INTERNAL DESTINATION DEVELOPMENT: A CASE OF CAPACITY BUILDING IN INDIA

Monika Prakash¹; Nimit Chowdhary²;

Abstract

India is a fast-emerging tourist destination. It has captured the imagination of visitors from around the world who find it fascinating and much different from their own cultures and routine. India is an emerging economy with its share of challenges. The Ministry of Tourism, Government of India, doubles up as the NTO for the destination. It, therefore, owns up the responsibility both for marketing the destination and developing the destination. India is perhaps the only example of having an internal marketing campaign targeted at internal stakeholders educating them about how to conduct themselves before the visitors. The NTO also rolls out ambitious capacity building programmes for all tourism stakeholders, particularly those who are likely to come in direct contact with the visitors. The NTO is conscious of the fact that the quality of a visitor’s experience whenever they interact with any service provider or host community must be superior. This paper outlines the various initiatives of the NTO of India, to build the capacity of multiple stakeholders.

Key Words: internal destination development (IDD), destination marketing triangle, internal marketing, Atithi Devo Bhava, India

JEL classification: M3

Introduction

Indian tourism is growing at a steady pace. It is estimated that in 2018 tourism contributed approximately 7.5 % of the GDP which is expected to rise to 9.4% in 2022 (World Travel and Tourism Council, 2018).

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According to this report tourism also accounted for more than 42.6 million jobs which are around 8.1% of the total employment. India is also ranked 7th in terms of the relative importance of travel and tourism’s contribution to GDP. This story of tourism development began in 2002-03 when India launched the Incredible India campaign. This campaign was also the recognition that tourism is going to be a significant contributor to India’s economy over time. India’s share of global foreign tourist arrivals has steadily increased from 0.34% in 2002 to 1.18% in 2016. Apex national planning body of India, the NITI Aayog, has set an aggressive target to boost India’s global market share of tourist arrivals from 1.18% in 2016 to 3% over next five years (PTI, 2018). The story of the growth of Indian tourism over the years is also the story of how India has evolved as a tourist destination. Humongous efforts have gone into the dynamics of the destination. This discussion draws from related academic concepts and constructs that have developed in the process.

**Destination marketing triangle**

Destination marketing triangle is a conceptual framework for making sense of the three-way relationships in marketing a tourist destination. Like any marketing initiative, one of the critical components of the model is the Destination Management Organisation (DMO) which makes a promise to the potential visitors, the guest. For example, when India promises an Incredible India, it promises an ‘incredible experience’ for the visitors who visit India. Similarly, when New Zealand says “100% Pure New Zealand” they promise an unadulterated, un-spoilt ‘nature’ for its visitors. However, the DMO or destination leadership only makes the promise. It is hundreds of independent service providers like the tour operator, the tourist guide, the restauranteur, the hotelier, the cab driver, the merchandiser, or the police on the streets or even the general public at the visited destination who create and deliver experience (read value) for the tourists. It may also be noted that these service providers are independent of each other. They may not be related to each other, though they may come together as a part of the package. Thus, the destination leadership - the DMO, the tourists and the tourism service providers form the three vertices of the destination triangle (see figure 1).

Thus, it is apparent that a tourist’s experience at a destination is co-created by a selection of service providers. These service providers are otherwise independent enterprises with their vested interest. They
consciously come together to complete the tourism supply chain for the visitors.

Figure 1: The destination marketing triangle

Source: Chowdhary, 2017

However, many other participants contribute to a visitor’s experience but may not be conscious of the promises made by the DMO. They fail to understand how encouraging and selling tourism at their place would also benefit them. With differences in interests, stakeholders find it difficult to associate with the benefits of tourism. These stakeholders are not paid employees of any firm. A chance interaction of a visitor with a country dweller in a far-flung hamlet is very much a part of her experience. Similarly, a roadside seller who sells a chilled beer in the scorching heat, or a concierge who helps her at the hotel reception or the airport, or a cab driver who takes her around Singapore as a qualified tourist guide, or the tour manager of the local tourism company are all part of a visitor’s experience. Gowreesunkar et al. (2009) suggest that there is a complicated relationship among the hosts (and other suppliers) and the tourist destination.

**Internal marketing for destination development**

Different terms are used for the various arms of the destination marketing triangle. Figure 2 summaries the terminology used in the destination triangle (Chowdhary, 2017).
In their book, Cooper & Hall (2008) bring out the interdependency and co-creation aspects of tourism. These are prerequisites in shaping a visitor’s experience at a place. It is incumbent upon the destination leadership to take together all stakeholders and lead and continually remind them to remain focused on the promise that has been made to the visitor segment. Tourism is a transient experience, and the interface with the stakeholders is the most noticeable and palpable cue. Challenge for the destination leadership is to help these different stakeholders evolve into propagandists and campaigners for the DMO and the destination.
It is generally agreed that internal marketing is the application of principles of marketing within the organisation to teach customer centric values. However, this is not limited to only communicating with the internal stakeholders. Internal marketing is a comprehensive approach to empower ‘internal publics’ to create value. Researchers have brought out various constructs that interpret internal marketing (See table 1).

Table 1: Interpreting Internal marketing

<table>
<thead>
<tr>
<th>Construct</th>
<th>Reference(s)</th>
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<tr>
<td>Inter-functional coordination and integration</td>
<td>Winter, 1985, Narver &amp; Slater, 1990, Glassman &amp; Mcafee, 1992</td>
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<td>Customer orientation</td>
<td>Gronroos, 1981</td>
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<td>Marketing like approach</td>
<td>George, 1990</td>
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<td>Job satisfaction</td>
<td>George, 1990, Nahavandi, Caruana, &amp; Farzad, 2008</td>
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<tr>
<td>Stakeholder’s development</td>
<td>Piercy &amp; Morgan, 1989, Foreman &amp; Money, 1995</td>
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<tr>
<td>Quality of services</td>
<td>Berry &amp; Parasuraman, 1991</td>
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<tr>
<td>Vision of the firm</td>
<td>Foreman &amp; Money, 1995</td>
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<tr>
<td>Strategic reward</td>
<td>Ahmed, Rafiq, &amp; Saad, 2003</td>
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<tr>
<td>Rewards</td>
<td>Lee-Ross, 1999</td>
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<tr>
<td>Commitment</td>
<td>Gummesson, 1994</td>
</tr>
<tr>
<td>Training and development</td>
<td>Nahavandi, Caruana, &amp; Farzad, 2008</td>
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<tr>
<td>Senior leadership</td>
<td>Ahmed, Rafiq, &amp; Saad, 2003</td>
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<tr>
<td>Internal communication</td>
<td>Ahmed, Rafiq, &amp; Saad, 2003, Schultz, 2006</td>
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Citing (Cahill, 1996), Gowreesunkar et al. (2009) maintain that without internal marketing there could be no external marketing of tourism. The willingness of the host community to entertain tourists within their living environments, in the longer run, determines the perception and
satisfaction of visitors to a place. Local tourism firms and operators have consent for their activities from the host community in their (community’s) willingness to have tourism at the destination. Cooper & Hall (2008) suggests that tourist destinations must have an internal marketing approach whereby efforts must be made to seek commitment and involvement of all the destination partners and especially the tourists. Chi & Qu (2008) conclude that overall satisfaction with hospitality experience is dependent on satisfaction with different components/features of all the goods and services. These may include elements like the quality of accommodation, weather conditions, natural environment, social milieu, etc. that sums up the experience for the visitors.

Further, it is crucial that the acceptance of the stakeholders at a destination is obtained. This acceptance is necessary and is achieved through intra-destination communication (Johnson & Scholes, 1989). Gowreesunker et al. (2009) argue that internal communication at the destination must be accorded importance as part of the internal marketing process. Such communication will also help in extracting ideas, knowledge (implicit and explicit), information and useful feedback from relevant stakeholders like the host community, the service suppliers, public authorities and the local trade associations. It is argued that this will lead to close partnering of the stakeholders for the design and delivery of the tourism products. Internal communication is therefore vital for destination marketing, where loosely linked independent parties need to come together to reconstruct an intangible ephemeral experience for the visitors. One such campaign is the ‘Atithi Devo Bhava’ campaign of the Ministry of Tourism, Government of India. Such drives are public will campaigns by the DMOs for behaviour modification.

While the concept of destination marketing triangle is commonly used, there is limited empirical evidence for the same (Gowreesunker et al., 2009).

**Internal destination development**

Presenza et al. (2005) suggest that essentially, DMO has two broad functions- one, External Destination Marketing (EDM) and two, Internal Destination Development (IDD). External Destination Marketing is basically about external marketing function of the destination marketing triangle. It is about reaching out to the target audiences and making an attractive offer. This offer is expected to lure visitors to the destination.
These promises must then be delivered. Delivering this promise is the responsibility of the various independent service providers at the destination. According to the authors, facilitating the creation of these service providers, encouraging them continually, and taking them together and enabling them to deliver the promise is Internal Destination Development (IDD). Arbogast et al. (2017) suggest that IDD comprises of all activities of the DMO that are internal to the destination and help in developing and maintaining tourism at the said destination. These initiatives are internal and have a little direct impact on the visitors. Internal Destination Development activities include entrepreneurship development at the destination including financing of the ventures, managing crisis if any, management of the visitor, ensuring superior visitor experience, researching the visitor behaviour and expectations, keeping a record of visitations, expenses, etc. IDD activities also include leading the various service providers towards fulfilling tourist expectations at the destination, human resource development at the place including educating the stakeholders. IDD will also include liaison between the destination, its service providers and policymakers and establishment at various levels. The ability of the DMO to manage the destination is correlated with its (DMO’s) ability to coordinate the internal stakeholders (Kaurav et al., 2015).

The concept of internal marketing can be captured in the advice of Herb Keller the founder and then chairperson of Southwest Airlines who advised that employees are the most valuable customers of the company. Every company should take care of its employees who in turn will be committed and motivated to take good care of the customers. If customers are happy, they will continue to do business and more business with the company. The company will be benefitted.

The advice is equally applicable to a destination. Instead of the employees, numerous service providers contribute to the experiences. For these experiences to be superior, the service providers must believe in the promise made to the visitors. They must feel capable and confident to deliver the services. Since these service providers are not employees, it is rather tricky for the destination leadership to control their actions. The control is affected through visioning and buying in compliance with the promises made. The destination leadership must be creative enough to reach out to various stakeholders with their ideas and ensure that the service providers are capable enough of meeting the expectations of the
visitors. It is therefore of any destination leadership to invest in capacity building.

**Atithi Devo Bhava- Internal marketing campaign in India**

India is perhaps the only country that has a consciously conceived internal marketing campaign. Following the launch of *Incredible India* campaign in 2002 targeted at visitors, the government launched a comprehensive internal marketing campaign- *Atithi Devo Bhava* which can be translated as "guest is god". This shloka (phrase) is borrowed from ancient Sanskrit texts. The idea is to reach out to the various stakeholders reminding them that they need to treat their guests (visitors) with utmost care and compassion. They must conduct themselves accordingly.

Figure 3: *Screen captures from campaign TV commercials*

Source: *various*

‘*Atithi Devo Bhava*’ is a social awareness campaign that is aimed at shaping ‘public will’. It is expected that the campaign will encourage stakeholders to demonstrate courteous and empathetic behaviour towards visitors. The campaign is directed at the host community as a whole, though concentrating primarily on the key players of the tourism industry.
The key and most visible initiative, in the programme, is about educating the relevant stakeholders for appropriate behaviour. Over the years, the Ministry of Tourism has supported TV and print commercials developed around this theme. One of the leading cine stars, Mr Amir Khan was roped in as the main protagonist in the campaign that went on air beginning January 21, 2009. The campaign was found to be quite useful (Chowdhary et al., 2011). Besides this, the other components of the campaign include training and orientation for taxi and cab drivers, tourist guides, immigration officers and tourist police among others.

**Capacity building in India**

David L. Edgell every year discusses and brings out ten important world tourism issues on TRINET. Topics listed for 2020 include (8) maintaining a sustainable, engaged, skilled and experienced workforce to deliver quality tourism experiences. Capacity building at a destination is, therefore, a key component of destination development strategy.

India’s position as a significant player in the international tourism market is primarily due to its increasing capability to create a cascade of million superior experiences for the visitors. Such liveliness of experience is a result of the ambitious scheme of Government of India to help create a good experience for the visitors. During a visitor’s transcend through a destination, he/she comes across hundreds of service encounters. Most of these service encounters involve some stakeholders like a guide, or a cab driver, or a police officer, or a shopkeeper, or a waiter in a bar or restaurant, or even executives managing the front desks in organisations. The government has committed itself to help in training the service providers in these encounters so that they interact professionally with the guests and create a warm and cordial experience for them.

As the national DMO, Ministry of Tourism, Government of India has rolled out several capacity building initiatives. They can be roughly classified under three broad categories. The first category is direct intervention. Here the ministry rolls out capacity building programmes through its institutions. Sometimes it also involves the organisations outside its ambit. Second is the institutional development- where the ministry has set up institutions for formal education in tourism and hospitality. And, finally the supporting role, where ministry reaches out to academic and training institutions outside its ambit and support them for
strengthening their infrastructure and organising tourism and hospitality programmes.

A. Direct intervention

Ministry of Tourism, Government of India, is keen on ensuring that the individual service encounters are satisfying for the visitors. They would like to see that the service provider is trained so that he/she can deliver a superior experience for the guests. Most of these capacity building programmes are offered through its institutions and with support from the public and private academic institutions. One such initiative is the training of tourist guides. Visitors spend a significant amount of their time with tour guides and leaders. Ministry has been organising comprehensive tourist guide training programmes through its Indian Institute of Tourism and Travel Management (IITTM). The ministry has recently launched another online programme called Tour Facilitator Programme to address the increasing demand of experts to accompany the visitors. Existing tourist guides can also upgrade their skills by participating in Refresher Programmes. The government highly subsidises all these programmes. Then there is a programme called Paryatak Mitra which can be translated as ‘Friend of a Tourist’. Paryatak Mitra is a short programme for tourism volunteers who can assist visitors at chosen destinations. For example, one such programme was organised for Boatmen in the city of Varanasi.

Ministry also realised that immigration officers are the first touch point for international visitors. It, therefore, decided to organise regular training for improving interpersonal skills of the immigration officer posted at all international airports in India.

Similarly, Ministry organises training for police to handle visitors. A lot of guests visit famous temples in India. The priests in these temples have no training to treat guests. It is also left to the ingenuity of state governments to conceptualise the training needs of service providers within their destinations. They may put up proposals to the federal government for financial support. There can be training for cab drivers, homestay and B&B owners, walk leaders, etc.

Another great set of training is under the ambit of Hunar Se Rozgar Tak scheme. This phrase may be translated as “From Skill to Employment” scheme. The programme is targeted at hospitality trade skills training for school dropouts. This scheme is executed by the Ministry’s institutions,
private and public hospitality schools. These institutions recruit unemployed youth for 6 to 8-week training and assist them in job placements. It has been recognised that there is a large pool of skilled and semi-skilled individuals who have acquired the skills while doing their job. However, they have no formal training or certification for the same.

Skill Testing and Certification, (STC) is a week-long programme introduced by the Ministry where these individuals are tested for their existing expertise. Once the skills are enhanced and fine-tuned, then they are certified for the craft.

**B. Institutional development**

Government has invested significantly in raising tourism and hospitality related institutions in all parts of the country. These institutions are responsible for teaching, training and outreach programmes. They are also responsible for executing capacity building schemes and programmes on behalf of the Ministry of Tourism, Government of India. The premier tourism institute is the Indian Institute of Tourism and Travel Management (IITTM). IITTM has five campuses in different regions of the country. Besides training, they offer undergraduate and graduate programmes in tourism. Ministry also has two specialised training institutes viz., National Institute of Water Sports (NIWS) in Goa and Indian Institute of Mountaineering and Skiing (IIMS) at Gulmarg in Kashmir.

For ensuring quality hospitality education ministry has created a National Council for Hotel Management and Catering Technology (NCHMCT). NCHMCT overlook 21 centrally funded Institutes of Hotel Management, 91 State-funded institutes which offer hotel management programmes at undergraduate and graduate levels. There are nine Food Craft Institute which offers shorter-term diploma and certificate programmes. Ministry has recently established two Indian Culinary Institutes. Together these institutes provide 11 different types of programmes.

**C. Supporting role**

Ministry of Tourism, Government of India, also provides support to universities for imparting hospitality education. Under its scheme for central Financial Assistance, it offers financial support for establishing hospitality education infrastructure. Ministry also empanels private
bodies, institutions and organisations as training providers for hospitality trades. Recently the government has also launched entrepreneurship development programmes.

Besides the above three categories, there is some capacity building support outside the ambit of the Ministry of Tourism, Government of India.

**Analysis, conclusion, and recommendations**

Capacity building at the destination is an investment where the benefits may not be directly observable. However, strategic capacity building plays a vital role in many ways:

1. It helps reinforce the destination image. Destination leadership has the freedom to choose and conceive a destination image. Once it is agreed upon what the destination will look like, what would it mean to the visitors, what could they expect during their stay, etc., the destination stakeholders may choose to align their offers with this image? This alignment would be with the physical space, architecture and palpable/tangible elements of the presented place. Service providers can fine tune their mannerism, presentation etc. in line with the image of choice. This is the first step towards creating a discernable destination personality which the visitors can use to differentiate one’s destination from the competition.

2. Visitor’s rate their travel experience based on the evaluation of their service encounters during their trip. Most of these encounters involve the presence of service providers. It is a resolve of India tourism to ensure that each of such meetings returns a captivating experience for our guests. In a fiercely competitive tourism market, it is vital that destination leadership is conscious of the importance of capacity building for superior visitor experience.

3. A KPMG report on human resource skill requirements in the travel, tourism and hospitality sector (Volume 24), suggests that there would be a requirement of 13.44 million direct jobs in the tourism and hospitality sector. Besides this, there is a high reported rate of attrition in the hospitality sector. In QSR it is reported as high as 99.5% whereas in hotels and restaurants it is 40-50%. Further, the demand is seasonal. Another report (WTTC, 2015) suggests that India likely to do pretty good

Thus, the industry will be continually looking for people to work for them. As discussed earlier, the sector is hugely unorganised, and therefore the destination leadership should take definitive steps to bridge this demand-supply gap.

4. Besides the quantitative gap, the industry is also beleaguered by the mismatch of desired and available skills. While the curriculum is non-standard, there is a supply of workforce who may not necessarily be employable. Ministry of Skill Development, Government of India, is involved in a comprehensive skilling mission. A National Skill Qualification Framework (NSQF) has been created to take care of vocational skills requirement of the various sectors including tourism and hospitality sector. The Tourism and Hospitality Skill Sector Council (THSC) has been entrusted with the responsibility of developing job roles, National Occupational Standards (NOS) and qualification packs. Ministry of Tourism is involved in capacity building under the precincts of NSQF.

5. The tourism industry is mainly unorganised and comprises of a large number of small and micro-sized players. Unlike larger enterprises in other sectors of the economy, it is often difficult for them to design and organise human resource development programmes. Being small and driven by cost consciousness, there is often a high turnover of employees in these smaller tourism firms. On the other hand, for a place to be positioned as a tourist destination, it requires good participation of private enterprise. These companies, in turn, must survive the challenges that they face including the one of a shortage of qualified/trained human resource. It is, therefore, the responsibility of the destination’s leadership to ensure that there is a ready pool of qualified people who can work for these tourism and hospitality related companies. DMOs can decide to shape it themselves as in case of many developing/emerging economies. Alternately, they must facilitate such capacity building which has to be a continuous, uninterrupted effort.

6. Tourism and hospitality are a dynamic industry where the tastes and preferences of the patrons dynamic and fast changing. Unfortunately, there is an ample supply of drone and Fabian tourism enterprises. The sector today depends mainly on the ability of service providers to create
and deliver unique experiences each time and every time. The destination leadership should, therefore, build capacity in terms of creative endeavours. Destinations desperately need an unabated supply of creative human power.

7. For a destination to thrive tourism entrepreneurs must be forthcoming to set up firms that complete the tourist value chain. An emerging destination needs more entrepreneurs to take care of supply in terms of accommodation, hospitality, tour operations, transport, activities and amenities for the visitors. Mostly these entrepreneurs will come from the host community and its collective resolve to be presented as a tourism destination. Educating the community and creating an entrepreneurial climate is the responsibility of the DMO.

A supply of a good number of entrepreneurs also means a variety of experience on offer for the visitors. This will make the destination vibrant and competitive.

8. As discussed above, a competitive destination must ensure that each touch point for the visitors should return feel-good experience for the guests. Each of their interaction with representatives of the destination/host community should contribute to their feeling glad at the visited place. They are likely to interact with people like local police, immigration officers and earlier with the embassy staff when they seek visa or other information. They are not directly engaged in tourism. However, interaction with these personnel goes a long way in shaping the visitor’s experience. Their behaviour cannot be left to chance. They must be trained for behaviour modification. They must be prepared to deal with domestic and international guests. Their interpersonal capabilities need to be enhanced.

9. Undisputedly, the most critical contributor to a guest’s experience is the comportment of the locals. There can be no tourism bereft of the hosts. Often, the tourism programmes are implemented top-bottom, and there could be some antagonism or at least dis-concerned with tourism. It is the responsibility of the destination leadership to teach a positive disposition for tourism at the destination at large. Cleanliness and hygiene had been an issue of concern for quite some time. The Ministry of Tourism, Government of India, decided to have in place a determined cleanliness campaign called Swachhta Action Plan (SAP). The campaign is targeted at three relevant stakeholders- tourists especially the domestic
audience, tourism stakeholders like hotel, restaurants and eater owners, transporters, etc. in the vicinity of the tourist attractions and importantly the school going children who are going to be stakeholders of tomorrow. Similarly, the Ministry of tourism also supports Tourism Awareness Programmes (TAP) for the community at large. This programme creates awareness about the socio-economic benefits of tourism. On the one hand, it highlights the vital correlate between tourism and socio-economic advantages of tourism and expects to create a positive outlook among the general public. On the other hand, it encourages youth to take up a career in the tourism and hospitality industry including entrepreneurship.

10. Tourism and hospitality jobs are mainly with smaller local companies which may offer a modest compensation package. Thus, it not very lucrative and therefore unlikely that people from outside the destination will come and take these jobs. It is more likely that jobs will be taken up locally. Thus, tourism jobs are more likely to check migration of people forms a place to other areas. Further, as discussed earlier the destinations should try to create a differentiated experience around the personality of the destination. Local employees are better placed on developing and communicating the ‘local’. Since they are the natural habitats of the place, they are more culturally aligned to it. They are more likely to help create the feel of the place.

11. Contribution of tourism to Serbia’s economy is catching up. As per the WTTC Annual Impact Study of 2019, tourism contributes nearly 6.9% of Serbia’s economy which is 3.2% more than the previous year. Employment in tourism is estimated to be around 5.3% of total employment in Serbia (WTTC, 2019). Both contributions to GDP and employment is less than the global and regional averages. While Serbia’s economy grows at 4.4% in 2018 (Xinhua, 2018), it is expected that tourism will grow. In 2018 Serbian tourism has increased by 11% and it is estimated that it has received 1.7m international tourist (b92.com, 2019). Of late it is reported that Serbia is receiving a large number of Chinese tourist (around 1,02, 000). Serbia has also targeted India, the other big tourism market by permitting visa-free entry for Indians. Thus, in the coming years, it is expected that the demand for skilled human resources for tourism in Serbia is going to increase. The demand in terms of numbers will be there. However, there will be a qualitative demand in terms of skill sets and disposition towards tourism. Not only those who are directly related to tourism, but even those who are on the fringes need to be oriented for receiving an increasing number of tourists.
Here are lessons in capacity building for tourism from India, that can be considered by other emerging destinations including Serbia.

References


