



## THE ROLE OF HOST COMMUNITY IN TOURIST SERVICE

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### ABSTRACT

*The aim of this paper is to review the link that exists between host community and the methods for enhancing tourism experience. The participation and involvement of the local community in providing and administering the tourist services, would be mutually beneficial to both, the tourists and the host community. The former would get customized personal services and the later would be the economic beneficiary from tourist spending. So far, the potential of small and medium tourism enterprises (SMTEs) has been recognized as a copartner in handling the local tourism besides the monoliths of government organizations. The role of the family business still remains to be appreciated in destination competitiveness. The profitability and risk of Tourism Entrepreneurship should always have linkage with the creativity and innovativeness of the local community.*

### Introduction

The process of entrepreneurship has its foundation in person, intuition and society and culture. (Morrison et al., 2005). The fundamental nature of the application of innovative processes and acceptance of a risk bearing about change of both a social and economic nature with a possible positive outcome. Entrepreneurial participation in the tourism industry can provide benefit to the host community by means of economic and regional development. Tourism is also one of the fastest growing industries it is very likely that tourism is going to play an important role in rural development. Hence we can summarize that the path taken to entrepreneurial venture may be in response to a sudden situation or may be the opportunity being available in the market.

## **Economic Development & Tourism**

India's service sector has emerged as the most potential contributor to the GDP of the country. It has grown from 43.69 per cent in 1990-91 to 51.16 per cent in 1998-99. The latest Economic Survey 2006-07 as published by the Ministry of Finance, Government of India states that the service sector contribution is over 55% of the GDP.

The Local community would venture into playing host to the guests provided the activity would offer them any pecuniary benefits. (Cooper et al, 2005, Page 152) underscored this well when he stated that "In spite of the many altruistic and well meaning reasons put forward to support the case for tourism development, it is the economic advantages that provide the main driving force for tourism development ."

A recent study (Nel & Humphreys, 1999) on the local economic development in South Africa has attracted considerable policy attention and the role of tourism is one of the lead sectors. The main aim is to promote the area's tourism products and also to ensure that the local community benefits in the process through its entrepreneurial venture.

Service sector includes Hotels and Restaurants, Transport including tourist assistance activities as well as activities of travel agencies and tour operators ,Storage and communication, Banking and insurance, Real estate and ownership of dwellings, Business services including accounting; software development; data processing services; business and management consultancy; architectural, engineering and other technical consultancy; advertisement and other business services, Public administration and defence, Other services including education, medical and health, religious and other community services, legal services, recreation and entertainment services, Personal services and activities of extra-territorial organizations and bodies but the share of Travel & Tourism is quite less. Modern societies are driven by the passion of economic development and it depends on the enterprising character of the people and the government policies. Every society has a SWOT perspective of its Strengths and Opportunities and creative people seize the opportunity floating in the environment and couple them with their natural or acquired strengths. An economic effect of tourism on a nation includes increase in foreign currency earnings for the government and increase in employment for the host community. This creates synergy and helps in driving the economic activities on the progress path.

According to WTTC India is projected to have the second fastest growing tourism sector of any country in the world over the next 10 years and hence for further enhancement in this share there needs a very clear perspective of Tourism Development to involve all the related component of society who might have even remotest stake in this initiative in this behalf has have to come from the government. In the new era of booming economies of the world, the service sector comes to occupy a dominant role with scores of its cross sub sectoral activity area. Governments will have to perform twin role to promote and support on one hand and regulate the standards of business on the other. The government's intervention in tourism planning is of utmost importance. The nature and scope of such intervention differs from one country to another but the one common denominator is that tourism cannot be left entirely to the initiative of the private sector.

### **Role of Host Community & Entrepreneurship**

Once a well thought macro man has been developed the most critical of the ideas that should go into the action plan is participation of the local community in drawing up the micro level operative activities to translate the perspective plan into action with an emphasis on their role determination as the host community. This is a new concept that is coming up and it separates it from conventional trading and administrative approach, found in many locales. Political support would be from the government to organize the tourism destination and products for decency, safety and security to attract the tourist attention.

Hospitality is the second largest component in the service sector after Information Technology. Hospitality comprises Travel & Tourism, Airlines, Cruises, Adventure Sports, Car Rentals, BPO's, Time Share Industry, Mass media, entertainment and Journalism etc. Of all these Tourism happens to be the most important considering India's strength as a multi dimensional tourism destination if the same needs to be properly organized and promoted for tourist attention and the business model should evolve at local level. The profitability and risk should always have linkage with the creativity and innovativeness of the local community. This aspect of tourism is called "**Tourism Entrepreneurship**".

Medlik (1996:94) argues that an entrepreneur is a person who undertakes an enterprise, makes decisions on and controls its conduct, and bears the risk.

Planning of community welfare, is bound to lie in the domain of the state, whatever the economic system a country adopts. In the case of tourism development, the macro tourism plan may be developed by the government, but the most critical of the ideas that should go into the action plan is participation of the local community in drawing up the micro level operative activities, to translate the perspective plan into action with an emphasis on the host community.

Entrepreneurship so far has been a prominent area in tourism research. Kuve & Swailu (1989) have done case-specific work on the Solomon Islands and Fiji. Their work provides an insight into understanding the relationship between entrepreneurs and tourism. It also brings to the fore the critical aspects of the accommodation sector.

It is also observed that the local impact of development of tourism is much more than job creation and it offers business opportunities for local entrepreneurs. It provides local linkages in supplies which in turn will enhance local economic impact of tourism development. It also creates its own supply chain links.

### **Tourist Accommodation**

According to the study by (Hjalager, 1994) the role of innovation in tourism entrepreneurship has not received attention wherein they are useful for tourism's economic feature. Any discussion about tourist accommodation has invariably the consideration about hotels. Now-a-days the types and variety of tourists has expanded. Many of them desire to stay in smaller budget hotels or homes. A tourist looks for just the basic provision of Bed & Breakfast (B&F). The main requirement for this type of accommodation is to get a convenient overnight stay.

According to the study by HVS International on Hotel Trends & Opportunities in India (2006 Edition) there is an additional requirement of more than 53,000 hotel rooms, all corresponding to hotels with brand affiliation, are in various stages of planning and development in the major cities, and expected to enter in a phased manner by 2011. Out of the entire projected requirement, 53% of the rooms are in the luxury sector. This leaves around 47% of the rooms in the mid market and Budget Hotels category. We plan to use this as a major motivational factor to start operating on the **Paying Guest Accommodation (PGA)** sector which will also take care of the shortage of manpower requirement in the hospitality industry.

The various categories of accommodation are as follows:

1. Five Star Hotels.
2. Non- Star Hotels
3. Resorts and Lodges
4. Tented Camps
5. Heritage Hotels
6. Guest Houses
7. Dharamshala/ Sarai
8. Paying guest accommodation.

While there is enough for the government to feel proud of, several problems like shortage of hotel rooms, delay in the issue of visas, a slew of taxes and poor infrastructure have yet to be sorted out. According to the Federation of Hotel and Restaurant Associations of India estimates that there are at present 97,000 hotel rooms in the country and if the trend of foreign-tourist arrival grows at 8 to 10 per cent over the next three years, India will need 30,000 additional rooms in various categories.

According to the Planning Commission estimates as published in Hindustan Times India will need 1.6 lakh rooms more to accommodate the projected 58 lakh tourists by 2010, and 3 lakh rooms by 2020 to meet the projected tourist arrivals of 89 lakh. The current growth of hotel rooms is less than 2,000 rooms a year, forcing hoteliers to double the room tariffs in the past two years. Also owing to high land prices, there are more five-star hotels than budget hotels, making India a high-cost destination. It is a distress signal for the upcoming tourist industry in India if the tourist has started perceiving and there is some corroborative data to back up this feeling according to travel experts many tourists are diverting to other South Asian countries.

According to an article published in the Times of India UK-based tour operators have even shot-off emails to Indian agents informing about room rates are too high for the travelling public to afford. They say it will be difficult to market India effectively if the trend continues. If it is not corrected at the earliest there is every possibility that firms will analyze their travel plans and may opt to use video-conferencing facilities for conducting business in India. But the hospitality industry

in India does not agree to this as yet and they quote the tourist arrival figures to justify their point. The saving grace is that India's pulling power as a destination still rules strong, and this will ensure that tourists keep flocking the destination. The hospitality professionals feel that India has for long been attracting backpackers and time has arrived wherein high rates will ensure that we get more premium and hi-end travellers.

Both these positions and expert view have a point. 5 Star Hotels will accommodate the high end travelers and for low end travelers the basic facility arrangement will have to be identified. At present The Ministry of Tourism, Government of India it is promoting the **Paying Guest Accommodation (PGA)**. This presupposes the voluntary participation by local people in providing clean and affordable accommodation for foreigners and domestic tourists to stay. If popularized properly this will be a success model of **Tourism Entrepreneurship**. This should not be difficult to propagate as it existed earlier in the form of teerth pandas and sweet mart owners who used to provide food and shelter to their "Yajamans" (Guest).

According to Plot (1975) the tourists can be classified in the following categories:

- **Allocentrics** seek cultural and environmental differences from their norm, belong to the higher income groups, are adventurous and require very little in the way of tourism plant.
- **Psychocentrics** seek familiar surroundings, belong to the lower income groups, are unadventurous and demand a high level of tourism plant.

I feel that we can have both the type of tourist **Psychocentrics and Allocentrics** in our marketing plan and should try to meet their requirements keeping in view their disposable income. According to a study by Scotland's commended Hotels for the Scottish Tourism Board it was suggested that if a small establishment excel in the services but limited in range can be graded as a superior accommodation in comparison to a large hotel which do not meet the standards. This also gives an opportunity for us to look at a possibility of marketing these small establishments to project them in the Boutique accommodation segment due to their unique character.

## **Role of the Government**

According to Planning commission, Government of India and the National Tourism Policy:

- Tourism is a multi-sectoral activity and the industry is affected by many other sectors of the national economy. The State has to, therefore, ensure intergovernmental linkages and co-ordination. It also has to play a pivotal role in tourism management and promotion. The State has to;
- Introduce regulatory measures to ensure social, cultural and environmental sustainability as well as safety and security of tourists.
- Ensure that the type and scale of tourism development is compatible with the environment and socio-cultural milieu of the area.
- Ensure that the local community is fully involved and the benefits of tourism accrue to them.
- Facilitate availability of trained manpower particularly from amongst the local population jointly with the industry.
- Organize overseas promotion and marketing jointly with the industry.

Although it is widely accepted that the tourism and hospitality sectors are dominated by small, owner-operated business, little has been written specifically about the family dimension. Family business in tourism and hospitality has been existing for long period under the more general headings of small business and entrepreneurship. What makes the family business unique is the vision of owners to start a business to serve personal and family needs, potentially across generations that set them apart. At times they are based on lifestyle and location preferences, plus the desire for autonomy, and do not seek or are incapable of supporting growth and profit maximization.

A greater understanding of the family business and its environment will not only aid in the betterment of this important industry sector, but will provide benefit to economic and community development, and to destination competitiveness. They are so important, particularly in rural, resort and peripheral areas that ignoring their special goals and needs can potentially be very damaging to industry and community sustainability.

## **Perspectives for Host Community to consider**

As cited by Getz et.al (2004) in The family Business in Tourism and Hospitality the following perspectives are to be considered:

### **Scope and Significance for Small hospitality business**

The small hospitality business concept is a very common form of business ownership and management. With the growth of the service sector numerous new opportunities has evolved for family ventures. Although big public companies tend to attract the most attention, small family businesses are always considered as the backbone of a nation. The desire for autonomy – to be one's own boss – and for family independence appears to be a basic and unchanging human trait. This motivator accounts for many career-switching entrepreneurs who start up tourism and hospitality businesses to escape what they do not like about their existing work and to steer their own economic future.

### **Tourism Destination Perspective**

Small hospitality business is the foundation of destination competitiveness. Small, owner-operated businesses provide most of the services and attractions in numeric terms, and are the outlets for much of the visitors' spending. The quality of experience realized in these businesses helps to determine perceptions of the destination as a whole.

### **Economic Development Perspective**

Services, and tourism in particular, have become the economic engines in many areas that would otherwise decline or remain impoverished. There are numerous policy-related issues involving the small hospitality business in terms of economic development, not the least of which is the fact that most owners do not want to grow their business and will therefore not create very many jobs. But perhaps some can be tempted and assisted to generate employment for other members.

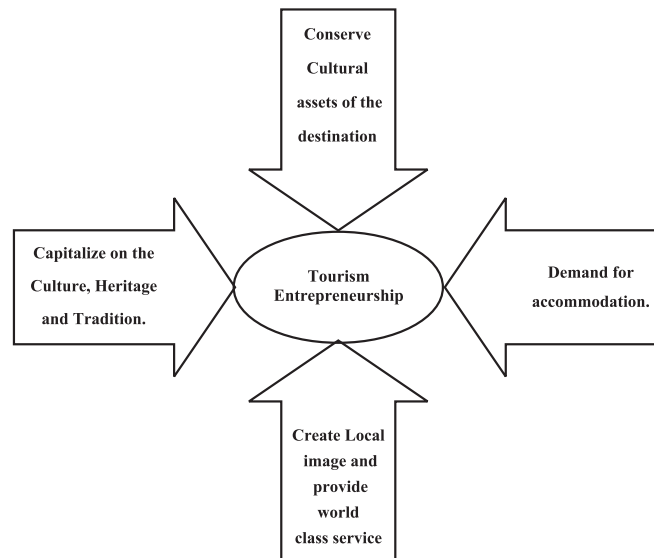
### **Community perspective**

The family is at the heart of many communities. If the family also happens to be in business, its potential contribution to community viability and culture are magnified, and so too are its responsibilities. Family businesses can and do make a visible difference in rural and peripheral areas, in small towns and resorts. Their contributions to cities and the larger

community of nations are more difficult to demonstrate, but given the economic significance of the family business sector, are undoubtedly of great importance.

The role of **Paying Guest Accommodation (PGA)** as a concept of **Tourism Entrepreneurship** can be a major economic shot as it provides the local people with a source of earning without much investment as well as an opportunity to learn different cultures. The same existed earlier in the form of teerth pandas and sweet mart owners, used to provide food and shelter. Tourists coming from outside India are generally fond of local etiquette, mixed household culture and homemade food. Compared to staying in hotels which provide typical hotel culture, staying with a local family at a tourist place is both economical and informative for knowing the local people and their culture. Moreover, **Paying Guest Accommodation (PGA)** also provides the local people with a source of earning without any investment as well as an opportunity to learn different cultures.

The concept of the host community with emphasis on culture and tradition providing **Paying Guest Accommodation (PGA)** being the major focus can be positioned with the following framework.



The above are in existence for long but are neglected in the new wave of sophistication. The same is going to come back in a more professional way. It needs to be properly organized and promoted for tourist attention. This aspect of tourism is called “**Tourism Entrepreneurship**”.

## Conclusion

It is well known that entrepreneurship is a critical component in the development process and is one valid approach to developing human capital, encouraging self-reliance, and creating a sense of well-being in the local population. Tourism can act as a catalyst to facilitate the development of an entrepreneurial class. The participation of the local population in the tourism industry contributes to the balanced development of both the industry and the nation. It can be assumed that the future of the tourism industry will depend on the development of a vibrant and innovative group of indigenous entrepreneurs who will be able to effectively respond to the opportunities and challenges of the industry.

The local entrepreneurs in the accommodation sector will not be a large entity. Rather, they will be diverse in their background, education and training, attitudes and perceptions. These factors impact on the level of involvement of the entrepreneurs in the sector and their willingness and ability regarding the appropriation of structural support. Hence it is imperative for the government to understand the composition of the indigenous entrepreneurs for the creation of effective policies. The policies should be favourable to the local community which should ensure that the development does take place at the local level.

In underdeveloped and sleepy communities, entrepreneurship is normally found dormant. It is this appropriate training and educational thrust that awareness is created. In this context of tourism industry not everyone would demonstrate an interest in entrepreneurship initially but appropriate tourism education and training would provide the necessary prerequisites to start getting visitors to the destination. The government has to play a leading role by incorporating the concept of entrepreneurial development into its national tourism policy and be supportive in promoting entrepreneurial development through tailored programs.

The success of the initiative is largely reliant on, among other things:

- Organize promotion and marketing jointly with the industry.
- Ensure that the local community is fully involved and the benefits of tourism accrue to them.
- an efficient and impartial evaluation process

- post-assessment/evaluation of all facets of the scheme; and
- The implementation of required adjustments.

It is therefore on the same lines of the tourism policy of Government of India that would give direction and support for a more long-term view of the role of tourism in the economy.

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