, East, West, Central and North-East) on an annual basis.
- The infrastructure development for selected destinations and circuits be taken up as a Centrally sponsored scheme with assistance of identified agencies of States and a Central Sector Scheme for the works related to monuments and other places under the control of Central agencies like ASI, Port Trust Authorities, etc.
- The sustainable maintenance and operational plan for the assets created through Tourism

Development Authorities/ Private Sector should be inbuilt into the project proposal. The implementation of these projects should be centrally driven and constantly reviewed and monitored.

- Selection of rural tourism projects should be based on their core-competency and not merely on the basis of projects received from State Governments.
- A panel of professionals should be identified for selecting the rural sites, interacting with the community and preparing projects based on tourism potential of the site.
- No rural tourism project should be sanctioned without prior approval of the software (capacity building) component to ensure that the host rural community plays a critical role in project implementation.
- Flexibility be given to District Level Committees in selection of the hardware (infrastructure) component of the rural projects; and it should not be entirely decided by Ministry of Tourism.
- Implementation of rural tourism projects is achieved through the State Tourism Directors/Commissioners rather than District Collectors for better marketing of the rural sites.

### **National Tourism Policy**

In order to develop tourism in India in a systematic manner, position it as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner, the National Tourism Policy was formulated in the year 2002. Broadly, the “Policy” attempts:-

- Position tourism as a major engine of economic growth;
- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- Focus on domestic tourism as a major driver of tourism growth.
- Position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination;

- Acknowledges the critical role of private sector with government working as a proactive facilitator and catalyst;
- Create and develop integrated tourism circuits based on India's unique civilization, heritage, and culture in partnership with States, private sector and other agencies; and
- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and "feel India from within".

### **Scheme for Product/Infrastructure and Destination Development**

The focus under this scheme is on improving the existing products and developing new tourism products to world class standards. For infrastructure and product development, the Ministry of Tourism has been providing Central Financial Assistance to the State Governments during the 9th Five Year Plan which resulted in strengthening of the infrastructure and product development in the country.

The scheme has been restructured during the 10th Five Year Plan to meet the present day infrastructure requirements. The past experience had been that a large number of small projects had been funded under the Scheme, spreading the resources very thinly, which at times had not created the desired impact. The focus in the Tenth Plan has been to fund large projects of infrastructure or product development in an integrated manner.

Under the revised scheme, the destinations are carefully selected based on the tourism potential. Master planning of these destinations is undertaken so as to develop them in an integrated holistic manner. The master plan is supposed to tie up all backward and forward linkages, including environmental considerations. Realizing the importance of destination development, the total outlay for this sector has been increased substantially. Important tourist destinations in each State, in consultation with the State Governments, are taken up for development. This includes activities ranging from preparation of master plans to implementation of the master plans. The destinations are selected in consultation with the State/UT Governments.

### **Policy for Tourism Promotion**

- A National Policy on Tourism was formulated in 1982 focusing on the development of travel circuits and assigned the responsibility of promoting international tourism to the Central Government and domestic tourism to the State Governments.
- Tourism was given the status of an 'industry' in 1986 and became eligible for several incentives and facilities including tax incentives, subsidies, priorities in the sanctioning of loans by the State financial institutions and preferences in providing electricity and water connections.
- Tourism was made a priority sector for foreign direct investment in 1991 making it eligible for automatic approvals upto 51% of the equity.
- A National Strategy for Tourism Development was evolved in 1996, which advocated the strengthening of an institutional set-up in human resource development, setting up of an Advisory Board of Tourism Industry and Trade (which has since been set up), the integrated development of tourist destinations and the promotion of private sector in tourism development.
- Tourism was granted 'Export House' status in 1998 making hotels, travel agents, tour operators and tourist transport operators eligible for such recognition entitling them to various incentives.
- In order to take advantage of the liberalised economic regime and the developments taking place around the world, a new National Tourism Policy is under consideration of the Government.

### **National Level Tourism Planning in India**

The tourism planning started quite late with the first tourism policy being announced by the Government of India in November, 1982 after tourism was recognized as an industry by the Planning Commission of India in June, 1982. In July, 1986 the Planning Commission of India set up the National Committee on Tourism in order to formulate plans for this sector. The government's initiatives of incorporating a planned tourism sector in India went a long way in boosting Indian tourism.



In May, 1992 the National Action Plan for tourism was announced. The objectives of this landmark plan for tourism planning in India were:

- To improve the economy category domestic tourism
- To develop the tourist areas socially and economically
- To preserve the environment and the national heritage
- To encourage international tourism
- To improve in world tourism India's share
- To increase opportunities for employment in this sector

India tourism planning increased with the seventh five year plan India (1985-1989). The various policies advocated by the seventh plan for tourism planning in India are:

- To promote aggressively domestic tourism
- It laid stress on creating more beach resorts
- To conduct conferences, trekking, conventions, and winter sports so that various options are available to the foreign tourists

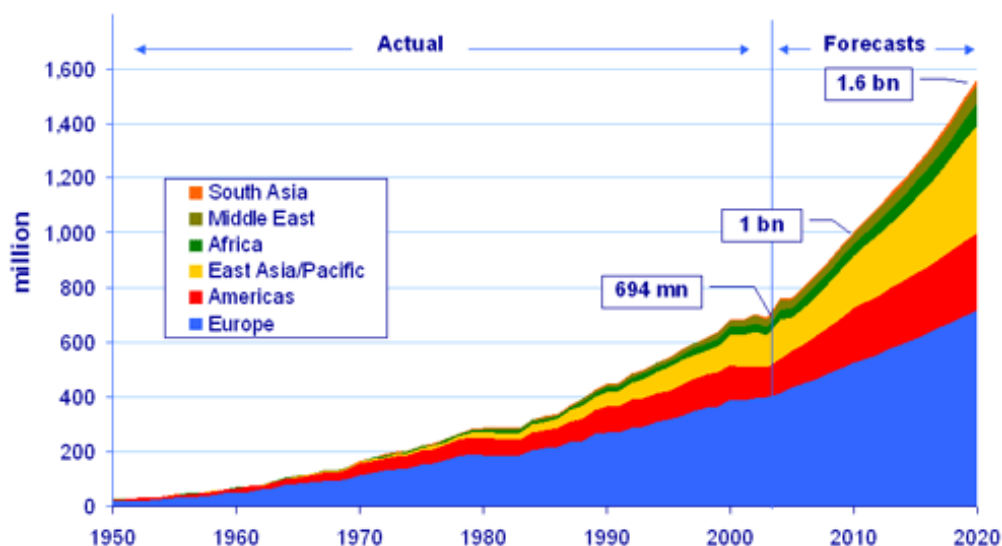
These policies of the seventh five year plan gave a boost to the tourism planning India. To further encourage tourism planning in India, the eighth five year plan (1992- 1997) mentioned that the private sector should increase its participation in the sector. The various policies advocated by the eighth plan for tourism planning in India are:

- To develop the tourists places
- To develop winter sports, beach resort, and wildlife tourism
- To restore the projects of national heritage
- To provide in tourists centers economy class accommodation

Tourism planning in India has increased by leaps and bounds in the last few years and the government and Department of Tourism needs to make continuous efforts to ensure that tourism planning in India takes the tourism sector of the country to greater heights on a sustainable basis.

## Tourism 2020 Vision

*Tourism 2020 Vision* is the World Tourism Organization's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium. An essential outcome of the *Tourism 2020 Vision* is quantitative forecasts covering a 25 years period, with 1995 as the base year and forecasts for 2010 and 2020.



Although the evolution of tourism in the last few years has been irregular, UNWTO maintains its long-term forecast for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short term, periods of faster growth (1995, 1996, 2000) alternate with periods of slow growth (2001 to 2003). While the pace of growth till 2000 actually exceeded the *Tourism 2020 Vision* forecast, it is generally expected that the current slowdown will be compensated in the medium to long term.

UNWTO's *Tourism 2020 Vision* forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long-haul travelers.

The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle East and South Asia.

East Asia and the Pacific, Asia, the Middle East and Africa are forecasted to record growth at rates of over 5% year, compared to the world average of 4.1%. The more mature regions Europe and Americas are anticipated to show lower than average growth rates. Europe will maintain the highest share of world arrivals, although there will be a decline from 60 per cent in 1995 to 46 per cent in 2020.

	Base Year	Forecasts		Market share (%)		Average annual growth rate (%)
	1995	2010	2020	1995	2020	1995-2020
	(Million)					
World	565	1006	1561	100	100	4.1
Africa	20	47	77	3.6	5.0	5.5
Americas	110	190	282	19.3	18.1	3.8
East Asia and the Pacific	81	195	397	14.4	25.4	6.5
Europe	336	527	717	59.8	45.9	3.1
Middle East	14	36	69	2.2	4.4	6.7
South Asia	4	11	19	0.7	1.2	6.2

Long-haul travel worldwide will grow faster, at 5.4 per cent per year over the period 1995-2020, than intraregional travel, at 3.8 per cent. Consequently the ratio between intraregional and long-haul travel will shift from around 82:18 in 1995 to close to 76:24 in 2020.

### **Vision for India as a Tourist Destination**

The mood is upbeat about India as a tourist destination. There is unequivocal mention of India being a potentially strong market from the point of view of vacation travel. The Regional directors did make a mention of the popularity of the destination having increased. For instance, in Australian market, the traffic of the travelers to India has doubled in the last three years. The expected growth across markets is about 18-20% (annual).

### **Conclusion**

Planning processes involve a wide range of stakeholders, are medium to long term, are subject to economic, social and environmental appraisal, assess and reconcile capacity and demand, are based on evidence

and must be monitored and reviewed. From whichever angle your personal or professional standpoint may be, failure to provide a detailed evidence base to support LDF policy and site allocations or planning applications is likely to severely hinder new tourism-led development and regeneration proposals. Planning for Sustainable Economic Growth should assist operators and local authorities plan more effectively for tourism growth.

A more evidence-based approach, together with a renewed focus on sequential tests and impact assessments, should offer developers and operators opportunities to demonstrate the potential of their proposals to local planning authorities. Only time will tell if this approach will herald a more streamlined and positive approach to the determination of new applications for tourism development. However, PPS4 does appear to place some responsibility in the hands of local authorities to give equal weight, alongside long-held sustainability, social and environmental indicators, to local economic development through

### **Self Assessment Questions**

1. What is the meaning of Public Private Partnership (PPP)?
2. What are the motivates and modalities of Public Private Partnership (PPP)?
3. Describe the strengths and weaknesses of Public Private Partnership (PPP).
4. Explain the institutional framework of Public Private Partnership (PPP).
5. What is the rationale behind the Public Private Partnership (PPP)?
6. What are the policies and structures of Public Private Partnership (PPP)?
7. Write an essay on Public Private Partnership (PPP) of tourism in India
8. What is the aim of tourism policy
9. Discuss the historical perspective of tourism policy.
10. Explain the beginning of modern tourism policy
11. What are the objectives of tourism policy?
12. What are the schemes for developing destinations in India?

13. What do you mean by planning
14. What is system of planning and its application
15. Discuss the role of local authorities in tourism planning
16. How do we involve tourism micro-business
17. What are the stages in planning for sustainable tourism development?
18. Discuss the need to involve public in tourism planning.
19. Discuss briefly the growth of tourism in five year plans.
20. Describe the development of infrastructure and destination management.
21. Explain the national level tourism policy and planning.
22. What is tourism 2020 vision and?
23. What is the vision for India as a tourist destination?

## **CASE STUDY**

### **Building Brand for Pondicherry Tourism Destination**

#### **Introduction**

Pondicherry or Puducherry, the capital of the Union Territory of Pondicherry, is located along the Coromandel Coast of Bay of Bengal. Pondicherry is also the largest coastal enclave in the Union Territory of Pondicherry, the others being Karaikal, Mahe and Yanam. Pondicherry is situated in Tamil Nadu at a distance of about 160 km to the south of Chennai. According to mythology,

Pondicherry was known by the name Vedapuri. This place is also believed to be the abode of the revered sage, Saint Agasthya. Pondicherry later came under the rule of various dynasties like the Pallavas, the Cholas and the Pandyas. As per 'Periplus of the Erythraean Sea', Pondicherry had trade relations with Rome during 1st century AD. Roman pottery excavated from Arikamedu near Pondicherry, which dates back to the first half of 1st century AD, also points to this fact.

The unique location of Pondicherry captured the attention of Portuguese, the Dutch, the Danes, the English and the French. Pondicherry came under the rule of the French in 1673 and since then it became the site for the battle between the British and the French. Pondicherry remained as the capital of French India for about 300 years, before it attained its independence in 1954. It was in 2006 that the name Pondicherry was changed to Puducherry, which means 'New Village' in Tamil language. Tamil, English, French and Hindi are the languages used in Pondicherry.

### **Features of Pondicherry**

The heritage city of Pondicherry, which is a living monument of the French culture, is a conglomerate of different cultural influences. The French part of Pondicherry still exhibits the streetscapes and the architectural style of the colonial era and the Tamil part is typical of the Tamil architectural style. Bordered by Bay of Bengal on the East and South Arcot District of Tamilnadu on the other sides, Pondicherry is a popular destination of tourists in the South.

The coastal city of Pondicherry is famous for its serene beaches. Hotel de Vile, French War Memorial, Puducherry Museum, Aayi Mandapam, Auroville Ashram, Shri Aurobindo Ashram, Promenade, Chunnambar Resort, Old Light house, Romaine Rolland Library, etc. are some of the major tourist attractions in Pondicherry. The vicinity of Pondicherry to the temple towns of Kanchipuram, Tiruvannamalai and Chidambaram, the heritage town of Mamallapuram and the hill stations of Yercaud and Kodaikanal has made it popular among wayfarers. Pondicherry, fondly called as 'Pondy', is a haven for foodies and shopaholics as well.

Travelers to Pondicherry can buy anything that range from textiles to traditional dolls to aromatics. Renowned for palm-fringed beaches, scenic fishing villages, serene backwaters and French boulevard towns, Pondicherry is also a famous stage where several art festivals and cultural programs are conducted every year.

### **Major Attractions of the Destination**

**Sri Aurobindo Ashram:** The Sri Aurobindo Ashram located on rue de la Marine, is one of the most well known and wealthiest ashrams in

India, with devotees from India and all over the world flocking to it for spiritual salvation. Its spiritual tenets represent a synthesis of yoga and modern science. It is open to the public daily between 08-1200 hrs and 1400-1800 hrs. Children below 3 years of age are not allowed into the ashram and photography is allowed only with permission of the ashram authorities.

The Ashram was set up in 1926 by Sri Aurobindo Ghose, one of India's greatest philosopher-poets, who originally came to Pondicherry to escape persecution by the British. It was after arriving in puducherry, that he was drawn into the spiritual realm and discovered the power of yoga. His philosophy deeply rooted in yoga and his writings inspired a number of followers.

One of them was a Parisian mystic, painter and musician called Mirra Alfassa, who was so inspired by his philosophy that she stayed on in puducherry and was instrumental in establishment of the ashram. After Aurobindo's death in 1950, the running of the Ashram was entrusted to his chief disciple and companion, Mirra Alfassa, (also known as 'The Mother'). The idea of Auroville or the "City of Dawn" was conceived by 'The Mother'. She died in 1973 at the age of 93.

The ashram's influence can be felt in most of puducherry. The main ashram building is where the mortal remains of Aurobindo and the Mother are kept. Their 'Samadhi' or mausoleum, which is generally surrounded by supplicating devotees, is in the central courtyard under a frangipani tree and is covered daily with flowers.

Some of the ashram's facilities like the Library and the Main Building (during collective meditation) can be accessed, only after obtaining a gate pass from the Bureau Central or some of the Ashram Guest Houses.

### **Auroville**

Auroville - or the 'City of Dawn' - was conceived as a place of research into the ideal of human unity by the Mother, the spiritual collaborator of Sri Aurobindo. The idea is to build a futuristic city where people of goodwill can live together in peace and progressive harmony, above all creeds, all politics and all nationalities. Auroville came into existence in

1968. Its Charter says, “To live in Auroville one must be a willing servitor of the Divine Consciousness”, and describes it as “belonging to nobody in particular, but to humanity as a whole”; as a place “of constant progress”; and as “a bridge between the past and the future. Located around 8 kms north-west of Puducherry, Auroville was designed by the French architect Roger Anger. Around 2,000 people live there in settlements with names like Grace, Fraternity, Fertile, Certitude and Transformation. Nearly two-thirds of the residents are non-Indians.

Architecturally speaking the buildings are a combination of modern western and traditional Indian elements, set in a rural landscape of deep red earth and widespread forestation, with narrow earth roads linking the settlements. The residents are involved in agriculture, administration, commerce and handicrafts, alternative technology, education, healthcare and development projects, the latter including AuroRE Systems, an international award winning unit involved in solar photovoltaic and thermal systems. The central Matrimandir, which is not a temple but a place for individual silent concentration, is set in an area of 62 acres at the centre of the emerging township, and is seen as “a symbol of the Divine’s answer to man’s aspiration for perfection. Union with the Divine manifesting in a progressive human unity.”

During the inauguration ceremony of Auroville on 28th February 1968, soil from 124 countries was placed in a lotus-shaped urn and mixed to symbolize universal oneness. This urn is today sited at the centre of an Amphitheatre in the Matrimandir Gardens. The Matrimandir’s 12-sided white marble Inner Chamber has a 70 cms diameter optical-quality glass globe at its centre, onto which a shaft of sunlight is focused by way of a roof-mounted heliostat. The light falling on the globe acts as a focal aid to concentration.

### **Beaches in Puducherry**

Any trip to puducherry would be incomplete without a visit to its beaches. Though it’s hot and muggy through most of the year, puducherry has four main beaches which are fairly popular with tourists and locals alike. As opposed to the rest of India, the beaches here are relatively clean and not as crowded. Most of the beaches are a little away from the town except for small stretch of sand behind Seagulls restaurant on Goubert



Avenue. However this stretch is not as popular because of its lack of accessibility and security.

### ***Promenade***

The 1.5 km long promenade running along the beach is the pride of puducherry. There one can relax or take a stroll at any time of the day. On the sea front are several land marks. The War memorial cold and dispassionate throbbing the memory of last dreams, the statue of Joan of Arc blazing an inspiration, the heritage town hall, the statue of Mahatma Gandhi standing tall, Dupleix statue, old light house, the remains of the old pier, the old customs house, speak the splendor of the by gone era. The well furnished tourist information centre is situated in esthetically heritage building facing the sea to cater to the need of visiting tourists.

### ***Paradise Beach***

Located 8 kms from the town, along the Cuddalore Main Road this beach can be accessed from the Chunnambar Resort. Flanked by a quiet flowing creek on one side, the beach can only be accessed by boat.

### ***Auroville Beach***

The Auroville Beach as the name indicates is close to Auroville. It is right off the ECR, opposite the road leading to Auroville. Located around 12 kms from the main puducherry town, its shallow waters and small waves make it an ideal place of swimming. It is a fairly popular destination on weekends. On weekdays it is relatively less crowded.

### **Temples in Puducherry**

Though the temples in puducherry are not as well known as their more famous counterparts in towns like Tanjavur or Chidambaram, they are charming in their own unique way, with some of them even dating back to the 10th Century AD Chola period. The popular temples are: Manakula Vinayagar Koil, Varadaraja Perumal Temple, Vedhapureeswarar Temple, Kanniga Parameswari Temple, Kamatchiamman Temple and Sri Gokilambal Thirukameshwara Temple

### **Churches in Pondicherry**

Having connection with French Culture, the city of Puducherry has the renowned churches. The churches are equally attractive places for many visitors who want to experience the French architectural churches. The major churches are: Church of the Sacred Heart of Jesus, Church of the Capuchins, Notre Dame de, The Notre Dame des Anges, Church of the Assumption, The Church of Our Lady of Lourdes and Church of Our Lady of Good Health

### **Mosque in Puducherry**

It is quite interesting to note that the Puducherry is an attractive location for all three major religions. Besides temples and churches, there are marvels of Mosques like Jamai Mosque, Meeran Mosque, Kuthbha Mosque and Mulla Mohhamed Mosque

### **Puducherry Museum**

Puducherry Museum is open from 1000-1700 hrs on all days but Monday and public holidays. It is located in the former residence of the French Administrator building. The Museum is well worth seeing as a fine example of a grand two-storey residence as well as for most of its exhibits.

The museum has a collection of rare bronzes and stone sculptures from the Pallava and Chola dynasties and artifacts excavated from Arikamedu, including remnants of Greek and Roman jars, 200 year old beads made from glass and precious stones and even objects from the Tsung period in China. The museum also has a Geology room, a shell and fossil room and a collection of handicrafts, coins, church relics and French furniture. Also on display is Dupleix's bed.

### **Botanical Garden**

The Botanical Gardens are located south of the New Bus Stand. The gate leading to the garden is reminiscent of French architecture and it stands out from its immediate surroundings because it is smack in the middle of the old Tamil town. The Botanical Gardens were laid out in 1826 in the ornate French style, with pruned trees, beautiful flower beds

and gravel lined paths and fountains. The French introduced many exotic plants from all over the world, many of which thrived. With over 1500 species of plants, this could actually qualify as one of the best botanical gardens in South India.

The gardens also have a musical fountain which is active over the weekends, with two shows in the evening. Check for timings and the frequency of the shows as they may change depending on the season.

### **Arikamendu**

Arikamedu, the ancient Roman trade centre is 4 Kms. south of puducherry on the right bank of Ariyankuppam river. It has a long history that dates back to the second century B.C. The port town was inhabited by Romans, Cholas and French who left their mark on this wonderful place. The Roman treasure trail and Arikamedu river cruise take you down the History lane. Arikamedu a fishing colony was used as a port for trade with the Romans and Greco-Romans.

An ancient Chola coin dating back to 1 B.C. suggests involvement of Cholas in various port related activities. Some names on seals that were found here have been mentioned in the Sangam literature as well. Besides maritime commerce there seems to be evidence of inland trade with other 'megalithic' sites like Kaveripattinam, Alagankulam, Musiri and Suttukeni along river valley routes. Jouveau-Dubreail identified Arikamedu as Poduke in the Periplus Maris Erythraei. Later the site was divided into two sectors northern and southern as they were perceived to have been inhabited by different ethnic groups. It is also known as 'Yavanas' in Tamil literature.

### **Questions**

1. What are the core competences for planning and developing a destination branding in Puducherry?
2. Given the attractions, how would you promote the brand image of Puducherry tourism destination?

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