



Role of technology

Online travel agencies have domestically been able to build scalable technology platforms at competitive costs, leveraging the competency of the Indian IT services industry to develop dependable and secure technology platforms comparable to those of their global peers. The availability of high speed Internet access in the corporate environment has helped fuel online personal travel bookings.

To address the rapid growth of online banking and credit card usage, companies have launched virtual cash platforms.

India has also been a test market for other electronic innovations, such as Visa Bill-Pay, Visa Money Transfer (first introduced in India and then in APAC and other parts of the world) and M-cheque (mobile payment).

Branding in this sunrise industry

Most companies in the current online space have launched with a focus on building a large base of customers and positioning of the brand has been largely dominated by the price factor. In a retail environment, where price is largely determined by the principal, using already wafer-thin margins to

In the U.S., the airlines had to catch up to the online intermediaries. In India, the online agencies are catching up to their supplier counterparts, and doing so with smaller marketing budgets than the U.S. suppliers.

differentiate on price is not a sustainable model. However, this has worked currently to attract customers and create usage for the product.

Given the use of a plethora of media platforms, all online players are currently competing for 'share of voice' and are trying to shout louder than competition. The challenge lies in moving away from commoditization of product and transforming into an agent for the customer than just an agent of the supplier.

The challenge also lies in differentiating on two more key factors that include, the overall customer experience through a simple-to-use interface, and providing a spectacular customer experience.

The objective is to access and deliver the product seamlessly to

the customer, which is what most players attempt. On the Air front, the inventory is accessed either through integration with a global distribution system that gives you access to network carriers or through a direct connect relationship with airlines by linking up through an Application Programme Interface (API), or web services (if it exists). Largely, companies use a combination of both since LCCs are not available through any GDS.

On the delivery of the product, since most airlines are not e-ticketable, the reservation on a travel portal creates a real-time reservation on the airline system and generates back confirmations that create the e-ticket, which is emailed to the customer. The booking process only takes a few seconds.

For Hotels and other products, this is no different and includes integration with consolidators and hotels directly.

(*Source: All facts and figures from PhocusWright)





You have been associated with the path-breaking 'Kerala — God's own Country' campaign. How did this innovative brand-building campaign come about?

The world of tourism works on differentiating a product from the rest of the world. Kerala is a unique example of a place which is differentiated on the basis of its inherent strength which includes its unique culture, dance-forms, martial art, cuisine, natural landscape, the backwaters, Ayurveda, etc. What we were able to

do with Kerala was to establish it as a unique destination, with products that did not exist in any other parts of the world and that added value. When I took over as secretary — tourism, Kerala, it used to get a lot of back-packers and, very frankly, they used to take more from the destination than give to it — these were all \$10 a night kind of tourists.

So, what we did was to stop these charters, which was a tough process, and we managed to create new products out of the

He has been hailed as the poster-boy of Indian tourism, and responsible for positioning and branding Kerala as "God's Own Country" way back in the early '90s. He is known for the innovations and marketing focus that he has managed to bring into Tourism, turning it into a viable business proposition. The results of his efforts have been such that the industry has been growing at an enviable 15 per cent p.a. for the past three years. Currently on a stint with the Tourism Ministry, Government of India, where he

"Tourism is a lot about economics and business"

backwaters and Ayurveda. It was a very difficult but exciting process of creating new products. Kerala is also a unique example of an entrepreneur-led development with the government acting as a great facilitator and catalyst encouraging private sector to deliver.

What were some of the unique features of the Kerala campaign?

It is the first state which got into electronic marketing, and Internet marketing. It is also the first state which went with private sector to international Trade fairs and marts. So, it really encouraged the private sector to work and deliver. The destination marketing has been done by the government and has been very successful.

has been behind the clutter-breaking 'Incredible India' campaign, **AMITABH KANT**, joint secretary, Ministry of Tourism, Government of India, shares some of his insights on the role that brand-building and the various elements of marketing can play in the business of tourism, in an exclusive chat with **AMIT BAPNA**.



Gradually, the political and administrative realization came that it was tourism which was creating employment, and driving growth, which had actually had its huge direct and indirect impact in terms of a multiplier effect. It was in the year 1992-93. And, this realization led to much greater allocation and an increased degree of commitment by the state government for tourism and, then, a lot of support was provided by the central government too. So, this branding process of Kerala as 'Gods Own Country' was a result of constant innovation and growth. The destination marketing concept was a very innovative one.

How did the promise made by the brand slogan — God's Own Country — translate in the ground reality to ensure a unique consumer experience?

Actually, the brand slogan had been earlier used by New Zealand and then discarded. We felt that it was very apt for Kerala, since it is the only state which, in close geographical proximity, has beaches, back waters, hills, wildlife...everything rolled into a closed geographical terrain. It was also the state which had, at that point of time, three international airports. Tourism works when several factors work together — good airports, airlines, tour operators and travel agents, all have to join together in clock-work precision. Only then can things work. We did a lot of work in capacity building, in terms of training taxi drivers, training guides. So, all of this combined together helped in making the slogan a reality. Communication, to me, is just one aspect of branding; a branding exercise can be a disaster if the product does not match the reality. And, that is why while branding Kerala as 'God's Own Country', it had to be ensured that the experience (of the travellers) be equally good. And that's what we tried to do — create an experience that was unique and different from anywhere else in the world.

What are the other critical aspects of a successful destination branding initiative?

One of the most critical aspects in a campaign

is the amount of research that is done to understand the segment of the market that is being tapped, like, who is the consumer, what is his requirement in terms of the products, etc. So in the case of Kerala, the positioning was very clear. It was a shift from being a mass destination to an up-market, high-value destination.

Of course, it was successful because it was backed by the outstanding experience — the outstanding quality of hotels, the unique experience in the resorts. These were all products which were distinct with the backdrop of Ayurveda and backwaters, very different from a normal 5-star hotel kind of experience. The product (Kerala) was constantly improving with a lot of new resorts coming in all the time, upgrading of infrastructure, etc., and that made all the difference.

Globally, if you were to recall, which are some of the other successful campaigns which have been backed by the product also?

I think 'Malaysia — truly Asia' has been a good campaign.

They innovated, used the strength of Asia, got some good filmmakers for the creative delivery... A very important thing in a campaign is the need to work with good professionals and creative people. What drives a campaign is its creativity. That is the crux. Everything else is secondary to my mind.

The 'Amazing Thailand' campaign too was, creatively, very good. But the problem with it was that it

AMITABH KANT



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was changed by their tourism authority and they came in with new campaigns on an annual basis and kept changing it every year. So, it never really registered.

The important thing is that the brand-line may or may not change but, in terms of communication, there has to be a forward movement — by bringing in new products constantly. And, that's what we have been trying to do with the 'Incredible India' campaign. Tourism is also a lot about economics and business. All these factors, combined together, led India to tourism destination.

So, where has Indian destination branding and marketing been lagging? What was the genesis of the 'India Incredible' campaign?

India tourism marketing had been lacking in conceptual clarity as well as the understanding of the market. We have tried to bring in a lot of market-research, consumer testing, etc., and that's how arrived at 'Incredible India'. The important thing was that the product 'India' is very unique and different. It is like the mother brand with a lot of sub-brands, i.e. the states.

The quality of product is very uneven. There are issues of national carriers, on-ground, etc. So, all these issues had to be addressed. And, yet, despite the many problems, India has a unique culture, and heritage making for a unique experience. And that is how the 'Incredible India' campaign was arrived at, with that uniqueness captured in the creative output. This is the 4th year of our campaign. We have constantly tried to move forward every year, looked at the campaign anew every year and worked with some very creative people on this campaign.

In the domestic markets, we have different agencies and for

the global campaign we have worked with Ogilvy and Grey India.

What are some of the differentiating features of this campaign? How has it evolved over the years?

This campaign has also been a 360-degree kind of campaign, where we looked at electronics, print, Internet, outdoor, etc. So, it was a campaign where all foreign offices, across world, had a similar kind of branding even though the campaign had several themes and sub-themes. For example, if the theme was Buddhism, then the campaign was targeted at south-east Asia; for adventure-themed campaign, we targeted the German market and, if it was theme was culture, then we looked at the UK and USA market. So, a lot of research-based targeting was done for different markets.

Every year, we get a lot of research commissioned to see how the growth is taking place globally, which markets are critical, what is the pattern of airlines expansion, etc. and, based on that, we innovate and make strategies. Also, a lot of information and inputs comes from our foreign offices, which also forms the basis for our future planning.

Going forward, what are some of the strategies to be implemented?

We are doing a lot of work in terms of improving the infrastructure on ground. We are not only doing marketing but we have also done a campaign as "Atithi Devo Bhava", which is actually based on capacity-building for the ground staff service providers, such as taxi drivers, immigration staff, etc.

This year we are also doing a campaign on awareness against garbage, filth, etc., and we are using Shahrukh Khan for the campaign. It's being backed by school-contact programmes. We have come to realize that social awareness campaigns are most successful. In capacity building, we have laid a lot of stress on infrastructure. Of course, the results would be seen in the coming 2-3 years, probably. A lot of work is being done at major tourist attractions like the Taj Mahal, Ajanta and Ellora, Hampi, Mahabalipuram... What is happening on-ground is critical, we feel. We are looking at direct flights getting into newer destinations.

What are some of the critical areas that need to be addressed for a successful and vibrant growth of the tourism-sector?

There are some critical issues that need to be addressed, starting with the issue of civic governance on-ground, in states. Tourism should become everybody's business, to my



India — is very unique and different. It is like the mother brand with a lot of sub-brands, i.e. the states. The 'Incredible India' campaign has tried to capture that uniqueness.

mind, is the first aspect. Secondly, the issue of accommodation — we need to add about 150,000 rooms in the next coming years. So, truly, the focus is on infrastructure.

Thirdly, the issues of capacity building, with people coming in and creating centres of excellence in academic-learning to keep pace with the growth in tourism, because, as we grow, rise, we'll need better managers. The need would be for Indian managers who get to manage keeping in mind the Indian ethos and culture. And, lastly, we need to constantly innovate on the branding and communication aspects.

What is the role that concepts of marketing and brand-building can play in building a destination successfully, taking the specific instance of India?

I have always believed that India is a unique product with a unique civilization. The failure, in my mind, has been in poor communication. What we have tried to adopt here is a marketing-led strategy. When I joined this ministry, hotels were performing to 30 per cent occupancy. Then, September 11 bombing of the World Trade Centre in the US happened, and they dropped to 20-25 per cent occupancy. Tour operators were in a bad state and close to winding up. The condition was really bad.

Something drastic needed to be done, and we used the crisis as an opportunity here. Marketing led and drove the growth. Marketing led to increased consumer demand. The challenge at that point of time was to convince the tour operators who were dropping India from their itinerary. There was an urgent need to create consumer awareness and we did it. We brought consumer demand back and that brought a huge boom in Indian tourism. So, it has been a marketing-led strategy.

Now, the demand is so much at this point of time, that it is

forcing people to create more and more infrastructure. A good marketing-led strategy really leads to enhanced and better infrastructure.

How big a role can tourism play in a nation's economy, especially India's?

It can play an immense role. We earned about \$6.8 billion from tourism last year. In three years, the revenues have surged from Rs2.3bn to Rs6.8bn, which is more than the total direct foreign investment which came into India. And, the target now is to take it to Rs12 billion. And I am confident that it will happen. Though, I am not a great believer in numbers, but we are already 4.6 million and, if you add the NRIs and PIOs, that's another 2.5 million, making it close to about eight million international tourists.

What are some of the newer areas of growth that are being looked at?

We definitely need to get into the newer markets like China, Korea, and Japan, and, that too, in a bigger way. Then, we are also looking at growth from newer products, like MICE (Meetings, Incentives, Conventions and Exhibitions) segment. Medical tourism and rural tourism are other potential growth areas. One thing which I am very sure about is that we need to drive Indian tourism up the value-chain rather than get into the numbers game. I am a great believer in value growth. It's borne out of the realization that in India there is accommodation shortage and we have to drive India up the value chain. The campaign has definitely led to high unit value realization. India has the highest unit value realization in the world and the tourists who come here spend the highest number of days here. The profile of the travellers is also changing, and is becoming more upmarket. So things are changing for sure.

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