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**(A Journal of Indian Tourism Congress)**



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***TOURISM INNOVATIONS***  
***A JOURNAL OF INDIAN TOURISM CONGRESS (ITC)***

**Aims and Objectives:**

TOURISM INNOVATIONS : A JOURNAL OF INDIAN TOURISM CONGRESS (ITC) is an annual referred research Journal focusing on academic perspectives in Tourism and Hospitality. Emphasizing upon integrated approach being an inter-disciplinary field, the journal focuses on various aspects of tourism like, tourism issues, tourism impacts, Eco-tourism, sustainable tourism, tourism, marketing, Medical tourism, Health tourism, culture tourism and applied other tourism areas. Papers on any of the related aspects are encouraged for this journal. The objective of the journal is to have a comprehensive collection in various areas to develop and to disseminate update knowledge and information about tourism sector.

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## **ACHIEVING BLUE OCEAN ALIGNMENT THROUGH STRATEGIC PROPOSITIONS: A COMPARATIVE STUDY OF DUBAI AND AGRA AND ITS IMPACT ON TOURISM**

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### **Abstract**

Strategic leaders applies different strategic approaches to find the fit between the environmental opportunities and the organisation the resource and capabilities i.e. structuralist approach and reconstructionist approaches. Structuralist approach is suitable in two situations One of the possible situation when structural conditions are attractive and the organization has the resources and capabilities to build a distinctive position. Second, when structural conditions are less than attractive but the organization has the resources and capabilities to out perform competitors.

Reconstructionist approach is suitable when structural condition are attractive but players are well entrenched and the organization lacks the resources or capabilities to out perform them, when structural conditions are less than attractive and the work against an organisation irrespective of its resources and capabilities.

Out of structuralist and reconstructionist approaches whichever approach is chosen, a strategy's success hinges on the development of alignment of value proposition, profit proposition and people proposition. In the current study the researcher has focused to conduct a comparative analysis of strategy prepositions of world class city Dubai and Agra. In this study both the world class city has consider as a separate organization. In the whole study secondary data sources has been used.

**Keywords:** Blue Ocean Strategy, Strategy Propositions, Resource and Capability, Value Proposition, Profit Proposition, People Propostion.

### **Introduction**

In the process of designing world-class corporate strategic decision making executive always begin by analyzing the environmental conditions in which they operate. After the analysis of the environmental condition executive then assess the strength and weakness of the players they r up against. With these SWOT analyses consideration executives develop a distinctive strategic position where they can outperform their rivals by building

a competitive advantage. To obtain strategic advantage an executive have to follow to route one is to choose either to differentiate itself from the competition for premium price or pursue low costs. Due consideration of high or low cost strategies the executives set the strategies, financial targets and budget allocations. In this paper both tourism destinations i.e. Agra and Dubai City has been consider as a separate company and then tried to design Blue Ocean alignment for Agra City through strategic Propositions. Agra, a world top destination and has three world heritage sites namely The Taj Mahal, Agra Fort and Fatehpur Sikri. But unfortunately most of the domestic and foreign tourists hesitate to stay in Agra. It is very big question mark to this city why tourist does not want to night stay here. It may be because of government and executives are unable to design right strategies approaches. Dubai is one of the city in the world which has set model example by setting right strategic approaches. 30 years ago people of Dubai were suffering from huge unemployment, medical services were very poor, people lived in huts thatched with palm fronds and tended sheep in relentless heat. Yet strategic decisions by the emirate's leaders allowed Dubai to overcome seemingly insurmountable structural disadvantages. It has been an island of Stability in a politically turbulent region. Only 5% of its revenues now come from oil and natural gas-don from 30% a decade ago. Indeed, Dubai arguably the only Arab economy that has achieved substantial integration into the global economy outside the hydrocarbon sector and has emerged as a primer tourist and business destination across the globe. It is the reason behind a comparative study of the both city.

### **Issues and Potentials**

#### **The emerging issues are:**

- § The duration of stay of the tourists in Agra is only one day.
- § Various other tourist destinations like Itmad-ud-Daula are not well connected with the city.
- § The approach road to various tourist destinations is also highly congested so tourists do not prefer to visit them.
- § There are no proper signage boards in the city.
- § Lack of tourist information centers.
- § Unhygienic conditions in the city, even the tourist places like Agra fort are not well maintained
- § There are no evening activities for the tourists.
- § As Agra is famous for its local handicrafts and petha, a tourist bazaar is not in the city. There are various UP tourism shops/emporiums and petha shops, but they are located at different places of the city.
- § There is also a menace of the hawkers. They sometimes harass the tourists, which is major source of dissatisfaction among the tourists.

#### **Potentials for tourism development are:**

- § Agra falls in the prime tourist circuit in India- the so-called Golden Triangle.
- § The city also boasts three World Heritage Sites.
- § Agra's proximity to Mathura, the religious tourism can be promoted.

§ Agra has a rich cultural heritage; various programmes can tap the religious potential of the city.

§ Taj Mahotsav is organized annually; such kind of programmes/events can be organized frequently to attract large number of tourists.

### ***Significance of tourism in Agra:***

-Agra's importance on tourist map cannot be underestimated; it is one of the key tourist destinations attracting tourists from all over the world. The city forms one edge of the prime tourist circuit in India- the so-called Golden Triangle, the other two cities being Delhi and Jaipur.

-The city is rich in its art, heritage and culture, which are also reflected in its historical monuments. This makes the city as one of the most attractive tourist places of the country.

-The Agra city currently has three world heritage sites: the Taj Mahal, Agra Fort and Fatehpur Sikri. This entire area is called Taj Trapezium (TTZ), a 10,400 sq. km area around the monument where industrial business is limited.

### ***Blue Ocean Strategy:***

**Blue oceans**, in contrast, denote all the industries not in existence today – the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because the rules of the game are waiting to be set. Blue Ocean is an analogy to describe the wider, deeper potential of market space that is not yet explored

The cornerstone of Blue Ocean Strategy is 'Value Innovation'. A blue ocean is created when a city achieves value innovation that creates value simultaneously for both the tourists and the city. The *innovation* (in product, service, or delivery) must raise and create value for the market, while simultaneously reducing or eliminating features or services that are less valued by the current or future market. The authors criticize Michael Porter's idea that successful businesses are either low-cost providers or niche-players. Instead, they propose finding value that crosses conventional market segmentation and offering value *and* lower cost. Educator Charles W. L. Hill proposed this idea in 1988 and claimed that Porter's model was flawed because differentiation can be a means for firms to achieve low cost. He proposed that a combination of differentiation and low cost might be necessary for city to achieve a sustainable competitive advantage.

Many others have proposed similar strategies. For example, Swedish educators Jonas Ridderstråle and Kjell Nordström in their 1999 book *Funky Business* follow a similar line of reasoning. For example, "competing factors" in Blue Ocean Strategy are similar to the definition of "finite and infinite dimensions" in *Funky Business*. Just as Blue Ocean Strategy claims that a Red Ocean Strategy does not guarantee success, *Funky Business* explained that "Competitive Strategy is the route to nowhere". *Funky Business* argues that firms need to create "Sensational Strategies". Just like Blue Ocean Strategy, a Sensational Strategy is about "playing a different game" according to Ridderstråle and Nordström. Ridderstråle and Nordström also claim that the aim of companies is to create temporary monopolies. Kim and Mauborgne explain that the aim of companies is to create blue oceans, that will eventually turn red. This is the same idea expressed in the

form of an analogy. Ridderstråle and Nordström also claimed in 1999 that "in the slow-growth 1990s overcapacity is the norm in most businesses". Kim and Mauborgne claim that blue ocean strategy makes sense in a world where supply exceeds demand.

**Objective of the Study:**

1. To study the current strategic propositions of the city of Dubai and Agra and investigate the blue ocean alignment through strategic proposition for both city.
2. To study the Tourism Strategy of Dubai City as model of world class city and compare with the tourism strategy of Agra.
3. To compare strategy canvas of Agra and Dubai City and analyze its impact on tourist retention of the both city.
4. To develop Blue Ocean strategy for Agra City through alignment of value proposition, profit proposition and people proposition.

**Research Methodology:** The paper attempts to investigate the blue ocean alignment through strategic proposition of Agra and Dubai City. For the purpose of the study the researchers have been used secondary data. The required secondary data were collected from existing researches, books, journals, websites etc. After collection of data it has been compare through value proposition, profit proposition and people proposition of the Agra and Dubai City and finally analyze the impact of strategic propositions of the both city on tourist retention.

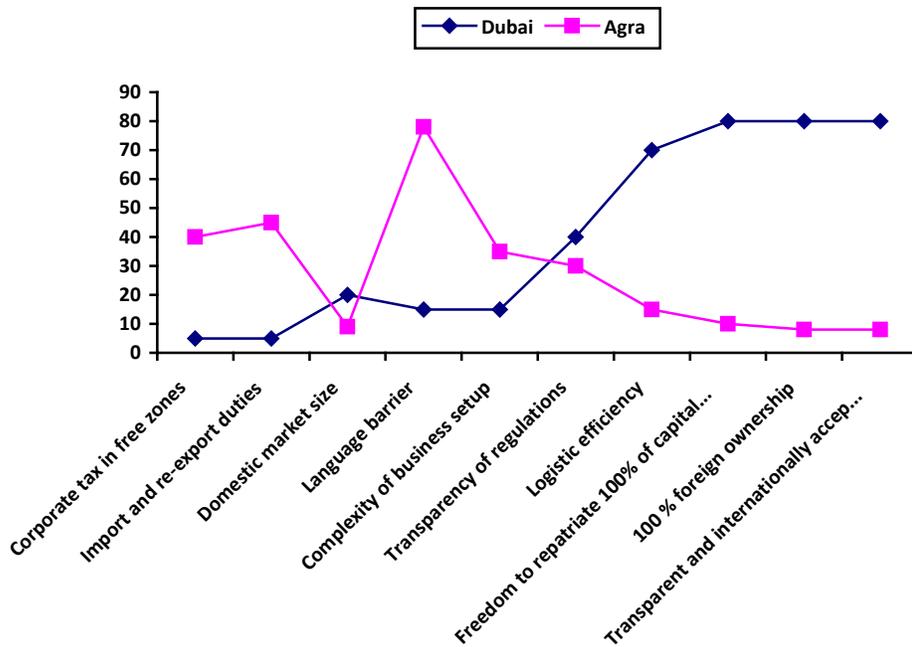
**Strategy Propositions:**

Success strategy of any state/City depends upon how the leaders have been develop and have alignment of the a values proposition that attracts buyers; a profit proposition that enables the company to make money out of the value proposition and a people proposition that motivates those working for or with the state/company to execute the strategy. Many of the market crating innovations fails because the executives were failure to align with these propositions then this directly impact on the sustainability of the tourism business.

**The value proposition:** At the heart of Dubai's success has been a value proposition to foreign investors that is unlike those of other emerging economies. The value proposition begins with a dozen world-class free zones with unbeatable incentives for investors. To achieve differentiation, the government allows 100% foreign ownership and free repatriation of capital and profits. To lower foreign investors' costs, it charges no import or re-exports duties. The corporate tax rate for the first 15 to 50 years of operations is zero and can be extended.

To stand out further and simultaneously lower investors' costs, Dubai has also expedited its registration processes, allowing companies to get licensed to conduct business in under a half hour. All documentation is in English, and the emirate's transparent legal system is based on British law (even the chief justice is British). Dubai also offers world-class air, port, and shipping services to make the logistics of doing business more efficient.

Clearly, Dubai has provided a package for foreign investors that are both differentiated and low cost, and it is this combination that has fueled Dubai's strong growth.



**Fig. 1 : Agra and Dubai's value proposition**

**The profit proposition :** How does Dubai generate revenues to support the state, given that corporate and personal taxes are negligible? It has done so by finding differentiated ways of generating revenues while also lowering its cost structure. Unlike other Arab governments, Dubai’s has been run like a large business enterprise. Its ruler, Sheikh Mohammed bin Rashid al-Maktoum, is frequently quoted as saying, “What’s good for business is good for Dubai.” Instead of exploiting conventional income channels such as corporate and personal taxes, which would discourage foreign investors, the government has invested in the infrastructure that supports the investors’ activities shipping and port services, transport, tourism, aviation, real estate development, export commerce, and telecommunications. These investments have allowed the government to directly profit from its unique, low-cost value proposition.