
UNIT 8 ROLE OF PUBLIC ORGANISATIONS

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8.0 OBJECTIVES

After reading this Unit, you will be able to:

- have an understanding about the developmental role of marketing in tourism,
- know the role played by public organisations in this regard, and
- familiarise yourself with the role played by the Department of Tourism, Government of India, in giving direction to the developmental role of tourism marketing.

8.1 INTRODUCTION

The growth of the tourism industry and the impact of tourism on the economy (positive as well as negative) of a country, region or locality have been widely acknowledged. Every organisation, whether private or public, is in some way or another, involved in the process of tourism marketing. Practically every country in the world today has a national tourism organisation or tourism board. You may ask why this is so. Well, tourism is playing a major role in the economies of the world and in some cases it has been found to be the sole revenue generating activity for governments. In the case of India, it is assumed that about 14 million people are directly or indirectly employed in the tourism sector. Keeping in view the global projections for tourism and the potential which exists in India, there is further scope for accelerated growth of the tourism industry. This in turn will have a bearing on the overall development process. However, a crucial aspect to be taken note of is that in the developmental role of marketing the emphasis should not be so much on the consumer as on the needs and wants of the local communities and the host population at the destinations. In this Unit, we examine the role of developmental marketing in relation to tourism. The Unit discusses the role of public organisations, mainly the Department of Tourism, in this process.

8.2 TOURISM MARKETING : THE DEVELOPMENTAL ROLE

When we look at India as a tourist destination or we look at Indian tourists as a part of the Global Tourism Market, we observe many special problems, such as how to:

- reduce the price of tourism to and from India,
- distinguish our products from those of our neighbours and those in our region,
- compete with other destinations,
- increase the number of International Tourists to India, i.e. to raise our share of arrivals from 0.04% to 1% of the global market,
- give tourism opportunities to our people

- promote domestic tourism,
- increase our foreign exchange earnings from tourists,
- distribute income and employment via tourism, or
- ensure that we maximise the benefits and minimise the negative impacts.

These questions indicate that tourism is a complex activity that requires experience and understanding of both global and national complexities, similarities and differences. To understand the developmental role of marketing we have to understand that **marketing helps to increase consumption, and greater consumption or access to resources, goods and services is seen as a measure of development.** We have to also contextualise tourism within what is happening in India and the world today to define the developmental role of tourism itself. Therefore, first let us define "developmental" marketing.

All of you are familiar with the advertisements on family planning, literacy and anti-drug campaigns on television and in print media. This involves a message to be put out at prime time on Doordarshan when you have the maximum number of viewers or in the newspapers and magazines. **Such campaigns and advertising do not earn any revenue for the government or public organisations.** You may ask then why are they carried? Well, **they have a bearing on the overall development of the country.** For example a rising population can put additional pressure on the country's resources to justify family planning campaigns. Similarly, environment awareness campaigns are directed to preserve the natural resources. **In fact what is being marketed here is a set of ideas aimed at enhancing the society's interests and welfare.** The main purpose here is other than making a profit. Mostly such marketing is done by non-profit making organisations and in such situations, according to Kotler, the **"concepts of product, price, promotion and profit-sector marketers, have to be redefined for maximum relevance to all organisations."** Hence, he advocates that the **"concept of profit maximization must be translated into benefit-cost maximization so that marketing models can be applied fruitfully in the non-profit sector."**

You may have noted that:

- programmes like **Surabhi** are promoting Tourism via the prizes that are given to those who answer correctly the questions put to the viewers,
- there are reports of Tourism Festivals at new tourism Destinations around the country,
- there are programmes and newspaper reports that promote destinations through travelogues,
- there are discussion based programmes that give us insights on the strengths and weaknesses of Indian tourism, both domestic and international,
- We celebrate World Tourism Day on Sept. 29th,
- We declare Visit India Year to give special incentives to tourists to come to India,
- We hold Travel Marts and participate in Travel Trade Fairs, and
- We have a National Action Plan, etc.

All these events and techniques have a common objective i.e. **to promote tourism to India and within the country, as a developmental activity, because Tourism is one of the worlds leading industry, and we wish to be a global player in World Tourism.** Therefore, tourism is seen as a model for development to:

- overcome a Foreign Exchange crisis and balance of payments problem,
- generate employment and income,
- develop the infrastructure and human resources,
- redress regional imbalances through a transfer of income and investment to resource poor regions,
- transfer wealth from the rich nations to the developing nations, and
- preserve the environment, culture and heritage.

With these objectives in mind, India has embarked on the path of tourism development with a target of 5 million tourists by the year 2000, to earn 10,000 crore in foreign exchange.

Marketing tourism is therefore a developmental activity in which all our socio-political-economic structures combine, in order to achieve the targets that we have set to bridge the developmental gap.

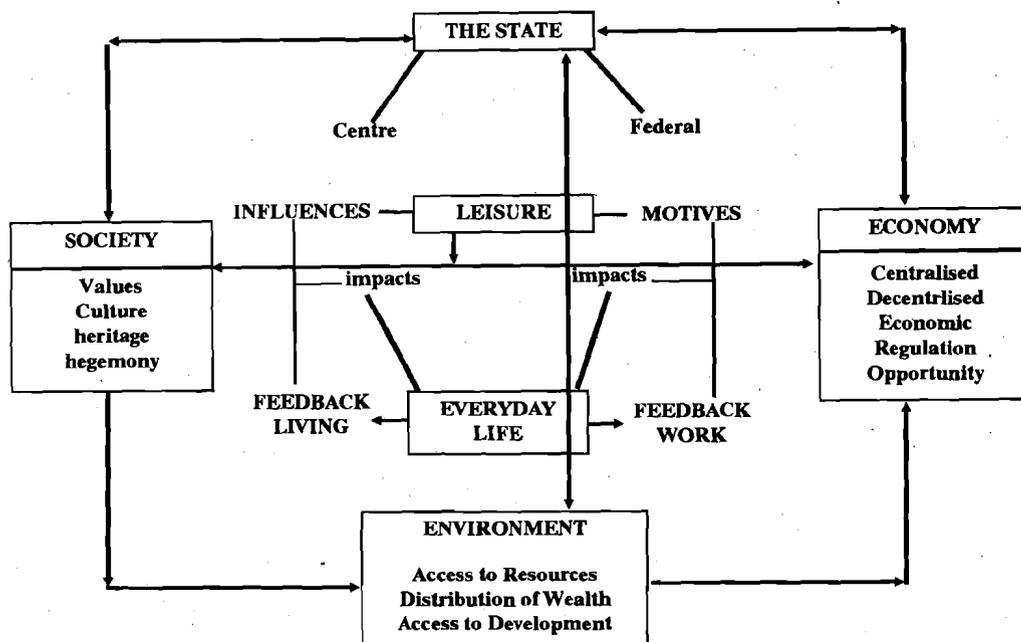


Fig. 1:

Figure-1 illustrates that system under which we live and work, the opportunities we have for leisure, and the interconnections between our social sub-system, our economic sub-system, our political system and how each of these systems gains legitimacy through the access to development as well as to resources.

8.3 ROLE OF PUBLIC ORGANISATIONS

Public Organisations dealing with tourism operate at several levels with a greater tendency towards centralism. They require an increasingly expensive infrastructure. We see a growing economic apparatus (transport, electricity, water, telecommunication utilities, etc.) as well as regulatory mechanisms. Public services also require constant expansion (health education, environment, welfare, etc.).

Figure-2 describes that all these organisations are systematically integrated. It also indicates the centralization of control in the Indian socio-political and economic system.

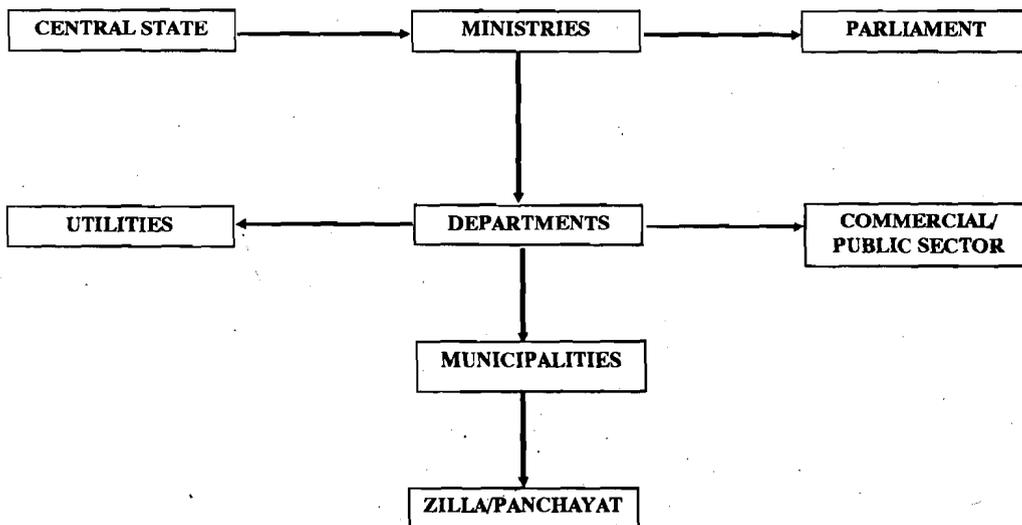


Fig. 2

Tourism is also organised in a similar way as described in Figure-3.

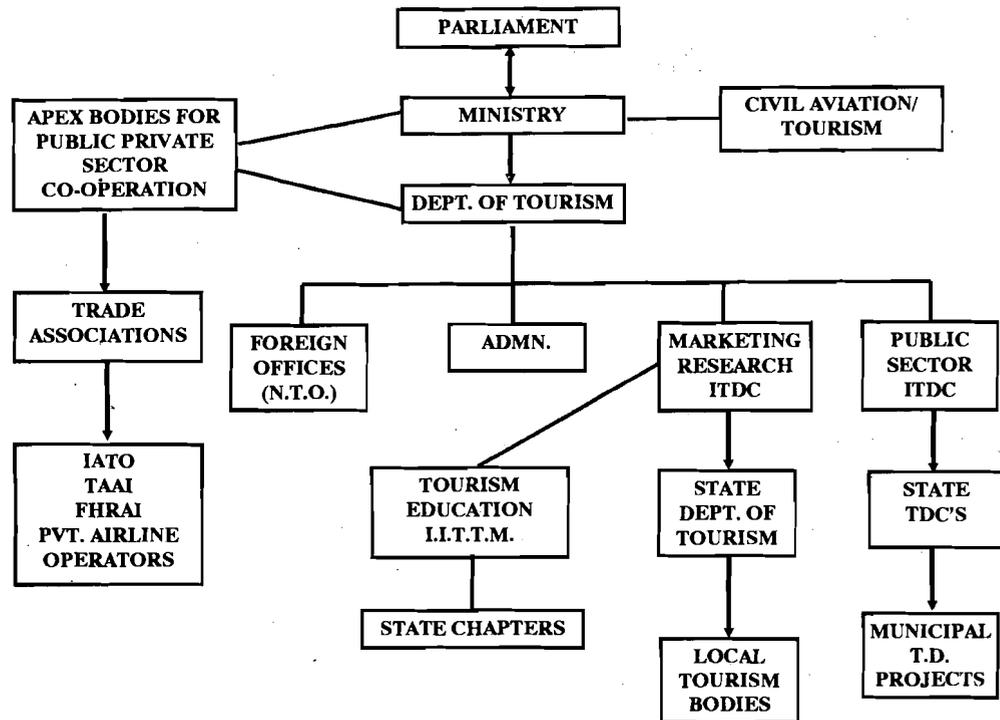


Fig. 3:

The role of all these bodies may be defined through the concept of a "growth cycle". (See Figure 4).

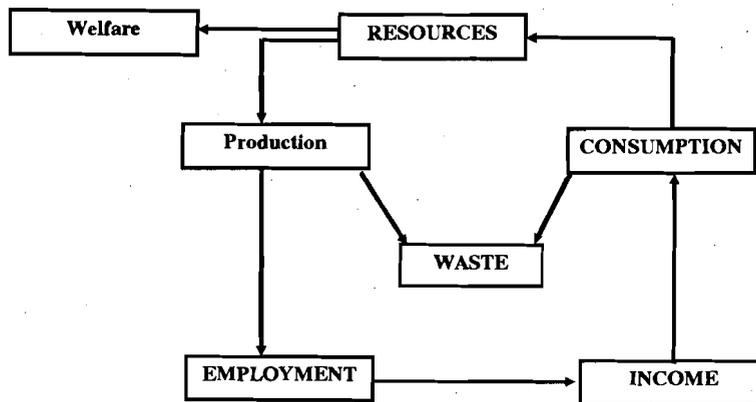


Fig. 4:

The growth cycle is a concept based on the catch phrase that prosperity for all will come through economic growth. **More production will create more work which will create more income which will generate more consumption and the cycle will go on reproducing itself at a higher level with every repetition.** However, the consequences of growth have shown that benefits do not trickle down or percolate necessarily. In many instances, on the contrary, they tend to concentrate. Environments have been damaged, individuals have been displaced and pauperised and national economies have been adversely affected. In many economies a "state of emergency" continues to dog the "growth cycle". The problems of the growth cycle are equally reflected in the tourism activity.

Tourism, at the national level, is primarily the responsibility of the Government of the country. The functions to be performed in this regard include:

- formation of a national tourism policy,
- transforming this policy into a plan of action,

- defining the status of tourism in relation to the national economy,
- facilitating administrative arrangements,
- demarcating the roles of private and public sectors,
- coordinating the activities of all those concerned with tourism, and
- promoting the country as a destination in the tourism generating markets, etc.

It must be noted here that the National Tourist Organisation (NTO) i.e. the **Department of Tourism does not sell a tourism product, but at the same time, it is actively engaged in the marketing of the tourism product(s)**. Burkart and Medlik attribute two major objectives to its marketing efforts:

- Creating knowledge about the country in tourism generating markets in order to persuade the tourists to visit its country.
- It seeks to "create an identifiable image of its country's tourists attractions, subsuming to some extent the diversity of attractions within one country into a single coherent image."

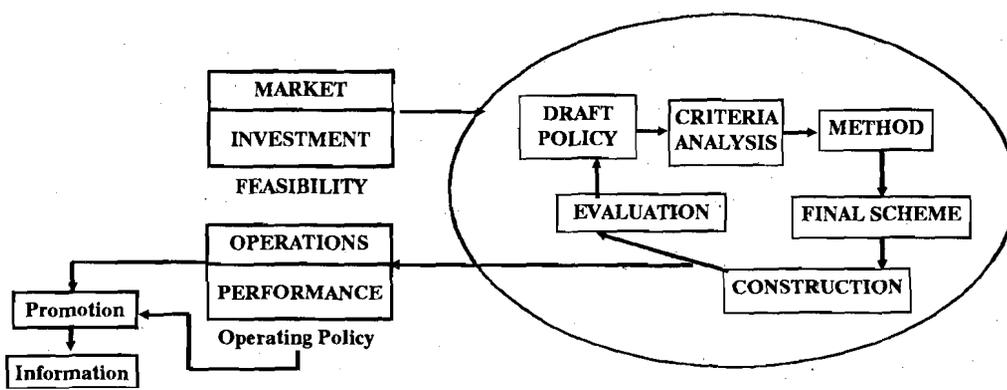
Thus the NTO provides a marketing umbrella under which the individual producers of the tourism products and services "market their own components of the total tourism product". In fact the NTO paves a way for tour operators, airlines, hotels, etc. to market their individual product to prospective buyers in a market which is already aware of or predisposed towards the destination because of the efforts made by the NTO. These efforts include:

- promotion campaigns,
- fam trips,
- market research, etc.

Tour operators, airlines, travel agents, hotels etc. do join in these efforts as they are beneficial for them.

The role of the Ministry is, therefore, seen as one of research, promotion, policy making and Human Resource Development (HRD). According to Burkart and Medlik the "tourism organisation provides the framework in which tourism operates" and "its purpose is to maximise the opportunities offered by tourism to the destination." In India, it is the **Department of Tourism**, which as a body implements the policy of the Ministry. This is done through the process of Planning and allocation of budget for tourism between the different heads functioning under its jurisdiction and also by performing a regulatory role. It is also responsible for promotion and information. Another important function of the tourist organisation is to assess the stage of tourism development in a country.

The **India Tourism Development Corporation (ITDC)** and **State Tourism Development Corporations** or local tourism projects like the **Dilli Haat** play the role of catalysts or pioneers in accommodation, catering, HRD and destination development etc. However, unlike the National Tourist Organisation, they are profit-making or commercial public organisations. At the same time, they are the pathfinders as they bring developmental resources to areas which are rich in tourism attractions but with a poor infrastructure and superstructure. Examples of this are: hotels at Beach Resorts; Hill Stations and Backward regions; transportations; special promotional schemes to raise the number of arrivals, etc. These functions and operations can be briefly explained through **Figure 5**.



8.4 AN ASSESSMENT

The public organisation in the field of tourism have grown in power and responsibility because tourism development is seen as an important tool of economic progress. At the time of Independence, India did not have an infrastructure, services or human resources to satisfy tourists. Domestic tourists (today estimated at 100m) were just beginning to move with the LTC and Home Town concessions. Private Companies followed the lead of the Government and gave matching travel allowances. Domestic tourists were also facilitated by holiday homes and public accommodation facilities. It was the international tourist who needed world class transport, accommodation, food and water. Since the 1960's the Public and Private sector organisations have been targeting such tourists.

How well have these organisations performed? Let us examine the critique of the Private Sector on the Role of Public Organisations:

"The policy document which enunciates the tourism plan could well be a model for tourism in backward states with great potential. It converts the entire range of factors which determine development for the next 10 years or so. From architectural guidelines to administrative machinery, transfer of lands to transportations, from ecology to tax exemptions, all aspects of Tourism have been covered... Yet there is to-day hardly any facility worth the name, except in the four metropolitan cities." (an industry opinion)

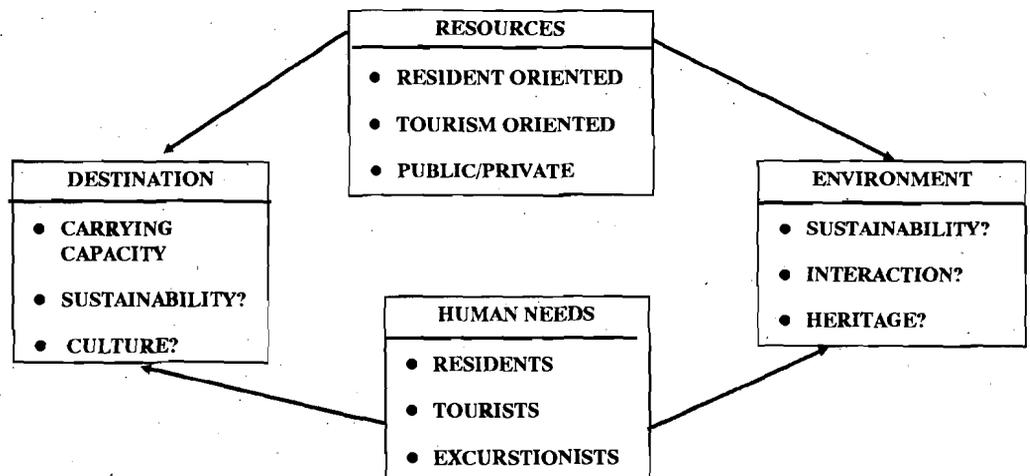
Apart from poor infrastructure, other negative factors are:

- a maze of bureaucratic regulations,
- shortage of funds for publicity, and
- inadequate professional staff.

The tourism scenario in India is, therefore, marked by an absence of positive factors.

Let us look at the other side of the coin. What is the perception of people in India and at tourist destinations? Are they willing participants in such development?

"Tourism is not like old time hospitality. It is a trade and a source of profit. In the big business it is the tourists and the promoters, needs that count. What we think, feel and want is unimportant." (Vice President, PATA) . Tourism development has taken a place over the heads of the local people, often at their cost and they have lost control over their resources or benefits of tourism. This is because the argument of conforming to market forces empowers the tourist and the big business operator. This is in line with the basic principle of marketing: produce what sells. Local people have to adapt to tourism and this is perhaps why in India there is hardly any "tourism awareness". The local people do not know how to intervene in the tourism debate. Finally, we come to the issue of the failure of public organisations in mobilising people for tourism and a positive image of India as a destination. The two issues are quite inter-related, although most marketing experts would not look at it in this way.



8.5 LET US SUM UP

Tourism is a developmental activity and the role of public organisations is not only to help in marketing the destinations but also help in improving the product (infrastructure, awareness, market research etc.). In India, the role of the National Tourist Organisation is performed by the **Department of Tourism, Government of India**. Besides, marketing the destinations, it also performs the role of a regulatory body along with setting of standards for product design in certain cases. In the states, the state tourism departments perform these roles. Both are non-profit organisations performing their roles keeping in view the developmental role of tourism. For certain aspects of marketing the private sector looks upon the public sector organisations. For example, it is the DOT which provides data for market research (see Unit 3) and carries image building promotional campaigns in different parts of the world through its regional offices abroad.

8.6 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

<p>• Check Your Progress</p>

- 1) Base your answer on Sec. 8.2.
- 2) Mention the role of NTO discussed in Sec. 8.3