

Case Summary

How can one channelize the economic and cultural benefits of tourism to ordinary families of farmers, artisans and daily wage labourers of India who do not have the capital or skills to invest in facilities for tourists? How can, the physical attributes of a small town that has become a tourist attraction along with its people, integrate with income generation from village tourism as a viable proposition? And how can visitors to heritage sites discover not only India's glorious past but also the way most Indians live at present? It is conceivable that the youth need to be imparted with the ability to earn within the environs of rural society. Nevertheless, the limiting factors such as capital and required skill sets pose numerous challenges. The case is about a rural homestay start up that is an endeavour to promote responsible and sustainable source of livelihood for families below poverty line who are desperately in need of work. The idea is to intertwine income generation with empowerment, development, vocational and health care micro sub projects to create a model hamlet based on Employee Ownership Share Plan (EOSP). The challenges emerge however in form of succession planning and professional management.

Courses in which this case can be used

This case can be used for post graduate courses in travel and tourism management, social entrepreneurship, strategic management and services marketing among others.

Teaching objectives of the case

The case is an attempt to sensitize audience to

- Understand the nature of product offered in village homestay
- Look into the unique nature of service delivery and particularly intangible-dominant services where contextual cues (people, process and physical evidence) tend to become a very important issue to organizations producing services.
- Consider the dimensions that are important for tourist satisfaction with particular reference to rural home stays.
- Comprehend the importance of professional management and marketing for rural homestays
- Analyse if responsible village tourism can become sustainable too and whether integrated village tourism offers a viable potential.
- Offers a case of successful local stewardship and the lack of succession planning
- Teaching plan and instructions for conducting the exercise

The entire case discussion exercise should take around 90 minutes. The exercise may be conducted in few steps. The teacher should first explain the theoretical background, using many realistic examples to illustrate the constructs, encouraging discussion for clarification.

The starting point should be the discussion on building sustainable rural tourism intending to generate employment and income along with alleviating any deeper impact on environment and local culture. Special attention needs to be paid to the issues such as the rural homestay as the basic product, its rustic ness, and home stay as an income generating activity that provides the rural women an opportunity to work from home and be able to present their home set up in the most natural manner. This could take around 25 to 30 minutes. Thereafter, the class could be divided into groups of 4-6 participants in each group and each group should be asked to opine their choices based on the alternatives presented towards the end of case. The reasoning for the same should be discussed next. This could consume another 25-30 minutes. Once done, the instructor should discuss the pros and cons of each alternative presented in the case as well as the additional ones generated through class discussions. Scalability and stewardship concerns need to be addressed at this stage.

It is also important that when this type of case study is used in classrooms, the students and faculty must be encouraged to think how such a situation can be dealt with – more in universal levels and how the organisation in context could adapt to changing or diverse political and social systems, much rather than just a specific destination at hand (which one may not exactly have profound or in depth knowledge of, given the context here is more culturally linked than anything).

Questions for discussion and analysis

What is the uniqueness and benefits of Friends of Orchha that pitches it differently than its contemporary counterparts, thereby becoming the competitive advantage for the firm?

Tourism is an industry within an 'experience economy' in which competitive advantage is gained by offering a unique, memorable and transforming experience (Pine and Gilmore, 1999). The more unique the experience that visitors can get from a product, the more potential it has in attracting future and repeat visitors, and the more viable is the provider in its business. In this case, authentic rural experience is the product for the organisation. The experience is genuinely rustic and delivered in rural landscape by bona fide service providers who are rural to the core. The above arrangement has been a source of sustainable competitive advantage too for the organisation. The flaunting rural identity is consciously restored, preserved and presented rendering competitive advantage sustainable. Another source of competitive advantage is the positive disposition of the larger village community who can correlate the benefits accruing to them because of existence and operations of Friends of orchha. Such kind of engagement has benefitted employees both at personal and professional front. The income has doubled in a very short time. The nature of work has improved both qualitatively and quantitatively. Being a lifestyle product it is less stressful. In fact workers

seem excited about the concept and are enthusiastic in meeting and entertaining guests. This is emotionally enthralling for the employees. Further, since they operate right from their homes, the company has invested time and money in refurbishing the infrastructure which directly benefits them. Employees and families have been trained to handle guests and this has in turn improved their quality of personal life. Besides gainful employment the experience is intellectually stimulating for them. Interaction with western tourists has made them more open to ideas and has fuelled their inquisitiveness. Their interpersonal skills and language skills are improving with every passing day. For tourists, the arrangement works well too. Staying in a local home with an Indian family assures tourists that the accommodation money goes straight to their hosts rather than to a large corporation. The host families not only provide them with a place to stay, they also often introduce them to other locals who can serve as guides, give them yoga lessons, teach them how to cook local cuisine or prime them on the area's indigenous language and customs.

What are the perceived challenges of institutionalizing the whole concept so as to be able to replicate it in similar settings elsewhere?

The nature of entrepreneurship in the homestay sector has aspects arguably unique to very small enterprises and specific to the context of the home setting. Thus, it merits study in its own right. Usually, it is seen that most other home-stays are either individual entrepreneur led or are organised under some government support scheme. In the first case the entrepreneur is vulnerable to all challenges of a business where he/ she are not skilful and competent to handle marketing, operations etc. Often they do not have desired capital and expertise for infrastructure development (especially in rural India). In the second case the programme is often poorly administered with little or no ownership and therefore no aggression in business development. Friends of Orchha is an independent company that owns the business risks while employing services of host that are almost risk free. The scale is modest in scope but designed for maximum impact. It has made a good start, with reasonable earnings at start up. This has gained the confidence of the community. Nature of employment is rather interesting. It is flexible, both in terms of commitment of time and effort; and the way efforts are organised. Employment is a collective for the host family with majority of the members of the family contributing value to the best of their might. 'Friends of Orchha' is an exciting example of Employee Share Ownership Plan (ESOP) remodelled as Employee Ownership Share Plan (EOSP) where marginalised employees have a direct share in business ownership.

However, scalability in such responsible tourism does pose a challenge. Firstly, such opportunities call for a greater trade off with local livelihood through more competition for natural resources. Secondly, the return in tourism sector is not always regular and immediate. Hence, seasonality of demand and therefore volatility of revenue

could be of concern too. The most important issue however would be to ensure a greater participation of locals. Responsible tourism is an approach and hence the need is to focus on economic participation of local people as direct owners in the business of tourism not just as beneficiaries of charity. Tourism has to contribute to socio economic development by supporting the conservation of natural and cultural heritage. Tourism has to provide opportunities for employment at the community level. Thus sustenance of such socially responsible ventures needs a systematic approach.

To start with, it needs to be understood as to who the target audience for such homestays is and how to ensure the right positioning. The most suitable target audience would be foreigners who look for an opportunity to stay with a family of labourers that gives them a unique insight into India without being too heavy on their pockets. For the right positioning of Friends of Orchha, some type of market information and analyses on pricing, security, health, safety, market for new tourism product, quality and quantity of tourist, behaviour of tourists, socio economic impacts, influence of media and internet, revenue, employment, human resources, market competitor, etc., needs to be undertaken. Web presence and word of mouth publicity can work well in such cases.

Orchha's rapid development brings with it the chaos rooted in the lack of urban planning that is typical of India... inadequate roads, non-existent or choked drains and fast accumulating piles of waste. Being a small town of about 10,000 inhabitants, these problems are not insurmountable but require a strong dose of good governance and transparency in the use of public money. That is why the strengthening of local democracy is also important if we wish to see similar settings being developed in other areas.

The situation needs a holistic view of development. It includes reducing poverty, providing access to safe water, sanitation, education and health care. The means to achieve these is bringing people together to assert their rights.

Should the organisation analyse the different dimensions of tourist perceived value in the context of rural homestay tourism?

One of the goals in any tourism offering, including the rural home-stay arrangements, is to maximize the amount of psychological experience for tourists. Tourist experience will determine whether a visit is successful or not (Zakariya, 2006). Hall (1997) has acknowledged that it is the tourism experience that creates impact, which in turn affects both the supply and demand elements. The tourism experience also reflects the weaknesses and strengths of the products, indicating the importance of research in this area. MacDonald and Jolliffe (2003) stated that tourist experience of cultural rural tourism is a concept that represents education, entertainment and enrichment received by the tourists.

With reference to rural homestays, 'Within on-site' or 'destination experience' becomes critical. Thus, three main dimensions namely

(1) environmental experience; (2) activity, knowledge and culture experience; and (3) human interaction experience can be identified as important determinants of tourist satisfaction. With context to Friends of Orchha, all the three work in synergy to provide a rustic and genuine rural environment to tourists. The architecture blends with the environment. It gives foreigners a chance to delve deep into India. Orchha is one of the few places in India that combines natural beauty, the aesthetic legacy of history and a certain authenticity. It's a paradise for bird watchers with a wide variety of colourful birds often making an appearance. Life in Orchha revolves around the Ram temple where one can see how vibrant Hinduism remains today. If they wish to do more than sight-seeing, meet local people and actually explore the lives of conventional Indian family, Friends of Orchha can help them experience the hospitality of ordinary Indians who are not professionals of the tourist industry. The involvement of local community helps maintaining the appropriate tourism development. By living with a local family in Orchha, tourists can observe all sorts of traditions and rituals that arouse their curiosity. The host families and their neighbours are, in turn, curious about these foreign tourists, their habits and background. Notwithstanding, the inability to speak or understand the native language can limit the communication. The organisers are then happy to serve as interpreters between the tourists and the families. There are at times, discussions organised in the evenings that allow foreigners and the local people to introduce themselves to each other and ask all the questions that surface through their interaction. The organisers encourage tourists to bring photos of their city and anything about their country they would like to show. This in turn thrills the host family and other members of community who get to learn about places they may never have the opportunity to visit.

The hosts at Friends of Orchha are simple, spontaneous and hospitable. The guests feel totally welcome—like honoured guests, in fact. Sitting cross-legged on a blanket on the ground, guests can watch the ladies (often lady along with her daughters) prepare the repast—a wonderfully aromatic plate of lentils, curried vegetables, basmati rice and fresh, hot chapati bread. The reviews of tourists suggest that they simply love Orchha and its green accommodations, and decide to spend at least a few more nights there.

Do you agree that the unique nature of homestay tourism demands for a greater participation of people? What role could 'people' play in selling and cross selling such a product?

Due to the unique nature of service delivery and particularly intangible-dominant services, contextual cues (people, process and physical evidence) tend to become a very important issue to organizations producing services. In that, the customers and the employees are engaged simultaneously in the production of the service. This inseparability is what needs to be considered by the organization in choosing how best to serve its customers so as to ensure higher customer sat-

isfaction along with generating higher revenues for its stakeholders. Friends of Orchha supports tourism that is ecologically maintainable in the long term, promotes indigenous cultures and works with locals to see that the tourism industry benefits their villages and towns directly. The arrangement at Friends of Orchha is one that kind of employs all such members and loosely engages other family members for gainful employment and as players and actors in 'real time experience' that is created by the organisation to be sold to the visitors. A Homestay gives opportunity for having real ownership in the final product. Such empowerment allows hosts, individually and in groups, to use their talents and knowledge to make decisions that affect their work. The aptitude and attitude of host families in turn determine the satisfaction level of tourists.

Friends of Orchha offers not just board and lodging but an intercultural experience. It is a win-win situation for both parties. The tourists get to know about Indian food, dress, customs, traditions and much more. For them, it is an eye-opener, one that not only opens their eyes, to see the true beauty of this country, but also their hearts; to its people. Sharing a meal with hosts is often a heart-warming experience at Friends of Orchha. The host families provide tasty, hygienically prepared meals and dose the amount of spices according to one's taste. Besides the economic benefits, what hosts treasure most is the friendship of their guests, particularly those that come with children. These are a sort of 'window on the world' for those who would never have the opportunity to travel. They now see foreigners in a different light – they are no longer just cash cows. What's more, the interaction with people of different cultures is bringing about a change in attitudes. Women now envisage more equality with men, children have been introduced to a variety of educational games and public health is improving as people are now using toilets instead of going out in the fields. In fact, many more toilets and bathrooms have recently been built for families in the neighbourhood that do not participate in the home-stay – a step towards cleaning and greening the area.

In your opinion, could the homestay owners continue the setup on their own, or do you think that the proposed handling of Friends of Orchha to a professional institute would benefit the organisation? If the proposal is accepted by the institute, what in your opinion could be the efforts taken by institute to enhance the appeal and sustainability of Orchha?

Infrastructure is first foundation of any industry and well maintained road and other network is vital. In case of tourism, it is not just infrastructure but also the quality and service that are the essence of tourism. In case of Friends of Orchha, although the host families are able to provide an amazing experience which exceeded all expectations of tourists, yet the limiting factors can spoil the momentum. Asha has been the lifeline of this homestay. It is due to her relentless philanthropic efforts that this homestay has come into shape. She has worked hard

on creating a rural hamlet with viable financial business model. In her absence, it would be very challenging for the not so tech-savvy host families to attract foreign tourists. Besides, most of them are either illiterate or not acquainted with marketing skills and might not be able to handle the queries, complaints, grievances, suggestions etc.

Under such circumstances, the link with a professional Institute is expected to pour in the required finances and also enhance the quality of services and hence the sustainability of the home-stay, making it a model of responsible tourism that can be replicated in other tourist destinations. Outline below are some of the ideas for further improvement and expansion of homestay.

Training in hospitality and traditional Bundeli cuisine: The host families and particularly the women can undergo a brief, practical training at the Institute in relating to guests, preparing and serving traditional Bundeli dishes in an attractive and hygienic manner, improving waste management in the home, etc. This training could include a session on construction of smokeless gas stoves.

Improvements in infrastructure and capacity building: The surroundings of the homes can be made more attractive with some landscaping, particularly by creating a shady, green space for guests to sit out and growing some flowers for a splash of colour. The compost from the toilets can be used for gardening.

Making rustic but functional gates and steps where necessary will enhance the comfort.

The rooms could be better insulated and less prone to dust and insects if a ceiling of bamboo mats is made below the tiles. The floors too require being either painted or waxed. Doorways can be decorated using the technique used by the women for clay painting. Funds permitting, entrance arches in traditional Bundeli style can make the houses in which the rooms are situated more typical.

Water connections can be negotiated with the municipality so that all the rooms have running water. Solar water heaters could then be installed together with a solar panel in each house that can provide the electricity necessary for a couple of lights and a fan.

Building community spirit: Visits to individual families and meetings with all of them together should be held regularly to take on board their views and respond to their needs. Information must be shared with them and their cooperation sought in achieving self-sufficiency for the home-stay within the next two to three years. Their opinion should also be considered when recruiting new host families.

Registration: So far the home-stay has not been registered with sales tax authorities because the room rate was within the INR. 500 limit. These rates will have to be raised for the next season. Registration with concerned authorities is therefore necessary. This includes a licence for serving meals.

Developing a network of socially oriented home-stays: Several of the tourists would be interested in staying in home-stays with a social purpose in other parts of the country. Some research could be undertaken to identify similar initiatives elsewhere and create a network of them with links to their web-sites. Guests can then be referred from one to the other. In the long run, the Institute could create a label based on social criteria.

References and further readings

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