

## **Hotels and Cooperatives as Value Creator in Destination Marketing- A Study of Jharkhand**

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### ***Abstract***

*Tourism is said to be the employment generator for not only the most specialised hospitality professional but also for the unskilled workforce. Jharkhand, a backward tribal state in eastern part of India with its rich flora and fauna, rich ethnic culture and ethos and countless heritage sites provides incredible tourism opportunities. However, the state which is endowed with centuries old culture and ethos still struggles for recognition of its innumerable heritage sites and value creation as significant tourist destinations. This research paper is a written expression to describe all the activities carried out while identifying 'tourism', as a probable business opportunity for a backward state- Jharkhand and observing the fundamental issue underlying the negligence of the important sites. Articles published in Indian daily newspapers and discussions with dignitaries of Jharkhand, have provided the base for determining the sample destinations. The paper also describes the present Socio-economic conditions of Jharkhand, its untapped potential and ways through which services of local populace be blended in the Hotels' activities for creating value in destination marketing. Preliminary observations, which pointed out the lack of structured initiatives in leveraging available local human to create new business opportunities for these ethnic sites, were made by visiting those places and conducting deep interactions with the locals. The paper proposes a model for destination marketing, similar to those that World famous Indian brands like AMUL and Lijjat Papadh have been following.*

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**Key Words:** Value Creation, Co-operative Society, Hotels, destination marketing, tribal Culture, religious & heritage sites



## **1. Introduction**

India has been one of the fastest growing economies of the world in recent times. The third largest economy by purchasing power parity (PPP) and 11<sup>th</sup> largest by nominal gross domestic product (GDP) globally, India has made rapid strides in different sectors of the economy in recent years. The growth of the Indian economy, explained in terms of various economic parameters like Gross National Product (GNP) of 4.73 trillion PPP dollars (2012), Gross Domestic product (GDP) that averaged around 7% since 1997, Net National Product (NNP), with per capita income of around Rs 74,920 in 2013-14, Gross Domestic Capital Formation (GDCF), at 35.45 (2011) is a \$1.7 trillion economy today. It projects a good economic health of the country and reflects its productive power for satisfaction of human wants. Various major initiatives like Operation Flood, Green Revolution, rapid industrialization and establishment of a substantial public sector presence has long been recognized for providing a fillip to the Indian economy.

However, the story is more complex for the certain social segments of the Indian populace. For them and the other unprivileged groups, the reform period has not been so exciting. It is not that their lives have not improved at all, but the pace of change has been excruciatingly slow and has barely altered their abysmal living conditions. (Dreze & Sen, 2013,p.29). If some states were separated out from rest of India, we would see a very different picture from the average for the country taken together. A number of Indian states- for example-Kerala and Tamil Nadu would be at the top of the South Asian comparisons if they were treated as separate countries. (Dreze & Sen, 2013, p.72). On the Other hand some of the states are not very different from the poorer countries of Africa in the intensity of human deprivation. (Dreze & Sen, 2013, p.73)

The issue poses important challenges of alleviating the living conditions of the rural masses, most of who are living in rural India. The paper explores the possibility whether tourism can offer growth potential for the rural masses and can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of rural tourism could be helpful for a country like India, where almost 74% of the population resides in its 7 million villages. In a world where the trends of industrialization and development have had an urban centric approach and the stresses of Urban lifestyles have led to a “counter-urbanization” syndrome, there is a growing interest in the rural areas. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of



visiting village settings to experience and live a relaxed and healthy lifestyle. This concept has taken the shape of a formal kind of rural tourism.

## **2. Methodology**

This study hinges upon the Case Study based descriptive research. The central purpose in selecting the particular methodology is to explore valuable information available in this area and discover the possibilities that might emanate through rational analysis of available facts. The methodology was selected that could provide the researcher to do an in-depth study of the issues involved in is less treaded path of marketing and have a thick, deep and holistic study of the existing trends in tourism and hospitality industry worldwide and how cooperatives can be leveraged upon to provide a radical approach to socio-economic development through service marketing in the field of hospitality and tourism. A rich literature review preceded the study to understand issues and challenges in this sector and investigate opportunities for those destinations of India which have not been marketed yet as places of tourism importance.

In this context, primary recourse has been taken in the secondary data like the data generated within different organizations associated with tourism, facts generated in the environment such as government reports and data from various professional bodies engaged in the field of tourism and hospitality. Direct interviews with local people and senior Government Officials have been conducted and observations are made to methodically collect the desired information directly from the respondents. Diverse examples and cases from around the world especially, 'AMUL' and 'Lijjat Papadh' were also studied to understand their successful models of cooperative society and how their model might be replicated in tourism (service) sector of India for successful marketing of lesser known destinations.

The data thus generated has been analyzed rationally and an attempt has been made to frame a model of Inclusive growth for the destinations, for the locals and for an organized industry like hotel industry of an extremely backward state of India - Jharkhand.

## **3. Tourism Potential- Jharkhand**

Jharkhand, the land of forests is one of the eastern states of India, lying on the *Chhota Nagpur* Plateau, is the source of *Subarnrekha, Damodar, Barakar, South Koel, North koel, Shankh, Ajay, Mayurakshi, Gumani, Kharkai, Kanhar, Ganga, Sone, Batane, Auranga, More, Karo* and *Bansloi*. Much of the state is still covered by forest that preserves support populations of tigers and Asian Elephants. The area abounds with mines, minerals, forest and agro-based products, wildlife, art & culture, whether conditions, rivers, lakes, water- falls, historical links, temples, heritage sites. The journey of this state from the times, it was known as "Kark -Khand" (place from where tropic of cancer passes) till date when it is called "Jharkhand", has always been a topic of research. "While it sits on the chhotanagpur plateau, one of the oldest land formations in the world, Jharkhand has been defined in many ways. For



Mughals, who called it Kokrah, it contained mythical riches; for the mercantile British, it existed to be exploited and tamed; but what really defines this rich, beautiful land is its geography. In fact this region which is bordered by Bihar, West Bengal, Orissa and Chhattisgarh- comprises at least three major plateaus, while elsewhere ‘numerous groups of steep hills are intersected by deep ravines and occasionally by open valleys’ (imperial gazetteer). To the west is the *pat* region or the Western Ranchi plateau. This is the highest part of the state, rising as high as 1,100 m.” (Mitra, 2012)

There are hills everywhere thrown up like watch towers over the land ,the far off hills in exquisite tints of blue or purple as the light falls, the nearer picturesquely shaped and luxuriant in every shade of green, and the plains below furnishing their tender green of the early rice or the gold of the fields at harvest. (Bradley & Birt, 1905) .Seventy Nine thousand seven hundred and sixteen Sq Km land, divided into 24 districts, supporting a total population of 3.29 crores of people constituting 28% tribal, 12 % scheduled castes live in Jharkhand. There are, thirty two tribes namely *Asur, Baiga, Banjara, Bathudi, Bedia, Binjhia, Birhor, Birjia, Chero, Chik Baraik, Gond, Gorait, Ho, Karmali, Kharia, Kharwar, Khond, Kisan, Kora, Korwa, Lohra, Mahli, Mal Paharia, Munda, Oraon, Parhaiya, Santal, Sauria Paharia, Savar, Bhumij, Kavar and Kol*. (Statistics Division Government of India, 2010).

However, in spite of being one of the most prosperous states of the country, the state is still one of the most economically backward areas of the world. ‘Computations of the ‘multi-dimensional poverty index place states like Bihar and Jharkhand, in the same category as some of the poorest African countries-countries like Mozambique and Sierra Leone. (Dreze & Sen, 2013, p.73). Carved out of Southern Bihar as a new state of India in November 2000, Jharkhand was plagued by adverse initial conditions — low average income, very high incidence of poverty, and little social development. (World Bank, 2001).

Studies such as (Donald & Wicks, 1986) and (Pearson, 2000) Russell (Russel, 2000) has detailed the economic impact of visitor spending related to visit to places of natural heritage. However, the areas of cultural heritage has been somewhat neglected and is only just beginning to receive attention. (Ceigilski & Ben, 2000) It is seen that the total impact of tourism on income generation and distribution depends on more than just the direct spending by tourists on various commodities and services. Similarly poverty reduction impacts go beyond the employment and income generated by direct contacts with tourists as a function of multiplier effects of other sectors on output. As a major impediment to the growth of tourism in India, training programmes are required not only for the hotel managers but also for the tourists guides taxi drivers, staff at eating places, porters, etc. as the manner in which they conduct themselves affects the tourists’ experiences of the country (Planning Commission of India, 2002-2007).



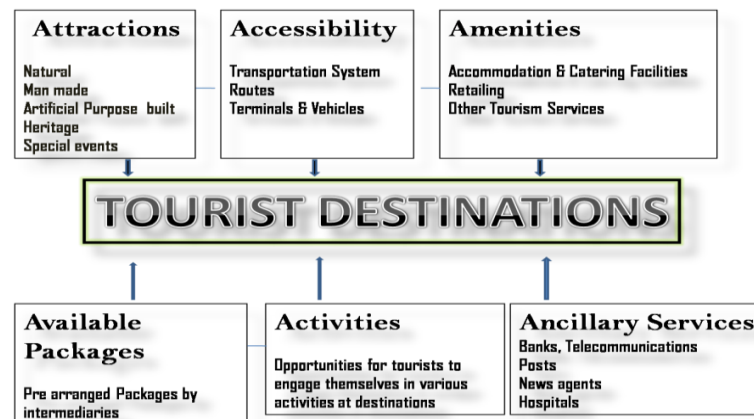
Jharkhand having countless heritage sites, still there has been the lack of awareness about the benefits that it can bestow upon the host population. Amongst all destinations, which are of interest for this paper, is the *Ichak* Temples, *Mahadani* Temple, *Maluti* Village, *Rajmahal Fossil* Beds, *Megalithic* sites, the common link amongst these is that they all have some mythological roots and spiritual values associated with them. This attracts the most talked about discipline of marketing throughout the centuries i.e. the faith based marketing strategy for the destinations. The commonness amongst all of these places lies in the fact that all of these rest on one of the oldest landmasses of history; the trees echo the legends of aboriginal tribes that have inhabited them since pre- Dravidian times. For the many ethnic groups of Jharkhand, Munda, Ho, Oraon, etc, all aspects of life –society, culture, economy crafts are dictated by forests. Tourists in the state have the privilege of witnessing cultures and the ways of life more ancient than we can imagine and many of their ancient customs and practices like weaving and spinning, iron smelting, basket making. Tribal and folk dances are an expression of irrepressible joy, a celebration of life, whose unending themes can vary from love and warfare to calamity. Moreover, if tourists get to access local markets, they will be delighted to explore a range of handicrafts created by different styles of different tribes like *Dokra*, *Teracotta*, *Pyatkar painting*, *Bamboo craft*, *Grass weaving*, *Wood carving*, etc.

#### **4. Destination Marketing and its Value Chain**

Each time we travel, take a taxi to the destination, buy products from a local shop; stay in a local hotel or guest house, we contribute to a large value chain that creates jobs and opportunities for several people belonging to the destination and hence we create an atmosphere for a better future of the places. Destinations are important as, this is where tourism takes place. These are amalgams of tourism products, offering an integrated experience to consumers. (Leiper, 1995) Explains that destinations are places towards which people travel and where they choose to stay for a while in order to experience certain features or characteristics-a perceived attraction of some sort. Most destinations offer a core of what has been depicted in fig 1.

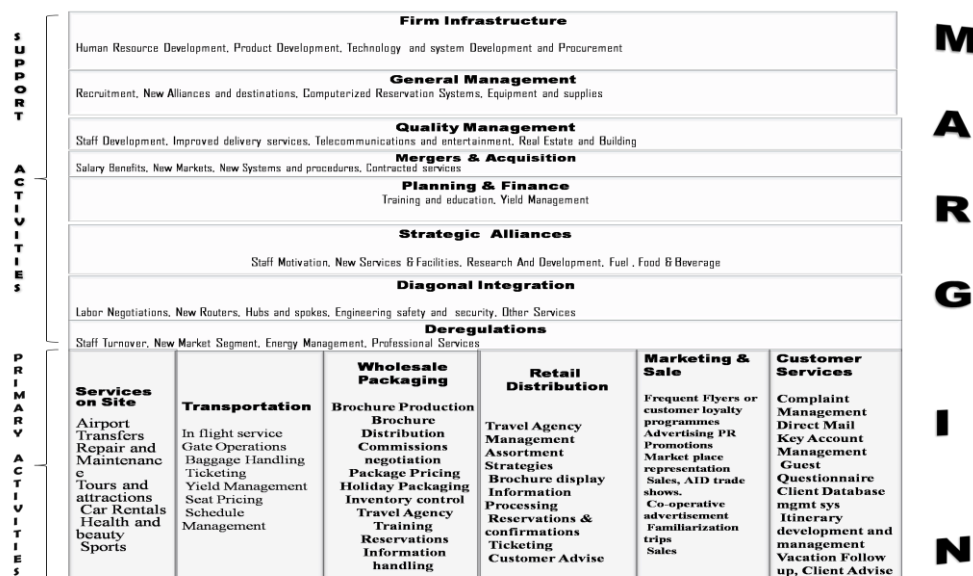
Figure 1: Core Constituents of Destination -Modified form of 6A's (Buhalis, 1999)





Due to the complexity of relationships amongst local stakeholders, destinations are some of the most difficult entities to manage and market. (Sautter & Leisen, 1999). (Middleton & Hawkins, 1998) State that a marketing perspective is essentially an overall management orientation reflecting corporate attitudes that, in the case of travel and tourism, must balance the interests of shareholders/owners with the long-run environmental interests of a destination and at the same time meet the demands and expectations of customers. Value chains, then, are a way of understanding the interaction of people and firms with markets – whether domestic or global. (Mitchell et al., 2009) All stakeholders along a specific value chain need to cooperate and to coordinate their activities to keep the end customer (guests) happy. (Gibbon, 2001). Perhaps the most important challenge for destination marketing therefore is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system. Many of the famous Indian Brands of product sector has adopted this concept and are successfully working on Co-Operative Society model, of whose theoretical perspective has been presented subsequently.

Figure 2: Value Chain of Destination





## **5. Cooperative Society: Theoretical Construct**

A cooperative, or “co-op,” is a business that is owned and controlled by its members, each of whom votes on management decisions. Co-ops are not designed to make profits for investors, but to provide the goods or services their members want. Cooperatives are usually started by individuals and/or organizations to produce or obtain what they can't find or find affordably through other, more conventional vendors. People and organizations start co-ops to fill a need, whether it is for affordable organic food, cheap electricity, or affordable housing, financial services or health insurance. For example, groups of farmers and consumers have increased access to inexpensive local and organic food by opening co-op food stores in their communities.

The concept of cooperatives is based on the premise of competition versus relationship. Literature explains that the difference between the relationships based on competition and one based on cooperation, built upon mutual interest to support each other and interact without restraints, and is so strong that the relationships built between cooperating firms are even visible to the outsiders. It may find meaning amongst the small and medium sized firms which commonly lack resources (Holmlund & Kock, 2007) and need consequently to cooperate with each other. These relationships are built on a distribution of activities and resources among actors embedded in the same business network. On the other hand competing relationships are conflicting, as the benefits for the involved actors usually cannot be fulfilled simultaneously, the need therefore arises for a balanced network of Hotels, Locals and the destination. Studies that have directly dealt with relationships between competitors are (Cunningham & culligan, 1988), (Easton & Arango, 1992), (Bengtsson & Kock, 1999,2000), (Chetty & Wilson, 2003), (Hamalainen & Tickstrom, 2003), (Powell et al., 1996), stress that companies in different industries are involved in a wide range of cooperation activities from every step in the production process to R&D and distribution. A firm in a business network can have at least five different roles: buyer, seller, competitor, collaborative partner, and complementary actor. The activities performed in the relationship between two actors can enable or force the actors to simultaneously take on these roles.

There is a demand for cooperation, as the actors must create long-term relationships based on a mutual interest and adaptations in order to know what the interacting partner is capable of doing (Kanter, 1994). To win in the market, hotels need to differentiate themselves by providing services that afford a competitive advantage. At the same time for destinations which are not developed and do have the potential of becoming the world class heritage site can be developed through cooperation and collective efforts. It has already been discussed in throughout this paper that tourism brings with itself lots of business opportunities for a



destination. This enables the locals and the organized bodies like hotels to derive sustainable business opportunities.

## **6. Co-Operative Model and Value Creation**

Cooperative models have used all over the world for over a century. Beginning in the 1860's, consumer societies were established across the Russian Empire. In 1897 there were only 307, but the number was beginning to grow more quickly. In 1905, 948 were counted, and by January 1914 there were approximately 10,080. During the First World War the consumer cooperative movement grew dramatically as the private system of food distribution disintegrated. By the end of 1917 the total number of consumer cooperatives in Russia had reached an estimated 35,000 and the total membership 11,550,000. This was approximately 8.2 % of the population of the Russian Empire. (Salzman & F, 1982) Cooperatively breeding animals, in which adults help rear offspring that are not their own, have long been the focus of research aimed at understanding the evolution of cooperation and altruism in UK. (Cant & Jeremy, 2001)

The report on Industrial and Agricultural Cooperative Societies in the United Kingdom reviewed British cooperative movements to 1899 (Wayman & Sons Ltd, 1912) and "revises and extends" the Report on Workmen's Cooperative Societies in the United Kingdom issued by the Labour Department in 1901. Studies reveal that many cooperative animal societies have worked in Africa successfully in the area of Cooperative breeding. (Spottiswoode, 2008) Consumer cooperative societies have worked in Russia with reasonable success.

Cooperatives, along their history, have proved to build a type of economy with the following characteristics, each of which is in stark contrast with those that have brought about the economic crisis. It is based on needs that are basic and permanent (such as employment, production, consumption, of basic goods, saving and borrowing, housing, etc. It is based on ordinary citizens and is rooted in the local community and does not delocalize. It is not for sale and thus not dependent upon the ups and downs of the shareholders' market. It is also based on democratic control by members-owners, with accountability and cross checks. Further, it plays a strong stabilizing role on the markets, and the more so when cooperatives make up a strong proportion of the economy in a given sector (example- 60% of the banking market in France, 90% of the agricultural market in Netherlands).

## **7. Cooperative Society for Destination Marketing-Jharkhand**

Flora suggests leaders should ask themselves: ‘‘have they increased the skills, knowledge and ability of the residents; have they strengthened relationships and communication within the community; have they improved community initiative, responsibility and adaptability; have they promoted sustainable, healthy ecosystems with many community benefits; and have they promoted a diversified and healthy economy?’’ In the earlier part of this paper it was



sited that Jharkhand is very similar to the poor countries of Africa, one of them being Mozambique. The capital city of Mozambique that is Maputo gave a platform to tourism as a driver for economic development and poverty alleviation. (Vignati & Laumans, 2010) In the similar way Jharkhand's Heritage sites can find opportunities in the value chain, study brings out the areas in which they can participate.

## **8. Need for Hotels & Cooperative Societies of Locals- Jharkhand**

Existing literature explains that hotels are good partners of local business. The cooperation between hotels and local business may make the development process of a destination faster. There may be decentralization and sharing power in all activities with all sister members of the institution as the owners and all profit or loss is shared. Only they have the authority to decide the manner in which profit or loss should be apportioned among them. It is driven by values, works on the principles of shared destiny and values people. A firm is an organizational arrangement often involved in inter-organizational networks. Inter organizational networks are outcomes of cooperative exchanges between individuals involved in relationships between firms. (Blau, 1964) Tourism firms in networks rely on other organization activities and future plans, and therefore develop cooperative strategies and inter-dependencies that involve sharing resources, decisions, operations and social activities. (Medina & Falcon, 2000) This network created through hotel industry might influence local economic construction to some extent. When customers interact in such business model their consuming experiences will unavoidably come from perspective of the whole business network. In order to derive advantage hotels and local businesses have to supervise each other. The more success the network will achieve, the more it will influence the local economic constructions.

The benefits with cooperation relate to development, but the reason for cooperation is rather the access to resources than a driving-force or pressure to develop. (Bengtsson & Kock, 2000) State that by cooperation a company can gain time, competence, market knowledge, reputation, and other resources of importance for its business. The creation of new products can also be more cost efficiently as the involved actors contribute with their core competences. Extended, this means that actors can stay within their core business and still offer a wider range of problem solutions to their buyers or end customers than a single company can.

## **9. Cooperative Success in India: An Attempt to Understand the Success Factor Involved In 'Amul' and 'Lijjat Papadh'**

Cooperatives in India assumed a great significance in poverty removal and faster socio economic growth. There has been a substantial growth of this sector in diverse areas of the economy during the past few decades. The number of all types of cooperatives increased from



1.81 lakh in 1950-51 to 4.53 lakh in 1996-97. (Concern Infotech Pvt. Ltd., 2014) They have been operating in various areas of the economy such as credit, production, processing, marketing, input distribution, housing, dairying and textiles. In some of the areas of their activities like dairying, urban banking and housing, sugar and handlooms, the cooperatives have achieved success to an extent but service sector in India is still either untouched with this set up or observes less participation. The major constraints identified by the authors include the lack of professionalism in management; lack of performance-based reward systems; and internal work culture and environment not congenial to the growth and development of co-operatives as a business enterprise. It has been an important topic for the policy makers that how to professionalize the management of cooperatives, so that they can compete with the private enterprises. In the absence of professional management, money, manpower and material resources get wasted.

The concept of co-operative Credit was implemented in rural India during 1975-77 with success (Jain & Mittal, 1990). Social and political factors in the functioning of co-operatives have been studied at the village-level in Assam for the years 1982-83 to 1986-87. (Dutta & Mittal, 1991)

Two classic examples of cooperatives in the product sector in India— *AMUL* and *Lijjat Papadh* offer important directions to the immense possibilities that could be explored and harnessed to strengthen the economic condition of people at the lower economic strata of society. *AMUL*, a dairy cooperative in western India has developed a successful model for doing business in large emerging economy and has become world's largest producer of milk, through its innovative practices.

The following are some key message from *AMUL*'s success: firms in these environments need to simultaneously develop markets and suppliers to synchronize demand and supply planning, develop or become a part of network of producers (i.e., cooperatives in this case) to obtain scale economies, focus on operational effectiveness to achieve cost leadership to enable low price strategy. In addition, a central focus to bring the diverse element together and a long-term approach are required.

To overcome exploitative trade practices followed by the local trade cartel, the cooperative movement started in 1946 in Anand, a small town in the state of Gujarat in western India, wherein the farmers of the district decided to get rid of middlemen and form their own co-operative, which would have procurement, processing and marketing under their control. This co-operative, the Kaira District Co-operative Milk Producers Union Ltd. began with just two village dairy co-operative societies and 247 litres of milk and is today better known as Amul Dairy. Amul grew from strength to strength and is one of the largest cooperatives of India.



The success of Amul could be attributed to four important factors. The farmers owned the dairy, their elected representatives managed the village societies and the district union, they employed professionals to operate the dairy and manage its business. Most importantly, the co-operatives were sensitive to the needs of farmers and responsive to their demands.

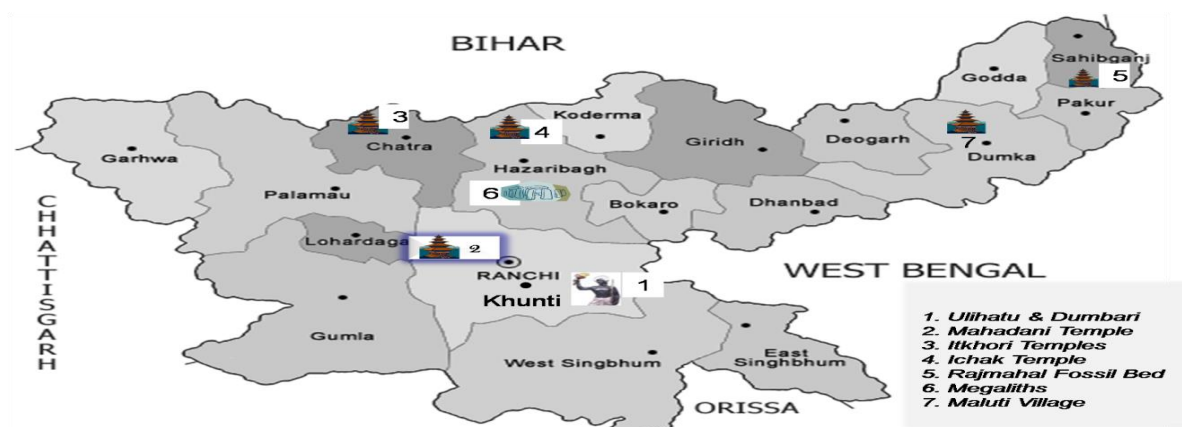
The story of *Shri Mahila Griha Udyog Lijjat Papad* which is more than just a household name for 'papad' (India's most popular crispy bread) reinforces the immense potential that cooperatives have. Started with a modest loan of Rs 80, the cooperative now has annual sales exceeding Rs 301 crore (Rs 3.1 billion). Hinging on its striking simplicity, *Lijjat Papad* owes it's the stupendous success to basic tenets of honesty, simplicity and perseverance. Its success rests on the foundations of its simple recruitment process, adherence to institution's values and respect for quality and cleanliness. It also draws strength from its extensive and efficient distribution network and stress on financially sound distributors, focus on exports of 30 per cent to 35 per cent of the production mainly to western countries like the United States, the United Kingdom, the Middle East, Singapore, Hong Kong and Holland and distributing profits with mutual consensus irrespective of who does what work, irrespective of seniority or responsibility.

## 10. Observations Made: Discussions with People and Published Articles and Interview

About the destinations: The map framed below, shows the locations of the sample destinations, from which people may form cooperative societies and create opportunities for themselves to help build a model of self sustained village.

On the basis of the discussions dated May 20<sup>th</sup>, 2014 with the then acting Chief Secretary of Jharkhand as well as the Block Development Officer of 'Arki' Block, several concerns were observed related to the tribal population of those places. The issue poses important challenges of alleviating the living conditions of the rural masses, most of who are living in rural India.

Figure 3: Jharkhand Map and sample destinations





It was needed to explore the possibility whether tourism can offer growth potential for the rural masses and can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of rural tourism could be helpful for a country like India, where almost 74% of the population resides in its 7 million villages. In a world where the trends of industrialization and development have had an urban centric approach and the stresses of urban lifestyles have led to a “counter-urbanization” syndrome, there is a growing interest in the rural areas. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle. This concept has taken the shape of a formal kind of rural tourism. Some of the destinations like Ulihatu and Dumbari are highly underdeveloped and the locals are too far from the awareness of a developed world. They still live a life of primitive era, feed themselves by hunting and consuming forest products and are totally dependent on the natural resources for earning their livelihoods. Skills like Basket Weaving, Iron smelting, Dokra Art of making handicrafts are traditionally present in the people. The tourists may have the privilege of witnessing cultures and the ways of life more ancient than we can imagine.

Scope of developing it as a tourist spot is there because of its relatedness with the well known Freedom Fighter- Birsa Munda who had compelled the Britishers for promulgation of the Chhotanagpur Tenancy Act 1908, invoked the tribals to take pride of their ancestor's patriotism and to maintain their cultural ethos.

Similarly, discussions made with the Geologist, Dr. Nitish Priyadarshi, suggest that, the destinations like Chatra District offers a rare glimpse of Hindu, Jain and Buddhist deities at one place. Itkhori temple Complex, Ichak Temples, Megaliths, Rajmahal Fossil Beds, Maluti Vilage and Mahadani temple have immense potential to develop and market the heritage sites if locals of the areas are involved.

However, need for the involvement of an organised sector like hotel industry, was highly expressed. Involvement of the hotels in the cooperative society is also justified for the reason that the hotel industry is continuously facing the crunch of revenue because till now Jharkhand has not been positioned well as a ‘safe tourist destination’. Moreover most of the hotels find less opportunity to host tourists as their guests. In an interview, published in ‘The Telegraph’ on April 25, 2005, Ranjit Chaudhury, a member of the Hotel and Catering International Management Association, a hospitality forum in England, states that in his experience the state has everything except beaches and snow peaks. Yet, hotels here are surviving, or depending, on business tourists. Almost 98 per cent of the tourists who stay in the hotels here come for business purposes.



A model framed out of the destination value chain, has been proposed subsequently in this paper, to express how hotels may involve with tribal population and rural regions to create value.

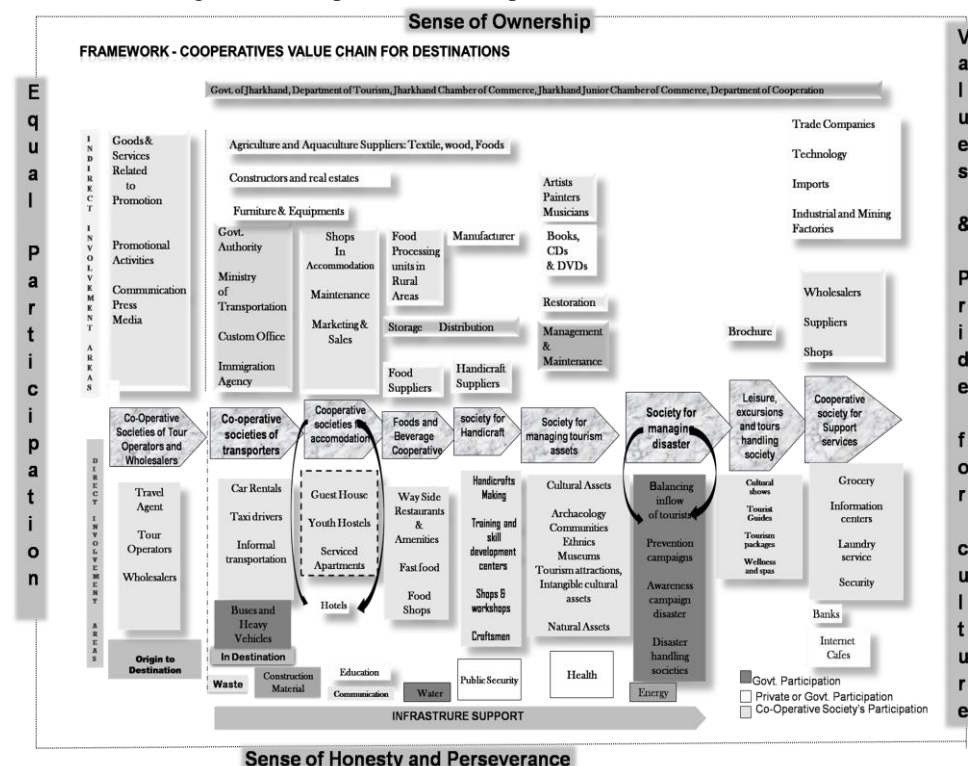
## 11. Model Proposition- Co-Operative Value Chain for Destination Marketing in Jharkhand

In the below representation of value chain, a combined effort of cooperative societies of locals, private enterprises and Government has been depicted. However, an emphasis has been given that most of the resources are pooled and managed by the cooperative societies of locals formed at various levels for the value chain.

The dotted lines running across the model, shows the application of the success factors of AMUL and Lijjat Papadhb imbibed in the activities of the cooperatives. At the same time, dashed lines, surrounding the Cooperative society of accommodation, suggest the framework for hotels' participation in the cooperative societies as a value creator.

It may be observed from this model that at every level, the actors contributing for destination value chain have formed their own co-operatives which may create an equal participation opportunity for the individual actors. Moreover, identifying, accessing and managing the resources may become less complicated through this framework. An attempt has been made to show the interdependencies amongst all the co-operatives and hence the destination value chain may cite a model of 'Co-Operatives of Co-operative societies similar to the model of AMUL.

Figure 4: Co-Operative of Co-operatives model: Destination Value Chain





### 13. Model Proposition- Hotels and Cooperative Societies as a Value Creator in Destination Marketing of Jharkhand

It was inferred, while having a detailed conversation with the Assistant Director, Department of Hospitality and Tourism- Jharkhand, except few places like Ranchi, Hazaribagh, Deoghar, Jamshepur and Dhanbad, the department lacks proper records related to the accommodation facilities in these areas. It may be because of the lack of an organized framework or lesser availabilities of accommodation facilities.

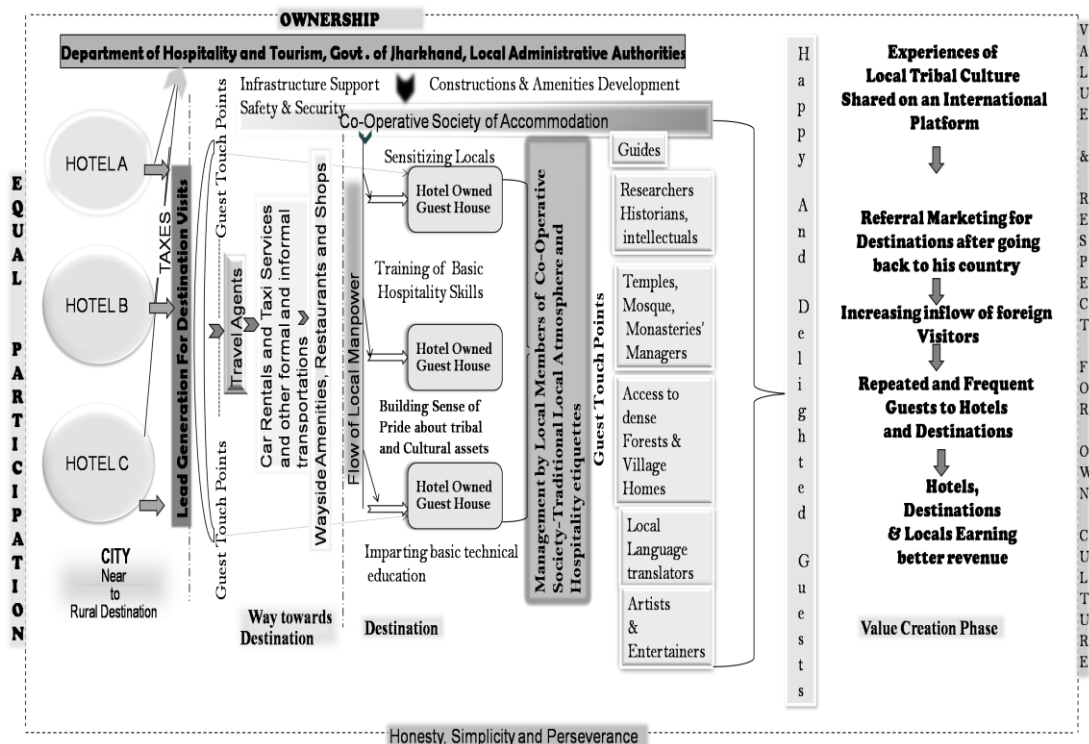
In a well networked framework, local cooperatives playing different roles in destination value chain may be benefitted, if hotels open up their guest houses in remote areas. It is evident from the literature that least number of hospitality professionals wish to work in the guest houses of remote/rural areas. However, if these professionals cooperate to impart basic skills of hospitality etiquettes and technical knowledge amongst the locals, the foreign travelers will be happy to pay money for experiencing remote Indian culture.

A simple model has been suggested through this research paper by which Hotels and Cooperatives may add value to the destination marketing of Jharkhand.

The Government of Jharkhand and its Department of Hospitality & Tourism and also the Department of Co-Operation may participate in building basic infrastructural facilities and facilitating the Co-operative Societies of Accommodation with some essential resources like electricity and water supply. Hotels may participate by constructing its guest houses in the remote areas or helping the locals in imparting basic skills for managing the village homes.

As value, happiness and delight get added to the experiences of the tourists.

Figure 5: Hotels and Cooperatives as value creator 1





### **13. Conclusion**

With the help of the model of co-operatives, an atmosphere of warmth and welcome for the tourists may be created. With what India has been branding her tourism & Hospitality sector, is the attitude of 'Atithi Devo Bhav' i.e, Guests should be welcomed as GOD in this country. Hotels' professionals if able to create this attitude amongst the tribes and locals, with the help of Co-operative societies, international tourists may get to experience new tourist spots of India, especially Jharkhand.

The value created through this framework is a happy and overwhelmed tourist who may on going back to his country share his wonderful experiences with Jharkhand's tribes, temples, mosques, monasteries, wildlife and natural ambience. This will generate awareness about Jharkhand as a good tourist destination, globally. Hotels eventually will be getting to host more number of tourists and hence they will be able to improve their revenues, without neglecting the local cultural aesthetic values, ethnic culture and traditions of the tribal population.

Further studies may be done to expand this model to include various other forms of tourism which Jharkhand may offer like Mining tourism, Adventure tourism and research based tourism. Further, finding out more ways by which hotels can create value to the destination, in association with the local population.

Further works may be done for finding out relevant marketing and promotional campaigns which the Co-operatives may perform for attracting more number of foreign travelers.

### **14. Implications for Business Marketing Practice**

Emerging marketing trends rest on holistic marketing decisions of developing strategies that are best for the long-term growth of all involved and hence, takes into account the values, ethics, passions and concerns of the people involved in the company, as well as the goods or services, to determine a strategy to extend the best experiencing to the end user. Destination marketing strategy also should be crafted without alienating local population. The learning curve and current business marketing challenge is thus to find ways in which people and communities develop institutions that enable to imagine themselves as connected to larger and larger orders of activity. Existing literature explains that destination marketing involves several types of activities for adding value to the guests' experience, as satisfied visitors are the best marketing "tool" a destination can have: not only because of the repeat business it will bring, but also because personal recommendations are extraordinarily powerful for both leisure and business tourism.

For a highly fragmented tourism industry, there must be a framework within which each stakeholder contributes for the value creation. Scholars from around the world have



expressed the need of building strong networks amongst different participants, ranging from one-person selling home-made souvenirs or offering guided tours, to large- privately owned to produce excellent tourism oriented goods and services.

The above research paper hence, suggests a probable model through which, local cultural resources i.e., tangible and intangible heritage including traditional knowledge and skills, as well as music, dance, theatre and festivals, may altogether develop sustainable creative economies, open up opportunities to youth, and help strengthen identity and social cohesion. Promoting creativity for and among tribal and harnessing young people's creative potential and energy therefore needs to be a priority in finding creative solutions to today's marketing challenges.

During the global financial crisis in 2007-2008, where on one hand, the devastating effects that the private sector and even the state sector faced, the cooperatives exhibited tremendous resilience and stability thus drawing greater attention as a form of business enterprise. The paper presents a relook at the role of cooperatives and exploring the new dimensions for this type of framework in service sector also. The importance of co-operative model in tourism industry, especially for South-East Asian countries lies in the fact that international tourists are much curious to explore the large tracts of virgin land, various indigenous tribal cultures and wilderness, which these countries still offers, contrary to western countries of the world. Moreover, few today are aware that cooperatives offer 100 million jobs, self-employment, indirect and induced employment, which are 20% more than multinational corporations. As compared to the capitalistic model, where people are treated just as another input (e.g. Human resource) and the whole purpose of business becomes the generation of return on investment, co-operatives, on the other hand, sets limits on interest and instead ploughs profits back in the business and pays dividend payments to members and is characterized by a business model which responds to the needs of all stakeholders; employees, customers, suppliers. This paper has tried to combine the activities of destination marketing with the framework of cooperative societies, which may strongly be required as a business practice in the poorest states of South East Asia for their socio-economic development.

The work may open up further research for the management of cooperatives and leveraging its core values for the destination marketing practices which may increase co-operation from family to community to regional to national levels and eventually to international level.

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