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Setting Benchmarks through Destination Management Organizations (DMOs): A study on the Tourism Policy of Karnataka, India

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ABSTRACT

This paper discusses in detail the role of Destination Management Organizations (DMOs) in enhancing the competitiveness of the destination and help benchmark the destination. The state of Karnataka in India is selected for the study. The state is known to be "Mini Incredible India" which in short describes how versatile the state is in terms of its tourism potentiality. The 2002-2007 tourism policy of Karnataka explains the vision for the state which is, "to be on par with the best in the world; to excel in every facet of the tourism industry; to emerge as a benchmark for other destinations", this paper describes how the vision can be achieved through Destination Management Organizations (DMOs). Paper is based on literature reviews that extend from extensive reviews based upon the tourism policies of Karnataka, Destination Management Organizations (DMOs), benchmarking and competition.

Keywords: Benchmarking; Destination Management Organizations (DMOs); Competiveness; Tourism Policy; Destination Marketing; India

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INTRODUCTION

The tourism industry in India is young and rapidly advancing, this presents several opportunities and threats that can be maneuvered to target on achieving the goals of a destination. With projections as predicted by, "Competitiveness of tourism," (2007), where India along with China stands to be two of the fastest growing tourism industries for the next 10 to 15 years. According to the World Travel and Tourism Council (WTTC) report tourism today is the most vibrant tertiary sectors and strong hold of the economy. The Travel and Tourism Competitiveness Report ranked tourism in India sixth in terms of price competitiveness. This goes to show the great scope India has in tourism it calls for the tourism department of the country and the travel and tourism industry to take calculated and deliberate decisions towards making giant leaps in the market, which would require intense planning and research.

There is a wide array of destinations that meet the special interests of the potential tourists and the numbers of destinations are increasing steadily on a global stance. This gives rise to competition amongst destinations, hence destinations have to strategize and develop a plan to stand out and grab the attention of the potential tourist.

This paper discusses upon vision statement of Karnataka a state in India, the 2002-2007 tourism policy of Karnataka explains the vision which is, "to be on par with the best in the world; to excel in every facet of the tourism industry; to emerge as a benchmark for other destinations". Benchmarking is to set a remarkable standard, if the tourism activity of the state are consistently successful and showing scope for further development the destinations within would set a benchmark which would be popular and sought to be followed by other destinations this will in turn elevate the competitiveness of the destination. The road to achieving this unique vision will require, attention devoted to several spheres within Karnataka which should be based upon progressive thought, systematic planning, and destination development. Considering this the path to achieving it will be a tedious process as there are several areas and destinations within the state of Karnataka that need immediate attention such as lack of infrastructure, no connectivity, non-maintenance of tourist centers, increased tourist inflow affecting sustainability and so on which needs to be addressed, hence on the note of benchmarking Karnataka on a global stance will be a herculean task considering the current disposition of the state.

CURRENT SCENARIO IN KARNATAKA

The Karnataka Tourism Department of the state was setup in the year 1974, having 19 district offices and 8

tourist offices. It aggressively promotes the State nationally and internationally through marketing promotional and campaigning activities; the department also formulates policies and regulations to be followed by the tourism industry. These policies mirror the National Tourism Policy of India. The Karnataka Tourism Department has provisioned four policies to date, ranging over the following years: the 1992-1997 policy, 1997-2002 policy, 2002-2007 policy and 2009-2014 policy the next policy 2014-2019 is under work. Each of these policies addresses the various issues and areas that require attention in terms of infrastructure development, human resource development, promotion and marketing plan layout, creation of new tourism products or the like. On reviewing these policies one noteworthy aspect is that there was no mention of the destination management practices adopted by the state.

Karnataka's unique selling proposition according to the Karnataka Tourism Policy 2009 to 2014 is that the state is a "Mini Incredible India" in respect to the products and services offered. As the tourism tag line goes, "One State. Many Worlds" going to show that within the state is encompassed the gamut of many worlds of tourist interest be it the several heritage monuments and pilgrim centers of the old world, or the contrasting allures of the modern world with the developing IT sector and contemporary infrastructure. It is as opposite as the sides of a coin with Karnataka being the "Cradle of stone architecture" representing the old civilization on the other, "Silicon Valley of India" with the new age e-civilization it is this unique charm that is the key highlight which distinct the state from the rest of India. Karnataka offers unique experiences to both foreign tourists domestic tourists be its rich culture and heritage or the range of adventure tourism facilities, or the hill-stations, pilgrim centers and wildlife sanctuaries the state has vast options to suit any travelers needs..

Tourism is very appealing and sought after by many countries as it is a means of drawing foreign income, brings about infrastructural development, enhance employment generation, and so on. But on the hind-side if tourism activities are not monitored and control it can prove to be disastrous to the destination. To depict this just an increased tourist inflow beyond the carrying of a destination deters the fine balance of the sustainability of the destination. Thus though the destination is benchmarked and competitive in the long run the destination will die out. Hence the destination should be effectively managed to ensure the successes of the destination is not short lived.

According to India Tourism Statistics (2011) Karnataka ranks ninth amongst the Indian states with an annual tourist inflow of 84.1 million domestic tourists and more than 5 lakh foreign tourists amounting to 2.9 % share of the total tourist contribution in India. During 2012, according to Vattam (2013) there was more than an eight per cent increase in both domestic and foreign traveler's arrival when compared to 2011. India Tourism Statistics (2013), show that Karnataka's tourist percentage share has increased to 3.2%. The statistics show the slow rise of tourism within the state and this would be the optimum period to incorporate destination management practices.

OBJECTIVES OF THE STUDY

- To study the role of DMOs in strengthening the tourism activities of Karnataka
- To benchmark Karnataka on a global context
- To encourage the destinations competency

NEED FOR A SYSTEM

The Karnataka Department of Tourism known as the Karnataka State Tourism Development Corporation Ltd (KSTDC) is the main care taker of the tourism activities of the state it can be regarded as the state tourism organization. There are three government undertakings functioning namely Karnataka State Transport and Development Corporation (KSTDC), Jungle Lodges and Resorts (JLR) and Karnataka Exhibition Authority, Mysore. These departments develop various services and products that are offered to the tourist.

The base camp of all tourism products and services is the destination thus strategic management of the same is a priority. Deliberating on the components that make the tourism industry, there is a need for an assessment of the vast amount of inputs that needs consideration before taking concrete decisions, the numerous resources that is offered by a destination needs careful management.

As mentioned before the Karnataka tourism polices revealed that there were no destination management practices conducted by the state, depicting the need for a system wherein destination management practices can be implemented.

DESTINATION MANAGEMENT ORGANIZATION (DMO)

Therefore, it is clear as to the extreme need of Destination Management Organizations (DMOs) as it will bring in a body of control that oversees the destination and at the same time achieves visitor satisfaction. A DMO is the nerve center of the destination that holds crucial information pertaining to the market, it brings about a total management system and helps in coordinating and controlling the flow of tourists, tackles present trends and challenges

and be that platform for all stakeholders to come in contact with the potential tourists. The DMOs deals with several categories, to bring to the highlight: destinations' overall management, competency of a destination, governance, quality control, stakeholder management, infrastructural development, marketing, and eventually leading to setting a benchmark that states a standard of quality services and products that is offered to the tourists and thereby achieve overall satisfaction of consumers.

The fundamental functions that DMOs as describe by Morrison, Bruen and Anderson perform can be described as follows: An "economic driver" generating new income, employment, and taxes contributing to a more diversified local economy. A "community marketer" communicating the most appropriate destination image, attractions, and facilities to selected visitor markets. An "industry coordinator" providing a clear focus and encouraging less industry fragmentation so as to share in the growing benefits of tourism. A "quasi-public representative" adding legitimacy for the industry and protection to individual and group visitors. A "builder of community pride" by enhancing quality of life and acting as the chief "flag carrier" for residents and visitors alike (as cited in Borzyszkowski and Marczak (n.d.) p.38).

CHARACTERISTICS OF THE DMO

The role of the DMO can span from internal destination development and external destination marketing this is well explained by Presenza, Sheehan and Ritchie (2005):

External Destination Marketing: All activities such as tradeshows, advertising, web marketing, direct mail, direct sales etc are undertaken focused on drawing visitors to the destination, are managed by the DMO.

Internal Destination Development: Other forms of activities such as crisis management, human resource development, coordination of tourism stakeholders, information based on research and so on are undertaken to expand and sustain tourism within the destination. Through preliminary literature review it was found that these internal destination developments activities are not undertaken by the state of Karnataka.

Hence, the Destination Management Organization (DMO) would bring in a system to the activities of Karnataka and add quality to the services and products offers by the state. The Karnataka State Tourism Development Corporation Ltd (KSTDC) currently is focused upon destination promotion and marketing alone the organization must also encourage the destination management such as the internal destination development activities to enable

effective resource management. Resource management within any destination is of supreme importance, this is where destination management is required for effective planning and strategic management of these resources. Ineffective management will demolish a destination and take down with it all the possible opportunities that could have been tapped. Thus, Destination Management Organizations (DMOs) are called for the wholesome development of Karnataka, so as to properly manage, and sustainably develop a destination, to negate the negative impacts and enhance the positive ones. Only when this is achieved can a destination work its way towards benchmarking it.

ROLE OF DMO IN BENCHMARKING

With the DMO enabling the destination to synergize destination activities and bring about the wholesome development of the destination, over time the destination will rise to be a challenging competitor and will pave the path to benchmarking. According to the extensive literature review conducted by Kozak (2002) where a detailed study of several authors in the area of destination benchmarking showcases their collective view of defining benchmarking. Hence according to Table 1 it can be said that the process of benchmarking is ongoing, it is against the best in the market, leads to performance improvement of the destination and lastly is the means of gaining new information.

the destination developers must be aware that copying what other destination do isn't effective benchmarking, rather it ought to be a learning methodology which should be undertaken. Thus the main objective of benchmarking to the identification of gaps and therefore better achieve tourism goals.

WHAT SHOULD BE DONE TO ACHIEVE BENCHMARKING?

Benchmarking according to Stepchenkova et. al. (2010) is the "continuous systematic process for evaluation of organizational performance in order to assist in developing organizational strategies" (p.612) it is therefore a process that permits the betterment of business practices by working on "performance comparison, gap identification, and change management process". Benchmarking a destination is detailed process that expands from the assessment of several performance indicators such as the benchmarking study conducted by "Canadian tourism industry," (2007) where ten performance indicators were selected and divided into economic performance and financial performance. The Economic indicators included GDP, employment, labor productivity, taxes (as a share of revenue) and wages. Financial indicators included investment, revenues, costs, profit margins and bankruptcies. These are the crucial areas that take a toll on destination benchmarking and these areas should be developed to meet international standards.

Therefore, when the destination is structured to bring in good returns of investment, rise in demand depicted through increase in tourist numbers and tourist expenditures alongside the sustainable growth of the destination that benefits the community and the economy, is when a destination can be benchmarked. This is where the role of DMOs come to play.

Following the recognition of this need there was an in-depth literature review that was conducted to identify the various intricacies of Destination Management Organizations, and these major reviews shed light to develop more clarity on the concept. The literature was reviewed on the several criteria's as discussed:

Pertinent literature on marketing was as follows: the main task or one of the most important functions of Destination Management Organization (DMOs) is effective marketing of the tourist destination. (Avramović, 2010) addresses the trend of using information technology for marketing purposes, and widens the scope of usage, to the possible potentialities where information technology can be used in marketing tourist destinations and, Murdy and Pike (2011) enquires into the extent to which Destination Marketing Organizations (DMOs) around

Authors	Features of Benchmarking			
	Ongoing Process	Against the Best	Performance Improvement	Gaining New Information
Camp (1989)	x	x	x	
Vaziri (1992)	x	x	x	
Balm (1992)	x	x	x	x
Spendolini (1992)	x	x	x	
McNair and Leibfried (1992)	x		x	
Watson (1993)	x			x
Cortada (1995)			x	x
Cook (1995)			x	x
Watson (1997)		x	x	x
APQC (1999)	x	x	x	

Table 1: Approaches to Definitions of Benchmarking
Stepchenkova et. al. (2010) explains on the comparison of one destinations performance to another it was concluded that, "external benchmarking helps to show where a destination is stronger or weaker and to adapt some good practices from another" (p.513) but it should be kept in mind that differences of each destination is a unique aspect that may deter benchmarking. While benchmarking the structure of the government is to be noted, also

the world have implemented visitor relationship marketing orientation (VRM) they also look into the importance- perception analysis to measure DMOs perception in customer relationship marketing (CRM) and finds out how they rate their own performance. Whereas, (Morgan, 2012) looks into whether destinations and marketing organizations engagement in social responsibility, stewardship and sustainability agenda, and (Djurica, 2010) presents key aspects of marketing a tourist destination its gives special attention to planning and development of these destinations as a part of market management.

Though marketing may be the primary function there could be various issues a DMO has to tackle such as the challenges that may arise in future marketing of destination product (Fyall and Leask, 2006).

Thus, destinations are the most difficult component to manage and market, challenges are also seen in the effective management of stakeholders within the destination, as the diversity in stakeholder groups is implicated in the development and production of tourism products and coordination between the stakeholders are imperative. Tourism destination analyses two main functions: destination management and destination marketing functions. Strategic marketing is a prime challenge, as destinations strive hard to remain competitive (Konecnik, n.d.). Cooper (2011) states in his reviews on destination marketing and explains how destination marketing theory and practice goes to educate all the stakeholders as well as the community on the current trends of the destination area and (Bhat and Gaur, 2012) raises the question of whether stakeholder sets within the country should be all treated alike or not. As destination marketing doesn't lie in the hands of the NTOs alone but in the hands of the stakeholders also as they have their own decision sets for promoting a destination.

Furthermore, literature reviews saw that Destination Management Organizations (DMOs) play a crucial role in a destination, not only in destination marketing but also in bringing about sustainable development; balancing the interests of all the stakeholders; sustenance of the competitiveness within the destination so to properly manage the destination one has to utilize various plans of action to achieve the objectives and reach set targets, (Saftic, Rafajac and Trost, 2010) discusses on successful destination management strategies, that depends on the overall level of services quality, which represents the function of DMO and facilitates tourism firms to understand the rising significance of strategic management. On the other hand, Morgan (2006) assesses Destination Marketing Organizations and considered it to be an essential addition to destination

marketing, the information that has been assembled proves to be a tool for reference especially to the tourism industry. DMOs have to be equipped to handle the various new introspects on the tourism trends which portrays new challenges like socio-cultural aspects, consumption changes, and technological aspects, along with integral planning of tourism product towards the tourism experience (Magas, 2010). Whereas, (Gretzel, 2008) says that despite the rising global importance of Destination Marketing Organizations there exists few studies on its management.

Literature Reviews also saw that the destination in general calls for management wherein planning is essential to achieve set goals and help organize and lead to development of the destination as Clark (2006) discusses the importance of marketing in the tourism industry. Emphasis is laid on the marketing techniques and knowledge that is required by those whose main function is to attract conferences and business events to a destination. Further it relates the principles of marketing to conferences, conventions and other events singularly, as they have a distinct property that aids marketing, such as target markets and venues.

ROLE OF DMO IN ENHANCING THE COMPETITIVENESS OF THE DESTINATION

Another vital role of Destination Management Organizations (DMOs) is its important role in competitiveness and as (Vodeb, n.d.), deals with models and researched on varied theories for assessing competitiveness for destination management. Tourism being the major product of tourism dependent regions it is important to sustain the destination this is supported by (Dragičević, Jovičić, Blešić, Stankov and Bošković, 2012) as they explore into the increased need of finding out destinations competitive (dis)advantages so as to sustain the destination in the long run. The competitiveness of a destination is vital as it and make or break the destination as (Gruescu, Nanu and Pirvu, 2009) states that the destination is the very root of a tourism system, it being composed of several products and services makes it very complex to manage

In the light of increasing tourism destination competitiveness the limitations of the traditional approaches needs to be overcome by new approaches and proposes the systems approach for tourism destination planning and management, debates Carlsen (1999). Others, (Vajcnerova and Ryglava, 2010) stress on the need of a legislatively adjusted system wherein there is an organizational structure is used to manage a tourism destination, the key activity being the maintenance of the quality in tourism

services in the tourist destination, thus destination management is used so as to bring about increased destination competitiveness and at the same time to focus on the sustainability aspect also. There are many means of managing a destination, such as the cluster method as adopted by (Zupanovic, 2010) where stress is laid on the concept of cluster making, and forming a destination management organization for each cluster required forming a management structure, implemented through DMOs.

Therefore, once the Karnataka State Tourism Development Corporation Ltd (KSTDC) implements and executes the activities of the Destination Management Organization (DMO) the destination would be able to strike a balance between destination marketing and management practices and thereby enabling the destination to reach out to potential tourists effectively and therefore enhancing the competitiveness of Karnataka.

CONCLUSION

The eventual aim of Destination Management Organizations (DMOs) are to set a benchmark to the destination to allow the destination stand out and attract potentials tourists from all over the globe as Martin and Tomáš (2012) says that like every other industry even tourism faces constant competition and that it is the role of regional government and destination management institutions to utilize quality strategies and planning to achieve competitiveness in their respective destinations. The study focuses on the benchmarking process of the tourism sector so as to scrutinize the availability of suitable referencing partners. The selection of these referencing partners will help in ensuring quality of strategies implemented. Emphasis is stressed on strategic planning, as it is the key to work along changing trends, markets and competition as it is this which provides a competitive edge to a destination.

Consequently, it is necessary that a destination brings about a tourism management system and build on destination management within Karnataka as a destination. Strategic implementation of Destination Management Organizations (DMOs) could influence and vitalize the tourism activities in Karnataka and lead to DMOs being adopted in other states within the nation and help in bring an exclusive brand image and India could make a mark as a competitive and sustainable destination.

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