

Designing and Explaining a Marketing Mix Model for Development of Tourism Industry in Iran with Grounded Theory

Mohammad Payahour¹, Mahdi Karimi Zand^{2*}, Gholamreza Asgari³

¹ Ph. D. Candidate of Marketing Management, Islamic Azad University Central Tehran Branch, Tehran, Iran.

² Assistant Professor of Business Administration, Islamic Azad University Central Tehran Branch, Tehran, Iran.

³ Assistant Professor In management, Islamic Azad University Central Tehran Branch, Malek Ashtar University, Tehran, Iran.

Abstract

The aim of this study is to present a mixed marketing model for development of the tourism industry in Iran using the qualitative method of grounded theory and the tools of interviewing and collecting documents. The research population is the faculty members of the universities of Tehran, who have full knowledge about both fields of marketing and tourism. The data from the interview was coded by researcher using Nvivo software, in three stages of open, axial and selective coding. The development of the tourism industry in Iran was chosen as a core category, and finally the model 12P+4S was presented for marketing mix of the tourism industry in Iran. The development of tourism industry can be accomplished due to the proper management of these 16 elements of marketing mix. The results showed that the causal conditions of the model included the product, the context conditions included specification, partnership, Studying, price, perception, and intervening conditions included place, policy, purse string, security, physical evidence, and people. Furthermore, strategies included elements of planning, Sustainability, processes and promotion.

Keywords: Marketing Mix, Tourism Industry, Tourism Development, Marketing, Grounded Theory

1. Introduction

Tourism industry is one of the important economic resources and effective factors in cultural, social and economic development of societies. Many countries are increasingly realizing that it is of great importance to take the initiative to improve their economic situation and to seek new ways of developing the tourism industry, especially for developing countries facing problems such as high rate of unemployment, foreign exchange reserves restriction and single-product economy. The tourism industry brings about a variety of economic processes, which effect on GDP, entrepreneurship, human resource utilization and the utilization of various economic sectors. [1].

The tourism industry's global receipts increased from 2 billion dollar in year 1950 to 495 billion dollar in year 2000, and then to 1220 billion in year 2016. In year 2016, France, the United States, Spain and China continued to be among the top ten tourism earner countries considering the number of tourists entering the country per year. The number of tourists arriving to countries is expected to increase internationally by 3.3 percent between the years 2010 and 2030, reaching 1.8 billion tourists by year 2030. [2].

2. Literature Review

2.1. Theoretical Background of the Research

Marketing in Tourism. The aim of marketing in tourism is the production and placement of products to suit a wider range of tourism consumers. It should facilitate the exchange process on

the tourism trade. Marketing in tourism can be seen as the subsystem in the system of marketing services. And by services, we mean all those activities, as the final product does not have a physical product, but is a product that is consumed at the time of its production, which leads to the creation of added value, which is invisible and intangible for the consumer [3].

Marketing in tourism has its own specificity, which arises from the fact that the tourism product is a service. Such a defined tourism product is offered in the trade of tourism.

Marketing mix in tourism. Key role in achieving the competitive position of the company and the tourism belongs to marketing, as a key feature of any economic activity. It, through operational performance achieves the most optimal combination of marketing mix. The chosen marketing strategy varies through a specific elements' combination of the marketing mix.

The goal is to meet more efficiently the needs of consumers in that market segment in which it is directed. This success is largely dependent on the organizational and financial resources of specific tourism organization, which in tourism industry consists of four elements: product, price, distribution and promotion. Based on these elements, the tourism organization in the best possible way adapts to the demands of the tourism market. [4].

2.2 Experimental Studies

Kamau et al. (2015) in "Marketing mix effects on accommodation selection by domestic tourists in Kenya" showed by quantitative method that the elements price, product, place, people, physical evidence and publicity have a major impact on choosing an accommodation for local tourists [5].

Wolfe & Crofts in "Marketing Mix Modeling for the Tourism Industry: A Best Practices Approach" introduced marketing managers and tourism researchers to an analytic tool used to optimize the allocation of a firm's marketing budget in such a way that provides the greatest likelihood of producing the strongest return-on-investment [6]. Marketing mix modeling combines advanced econometrics with marketing science to objectively measure the relative productivity of a complete set of marketing programs or initiatives to produce transient tourism sales. Discussed and demonstrated in this paper are the steps in performing such an analysis, how to avoid its major pitfalls, and the benefits that can be derived from the analysis.

Shafaghi (2016) in Master Thesis "The role of marketing mix elements in promoting the tourism industry" by means of quantitative method and questionnaire and statistical analysis concluded that one of the aspects that can be the source of many changes for sustainable development is identifying marketing mix [7]. The results showed that all seven components of service marketing mix have a positive and significant relationship with the dependent variable of tourism development in Gilan province.

Gerald Nwora (2019) in "Adopting Marketing Mix Model for Reducing Poverty Incidence in Nigeria" showed that poor quality of poverty alleviation products, poor pricing, poor marketing promotion, poor distribution, poor people, poor processes and poor physical evidence have significant positive influence on poverty incidence in Nigeria [8]. Improvements in these weak marketing mix variables were recommended in order to improve poverty syndrome in Nigeria.

Achak et al. (2014) in the research "Tourism economic development based on marketing mix model", TOPSIS technique is used to prioritize the mixing elements [9]. The results showed that the elements obtained in order of priority included: processes and programs, people, participation, place, physical evidence, promotion, product and price.

Jiménez-Marin (2018) in "Shopping as a selling strategy for tourism combination of marketing mix tools" showed that Firstly, there exists a theoretical review of the phenomenon of leisure within the needs of individuals and further expenditure is oriented towards this set of activities [10]. Then a classification of the activities offered for the entertainment of individuals paying particular attention to the main Spanish companies involved in some of these sectors and, secondly, the role of shopping as one of the leading suppliers of trade and leisure.

AbdulNabi et al. (2014) in the study "Investigating the effect of 7P marketing mix on achieving competitive advantage in five star hotels" with quantitative method and questionnaire and statistical analysis showed that hotel safety and brand name are very important for guests [11]. Moreover, furniture and equipment attract the guests more than the green environment.

2.3 The Importance of Research Topic and Motivation for Choosing it

1. Tourism is one of the most dynamic economic activities of the modern era that plays an important role in sustainable development.
2. Criticism over marketing mix as well as the marketing mix of services prompted the researcher to re-examine and do the exploratory research to propose a new marketing mix that had not been done in other research.
3. Most researches in the field of tourism marketing mix only deal with the impact of traditional marketing mix or ranking the impact of marketing mix services elements. While, other elements can be added to them.
4. The Grounded Theory qualitative method is used for the first time to extract new marketing mix elements.

The present study aims to develop the tourism industry from the perspective of a marketing researcher and by identifying new elements of the marketing mix. This had not been done in other research.

3. Materials and Methods

Regarding to the content, methodology of this research is the qualitative type and its related community is faculty members of Tehran universities that are proficient in both tourism and marketing.

This research is in a new field and no comprehensive study has been undertaken beforehand that covers an overview of the marketing mix model of the Iranian tourism industry.

Therefore, this study has a qualitative approach based on a systematic grounded theory method. Theoretical sampling method was chosen for the present research based on grounded theory method. In this method, the sampling is non-random and the number of samples is not predetermined and the sampling process continues during data analysis until the theory reaches the theoretical saturation stage. Nvivo software was also used to structure the data collected, including data from interviews, documentaries, notes, and audio files which were entered into the software and coded initially. This stage of the process is called open coding, as a result of which the basic concepts were formed. In the second step of coding, axial coding was done by removing and merging existing concepts into first level categories, and by repeating this process and re-integrating first level categories by third stage coding (selective coding), second level categories and the final theory was obtained.

In this research, in order to make the link between the categories, a systematic model of Grounded theory was used. In this model, the topics are categorized into six categories, namely: causal conditions, context conditions, core category, intervening conditions, strategies and consequences.

In this study, interviewing and document collection were used for data collection. In depth interviews are a type of almost unstructured interviews with selected target audience [12].

In this research, interviews were conducted face to face in 40 to 60 minutes, questioning semi-structured questions which were consistent for all interviewees. Interviews were recorded for more accurate analysis. In this study, 16 people were interviewed. However, from 11th person on, theoretical saturation was obtained, but the interview continued for more assurance.

4. Results and Discussion

In this study, data analysis was performed in accordance with Grounded theory method through data coding (finding concepts in data) in three steps: 1- Open coding 2-Axial coding 3-Selective coding.

In open coding, coding was done by assigning conceptual and category codes to each smallest significant unit of target textual content. In Grounded theory, the meaningful unit of data can be a small sentence or part of a paragraph or one or more paragraphs of the whole textual content. However, the smaller the units, the better. [13]. At first, according to the methodological process,

from the initial data, subject-related codes were identified and then one concept was extracted from multiple codes through constant comparison, then the other codes were converted to concepts until eventually 331 concepts were acquired. In the next step, the concepts came together and eventually turned into 80 concepts. Due to the multitude of interviews and for making an example, the open coding of one of the interviews is presented in Table 1:

Table 1: Open Coding of the Third Interview

Row	Concept	Row	Concept
1	Tourist satisfaction	18	Scattering of attractions
2	Diversity of tourism attractions	19	Advertising activities
3	Tourists' dissatisfaction with the attitudes	20	participating in tourism exhibitions
4	Tourists' dissatisfaction with hotels	21	Presenting Iran's attractions
5	Dissatisfaction with transportation	22	Establishing relations with other countries
6	Creating recreational centers in historical cities	23	Presence in the world's top media
7	Low prices in Iran	24	Revision of tourism policies
8	The importance of word-of-mouth marketing	25	Effective training of tourism personnel
9	The importance of tourist visa facilitation	26	Importance of social media
10	Promoting the inland transport industry	27	Learning different languages
11	Green marketing and green tourism	28	The importance of culture
12	Different prices for foreign tourists	29	Government investment in tourism
13	Long distance of tourist attractions	30	Changes in foreign tourists` views
14	Facilitating and expediting transportation	31	Culture making
15	Choosing best travel time of the cities	32	Tourism Profitability
16	Iran's climate diversity	33	Construction of several hotels at an international level
17	Governmental strategies for tourism	34	Tourism employments and entrepreneurship

Then, in this research, the concepts derived from the open coding process were compared, merged, reduced and summarized for axial coding. In other words, in this stage, the concepts of open coding were first reviewed and then refined. Then, themes of the same group and their final sorting, the final understanding of the relationships between the concepts and categories of the same group, and the final combination of the categories of the group were made, and finally some of the larger groups were reduced to concepts. The results of this step of coding are presented in Table 2.

Table 2: Providing axial coding results

Row	Concept	first level category	Second level category
1	Variety and attractiveness of tourism attractions	Product	causal conditions,
2	Customer satisfaction		
3	Unique tourist attractions		

4	Iran's diverse climate		
5	Historical background		
6	Diversity of cultures		
7	Architectural & tile arts, etc		
8	Special rituals		
9	Rial devaluation	Price	
10	Low service price		
11	Low hotel price		
12	Low price of goods		
13	Contact between foreign visitors and local people	Place	
14	Distances between tourist destinations		
15	Convenient times to travel to different cities		
16	Participating in international exhibitions	Promotion	
17	Presenting Iran's attractions to the world properly		
18	The importance of word-of-mouth marketing		
19	Presence in world leading media		
20	The importance of social media in introducing attractions		
21	Culturizing		
22	Changing the point of view of the foreign tourists		
23	Creating an appropriate legal framework for tourism	Policy	, intervening conditions
24	Developing a proper tourism strategy		
25	Privatization in the field of tourism		
26	Social responsibility in the field of tourism		
27	Safety of equipment	Safety	
28	Road safety		
29	Transportation safety		
30	Creating a sense of security		
31	Insurance		
32	Beautification and illuminating the cities	Physical evidence	
33	Cleanliness of the tourist attractions		
34	hotels built up to international standards		
35	Modernizing transportation equipment		
36	Use of professionals in tourism	People	
37	Use of trained people in all areas		
38	Cultural characteristics of Iran	Specifications	context conditions
39	Religious characteristics of Iran		
40	Economic situation of Iran		
41	Governing laws and regulations		
42	The world's viewpoints on traveling to Iran	Perception	
43	Mentality formed in the minds of tourists		
44	Negative propaganda about Iran		
45	Increasing the tourist satisfaction	Positive Consequences	Consequences
46	Economic growth through tourist entry		
47	attracting more tourists		

48	Creating employment at different levels of society		
49	Reducing migration from village to city		
50	Development of the isolated spots		
51	Entrepreneurship and job creation		
52	Introducing Iranian culture to the world		
53	Increasing welfare in the host country		
54	Preservation of tourism resources		
55	Preservation of cultural heritage		
56	The cultural richness of the host country		
57	Creating a sense of patriotism		
58	The dynamics of society		
59	Cultural change	Negative Consequences	
60	Negative impacts on host community norms		
61	Environmental hazards		
62	Formulating macro tourism policy	Planning	Strategies
63	Green marketing and green tourism sustainability	Sustainability	
64	Energy and water resources management		
65	Waste management		
66	Conservation of forests, pastures and cultural heritage		
67	tourist visa process facilitation	Processes	
68	Solutions to Promote the internal transportation industry		
69	Relations with other countries		
70	building recreation centers in historical cities		
71	Effective training in tourism		
72	Revision of tourism policies		
73	Building several hotels at an international level		
74	Stakeholder integration	Partnership	
75	Stakeholder cooperation		
76	Cooperation and coordination between the institutions involved		
77	Research in tourism	Studying	
78	Training of all those involved in tourism		
79	Financing and completing Infrastructures	Purse string	
80	Large investment in tourism		

In the last step of the analysis, selective coding was performed. However, selective coding is not a separate mechanical phase at the end, but during open and axial coding, the basis and the researcher gradually begins to conceptualize and categorize them, especially by forming clusters, and in particular by discovering the phenomenon. The details become a theory and, by completing the data, collectively and evolutionarily represent the relevance of these details, elevates to the level of theorizing, and ultimately the data saturation and creativity required to develop a theory of the situation under investigation. So at this stage the development of the Iranian tourism industry was chosen as a central issue and the model proposed by study was presented by systematic grounded theory:

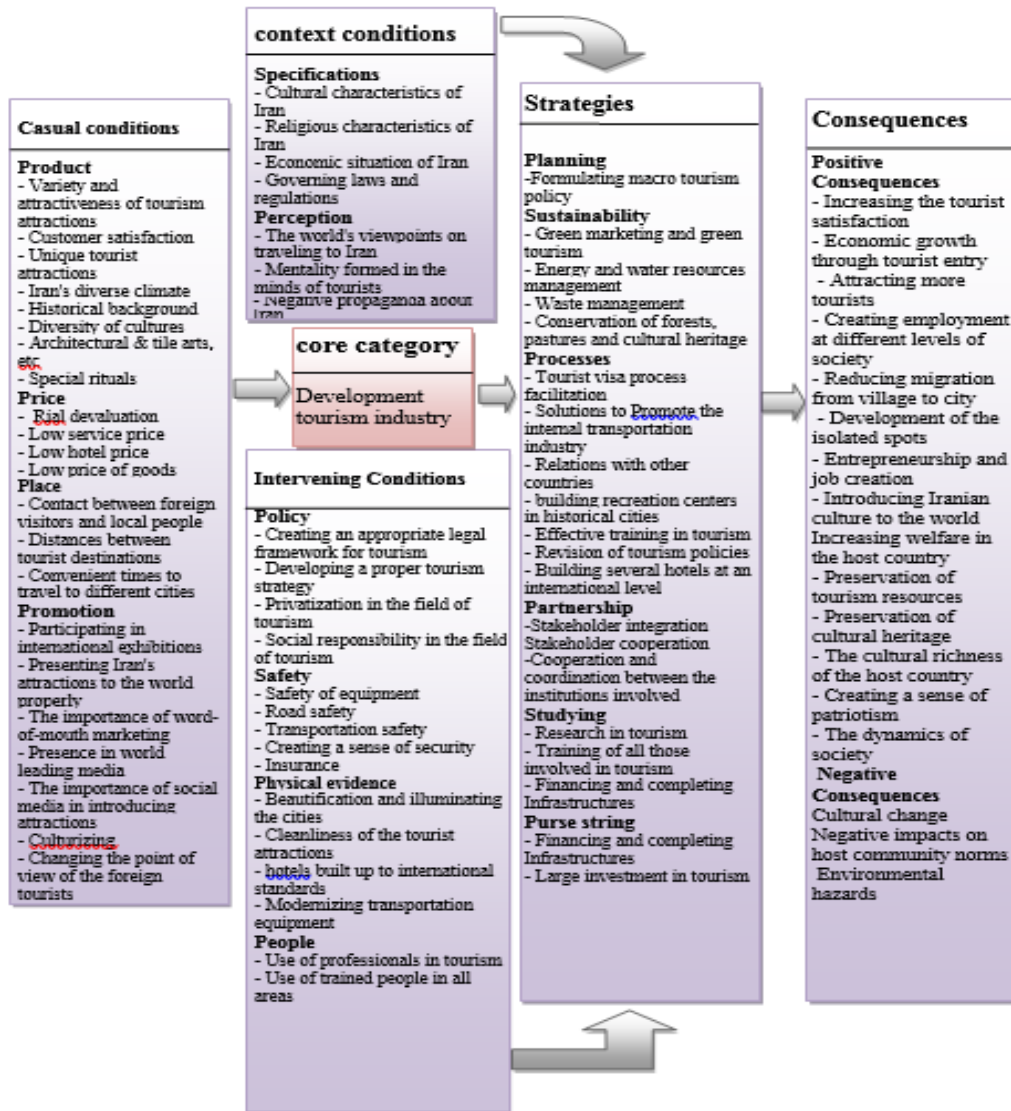


Figure 1: Mixed Marketing Model of Tourism Development of Tourism Industry (Source: Authors)

5. Validity of Data

Unfortunately, there is still no consensus on the practical validity of qualitative research. Therefore, different methods have been considered in this paper to gain the necessary validity. As a first step, two university professors were overseers at all stages of the research. At the end of the work, the results and model were presented to 4 postgraduate PhD students to study and confirm the research process. We also exchanged views with our scientific counterparts in the field of marketing and tourism. Finally, the validity of the model was reevaluated through the interviewees themselves. Therefore, in this study, the results were returned to the interviewees and their views were matched to re-examine the validity of the obtained data.

6. Conclusion and Suggestions

According to this qualitative research, 16 elements of marketing mix were extracted as 12P + 4S which were identified as marketing elements of development of Iranian tourism industry. All 16 elements can be effective in developing tourism industry in Iran with proper management. Summary of these results are presented in both table and model. This model shows that the causal condition of model includes tourism product (which includes: variety and attractiveness of

Iran's attractions, uniqueness of attractions, diversity of cultures, visitors' satisfaction, diverse climate of Iran, historical diversity, the architectural arts and rituals and traditions), Place (including: distance between tourist destinations, appropriate travel time, contact between foreign visitors and indigenous peoples), price (including: Rial devaluation , Low service price, Low hotel price, Low price of goods), Promotion (including: Participating in international exhibitions, Presenting Iran's attractions to the world properly, The importance of word-of-mouth marketing, Presence in world leading media, The importance of social media in introducing attractions, Culturizing, Changing the point of view of the foreign tourists).

This means that the main reason for the development of tourism in Iran is the product of tourism. Moreover, considering the cultural diversity and rituals of each culture and paying special attention to this issue, provides the satisfaction of the tourists which leads to the development of this industry.

Also, elements of context conditions: specification (including cultural, economic and social specification), people (including the use of trained and professional people) are also among intervening conditions.

And the consequences of the development of the Iranian tourism industry were also extracted in the form of positive and negative consequences, including positive economic growth through tourism entry, attracting more tourists, creating employment at different levels of society, reducing rural to urban migration, remote places development, entrepreneurship and employment, introducing Iranian culture to the world, increasing welfare in the host country, protecting attraction resources, protecting the cultural heritage, cultural richness of the host country, creating sense of patriotism and community dynamics. Negative consequences include: cultural change, negative impacts on the norms of the host community, creating environmental hazards.

Because this research was new, there was no research that could compare its data. But in some studies, including those mentioned in the background, some of these elements of the marketing mix have been found, including the research by Martinez et al. (2014) named "Public policy and tourism marketing in Mexico and Spain" policy was recognized as an element of mixed marketing, and Dioko et al. (2010) identified perception in the study of "China trademark, understanding of tour guides and concepts for brand and marketing destination" [14].

The strategies of this model are practical suggestions. For example through planning and formulating macro tourism policies and sustainable development, green marketing and green tourism, energy and water resources management, waste management and conservation of forests, pastures and cultural heritage. And through appropriate financing, completion of infrastructure and large investment in tourism can play a role in the development of this industry by facilitating processes such as tourist visa facilitation, promoting the internal transport industry, improving relationship with other countries. And building recreation centers in historical cities, effectively training staff involved in tourism and revising tourism policies, as well as promoting in a variety of ways, such as participating in tourism exhibitions, presenting Iran's attractions to the world, the importance of word-of-mouth marketing, Presence in world leading media, the importance of the social network in introducing attractions, Building several hotels at an international level, culturizing, changing the point of view of the foreign tourists.

In future studies, we propose a quantitative research and testing the model of this research through a questionnaire and statistical analysis to finally correct the model through a mixed research.

Limitations of this study are also the limitations of qualitative research methods, such as less generalizability in qualitative research findings, lack of clear criteria for evaluating the quality and strength of findings, large volume and variability of unstructured data in the beginning.

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