Destination Branding: Making India Relevant and Competitive in Uncertain Environment

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ABSTRACT

The World Tourism Organization has rated Asia and the Pacific as the world’s second best performing region in terms of arrivals in 2007 after the Middle East, recording an increase by 10% to 184 million arrivals. South Asia recorded an 8% growth in arrivals in 2007, with India sustaining above average growth of 12 %. Recently, India’s Ministry of Tourism released numbers showing a 12 % drop in tourists when comparing March 2009 to March 2008. In the wake of the recent terror attacks many foreign countries have issued travel advisories against travel to India. These attacks are expected to create a bad image for ‘Incredible India’ and make it hard for the ‘brand’ to attain its goal of doubling tourist arrivals from last year’s five million to ten million by 2010. The purpose of the paper is to draw together the salient issues surrounding India as a destination brand under uncertainty into a single coherent discussion. The paper concludes with practical implications for destination marketer in India.

KEYWORDS: India, Brand, Tourism and Uncertainty

INTRODUCTION

Terrorism, economic recession and political instability have come to dominate the discussion of current international affairs (Baral, Baral and Morgan, 2004). At the same time their impact on tourism demand has become increasingly apparent, as has the importance of communications and crisis management in tourism destination organizations (Frisby 2002). According to Hopper (2002), sustained terrorism, war or political instability and the consequent negative media coverage can cause long-term damage to a destination’s image. Thus, while places such as Bali, Spain and the UK have suffered short-term decreases in inbound tourism as a result of terrorism, the tourism industry in destinations such as Egypt and Israel has been seriously harmed by sustained periods of terrorist activities. Fear and anxieties about the possibility of terrorism and insecurity, accentuated by health pandemic such as Swine Flu and not to forget the initial damage from an outbreak of Severe Acute Respiratory Syndrome, a virus that spread from China to dozens of countries in early 2003 have clearly impacted on tourism demand in destinations from Northern Ireland to Florida (Leslie, 1999; Milman and Pizam, 1988). Baral et.al. (2004) states that, during the 1990s its tourism industry enjoyed an unprecedented period of growth, yet following a highly publicized act of terrorism and a series of internal political crises (set against the backdrop of the US terrorist attacks of 9/11), international arrivals fell by over 20 per cent during 2001 and 2002. In the face of an enormous world economic hitch and terrorist attacks on its economic capital city (Mumbai), India still chose 2009 as a banner year for tourism. According to India’s National Tourism Advisory Council, 2009 is now ‘Visit India Year’. India’s Ministry of Tourism (MOT) released numbers showing a 12 % drop in tourists when comparing March 2009 to March 2008. This comes on the heels of a 12% to annual growth rate in number of tourists for the past three years (World Tourism Organization 2008, p. 6).
According to India’s MOT (2009) which compiles monthly estimates that Foreign Tourist Arrivals (FTAs) during the Month of March 2009 were 4.72 (000') as compared to FTAs of 5.41 (000') during the month of March 2008 and 4.72 (000') in March 2007. The MOT states that decline in FTAs may be mainly due to ongoing global financial meltdown. Foreign Exchange Earnings (FEE) during January to March 2009 were US$ 2731 million as compared to US$ 3935 million during January to March 2008.

Branding India in the given context is a huge challenge. Also, in the Anholt-GfK Roper Nation Brands Index (measures the power and quality of each country’s ‘brand image’ by combining the following six dimensions: exports, governance, culture and heritage, people, tourism, investment and immigration), India has a very low rank of 27 (overall), and in tourism brand ranking, India ranks 24. The list was topped by Italy, followed by France and Spain in tourism dimension (The Anholt-GfK Roper, 2008). The importance of credibility under uncertainty has been established in several contexts (e.g., Xie and Shugan, 2001, Godes and Mayzlin, 2004). There is also a growing literature on the importance of brand credibility under consumer uncertainty. When consumers are uncertain about brands and the market is characterized by asymmetric information (i.e., firms know more about their products than do consumers), brands can serve as signals of product positions (Wernerfelt, 1988). As a signal of product positioning, the most important characteristic of a brand is its credibility (see Erdem and Swait, 2004 for literature on brand credibility and choice) [1].

Terrorism, political turmoil, and war appears quite related to tourism. Sönmez (1998) examines literature focusing on the relationships between these phenomena. Sönmez (1998) says "research themes which emerge from available studies include impacts of terrorism and political instability on tourist demand, motives of terrorists in targeting tourists, using tourism as a political tool, the effects of political violence on destination image, crisis management, and recovery marketing efforts". Clearly implication of uncertainty in the environment and its implication for tourism is well documented. Hall and O’Sullivan (1996) describe how political stability and political relations influences the image of destinations in tourist-generating regions. Also Ankomah and Crompton (1990, p19) states, “Any evidence of domestic turmoil is likely to result in a decision not to visit that country”. Such damage is, of course, multiplied in emerging countries, such as India where tourism has started to play an important role. The role the tourism sector can play in increasing the living standards and creating conditions for accelerating socio-economic growth in India is huge. According to WTTC (2009) the contribution of Travel & Tourism to India’s Gross Domestic Product is expected to stay the same at 6.0% (US$ 67.3 bn) in 2009. Thus, management of tourism sector in India has emerged as one of the major contemporary policy, strategy and operational issues for governments, civil society organizations (CSOs) and the public at large, in general. In this background, this paper attempts to conceptually seek answers to the following questions:

a) Recourse to the origin of branding in the context of tourism;

b) What branding/brand management can do for destination image in uncertain environment?

c) The goal is to define the issues that must be addressed and to provide a feasible framework for timely branding process.

The tourism industry in India is significant and effervescent, and the country is fast becoming a major global destination. India’s travel and tourism industry is one of them most lucrative sector and contributes substantial amount of foreign exchange. According to India MOT (Annual Report 2008), the share of India in international tourist arrival has progressively increased from 0.49% in 2005 and further to an estimated 0.52% in 2006 and 0.55% in 2007. FTAs rose from 3.46 million in 2004 to an estimated 5 million in 2007. Tourism makes a significant contribution to India’s foreign exchange earnings, which grew from US$ 6.17 billion in 2004 to an estimated US$ 11.96 billion in 2007. The share of India in world earning from tourism registered an increase from 0.98% in 2004 to 1.21% in 2006.
Domestic tourism too has grown phenomenally over this period. The number of domestic tourists in India has risen from 362.33 million in 2004 to an estimated 462 million in 2006. India is ranked 11th in the Asia-Pacific region and 62nd overall in a list of 133 assessed countries in 2008 (WEF, 2009). The World Travel and Tourism Report for 2009 for 180 countries worldwide also ranks the Indian Travel and Tourism economy 14th in absolute size worldwide and 5th in terms of growth for the next 10 year forecast. By 2019 the travel and tourism will contributes US$ 187.3 billion to Indian economy. The real GDP growth for travel and tourism economy is expected to be 0.2 per cent in 2009 and to an average 7.7 per cent per annum over the coming 10 years (WEF, 2009). By 2019, the export earnings from international visitors and tourism goods are expected to touch US$ 51.4 billion.

<table>
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<tr>
<th>Travel and Tourism Sector</th>
<th>T&amp;T industry, 2008 estimates</th>
<th>Percent of total</th>
<th>2009-2018 Annual Growth (Forecast)</th>
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<tbody>
<tr>
<td>GDP (US$ millions)</td>
<td>28143</td>
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<td>6.7</td>
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<td>Employment (1,000 jobs)</td>
<td>13,27</td>
<td>2.8</td>
<td>2.3</td>
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<th>T&amp;T economy, 2008 estimates</th>
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UNCERTAINTY IN INDIA’S SOCIO, POLITICAL AND ECONOMIC ENVIRONMENT
The recent travel advisory by United States issued on June 1st week 2009, asking its citizens to be careful while living and travelling within India. The advisory says there is a high threat from terrorism throughout India and advises Americans to keep a low profile, especially while visiting public places. This sums up the recent uncertainty being prevalent in the psyche of outsider for India. India is a huge country with a population in excess of 1 billion that brings it own set of challenges. From terrorism to socio political factors, you name it and have its own affect on the Indian tourism sector. From the economic crisis in the mid-90s, the Indian tourism industry has been struck by a series of setbacks – 9/11, the war in Iraq, SARS, tsunami, climate change and more recently the financial turmoil. The global financial crisis had already affected the Indian tourism growth. But the recent acts of terrorism in Mumbai have dealt a grave impact to tourism sector. The Mumbai terror acts wherein 22 foreign tourists were killed created a wave of fear among foreign nationals slated to visit India. The “Country Reports on Terrorism 2008” of the US State Department, ranks India among the world’s most terrorism-afflicted countries. Besides the 26/11 Mumbai attack, India has suffered many during 2008 - prominent among them being the Jaipur bombings, attack on Indian Embassy in Kabul and the terror strikes in Ahmadabad, Delhi and Assam. Kazim (2008) states that one of the reasons is low number of security forces in India. Kazim say “...according to the Institute of Conflict Management in New Delhi, India has 1.2 million police and about one million paramilitary troops. It is the biggest security force in the world, but given that India’s population hovering around 1.2 billion, it is still much too small. When broken down, the situation appears even starker. In India, there are just 126 domestic security personnel for every 100, 000 people. In most Western countries, that ratio is closer to 400-500 to 100, 000. Furthermore, around a fifth of police jobs are currently unfilled in India due to a lack of qualified applicants”. The recent incident of assaults on tourist visiting India puts more pressure on the marketers of branding India. The scriptures declare ‘Atithi Devo Bhava’ or ‘the guest is God’, but in ground scenario, it’s totally different. Several countries, including the United States and the United Kingdom, warn their citizens that women sometimes face physical harassment.
RESEARCH ON TOURISM DESTINATION IMAGE

The purpose of this section is too briefly introducing the research area in tourism destination branding. The increased focus on destination branding is based on a widespread acknowledgement of the profound affect that branding destination plays on tourist perception of destination and its implication on tourist behavior (Echtner and Ritchie, 1991; Stabler, 1988). The tourism destination image is comprised of a multiplicity of factors or attributes. Ahmed (1991) adopts a multi attribute attitude to approach to measurement of destination image. Another approach is based on the notion that tourist may generate destination on the basis of holistic approaches. The holistic approach acknowledges that tourist will generate destination image in a wide variety of ways. e.g. they might generate such images on the basis of one unfavorable news that they might hear from media or friend.

Places are products but existing branding frameworks cannot be directly applied to the destination context (Hosany, Ekinci and Uysal, 2007; Hankinson, 2005). There are many reasons, including past history, geographical constraints (location, weather, resources, infrastructure and people), inherited names, stakeholders – destinations are run by governing bodies which often report to their citizens and are influenced by other stakeholders limiting the decisions they can take (Stokes, 2006; Hankinson, 2004); and personal, consumer, business and government service dependency (McDougall and Levesque, 2000). Many countries have tried to brand themselves as the best tourism destination. Some have been very successful such as 'Truly Malaysia'. The Brand Australia initiative is 10 year old effort, the campaign was launched in the mid-1990s by the Australian Government’s tourism agency, Tourism Australia (formerly known as the Australian Tourism Commission). In 2004, Brand Australia was reinvented and relaunched as ‘Life in a Different Light’. It has been hugely successful, with 5.6 million international tourists visiting Australia in 2007 (DFT, 2009). Similarly, Britain has proactively chosen to communicate a social benefit as the basis of their brand positioning – that people located in Britain will be seen as cool and contemporary. Tourism marketer try to find a promise of benefits (i.e., a brand promise) that transcends time. France’s long held emotional / social positioning to be all about ‘tasteful living’ still works. Destination like Bradford, UK (Trueman, Klemm and Giroud, 2004), Scotland (Donnelly, 2004), Singapore (Wong, Miller and Choi, 2006), Sydney Olympics, Australia (Woodside, Spur, March and Clark, 2002) and New York (Rangan, Elberse and Bell, 2006) have been successful in destination branding from the international perspective.

CHALLENGES TO DESTINATION BRANDING

A destination brand can be developed a variety of ways, most obviously in advertising, through direct marketing, personnel selling, on website and in brochures but also through public and media relations and through cooperation destination marketing organizations. Moreover place promotion, defined as ‘the conscious use of publicity and marketing to communicate selective image of specific geographic localities or areas to a target audience’ (Gold and Ward, 1994, p. 2), not only involves advertising and publicity, but also encompasses flagship development and spotlight, events in the arts, media, leisure, heritage a, retailing or sports industries (Ward, 1998). There is now a sizeable industry focused literature covering destination marketing issues from stake holder investments (Morgan et al., 2003) to marketing management (e.g. Kotler, Haider and Rein, 1993, 2002 ; Ritchie and Crouch, 2000; Kotler and Gertner 2002) and destination branding (Morgan. et al., 2002) . It well established that a destination is not a product (see Buhalis, 2000, Morgan and Pritchard, 2000). Simon Anholt (1998) states that a more important tool can be 'country as corporate brand', rather than 'country as a product brand'. Branding is perhaps the most powerful marketing weapon available to marketers of destination. Every country claims a unique culture, landscape and heritage, each place describes itself as having the friendliest people and high standard of customer services and facilities are now expected. As a result, the need
for destination to create a unique identity for differentiating from competitors has become very important. It has become the basis for survival within a globally competitive sector, with a handful of leading destination attracting over 2/3 of the worldwide market. No matter where destinations are in the life cycle, by comparison to branded products and services, managers in destination organization face peculiar branding challenges. In particular, they are vulnerable to both external and internal pressure, with many–a– stakeholders to consider. Destinations are affected by very external volatile environment. While every product and service is affected by external change, tourism is particularly vulnerable to political strife, economic downswing, terrorism and environmental disaster. Such external pressure on branding exercise of tourist destination not only highlights tourism vulnerability to hostile environment, but also remind us the destination are a composite bundle of different components, including accommodation facility, tourist attraction, arts, entertainment and cultural venues and the natural environment (Buhalis, 2000; Ritchie and Crouch, 2000). Also in destination branding, different agencies and companies are stakeholders in the marketing of place. Decision maker have to reconcile an array of local and regional interests, and craft promotional appeals to a range of constituents. These vary from local and national government agencies through environmental groups and trade bodies, to tour operators and airlines (see Morgan et al., 2003)

RATIONAL AND APPROACHES TO BRANDING INDIA

A. Rational

Buhalis (2000, p. 98) defines destination brand as ‘defined geographical region which is understood by its tourist as a unique entity, with a political and legislative framework for tourism marketing and planning’. Most of the scholars (Cai, 2002; Hall, 1992) agree that destination branding should focus on producing consistent message. India’s destination image is an amalgamation of independent tourism actors. The tourist perception about India is reflected as based on the association held by the tourist memory. The image of India is something that cannot be imposed on tourist by only advertisement campaign (one way communication). Instead the image and hence forward the India brand comprises of various bits of information restored in and retrieved from tourist memory and strengths of association to these bits and nodes when India node is activated. The tourist perception about India is a sum of trip experience as well as all factors of the destination India that affects India’s image. One of the issues that has been overlooked is tourist may generate destination brand on the basis of association that are not part of the set of associations indentified or chosen by the India destination marketer or they may deliberately or unconsciously neglect the association, upon which the Indian marketer are trying to communicate. In principle, the tourist visiting India is trying to associate with India on the basis of his/her knowledge structure about India. The Incredible India campaign has aided a lot in branding India. The Incredible India campaign was started by India in 2002. Since then, tourism in India has grown more in value than volume. It has grown from US$ 2.8 billion to US$ 11.5 billion whereas the numbers grew from about 2.3 million to about 5.6 million (Business Standard, 2009). Building high awareness of compelling, relevant and differentiating brand ‘India’ in crowded market means, creating a brand that delivers what it promises. Unfortunately, this is where the praise ends. As Mathew (2003) states “Branding does not stop at a creative campaign that can go on forever, particularly with cash-strapped tourism budgets like ours. Branding delivers what it sets out to do — get more revenues through visitors from the segment that it was aimed at, consistently through a sustained period”.

B. Approaches

In order to discuss the improvement in relative quality of branding ‘India’ as a destination in uncertainty, we need to define, what uncertainty could occur? While it is expected there will be no complete unanimity in this regard, some of the determinants of uncertainty can be
easily identified. The potential crisis events as follows:

a) Place failure – Tourist place is not well maintained.
b) Resident failure – Resident receptiveness to tourist.
c) Infrastructure failure – No proper roads, flights and hotels.
d) Natural disasters – Lightning strike, fire, flood, hurricane, earthquake.
e) Terrorism – Attacks on businesses in Mumbai Taj Hotel.
f) Human Failure – Tourist being assaulted

Branding ‘Incredible’ India in term of uncertainty is huge challenge. This will serve to educate the tourist as well as the marketers of brand India, as well as allay fears in the minds of the stakeholders in advance of major issues, which could occur. The current critical success factors for branding in terms of uncertainty are given below

a) **Brand Building** – The First stage in the process of refreshing Brand India is to establish the core value of India and its brand. These should be durable, relevant, and communicable and hold saliency for tourist visiting India. This should consider just how contemporary or relevant the brand is to today’s tourism consumer and how it compares with its key competitors (See figure 1).

![Figure 1: Destination Brand Curve](image)

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
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<tbody>
<tr>
<td>Phase 1</td>
<td>Market investigation, analysis and strategic recommendations</td>
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<tr>
<td>Phase 2</td>
<td>Brand identity development</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Brand launch and introduction – communicating the vision</td>
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<tr>
<td>Phase 4</td>
<td>Brand implementation</td>
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<tr>
<td>Phase 5</td>
<td>Monitoring, evaluation and review</td>
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Once the market research phase is complete, the brand identity comes into picture. Primary importance is benefit pyramid and brand architecture. Once brand ‘India’ core value is established brand benefit pyramid and architecture has to be established. The benefit pyramid can help us in determining the right communication strategies. The critical component is how brand India personality interacts with the target market. While the core
value of Brand India has to remain, but its personality has to change with the environment.

Figure 2: India's brand benefit pyramid

b) **Managing the Residents** - One of the most important aspects in branding India in uncertainty is managing the unmanageable aspects that get associated with brand. Reviewing many empirical works, Gallarza, Saura and Gracia (2002) found that ‘resident receptiveness’ was the key attribute often mentioned in the studies. Resident is part of image elements of destination brands (Echtner and Ritchie, 1991). Tourist visiting India doesn’t just interact with one marketer at the destination; instead tourist interacts with host of products and services while visiting India. The mental image about India developed by the tourist is based on a few selected impressions among the flood of total impression. In this the receptiveness of residents plays an important role. Furthermore, tourist visiting India may interact informally with locals (residents) in situations that are not directly consumption oriented, e.g. they may ask locals for direction or they may sit close to locals whilst dining at local restaurant. Consequently, there is a need for communication with local residents, urging them to interact in a favorable way. This will strengthen the unique and strong marketer chosen brand India’ association. There have been attempts to encourage local residents to host the tourists as guests in their homes so that the guests can have a firsthand interaction and have a “true experience” of the Indian hospitality through the ‘Bed and Breakfast’ scheme. This will strengthen the unique and strong marketer chosen brand India’ association.

c) **Using Competitive Identity** - Simon Anholt concept of ‘Competitive identity’ can be used for building brand India. Anholt (1998) describe ‘Competitive identity’ as “…what is essentially a plan for mobilising the strategies, activities, investments, innovations and communications of as many national sectors as possible, both public and private, in a concerted drive to prove to the world that the nation deserves a different, broader and more positive image. The theory of competitive identity takes its cue from the way in which country images are ‘naturally’ formed. The image are formed by accident more often than by design, most countries engage with the outside world, and thus create
their images, through six basic areas of activity: their tourism promotion, their exported products and services, the policy decisions of the country’s government, the way the country solicits inward investment, cultural exchange, cultural exports and sport, and the people of the country themselves. All these factors will affect India’s image. Based on the theory of competitive identity, brand India marketer should use three-pronged approach of strategy, substance and symbolic actions, planned and executed through a short and long-term coalition between all the stakeholders around the hexagon (see figure 3). The marketer of brand India needs to form a clear, inspiring truthful narrative of what India and its people really are. The marketer also must find ways to stimulate and coordinate the policies, strategies, investments, behaviours and, above all, innovations. Last but not least, each element which forms part of brand India (produced by each point of the hexagon) must have an intrinsic communicative power.

**Figure 3: India’s Competitive Identity**

![Hexagon Diagram](source)

**CONCLUSION**

The success of countries such Australia, France, Italy shows that destination can become brands that are contemporary and timeless. Building brand ‘India’ is a long term effort. For brand ‘India’ to be successful the vision has to be reflected in products and services. Brand India to be winner requires a vision that is founded on intensive stakeholder, consumer and competitor’s research. There are significant and unique challenges facing Indian destination marketers, but they should not prevent them from persevering in their aims, as successful branding brings lot of benefits. India cannot afford to ignore branding as it offers an innovative and effective tool with which it can relate with the tourist. Just as in the marketing of consumer goods branding has the potential to prompt consumer loyalty; in a similar fashion positioning India’s appeal to tourist self image and lifestyle can promote long term loyalty towards India. This paper has suggested a few broad approaches towards this objective. In summary, although there has been great progress with branding India as tourism destination on even in a relatively brief period, there are still many questions to answer. A survey of visitors to India can be initiated to solicit their views on India as a destination for traveller. Similarly an opinion survey of tourists before leaving India can be carried out using Multiple Response Scale; Summated Rating Scale (like Likert scale); and Semantic Differential Scale to understand the various dimensions of satisfaction & dissatisfaction and also the irritants, which can be addressed by the destination marketers. These data can then be analysed using analytical tools, as mentioned in earlier section. In a similar way it can be good strategy to similarly solicit the views of other stakeholders like representatives of industry, government, successful entrepreneur in tourism sector. Also, future research should take into consideration larger sample size from different countries and more dimensions affecting the choice of travel to the region should be identified and the measurement scales have to be further developed. We may conclude this paper by, as Clifton says (2002, p.161) ‘In the end, of course, the future of brand is up to the brands themselves, and to the people who manage them. Reputation is, after all, a reality with a lag effect’.
Consequently, what brand can do for destination such as India is that branding as a tool will enable the destination marketer to investigate, understand, and respond to tourist and their perception about India.

END NOTE

[1] The word ‘uncertainty’ connotes the recent spate of terrorists attack in India’s (Recent Attack in financial capital (Mumbai) [security issues], the global meltdown of the world economy, and the recent Indian election in one of the largest democracy of the world. This all translates into a risk perceptions, which are built as combination of the tourist anxiety towards the happening in the destination country. Overall it is influenced by the general socio-economic environment, the political system and the overall policy framework.

[2] According to Erdem and Swait (2004), “An organization can use various marketing mix elements besides the brand to signal product/service quality: for example, charging a high price, offering a certain warranty or distributing via certain channels. Each of these actions may or may not be credible depending on market conditions, including competitive and consumer behavior. However, what sets brands apart from the individual marketing mix elements as credible signals is that the former embody the cumulative effect of past marketing mix strategies and activities, as well as consumer interactions with the firm. This historical notion that credibility is based on the sum of past behaviors has been referred to as “reputation” in the information economics literature (see: Herbig and Milewicz, 1995). The same concept can also be used in destination branding”.

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