The Role of Marketing on Tourism Industry

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ABSTRACT: Tourism industry is considered as one of the largest and the most diverse industries in the world. After the machinery and oil industry, this industry as a modern service industry and the device to create connectivity among nations and various people in the world have been under public attention. Attention to this industry especially in the countries which are rich in historic, cultural and natural attraction resources is more considerable. Due to the lack of marketing, the role of this industry in the developing countries is paler than before. Development of this industry in Iran as one of the diversification strategies of country's income sources should be paid more attention by program makers and politicians of the country. Today, marketing efforts are far more important than production and sales, so if a country has enough facilities and possesses potential of tourism but does not consider the marketing techniques and the introduction of this attraction in its programs, doubtlessly that country won't be successful in growing and developing its tourism industry. Thus in order to gain progress in the tourism, giving attention to retrieval looks so essential and of course it is important to note that tourism development and marketing in the process are closely tied together and can affect different aspects of each other. The estimated statistics indicate that despite many possibilities and potentials existing in our country, due to the lack of attention to the tourism marketing, tourism industry doesn't have considerable progress.

Key words: marketing, tourism, propaganda, services, security, transporting

INTRODUCTION

Today, tourism development in all areas, both at international and national levels, has aroused public policy makers’ and private sectors’ decision-makers’ attention. With regard to this fact, many countries are seeking a way to improve their economic conditions. Many countries see tourism as a major source of income; employment; private sector growth and development of economical under structures. The awareness of this issue that tourism industry provides considerable foreign exchange earnings to the economy of any country caused tourism to have wide dimensions in various economic, social and cultural aspects and become an industrial income generator for the economy of each country.

Since developing countries are facing with the problems such as high unemployment, restrictions on foreign currency resources and being single-product economy, so attention to the tourism industry is of particular importance. Since Iran's economy is highly dependent on revenues from oil exports, fluctuating world oil prices over time have been affected macroeconomic variables such as national output, gross investment, employment and foreign exchange earnings. Therefore, in order to diversify the sources of economic growth, foreign exchange earnings and employment opportunities in different countries, development of tourism industry has aroused much more attention. Given these circumstances and given that Iran, according to World Tourism Organization, has ranked fifth of the natural attractions and tenth of archaeological and historical attractions as well as increasing youth population, high unemployment, the need to increase foreign exchange earnings and foreign investment, more attention to this area can achieve full employment, increased foreign exchange earnings, introducing Iran's civilization and culture to the world, broad and constructive engagement with the world and provide breaking boundaries and ethnic minority.

Along with expensive methods, inexpensive, but fruitful methods also are followed to attract tourists in the majority of industrialized countries. On the other hand, because one of the reasons of all big companies’ success is their attention to the marketing research in all aspects and it cannot be ignored, so it seems necessary to use marketing in tourist attraction. Many studies have been conducted on the impact of tourism on...
the economic growth that in the following part some cases of it has been noted, but so far at least in Iran, a study on the impact of marketing and adopting marketing strategies on tourism growth has not been done. Therefore, this study through descriptive – analytical study examines the role of marketing and adopting appropriate marketing strategies in the progress and tourism development.

**Background of the study**

Balaguer and Cantavella (2002), in a study investigated the role of tourism in Spain long-term economic growth. Their results show that economic growth in Spain, at least in the last three decades, has led to stable development of international tourism. Toh- et al, (2001), to investigate the relationship between the development of tourism and its status, introduced a new trade theory.

The basic premise of this theory is that according to the balance of travel, less developed countries are generally closer to the primary or introductory stage (A net exporter of tourists) and the developed countries are closer to the final or decline stage (net importer of tourists).

Using input-output analysis, SabaghiKermani and Amirian(2000) examined the economic impact of tourism in Iran. Their results show that the activities of hotel and restaurant, food, clothing and leather industries, crafts and domestic transportation industry accepted the most impact and allocated the largest share of manufacturing, income and employment caused by expenses of foreign tourists. Also, government revenue and imports with the development of tourism in Iran are increased. Of course, the restaurants and garment and leather for the needs of foreign tourists, more than other sectors are dependent on imports. In addition, the results show that in Iran tourism development will also improve income distribution.

Kharazmi (2005) examined the causal relationship between tourism and business in Iran during the years 1959-2001. After investigating the entry of tourists to Iran over these years, he selected seven of the ten applicant countries, namely Germany, France, England, India, Japan, Pakistan and Turkey and used their annual data in the estimation of the models. The results of this survey show that a one-way causal relationship is established between trade and tourism (from trade to tourism). Given this result, it has been suggested that in estimating the predicted patterns of demand for tourism, commerce is considered as an important factor.

Yousefipour (2000), in a study entitled “The role of tourism in economic development in Iran and the ways to expand it”, statistically compares tourism revenues between Iran and world. It shows that Iran's share of this income is only one percent. This suggests that construction and development of tourism in the country has been of a very little attention. Moreover, the tourism income balance in Iran shows that the deficit is large and the tourism revenues do not cover even half of its cost.

**Theoretical Foundations**

Although other reasons can be presented in this case, the first reason for the tourism development in most countries is the exploitation of its economic benefits. According to Oh (2005), tourism may have a significant impact on increasing employment, revenues associated with residential areas and state income of the countries. Hence, tourism has both direct and indirect impact on the economic growth (Figure A).

**The direct effect**

Since tourism is one of the service industries, hence, the income from this industry is considered a part of the host country's GDP and directly affects the country's economic growth. Table two shows the number of tourists entering the international tourism revenue and table three shows income from tourism at global level and in different areas in the years 1990-2005.

The statistics show that by increasing the worldwide number of international tourist arrival, the revenue from which also increases. For example, in 1998 international tourism revenues is allocated about eight percent of total world income and 37 percent of the service sectors’ exports to itself. Also according to the World Tourism Organization forecasts, revenue from tourism in the world by 2020 will be the approximate value of two trillion dollar per year.
Tourism has also an indirect impact on the economic growth; because it shows the effects of the dynamics of the total economy in the form of spillovers or other externalities (Marin 1992). In a way that, if tourism due to interaction with other economic activities, obtain prosperity and progress, other businesses that offer goods or services or the products they use will move with it. It means that tourism can act as an engine for economic growth.
economic growth that pushes other activities forward. On the other hand, economic growth also has an effect on the development of tourism. Economic growth, with the development of tourism facilities and infrastructure including the development of transport and roads, development of information technology and communication (ICT), development of electronic money, the development of residential sites, restaurants and hotels, public health development and also the development of recreational and welfare facilities, cause the development of the tourism industry (Figure 2).

Figure two shows that the impact of tourism on economic growth in the host country depends on several factors, of which the following points can be noted:

![Factors affecting the degree of economic impact of tourism on the host countries](image)

Figure 2. Factors affecting the degree of economic impact of tourism on the host countries

![Capital stock in Commercial services, restaurant, hotel and warehousing](image)

Figure 3: capital stock in Commercial services, restaurant, hotel and warehousing
Source: Central Bank of Iran

On the other hand, tourism marketing is a management process including forecasting and meeting current and future needs of the tourists. One of the most important applications of information technology, communications and internet is in tourism industry and due to the importance of the role which foreign tourism can play in various dimensions such as the foreign exchange earnings and GDP growth, the source of income
for government, the source of job creation and improved social services, so to enter the competitive world market, they have to be equipped with facilities and utilize new technologies.

Electronic devices and the Internet in the distribution chain of tourism including: airlines, hospitality, tour operators, travel agencies and travel purposes have created a dramatic change. According to what was mentioned, the entrance of e-commerce is an undeniable necessity and countries are forced to use this technology in the tourism industry.

**Analysis**

Figure 3 shows the amount of capital used in production processes of commercial services, restaurants, hotel and storage is in the years 1979-2007.

Figure 4 shows the added value created by commercial services, restaurants, hotel and storage is in the years 1979-2007.

![Figure 4: Value added in commercial Services, restaurants, hotel and warehousing](image)

Source: Central Bank of Iran

The above table indicates that the amount of capital used in the process of commercial services, restaurants, hotel and storage includes a significant number and except for war years, it has been constantly increasing. But the added value created by this section compared to its capital has been modest and only in recent decades has been growing. This means that domestic and foreign tourists were not made enough use of the cost used to build restaurants and hotels.

On the other hand, our country despite the high potential of from historical, ancient and also the natural perspectives in tourism and due to the lack of proper infrastructure due to the lack of attention to the marketing issues even in the use of this infrastructure has not succeeded. So, more attention to the tourism marketing seems imperative.

Considering that one of the reasons for the success of all large companies has been their attention to the marketing research in all aspects and it cannot be ignored, so it seems essential to use marketing in attracting tourists and optimal use of all costs and existing potentials. Today, tourism industry is in the row of the worlds’ high-income, clean and inexpensive industries. This industry has found various aspects such as electronic tourism, ecotourism, health tourism, sport, rural, cultural and historical.

By creating multiple sites on the Internet in various fields of tourism and extensive information of these sites, tourist attraction has become easier.

**The benefits of marketing through Internet**

First, it is less troublesome. When you talk with people face to face, to get approved, it takes a long time to prepare yourself and your professional services. But behind the computer all your talks is converted to a short article. It is far easier than writing a paper and you get a chance to correct it many times. Second, for the customer founder who is not too bold, there is no threatening risk. It is not required to take your hotel rooms’ decorate with yourselves to the exhibition.

You can exchange ideas and information; you can find reliable and professional friends and experts to assist you in the adventures on the line. People on the lines are very friendly.
Principles of marketing and its role in tourism

In order to remain in the tourism marketing competition, organizations in both public and private sectors should know their customers and be aware of their demands. They should also be able to make their potential customers aware of their products and services, convince them and suggest them that they benefit if they turn into real customers, namely to travel to the same location and desired destination that has been prepared with the purpose to travel. Marketing in the tourism industry is related to these issues. In the Countries that want to benefit from the activities of tourism, national tourism organizations are responsible for this work. In the society that should compete to attract the coming travelers, in the process of marketing, tourism organizations in their marketing process pay special attention to the specific cultural groups, and they emphasize on the attractiveness of the products they offer.

It is most likely that the success of organizations that work in the private sector depends on effective marketing and delivering fun service in the trip by plane, having rooms in chain guest houses or conducting leisure groups and specific travelers. This section in detail discusses about marketing concepts and the importance of marketing in the tourism industry and global economic system (of tourism) as a fundamental issue.

The Internet’s role in tourism

Important point for developing countries is that the internet can play an important role in attracting tourism. By a lower cost, it will result in the highest profitability. In fact, their main customers, the developed countries, widely use the Internet to trade and travel and high percentages of its population are familiar with and connected to the Internet. So not being in this big field of information is not being seen by a large amount of foreign travelers. One of the basic tools that are used in the tourism industry is e-Tourism or virtual tourism in which using information technology and especially the internet has been emphasized. IT is considered a suitable tool for marketing tourism and tourists and many of the problems we see in our tourism marketing stem from the weakness in this area. By using Information Technology, people in the tourism industry can have a good tool for transferring their data and can also benefit from its marketing in the tourism industry. Due to the fact that large and long-term planning cannot be responsive to the big problems in tourism, rather we should consider big problems with separation and simple solution for their stages and it can be said that the art of management is to have basic solution for the problems. Currently, we have more than 7 million Internet users in Iran whose income is larger than those who do not use the Internet network. We can say that Internet penetration in the country is growing and to achieve higher positions, tourism industry requires the use of Internet networks.

In 1999, in Europe 17 million abroad trips began via the Internet from which 13 million were reserved and its price was paid out of internet and 4 million were reserved and paid online. From which 73% were related to vacation and recreation and 27% were related to business. If companies in developing countries be not present on the Internet within 2 years, they will have to undertake irreparable losses and there is the possibility of destroying them by rival companies. By having the facilities and using the latest technology and sufficient capital, companies in the developed countries can be strong and mighty competitor for the Third World.

Electronic Tourism

Information and communication technology through creating the information environment for each of the tourism institution and creating a data structure in which the whole system can work well has an impact on tourism system. Various sectors of this industry in this information environment can be dealt with identifying business opportunities in the market, developing cooperation with producers and intermediaries and also it can create informal institutions to develop tourism and provide services. Therefore, because technology changes create an effective collaboration and have provided a tool for the global tourism industry, the more benefits are to the shareholders.

Information and communication technology by providing effective means for customers to identify and purchase suitable products and for manufacturers to develop, manage and distribute their products globally, effectively has paid attention to strengthen, enhance and protect the global supply and demand in the tourism industry in the current world.

Comprehensive Tourism Marketing Plan

In the country’s comprehensive tourism marketing plan, the needed parameters by considering the target audience and interests are involved. So far, 50 target markets have been defined in priority that one of its’ main objectives is that of Pilgrimage Tourism. Because clearly declaring positions in tourism causes loss of some markets; therefore, by phase to phase implementation of this plan, the target markets are officially announced. By conducting this project, our country takes a big step in is the development of tourism industry.
The main obstacle to tourism is the lack of planning. That is if these plans be correct and in accordance with the principles and international standards, Iran will become one of the main tourist destinations in the world. Implementation of this program is the states’ duty and in the fourth and fifth development plan it was considered and for which the budget was considered.

**Strategies for improving quality and customer satisfaction**

Special focus on the management of relationship with customers for optimization and further understanding the desires of the tourists and recording their behaviors during shopping is needed to identify the future trends in this industry. Since tourism industry is an industry in which they are inherently seeking diversity and in this preserving customer's loyalty is very difficult; therefore, recording and storing these customers' information and putting them in special circumstances or recommendations specific to their particular courses can greatly increase the loyalty of the tourists to the country. Using this method requires knowledge of a wide range of customers in the target markets that the organization should have sufficient familiarity with their demands.

Demands such as the activities such people are interested in during the trip, how much is their income, what packages are most likely to motivate these people and creation of distributed databases that causes the coordination of and avoid redundancy of various agencies in dealing with tourists in the destination. In this industry most of the audiences are known as customers who have less time and more money.

Thus reducing the processing time in each of the points of entry and exit is important. On the other hand, it makes the organizations able to access a complete set of data about tourists.

**Using focused marketing methods**

Using interactive marketing methods give the suppliers the capability of being aware of the attitudes of the tourists. Knowledge of attitudes and internal desires of the tourists provides a lot of help in offering personalized products and designing of the innovative products that will meet the needs of the tourists. For this purpose, after identifying the target markets, we can use the methods used to determine the target market and use special programs to attract tourists to this area. Gaining the advantages of periodical competition, using software and systems for tracking packages and furniture of the tourists provides the capability to reduce delays in waiting times in tourist destinations or routes of travel. These systems will allow the authorities to detect the instantaneous position of the means of tourists and the needed time of the displacement of the packages from one flight to other flights are considerably reduced. This save in waiting times in airports is also related to entry and exit in residential areas and hotels that established by application of entry and exit systems, integration established in all areas of hotel and even provides the possibility of sending bills via massage or Bluetooth systems to the cell phones' of the customers and subsequently prompt payment of bills via mobile phones and electronic payment options. Elimination of redundant processes and reducing waste activities by using information technology can improve service to the tourists.

Using the passengers' database can, to a great extent, provide information about travelers who have traveled to the country in the past time and it can reduce many of the formalities for their input and output.

**The application of the systems of reengineering processes**

Expanding cooperation with other countries, the vertical and horizontal integration with other active organizations in related industries, increasing the automated services, using electronic payment, issuing electronic tickets and reservation, increasing the electronic distribution channels and etc. all require reengineering current processes in the country. Now, in the world's major tourist cities, the activity is such that the tourist in the arrival to the city, in exchange for paying a certain fee will receive ID cards that allow them to use all public facilities.

Using this technology provides comprehensive information of tourist’s activities during a visit for the target decision makers. Finding that regarding to the race, nationality, education, gender and income level, what activities every tourist desire to do.

But implementing such an efficient system requires reengineering the activities of all units including transportation, cultural and natural attractions, and recreational programs of destination and etc. in tourism services, so that all of these units can continue their activities by using a single system.

**CONCLUSION**

In modern societies, tourism development in all economic, social and cultural dimensions has interested public and private planners in all national, regional and international areas. And all countries came to the conclusion that tourism makes substantial foreign exchange earning to the economy of a country. Tourism revenue can bring our country's economy out of being single product and because of stability in revenues from tourism; it can bring economic stability for the country.
Considering the appropriate amount of capital in this sector and the high potential of this part from historical ancient and natural perspectives, due to lack of attention to marketing and adopting new marketing strategies to attract and encourage tourists, conveying useful information and appropriate services for optimizing and identifying tourists desires and recording their behaviors during their shopping for identifying future trends in the industry, the results of this survey show that Iran has failed to create high added value. It is noteworthy that policymakers adopt the right marketing strategies including e-tourism, using methods of focus marketing, strategies for quality improvement and customer satisfaction, etc. which cause the development of this industry and its more income.

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