The impact of tourism marketing in enhancing competitive capabilities

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Abstract

This study aimed to examine the impact of tourism marketing in enhancing the competitive capabilities of the tourism sector in the Iraqi Kurdistan Region through the perspectives of (370) tourists’ fourth class hotels in the city of Erbil. The study was based on the descriptive analytical method, which included the use of a questionnaire to collect primary data in order to calculate the mean and standard deviations of the data. The theoretical section provides background information through the use of books, academic journals and related studies. The most important results of this study are that the level of perceptions of the study sample on tourism marketing and competitive capabilities was medium and high, and that tourism marketing has an impact on enhancing the level of competitive capabilities.

Keywords: tourism marketing, tourism product, tourism product pricing, tourism promotion, competitive capabilities.

Introduction

Tourism is a social phenomenon involving people's motion to and from locations away from their usual environments and daily routines. Across the globe, tourism plays a significant role in the development of economies (Amoah & Amoah, 2019). In this view, many nations have created policies, structures and support for the tourism industry as a means of improving the gross national product and its payment balance (Chigora & Hoque, 2018). In addition, tourism is considered a significant economic force that provides jobs, foreign exchange, income and tax income for any nation (Mwinuka, 2017). As the tourism industry continues to develop, the marketing of tourism institutions is becoming increasingly crucial globally (Nqosa et al, 2019). Tourism and hospitality, whether it be a service or product, can differ from many other types of existing services and products. This is due to the role played in the positioning phase by the expanded marketing services mix components (Getahun & Dhaliwal, 2017). Due to market globalization and increased competition, global tourism businesses are currently facing fast changes (Ratten & Rodoula, 2010). Thus, in order to stay competitive, tourism organizations should be conscious of the requirements and desires of their customers, be conscious of their requirements, make their prospective tourists aware of their services and persuade them through efficient marketing strategies for tourism.
Based on the above, the study problem lies in the reality of the tourist environment in the Iraqi Kurdistan Region that faces internal and external challenges that affect their competitive capabilities. This study is an attempt to analyze the relationship between study variables and to present various concepts and ideas about study variables, namely tourism marketing and competitive capabilities. It is especially the tourism sector which needs to continuously develop the capabilities through relying on efficient and effective management to identify the marketing needs of development plans and marketing projects in order to stay competitive in the tourism sector. The main objective of this study was to examine the impact of tourism marketing on enhancing the hotels competitive capabilities in Iraqi Kurdistan Region Erbil city. This objective can be achieved by building a conceptual framework for both tourism marketing and enhancing competitive capabilities. Furthermore, by formulating this within a theoretical philosophical framework it is possible to offer an explanation of the nature of the impact between study variables.

The importance of this study lies in the interest of many researchers in the field of marketing on this subject. This is due to it being closely related to the desires and needs of tourists and the competitive capabilities of hotels. Through the provision of their services, the right decisions in the field of marketing tourism can be achieved. Therefore, improving the hotels performance can lead to higher customer satisfaction within the tourism sector.

Literature review

Tourism Marketing

Marketing according to the American Marketing Association (AMA) is a method of generating, distributing, supporting and pricing products, services and thoughts to promote customer-friendly exchange and establish and sustain positive interactions with stakeholders in a vibrant setting (Mudzanani, 2017). Marketing is a core management function for any business. It defines unmet requirements, defines which target markets the organization can best serve, and involves choices on suitable products and services to serve the markets selected (Nicolaides, 2018; Thwala, & Slabbert, 2018). In general, tourism marketing is part of marketing and follows the same principles of marketing. However, what distinguishes tourism marketing is that it is similar to service marketing. The characteristics of the product gives marketers certain limitations as well as specific directions for the difference between the tourism market and other markets.

Kotler and Armstrong (2007) defined tourism marketing as the process by which the needs of tourists can be balanced against the objectives of a tourist organization or region. Tourism marketing is an activity that tourism institutions do to innovate, communicate, deliver and share offers that have added value to customers, partners and the relentless community (Pomering et al, 2011). Tourism marketing activities focus primarily on tourism products or services and their development and reasonable pricing policies to control the quantities of tourism between peak and recession seasons, a distribution channel to target markets, and the development of the tourism services package by integrating the total tourism services (Hong, 2008). In this regard, tourism marketing is an administrative and technical activity carried out by tourist organizations and establishments inside and outside the country to identify the potential and anticipated tourist markets in order to develop and increase the tourist traffic. In addition, it is to achieve compatibility between the tourism product and the desires and motives of different market beneficiaries. The tourism marketing mix is includes four elements (product/service, price, place and promotion) to suit customers' needs and desires. This represents the traditional approach that has been developed in line with the marketing of services and products. The modified
tourism marketing mix emerged to include seven elements: tourist product, tourism product pricing, tourism placement/distribution, tourism promotion, people/individuals, process of service delivery, and customer service (Joseph, 1996). Nicolaides (2018) posits that sales and marketing must be honest at all times and professional when dealing with customers, competitors, regulatory bodies and employees. Marketers must strive to behave honestly, and depict products correctly and always adhere to the company policies and code of ethics, laws and regulations. Ethically managed hotels are those that show deference to the rights of all stakeholders while not weakening business value.

Tourism Marketing Mix

The tourism marketing mix is a set of marketing activities, which work with consistency and complement each other. Firstly, the product offered to the market is analyzed. Then the appropriate and competitive price is determined which leads to the promotion of the product. The next step, is the distribution and delivery of the product to the place at the right time in order to satisfy the consumer. It is crucial that the needs and desires of the consumer at met to the highest possible level as this is reflected in the justification for the existence of the organization. There is an agreement between the researchers on a set of elements of the tourism marketing mix that the tourist organization can rely on in marketing its tourism products to attract tourists which is described in the following section.

Tourist Product

Product has been defined as anything that can be given to a market for attention, purchase or use to fulfill a desire/need (George, 2014). It represents the first element of the tourism marketing mix, it is a mixture of natural conditions (geographical, environmental, climatic) and human components (religious, cultural or archaeological) in addition to tourism services and facilities such as basic public facilities (transport, hotels, restaurants etc.). The tourism product is the beating heart of the marketing activity, which is a set of elements that the country has as important tourist attractions to rely on in attracting foreign tourism demand (Dolan, 2002). However, with extra products and services like lunch, swimming pool, excellent place, star grading and more, the tourist product can become more appealing. How these products and services are packaged in marketing materials and the need for efficient understanding and abilities is crucial (Thwala, & Slabbert, 2018).

Tourism Product Pricing

Price concerns the price customers are prepared to pay for the fulfillment of the need and the sum that the company is prepared to receive to satisfy the need (George, 2014). Kotler and Armstrong (2007) defined the price as the sum of all the values (money) that the consumer exchanges for interest, possession or use of the product. Pricing is one of the most effective and important elements of the marketing mix, as it is the only variable that generates income (Palmer, 2001). Hotel pricing is not controlled, but based on offered services. But this is the owner's choice. Pricing directly contributes to tourists' decision whether or not to use the hotels (Thwala, & Slabbert, 2018).

Tourism Promotion

Promotion means that efforts are being made in various media and communication to clarify the tourism picture of the state, highlighting it in front of the prospective tourist beneficiary to attract his attention to visit the state and buy the tourism product (Dolan, 2002). Tourism promotion provides the tourist with information about the
tourist organization and the program they offer as well as the proper scientific promotion to encourage tourists to contract one of the tourism programs provided by the organization. Promotion is vital to successful marketing of a tourism product. It is necessary to reach customers as customers are removed from the product in terms of time and space; needs of uninformed consumers cannot be fully satisfied; consumers need to learn about fresh products or services, fresh and current channels for current products and services (Arnett & Witmann, 2014).

**Tourism Placement/Distribution**

This is considered one of the most important decisions made by the tourism marketing department in the tourist establishments which ultimately affect its success or failure in the tourist flows to the tourist destination area (Kotler & Armstrong, 2007). Distribution channels are used to make tourism products available and accessible to prospective tourists. Therefore this refers to how the product reaches the clients and is concerned with transmitting the product to the target market to satisfy the needs of the consumer (George, 2014). The industry of tourism is unable to comply with one distribution scheme and this may even never be possible or viable. However, new technology enables prospective tourists to see for example, a guesthouse, on social media sites, bringing the product nearer to the tourist (Thwala, & Slabbert, 2018).

**People/Individuals**

This refers to individuals involved in providing services to customers directly or indirectly and who have a significant impact on the extent to which customers accept the service (Sadq et al, 2016). The factors that affect the quality of the service delivery depend on the level of training and skills employees have gained, personal behavior, discretion in the provision of services, and the satisfaction of consumers by providing the service to them (Mohammad, 2015, 74). Individuals in marketing tourism services is of equal importance to the importance to the four marketing elements mentioned above and tourism is one of the most successful fields that depend on manpower (individuals) and its ability to provide tourism services properly (Bovee et al, 2005).

**Process of service delivery**

This aspect relates to the stages and the way in which the service is provided and is very important to the service organization, and the process of providing the service includes all the procedures, methods, policies and methods used by the service provider to ensure the service to the beneficiaries (Cranfield, 2000). It is the system that helps the organization to flow activities and services delivered to customers and helps customers in the comparison of services and different products which contribute towards the final decision of the purchase (Nouri & Soltani, 2015). This process also includes the stages of sale, use of computerized information, validity of the employees work, the degree of customer participation, the flow of information and information systems, reservations and waiting time. All of which are concerns of management to make tourism production efficient and acceptable.

**Customer service**

This factor refers to the environment in which service or production of physical goods is provided and that facilitates the organization's performance and communication (Nouri & Soltani, 2015). There are many factors which ensure customer service as an important component of the marketing mix in services. Due to the customers many demands, a substantial amount of importance is given to the opinion of
customers. In order for organizations to retain strong competition amongst other organizations, it must provide a strong competitive feature in the market to satisfy customers, gain their trust and increase strong relationships with them (Palmer, 2001). The huge costs and time spent related to legal actions must be avoided at all costs so no hotel for example should need to face any litigation based on unethical practices such as false marketing. This is why it is crucial that they at the beginning spread ethics and morally appropriate marketing (Nicolaides, 2018).

**Competitive Capabilities**

The markets in which organizations currently operate are highly complex and competitive, resulting in many challenges that to adapt to, recognize and analyze the competitive dimension in the markets in which they operate (Mirkhan et al, 2017). The concept of competitive capabilities reflects the organization's ability to carry out a specific activity or group of activities. The source of this potential is the skills, knowledge and functional experience of the staff of those organizations (Johnson & Schooles, 1996). Competitive capabilities are the ability of the Company to deploy and invest its resources in a manner that achieves its objectives and leads to the achievement of the organization's objectives, which constitute the core and non-core capabilities (Hit et al, 2001). Kay (1993) argues that outstanding capability becomes a competitive advantage when applied in an industry or introduced to the market. Newbert (2008) states that when the company owns and exploits its valuable and rare resources and capabilities, it will achieve a competitive advantage. Competitive advantage is then the capacity of the organization to formulate and execute policies to improve the position of the organization against other organizations operating in the same activity (Sadq et al, 2018).

Porter (1985) asserts that competitiveness arises when an organization can create a competitive advantage for its customers, which is in the form of prices lower than other competitors with equal benefits, or better benefits from products offered by other competitors. In other words, it can be said that competitive capabilities can be defined as how an institution uses certain measures and procedures that differentiate it from its competitors and achieve superiority and excellence. It is the ability of an organization to compete with other organizations in the same market for the same goods and services, and to achieve competencies equal or superior to those of competitors. Competitive capabilities rely on the capacity of the public and private sector to provide services and add or generate value for tourist experiences (Hossain, & Islam, 2019). Tourism destinations' relative competitive capabilities and attractiveness influence their success in worldwide markets. Thus, tourists use facts obtained from sources to create a perception of the destination in their minds before they travel, and this is referred to as the destination image (Ramukumba, 2019).

**Dimensions of Competitive Capabilities**

Efficient and effective operations of the organization: It is achieved through the acquisition of technology and cheaper raw materials, as well as the better utilization of production capacities, the efficiency of marketing operations, the effectiveness of production systems, maintenance systems, and the efficiency of transport and storage operations, through the application of strategies to ensure this including control measures and control to ensure the achievement of objectives. (Dilworth, 2006)

The quality of processes and outputs: This refers to the different views of individuals or the different view of the organization versus the expectations of individuals. The characteristics of the product or service will meet the satisfaction of
the stakeholders, and therefore the products must be reliable or efficient and effective (Atem & Yella, 2007).

**Just in Time (JIT):** It is the philosophy of producing goods and services, depending on the price, quality and quantity you request from the customer. It is described as replacing the complexity with simplicity during the production processes, through which the detection of defects early, and this leads to reduce production meals and this in turn also leads to little waste and improves the quality of goods and services (Krajewski & Ritzman, 2008; Nicolaides & Harding, 2012).

**Creativity, renewal and innovation:** This refers to the reshaping or re-creation of new ideas to be innovative, in order to find a solution to a problem. This relates to technology and highly affects organizations creativity and innovation (Ramphal & Nicolaides, 2014). It reflects on the escalation of needs and aspirations of the organization as it is no longer sufficient or even satisfactory to do business in organizations of all kinds through traditional routine methods. If this was the case, it would result in leading to a halt, and is therefore a retreat from the quick knees in moving forward or failure (Lynch, 2010).

**Methodology**

This study adopted a descriptive analytical approach. It is the approach that is consistent with the directions of this study. The topic of this study required the description of its concepts, the presentation of theoretical propositions, analysis, and devises the psychological foundations of the variable subject to study. A survey questionnaire was used to collect primary data.

The questionnaire consisted of (33) close-ended questions which are divided into two sections. The first section contains (21) questions aimed at identifying the respondents' tendency to adopt the hotels concept of tourism marketing.

The second section contains (12) questions to identify the level of competitive capabilities from the perspective of the respondent. The researchers distributed the questionnaires to a random sample represented by (370) tourists of the four stars hotels in the city of Erbil in the Kurdistan region of Iraq. Five Likert scale (strongly disagree, disagree, uncertain, agree, strongly agree) was used and weights (1, 2, 3, 4, and 5) were assigned respectively.

**Results**

It is noted from table (1) that the overall average mean of the tourism marketing dimensions reached a high value (4.007). This value reflects the awareness of the presence of tourism marketing provided by hotels operating in the tourism sector in Iraqi Kurdistan region. Among tourism marketing dimensions, the mean value of customer service reached the highest level (4.44).

The high value reflects the presence of interest by tourism organizations in the presence of customers' perception of the quality of services provided. However, the results shown that tourism promotion reached the lowest level (3.69) although it is consider as a high value according to the mean.
Table 1. Mean and standard deviations of tourism marketing dimensions

<table>
<thead>
<tr>
<th>Tourism marketing dimensions</th>
<th>Mean</th>
<th>St. Deviations</th>
<th>Rank</th>
<th>Dimensions’ level according to the mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Tourist product</td>
<td>4.28</td>
<td>.793</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>2 Tourism Product Pricing</td>
<td>3.82</td>
<td>.854</td>
<td>5</td>
<td>High</td>
</tr>
<tr>
<td>3 Tourism Promotion</td>
<td>3.69</td>
<td>.766</td>
<td>7</td>
<td>High</td>
</tr>
<tr>
<td>4 Tourism placement/Distribution</td>
<td>4.18</td>
<td>.823</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>5 People/ Individuals</td>
<td>3.85</td>
<td>.670</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>6 Process of service delivery</td>
<td>3.79</td>
<td>.801</td>
<td>6</td>
<td>High</td>
</tr>
<tr>
<td>7 Customer service</td>
<td>4.44</td>
<td>.598</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Overall tourism marketing dimensions</td>
<td>4.007</td>
<td>.757</td>
<td></td>
<td>High</td>
</tr>
</tbody>
</table>

The statistical data in table (2) indicate that the overall average mean of the competitive capabilities dimensions is high (3.747). This result indicates that there is a high average situation in terms of competitiveness from the perspective of the respondents. The dimension of quality of processes and outputs comes first with a mean of (3.92) and standard deviation (1.113). The second value is the just in time (JIT). Creativity and innovation comes last with an average of (3.53).

Table 2. Mean and standard deviations of competitive capabilities dimensions

<table>
<thead>
<tr>
<th>Competitive capabilities dimensions</th>
<th>Mean</th>
<th>St. Deviations</th>
<th>Rank</th>
<th>Dimensions’ level according to the mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Efficient and effective operations of the hotels</td>
<td>3.68</td>
<td>1.066</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>2 Creativity and innovation</td>
<td>3.53</td>
<td>1.184</td>
<td>4</td>
<td>Medium</td>
</tr>
<tr>
<td>3 Just in Time (JIT)</td>
<td>3.86</td>
<td>1.105</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>4 Quality of processes and outputs</td>
<td>3.92</td>
<td>1.113</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Overall competitive capabilities dimensions</td>
<td>3.747</td>
<td>1.117</td>
<td></td>
<td>High</td>
</tr>
</tbody>
</table>

Analyzing the study hypothesis

The content of table (3) represents the analysis of the study hypothesis. The results show that there is a significant effect of the tourism marketing on enhancing the level of competitive capabilities. It is supported by the calculated value of (F) (103.898)
which is a significant value at (0.000). The \( R^2 \) value of tourism marketing is 68.0% which is explained by the variation in enhancing the level of competitive capabilities.

Table 3. The impact of tourism marketing on competitive capabilities

<table>
<thead>
<tr>
<th>Competitive capabilities</th>
<th>R²</th>
<th>F</th>
<th>Sig. Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Marketing</td>
<td>.680</td>
<td>103.898</td>
<td>.000</td>
</tr>
<tr>
<td>Tourist product</td>
<td>.416</td>
<td>86.061</td>
<td>.000</td>
</tr>
<tr>
<td>Tourism Product Pricing</td>
<td>.351</td>
<td>68.684</td>
<td>.000</td>
</tr>
<tr>
<td>Tourism Promotion</td>
<td>.396</td>
<td>70.919</td>
<td>.000</td>
</tr>
<tr>
<td>Tourism Placement</td>
<td>.420</td>
<td>87.452</td>
<td>.000</td>
</tr>
<tr>
<td>People/ Individuals</td>
<td>.612</td>
<td>190.938</td>
<td>.000</td>
</tr>
<tr>
<td>Service delivery process</td>
<td>.401</td>
<td>78.231</td>
<td>.000</td>
</tr>
<tr>
<td>Customer service</td>
<td>.643</td>
<td>123.532</td>
<td>.000</td>
</tr>
</tbody>
</table>

At the level of tourism marketing dimensions, the results of table (3) indicate the effect of tourism marketing dimensions (tourism product, tourism product pricing, tourism distribution, tourism promotion, people/ individuals, service delivery process, and customer service) on enhancing the level of competitive capabilities. The results of tourism marketing dimensions (351%), (.416%), (.396%), (.420%), (.612%), (40.1%) (64.3%) respectively explains the impact on the enhancement of competitive capabilities. These results support the validity of the study hypothesis that state there is a significant impact of tourism marketing in enhancing the competitive capabilities of hotels.

Discussion and conclusion

The results of the descriptive analysis show that the individuals of the study sample (tourists) believe that tourism organizations (hotels) provide services with high characteristics that lead to customer satisfaction and are keen to satisfy the wishes of customers through the provision of distinctive services. Hotels in Iraqi Erbil city seek to pay attention to the channels of service delivery to their customers through the channels of service delivery, which is necessary to achieve a competitive advantage. The results indicate that the procedures and processes are important factors that lead to customer satisfaction. Moreover, tourism marketing is a scientific and coordinated implementation of business policy by tourism projects for the purpose of fulfilling the needs of a group of specific consumers and to achieve an appropriate return.

Tourism marketing includes all the efforts and activities of the organization. The tourism service provides different elements or parts, which aim to satisfy the tourists in a variety of forms. This study found that tourism marketing is a management philosophy embodying tourism demand through research, forecasting and selecting the right market with the objectives of the organization and thus achieve the greatest return. Tourism marketing is an activity which the marketer or the tourist establishments provide all tourist services and facilities in order to attract tourists and
satisfy their needs and desires for the purpose of achieving the objectives of the organization and enhance their competitiveness and obtain an appropriate return as a result of their tourism activities.

References


