EVALUATING THE PERFORMANCE OF INDEX CORE COMPONENTS FOR
TOURISM DESTINATION BENCHMARKING: THE CASE OF
INTERNATIONAL TOURISM IN KERALA

A Synopsis

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1. Introduction

Tourism becomes a generic industry in almost all countries of the world. An important indicator of international tourism development is its generation of foreign exchange earnings, employment generation and socio cultural reformation. Tourism is one of the top five export business for 83 percent countries of the world and is a main industry for foreign exchange earnings for 38 percent countries of the world. Now a days changing customer needs and increasing supply of consumer goods and services became very crucial for the stakeholders to be different from their competitors to survive and keep their products and services competitive in the consumer. In many cases quality becomes concerns that overrule the price. In tourism industry, tourism product is the amalgam of products and services, and the benefits of tourism have a multiplier effect as the industry have many beneficiaries such as tourists, government, destination communities etc. Destination performance evaluation has become an increasingly important task for effective destination management which further helps to benchmark the destination and the competency of the destination can be determined through performance evaluation outcome.

Benchmarking has been given many different definitions, however all definitions are based on the fundamental concept of “quality”. Benchmarking tourist destination is the search for one destination’s performance that leads to providing superior products and services to the tourists. Classification of benchmarking consists of (a) internal benchmarking (evaluating own performance), (b) external benchmarking (own to another), (c) generic benchmarking (own performance with best practices in the industry), (d) competitive benchmarking (own performance with direct competitors) (e)
functional benchmarking (own performance with best business operation in the similar field), (f) relationship benchmarking (own performance to others with a benchmarking agreement). However, internal benchmarking is the pre-requisite for all other types of benchmarking, ie. without internal benchmarking external, generic, competitive and other benchmarking is impossible. Therefore, in order to be competitive internally and externally, internal destination benchmarking is vital for any tourist destination to keep their position competitive. In a nutshell, internal benchmarking diagnose the various performance evaluation indices on their function in a tourist destination and necessary action can be taken for weak performing indices to improve their function, and hence ultimate market leadership can be achieved in destination development.

In order to perform destination performance evaluation, major tourism index core components must be considered for measurement. The core component identification is based on the influence of a specific sector and components of tourism that significantly influence the development of tourism in a destination with direct or indirect contribution to customer satisfaction, community satisfaction, national development and sustainability. The four major core components of destination performance evaluation are

1. **Tourist Satisfaction Index (TSI):** The experiences of the tourist are intangible in nature. Tourism sells excitement, and unknown experience and sense of discovery. Due to this nature, it is critical to evaluate tourist satisfaction level. In doing so baseline information can be achieved and decision makers can better identify the needs of the potential visitor market.

2. **Community Impact Assessment (CIA):** Benefits and cost of the tourism development must be carefully evaluated in tourist destination development. It is
important to recognize that tourism industry is depend on community satisfaction and therefore it essential to consider community benefit of tourism development.

3. **Stakeholders Perspectives**: As a front-liner, tour operators play an important role in destination image development. The product and services such as tour brochure, experience during pre-trip, on-site and post-trip experience are the service reflection of tour operators and associated services.

4. **Management Action**: Managerial action represents the contribution of tourism for destinations and country’s socio economic goals. Tourism policy is the tool used by the public sectors to regulate tourism industry in a sustainable manner. The policy thrust areas, implementation effectiveness are important to ascertain the direction of tourism development.

5. **Resource Distribution**: The competitive advantage of the tourist destination is its resource strength and its metamorphosis based on the changing demand and sustainability concerns. A competitive destination must keep their resources valuable, rare, imperfectly imitable and non-substitutable.
2. Conceptual Framework

Based on the identified core components the conceptual frameworks of the study are as follows;

2.1. Tourist Satisfaction Index (TSI)

2.1.1. Framework and Hypothesis

2.1.1.1. Constructs


d. Cognitive Dissonance Scale (CDS) Measuring the combination of favorable and unfavorable experience at the tourist destination
2.2. Community Impact Assessment (CIA)

2.2.1. Framework and Hypothesis

2.2.1.1 Constructs

d. Social Services (SS): Measuring community perception on the benefits and cost of social services due to tourism development.
e. Economic Condition (EC): Measuring community perception on economic costs and benefit of tourism development.
g. All the constructs are measured using overall cost and benefit of tourism development in the destination community.

2.3. Stakeholders Perspectives

a. Issues of tour operation: Major internal constrains of successful tour operation
b. Comparative benefits and profits: Major internal issues reduce or increase to the benefits of and profits of the business.
c. Support of public sector: Tour operators perception on public support
d. Manpower: Availability of qualified manpower for running the tourism business effectively.
e. Prospects of tourism business: Perception on the future prosperity of tourism business in Kerala based on the current situation.
f. Tour operator’s recommendation: Recommendation of tour operators on the various aspects of destination development.
g. Synergy between supply chains: the smooth collaboration effectiveness based on tour operators perspectives.

2.4. Managerial Action (Tourism Policy)

a. Public sectors addressed well on the unemployment issues through tourism in Kerala in the past years.
b. Public sectors initiatives in improving quality visitor experience in the past years
c. Public sectors initiatives in improving basic infrastructure at tourist destination
d. Public sectors initiatives in effective waste management and cleanliness in tourist destination.
e. Public sectors initiatives in offering unique experience in Kerala tourism (House Boats and Ayurveda) in the past years.
f. Public sectors initiatives in facilitation on arrival (Immigration, customs, convenient transfers etc.) in the past years.

g. Public sectors initiatives in providing memorable tourist experience in the past years.

h. Public sectors initiatives in marketing and promotion of tourism in the past years

i. Public sectors initiatives in improving the quality of accommodation and stay in the past years

j. Public sectors initiatives in tourist safety and security in the past few years.

k. Public sectors initiatives in developing environmental friendly tourism in the past years.

l. Public sectors initiatives in quality control of tourism related business/ sectors.

m. Public sectors initiatives on new tourism product development and infrastructure development in the past years.

Kerala tourism has recently published the tourism policy 2012. A short survey has been conducted on the confidence of the implementation of policy by extracting the thrust areas.
3. Destination Performance Evaluation Model for Destination Benchmarking

Tourist Satisfaction Index (TSI)

Community Impact Assessment (CIA)

Tour Operators Perception

Management Action (Tourism Policy)

CESS  CPSS  CSSS  CDS

CE  SI

SIM  SS  EC

Destination Performance

Initiatives  Confidence

Thrust Areas  Effectiveness
4. Geographical Areas of the Study

4.1. Kerala Tourism

Kerala Tourism is comparatively new and has high attention in the global tourism market with a good brand name comparing to the similar types of tourist destinations in the world. For a small strip of land, Kerala’s achievements in the tourism industry are plenty. Kerala tourism has received 61 international and national awards in the past 10 years for its unique performance. Kerala tourism resources are unique, Kerala is known for its natural diversity, Ayurveda (Kerala is the only place in the world where Ayurveda, the ancient form of science and holistic system of medicine traditionally practiced). Performing arts of Kerala is unique and reflecting the living culture of Kerala. Backwaters unified with traditional boat house as unique accommodation is rarer to the rare in Kerala. Gradually Kerala become an icon for its Gastronomy, foods are distinctive as its cultural life with distinctive aroma of spices. In Kerala, service sector including tourism contributes 63.8 percent states wide GDP and 17.2 percent states wide GDP is contributed by agriculture sector. Foreign tourist arrival in Kerala in the year 2011 is 732985 with a variation of 8.9 percent increase compare to the year 2010. Domestic tourist arrival in 2011 was 9381445 with a variation of 11.18 percent increase compare to the year 2010. Tourism in Kerala is the livelihood for 700,000 people this is approximately 6.2 percent of the total employment and generates revenue of about Rupees 40,000 million. All these reason, Kerala has been selected as the destination to conduct the study based on the developed conceptual framework.
5. **Period of Study**

The study has been conducted in 2 year period, most recent achievements and issues of Kerala tourism are identified until to date. As far as the closing period of study is concerned, it successfully delves into the current status of tourism industry based on the performance core components identified in the research framework. Hence, it can be safely surmised that the concluding period of study ends with June 2012.

6. **Objectives of the Study**

The current research aims to develop a destination performance evaluation model and to test the model in Kerala tourism. To portray these two areas, this research work focuses on the following objectives

**6.1. General Objectives**

a. To develop a new destination performance evaluation model for destination benchmarking.

b. To examine the influence of Tourist Satisfaction for destination performance evaluation for internal destination benchmarking.

c. To examine the influence of Community Impact for destination performance evaluation for internal destination benchmarking.

d. To examine the Tour Operators perception on tourism development for destination performance for internal destination benchmarking.

e. To examine the tourism policy implementation effectiveness for destination performance evaluation for internal destination benchmarking.

f. To examine the synergy among the index core components for tourist destination performance evaluation.
6.2. Specific Objectives

1. To examine the relationship between emotional satisfaction and tourist experience

2. To examine the relationship between cognitive product satisfaction and tourist experience

3. To examine the relationship between cognitive service satisfaction and tourist experience

4. To examine the relationship between cognitive dissonance and tourist satisfaction

5. To examine the relationship between conservation and preservation effort for tourist destination and destination community satisfaction

6. To examine the relationship between social image and destination community satisfaction

7. To examine the relationship between social services and destination community satisfaction

8. To examine the relationship between Economic condition and destination community satisfaction

9. To examine the relationship between social issues and destination community satisfaction

10. To examine the relationship between Tourist Experience and community satisfaction

11. To examine the relationship between tourism policy initiatives and implementation effectiveness

12. To examine the tour operators view on tourism development in Kerala

13. To illustrate a comprehensive destination performance evaluation model
7. Chapterization

The thesis is divided into six chapters

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Kerala Tourism

Chapter 4: Research Design and Methods

Chapter 5: Data Analysis

Chapter 6: Findings and Conclusions

7.1. Chapter 1: Introduction

This chapter narrates background of the study, problem statement, research objectives, scope of the study, limitations of the study, organization of the thesis and summery.

7.2. Chapter 2: Review of Literature

This chapter examines in-depth literature review of the core components and constructs of the research such as tourist destination, benchmarking, tourist satisfaction, community impact, tourism policy and stakeholders.

7.3. Chapter 3: Kerala Tourism

This chapter narrates the major information on Kerala tourism required to conduct the study such as Kerala State an overview, drivers of Kerala economy, Kerala model of
development, International tourism trend, geographical distribution of tourism, tourism’s contribution to Kerala GDP, Kerala tourism an international brand, position of Kerala tourism industry, analysis of resource distribution, the niche products, impact of tourism in Kerala, Kerala tourism and vision 2025.

7.4. Chapter 4: Methodology

This chapter consists of construct development for core components such as benchmarking, tourist satisfaction, community impact assessment, tourism policy, and tour operators. This chapter also elaborates conceptual framework and hypothesis, research question and data collection.

7.5. Chapter 5: Data Analysis

This chapter explains the analysis of data using AMOS, descriptive statistics, t-test, confirmatory factor analysis using Structural Equation Modeling for the data for both Tourist Satisfaction Index and Community Impact Assessment and for the qualitative data analysis using content analysis technique also described in the chapter.

7.6. Chapter 6: Findings and Conclusion

This chapter describes study objectives, hypothesis and propositions, summery of the findings, discussion, recommendations and conclusions.

8. Sources of the Study

The study consists of innumerable primary and secondary sources.
8.1. **Primary Sources**: Samples collected using structured questioners distributed in three most popular tourist districts of Kerala such as Cochin, Thiruvananthapuram and Alappuzha during the peak season (December – January 2010). A total 530 questionnaire distributed for Tourism Satisfaction Index (TSI) and 445 usable questionnaire used for analyzing the data. In the case of Community Impact Assessment (CIA) a total of 310 questionnaire distributed in the same districts and 295 usable questionnaire used for data analysis.

Interviewing technique was mainly used for tour operator’s initiatives by conducting 12 tour operators in the senior management position from the Ernakulum district using open ended questions.

8.2. **Secondary sources**: Research papers from reputed journals such as Annals of tourism research, Journal of hospitality and tourism research, Journal of vacation marketing, Benchmarking: An international journal, The researcher, European journal of tourism research, Journal of quality assurance in hospitality and tourism, Journal of urban studies, Journal of travel research, Managing service quality, Journal of alternative perspectives in social sciences used to conduct the study. Kerala tourism policy documents, report and statistics from the Kerala government statistics division, brochures, folders and CD ROM from Department of Tourism State Government of Kerala has been used for destination information. Printed books by both national and international publishers, and enormous websites also used to gather information to complete the research.
9. Methodology

The research adopted a mix of quantitative and qualitative techniques to conduct the study. AMOS (Analysis of Moment Structure) software used to analyze the data. Descriptive statistics (to describe the nature of data), Pearson correlation coefficient (for variable and construct relationship), t-test (test the expectation and perceived performance) and Confirmatory Factor Analysis (for model fit using Goodness of Fit Index (GFI) using structural equation modeling). Content analysis method used to analysis the qualitative data.

10. Scope of the Study

Tourism industry plays an important role in Kerala economy. Tourism industry in Kerala has a phenomenal growth in the past 10 years and eventually started significant contribution to the state GDP, employment generation, and local economic development. Kerala tourism is sensitive to culture and environment. Since Kerala tourism has got international attention, there is a significant growth expected in the coming years. Destination performance evaluation helps to develop tourism in the most sustainable manner; therefore Tourism will continuously contribute to the state economy and community economic development. Kerala phenomena is one of the rarest type of economy system found in Kerala, which describes low per-capita with higher standard of living. This is due to the peculiar nature of the state. Economic development due to tourism will help to increase the Human Development of Kerala (HDI), destination performance evaluation is important to monitor this growth. Kerala tourism is a good example for the initiatives of the involvement of multidisciplinary sectors and therefore
the extradisciplinary benefits in the whole state. Destination performance evaluation significantly contributes to identify weak performing indices and take necessary action to improve for acquiring wider benefits from tourism development.

_A new model for destination performance evaluation:_ The proposed model is new and can be used for destination performance evaluation for any similar type of tourist destinations.

**Internal benchmarking and external benchmarking:** The result of the study can be further used to conduct external/generic and competitive benchmarking.

**Tourism policy makers and planners:** The result of the study will help the policy makers and tourism planners for the assessment of effectiveness of policy implementation and corrective actions can be taken to improve the policy implementation in Kerala.

11. **Limitations of the study**

Though this study covers the development of a tool for destination performance evaluation and tested the model in Kerala Tourism, a better result of the model can be obtained if using large number of samples from all over the state. However, this need a long time frame for better accuracy. There was a limited access to major government offices to gather information.
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