

**TOURISM DEVELOPMENT AND MARKETING  
IN DIFFICULT DESTINATIONS:  
A CASE STUDY OF IRAN**

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## **Abstract**

The thesis explores the issue of development and marketing tourism in a difficult destination. Although the notion of a difficult destination has no formal definition, it does imply a situation where for a combination of reasons both internal and external to a country, it is difficult to market it to potential tourists. Countries as diverse as Northern Ireland, Cuba, Lebanon, Ivory Coast and Zimbabwe are past and present examples. In this study the country used as the case study is the Islamic Republic of Iran. Since the Islamic Revolution in 1978, the country has experienced often turbulent political and economic change including volatile international relations with other countries, all factors which tend to jeopardise the development of international tourism.

From a trawl of the relevant literature and also derived from the extensive work experience of the author in the Iranian tourism sector and also in marketing it abroad, three research questions were identified. First, to what extent do the internal barriers to tourism in Iran including culture in its many forms; religious issues; national policies relating to tourism; political issues; business issues; infrastructure; and human resources, make Iran a difficult destination to develop and market? Second, to what extent do external barriers including the present image of Iran in the main tourist-generating markets; travel restrictions to and within the country; the media and its role in shaping and reshaping destination image, make Iran a difficult destination to develop? Third, what strategies can be developed to lessen these barriers on the one hand, and promote tourism development on the other?

Due to the paucity of available and reliable tourism data and the absence of previous studies, it was considered necessary to facilitate the research on a qualitative approach.

Using the case study method and based on 25 interviews with key figures in four areas: government (8); tourism associations (5); academics (4); and tour operators (8), interviews were arranged using a semi-structured questionnaire. Interviews were conducted in Persian and translated back to English. Data was analysed using a thematic approach using the ten categories identified above. The case study approached produced a very rich source of information related to the research questions.

The major findings centred on the suggestion that government did not practically appreciate or value the tourism sector. It was argued that government intervention since the Islamic Revolution was at best spasmodic, lacked coordination, and displayed no consistent approach to supporting the sector. The absence of any formal communication channel between government and the private sector to share and discuss issues of concern was evidence of this. Many of the interviewees believed that this situation was a consequence of senior clerics being concerned that foreign tourists would disregard and disrespect the culture and behavioural norms of the Islamic Republic. Interviewees strongly rejected this view as a misperception and stated that Iran's culture and traditions were the main reasons for tourists to come to the country, and that there was no evidence of tourists' misbehaving or lacking respect for social and religious norms. Of more concern as potential barriers to tourism development was the poor infrastructure, deficiencies in human resource training and planning, difficulties in accessing the country due to visa regulations and related facilitation issues such as failure to approve the use of credit cards. It was recognised that in recent years Iran had not received favourable international media attention. However, it was suggested that any misconceptions and errors of fact could be overcome through a media strategy devised jointly by government and the private sector and implemented on a consistent basis.

Recommendations of the study include that government should prioritize tourism as an option for diversification of the country's oil-based economy; develop a formal communication channel with the private sector and some privatisation of current government services should be introduced on a staged basis; create a better image of Iran as a tourist destination; an approach be made to better inform and educate senior authorities about the potential of tourism as part of the country's development strategy; that tourism policies and plans be reviewed, changed as appropriate and necessary, and implementation strategies be agreed; and generally, that tourism initiatives are better coordinated.

This is the first detailed study of the tourism sector in Iran based on industry expertise and opinion. It has been prepared in a period of economic and political turbulence and is presented very much as a foundation study. Further research is urgently required and among priority areas are: preparation of a human resources development plan; a review and analysis of existing tourism policies and plans; create a relevant and pro-active marketing strategy; specific legislative and financial support for tourism SMEs and small businesses. This research would help to better-inform decision-making for tourism and facilitate the use of Iran's tourism assets.

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## **Chapter One**

# **INTRODUCTION**

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### **1.0 Introduction**

The rapid growth of tourism worldwide has created many challenges and opportunities for established and emerging tourism destinations. Worldwide, international tourist arrivals reached 922 million in 2008, up 2% on 2007 with international tourism receipts of US\$ 944 billion (UNWTO, 2009).

For countries that expect to gain from tourism activities, development of the sector and marketing of the country as a unique travel destination is a real challenge, especially when they have to overcome internal and external resistance in its many forms. Iran, as most countries in the world, with an impressive history and cultural heritage and a diverse natural setting, has a competitive advantage in the global tourism industry. However, the potential of this competitive advantage has not been achieved due to internal and external problems for reasons to be discussed in this thesis.

This thesis addresses key issues and analyses the conditions that make certain destinations difficult to market in the global marketplace. This chapter provides an

overall introduction to the research followed by a general background of the study area, its research objectives and a brief explanation of the thesis structure.

### **1.1 Background of the Study Area**

The travel and tourism industry is often claimed to be the world's largest and, perhaps, most diverse industry. Many nations rely on this dynamic industry as a primary source for generating revenues, employment, private sector growth, and infrastructure development. Tourism development is encouraged, particularly among developing countries around the world when other forms of economic development, such as manufacturing or the exportation of natural resources are not commercially viable (WTO, 1997).

Tourism marketing, long considered a branch of traditional marketing, has focused on designing products and identifying target markets that would be attracted to those products. However, today's marketing is not simply a business function; it is a philosophy, a way of thinking and a way of structuring your business and your mind (Kotler, 1999). In recent years, the traditional approach to marketing has been increasingly questioned (Clark, et al., 1995). In reality selling and advertising are main two marketing functions and often the most important.

Human needs, wants and demands suggest that products are available to satisfy them. A product is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a need or want. On the other hand, many factors contribute to making a business successful. However, today's successful



destinations at all levels have one thing in common- they are strongly customer focused and heavily committed to marketing.

More recently, tourism marketing has gone through fundamental changes with the pursuit of global strategies based on strategic alliances, the breakdown of commercial borders and advances in new technologies, particularly communication and distribution technologies ( Wilkinson, 1999 ).

The implication is that successful destination marketing rests on strong partnerships between the different stakeholders and on a coherent, consistent and collaborative marketing approach to create identities that are unique and that differentiate them from other destinations in the global marketplace (Wilkinson, 1999). Generally businesses and destinations want to make sure that they deliver customer satisfaction at a profit. This is the simplest definition of marketing (Kotler, 1997).

Studies on tourism marketing have been one of the foci of tourism research for years, but the complex nature of the marketing process within a broad context of complicated tourism development, particularly in developing countries, leading to a coherent and focused tourism development, has not been well researched.

Middleton (1996) believes that tourism is a structural or core element of modern societies and that the marketing of it is still in the early stages of a development that will influence the industry to an increasing extent in the globally competitive conditions of the twenty first century.

Marketing can be seen as a dominant management philosophy or corporate culture, a systematic thought process and an integrated set of techniques focused on understanding customer needs and aspirations. Combined applications of the thought process and techniques are used in marketing oriented organizations to define their strategic options and goals, and guide the way they understand and influence their target markets in a rapidly changing environment (Middleton, 1996).

The above theme in marketing tourism has been widely discussed in the literature with the main focus on products as the core element of marketing. The same is true with tourism planning but, as far as the tourist is concerned, the product covers the complete experience from the time he leaves home to the time he returns to it (Medlik & Middleton 1973). Thus, the tourist product is to be considered as an amalgam of three main components of attractions, facilities at the destinations, and accessibility of the destination (Middleton, 1996) plus image of the destination and related factors. Therefore, the relationship between product-oriented tourism marketing and tourism planning is the area, which needs to be addressed.

Today, we are living in an increasingly complex world where various types of natural or man made disaster/ crises will become more common (Faulkner, 2001). Tourism, like many other human activities, is affected by events beyond the control of those directly involved in it. Disastrous events, both natural and man-made, have affected the tourism industry in many countries. Catastrophic events could severely disrupt tourism development not only because of the perception created that certain places are dangerous to visit, but can cause major disruptions to global tourism. In

the early part of the twenty-first century, many tourism destinations suffered from localized problems affecting the tourism industry as a whole. These problems include the effects of natural phenomena such as storms, flooding, tsunami, earthquakes, or even health disasters such as the A- H1N1 pandemic. Man-made events such as terrorist attacks, political turbulence and conflicts also have long-term effects on the global tourism industry. The significance of crises and disasters is linked to planning, management, and marketing in tourism for sustainability. Response to any social and environmental crisis is still an important rationale for tourism planning. Yet the effects of crises on tourism activities, with regard to tourism planning, management and marketing deserve further exploration (Mason, 2003). On the other hand there are a range of internal and external barriers in various grounds that make certain destinations difficult to develop and market. This study addresses these issues. Besides there have been very limited studies undertaken on this subject in Iran.

## **1.2 Research Objectives**

The research will analyze the conditions that make certain destinations difficult to develop and market in the global marketplace. The research objectives of this study are to:

- Consider issues relating to the marketing of "difficult" tourism destinations, with specific reference to Iran.
- Analyze the internal barriers to developing tourism in Iran, including the study of the culture in its many forms, religious issues, national policies relating to tourism, business issues, political issues, infrastructure, human resources etc.

- Analyze external barriers in attracting tourism to Iran, including the present image of Iran in main tourism generating markets, travel restrictions to and within Iran, media and its role in reshaping the image of Iran, political issues etc.
- Propose strategies, which can lessen the barriers on one hand and promote balanced tourism development in Iran on the other hand.

### **1.3 Significance of the Research**

There is a growing recognition that, for many countries of the world, tourism can play a significant part in their development process. While conditions vary from country to country, tourism has been considered as an important option for economic development.

Considering the economic, political, and socio-cultural complexities in Iran and the need for a coherent and holistic approach for sound and sustainable tourism development necessitates comprehensive research on various grounds enabling all stakeholders from public and private sectors to act successfully in the global tourism market.

There has been much research carried out on tourism development and marketing but in many cases the end results do not meet the expectations of the stakeholders.

The research will consider the future of tourism in Iran and explores the many unresolved issues, which may prevent the attainment of the country's tourism potential.

## 1.4 Structure of the Thesis

The organization of chapters is as follows:

Chapter One	Provides an overall introduction of the research followed by a general background of the study area, research objectives, and a brief explanation of the thesis structure.
Chapter Two	This chapter presents an overview of tourism and development and discusses various positive and negative impacts of tourism in the economic, sociocultural and environmental context.
Chapter Three	Provides a discussion of the marketing concept as a foundation for understanding the importance of marketing to the tourism industry. The subsequent part of the chapter examines the principal marketing tools employed in travel and tourism. The final part of the chapter discusses the application of marketing in tourism with special reference to destination marketing and the challenges of marketing difficult destinations.
Chapter Four	This chapter examines tourism planning approaches and discusses the role of tourism planning within the broader

context of development. Elements, forms, levels, processes and essential aspects of tourism planning are discussed in subsequent parts of the chapter. The final part reviews the interrelationship between tourism marketing and tourism planning.

Chapter Five

Provides an overview of tourism in Iran, the present situation, trends and prospects. Current tourism development constraints and difficulties in Iran are also assessed in the chapter.

Chapter Six

This chapter discusses the methodological approach for the study. The scope and significance of a qualitative research method and its relevance to tourism studies are then examined. Various data collection techniques such as in-depth interviews as well as analysis and limitations in this process are addressed in the chapter.

Chapters 7 and 8

Presents the study findings in various categories such as cultural matters, religious issues, national policies, business prospects, political issues, infrastructure, human resources, image matters etc.

Chapter Nine                      Based on the research findings, this chapter presents discussion of research findings and recommendations on resolving problems and bringing down barriers to developing tourism in Iran.

Chapter Ten                      Proposes a model of tourism development /marketing as well as strategies for creating a marketable tourism image of Iran.

## **Chapter Two**

# **TOURISM AND DEVELOPMENT**

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### **2.0 Introduction**

The concept of development and its related discipline of development economics are surrounded by controversy. The subject itself – development – has not been defined to the satisfaction of most economists except that most would accept that economic growth is a necessary precursor for development to take place. At its simplest, economic growth provides both the surplus and the stimulation for economic development. Economic growth is seen as a movement, an increase usually in Gross Domestic Product, which permits investment in other forms of economic activity and further contributes to a continuation of the growth cycle. Hence, since the 1950s in particular, economic growth has become the main target for countries and particularly in the developing world. This process, particularly in the classic work of Walter Rostow (1960) was to influence development thinking for many years and was the model of choice for most of the international development agencies, including the World Bank and was at the heart of the American concept of a ‘new world (economic) order’. It was also the American centric riposte to the perceived threats rising from the Cold War and the possibility of



many, mainly poor and underdeveloped countries, adopting communism and turning their backs on the importance of free market economies. So the suggested approach to initiate and sustain development was not simply economic but also had very important political implications.

Rostow's historical analysis explored and rationalized the reasons why countries became richer and more developed. Within a very imprecise time-frame he posited that five stages of growth could be discerned. First was the traditional society identified with reliance on agriculture and undeveloped social structures. Second were identified preconditions for growth with the emphasis mainly on the development of manufacturing and a reduction in dependence on agriculture. Third was a stage of take-off where growth in the economy increased and was sustained. Fourth was the stage of the drive to maturity, essentially increasing the manufacturing base and through growing wealth, transforming society and its structures. Fifth was the age of mass high consumption – the epitome of development. So this model explained that economic transformation had taken place over centuries but was essentially reflective of the development of an industrial base. As a broad generalization, the modernization of the economy was the necessary process to deliver development.

The sub-title of Rostow's book – A Non Communist Manifesto – clearly indicates his particular ideological position and explains why it found support in America and among the major development agencies. It sought to repudiate the much earlier thinking of Karl Marx and Max Weber whose socialist views of development saw free market economies and capitalism as the enemies of the working class for whom development was intended!

Rostow can perhaps be seen as one of the creators of the 'modernization' school of development economists predicated on the idea that development was essentially self-induced, required industrial and social transformation, and was largely an endogenous process. Most Western European countries could be said to have followed and reflected this model and as later, so did Japan, and Korea.

This modernization school was increasingly coming under attack and criticism from a group proposing a dependency theory as an explanation of underdevelopment., for example Baldwin and Forslip (2000) and earlier by the pioneering work of Raul Prebisch who was Director of Development for the United Nations Commission for Latin America.

The dependency theorists suggested that modernization was not a creditable development option for many poor countries and that the roots of poverty rested in what has become known as the core-periphery model. Although recognizing the link between economic growth and development they argued that growth was affected by location. The core of this process was the metropolitan country (often a colonial power such as the United Kingdom, France, and Germany) that exploited the resources of the colonies (the peripheral country), brought them to the metropolitan center and added value before re-exporting manufactured goods to the peripheral country at high prices. The argument followed that it was the dependency of the peripheral country on the metropolitan country which created a circle of dependency which was difficult to change. This situation made the peripheral country a price-taker and not a price-maker in both imports and exports of goods. As many developing countries rely mainly on the export of food

commodities and raw materials there was little or no comparative advantage against other poor countries in leveraging export prices or economies of scale to develop local manufacturing facilities to add value to exports or to support successful import-substitution strategies. The development of world trade patterns in the late 20<sup>th</sup> century were largely neo-colonialist and continued to bias development against the developing countries.

So the confrontation between the two schools of thought continued. Modernizers believe that the only way for poor countries to develop is to follow the examples of the developed countries but often having to use exogenous capital inputs and adopting modern technology. This process would bring with it attendant benefits of foreign management expertise and market connections. The dependency school believe that this open process will lead to a false modernization, a dual economy and exacerbate the core-periphery dependency relationship, a view reflected in the earlier views and seminal works of Frank (1972). They further argued that modernization should not exclusively be related to measures of economic growth but development has a wider interpretation which should reflect improvements in the quality of life of a country's inhabitants. It is not only economic growth which is important to development but how that increases in growth is used. Perhaps this approach is currently best reflected in the United Nations Development Programme's annual publication of the Human Development Report. This uses economic indicators of development but also quality of life indicators such as longevity, morbidity, and health care provision, enrollment in various levels of

education, disease eradication measures and others which allow identification on a comparative basis, of quality of life improvements.

The modernisers and the dependentist schools might be described as two very different generic approaches to the development problem. Unfortunately, emphasis even today remains on industrialization as the main driver of economic development and diversification; tourism is rarely mentioned despite it featuring as an important aspect of many countries export trades in services.

In relating tourism to these two models it is apparent that it reflects the modernization school. In the developing world much of the initiative, capital and expertise have come from outside these countries – exogenous supply of needed resources. Also, as tourists must be supplied with what they demand as they travel in Cohen's 'environmental bubble', inevitably in most developing countries tourism development is accompanied by high economic leakage factors. As the industry also depends on foreign visitors to sustain the activity, it paradoxically remains in a classic dependency position; dependent on external markets, external resources such as capital and expertise, often transport links, and footloose investment which may relocate at short notice. It is these characteristics which often give tourism the reputation of being fragile as an investment focus despite many poor countries having limited other development options. Perhaps a continuing irony is within tourism destination countries the core-periphery model continues as reflected in London being the core of tourism activity in the United Kingdom and Scotland, Wales and Northern Ireland being the peripheral regions. In

Iran, Tehran is the core destination and areas like Yazd, the Caspian region and Shiraz representing peripheral destinations.

The Rostow Five Stages of Growth model was also characterized by a top-down growth strategy much used by international development agencies. There is a growing aversion to the enshrined arrogance in this approach and a greater call for democratization of the development approach. This is now mainly articulated through a bottom-up approach where local communities are seen to have a legitimate right to be consulted on development proposals and some have argued for a management role thereby empowering local communities. This is a controversial area of debate and the rhetoric is often far from the reality on the ground. Often community consultation is nominal with the projects being driven by international consultants and other expertise. The advocates of Pro Poor Tourism are usually confined to small projects and there is little sign yet that large projects in the developing countries are being undertaken with a significant input from local communities. However, changes are being slowly made to approaches to planning and most of the international development agencies including the World Bank Group require non-economic indicators such as community consultation, gender issues, and environmental audits to be included in the project document. However, it remains the case that it is the estimated rate of return on the project which determines whether or not it goes ahead. Perhaps now Rostow's historical analysis of the long-term growth cycle has lost much of its impact but as a foundation of the modernization school, it has relevance and arguably, has a continuing political-economic influence. For a more recent

commentary on the relationship between tourism and political change see Butler and Suntikul (2010).

From this introduction of the generic models of development the chapter reviews the literature relevant to the study of tourism and development. The aim of this review is to generate a detailed understanding of the current literature pertaining to the research area. This chapter aims to explore the current theoretical and conceptual research on tourism development and its characteristics (for example Babu et al).

It begins with an overview of tourism as a development option. The second part of the chapter explores the tourism development concept and the relevant tourism life cycle models with explanation of the characteristics of different stages. In addition it explores the multi-dimensional nature of development. Afterwards tourism development in developing countries is discussed. The next section provides a review of some specific positive and negative aspects of economic, socio-cultural and environmental impacts of tourism linked to the concept of the sustainable development of tourism. Finally the last section provides a review of the significance of tourism to development in Iran.

## **2.1 Tourism as a Development Option**

There is a growing recognition that innovative approaches may need to be adopted in order to maintain the economic health of a number of countries, communities and regions. While conditions vary from region to region, tourism has been seen as an

important form of economic development and a tool for creating a better community. The reliance on tourism as a tool for development is based on evidence such as tourism's effectiveness as an engine for employment, as a means of wealth creation and distribution and its potential in restoring blighted areas in a community. For many countries, particularly in the developing world, it is a means of accruing foreign exchange. These might be described as generic benefits, much quoted in the tourism development literature (Andriotis, 2002; Croes, 2006; Lin & Liu, 2000; Payne & Mervar, 2002; Pearce, 1991; Schubert & Brida, 2011), but often difficult to recognize and measure. As tourism is an activity, which is catalyzed by human interactions and is essentially transient, it is often difficult to define the benefits arising from tourism, as many are essentially long-term. In non-economic areas of impact such as socio-cultural and environmental changes there are particular problems relating measurement and also of cause and effect – what tourism has caused and its specific effect.

In most developing countries, the approach to tourism development is currently determined by an economic growth motive, while the understanding of the multi-dimensional nature of development has already moved far beyond this over-simplified view of development. The experience has demonstrated that, with the development of international tourism, there are inevitably social, cultural and environmental issues which, in the absence of appropriate control measures can lead to undesirable changes. The goals for tourism development, described by Goeldner and Ritchie (2006), are as follows:

- Providing a framework for raising the living standards of people through the economic benefits of tourism.
- Developing an infrastructure and providing recreational facilities for tourists and residents alike.
- Ensuring types of development within tourist centers and resorts that are appropriate to the purpose of those areas.
- Establishing a developmental program consistent with the cultural, social, and economic philosophy of the government and the people of the host country or area.
- Optimizing tourist satisfaction.

These are very broad objectives and their order of priority will change between various locations and countries. In the developing world there is little doubt that it is the economic expectations from tourism development which are most important. Therefore, in order to reach the above aims, the various aspects of tourism development should be considered.

The public sector has a key role to play in the successful development of tourism (Lickorish and Jenkins, 1997; Hall, 1994; Dredge and Jenkins, 2007). Local and national governments usually have an essential influence over the local tourism industry by funding of tourism projects, providing numerous services including infrastructure, transportation, security as well as overseas marketing (Elliot, 1987). On the other hand, the economic contribution from tourism usually attracts government support.



Public sector intervention is necessary to ensure that the associated benefits of tourism are maximized and any potential problems are minimized for the benefit of the economy, society, and environment, as well as for the long-term interest of the tourism industry itself. Andriotis (2000) argues that public sector bodies, according to the level of government intervention in the development process, should adopt different approaches to develop the tourism industry. Where tourism is viewed as a problem or cause of social change and environmental degradation, the government can discourage tourism development in order to avoid or limit contact between residents and tourists. This type of enclave tourism is now out-dated and most tourism planners would opt for an integrated approach where tourism is based in the community and with community objectives forming an important input to the development process. The government would provide an essentially supportive role to enable the efficient operations of individual entrepreneurs, the production, and exchange of goods and services which can be increased to encourage a consequent rise in the general standard of living. Therefore, a high level of relevant intervention by the public sector is preferred. In some circumstances and countries, e.g. Bhutan, Saudi Arabia it is government which acts as the entrepreneur funding and guiding development within agreed parameters.

Brohman (1996) suggests that without state intervention, tourism development will lack the cohesion and direction necessary to sustain itself over the long term. A study by Andriotis (2002) on Cretan residents' satisfaction or disaffection with public sector

governance shows that, although some residents recognized the significant role played by the public sector in tourism development mainly in promotion, environmental protection, provision of infrastructure and financial help for the tourism industry, other residents were seen as having lost confidence in public governance, and blamed the public sector for irresponsibility, lack of organization, bureaucracy, misguided tourism policy, and high taxation, as well as insufficient funding and provision of infrastructure (Andriotis, 2002).

On the other hand, the level, speed and nature of tourism development can be a major influence on the magnitude and direction of change in the destination (Page, 2001). Rapid and intensive tourism development results in different and usually less favorable impacts than organic and small-scale development (Page, 2001; Kreag, 2001; Getz, 1983; Pearce, 1989; Faulkner and Tideswell, 1997; Peck and Lepie, 1989; Krippendorf, 1987).

Kreag (2001) noted that slower development provides time for residents and leaders to reassess tourism growth and make changes that better serve the community. Rapid development can strain a community's infrastructure and lead to serious resident dissatisfaction. There is another side to this comment particularly where tourism development is funded from outside of the country and where the foreign investor will determine the scale of investment, location and often the type of tourism to be developed. In theory it is usual to say that government can control development but often the choice might be between one type of development (externally funded) and no

development at all. Many developing countries are in a highly competitive market for foreign investment which is potentially mobile between countries. The existence of investment incentives confirms this point with each country trying to offer a level of subsidies to attract foreign investment.

Research findings suggest that residents are willing to support tourism development as long as the benefits exceed the costs (Ap, 1992; Hashimoto, cited in Sharpley, 2002; Perdue *et al.*, 1990). Financial costs are usually determined before investment takes place and become an input to a rate of return investment analysis. Unfortunately, many of the non financial and economic costs cannot be determined until after the investment has taken place and in particular, as noted above, social and environmental costs may take many years to manifest themselves. Tourism development can contribute in a positive as well as in a negative manner towards improving the well-being of the host population (Hashimoto, cited in Sharpley, 2002). It should be noted here that costs are not always financial they could also be social, environmental or a combination of all three. Different sections of the community may be differently affected by tourism. According to Jurowski and Gursoy (2004), many communities encourage the development of tourism as a means to improve the quality of life for residents. The researchers who have examined residents' reactions have found that the most serious effects involve not only economic value to the community but also changes to the quality of life from a social perspective. The acceptability of these changes is likely to

be influenced by perceptions of the benefits residents receive in exchange for the disbenefits they observe.

As mentioned earlier, tourism development can take place in a wide variety of forms. Studies of this process have ranged from those that have attempted to provide formal models to explain tourism development by Butler (1980), Doxey (1975), Smith (1989), and other researchers who have created models within which researchers can examine appropriate issues. In discussing tourism development models below it should be noted that these models are descriptive rather than predictive; they tend to describe how tourism destinations evolve over time but cannot suggest a time-frame within which these changes will take place. Theoretically, they help to describe the likelihood of certain changes taking place but in practice, such changes will be affected by the particular circumstances of the specific development. A knowledge of the models will help planners to look for certain changes and trends for example in visitor arrivals or changes in the type of tourist or perhaps the tourist generating countries, so it may be suggested that the efficacy of the models will depend very much on quality of tourism indicators developed.

## **2.2 Tourism Development Models**

In Section 2.0 of this chapter, the two main generic models of development have been introduced. Within this generic parameter, some tourism models have been developed to examine particular aspects of tourism. These models are designed to describe and explain the spatial organization of tourism activities in differing contexts. Models are

built, acting as a source of working hypotheses for research and they can then be modified or reformulated depending upon the results (Oppermann & Chan., 1997).

Several models have been developed since the early 1960s that describe the evolution of tourism through a life-cycle process. Defert (1954) suggested that the age of tourism resorts connotes the degree of evolution. He states that it is not impossible for a tourist resort to be born, grow old, and die. Just like human beings, each resort has a determined age, but it can take on a new lease of life by adapting itself to tourist requirements.

The ideas of German geographer and planner, Christaller (1963) were particularly influential on some later theorists of tourism planning and management. His ideas can be summarized as follows:

- Destinations develop and change over time
- There are different types of tourists at different times
- The tourist experience (the tourism product) changes over time.
- The impact on the destination change over time
- The involvement of locals in tourism destinations changes over time
- New cycles involving new tourist destinations will occur

Plog (1973) based his study on the residents of New York, described the detail of how destinations evolve through a product cycle. According to his model a resort may begin to develop typically by attracting a small number of travelers (allocentrics). On a global scale and in order to attract larger number of visitors, Plog's main contention is that as destinations develop, their clientele changes from an allocentric (Africa and South Pacific) to near-allocentric (Asia), mid-centric (Europe, USA and Caribbean), near

psycho centric (Miami beach) and finally psycho centric (Coney Island) customers. According to this model, most travelers fall between the two extremes and would be classified as near –all centric, midcentrics and near–physcocentrics Moreover, this theory suggests that destinations, particularly in developed countries, close to major population areas are likely to be developed and grow more quickly than those in more distant remote areas. This stimulates the growth of resorts/destinations close to the generating regions. However, Plog’s theory was developed from relatively limited empirical research (Mason, 2003). It may also be commented that Plog’s descriptors for different groups are very general and could be difficult to justify with each requiring detailed research to validate. Although Plog’s work is well recognized and often quoted in the tourism literature it can be argued that it has very limited empirical value particularly as a planning tool.

During the mid-1970s, there was a growing concern about the potential impact of tourism on destination regions. At this time Doxey’s (Irridex) model (1975) suggested that as tourism developed in destinations, the attitude of local people towards tourists changed along the irritation index that includes five stages: euphoria, apathy, irritation, antagonism and the final level as follows:

1. The level of Euphoria: the people are interested and involved in tourism development. Tourists and investors are made welcome and there is a mutual feeling of satisfaction. There are opportunities for locals and money flows in with the tourist.

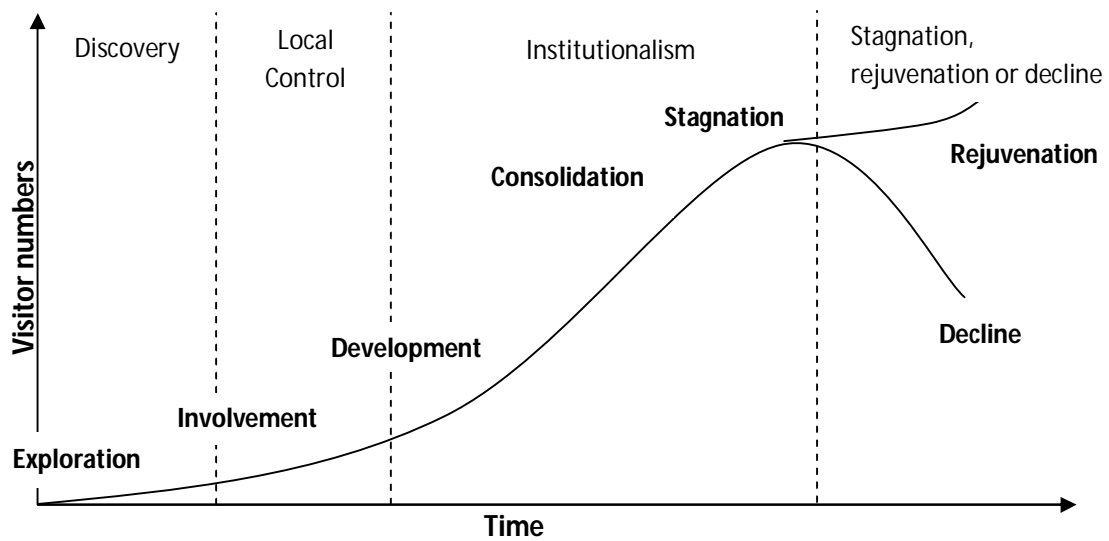
2. The level of Apathy: the tourism development with related marketing is underway. Tourists are taken for granted and only seen as a source of profit taking. The nature of contact between hosts and guests is done on commercial and formal ways.
3. The level of Irritation: the industry approaches saturation point. The local community is unable to receive the number of tourists without supplying the additional facilities.
4. The level of Antagonism: The tourists are seen the cause of all problems. Hosts are actively opposing tourism and tourists are considered as being there to be exploited.
5. The Final level: The host population has forgotten that what they once regarded as being special was exactly the same thing that attracted the tourist, but in the rush to develop tourism, circumstances have changed. The social impact has been comprehensive and complete and the tourists will move to different destinations.

Doxey's model was developed from observation of a community proximate to Niagara Falls in Canada. Visitors to the Falls would then travel the short distance to the township where the observations were made. Again, there is no time-dimension for the period when these changes would occur with the speed of change being conditioned very much by the social-cultural and economic circumstances of the location. It should also be noted that these changes were based on observations in a developed country, Canada. They might be difficult to transfer to a developing country.

In 1978, Smith evaluated development in terms of waves of tourist types and presented his stage model to expand the understanding of community impact. The geographer, Butler (1980), built this theory on the ideas of Christaller, Plog, Cohen, and Doxey. He suggested a model in which a tourism destination develops over time.

Butler's (1980) destination lifecycle theory model and notion of the evolution of the tourist area is probably among the most frequently cited and applied theories in tourism studies. It is an application of the life cycle concept to tourism areas and resorts.

Figure 2.1, Tourist area life cycle



Source; Butler, 1980



Butler argued that destinations evolve via the stages of exploration, involvement, development, consolidation, and stagnation, followed by either decline or rejuvenation. This model claims that social impacts emerge in the stages of consolidation and stagnation. “The large numbers of visitors and the facilities provided for them can be expected to cause some opposition and discontent among permanent residents”, since at the stagnation stage “capacity levels for many variables will have been reached or exceeded with attendant environmental, social, and economic problems”( Butler, 1980: 8). His model in detail includes:

***Exploration Stage:*** the resort is visited by a few adventurous tourists. Visitors attracted to the resort by a natural physical feature, culture and scale of resort. The volumes of tourists are constrained by lack of access and facilities. There is a high degree of contact with local residents with very little social and economic impact.

***Involvement Stage:*** local communities have to decide whether they wish to encourage tourism. They also need to determine the type and scale of tourism development. Increasing visitation encourages some locals to offer facilities and basic services for tourists. A tourism destination and season emerge and advertising is initiated, which may cause the public sector to provide infrastructure and institute controls. Contact with locals at this stage is still high and many adjust their social patterns to hold the changing economic conditions. At this point it is important to establish appropriate organizations and decision- making processes for tourism. The involvement of the local community should ensure locally determined capacity limits are adhered to and that sustainable principles are introduced. It is, of course, not either clear or agreed what these ‘sustainability principles’ are.

***Development Stage:*** By this stage large numbers of visitors are attracted, in consequence, the number of tourists at peak periods far outweighs the size of the resident population. Accessibility is enhanced, advertising becomes more intensive and extensive and local facilities are displaced by more elaborate and up-to-date ones. Artificial attractions, imported labor and auxiliary facilities and services become essential to support the rapid growth of tourism. The organization of tourism may change as control passes out of local hands and companies from outside the area move in to provide products and facilities. This results in decrease in local control and participation and in this way if local decision –taking structures are weak problems can occur. By this stage travel arrangements are booked through the trade, hence, visitors become more dependent. Development stage is a critical stage as new facilities and the changing nature of tourism can alter the very nature of the resort and quality may decline through problems of over-use and deterioration of facilities.

***Consolidation Stage:*** At this stage, tourism has become a major part of the local economy and is dominated by major chains and franchises. The rates of increase of visitors decline though total number is still increasing and exceed permanent residents. Marketing and advertising efforts are further widened to extend the tourism season and attract more distant visitors. Older facilities are now second rate and mostly undesirable. The resort is now a fully fledged part of the tourism industry with an identifiable recreational business district.

***Stagnation Stage:*** At this stage peak numbers of tourists and capacity levels are reached. The resort has a well – established image, artificial attractions supersede the natural or cultural ones and the destination is no longer fashionable, relying upon repeat visits from more conservative travelers. Surplus capacity exists. Resorts in this stage often have environmental, social and economic problems and find that competition for visits is fierce and coming from a number of well entrenched, mature resorts.

***Decline (first part of stage six):*** Tourists are drawn away by newer destinations; those remaining are mostly weekend or single day visitors. Tourism facilities become replaced by non-tourism establishments as the area disengages from the industry. Local involvement probably increases again as the price of facilities drops along with the market decline.

***Rejuvenation (second part of stage six):*** A dramatic change in the resource base is established. Destination managers may decide to rejuvenate or re-launch the destination by looking at new markets, or developing the products such as creating a new set of artificial attractions, business, casino, conference or special interest tourism. The previously unexploited natural resource could be also utilized. Rejuvenation strategies are difficult to implement as managers are dealing with the built fabric of tourist destinations rather than with a consumer product. A further consideration is that resorts are not homogenous but are a combination of various inputs such as casinos, hotels, shopping facilities, natural and cultural attractions which are in multiple ownerships. It may be difficult to obtain concerted action to rejuvenate facilities particularly where capital funding is difficult or not available. There may also be no agreement between the public and private sectors on a necessary course of action.

Butler developed a stage-related model but focused on the more general issue of the evolution of tourism areas; however, the model considered the attitudes of residents and community support for the industry as part of wider issues of development. This model also suggests that each stage of the cycle has implications for tourist numbers and types, level and nature of contact between hosts and guests, the degree of change in the destination and finally who is in control of the local tourism industry.

Butler believes that, resorts can decline which is a threat to the idea of sustainability because it leads to reduced income and less employment, under-used infrastructure or even derelict buildings and the demoralization of the local population.

Butler's model remains popular for placing tourism destination development into a theoretical model and it remains probably the single most important theory in tourism contributing to planning and management of a destination. A related problem but not one considered in the model is how to react to the perceived changes? This implies some sort of empowered management structure, which can take decisions affecting the destination. It is not simply a matter of physical change and renewal but also a change in marketing strategy.

Since destinations differ from each other in terms of their characteristics, Butler (2006) believes that although the TALC is generally accurate, but it is impossible to produce a 'one size fits all' practical model. "Whether the TALC really fits each and every destination to a reasonable and acceptable degree is yet to be determined, and probably never will be". According to him "it is clear that more than one cycle will be in operation at any one time in many destinations, as most locations cater to more than one market segment" (Butler, 2006: 337).

Wong (1986) suggested that the development of resorts adheres to a development sequence of local popularity, development for domestic tourists and upgrading to

international standard. This corresponds with Butler's intimation of changing level of local to national/international control of the industry.

Weaver's (1988) plantation model of tourism development is based on developing countries and specifically the Caribbean islands. He suggests that tourism development occurs within the given socioeconomic structure of developing countries.

His model underlines the fact that the main town is commonly the primary focus of tourism development, at least in the early stages. Weaver's model suggests that tourism in developing countries is not evenly distributed and that peripheral areas, which in the case of islands, are little or not at all integrated in the 'tourism space'. Weaver (1988, 1990) applied it to tourism development in colonial and post-colonial territories in the Caribbean. Both found it appropriate, although Weaver concluded that in the development stage local ownership and control increased rather than decreased as proposed by Butler suggested that modifications were needed to make it more applicable to third world countries (Douglas, 1997).

Another view was put forward by Coltman (1989). He stated that the tourism destination, just like any other product, has a life cycle, and this life cycle can be short, medium or long term. Coltman (1989) argued that it is often difficult to locate tourist's areas on a life cycle, because different sectors of an area are sometimes at different stages of this life cycle and appropriate information is often not always available, furthermore life cycle can also be affected by social, economic or political changes. Life cycle can be also affected by economic changes or even by change in currency exchange

rates and finally it can be affected by social tourism. These comments imply that the life cycle of a destination can be affected by both internal and external factors.

One argument against the destination life-cycle models as well as the standard product life-cycle model is that the evolutionary pattern is not inevitably or even frequently going to follow a biological pattern: birth, growth, decline, and death. In a basic product life cycle, the product remains unchanged while marketing efforts and strategies are adapted to each stage. If a product were to be changed, the cycle would begin anew. With a tourism attraction, however, the product (the destination) undergoes an evolutionary process of continual change in response to changes in demand and supply. This would suggest that any pattern is possible (Choy, 1992).

### **2.3 Tourism Development in Developing Countries**

“Developing countries” is an ambiguous term. The World Bank categorizes countries according to per capita income levels, a traditional but contested way of trying to determine relative levels of poverty and affluence. As essentially an economic measure, per capita income tells us little of the distribution of wealth (and poverty) in a country or of the standard of living of its people. Over the years more attempts have been made by international organizations to substantiate the economic figures by including many social indicators such as longevity, health, education, and medical statistics to provide a more rounded concept of the challenges of development. In particular the Human Development Report published annually by the UNDP seeks to rank countries according

to quality of life indicators. These indicators are particularly helpful in showing the living standards pertaining in each country and over the years, how these have changed. Although the World Bank categories are still most widely used by those concerned with development issues it is clear that countries even within the 'least developed' categories vary widely in their current situations. In an increasingly globalised trading environment tourism may be one of the comparative advantages which some of these countries have to attract foreign investment and to stimulate economic growth. Tourism has become the preferred growth mechanism of choice for many developing nations. For many developing countries, tourism is one of the fundamental pillars of their development process because it is one of the dominant activities in the economy, while for others, particularly by islands and some small economies, it is virtually the only source of foreign currency and employment, and therefore constitutes the platform for their economic development. Most of the developing countries in the world are located in Africa, Latin America, Pacific, Caribbean regions and Asia. The major development indicators for these countries are the gross domestic product (GDP), gross national product (GNP) or per capita incomes and increased employment. Tourism resources can attract development capital and promote economic independence (Diaz, 2001). However it is important to make a distinction between economic development and economic growth (Lickorish and Jenkins, 1997). Economic growth is a quantitative dimension of increase in GNP per capita, while economic development indicates how economic growth has been used to improve the well –being of the people of a country. Hybers (2007) provides a comprehensive historical view of tourism in developing countries.

The major common features of developing countries linked with tourism can be summarized as follows:

- They have very high rate of growth of population, where the country's economic gains are used to feed more people instead of utilizing investment in productive capacity. This growing population has economic and political consequences, and tourism may be an alternative to find work to absorb the growing numbers. Job creation is one of the most important economic and political necessities in the developing world and many governments support tourism in order to create employment opportunities. Tourism is also said to have an advantage in creating jobs for low-skilled people thereby avoiding expensive investment in education and training facilities at least in the entry stages to the industry.

- In many developing countries government has often had to play a central role because of lack of expertise, limited involvement in tourism by the private sector and scarcity of resources (Jenkins, 1994). The same author states that, in developing countries, in addition to providing the necessary infrastructure for tourism, governments are engaged as an entrepreneur in the tourism sector often providing revenue-generating facilities.

- Most developing countries have poor/weak infrastructure, undeveloped manufacturing sectors, and high unemployment levels and a constant deficiency of capital.



-The majority have narrow resource-based economies. These countries may have mineral and mining potential to expand their economies however often there is lack of capital and expertise to do so.

- Most developing countries have weak currencies which are often non-convertible. Tourism revenues provide an opportunity to reduce these constraints. The earning of hard currency from developed countries is of particular importance for most developing countries to buy development goods, expertise and skills to support their development efforts.

- They are major exporters of primary products, which have limited comparative advantages on the international market. On the other hand they are highly dependent on large volumes of imports from the industrialized developed countries, while the rising import price can produce inflationary pressures and economic instability. Developing countries import more than is covered by export earnings. This gap leads to depreciating currency values and dependence on foreign aid or loans. Consequently a majority of developing countries value tourism as a source of providing foreign exchange to service existing debt and facilitate new investment (Lickorish and Jenkins, 1997). For most developing countries, tourism provides a growth prospect, which most other exports did not.

- Most developing countries are located in tropical or sub-tropical areas and benefit from a quality of natural infrastructure such as beach\, scenery, climate, flora and fauna and

using this natural advantage to develop tourism often creates very low entry costs for them, although these costs will increase as tourism numbers increase. However, they may have to import many products such as construction materials, food and even employees. The rate of such imports are often discussed in terms of leakages of the tourism industry and represent potential lost opportunities to develop local supply chains and thus further promote local development (Hashimoto, 2002).

- Tourism in developing countries largely relies on demand from, and is organized from developed countries. This arrangement can create a type of tourism known as enclave tourism (Oppermann & Chon, 1997). It also implies a high level of dependence on foreign countries for tourist generation, management, and marketing expertise (Brohman, 1996). However, this is not always true for all developing countries. For example, South Africa has a developed tourism sector, which does not necessarily depend on developed countries (Mbaiwa, 2005).

Developing countries often lack a participatory governance structure, strong regulations, enforcement capabilities, technical and managerial expertise, and the political will required to pursue a balanced planning approach.

According to Davidson and Maitland (1997) there are principal difference between developed countries and developing countries concerning tourism destination management and planning. Public sector intervention largely involves central government which acts to regulate or encourage tourist developers as well as directly

participating in development (Pearce, 1989). Swarbrooke (1999) also suggests that tourism in developing countries and government intervention has had some negative aspects. Government tourism policy in developing countries has become highly centralized, giving local people little say in decisions. Some governments have shown little regard for the rights of local people when developing tourism and have focused on developing places which are often largely self-contained with little multiplier effect in the local community and the region. It is evident that while the public sector may promote tourism development, the policies followed may not be sufficient without local community acceptability and support. This is a fairly general problem in many developing countries where the concept of a community is very different from what is understood in developed, Western countries. Much has been written of the role of communities in tourism development particularly related to the 'bottom-up' planning model but in practice, it is very difficult to achieve when many societies in developing countries are structured on traditional ways.

The forms of demand and supply in developing countries are different compared to developed countries. Tourism markets in developed countries rely more on domestic demand, a high level of day-visits, short breaks and independent tourist activity, characteristics which are usually absent from developing countries. In developed countries, the tourism product to a much greater extent relies on facilities which are shared with the local population. In developed countries differences in culture and standards of living between host and guests are usually far less marked than in

developing countries (Harrison, 1994). This excludes many of the most extreme socio-cultural impacts of tourism which affect many third world destinations.

## **2.4 Tourism Multi-impacts; Economic, Socio-cultural and Environmental**

The term 'tourism impact' has been gaining increasing attention in the tourism literature (Ap & Crompton, 1998). All types of human activity like tourism can have impacts on the people who undertake it and on the places where it is carried out. Tourism is a complex phenomenon with varying positive, negative, direct and indirect impacts. Residents tend to agree that tourism increases both positive and negative community impact (Andereck *et al.*, 2005). The goal of developing the tourism industry in a community is maximizing positive impacts while minimizing potential negative impacts, so it is essential to identify these possible impacts. An awareness of the forms tourism impact can take is essential to an understating of the rationale for tourism planning and management. Tourism impacts classically are identified as economic; socio-cultural and environmental impacts.

### **2.4.1 Economic Impacts of Tourism**

Tourism can be an essential part of the local economy. Especially in developing countries, one of the main motivations for a region to promote itself as a tourism destination is the expected economic improvement. As with all other impacts, this economic development brings along both positive and negative consequences.

The most prominent benefits used to promote and support tourism development are the economic benefits that communities can expect to derive from an increase in tourism activity. Tourism can create jobs, earn foreign exchange, contribute to government revenues and produce returns on investment for emerging economies, bring technology, and improve living standards. The studies demonstrate that residents feel tourism contributes to government revenues (Lickorish & Jenkins, 1997); increases the standard of living of host country residents (Tosun, 2002; Var & Kim, 1989) and that tourism helps the host community and country earn foreign exchange (Ahmed & Krohn, 1992; Var & Kim, 1989). Also, tourism helps generate employment (Backman & Backman, 1997; Var & Kim, 1989; Weaver & Lawton, 2001; Tosun, 2002; Crompton, 1999), and increases revenue to local business (Backman & Backman, 1997), increased investment (Liu *et al.*, 1987) and shopping facilities (Backman & Backman, 1997) and more business activity (Prentice, 1993). Tourism generates the impetus to improve and further develop community infrastructure and community service (Var & Kim, 1989). However, tourism can also have negative effects in increasing in the cost of land and housing (Lundburg, 1990; Tosun, 2002; Weaver & Lawton, 2001), increasing prices of goods and services, as well as food and land price (Tosun, 2002; Weaver & Lawton, 2001), and creating a shortage of certain commodities (Var & Kim, 1989). Rapid construction can lead to a level of unemployment after completion, and the frequently seasonal nature of the industry can disrupt the employment structure. Moreover residents did not much care about the tax revenue for the local community, and perceived the tax as a negative

impact of tourism. Residents were unlikely to support tax expenditures for tourism if they did not directly benefit from the industry (Prentice, 1993).

Government revenues from the tourism sector can be categorized as direct and indirect contributions. Direct contributions are generated by taxes on incomes from tourism employment and related industries, and by direct charges on tourists such as departure taxes. Indirect contributions are those originated from taxes and duties levied on goods and services supplied to tourists.

Tourism can generate jobs directly through hotels, restaurants, clubs, taxis, souvenir sales, and indirectly through the supply of goods and services needed by tourism-related businesses. According to the WTTC (2006), the global travel & tourism industry created 2.5 million new jobs in 2006 over its 2005 level to total 76.7 million jobs or 2.8 per cent of total world employment.

Tourism can induce the local government to make infrastructure improvements such as better water and sewage systems, roads, electricity, telephone and public transport networks, all of which can improve the quality of life for local people. However on the other hand, there are many hidden costs to tourism, which can have unfavorable economic effects on the host country. A 2006 UN report evaluating the contribution of tourism to national income, gross levels of incomes or gross foreign exchange, found that net earnings of tourism, after deductions were made for all necessary foreign

exchange expenditures, were much more significant for the industry than certain other sector in the economy (UN, 2006).

Tourists' presence increases demand for basic services and goods and will often cause price hikes that negatively affect local residents whose income does not increase proportionately. Tourism development and the related rise in real estate demand may dramatically increase building costs and land values. It can result in a dominance by outsiders in land markets and in-migration that erodes economic opportunities for the local commodities, eventually disempowering residents.

The seasonal character of the tourism industry creates economic problems for many tourism-dependent countries. Problems that seasonal workers face include job and income insecurity, usually with no guarantee of employment from one season to the next, difficulties in getting training, employment-related medical benefits, and recognition of their experience, and unsatisfactory housing and working conditions.

Diversification in an economy is a sign of health, however if a country or region becomes dependent for its economic survival upon one industry, it can put all stress upon this industry as well as the people involved to perform well. Many developing countries with little ability to explore other resources, have embraced tourism as a way to boost the economy. Besides generating foreign exchange earnings and investments, tourism has stimulated economic diversification and job creation in many communities around the globe. Owing to its economically lucrative nature and irreplaceable role in

nourishing vital economic capillaries, tourism is ostensibly promoted and marketed on a global scale by private and public sectors of the tourist-generating countries as well as host countries. These general claims for the economic advantages derived from tourism should always be subjected to scrutiny and evaluation. For example, as the tourism industry itself lacks definition how is it possible to accurately measure its impacts? Foreign exchange earnings are usually reported as gross receipts with no attempt made to calculate the net values. Likewise, direct and indirect employment pose the problem of what constitutes tourism activity – are taxi drivers part of tourism?

Contrary to these positive impacts, tourism development has, inadvertently, played a role in creating considerable socio-cultural and environmental problems at tourist destinations, especially in developing nations (Sasidharan *et al.*, 2002).

#### **2.4.2 Socio-cultural Impacts of Tourism**

The social and cultural impacts of tourism can be described as the effects on host communities of direct and indirect relations with tourists, and of interaction with the tourism industry (UNEP, 2006). Pizam and Milman (1984) make the point that, socio-cultural impacts of tourism are "the ways in which tourism is contributing to changes in value systems, individual behavior, family relationships, collective lifestyles, moral conduct, creative expressions, traditional ceremonies and community organization". Therefore, the socio -cultural effects are so significant that they should be studied before



anything else (Krippendorf, 1987). Unfortunately these impacts only occur post-investment and may take many years to manifest themselves. However, there is a plethora of literature on this subject which would allow planners to evaluate other countries' experience of tourism development, for example, recent books by Hitchcock (2009) and Singh (2009) concentrating on tourism and cultural heritage development in Asia.

A number of authors have identified the major perceived impact of tourism. There is increasing evidence that residents of countries that attract tourists hold diverse opinions about development in their region. Residents tended to agree that tourism increases both positive and negative community impacts (Pérez and Nadal, 2005; Haley *et al.*, 2005; Dyer *et al.*, 2003; Wall and Mathieson, 2006; Andereck *et al.*, 2005; Page, 2003; Ratz, 2000; Carmichael, 2000; Ko and Stewart, 2002; Cooper *et al.*, 2005; Lindberg *et al.*, 2001; Mbaiwa, 2004; Mason and Cheyne, 2000; Williams and Lawson, 2001; Teye *et al.*, 2002; Uriely *et al.*, 2002; Weaver and Lawton, 2001; Kim and Patrick, 2005).

Kim and Patrick (2005) identify five dimensions of positive impact. These are tourism resource development and urban revitalization, image enhancement, economic benefits, intercultural appreciation and tourism infrastructure development. They also identify three negative impacts which were disorder and conflict, traffic problems, and congestion are three dimensions of negative impact.

Page (2003) and Ratz (2000) stated that tourism contributes to changes in value systems (social and family), collective lifestyle, safety levels, moral conduct, traditional ceremonies and community organizations, creative expressions, individual behavior and family relationships. Andereck *et al.* (2005), who examined residents' perceptions of tourism's impacts on communities in Arizona, identified six categories of community services, community image, community life, community problems, community environment, and community economy. The result showed all the above factors are significant, including life community problems.

Brunt and Courtney (1999) stated that tourism has led to a greater investment in education, improvements in health care, social services, and leisure facilities. However, they also claimed that tourism has contributed to the increased perception of crime.

Therefore the socio-cultural impact of tourism can range from impacts which are more measurable such as the outbreak of a particular disease and/ or infection, to those which are very hard to measure, such as changes in customs or codes of conduct. Even those factors which appear to be more quantifiable (i.e. increases in crime rates and drug use or prostitution), can be difficult to attribute solely to tourism (Cooper *et al.*, 1998). These influences are not always apparent, as they are difficult to measure, depend on value judgments and are often indirect or hard to identify.

Tourism development may modify the internal structure of the community by dividing it into those who have and do not have a relationship with tourism or tourists (Brunt and

Courtney, 1999). Other significant impacts of tourism development are changes in the size and the demographic characteristics of the host population. The expansion of international tourism has increased the contact among different societies and cultures. While to some, this interaction threatens to destroy traditional cultures and societies and to others it represents an opportunity for peace, understanding and greater knowledge among different societies and nations. Tourism may be part of a modernization process. Mbaiwa (2004) who examined the socio-cultural impact of tourism development in the Okavango Delta, Botswana found that among positive socio-cultural impacts are the improvement of various local services, infrastructure development, and the participation of local communities in community-based tourism and natural resource management. Through this, employment may be generated and traditional culture can be preserved and rejuvenated. Among negative impacts observed are enclave tourism, racism, relocation of traditional communities, break-up of the traditional family structure and relationships, increase in crime, prostitution and demonstration effect (Mbaiwa, 2004).

The results of a study by Pérez & Nadal ( 2005) in the Balearic Islands of Spain, indicated that the respondents were aware of both positive and negative effects of tourism. In this study, the cultural and social benefits were perceived as an advantage, but of a low degree. At the same time, it was recognized that tourism creates different problems, including the over-saturation of the community's services, traffic congestion, and inflation. As consequence, they were relatively ambivalent about development proposals that imply an increasing number of tourists in their area.

The study by Haley *et al.* (2005) which identifies the attitudes of residents in Bath (UK), towards tourism development, showed that the respondents had a paradoxical attitude toward tourism. Based on this research, longitudinal and comparative research in Bath and other historic cities provide information necessary for a stronger understanding and better planning decisions.

The above studies suggest that both positive and negative impacts should be examined to better understand host communities attitudes towards tourism (Gursoy & Rutherford, 2004). The main objective of socio-cultural impacts analysis is to provide local authorities, developers, and all other parties concerned with information about the host communities' perceptions of and attitudes to tourism development in their destination. Perceived positive impacts could thus be emphasized and perceived negative impacts could be minimized.

Brunt and Courtney (1999) state that tourism has led to a greater investment in education, improvements in health care, social services and leisure facilities. However they also claim that tourism has contributed to the increased perception of crime.

Liu & Var (1986) found strong residential support for the positive cultural benefits of tourism in their study population. These included entertainment, historical, and cultural exhibits, with tourism as a means towards cultural exchange, events, and identity. The majority of the residents in the Liu and Var study did not attribute social costs to tourism, and agreed that the industry does not affect the crime rate.

Other studies have also found residents feel tourism encourages cultural activities, improved cultural heritage (Gilbert & Clark,1997), development of natural parks (McCool & Martin,1994), and more recreation/entertainment opportunities (Perdue *et al.*,1990), infrastructural development in the destination, increase in the supply of services, and consequently, improved quality of life for local residents (Mason, 1990 ; Perdue *et al.*, 1990 ; Snepenger & Johnson,1991) and improved income, education, employment opportunities ( Lankford ,1994; McCool and Martin,1994; Ross ,1992).

Tourism can contribute to the revitalisation of arts, crafts and local culture and to the realisation of cultural identity and heritage. In order to attract more tourists, architectural and historical sites can be restored and protected (Inskip, 1991; Liu and Var, 1986), and increased mobility of women and young adults may be facilitated (Pi-Sunyer, 1989; Mason, 1990; Kousis, 1996).

From a negative perspective, other studies have identified concern with effects on traditional family values (Gee *et al.*,1997), cultural commercialization (Cohen,1988), crime (King *et al.*, 1993; Brunt & Courtney, 1999 ;Tosun, 2002), drugs trafficking (Haralambopoulos & Pizam, 1996 ; Mok *et al.*, 1991 ; Tosun, 2002; Cooper *et al.*, 2005), degradation of morality (Mok *et al.*, 1991), alcohol, openness of sex (King *et al.*, 1991), increased prostitution (Gee *et al.*, 1997; Lankford, 1994, Lindberg & Johnson, 1997 ; Mok *et al.*, 1991 ;Turco,1998), gambling (Pizam & Pokela ,1985) robbery and violence (Cooper *et al.*, 2005), crowding of public facilities and resources (Brunt and Courtney, 1999 ; Lindberg and Johnson, 1997 ; McCool and Martin, 1994) and

declining resident hospitality (Lui and Var 1986), the change in language usage in the destination (Sharpley & Telfer , 2002 ; Wallace, 1997), new economically powerful groups emerging, and cultural practices adapted to suit the needs of tourists (Ap & Crompton ,1993; Johnson *et al.*,1994).

Collectively these studies indicate that different locations and different countries have different experiences of the socio-cultural impacts of tourism. They provide a rich bibliography of tourism experience but no specific guidelines to how tourism should develop but rather raise awareness of the potential problems which should be identified and avoided. Certainly they should alert tourism planners to a realisation that unplanned tourism may give rise to more problems than benefits.

### **2.4.3 Tourism and Environmental Impacts**

While tourism provides considerable economic benefits for many countries, regions and communities, its rapid expansion can also be responsible for adverse environmental, as well as socio-cultural, impact. Natural resource depletion and environmental degradation associated with tourism activities pose severe problems to many tourism-rich regions.

Travel and tourism have historically faced environmental challenges ranging from the impact of aircraft noise, largely at major departure airports, through provision of infrastructure at destinations, to interaction with communities and wildlife (Somerville, 2004)

Even though the relationship of tourism with the environment is complex, it is clear that the quality of the natural and man-made environment is essential to tourism. Tourism involves many activities that have a negative impact on the environment. Most of these effects are related to construction of general infrastructure such as airports, roads, and tourism facilities. Such construction includes hotels, resorts, restaurants, shops, marinas and sport complexes. These negative impacts of tourism can totally destroy the natural resources on which it depends (Goeldner & Ritchie, 2002).

Bestard & Nadal (2007) using the Balearic Islands as a case study, results have pointed out that concern for environmental impacts of tourism is common among residents. In any case, this result has been identified by previous studies (Besculides *et al.*, 2002; Kuvan & Akan, 2005; Teye *et al.*, 2002). However, findings have shown that the higher the density of tourism in a municipality, the more favorable people are to tourism development and the less worried they are about its possible repercussions on the environment.

Environmental attitudes may also show variances according to the different types of tourism damages. Various tourism development options based on mass tourism or ecotourism, alternative tourism and such may create different effects on the natural environment (Bestard & Nadal, 2007).

If tourism is used correctly, it can also have a protecting effect on the environment by helping to raise awareness of environmental values. And the profit made from tourism

can also help to finance protection of natural areas and even increase their economic importance.

The development of tourism activities can put pressure on natural resources when it increases consumption in areas where resources are already scarce. One of the most critical natural resources is water. This overuse of the water resources can degrade water supplies and end up in water shortages. It also generates a greater volume of water waste. Tourism flow creates a pressure on local resources like food, energy and other natural resources that in some parts of the world are already threatened. This demand by the tourists and the tourism infrastructure is answered by greater extraction and transport of these resources which will increase the natural impact of their extraction (Tourismconcern, 2008).

While tourism develops in a country, more infrastructure, tourism and recreational constructions are needed. As the construction yards are multiplied their impact on the natural resources such as fossil fuels, minerals, fertile soil, wetland, forests and wildlife grows. Use of land for accommodation and other infrastructure provision and use of building materials can have a direct impact on natural resources both renewable and nonrenewable.

As for any other kind of industry, tourism can cause different kinds of pollution: noise, solid waste and littering, oil and chemicals, air emissions, release of sewage, and even visual and architectural pollution (tourismconcern, 2008). Liu. *et al.* (1987) argues that



the perceptions of the environmental problems that tourism causes to the community are congestion of cities, tourist centres and nature reserves, noise, waste generation and pollution, the destruction of the local flora and fauna, and urban pressure.

The fact that most tourists chose to maintain their relatively high patterns of consumption (and waste generation) when they reach their destinations can be a particularly serious problem for developing countries and regions without the appropriate means for protecting their natural resources and local ecosystems from the pressures of mass tourism. The two main areas of environmental impact of tourism are: pressure on natural resources and damage to ecosystems. Furthermore, it is now widely recognized not only that uncontrolled tourism expansion is likely to lead to environmental degradation, but also that environmental degradation, in turn, poses a serious threat to tourism activities ( Neto, 2003).

Studies of residents' perceptions of the impact of tourism on the environment show that residents may view tourism as having either positive or negative impacts on their environment. Some people believe that tourism helps create a greater awareness and appreciation for the need to preserve the environment to capture its natural beauty for tourist purposes, and increase investments in the environmental infrastructure of the host country (Var & Kim, 1990). Residents express agreement with statements that suggest that tourism improves the appearance of their town or surroundings (Perdue *et al.*,

1987). Ritchie (1988) found that 93% of respondents believed that tourism affected the quality of national provincial parks. However, others believe that tourism causes environmental pollution, the destruction of natural resources, the degradation of vegetation and the depletion of wild life (Ahmed & Krohn, 1992; Andereck, 1995; Koenen, Chon, & Christianson, 1995; Var & Kim, 1990). In rural areas, air pollution due to tourism is minimal, but in congested areas, emissions harm vegetation, soil, and visibility. Water resources are a prime attraction for tourism and recreational developments, and they frequently suffer negative impacts (Andereck, 1995). Water pollution is primarily a result of wastewater generated by tourist facilities and runoff. Water pollution occurs on inland lakes and streams and in the marine environment.

The tourism industry produces large quantities of waste products. Hotels, airlines, attractions and other related businesses that serve tourists throw away tons of garbage a year. The problem seems to be particularly troublesome in third world countries with less sophisticated solid waste management programmes and technologies (Andereck, 1995). Lankford & Howard's (1994) study show that the majority of respondents felt that tourism brings more littering and waste problems. Liu & Var (1986) reported that 62% of the residents in Hawaii felt that government expenditure should be used to protect the environment rather than encouraging tourists to visit; 52% of residents agreed to fine tourists who litter.

Hillery *et al.* (2001) investigated the relationship between measured environmental impact and tourists' perception of it, at ten sites in Central Australia. A positive

relationship between annual visitation to a site and measurable impact was found, despite the small amount of tourism impact in the area. Tourists' perception of impact varied in degree. A majority identified relevant environmental threats (tourism or introduced species), while a smaller proportion suggested management options to address track spreading, the major impact identified by this study. Overall, environmental conditions were rated lower at sites with a higher intensity of impacts, reflecting some tourists' ability to distinguish impacts.

This study found that many tourists to the west MacDonnell ranges did not distinguish in either a general sense, or for specific environmental impacts, between the site that they were at and other sites visited in the area, despite a measurable increase in deterioration at sites with higher annual user numbers. To this extent, the results are consistent with previous work. In one sense, tourists to natural areas present a potential paradox. They see tourism as a threat, and yet they want to be able to visit such natural areas (Hillery *et al.* 2001).

Kuvan & Akan (2005) investigated residents' attitudes to tourism impacts on forests within the larger framework of economic, social and general environmental impacts. Their results indicate that residents have favorable attitude towards tourism development in the study area, but they also show widely held concern for the negative effects of tourism, mainly the impacts on the forests in the area. These forest-related negative impacts were not attributed to the tourism activity or the tourist themselves, but to the

quality of decision-making by the public authority, which is perceived as failing to exercise sound management and fair judgment in the allocation and use of land.

Despite the higher income benefits that are associated with this development, the residents of a community are also faced with environmental problems caused by tourism (Palmer & Riera, 2003).

An analysis of the determinants of environmental attitudes will be tied up with the idea that tourism is a subject that must be present in any development strategy (Bestard & Nadal, 2000).

Concern for the environment and issues relating to global warming and climate change have become dominant features of political and development debate. Tourism is closely linked to the concerns arising because not only does tourism depend on the environment as an attraction but tourists are also users of the environment. It is increasingly recognized that the global environment is a finite resource which needs to be protected and sustained inappropriate forms of development including tourism may yet kill the 'goose that lays the golden egg.' (Sharpley, 2009)

## **2.5 Sustainable Development**

The term sustainable development has emerged, from as far back as the 1950s, as a result of concerns over the effects of economic growth (Brown and Lemons, 1995). Afterward, at end of the 1980s, the term sustainable development has become one of the

most fashionable phrases in the fields of economics, ecology, environmental studies, and development. Sustainable tourism is not a form of tourism but rather an aspiration for the industry. A definition of sustainable tourism given by Beioley *et al.* (2008) as: "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities". According to Harris (2000:7) sustainability is "the maximization of human welfare over time". Butler (1999:29) analyzed the state of sustainable tourism and found that the most literal definition of the term is "tourism which is in a form which can maintain its viability for an indefinite period of time."

Much of the literature on sustainable tourism has focused on the traditional dimensions of tourism such as economic, social, cultural, and ecological dimensions. According to Choi and Sirakaya (2006), economic sustainability, involves optimizing the development growth rate at a manageable level with full consideration of the limits of the destination environment. Furthermore, the economic benefits from tourism should be fairly well distributed throughout the community. Socio-cultural sustainability implies respect for social identity and social capital, for community culture and its assets, and for a strengthening of social cohesiveness and pride that will allow community residents to control their own lives. Finally environmental sustainability recognizes that natural resources of the individual community and the world should be no longer be viewed as being abundant and are, in fact, constantly being depleted. The natural environment must

be protected for its own intrinsic value and as a resource for present and future generations.

Climate change must be considered the greatest challenge to environment, sustainable development and tourism in the 21<sup>st</sup> century (Scott *et al*, 2008) and likely to continue to change for decades to come. Climate change over the next decades will increase or decrease the relevance of the climatic resources for tourism in general. It may change the relative climatic conditions for tourism in world. A study by Hamilton *et al*. (2003) demonstrates the relevance of climatic issue with tourist demand. Climate change occurs much more slowly than socio-economic factors related to tourism (Becken & Hay, 2007). According to Scott (2008), the impacts of climate changes could be classified as follows:

Direct Climatic Impacts

- Warmer Summers
- Warmer Winters
- Precipitation Changes (water supply)
- Increased Extreme Events

Indirect Environmental Change Impacts

- Biodiversity Loss (terrestrial and marine)
- Sea Level Rise
- Disease

Impact of Mitigation Policy on Tourist Mobility

- Travel Costs and Destination Choice

Indirect Societal Change Impacts

- Global/Regional Economic Impacts
- Increased Security Risks (social/governance disruption)

Climate change would significantly affect tourism, which mainly unobserved in the literature on climate change impacts (Scott *et al.*, 2004; Smith *et al.*, 2001). On the other hand, tourism has strong impacts on the environment (Furgal and Goesslin, 2002), and increasing contribution to climate change. For example, aviation fuel is a major source of greenhouse gases (Olsthoorn, 2001). However, Tourism should show leadership a significant role in what's concern to climate change for both adaptation and mitigation.

The evidence shows that some of the most unfavorable effects of climate change will be in developing countries. Developing nations face greater vulnerability because of their reliance on agriculture, their lower tolerance to coastal and water resource changes, and lower financial, technical, and institutional capacity to adapt, while sustainable development might reduce this vulnerability (Beg *et al.*, 2002). Changes in temperature, human settlement and health, water supply and quality will affect agricultural production, and biodiversity and animal migratory patterns in this kind of countries (IPCC, 2001). Despite limited attention from policy-makers in developing countries, climate change policies could have significant additional benefits for the local environment. Focus should be on increasing the ability of the public sector to assess, design, and implement. Climate change considerations place renewed urgency for improving the integration of environment and development issues along with other issues, such as income distribution.

The concept of sustainable development provides an overall picture of the strain which tourism activities place on the human system and ecosystem. Current debate on sustainable tourism seems to focus on the need to maintain the balance between tourism development and resource conservation. However, the focus may be inappropriate, as the essence of the debate may not be in the balance between these two factors but in the unfair distribution of development benefits. Sustainable development for community tourism should aim to improve the residents' quality of life by optimizing local economic benefits, by protecting the natural and built environment and provide a high quality experience for visitors (Hall & Lew, 1998; Stabler, 1997). The quest for sustainable tourism indicators must take into account many interpretations of sustainable tourism (Diamantis, 1997; Orams, 1995). Decision-making and development processes require multi-stakeholder involvement at all levels of planning and policy-making, bringing together governments, NGOs, residents, industry and professionals in a partnership that determines the amount and kind of tourism that a community wants (Choi & Sirakaya, 2006). Thus, the involvement and cooperation of the interest groups can be seen as essential elements for the achievement of successful sustainable tourism development.

In both developed and developing countries, governments eventually control tourism development. As a result, local residents are often excluded from the decision-making process. In order to make tourism sustainable, residents must have a decision-making role (Gunn, 1994; Simmons, 1994). Self-determination and active community



involvement are essential elements of sustainable tourism (Moseley, 2002; Pearce *et al.*, 1996). In other words, sustainable tourism development is most effective when planned and managed by community stakeholders. In particular, local governments need to solicit their residents' broad and direct participation, which can influence decision-making and guarantee to all stakeholders a fair distribution of benefits in order to maximize community participation. Unfortunately, in many developing countries there is no democratic or decentralized form of decision-making and many of the advocates proposing the empowerment of local communities in relation to planning and development decisions will find this a difficult objective to achieve.

Sustainable-tourism policies should provide workable definitions, principles, implementation strategies, action plans and a monitoring system of sustainable development. The public sector can play a role in requiring or stimulating and assisting the private sector to practice environmentally benign and constructive management practices. However, it is likely that such management practices will be most effectively implemented if the private sector comes to believe that only such practices can secure sustainable development of the industry. Sustainable tourism strategies must entail ways and means to create adequate policies and proper decision-making processes at all levels of government. Sustainable development is a political concept, and achieving the goals of tourism sustainability depends greatly on the society's political system and power distribution (McIntosh *et al.*, 1995; Hall, 1994). Thus, political support in the form of

legally binding commitments at the national and regional level is a critical element in obtaining information, funding, education, and expertise (Choi & Sirakaya, 2006).

Often local governments, especially in developing countries, may not have development-related policies and regulations, and thus tourism needs to be developed and operated within the regional and national context. The primary responsibility for sustainable management of a tourist destination presumably rests with regulatory authorities and planning agencies. However, an important component of environmental monitoring programmes should also be self-regulation (Pigram & Ding, 1999)

According to Beioley *et al.* (2008), the key challenges for tourism sustainability are including:

- minimizing resource use and the production of waste – focusing on challenges relating to water, energy, litter and pollution.
- conserving and giving value to natural and cultural heritage – gaining more support for conservation through tourism while addressing land use and management issues.
- improving the quality of tourism jobs – as a social equity issue with attendant implications for labour supply and recruitment.
- maintaining and enhancing community prosperity in the face of change – with challenges varying from poverty alleviation and indigenous community rights in developing countries to the rapid spread of second home ownership in developed countries.

- addressing the impact of tourism transport – as a significant environmental challenge for our industry, calling for a combined set of responses from offsetting emissions to a shift in travel modes and patterns.
- reducing the seasonality of demand – which is seen as the root cause of much economic fragility and inefficiency of resource use in tourism.
- making holidays available to all – being conscious of how sustainability concerns may lead to elitism, and meeting the needs of people with physical disability and economic disadvantage.

According Choi & Sirakaya (2006: 1286) in short, "a holistic approach to sustainable tourism development should be ecologically responsible, socially compatible, culturally appropriate, politically equitable, technologically supportive and, finally, economically viable for the host community." Sustainable tourism development requires an approach that addresses policy making issues in the field of tourism at national level in order to implement the necessary partnership between the central government and the private sectors. Tepelus (2005), suggests for tourism development to be sustainable such prerequisites as co-ordination of policies, pro –active planning, acceptance of limitations on growth and commitment to a long-term vision, should be fulfilled during the early stage of planning.

As decision-makers became increasingly aware of the drawbacks of mass tourism, they searched for alternative tourism planning, management and development options. As a result, the notion of sustainable development (sustainability) emerged as an alternative to the traditional neo-classical model of economic development (Choi & Sirakaya,

2006). In a relatively short time, the concept of sustainable development as a way of reconciling current and potential conflicts between environmental conservation and economic growth has been accepted in many areas. Sustainable tourism development should take account of these general environmental impacts on the quality of life of the local community as well as on the natural environment itself.

Sustainability, if viewed as a social, cultural, economic, ecological, technological, and political phenomenon, must be studied within a comprehensive planning framework supported by interdisciplinary research, management, monitoring, and feedback. If public and private sector leaders agree on sustainability constituting the ultimate societal goal, then the focus of the debate can shift to the creating of sustainable indicators. However should be remained that sustainability criteria could be tailored to each region.

This brief summary of sustainability issues shows how ambiguous the concept is and the lack of agreed principles. Very much like tourism itself, which operates at many levels and has many manifestations, there is little agreement on what 'sustainability' is or how it should be managed and by whom? It will certainly be the focus of attention in years to come as well as tourism's role within it.

## **2.6 Tourism Development in Iran**

Tourism, due to its potential contribution to overall development of the country, has been given more attention by government in Iran in recent years and it is now considered

as an option which could be included in the country's development programmes. It is clear, however, that unplanned and haphazard growth of tourism can produce harmful results with often irreparable damage to environment and negative consequences for the socio-cultural values of society. Integrated tourism planning, therefore, assumes considerable importance with proper emphasis on a comprehensive, long term approach to achieve sustainable development in harmony with the country's overall development objectives.

The formal responsibilities for tourism development in Iran have evolved over the years. In 2004, parliament passed legislation, which separated the Iranian Tourism Organization (ITO) from the Ministry of Culture and Islamic Guidance. Later, the Iranian Tourism Organization (ITO) merged with the Cultural Heritage Organization and formed the Iranian Cultural Heritage, Handicrafts, and Tourism Organization (ICHHTO). This organization is led by the country's Vice President and its objective is to introduce, protect, and resuscitate the tourism industry.

Iran, aims to attract 1.5% of international tourism arrivals in 2025 (20 million) comparing to about 0.2% in 2010 and obtain up to 2% of receipts of world tourism (US\$25billion). It aspires to have an average growth rate of 20% in tourism during the 5<sup>th</sup> Program (2010-2015). To arrive at these targets could involve the investment of 30 billion US\$ during the 4<sup>th</sup> and 5<sup>th</sup> development programmes, namely \$5 billion by the government and \$25 billion by the private sector (ICHHTO, 2006).

According to Iran's updated tourism master plan, the objectives of development and management for the tourism sector up to 2015 (UNWTO, 2007a) can be summarized as following:

- To introduce this country to the world in order to promote a dialogue of civilizations.
- Generate much needed employment for the youth, women, and the unemployed.
- Provide economic opportunities in rural areas.
- Increase the country's foreign exchange earnings.
- Help to raise the level of social welfare and standard of living.
- Establishing and maintaining an institutional structure and organization of the
- Tourism sector to ensure the respective roles of the public and private sector and
- Cooperation and coordination between them.
- And finally to ensure that the development of tourism is sustainable from an environmental and socio-cultural point of view.

In the following table the number of inbound and outbound tourists and related receipt and expenditure during the years 2002-2007 are shown.

Table 2.1 Number /Receipts/Expenditure of Inbound and outbound tourists of Iran

Items	2002	2003	2004	2005	2006	2007
International Tourist Arrivals	1,402,160	1584922	1500000	1889000	2735000	2.200000
International Tourism Receipts (US\$, million)	701	792	750	829	*	*
Outbound Domestic tourist	*	2921257	*	*	24452000	*
Outbound Domestic tourist Expenditure (US\$, million)	*	*	*	*	*	*

(Source: ICHTO (2007), Statistic and information Data office, Tehran)

\*-unavailable data

Iran's history dates back over 7000 years (Axworthy, 2008). The country is widely renowned for its diversity of attractions such as historic monuments, landscapes, climates, customs, and the people's lifestyles (Beheshti, 2003). According to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), Iran is ranked as one of the world's top countries in terms of the number of ancient and historical sites. To date, 12 historical sites have been listed under the World Heritage list and fifty-nine sites are tentatively listed (UNESCO, 2010). Iran has also seven World Intangible Cultural Heritages (NowRuz, the Radif of Iranian music, the music of the Bakhshis of Khorasan, the Pahlevani and Zoorkhanei rituals, the ritual dramatic art of Ta'zīye and traditional skills of carpet weaving in Fars and Kashan regions) (UNESCO, 2011). Apart from the

legacy, Iran is also rich in its diverse natural landscapes, flora, and fauna. In terms of physical landscapes, there are three major mountains, several forests, two deserts, and a major plateau area to the west. These landscapes lead to variable climates which attract tourists, as they are able to experience all four seasons (I .R. Iran's Tourism Development Master Plan, 2002). Consequently, the country is famed for appearing to have four concurrent yet distinct seasons. O’Gorman *et al.* (2007) stated that Iran’s archeology, cultural heritage, traditions, and natural characteristics are among the main factors that attract inbound tourists to the country. However, lack of information and advertising render the country unknown to most of the outside world.

An analysis of Iran’s competitive strengths and weaknesses as a tourist destination (SWOT), and the threats that it may face in developing appropriate goals, policy objectives and strategies as well as challenges in meeting targets are summarized in Table 2.2 and further discussed in the subsequent chapters



Table 2.2 - Iran Tourism's SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Ancient civilization as illustrated by its many important archaeological, ancient monuments, town and city assets.</li> <li>• Rich intangible culture (traditions and way of life) of its many ethnic communities.</li> <li>• Unique combination of mild, desert, humid and cool alpine climates, because of its multiple climates, Iran is famous for having four distinct seasons at the same time.</li> <li>• The grandeur of the Zagross and Alborz mountain ranges</li> <li>• Well established tourist facilities and services and availability of adequate utility services</li> <li>• Outstanding Islamic monuments and shrines reflecting the height of Islamic architectural traditions.</li> <li>• Excellent hospitality manners of local community</li> <li>• An inexpensive country, where currency change rate of any convertible foreign currency (especially US\$ and Euro) is high.</li> </ul>	<ul style="list-style-type: none"> <li>• Poor current policies and regulations (i.e., the civil aviation policy, the labor law, the guilds law, the investment law, the inability to properly privatize tourism facilities and services, etc.) resulting in suspicions of private sector activities and the view that public sector knows best continues to discourage industry development</li> <li>• Limited use of suitable development and management practices, resulting in the de-valorization of important natural and cultural assets.</li> <li>• Cultural (religious), values and norms that restrict the type of tourism that Iran can attract.</li> <li>• Weak service standards provided by existing manpower, reflecting a lack customer focus and concern, limited and inappropriate training programs, poor recruitment policies.</li> <li>• Basic transportation infrastructure is aged unsuited to modern tourism traffic, and cannot cope with any significant expansion.</li> <li>• Fixed plant and equipment like transportation equipment, hotels, resorts, and other facilities are generally aged; require major refurbishment, or complete redevelopment.</li> <li>• Weak and inadequate tourism marketing, promotion and advertising policies</li> <li>• Low percentage of well -experienced and trained, staff in main ICHTO offices.</li> </ul>

Table 2.2 continued

<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Using Iran's major Shiite, Christian, Zoroastrian and other important religious sites to capitalize on a growing interest in religious experience and knowledge, especially among the countries of Europe and North America.</li> <li>• Taking advantage of the development of more efficient and lower cost tourist facilities and services and management systems.</li> <li>• The presence of large markets in the countries (OIC) with an interest in traveling to Muslim countries such as Iran.</li> <li>• Using web-based information dissemination and e-commerce development to enable destinations and destination based suppliers to reach and market direct to the travel trade and consumers at low cost.</li> <li>• Taking advantage of Iran's traditional strength as a trading nation to develop a strong and vibrant private tourism industry sector.</li> <li>• Developing Tehran as the main international airport hub in the region.</li> <li>• Taking advantage of the introduction of aircraft with more flexible service capabilities in terms of airports that can service tourists, as well as the introduction of smaller purpose built jet aircraft.</li> </ul>	<ul style="list-style-type: none"> <li>• Failing to properly address the critical tourism management and institutional issues.</li> <li>• Failing to clearly and effectively address the competitive weaknesses identified.</li> <li>• Continuing to discourage real private sector participation in the industry.</li> <li>• Political turbulence and conflicts within Iran and between it and its neighboring countries and regional conflicts.</li> <li>• The impact of natural disasters such as earthquakes, flooding and drought.</li> <li>• Failing to implement, monitor, and maintain sustainable tourism developing and management principles and practices in relation to the impact on the environment, socio-cultural, and economic aspects of tourism.</li> </ul>

### 2.6.1 Iran's Tourism market

*Domestic market:* Iranians travel extensively for pilgrimage/religious purposes, business, official duties, family reasons and, increasingly, for leisure. Prior to 1997 pleasure-based inter-provincial travel was highly limited, because of socio-political conditions in the country (i.e. Iran-Iraq war). Despite this, recent years, particularly during the NowRuz (Iranian New Year) holiday period, have seen a significant growth in leisure trips to a wide variety of destinations. According to IRNA (2008), fifteen million tourists have visited different parts of the country in six days during NowRuz 2008 (March 17-22).

Unofficial information indicates that the domestic market appears to prefer the Caspian Sea area, especially the beaches, and forested hinterland, the foothills, towns, and villages, the pilgrimage centres of Mashed and Qom, historic-cultural sites of Esfahan and Fars and the desert areas around Kerman and Yazd. Other increasingly attractive areas include Kerman Province and the islands off the Persian Gulf coast.

*International market:* Iran's international tourism markets are primarily regional in nature with the Organization of Islamic Conference (OIC) member countries of Middle Asia and Caucasian, South Asia, and the Middle East. Much of it generates relatively low gross yields in per capita expenditure terms. However Iran is also visited by Western tourists, mainly from Europe. The international tourists and regional tourists are mostly interested in cultural-oriented and nature-based sightseeing holidays (and study tours) on a variety of itineraries featuring a combination of the many archaeological sites

and ancient buildings from Iran's pre-Islamic and Islamic heritage of the Silk Road and the heartland of Persia, coupled with traditional villages, customs and lifestyles, and outstanding natural features and shopping. Tehran, Shiraz, Esfahan, Yazd, Kerman and Hamadan are most popular destinations for Western International tourists.

Overall, the country's market, consist of five main flows/patterns:

- Summer holidays and special interest holidays: for example recreational, nature, adventure, and village based tourism to the Caspian and Persian Gulf coasts together with the Alborz, Zagros and Sabalan-Talesh mountain ranges.
- Business/trade (including MICE) and VFR (visiting Family and relatives) tourism throughout the country but principally to the main cities and towns
- Pilgrimage and religion-based trips to the Islamic holy cities and shrines, and to non-Islamic religious (i.e.Zoroastrian) places
- Cultural sightseeing tours to the sites of pre-Islamic and Islamic historic-cultural heritage
- Recreational day trips, and overnight stays, to areas with outstanding natural or manmade features, for example Lake Orumiyeh and Sahoolan Cave in West Azerbaijan Province.

(Source: Iran's, Tourism Development Master Plan, 2002).

In terms of foreign and total international tourist arrivals, in 2006, Iran received 2.7 million inbound tourists, while at that time 2.5 million outbound tourists left the country (ICHTO, 2007). Iran's growth of international tourism expenditure was 9.5% from 2005 to 2006 (UNWTO, 2008c) in 2007, the country recorded tourist arrivals of 2.2 million

(UNWTO, 2008c), a decrease of 0.5 million mainly due to international political climate.

Many of the points raised in this section will be further elaborated and discussed in later chapters of the thesis. Likewise many of the general impacts identified below are similarly related to the Iranian context in subsequent chapters.

## **Chapter Three**

# **TOURISM MARKETING**

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### **3.0 Introduction**

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. To compete in today's market place, organizations in both public and private sectors must understand the needs, wants of their customers, and respond to them effectively. For countries that expect to gain from tourism activities, the marketing of the country as a unique travel destination is a challenge. Because few countries can claim to be unique, a more realistic goal is to attempt to create uniqueness by differentiation of the product. This chapter provides a discussion of the marketing concept as a foundation for understanding the importance of marketing in the tourism industry.

### **3.1 Evolution of Marketing, Definitions, and Concepts**

The term 'marketing' is comparatively recent. Marketing as a concept has evolved in the last 30 years and comprises of all activities and processes used to bring buyers and sellers together, including, creating, distributing, and promoting, pricing, and

innovative ideas to facilitate satisfying exchange relationship in a dynamic environment (Pride & Ferrel, 1995). Kotler, et al. (1996) claimed that marketing is a philosophy. In this context, marketing is explained as a way of thinking, or a set of guiding principles, which revolves around the concept of consumer satisfaction and profit maximization. According to the American Marketing Association (2007), marketing is defined as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing is also a management process responsible for identifying, anticipating, and satisfying customer requirements profitability, to meet organizational objectives' (Cim, 2009) .This general definition is open to all sorts of interpretations. Therefore, marketing is both a concept dedicated to meeting customer requirements and a range of techniques which enables the company to determine those requirements and ensure they are met (SIGMA 2003).

One of the last definition stated by Gronholdt and Martensen (2005, p.101), according to them“marketing is also an "organisational function,” and that it is about "delivering value to customers" and "managing customer relationships in ways that benefit the organisation and its stakeholders.” Today's markets however are based on the concept of choice and production and must consider optimum ways of providing for choice while containing costs that are imposed by variety. In fact, customers are mainly interested in price and availability. Management’s job is, therefore, to provide the service as efficiently as possible keeping costs low so prices, which are the main product feature, can be competitive. Too often, under this concept, management

tends to adopt a "commodity mentality", forgetting the customer's shifting desires and needs.

With growing global competition, the marketing concept has come into vogue. Marketing focuses on responding to consumer demands and competitive positioning. This requires ability to create and maintain customer satisfaction and to channel all activities of the organization toward a successful production and delivery of goods and services as defined by customers and to attain this at a profit. This philosophy suggests that a successful enterprise is one that can not only determine the wants and needs of its target market but also deliver those things more effectively and efficiently than its competitors.

Middleton(1998), using the terms, product and production orientation, sales orientation, and marketing orientation, suggests that marketing at a strategic level reflects a particular set of strongly held attitudes and a sense of commitment on the part of directors and senior managers-not just marketing managers- which are found in all marketing-led organizations. Combined, the guiding principles and attitudes that affect the whole of an organization are known as a 'management orientation' and 'corporate culture'. In other words, the key elements in any marketing system are the attitudes and thought process of the two parties – buyers and sellers – in an exchange process or market transaction (Middlton, 1998, p.24).

Marketing has a significant role in all aspects of the organization's activity. Thus, the marketing concept embraces product development at the start of the production cycle in policy formulation and the preparation of strategies to achieve corporate



objectives. There are many case histories of serious failure when the marketing element was separated from or overlooked in product development (Lickorish & Jenkins, 1997).

Seaton & Bennett (1996) stated that marketing is an analytical orientation which involves knowing what questions need to be asked and answered to determine the business potential of a tourism enterprise in relation to: its past, present and predicted customers; the business environment in which it exists; the societal and social environment in which the business must operate. At the center of marketing lie questions about consumer demand and the measures that are necessary to identify, influence, satisfy, and manage it profitably. Once consumer needs and the various environments in which the business has to operate have been identified, marketing then involves managerial action in the form developing products for the market, pricing them correctly, promoting them effectively, distributing them to the final customer and then evaluating the result of the total programme at which point the whole process starts again.

Development of marketing and modern business practices has undergone three stages: production era, sales era and marketing era. Marketing era arrived when organisations began to produce what they could sell rather than trying to sell what they produced. In the contemporary world of big business, world-scale operation and high technology the marketing oriented organization ensure that marketing is involved in its main activities from the evolution and manufacture of the product to sale to the customer (Lickorish & Jenkins, 1997).

There are various approaches to marketing of organizations reflecting several different basic philosophies. As in any other field, theories and their applications develop and change over time so that the marketing practices used by an organization in the travel industry today will differ from those used by a similar organization in the past. While practices may vary, they all reflect in varying degrees one of the following marketing concepts or philosophies (Gee, 1997).

There are literally numbers of definitions, although most of them are individual variations within a broad consensus that the marketing concept in tourism is both consumer lead and profit oriented (Middleton, 1988). According to the traditional definition of Kotler (1994), the marketing concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more relatively and efficiently than competitors. Marketing also is defined by Faulkner and Shaw (1988, p. 4), as “The most general, all-inclusive concept, comprising the selection of target markets and the design of an optimal marketing mix.” This is a very general definition of marketing, which is open to all sorts of interpretations. However, each tourist destination has a unique range of features with which it tries to attract visitors, but the marketing challenge they face is that each potential visitor has a very wide choice amongst destinations (Laws, 1991). In addition and unlike product marketing, tourism is a perishable product/service which cannot be stored beyond a certain date; it is this perishes ability which makes the service product so immediate and leads to the well-known dictum that ‘what cannot be sold today (e.g. airline seats, bed nights) are lost forever.

Kotler (2001, p. 5) defines marketing as “A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”. This definition emphasizes a social and managerial process, where both the producer and the consumer engage in marketing.

Nowadays marketing takes increasingly into consideration (as with planning in general) societal interests for the longer term. Kotler (2001) calls this ‘societal marketing’. According to Hartl (2002, p.75), in order to develop a successful services marketing strategy at least four characteristics have to be included:

- A detailed understanding of the marketplace;
- Exploitation of the key competencies of the organization;
- Application of valid assumptions about environment trends and market behaviour;
- A realistic basis for gaining and sustaining competitive advantage.

The societal marketing concept questions whether the pure marketing concept is adequate in an age of environmental problems, resource shortages, worldwide economic problems, and neglected social services. According to the societal marketing concept, the pure marketing concept overlooks possible conflicts between short-run consumer wants and long-term consumer welfare. Kotler (2001, p. 17) defines the societal marketing concept as follows “The idea that the organisation should determine the needs, wants and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that

maintains or improves the customer and society's well-being". This description is more focusing on the customer satisfaction.

What tourists primarily seek and consume at destinations is engaging experiences accompanied by the goods and/or service components of the destinations (OH, et al., 2007). The reality of many services being rendered on an ongoing or periodic basis coupled with the reality of customers forming relationships with people rather than goods paves the way for relationship marketing. Repeated contact between customers and service providers facilitates relationship marketing. The services marketing field has developed and stimulated interest in relationship marketing. The object of improving service quality, after all, is to engender customer loyalty. A natural extension of the strong interest in service quality is growing interest in relationship marketing. Effective relationship marketing should help a company capitalize on its investment in service improvement (Berry, 1995). Tourism has been at the forefront of staging experience (Sternberg, 1997). In a general sense, tourists are believed to hold personal values that permeate their life and that embed their choice of a specific destination and/or target tourist experience (Madrigal & Kahle, 1994). Although many would consider that the tourism industry is predominantly concerned with the provision of services, one could certainly argue that experiences are at the very heart of tourism marketing and development (Buhalis & Paraskevas, 2002). To the stakeholders of tourism, such as tourists, destination marketers, local residents, and policy makers, the nature and scope of the experience offered by a destination and processed by tourists determine the value of the destination (OH, et al., 2007). Negative destination experiences, such as critical service or product failures, will

certainly lead to a vivid memory instilling a negative attitude toward the destination. Hence, researchers have emphasized understanding what the tourist experience is and how it is formed as a result of visiting a destination. The importance of service in the tourism experience is perhaps most recently reflected in the emerging concept of service dominant logic.

### **3.2 Service - dominant logic**

Over the past years, new perspectives of marketing have emerged that have a revised logic focused on intangible resources, the co-creation of value, and relationships. Advancing service science requires a service-centered conceptual foundation (Lusch, et al., 2007). Toward this goal, it suggested that an emerging logic of value creation and exchange called service-dominant logic is a more robust framework for service science than the traditional goods-dominant logic (Vargo & Lusch, 2004). The new perspectives are joining to form a new dominant logic for marketing, one in which service provision rather than goods are fundamental to economic exchange. The service-dominant logic could be seen as another interpretation of ideas from earlier phases in the development of marketing like services marketing, and the resource based view of the firm.

Service-dominant logic is an approach for understanding of the purpose and nature of organizations, markets, and society, which are fundamentally concerned, with exchange of service and application of knowledge and skills (Lusch & Vargo, 2006). Since all firms, economies and societies are service based; therefore, marketing

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thought and practice should be grounded in service logic, principles and theories (Sdlogic, 2011).

The emerging service-dominant logic is “focused on the interaction of the producer and the consumer and other supply and value network partners as they co-create value through collaborative processes” (Lusch & Vargo, 2008, p.1). In service-dominant logic ‘services’ is a goods-dominant logic term. In fact, service-dominant logic defines service as the application of competences through deeds, processes and performances for the benefit of another entity or the entity itself (Vargo & Lusch, 2004). The dominant logic focused on tangible resources, embedded value, and transactions. Its effective implementation it is suggested is based on eight key behavioral characteristics as follows:

- 1- A shift to the process of serving rather than the creation of goods,
- 2- A shift to the primacy of intangibles rather than tangibles,
- 3- A shift to the creation and use of dynamic operant resources as opposed to the consumption and depletion of static operand resources,
- 4- Recognition of the strategic advantage of symmetric rather than asymmetric information,
- 5- A shift to conversation and dialog as opposed to propaganda,
- 6- An understanding that the firm can only make and follow through on value propositions rather than creates or adds value,
- 7- A shift in focus to relational rather than transactional exchange,
- 8- A shift to an emphasis on financial performance for information feedback rather than a goal of profit maximization (Lusch, et al., 2006; Lusch & Vargo, 2008)

Therefore, the primary tenets of service-dominant logic are the conceptualization of service as a process, rather than a unit of output; a focus on dynamic resources, such as knowledge and skills, rather than static resources, such as natural resources; and

an understanding of value as a collaborative process between providers and customers, rather than what producers create and subsequently deliver to customers (Lusch & Vargo, 2006; Lusch, et al., 2008). Service-dominant logic takes a broader, more comprehensive view of exchange. It focuses on the intangible, often information that can now be transmitted across national boundaries instantly, as well as higher-order skills that can be exported in addition to, or increasingly in lieu of, tangible goods. Thus, it is a logic focused primarily on the application of dynamic operant resources service. It implies that just as the wellbeing of the individual and firm are tied to societal wellbeing, national wealth is tied to global wealth. The inverse of these well-being and wealth relationships is also true (Lusch & Vargo, 2008).

As noted, service-dominant logic suggests that the universal role of service in the economy and firm can provide a frame of reference to help guide a management philosophy that is more effective and better contributes to competing in the future, than a frame of reference based on tangible goods (Lusch & Vargo, 2008). Besides, service-dominant logic provides a framework for theorizing, confirming, and refining the theoretical foundation of service science. To have evolutionary potential, however, service-dominant logic and service science must be concreted (Lusch, et al., 2008). Service-dominant logic is built on ten foundational premises (see table 3.1).

The service-dominant logic of marketing has a managerial and firm-centric slant. However, this does not mean that it is applicable only to managers, or even only to marketing (see Vargo & Lusch, 2006). The general orientation of service-dominant

logic applies to any service system. Even in the limited-focus of the service dominant logic of marketing, it is directly applicable to firms, employees, suppliers, customers, and a variety of other stakeholders (Vargo & Lusch, 2008).

Table 3.1 Service-Dominant Logic Foundational Premise

<b>FPS</b>	<b>Foundational Premise</b>	<b>Explanation &amp; Comment</b>
FP1	Service is the fundamental basis of exchange	The application of operant resources (knowledge and skills), “service,” as defined in service-dominant logic, is the basis for all exchange. Service is exchanged for service
FP2	Indirect exchange masks the fundamental basis of exchange	Because service is provided through complex combinations of goods, money, and institutions, the service basis of exchange is not always apparent
FP3	Goods are a distribution mechanism for service provision	Goods (both durable and non-durable) derive their value through use – the service they provide
FP4	Operant resources are the fundamental source of competitive advantage	The comparative ability to cause desired change drives competition
FP5	All economies are service economies	Service (singular) is only now becoming more apparent with increased specialization and outsourcing
FP6	The customer is always a co-creator of value	Implies value creation is interactional
FP7	The enterprise cannot deliver value, but only offer value propositions	Enterprises can offer their applied resources for value creation and collaboratively (interactively) create value following acceptance of value propositions, but cannot create and/or deliver value independently
FP8	A service-centered view is inherently customer oriented and relational	Because service is defined in terms of customer-determined benefit and co-created it is inherently customer oriented and relational
FP9	All social and economic actors are resource integrators	Implies the context of value creation is networks of networks (resource integrators)
FP10	Value is always uniquely and phenomenologically determined by the beneficiary	Value is idiosyncratic, experiential, contextual, and meaning laden

Source: Vargo & Lusch, 2008



In the future, the concept of service dominant logic is likely to affect the approach to formulating marketing strategy in the tourism sector, an approach which will be evolutionary rather than revolutionary as old methods, concepts and ideologies are replaced over time.

### **3. 3 Tourism Destinations: An Introduction**

There are different views on defining a tourism destination, but of all of them are related to a factor of place. A tourism destination is a physical space in which a tourist spends at least one overnight. A destination is a complex and peculiar animal. It is one product but also many. A destination is at once a single entity, but it comprises every kind of tourism organization and operation in its geographical area. It can literally include everything in a region- the people, the other industries, the landscape, etc. – which may be part of the destination experience, the local colour to the tourist, even though they are not specifically part of the tourism economy (Seaton & Bennett, 1996). According to UNWTO (2007) Tourism destinations includes tourism products like support services, attractions and tourist resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. OH, et al. (2007, p.119) viewed tourism destinations “as a means to stage the authenticity that cannot be found in the tourist's daily life.”

Tourism destinations could be on any scale, from a whole country, a region, or island to a village, town or city, or a self-contained centre. Furthermore, tourism destinations can definitely be treated also as products, because they are the aim of

consumption of the numbers of activities and Events that contain the tourism experience. The combination of these is what is presented by place promotion agencies to the tourism market (Hartl, 2002). A tourism destination incorporates various stakeholders often including a host community, and can nest and network to form larger destinations. Destinations contain a variety of stakeholders, tourism and non-tourism entrepreneurs. Hence, the co-operation and synergy of a variety of entities with different types of ownership (public and private), require effective leadership (Mazurek, 2008). However many tourism destinations are lacking a sense of corporate identity and therefore have difficulties to form a common goal or vision (Schianetz, et al., 2007). Same authors also claimed that tourism destinations are affected by global change, and therefore need to develop adaptiveness and flexibility in order to maintain competitive ability within the context of long-term sustainability. The tourism destination comprises a number of elements, which combine to attract visitors to stay for a holiday, or day visits. There are four core elements: prime attractors, built environment, supporting supply services and atmosphere or ambiance (Lumsdon, 1997). Therefore, destinations contain a number of basic elements which attract the visitor to the destination and which satisfy their needs on arrival. The provision and quality of these elements will be influential in the visitor's decisions to make their trip and choosing a destination (see Figure 3.1).

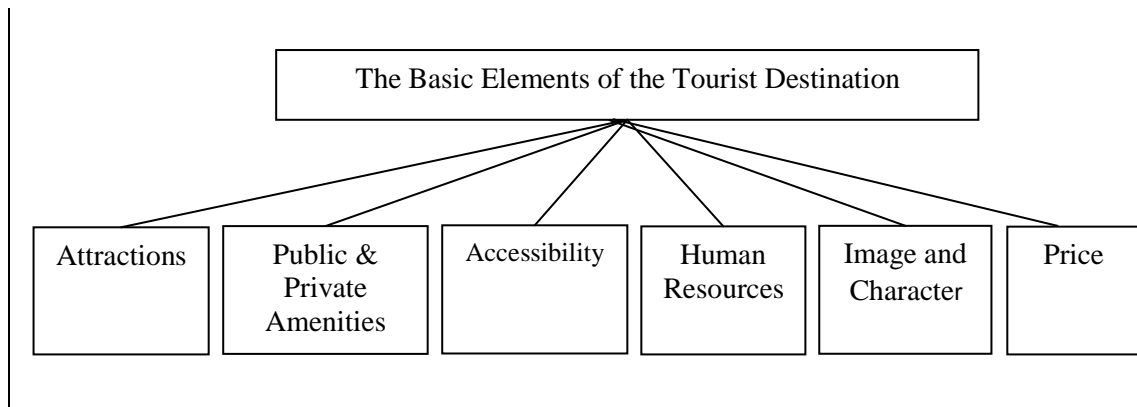


Figure 3.1 the Basic Elements of the Tourist Destination (Source: UNWTO, 2007)

According to UNWTO (2007, pp.1-2) the basic element of tourism destinations could be summarized as follows (table 3.2).

Table 3.2 the basic element of tourism destinations

<b>Elements</b>	<b>Description</b>
<b>Attractions</b>	These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. These can be categorised as natural built or cultural. They could be in the public realm such as a nature park, cultural or historical sites or could be community attractions and services such as culture, heritage, or lifestyle. Other, less tangible factors, such as uniqueness and emotional or experiential triggers are also attracting tourists to destinations.
<b>Amenities</b>	These are the wide range of services and facilities, which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor such as accommodation, visitor information, recreations facilities, guides, operators, and catering and shopping facilities.
<b>Accessibility</b>	The destination should be accessible via road, air passenger services, and rail or cruise ships. Visitors should also be able to travel with relative ease within the destination. Any specific entry conditions (e.g. visa) should be considered as part of the accessibility of the destination.
<b>Image</b>	A unique character or image is crucial in attracting visitors to the destination. It is not sufficient to have a good range of attractions and amenities if potential visitors are not aware of this. Various means can be used to promote the destinations image (e.g. marketing and branding, travel media, emarketing). The image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people.
<b>Price</b>	Pricing is an important aspect of the destination's competition with other destinations. Price factors relate to the cost of transport to and from the destination as well as the cost on the ground of accommodation, attractions, and food and tour services. A tourist's decision may also be based on other economic features such as currency exchange.
<b>Human Resources</b>	Tourism is labour intensive and interaction with local communities is an important aspect of the tourism experience. A well-trained tourism workforce and citizens who are equipped and aware of the benefits and responsibilities associated with tourism growth are indispensable elements of tourism destination delivery and need to be managed in accordance with the destination strategy.

Source: UNWTO (2007)

Beside the listed elements a tourism destination also needs other factors like available packages (pre-arranged packages by intermediaries and principals), activities (all activities available at the destination and what consumers will do during their visit) and finally ancillary services (services used by tourists such as banks, telecommunications (including internet), post, newsagents, hospitals, etc.) (Cooper, et al., 1993; Cooper, et al., 1998). However, safety and political condition in a destination are not mentioned in the above definitions

Therefore, a destination can be regarded as a combination of all products, services and experiences provided in destination and a destination is mixture of tourism products offering an integrated experience to consumers (Buhalis, 2000). There are several elements that make up a place visited by nonresidents for holiday, leisure, or business purposes. This statement could be regarded from two different side supply-driven and other the demand (Javalgi, et al., 1992; Pearce, 1989; Stabler, 1990). Tourism destination also has a time dimension in the sense that the longer the stay the larger the destination scope. The destination can contain many more offers than the tourist/visitor eventually makes use of during the actual trip. The conditions mentioned indicate the complexity of tourism destinations (Hartl, 2002).

Tourist destinations compete with each other for various tourist segments. Therefore, development has implications for the types of tourists that will be attracted (Ryan, 1991, cited in Wilde & Cox, 2008, p.467). Tourists as clients of tourism destinations have a direct impact on the product and the location. Successful tourism destinations require a clear competitive strategy to achieve a competitive advantage to follow a

targeted tourism approach; build a brand of distinction and deliver excellent customer/tourist value. The ability of tourism regions to attract tourists depends largely on the position of these destinations in the minds of key travel markets. The projection of an appropriate image has been described as a vital element in the positioning process (Williams, 2001).

Tourism destinations are often developing dynamically, they rise and fall in popularity, and their success may be affected by changes in fashion or to external/internal influences outside the control of the destination. This process can be understood in terms of a life cycle (Butler, 1980; Doxey, 1975). During recent years, many leading and emerging tourism destinations have been hit by a number of major human and natural disasters that have thrust their tourism industries into crises. These included blizzards, catastrophic accidents, civil disorder, crime, cyclonic storms, droughts, earthquakes, epidemics (e.g. flu, SARS, AIDS, H1N1 influenza, etc.), explosions, famines, fires, flood, forest fire, hailstorms, heat waves, hurricane, industrial hazards, landslides, limnic eruption, locust, radiation contamination, solar flares, terrorism attacks, tornadoes, tsunamis, volcanic eruption, war and other events that could scare tourists away from the destination. While there is little possibility to control any of these events, they could play a major role to lessen the short and long-term damage of such happenings. In this cause, marketing is important in the tourism industry as a whole because it serves as a tool to promote and publicize to the local and international markets about the presence of tourism destinations (Ibrahim, 2006). Tourism destinations are becoming among the largest brands, and their complexity means a challenge for marketers and planners. Furthermore, for a tourism destination

to be successful it should learn from past mistakes and their strategic management and marketing must lead to the optimisation of tourism impacts and the achievement of their strategic objectives for all stakeholders (Buhalis, 2000).

### **3. 3.1 Strategic Destination Marketing**

Destination marketing strategy generally is responsible for developing a unique image of the area, coordinating most private and public tourism industry, providing information to visitors, and leading the overall tourism industry at a destination (Prideaux & Cooper 2002). Therefore, it is evident that a successful tourism operation must not only understand who the customers are and how they behave but know what the products/services are and how to market them (Hu, 1996). For instance, the numerous stakeholders involved in shaping the role and development of an area as a tourist destination, result in different interests and objectives, which eventually must to support the marketed image of the destination (King, et al., 2000). A destination can act as a transit point for trade, logistics, and even people (Balakrishnan, 2008). Stakeholders need to be identified, convinced to participate and to influence other stakeholders to make a vision succeed. Furthermore, destinations should look at domestic, regional, and international stakeholders. These can be government, public, and the private sector enterprises.

The first few years of the new millennium have brought enormous change and transformation in marketing strategy. The greatest agent for change in destination marketing is technology, which increases the “intertextuality of contemporary destination marketing” by adding new media and means to represent the destination

(Hannam, 2004, p. 261). According to Hu (1996), strategic marketing consists of the following Key developments:

- Travel packaging;
- Promotion, advertising, and imaging;
- Distribution channel and strategic alliances.

Travel packaging could be used as a marketing tool in the form of price bundling and particular importance is placed on the impact of packaging on consumer decision-making (Hooper, 1995). In the travel industry, Uysal, et al. (1995) suggests that the creative use of marketing research is essential for the tourist business to grow and survive. Gartner (1993) claimed that understanding the different techniques utilized to form destination images is necessary to developing an image consistent with what a destination has to offer. He presents a typology of the different image formation agents, describes the process of touristic image formation, and provides recommendations for selecting the appropriate image formation mix. Other aspects relating to the advertising and promotion are measurement of the advertising effectiveness, the media selection, and the use of travel brochures. Media use decisions focus on the choice of television, national magazines, radio, newspapers, outdoor advertising, and a regional travel magazine (Hu, 1996). Research regarding distribution channels and strategic alliances has increased in recent years. Duke and Persia (1993) study attributes important to explore the differences between clients of tour operators and clients of travel agents. They found that customers purchasing directly from operators valued experience with the tour company and personal recommendations. Agency clients valued booking through agents along with information from guidebooks and tourist bureau. Differences are in terms of different



segments of customers within the channel of distribution. McKercher's (1995) suggest that strategic alliances among travel suppliers are encouraged to utilize various distribution channels for marketing and managerial purposes. He argues that tourism's needs are best suited by adopting a market focus. Today we are enfaced of the development and use of on-line technology, internet, iPods, and mobile communications, which are having dramatic influence of how tourism is marketed and bought. The emergence of e-tourism and e-business are both reflective of these changes. Also sites such as Facebook and Twitter are increasingly reflective of consumer feedback (Litvin, et al., 2008; Cheung & Thadani, 2010).

Middleton (1994), referred to tourism marketing as the total market reflecting the demand of customers for a wide range of travel related products. Marketing includes both strategic and tactical procedures. Marketing strategy provides the vision of the type of tourism that should be developed at the destination and the values and the image that stakeholders at the destination want to portray, the positioning of the destination in the global market vis-à-vis vision and values but also with respect to competitors and the target markets that are appropriate for the destination. Middlton (1998, p.120) suggests that strategic market planning includes:

- Goals and objectives - the place in its market which an organization seeks to occupy in a future period, usually broadly in terms of target segments, volume of sales, product range, market share, and profitability.
- Image and positioning – where organizations seeks to be in terms of customers' and retailers' perceptions of its product and its corporate image.
- Budget – what resources are needed to achieve its goals?

- Programmes – broadly what actions, including development, are required to achieve the goals and objectives, expressed in terms of buildings, equipment or plant, personnel administration, organization structure and marketing.

Destination marketing strategy presently face a number of challenges rising from changes within the tourism industry, plus from broader social, political, environmental, and economic developments. Technological progress, changes in the industry's markets and structures, economic slowdown, war and terrorist threats, climate changes and natural disasters and in general crisis affect destination marketing policy in fundamental ways. Crises inevitably receive media attention, and, as a result, attract public attention, particularly from potential tourists and will affect the image of a destination. Image is a valuable concept for understanding tourist choices, but tourism is experiential, and it is difficult for tourists to form a clear destination image without actual experience (Govers & Go, 2003). In the absence of experience, three determinants influence destination image: tourism motivations, socio-demographics, and destination information (Baloglu & McCleary, 1999; Beerli & Martin, 2004). Information helps stimulate and form images that shape destination perceptions and choices. However, promotional efforts among Muslim destinations by the travel media is weak, such weakness contributes significantly toward making some Muslim countries unattractive. 'Budget' in marketing process is central to any strategy and in tourism, and the public and private sector have to interface to consider. Without a financial context, it is difficult to evaluate and implement new plans in marketing.

Managing and marketing destinations is also challenging because of the variety of stakeholders involved in the development and production of tourism products. The most significant trend is the accelerating speed of technological development. As the world moves to electronic business, some of the most important changes relate to the selection of innovative marketing tools based on their capacity to add value within the destination (Formica & Kothari, 2008).

Today, destination marketing has become a sub-set of services marketing related to tourism. A global perspective provides a new sustainability-oriented vision of marketing for the twenty-first century. It has a consumer marketing focus on integrate sustainability principles into both marketing theory and the practical decision making of marketing strategy development (Belz & Peattie, 2009). In sustainable way, marketing can go beyond responding to social change to contribute to a transformation to a more sustainable society. Sustainability and marketing have direct connection. Marketing has the ability to understand customer expectations, behaviors, and patterns, to influence them by convincing communication, and to influence product sourcing, design and packaging. Marketing deals not just with individuals but also with businesses, government, and distributors. Sustainability offers marketers new opportunities: the potential to build reputation and brand value; outstanding loyalty; meaningful differentiation and an impetus for radical innovation (SIGM, 2003).

In fact, sustainability marketing understands the full impact of product or service throughout its lifecycle, social, economical, and environmental aspects. Surveys

show that consumers' attitudes are changing rapidly towards sustainable issues and marketers must have the skill set to exploit new opportunities as they arise in this new world (Cim, 2009). One way to understand the broad scope of marketing is to refer to the four (or seven) 'P's, also known as the marketing mix, which are including product, price, place, promotion, people, processes, and physical evidence. Marketing is fundamental to product development and product management, therefore involves design, concept testing and product launch. Pricing plays a key role in what is known as the 'marketing mix' and it is the only element that generates revenue. The movement of goods from point of production to point of consumption or use is another key aspect of marketing. Promotion means communication with customers. Promotion is persuasion. Its disciplines include corporate identity, branding, advertising, public relations, direct marketing, sales promotion/merchandising, sales/sales management, and exhibitions. In a service industry, the people who sell the service and deliver the service are a key component of that service. Courteous and efficient staffs make an impression on the customer over and above the actual level of service they deliver. One of the difficulties when marketing services is to ensure consistency across all points of customer contact. Strict procedures mean that the customer receives a consistent level of service and a recognizable service experience wherever they shop. If the product is intangible then the points of customer contact need not be. Corporate identity in the form of uniforms, store layouts and communications pieces all create a tangible image in the mind of the customer (SIGMA, 2003). The way in which all these elements are coordinated is crucial to the success of the overall marketing strategy. Destination is a complex amalgam of both tangible and intangible elements, any, or several of which

may be at fault from the consumers' point of view. Therefore, the challenge to the destination manager is more complex.

In assessing the tourism potential of the destination the first requirements is to realize that tourism is not one thing but many, and to identify what kind is realistically possible in a particular destination. No doubt, that places can indeed be marketed as products. Howie (2003) stated that there are several requirements for successful destination marketing:

- Right mix of features and services
- An image that is attractive to the target market
- The products and services must be delivered in an efficient and accessible way
- The destination values and image must be promoted effectively to insure that potential users are aware of the places' distinct advantages

The marketing of a destination is a complex task involving the coordination of range of public and private concerns as well as the host community in projecting an appealing image and commensurate tourism offering for the would be visitor. This is a challenging task given the lack of control over the components, which make up the possible offering.

Due to the complex and multifaceted nature of tourism and its players, marketing strategy faces several challenges in formulating and implementing (Augustyn & Knowles, 2000). The growing number of new tourism destinations and the changing preferences of visitors are forcing tourism destinations to enhance their management

and marketing strategies. Deciding which marketing strategic orientation should choose in response to current developments is essential decision to shape, adapt the new strategies. A marketing strategy with value-added effect, and branding could be one of the most powerful marketing strategies (Mazurek, 2008).

### **3.3.2 Market Planning and Process**

Marketing bridges the company and its markets in a societal context. Marketing planning is probably one of the most widely used and widely understood technologies in marketing. It is the principle mechanism for aligning marketer efforts with the expectations of customers (McKee, et al., 1990). Successful marketing requires planning and careful execution (Kotler, 1996). According to Cravens (2000), McDonald (1999) and Jain (2000), marketing planning can be considered as a technology, a set of techniques and activities that helps an organization in achieving an appropriate alignment of external environment and internal capabilities in order to achieve a desired outcome. Les Lumsdon (1997) claimed that marketing planning is the process by which an organization attempts to analyze its existing resources and marketing environment in order to predict the direction it should take in the future. Warren (1996), defines it as essentially a process directed towards marketing today's decisions with tomorrow in mind and a means of preparing for future decisions so that they can be made rapidly, economically and with as little disruption to the business as possible. As a result managers should be considering the nature of their planning processes as part of the process of developing and maintaining a market orientation.

According to Seaton and Bennett (1996), marketing only works when it is undertaken as a holistic process in which all activities (product design and manufacture, promotion, pricing, distribution) are planned as interdependent elements and subsumed within the overall goal of satisfying the consumer in a given set of environment and market conditions. Marketing planning quality was a significant predictor of market orientation and high quality marketing planning is achieved when planning is formal, comprehensive, rational and interactive, and when politics in planning is kept to a minimum (Pulendran, et al., 2003).

Jenkins (1996) suggests that formulation of policy and strategies, based on good research and market intelligence and the preparation of plans for development and marketing of the product concerned, must go hand in hand. These functions cannot be separated. Which implies that marketing as a strategy cannot be developed without an appropriate organizational structure to facilitate it. Porter's (1980) competitive force model is probably one of the most often used business strategy tools and has proven its usefulness on numerous occasions (see figure 3.2). In which market factors can be analysed to make a strategic assessment of the competitive position of a given supplier in a given market. The Five Forces of Competitive Position model provides a simple perspective for assessing and analysing the competitive strength and position of a corporation or business organization. His model shows an industry as being influenced by five forces. Each of those five forces is based on structural features (dimensions) which collectively influence the profit potential. All five forces jointly determine the intensity of the industry competition and profitability. The strongest forces become crucial from the point of view of

strategy formulation (Swaan Arons & Waalewijn, 1999). The strategic business manager seeking to develop an edge over rival firms can use this model to better understand the industry context in which the firm operates.

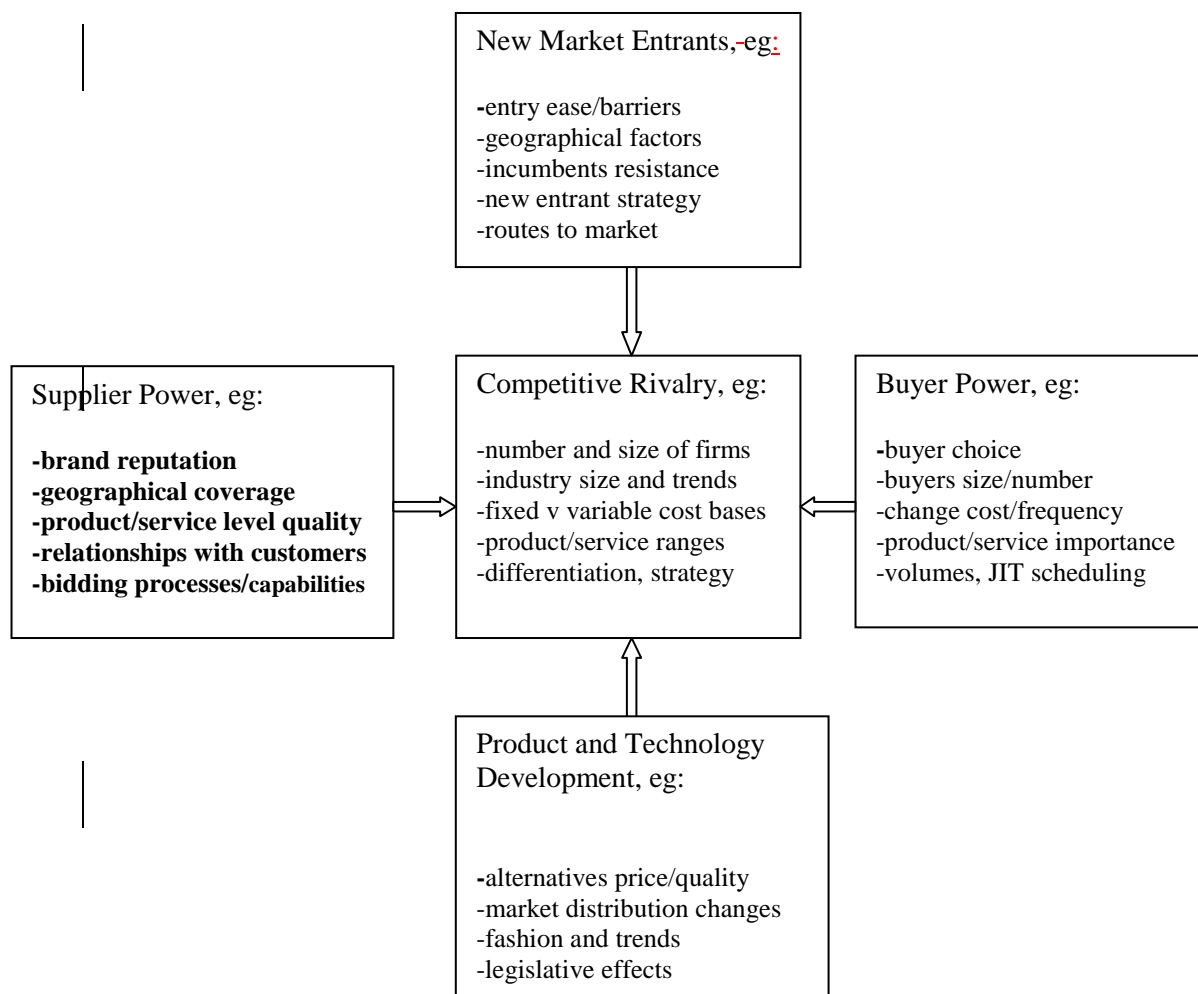


Figure 3.2 Porter's Five Forces of Competitive Position

Source: Chapman (2005), based on Michael Porter's Five Forces of Competitive Position Model (<http://www.businessballs.com/portersfiveforcesdiagram.pdf>)



Within a single entity like a company, this may not be a problem but for a destination incorporating a potentially large number of stakeholders, it may be a major concern. Middleton (1988) explains the complex activity of tourism planning and marketing (see figure 3.2). This illustrates the role of destination authority or National Tourist Office (NTO) and the collective interest with the trade in providing destination services. All marketing plans focus efforts on attaining the goals and objectives of the organization over the short and long term and ensure that all key aspects of marketing effort are included in formulating specific activities.

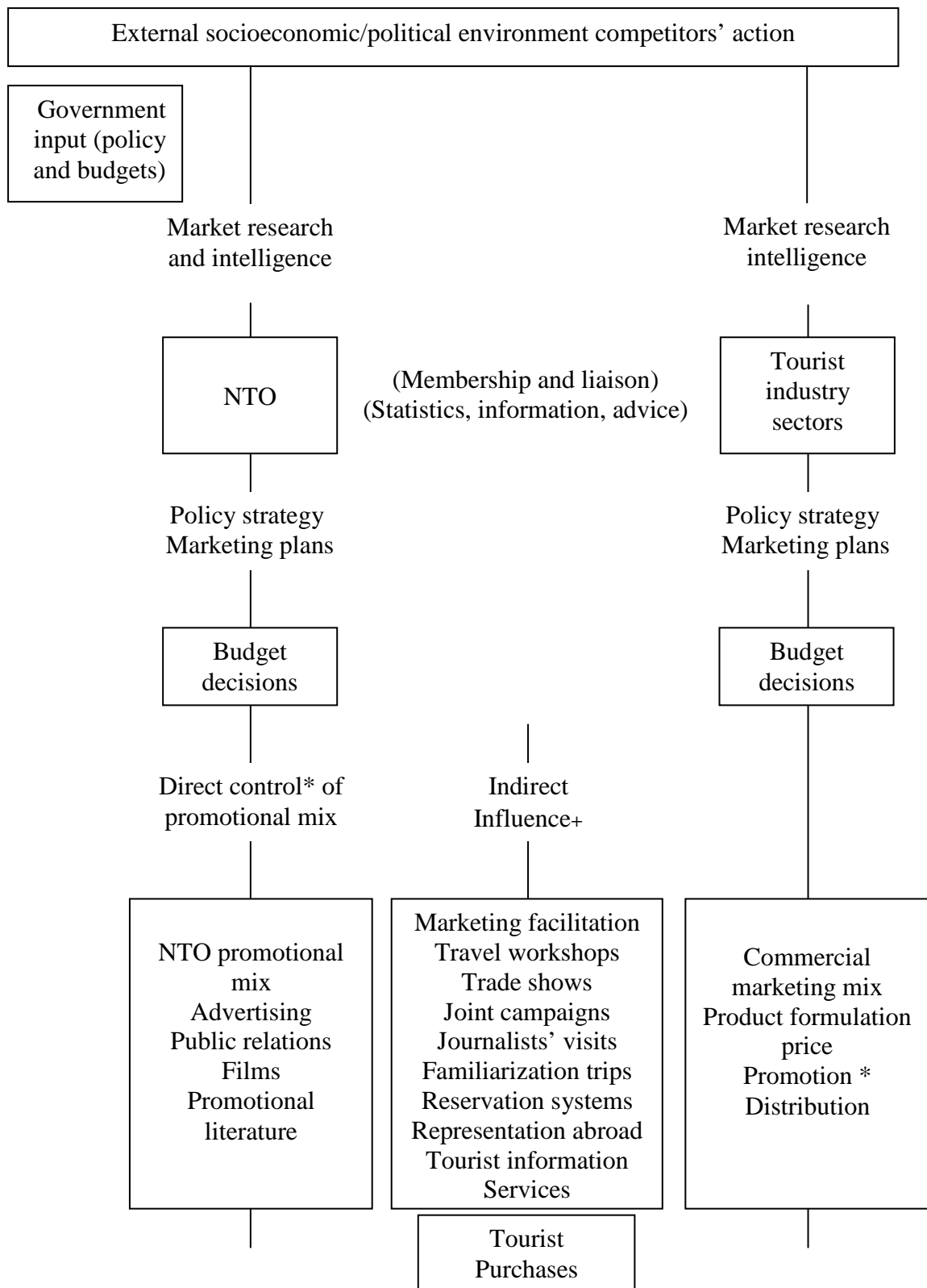
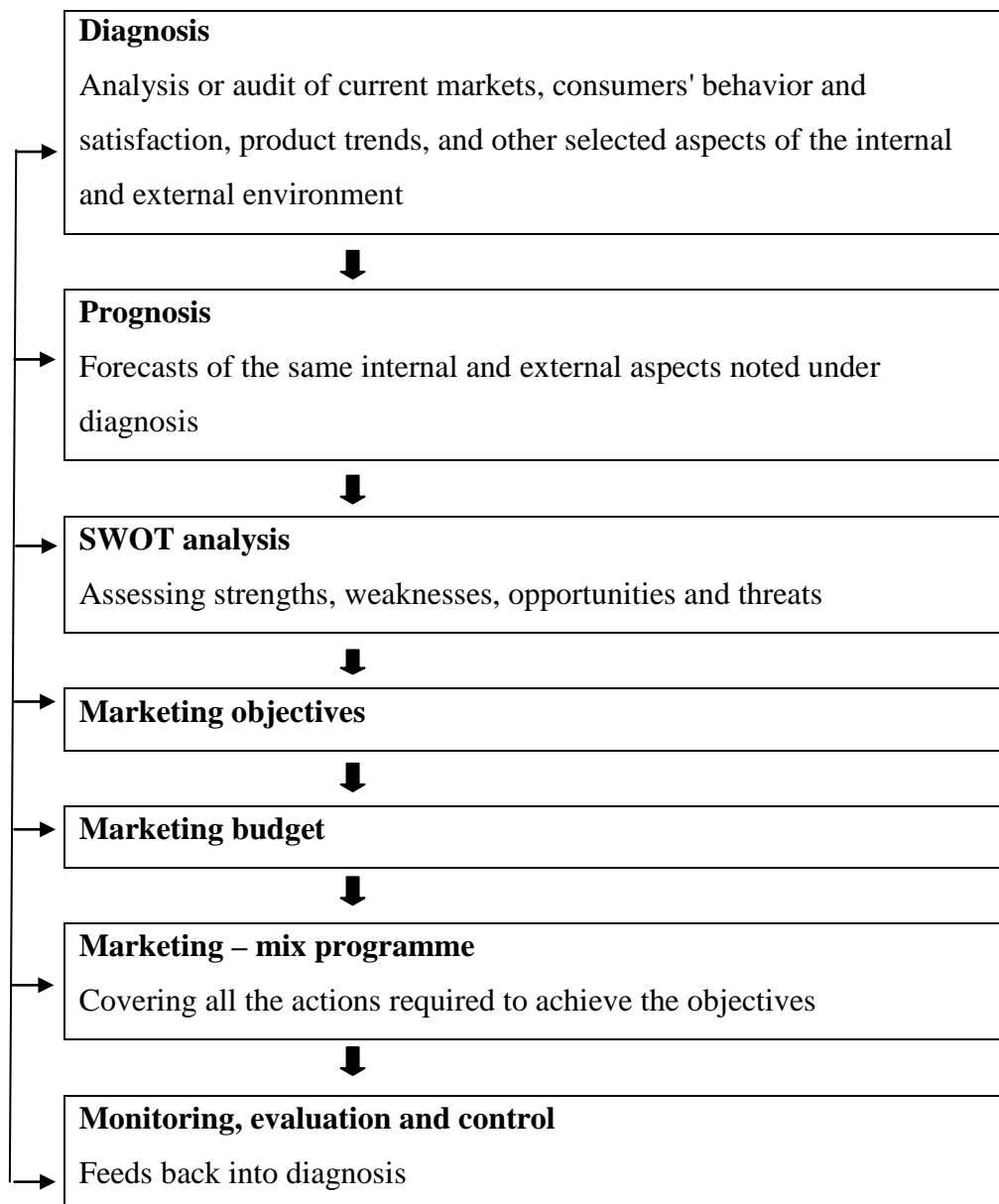


Figure 3.3 Applying marketing in the travel and tourism industry. (\*, Expenditure mainly in the countries of origin from which international tourists are drawn; +, expenditure in countries of origin and the destination) (Middleton, 1988).

Middleton (2001) considers the systematic marketing planning process in seven logical steps. Each step feeds into the next one with feedback loops built into the process as noted with arrows in Figure 3.3.

Figure 3.4 Systematic marketing planning process



Source: Middleton (2001)

It is expected that a firm approaching its strategic decisions using the best mix of features from synoptic and incremental planning processes to achieve improved performance (Pulendran, et al., 2003). Marketing planning is a behavioural phenomenon since it consists of the adoption of the technology. It is defined in terms of techniques and activities; any measure of marketing planning seeks to identify the behaviours that an organisation engages in with respect to these techniques and activities. Bonoma and Crittenden (1988) have identified a range of behavioural factors that influence the implementation of marketing strategies, such as the skills of the decision maker in terms of bargaining and negotiation, resource allocation, and the ability to develop informal organisational structures effectively. To reach a high-quality marketing performance all the mentioned factors should collaborated appropriately. However many of these skills are personal and are therefore, difficult to institutionalise.

Marketing planning technology provides more appropriate resource allocations and improved organizational performance. The technology of marketing planning, since it consists of activities and techniques that are intended to assist firms in achieving a desired outcome, has the potential to assist firms achieving the objective of increased market orientation. Planning can be considered as a means to enhance market orientation, which is then proposed to enhance business performance (Pulendran, et al., 2003).

WTO (1995) suggested some rules to develop a marketing plan, which is illustrated in the table 3.1. Developing an effective marketing plan begins with an

environmental analysis including considerations of social, political, and economic factors. An analysis of the competition and market trends should also be completed. The marketing plan should specify how the market is to be segmented, strategic goals and objectives, and provide an action plan to reach the desired goals (WTO, 1997).

Table.3. 3 Rules for drawing up a marketing plan, WTO (1997)

*The following suggested rules were developed as an aid for National Tourism Administrations (NTA) that does not have marketing plans. They are designed to maximize the use of existing resources and avoid unnecessary expense.*

1. Employ market expertise -either in-house or external- when drawing up the initial plans.
2. Develop a thorough understanding of existing offerings and of their absolute and relative advantages and shortcomings with respect to competing destinations.
3. Identify and study the competition in order to clearly identify any market gaps and capitalize on the main strength that the country has.
4. Prepare a strategic plan for supply spanning several years, to improve deficiencies and strengthen advantages.
5. Thoroughly consider potential demand. Access to such information is relatively straightforward in view of the existence of numerous studies on demand in the main tourism source countries.
6. Set strategic goals in line with tourist arrival capacity, transport capacity and existing promotional resources. Goals should be defined in terms of market share in each of the main source countries, because large fluctuations in exchange rates make it difficult to forecast foreign exchange earnings.
7. Once the three-year strategic plan has been completed, the corresponding one year operational plan can be drawn up.
8. Given the scant resources of most NTAs, yearly operational plans should concentrate on a few markets only; these need not be national but could be limited to certain regions or even cities.
9. Do not address the public in general until appropriate measures have been taken with opinion leaders; journalists, travel agents, specific interest groups.
10. Include the private sector in the preparation and execution of marketing plans from the very outset.

In the above diagrams and tables there seems to be very little if any concern about sustainability issues and almost no mention of community participation. This may be a consequence of quoting Middleton whose work is now, in many parts dated.

It is clear in modern management that planning is required to achieve goals and objectives. Formal marketing planning is well documented, and has been adopted because it provides a rational, coherent framework for the many decisions that must be made to achieve organizational goals. The traditional starting point for a marketing plan is diagnosis that is the analysis of an organization's current market performance, its consumers' behaviour and attitudes, and its competitors' strengths as well as other factors, which could be significant, such as changes to relevant legislation, or new conditions in the economy. Diagnosis provides a detailed platform for prognosis, the forecasting of future trends for each of the market sectors of interest to the organisation, and specification of actions to be taken for each sector. Planning is an iterative process in the sense that the plan constantly evolves in the light of experience and evolving circumstances. The final and key aspect of the planning process is a control system through which the implementation of the plan is monitored and results evaluated as a basis for further planning. Both the internal operation of an organisation and circumstances in the market can lead to revision of planned targets (Laws, 1995).

Buttler (1992, pp. 55-67) has produced a detailed, systematized approach to marketing planning in tourism based on a five-stage flowchart which can be reduced to a one-page format consisting of the following elements:

1. SWOT analysis (Internal analysis; External analysis)
2. Mission statement
3. Objectives and strategies (Financial forecasts and objectives; Market forecasts and objectives; Demand management; Target markets; Positioning statement)
4. Capsule marketing strategy
5. Budgeted marketing mix (Product; Promotion; Place& channels; Price; Marketing Organization; Budget)

The marketing plan thus is the stock take of the past and present from which the future is projected and planned (Seaton, 1996). Once strategic options have been analysed, and directions and resource commitments established, an organization can devise a marketing plan, which sets out how it will achieve its strategic objectives. Therefore, plans may vary in size and structure according its objectives (Lumsdon, 1997, p. 102).

Once a specific or target market has been selected, a marketing strategy to meet the needs of the market can be developed. This strategy includes many factors that influence the marketing in the tourism industry like timing; brands; packaging; pricing; channels of distribution; product image; advertising; selling and public relations. All the mentioned factors are necessary to achieving a successful marketing planning.

Consequently, marketing-mix is central to marketing. The marketing-mix concept requires managers to recognize that multiple marketing activities not only affect market shares directly, but also amplify or attenuate the effectiveness of marketing activities indirectly (Naik, et al., 2003). The market mix consists of how the different



elements are combined. Generally, these are grouped into four basic categories: product, place, price, and promotion. The marketing mix may be defined as 'the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market' (Kotler, 1984, p. 64). They are considered as the main levers or controls available to marketing managers in their continuous endeavors to achieve objectives and targets, expressed as sales volumes and revenue from identified customer groups (Middleton, 2001). Some tourism writers argue that in tourism there are more than four Ps, which need to be managed. The table below itemizes how two other authors, Middleton (1988) and Morrison (1998), have extended the marketing mix for tourism to seven Ps and eight Ps respectively.

<u>Basic mix</u>		<u>Middleton</u>		<u>Morrison</u>
Price	→	Price	→	Price
Place		Place		Place
Product		Product		Product
Promotion		Promotion		Promotion
		People		People
		Physical Evidence		Packaging
		Packaging Process		Programming
				Partnership

Both Middleton and Morrison include people as a fifth element of the marketing mix in recognition that tourism provision crucially depends upon personal service. Customer service is now a focal issue in tourism marketing. Physical evidence consists of the tangible features of a tourism organization (furnishings, colour, and noise). Process concerns the interactions that happen in service provision (customer involvement etc). In addition to people, Morrison's additional Ps comprise:

packaging and programming (the way in which several products may be put together as a conceptual entity - an inclusive tour offer, for instance - and organized for the consumer into a programmed sequence of delivery), and partnership which draws attention to the fact that tourism marketing frequently involves collaboration, particularly relating to the concept of the destination and cooperation between several organizations (hotels, airlines, travel agents, tourist boards, etc.). However, all the additional Ps can be seen as aspects of product design and delivery (Seaton & Bennett, 1996).

In summing up, marketing planning directs organizations to seek answers to a number of basic questions (involving market data competitive analysis, consumer analysis, environmental participation, etc.) and encourages them to develop periodicized strategic objectives and produce a marketing mix for implementing them; specifies precise target markets and profitability forecasting tied to budgeted measures; ensures identification at all levels of the company with them; and provides evaluation mechanisms to measure performance in order to adjust and plan for the future (Seaton, 1996). There is however, a compelling case for planning within tourism marketing as a way of improving performance in what is fast changing market.

Marketing planning, thanks to 30 years of management education, consulting and publications, is a far better understood concept. From a manager's point of view, it is more manageable and more actionable, since it is built around the adoption of specific tools and technologies. By linking management behaviours with the

existence of a particular culture, we begin to provide managers with a set of activities that can be utilised to support the underlying belief system of an organisation (Pulendran, et al., 2003). Whilst the study of marketing planning has been extensive, there is lack of empirical studies in general, perhaps due to reasons of commercial confidentiality or sometimes, embarrassment at the failures in the plan, but those, which have been undertaken, indicate that organizations fail to use many of the well-known techniques discussed above (Greenley & Bayus, 1993).

### **3. 3.3 Market Segmentation Issues**

Since the introduction of market segmentation in the late 1950s ( Dolnicar & Leisch, 2004), market segmentation is one of the most widely accepted concepts in marketing. Tourism marketers require tools to assist their decision making and marketing and refine their thinking. One of the key issues of strategic marketing is market segmentation. Market segmentation is a way to identify target segments, which aids in understanding tourists' relationship with the attractions (Bloom, 2005). According to Loker and Perdue (1992, p. 30) "Market segmentation can be defined as the act of dividing a market into distinct and meaningful groups of buyers who might warrant separate products and/or marketing mixes".

Segmentation could leads to the identification of tourists or potential tourists that are homogeneous in terms of their country of origin, personal characteristics, their behaviour, their attitudes, and such. The segment that is chosen as the target segment for a destination should be homogeneous, and also harmonize with the product. The destination's strengths should hence be perceived as desirable by the consumers

within this segment. Recognizing such a segment, and choosing it as a target for future marketing action, leads to a strong competitive advantage (Dolnicar, 2004). To achieve competitive advantage and in turn, superior financial performance, a destination should (1) identify segments of demand, (2) target specific segments, and finally (3) develop specific marketing “mixes” for each targeted market segment (Dibb, et al., 1994; Hunt, 2002).

Segmentation is a management strategy (Smith, 1956), which assists in framing management thinking (Aguas, et al., 2000). Segmentation involves portioning heterogeneous markets into smaller, more homogeneous market segments that can be distinguished by different consumers needs, characteristics, or behaviour (Kotler, 1980). The aim of market segmentation is to find homogeneous subgroups of people with different patterns of behavior and different preferences. These subgroups should be large enough for a differentiated marketing approach, and should be reachable for advertising and distribution (Raaij & Verhallen, 1994). Many different techniques have been employed by tourism researchers to segment customers. Segmentation can be based on situations and person/situation interactions. In defining segments, a choice can be made between assigning consumers to only one segment or to allow overlap between segments. By allowing overlap, it is possible to account for a large variety of person and behavioral characteristics with only a small number of segments. Overlapping segments result in a more differentiated and more complete description of the individual consumers (Wade & Eagles, 2003). Most behavioral data is collected post-trip whereas pre-trip data is very expensive to collect and may not have great predictive ability.

Market segmentation is a fundamental practice in marketing research. While there is no universal consensus on the characteristics by which to conduct segmentation in the tourism industry, variables are generally categorised according to geographic, demographic, psychographic, and behavioral traits (Morrison & O'Leary, 1994). These approaches are not mutually exclusive, and some studies have multiple indexes (Kerstetter, et al., 2001; McKercher, 2002; McKercher & du Cros, 2003). Among these, the major approaches use psychographics, activities and demographics, and motivation. Psychographic approaches use values, interests, opinions, personality and other individual characteristics and traits for segmentation (Chandler & Costello, 2002). Plog's (2001) psychographic model has had significant impact on the travel and tourism industry. However, this model has been criticised for downplaying subjective interpretations of the meanings of adventure and safety for individuals (Nyaupane, et al., 2006). Demographic and activity-based segmentation has been extensively used. However, several authors have found socio-demographic variables and activities to limit segmentation value because demographics and activities do not distinguish between highly motivated tourists and those who incidentally visit cultural sites (Acott, et al., 1998; McKercher, 2002). Nevertheless, demographic factors are useful for classifying tourists into key groups. These groups are used to guide key marketing/ managerial decisions. Motivation is more consumer-centred and may be more useful for understanding and predicting tourist behaviours, needs, satisfaction, expectations, and experiences (McKercher, 2002; Apostolakis, 2003). Motive-based segmentation is increasing in popularity because this approach explains why tourists visit the site, and is more sensitive to subjective experiences (Prentice, et al., 1998). Besides, understanding tourists'

motives aids in predicting behaviours better than personality, lifestyle, demographic and geographic measures (Loker & Perdue, 1992; Young, et al., 1980). Market segmentation is also the counterpart of product differentiation. Product development and marketing communication can be aimed and focussed at specific segments in the market Social class used to be a major segmentation variable (Raaij & Verhallen, 1994). Now the social class concept has lost its unique segmentation value, as society has become less vertically organized with more buying power across larger layers of society. As buying power and social class have lost their discriminative power at a brand level, other more psychological characteristics such as values and attitudes are being used as a basis for segmentation.

A review of 115 tourism segmentation studies indicates that while there has been mixed use of demographic, behavioural, psychographic and geographic segmentation bases, the majority of studies have used two or more segmentation bases to segment market (Tkaczynski, et al., 2009). From consumer studies and from psychology we may expect general person characteristics not to be good variables to predict specific behavior in the market and hence not a good base for segmentation purposes.

For segmentation to be purposeful, each segment needs to be measurable, accessible, and substantial (Kotler, 1980). The technique of segmentation has been defined as the process of dividing a potential market into distinct subsets of consumers, and selecting one or more segments as a target to be reached with a distinct marketing

mix (Wilkie, 1986). To be selected for management attention and action, any segment should have three characteristics:

1. It must be measurable.
2. It should be easy to reach through advertising and distribution systems.
3. It should offer a sustainable flow of business, which will more than repay the costs of developing it.

Gee (1996) further adds three more characteristics for an effective market segment:

- Substantial or large enough or profitable enough to serve as a target market.
- Defensible in terms of sufficiently unique characteristics to justify a separate marketing effort or program which can withstand the mass marketing approach of competitors.
- Competitive in terms of providing an advantage over the competition by serving this segment.

The importance of segmentation in tourism is extensively recognized (Bieger & Laesser, 2002; Cha, et al., 1995). Effective market segmentation depends on research to identify the characteristics of the types of visitor who seek particular benefits from the destination. To date research has helped us to understand which bases can be used by tourism destinations to effectively segment tourism markets (Dolnicar & Leisch, 2003; Laesser & Crouch, 2006). In addition, these efforts have largely centred upon building tourist profiles for a destination using visitor data (e.g. Frochot, 2005; Hudson & Ritchie, 2002; Laws, et al., 2002). There are many divisions and subdivisions, which can be made in planning, but essentially the segmentation task to identify specific groups in a traveling population interested in the same type of facility and service. The group identified must be large enough to warrant separate marketing or production attention, to make a specialist approach

profitable. It must also be possible and practical to reach this section of the population in an effective way (Lickorish & Jenkins, 1996).

Destination marketing is complex involving many stakeholders each likely to be attracting different tourist segments. Segmentation has been used by managers to market a destination effectively (Pike, 2005) assisting organisations to maximise financial resources (Perdue, 1996). For a firm, a market segmentation strategy makes sense only if it affects positively its financial performance. Consequently, successful market segmentation strategies often require substantial amounts of resources. Therefore, particular segmentation strategies will be successful only when the benefits of engaging in such strategies outweigh the costs.

The debate over the nature of market segments (i.e., whether they are natural or artificial) has significant implications for marketing strategy and public policy. If market segments are artificial, then firms in the same industry should all produce exactly the same market offerings because demand homogeneity requires supply homogeneity. If firms produce market offerings that satisfy homogeneous industry demand, then the market offerings produced will be fundamentally uniform, and any perceived differences among them would be purely fictitious creations of firms or be the result of either consumer ignorance or irrational consumer preferences (Chamberlin, 1950).

Segments at the general level are unlikely to provide meaningful predictions on product usage, while segments at the specific level are too detailed to be relevant.



However, general-level segments may be useful for marketing-communication purposes, while specific-level segments may be useful for product managers and product improvement (Raaij & Verhallen, 1994). To explore heterogeneity within tourism markets, researchers and industry analysts may use several market segmentation approaches. Marketplace characteristics suggest that firms should try to develop multiple market offerings for a single “market”, with each targeted toward a different set of consumers, if the market offerings do indeed represent different bundles desired by consumers (Hunt & Arnett, 2004). Therefore, segmentation provides a basis for product development, promotion, and management, and emphasises that the same product can be experienced in different ways (Prentice et al., 1998).

### **3.3.4 Market Image**

The ability of tourism destination to attract tourists depends largely on the position of these destinations in the minds of key travel markets. The projection of a suitable image has been described as a vital factor to attract tourists (Williams, 2001). For both leisure and business markets, perhaps the most important criterion for choosing to visit or not to visit a destination is its image. Before a tourist actually visits a destination, she/he will already have a mental image of it. The image maybe a negative one, based on prejudiced (or honest) accounts, or highly attractive one, based perhaps on only partially true stereotypes. Therefore, image destination can be defined as the sum of beliefs, ideas, and impressions that a person has of a destination (Crompton, 1979). Branding a place or a country is far more complex, with many operators, residents, policy makers, and events that affect the reputation

and image of the destination (Nguyen & Wang, 2011). An image built on shared destination attributes enhances the marketing efforts of a destination (Cai, 2002). However, an image can be changed over time, even slogans, names, or logos and the means of communication can be renewed after a period of time; however, brand identity must be constant (Mazurek, 2008).

Gunn (1997) explained the process of destination image formation and subsequent tourist experience with reference to earlier psychological theory (Bruner, 1951) a sequence consisting of 'Hypothesis, Input and Check' when considering a destination the potential tourists imagine themselves in the destination and consider their likely experience (see Figure 3.5).

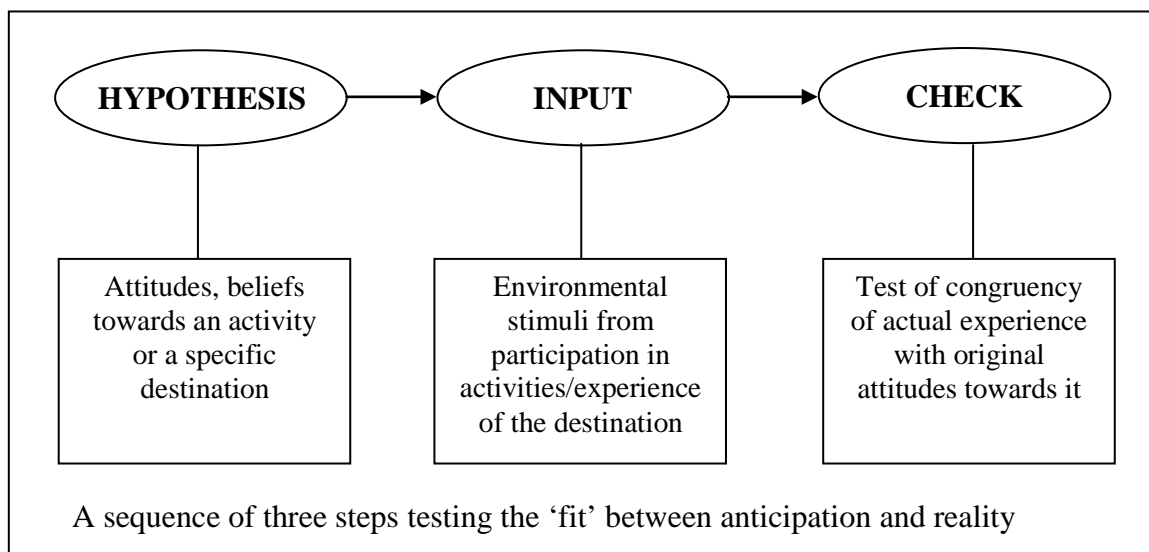


Figure 3.5 Travel image psychologies.  
Source: adapted from Gunn (1997).

Consumption decisions are influenced by marketing communications. The specific messages and images employed to stimulate consumption and to attract clients

towards particular destinations at once reflect society's current values, and are a dynamic force in its development. The effectiveness of image management techniques depends on an understanding of potential visitors' interests and attitudes towards the destination. Images can establish a meaningful position for the destination in the public's mind as being a place, which is different from other destinations offering similar primary attractions (Laws, 1995).

According to Seaton and Bennett (1996), the tourism planner appraising destination image involves answering four key questions:

- What is the perceived destination image held by the customer or potential customer?
- Is it favourable?
- Is it different from perception of what is thought to exist in competitive destinations?
- How can it be affected?

Over the years that tourism organizations and academics have been researching destination image issues a number of general findings have emerged about their nature and formation (Gunn, 1997, Hall & Jenkins, 1995).

- Destination images are more differentiated and complex to previous visitors than non-visitors are.
- Destination images are more affected by non-promotional communication than the efforts of tourism agencies, except in the case of new, little known places.
- Destination images are more affected by word of mouth report than most other influences.
- Destination images vary in strength and susceptibility to change.
- Where promotion is important it may be public relations, specially media relations, rather than advertising, which most influences destination image.

- Destination image may be more important factor for individuated destinations than generic tourism destinations.
- Destination images vary with different audiences and thus there may be several destination images not one.
- Destination image vary inter-regionally (Seaton, 1996).

From a practical standpoint, the more complete measurement of a destination image provides useful information for positioning and promotional strategies for example if a destination is found to be difficult to categorize or is not easily differentiated from other similar destinations, then its likelihood of being considered and chosen in the travel decision process is reduced. (Mayo & Jarvis, 1981) Careful management of a destinations' marketing communications can result in an image shift, which enhances the appeal of a destination or reduces negative impressions, increasing the likelihood that tourists will choose to visit it. However, any gains obtained by successful image management can be undermined by subsequent events. The adverse publicity surrounding the place can result in calls to avoid the destination.

Tourists usually have limited knowledge about a destination that they have not previously visited. Hence, their destination choice is often dependent upon the information gained either from the social media or from social groups (Mok & Armstrong, 1996). Besides, of, concentration on leisure distribution channels, clients uses the entire range of tools to arrange their travel. Due to the advances in technology and its facilitation in global communication and interaction, there has been an increase attention in the social networks (Easley & Kleinberg, 2010).The availability of information on the Internet and the emergence of electronic

intermediaries revolutionise distribution. These forms of direct communication have a greater effect on image enhancement and deterioration than formal advertising.

Technology and the Internet can improve the efficiency of all local suppliers and provide tools for the development and delivery of differentiated tourism products (Buhalis, 2000). Today, Social media as one of internet communication options is an area of growth in the online marketing communication for almost any business, including tourism. Bernal (2010) claimed that social networks implicate the creation of a virtual community where internet user can share, discuss, collaborate, and even argue about topics of common interest. Social media marketing will net tourism business short-term buzz, build long-term reputation, and trust (Chad, 2010). By the increase of television channels, television has become dominant in households. The consequence of this is that signs, images and simulations become reality, or in some cases, 'more real thanreal' (Baudrillard, 1978). With the growth of the internet and associated digital media, internet enables consumers to seek for information as well as construct and purchase individual itineraries on-line, and thus it revolutionised destination marketing (Buhalis, 2000).

Social networks will become the base of operation for everyone's online experiences. The websites have influence on formation of destination image (or more accurate. "mental maps" as described by Zelenka, 2009, p.123) and on consumer's behavior and consumer's cognitive functions (Buhalis, 1998; Frías, et al., 2008). Social media marketing is becoming a trust based marketing strategy and online social media could promote single operators and the destination as a whole (Miguéns, et al.,

2008). Digital Media can use as both communication and distribution channel; they deliver to and receive messages from target buyers but in the other hand, distribute, sell or deliver the service to the guest. The vast development of the buzzwords like Google, Facebook, TripAdvisor, video-sharing website Youtube, blogs and micro-blog such as Twitter are the most efficient evidences, considering as the heart of change in the communication channel and the virtual social life (Nguyen & Wang, 2011).

According to Stuebs (2009, p.19), “social networks provide multiple ways to properly extend the brand onto the social web. One can distinguish three subgroups: □personal social networks such as MySpace, Facebook, LinkedIn, Plaxo etc; White-label social networks that are developed by respective companies in aiming to listening, learning and inspire about travellers and potential travellers and finally Wikis such as Wikipedia, the free encyclopedia, Wikitravel or Wikivoyage”. Online social networking site are the most popular sites on the internet and the users collaborate to image a destination (Miguéns, et al., 2008). Online platform such as Facebook, Twitter, MySpace, Bebo and LinkedIn as well as blogs are web-based platforms of communication and community building. What makes them distinct is that they are integrated platforms that combine many media and information and communication technologies, such as webpage, webmail, digital image, digital video, discussion group, guest book, connection list, or search engine (Fuchs, 2009). Today, millions of users have registered on sites such as Facebook and Twitter and have embedded them in their daily lives. These users are able to connect with others and form networks based on similar interests or connections with the

offline world (Jansma, 2011). Currently, Facebook is the dominant social networking site. Facebook can be seen as the center of social media as a convenient place where one can find most of services offered in a single platform (Cavazza, 2011). Twitter can be used in different ways: for intercommunication within the company instead of group mails. It can also be limited to chosen addressees and external communication as customer service to listen and learn, loyalty building, but is also possible for customer acquisition (Carlberg, 2009 as cited in Stuebs, 2009, p.19). Whereas a blog (a type of website or part of a website, which is usually maintained by an individual with regular entries of commentary, descriptions of events, or other material such as graphics or video) is mostly a way for individual or a small group of people to share information. Nowadays, although social media plays a vital role in marketing for almost any business, including tourism, however, branding a place or a country is far more complex, with many operators, residents, policy makers and events that affect the reputation and image of the destination (Nguyen & Wang, 2011).

### **3. 4 Future Marketing Challenges**

Destination marketing is increasingly becoming extremely competitive worldwide. Providing innovative and well co-ordinated tourism products is therefore exceedingly important for tourism regions. Consumers assess their travel experience as a whole and they associate destinations with the entire range of local producers and suppliers. Producing innovative and specialised tourism products will enable destinations to attract international demand and to differentiate their products.

Destination marketing is an integral part of developing and detailing a particular location's popularity. Too often, however, tourism planners focus early on destination developments without paying attention to retaining and preserving the attributes that attracted travelers to the destination in the first place (Bergstorm, et al., 1994). Poon (1993) in a stimulating discussion about tourism in transition argues that there is in emergence a new age of tourism (see Figure 3.6).

- *New consumers:* Poon argues that new consumers are more sophisticated, environmentally conscious, seeking experiences and quality of life rather than a break in the sun. In short, the market is far more fragmented than twenty years ago and therefore presents a dilemma to marketing strategists seeking standardization. It is make clear that because the world is becoming standardized and homogeneous, companies should market the same products in the same way in all countries (Levitt, 1983). However, on their hand other researchers claim that standardization is not always the best strategy. Clients in different national markets demand products that reflect their tastes; cultural, political, legal, and economic/ political environments affect consumer preferences (Sustar, 2007).



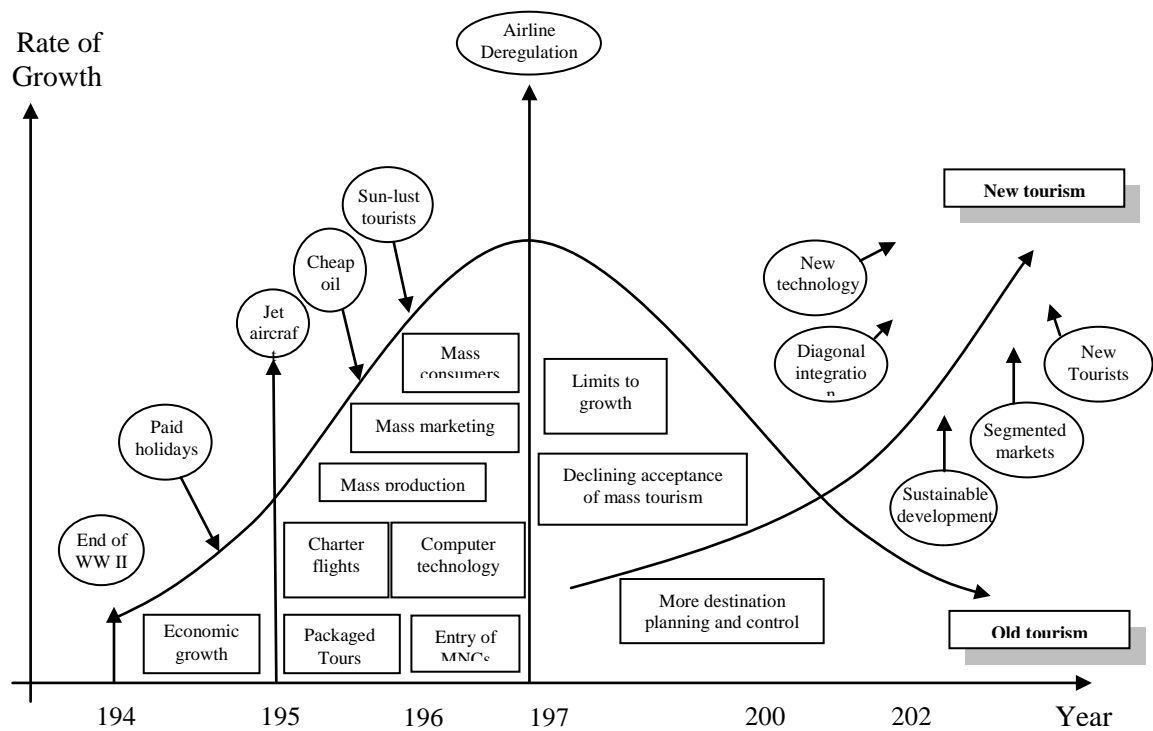


Figure 3.6 The tourism life cycle  
Source: Poon (1993).

- *New technologies:* several commentators have highlighted the advance of technology as applied to tourism. It has been rapid, perhaps moving faster than the change in the consumer market. This means that consumers can be segmented more accurately. The customer can choose destinations and services easily without the assistance of the tour operator and for little cost or risk. Furthermore, the technologies mean that suppliers can coordinate tourism offerings at a much reduced cost so that there is still a differential advantage gained without resorting to the traditional managerial response to economies of scale.
- *Limits to growth:* the third major force is the increasing number of constraints being placed on all business sectors regarding the environment. It has now been recognized that the provision of tourism services, which involve high-energy use and heavy impact on the environment, is no longer acceptable. Increasingly, global organizations, governments and multinationals are

having to come to terms with the negative effects of development and growth as envisaged by the strategists of previous decades

- *New global practice:* Poon refers to a new paradigm where economies of scale and the experience curve will no longer apply to all aspects of tourism. She argues that the new order means flexibility in provision where there is variety and special-ization, pliable systems, empowerment and training of staff at a local level and innovation. This type of schema fits the market which Fayos-Sola (1996, p.406) describes aptly: 'The New Age of Tourism is characterized primarily by the super segmentation of demand, the need for flexibility of supply and distribution, and achieving profitability through diagonal integration and subsequent system economies and integrated values instead of economies of scale.'

Poon also describes the differences between the old paradigm, which writers have traditionally referred to as mass tourism, and the new in terms of characteristics of consumers and their pattern of behaviour. The new tourist is, for example, interested in experiencing something different, understanding more about the history and culture of destinations and is more conscious of the impacts of his or her actions on the locality and in sensitive environments.

The relevant point to be made here is that each destination is unique and the application of another's experience will not necessarily result in the same outcome. Drawing conclusion from the experience of another destination requires a careful assessment of the ways in which it's various aspects development stage, environment, social and cultural contexts, and so forth are comparable (WTO, 1997).

To succeed in tourism markets of 2000s, firms must be able to interpret the needs and wants of their customers, identify appropriate ways of segmenting the markets in which they wish to compete, develop and launch products with the right product-market fit and communicate effectively with potential customers of the product. If these issues are well addressed, the firm as a whole stands to benefit from an appropriate consumer focus.

As discussed earlier, marketing has a principal management role to play in achieving objectives. In one dimension, marketing is a coordinated set of levers or tools designed to match the supply of products to current and future demand. In a broader management context, marketing contributes the consumer perspective and much of the dynamic energy that makes it possible for successful businesses proactively to innovate and 'overturn the present industry order, challenge "accepted practice, redraw segment boundaries, set new price- performance expectations and re-invent the product or service concept" (Hamel & Prahalad,1994, p. 303). Marketing is not effective unless it is integrated within the management structure of an organization from the boardroom down. It is implicit that the service excellence can be defined targeted, measured and improved. It is the responsibility of marketing to undertake and communicate those tasks within the organization (Middleton, 2001).

Today's destination marketing is becoming more complex and global competition and industry develops new challenges. "In this sense, destination marketers have to achieve the strategic objectives set through stakeholders' analysis and match the appropriate demand with supply, by using the entire range of marketing tools for

communicating with consumers and suppliers. Therefore, destination themes and their interpretation become more important for the future. Training of human resources as well as co-operation between competing and complementary destinations enables regions to learn from each other and adapt to demand requirements. Innovative marketing led by research and using new technologies, will be the only way to manage and market competitive destinations in the future for the benefits of their stakeholders “(Buhalis, 2000, p.114).

### **3. 5 Marketing Difficult Destinations**

No matter how good the planning, development and management of a place is, unless tourists know what it has to offer and believe – or can be persuaded to believe – that it is worth visiting, it will remain a place with merely the potential to become a tourist destination (Howie, 2003). Marketing is an essential tool in achieving goals and objectives and maintaining the place as a successful tourist destination. Middleton (1988) referred to the combination of resources and services provided by a destination as a 'total tourist product', later defining tourism marketing as the 'total market reflecting the demand of customers for a wide range of travel related products' (Middleton, 1994). A destination therefore, is a combination of various products in the tourism industry plus the many non-tourism functions normally found in a city, region or country. It is now well established that such a large, complex, and 'special' entity as a destination can be marketed as a product (Howie, 2003).

When tourists do not have a positive perception to decide or are not satisfied with their travel experience in a particular destination, many aspects should be considered

as contributors to this such as friendliness of people, facilities, attractions, weather, dirty streets, quality of services, lack of things to do and many other tangible and intangible elements any or several of which may make a destination difficult to market. The marketability of individual destinations and global tourism is vulnerable to changes in market perceptions. For most international travelers, tourism is a discretionary act. Many countries have invested heavily in tourism and have acquired a high level of economic dependence on inbound tourism. Events, which compromise the viability of a destination, may result in considerable economic disruption to the country, state or region. For individuals, this situation could result in loss of income, unemployment, and poverty. However, few tourists will consider these implications in determining their choice of destination. Their prime concern is to travel to a destination satisfying their own desire with a minimum of complications or threats to their safety and well-being (Beirman, 2003).

As mentioned above, a major determinant in traveller's decision to visit a destination is the perception of safety and security. Specific events or series of events may undermine these perceptions of a destination. Some specific event typologies that undermine the safety and security image of tourist destination and result in destination crisis are listed below:

- International war or conflict and prolonged manifestation of internal conflict;
- A specific act or acts of terrorism, especially those directed at or affecting tourists;
- A major criminal act or crime wave, especially when tourists are targeted;

- A natural disaster such as an earthquake, storm or volcano causing damage to urban areas or the natural environment and consequently impacting on the tourism infrastructure;
- Health concerns related to epidemics and diseases; these may be diseases which impact on human directly or diseases affecting animals, which limit access to tourist attractions.

These events or circumstances, individually or in combination, have a negative impact on perception of safety, security or desirability of tourist destinations (Beirman, 2003). On the other hand, tensions in political relations of source and destination countries, stemming mainly from interests encounter, play a significant part in image distortion of a destination in the source market leading to undesirability of it. Media, especially if are impacted or directed by political intentions, has an important role to play to make or break the image of certain destinations. Globalization of the media and their enhanced ability to report events (and in some cases ignore) as they occur give rise to a mixture of benefits and problems for tourist destinations. For example, according to Iran Tour Operator's Association, following the extensive media coverage of post elections incidents in Tehran, inbound tour operators experienced 20-80% cancellation of tours to Iran for Autumn 2009 and spring 2010 seasons. It is arguable that it would have attracted the same coverage and scrutiny if it had occurred elsewhere.

In the case of Iran, as described in following chapters, there are many elements and factors that make Iran a destination or product difficult to market. A summary of some of these issues are as follows:

- In relation to development of tourism resources and attractions, although Iran has many outstanding resources and attractions, they are not well developed from a tourism point of view.
- In terms of access, infrastructure and services, the current air, rail and sea transportation infrastructure are limited, outdated and require modernization.
- In relation to tourist facilities and services, most of Iran's tourist facilities especially lodging facilities are generally aged, below the standards expected and poorly maintained.
- In relation to tourism financial service, it is not possible to use the major international credit cards to settle accounts.
- In terms of international tourism flows, they are highly seasonal and heavily dependant on neighbouring countries.
- The image of Iran in the international arena remains one of the major difficulties in the international market.
- In relation to available data, a number of issues currently exist that limit the ability to effectively plan, develop, and manage the tourism sector.
- The institutional structure and organization of the tourism sector in Iran display a number of difficulties.
- Many of the existing laws and regulations controlling the tourism sector are outdated or have not been revised.
- Oil-based economy, which prevents tourism to be considered as an essential development option for the country.

In addition to the above-mentioned issues, other factors such as socio-cultural, religious, political, human resources and business issues in turn contribute in making Iran a destination difficult to develop and market.

### **3. 6 Conclusions**

In this chapter, an attempt has been made to trace the main features of the development of marketing and relate this to tourism. In the following chapters, this information will help to provide a context to consider the case of Iran. As noted above, the country is facing many internal and external problems and justifies the description as a 'difficult' place to market to tourists. However, recognizing these problems is a first step in finding solutions to enable the country to obtain the benefits from its undoubted tourism potential.



## **Chapter Four**

### **TOURISM POLICY AND PLANNING**

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#### **4.0 Introduction**

Tourism is a complex industry that stretches across many different sectors and businesses. Tourism is a certain kind of industry that has its own unique requirements, impacts, and rewards. Fulfilling those requirements, minimizing the negative impacts and reaping the rewards are the primary goals of policy and planning. This chapter provides a discussion of the policy and planning concepts as a foundation for understanding their importance in the tourism industry and their relevance to the situation in Iran.

#### **4.1 Tourism Policy**

Policy generally refers to an overall, high-level strategy that includes goals and procedures. However, as Dredge and Jenkins note (2007, p. 3) 'The task of defining policy has received a lot of attention, but no consensus has emerged.' 'Without some overall picture of policy it is difficult to understand how policy is formed, who influences policy, and the outcomes and consequences of policy'. (Oicoz.yasar.edu, 2011)

In available literatures, there are many definitions of policy. According to Jenkins (1996, p.171), 'a policy is a reasoned consideration of alternative options'. To some

degree this definition is reflected by that offered by Edgell, et al. (2008, p. 7) quoting the Merriam-Webster dictionary to define policy as ‘a definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions’.

Policies are generally found in formal statements such as laws and official documents. However, policies can also be informal and unstated and can be discerned from patterns and trends of governmental actions. Policy examines options which may be alternative ways of reaching the same goals, to reason which alternatives are best in various circumstances. Hall (2008, p.8) argues that ‘the terms planning and policy are intimately related.’ In his recent book Tribe (2010, p. 7) subsumes the concept of policy within the wider concept of strategy and defines the latter as ‘the planning of a desirable future and the design and testing of suitable ways of bringing it about.’

Policy should have a holistic approach and follow an optimization concept. It could be proactive or reactive. Proactive policies and plans attempt to meet predicted circumstances; reactive policies and plans imply a strategy to meet past events and sometimes are encapsulated in the phrase ‘crisis management.’

There are three fundamental characteristics of policy:

- Policies should be flexible.
- Policies should be realistic.
- Policies should be achievable.

It is important to note that a nation's various policy areas are interrelated, reflecting the complex and dynamic nature of modern society itself. Impacts in one policy area will likely effect changes in other areas. Thus, tourism policy makers need to adopt a comprehensive perspective and consider all of the possible impacts and relationships that tourism will have with other areas of society.

The World Tourism Organization (1997) suggests that policy makers – legislators, administrators, business executives - should consider the following issues:

- The role of tourism in the economy (how important is tourism to the overall economy? How important is tourism with respect to other industries?)
- Control of tourism development (what kind of tourism development is desirable and appropriate?)
- Administration of tourism. (At what level should tourism be represented in the government's organizational structure?)
- Government support for tourism (What amount of public resources should be directed to tourism's support and growth?)
- Tourism impacts (What kind of impacts , both positive and negative, will tourism have on existing society, culture, and environment and how will these be addressed?)

Policy is meant to provide guidance by addressing the issues that are central to any effort to develop and sustain a tourism industry. Policies embody goals and strategies that a government has adopted with respect to tourism, economic development, employment, political relations, or more likely a combination of these and other areas. For this reason, a tourism system must have an ordered linkage and discipline among various sections and activities which directly or indirectly affects tourism.

Jenkins (1997) suggests that countries need to develop a tourism policy to answer the following questions:

- What type of tourism products can be supplied?
- What type of tourism products should be supplied?
- How should tourism be marketed?
- Which type of tourists might be attracted?
- What are the likely impacts arising from policy choices?

Tourism policy is, therefore, policies aimed at the tourism industry, with the objective of guiding, directing, or even coaxing the industry to make choices and develop in a direction that will be beneficial to the area, region, or nation for which the policy is intended. The benefits of good tourism policy can be numerous: urban regeneration, reduced unemployment, economic regeneration, sustainable development, conservation of culture and nature and encouraging people to stay in rural areas rather than creating urban 'megaplexes', which leaves the countryside desolate (Baum, 1994).

It may appear from the preceding argument that governments or politicians are the sole 'authors' of policies. In a sense they are, because it is usually politicians who, in the end, decide what should be written in policies. But preceding the final policy is a long and often complex process. There are many 'stakeholders' who influence and advise politicians when making a policy and sometimes they cooperate with politicians in making the policies. When creating a new national environmental policy for example, an approach might be to establish a committee to insure that the interests of a broad range of people are represented. The member of the committee

could represent government, parliament, administrative sectors, and organisations of business an industry, trade unions, various interest groups, non-governmental organizations (NGOs), citizens' organizations and the news media. The range of representation can make it difficult to agree on a strategy that would please everybody, but at least it ensures that no single group would make decisions that would influence a whole nation (Howie, 2003).

This brief discussion of policy issues attempted to focus on essential concepts. In a real world situation, tourism may not be the dominant sector in an economy and therefore, its policy and indeed, sector planning, will be undertaken very much in the context of national goals and objectives. In such circumstances tourism is not a stand-alone activity but one very much influenced by wider societal and economic goals. An example would be where tourism generates substantial economic and financial benefits for a country but little of the net gain is ploughed-back into the sector either as investment or perhaps as part of its marketing budget. It is the multi-sector yet integrative nature of tourism which perhaps underlies Tribe's (op.cit.) approach to tourism development as a strategic pathway rather than separating the two main components of policy and planning.

## **4.2 Tourism Planning**

In general terms, planning is "organizing the future to achieve certain objectives" (Inskeep, 1991, p.25). However, there are many different forms of planning, which include:

- Economic development planning, which is primarily concerned with facilitating the development of various industries and sectors.
- Land use planning, which structures the uses of land through tools such as zoning codes
- Infrastructure planning, which deals with roads, airports, and utilities such as power, water, and sewerage.
- Social services planning, which deals with issues such as employment, public health, education and social welfare?
- Safety planning, which addresses internal security problems, crime control, risk coverage, and special provisions for tourists who require speedy remedies.

In the context of tourism, Costa (2001) suggests that the origin of tourism planning maybe traced back to the industrial revolution, and in particular to the social, economic and urban developments that emerged during this period. He provides an insight to the origin of tourism planning to describe how tourism planning in terms of theory and practice has evolved (see table 4.1 for further details).

Table 4.1 the Evolution of Tourism Planning Theory and Practice

	Classical planning (1850-1950)	Rational planning (1950-1980)	'Present' planning (1980 until now)
Origins	Expansion of domestic tourism	Expansion of mass tourism	Experience from mass tourist developments and neoliberalism
Disciplines	Business/economics	Mostly economics and some town planning	Economics, sociology and physical planning
Planning solutions	Variable - dependent upon practical innovators	Short-term profit	Rational determinism and forms of corporate planning
Level of development	Absence of a planning school	Very weak planning school	Emergence of a planning school

Source: Costa (2001).

It is widely recognized today, that planning is not solely concerned with plan preparation. It is also part of a political process aiming to balance all relevant interests - public and private - so as to solve conflicting demands on space (Alexande, 1986; Chadwick, 1971; Davidoff & Reiner, 1973).

On the other hand, despite difficulties and some resistance to planning, there is a widespread agreement that tourism planning serves a valuable purpose by addressing the following issues (WTO, 1996):

- The need to have a common vision, direction and commitment for tourism established through a participative process of involving many stakeholders.
- Tourism's sociocultural and environmental impacts and the need for a long-term perspective in assessing those impacts.
- Resource problems faced by communities that may not have the political framework or trained labor force to create a service based industry.
- Destination survival in an increasingly competitive market, and the need to respond to changes in the travel market.
- The rapid pace of change in the tourism industry in areas such as transportation and communications.
- The need to provide the private sector, especially those parties providing investment funds, with a certain level of stability and predictability in the progress of the overall development.

According to Hall (2008, p. 9) 'The most important characteristic of planning is that it is directed towards the future.' Gunn (2002) suggests that there are four general goals that tourism planners aim to achieve: To enhance visitor satisfaction; to improve economic and business success; to ensure sustainable resource use; and to achieve community and area integration. At an early stage therefore, Gunn had recognized the importance of the sustainability criteria.

When formulating a plan an enormous amount of data and analysis goes into the planning and development process. While there are many ways of organizing the process, most planning generally adheres to the following basic steps (Gee, 1997):

- Defining the goals and objectives of development
- Gathering relevant data
- Analyzing the data
- Preliminary plan draft, review, and revision
- Finalizing the plan, implementation, and monitoring

Tourism planning is a challenging endeavor, considering the diversity of organizations and individuals that act as service providers of the tourism experience, and the complexity of the tourism system. In addition, there are differing levels of control over tourism related resources, many plans and planning processes in the private and public sectors, and public and common goods that are shared by residents and tourist that need to be managed fairly. To address these factors, individuals and groups who have a key 'stake' in the tourism domain- those who are impacted by, or have the ability to influence the direction and outcomes should be involved in the planning and implementation of tourism actions and activities. Some of the actors who are included in the planning process include:

- Residents of the host destination area.
- Environmental advocacy groups.
- Tourism-related and non-tourism-related businesses.
- Politicians and other elected officials.
- Major business interest and lobby groups.
- Labour unions and other employee representatives.
- Government officials involved with tourism regulation and development.



Each of these actors brings a particular set of needs, knowledge, and perspectives to the decision making table. Their involvement at an early stage in the process is important in order to generate support and commitment to the process, and thus reduce the chances of later resistance by an actor who has not been involved.

Therefore, new planning approaches require the involvement of a large number of stakeholders in the planning process. 'Even in the smallest and simplest communities planning involves many actions, participants, fields of knowledge and levels of decision and implementation. It is impossible for any one person to comprehend analytically the network of major elements and interactions that are involved in a comprehensive planning' (Branch, 1985:73) as cited in Gunn 1994). However, it should be acknowledged that concepts of 'stakeholder involvement and participation in planning' remain a contested area. 'Empowerment of communities is still very much an ideal rather than a practical action, particularly in developing countries.

The striking outcome of the new concepts, trends and methods in planning is that they recognizes the complex dynamics of knowledge accumulation and innovation as a product of geography, culture and history, rather than as socially disembodied and universally transferable. The components and processes that shape the production and generation of knowledge, how information is converted into knowledge or how learning occurs in practice are essential to the process of sustainable development. Knowledge is not a commodity that can be acquired off the shelf, by any producer

seeking to transform a particular combination of inputs dictated by a given factor endowments. (UNCTAD, LDC Report, 2007).

One of the most crucial differences between the LDCs and the developed countries and the countries at different scales of development in between, is the ability, or lack of it, of their national governments in implementing long term plans and policies. For this reason, much of planning for the tourism sector remains dependent on foreign aid and expertise despite calls for more involvement and indigenization of the development process.

As the economic bases of many countries are increasingly challenged by world markets and technology, many governments see tourism as a major opportunity for economic development and a tool for creating a better community. This can only happen through the planning process seeking to simultaneously prevent negative impacts and meet the goals and objectives of the community. Planning is concerned with anticipating and regulating change in the system to promote orderly development, so as to increase the social, economic and environmental benefits of the development process (Murphy, 1985).

Tourism planning has assumed a greater role in tourism development as governments recognize not only that tourism generates a wide spectrum of impacts, but also its potential for social and cultural expression and revitalization. Often, the cultural assets of a country can be among its major tourism assets as Hitchcock, et al. (2009,

2010) and Singh (2009) demonstrate in the context of Asia. As more governments expand their goals and expectation of tourism development beyond its economic benefits, planning becomes more important to the success of achieving those goals and meeting those expectations.

Baud-Bovy and Lawson (1998) suggest that a systematic approach should be adopted in tourism planning in order to achieve success. In table 4.2 is demonstrated some of the factors and issues, which may prevail in certain circumstances. Planning inputs will vary between destinations, the scales of development and particular institutional and legal frameworks.

Table 4.2 Priorities and Goals of Tourism Planning

Priority	Circumstances	Initial needs	Goals
Demand led development	Destinations offering suitable resources which need to match facility developments to particular market requirements	Market identification Selective development incentives	Economic benefits leading to other development opportunities
Supply led control	Risk of damage to vulnerable environmental or socio-cultural resources by excessive or inappropriate use	Management and regulation of use	Conservation of resources Long-term sustainability of tourism
Diversification of demand	Decline or saturation of existing attractions. Need to create new products or alternative destinations	New product research, design, development and marketing	Extension of economic benefits. Establishment of new images
Implementation of new products	Development of proposal to implement a network of theme parks, parks, etc.	Market identification, evaluation of regional and/or local impacts	Ascertaining attractions and feasibility of proposed facilities
Reduction of leakages	Excessive growth, shortages leading to high importation of supplies	Phasing of development, inter-sect oral coordination	Widening of economic benefits Reduction of external dependency
Community recreation	Increasing urbanization, encroachment on attractive landscapes, loss of amenities	Reservation of land, improved public access and facilities	Benefits for local communities and domestic tourism

Source: Baud-Bovy & Lawson (1998)

### 4.3 Tourism Planning and Sustainability Issues

The planning process discussed here is concerned with ensuring sustainable tourism development that respect local population, creates appropriate employment, and delivers a quality visitor experience. These sustainable development goals have made

the planning process far more complex than earlier planning efforts, which were driven primarily by economic imperatives.

In consideration to sustainability, a further and now global issue is the question of climate change, another hugely controversial topic, which impinges on tourism planning. There is no doubt that sensitivities to climate change in the tourism sector is important, since tourism with its special nature has link with climate changes. The links between tourism and the technical and policy dimensions of climate change mitigation and adaptation given an evidence that climate is a key natural resource for tourism. Today, there is a growing debate and an attempt to limit carbon by-products, to develop carbon-trade-off schemes and generally relate these efforts to the notion of sustainability. Actions are being taken at the international and national level but progress is slow with national considerations often conflicting with global aspirations.

However, it should be noted that climate change, no matter what its cause, will have benefits as well as costs, and “adaptation” is the key (Becken & Hay, 2007). Some authors’ claimed that climate change occurs more slowly than socio-economic factors related to tourism, patterns of crop improvement, farming techniques. Any future threat, human-caused or natural, from changing climate will not only depend on the amount and rate of change but also on the way in which society adjusts to it (de Freitas, 2009) and planning and management strategy should continually adjusting to changed circumstances. Adaptation to constant climate change is a key

factor in reducing adverse impacts or in preparing to take advantage of beneficial changes in climate (Becken & Hay, 2007). In developing countries, disaster management and adaptation must be part of long-term sustainable development planning (Qader Mirza, 2003, p. 233).

Sustainable development concerns grew out of the rapid exploitation of the earth's environment for economic gain. Realization that short-term gains were coming at the expense of long-term losses for the future generations began to reshape the global development strategy. (Dragicevic, 1991) as cited in Gartner (1996) traces concerns over sustainable development and the environmental consequences of development to the late 1950s. These early warnings, generally ignored until the world conservation strategy of 1980 (IUCN, 1980) and the Bruntland Report (UN, 1987) which proposed an inter-generational vision combining careful evaluation of current resources to ensure their availability for future generations.

The term development has emerged as a more qualitative and focused term than that of growth, since the United Nations Conference on the Human Environment in Stockholm (1972) and was crystallized in the Agenda 21 set out by the UN conference on Environment and Development in Rio de Janeiro (1992) as an unprecedented global plan of action for sustainable development. The Agenda 21 was adopted by the governments of many member countries for implementation. However, only ten years later at the Johannesburg Summit (2002) on Sustainable Development, much broader participation ensued, including not only heads of state and governments but also NGOs and civil society delegations and representatives

from businesses and industries, youth and children, indigenous people, farmers, scientific and technological communities, local authorities, women, trade unions and workers.

The declaration of the Johannesburg Summit is the culmination of decades of progressive thinking relating to the concepts ‘development ‘ and ‘sustainable’. ‘In line with the overall thrust of the sustainable development agenda, the principles adopted at the Johannesburg Summit in 2002 and the priorities of the United Nations system, the issues outlined are critical in the context of ...’.developing countries, linking as they do to agendas of poverty alleviation, human rights, social and political stability, democracy and environmental degradation’ (Robinson & Picard, 2006, p.16). ‘It (the Johannesburg Declaration) focuses in particular on the progress made in rethinking development in terms of the interdependent and mutually reinforcing principles of sustainable development – economic development, social development and environmental protection – at local, national, regional and global levels. At the same time it stresses that the implementation of these principles is seriously threatened by the unequal distribution of wealth at the local, national, regional and global levels’ (Robinson & Picard, 2006, p. 62). The most important outcome of the Johannesburg Summit was that it highlighted differences and inequalities in the different parts of the world, faced in the implementation of the Agenda 21. It also brought out the differences in the perceptions and priorities of development and environmental concerns.

‘Development is an even more elusive term to define than tourism... Defining development as a condition or state of being requires the acceptance of a unit of measurement... Measurements of the state of development are always relative and only relevant for a particular point in time... Development can also be viewed as a process... of physical change’(Gartner, 1996, p. 8).

On the other hand, development is certainly not economic growth but it may depend on it. Economic growth is a measurement, usually related to increases in Gross National Product; it is a statistical and economic criterion. Development may reflect how part of that economic growth is utilized and usually is related to changes in ‘quality of life’ as set out in various socio-economic indicators, for example in the UNDP’s annual Human Development Report.

The term sustainable development has been defined in the Johannesburg summit brochure as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” This is probably the most enduring and most-quoted definition but its words are ambiguous and capable of many interpretations. It is more of an aspiration statement than a practical guide to future action.

According to World Commission on Environment and Development (1978) cited by OECD /Glossary (2003), Sustainable development refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs.



The following definition of sustainable development developed in British Columbia, Canada (Rees, 1989, p.13) may be most applicable to tourism planning “Sustainable development is positive socioeconomic change that does not undermine the ecological and social systems upon which communities and society are dependent. Its successful implementation requires integrated policy, planning and social learning processes; its political viability depends on the full support of the people it affects through their governments, their social institutions, and their private activities.”

In addition it is also essential to have a clear definition for development which is believed to be a slippery concept with several meanings. It is open to question, for example whether locating luxury casinos in very small developing countries, with the possibility of associated crime and prostitution, can be judged as development from the viewpoint of most of the population. Similarly, spending large sums on a new international airport may put a small island on the world tourism map but has every possibility of reducing essential investment in other areas and making it easier for skilled islanders to leave their homes for higher incomes elsewhere. The answers to these dilemmas are rarely clear-cut and have led to a serious reappraisal of international tourism in some developing countries (Lea, 1988). Therefore, it can be queried whether sustainable growth is achievable or merely a target or question whether 'sustainability' as a practice rather than as a concept has any validity.

In an increasingly globalizing world economy, planning at all levels – local, regional, national and global - is usually subject to the overall goals of sustainable development. The commitment of 192 member states of the United Nations to its

various development plans and programs, define the framework for national development planning. Although the degree of integration of the development goals in planning varies in each country or area, based on local and national realities, global connectivity makes it imperative that they be taken into planning considerations.

On the other hand, the current economic crisis seems to be undermining the concept of globalization. It is open to question whether this is something which society is more dependent on and should be more cautious of? It may be the global financial crisis has made countries more aware of their inter-dependency and vulnerability and a requirement to have some form of credible national defence against global forces. For most countries, particularly in the developing world, tourism is essentially an international activity, which can be seriously disrupted by external shocks.

Planning for tourism development can take place at various levels. The concept of planning is very wide. Planning is essentially about the utilization of tourism assets and their development into a marketable state. Therefore, before the planning exercise begins it is necessary to set out tourism development objectives, i.e. what the development plan seeks to achieve (Lickorish & Jenkins, 1997).

One major goal of collaborative tourism planning is the advancement of user satisfactions. (Gunn, 1979) relates the objectives of tourism development to sustainable development as defined by Rees (1989). The premise of 'positive socio-

economic change' incorporating concepts of social and economic justice and balanced growth , that 'does not undermine the ecological and social systems' avoiding wanton, reckless and undisciplined use of resources; and 'integrated policy, planning and social learning processes' that is several public and private policies and actions coordinated for successful implementation (Gunn, 1979).

Following the wider concepts of sustainable development and its planning approaches, William and Gill (1991) cited in Gunn (1994) have recommended a systems approach to the goal of planning and developing tourism. The approach involves:

- Developing tourism goals and objectives linked to the broader comprehensive plan (& development goals) for a region and/or local community
- Formulating a set of performance indicators reflecting the objectives of tourism development.
- Implementing management strategies designed to direct tourism towards the achievement of the stated objectives
- Monitoring the performance of tourism with respect to these indicators.
- Evaluating the effectiveness of selected management strategies in influencing the performance of tourism with respect to these indicators
- Developing strategic policies for tourism management based upon the monitored effectiveness of these techniques.

These guidelines essentially reflect the trinity upon which planning in any aspect is based, the need to plan-implement-monitor. This logical and realistic approach is

widely recognized but is always vulnerable to human failure in the execution of such exercises.

The conceptual definition of sustainable tourism development by the WTO (2004) is "Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability". Thus, sustainable tourism should:

- 1) Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
- 2) Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
- 3) Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary" (WTO, 2004).

Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them. As mentioned above it is a concept but whether achievable, it is always open to question.

The United Nations Charter on Sustainable Tourism, prepared by the WTO for the United Nations Commission for Sustainable Development describes a set of ideals, which are in keeping with the Agenda 21 programme, and cover a broad spectrum of sustainable development objectives. On the other hand it could be argued that the term 'ideals' mentioned above can be considered as exactly the problem which proves that much of what is written about 'sustainable' tourism is idealistic and often not practical.

Ecotourism is different from sustainable tourism in that it does not include mass tourism and is more focused and limiting in its objectives of sustainable development. As defined by the International Ecotourism Society (TIES. 1993) “ecotourism is responsible travel to natural areas that conserves the environment and improves the welfare of local peoples”.

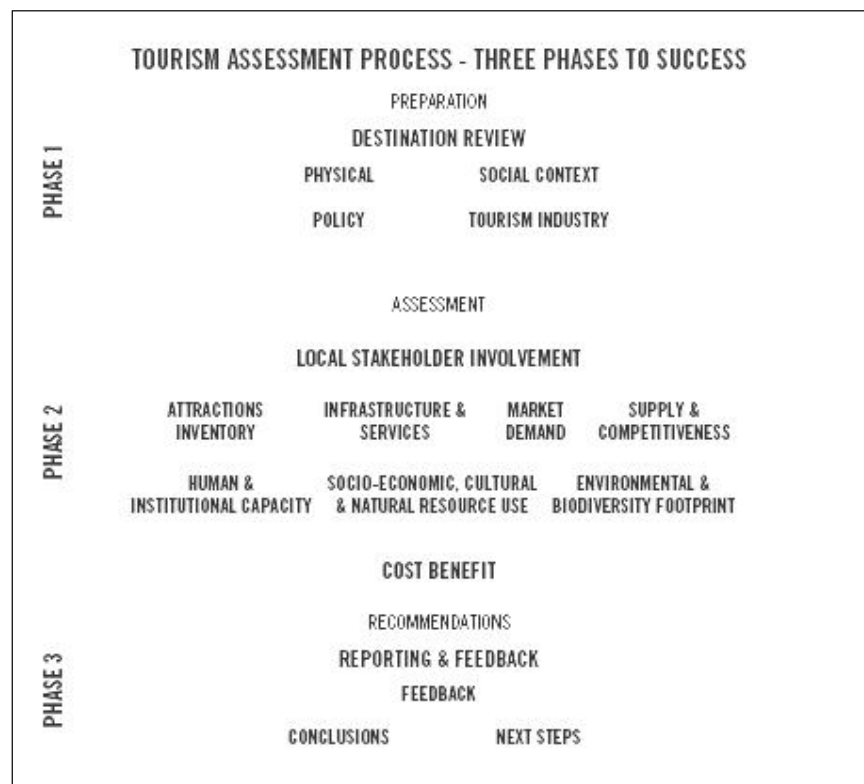
Lickorish and Jenkins (1997) describe six stages in tourism development planning:

1. The establishment of objectives
2. The incorporation of these objectives into a policy statement

3. The formulation of policy guidelines to establish planning parameters
4. An implementation programme to achieve what is set out in the plan
5. A monitoring mechanism to assess whether the tourism development plan is meeting its objectives
6. A review process to revise and refine objectives and policies as necessary

Gutierrez, *et al.*, (2005) developed a 'Tourism Assessment Process (TAP)' which divides the planning process into three parts (see figure 4.1).

Figure 4.1 Tourism assessment process



Source: Gutierrez, *et al.*, (2005).

Tourism development planning is a process for orderly change. Development in any shape or form means change. Reacting to change is more or less damage control. Planning, although not avoiding conflict over change, can reduce the level of animosity and disarray associated with a system in crisis. Planning then can be viewed in the context of anticipating change and be concerned with the future implications of current decisions (Gartner, 1996; Gunn, 1988).

Although planning for tourism development is an often-cited concept, it has been poorly operationalised, partially due to the ideological foundations of the society in which planning takes place. Unplanned or ad hoc tourism development has a tendency to spread from its point of origin along a path of least economic resistance. Gartner (1996) further says that integrated tourism planning is still the exception rather than the rule. One of the major reasons for this is the enormous time commitment in developing a workable plan. The other reason he has ascribed is the fragmentation of the tourism 'industry', which unlike other economic activities is still searching for an industry definition. The fact that tourism relies on several different types of infrastructure, facilities, and services, which are normally functioning under different departments and organizations, with different missions and operational objectives, ensures that planning for tourism is complex.

Gartner recommends that planning intensity should increase at the local level as the community becomes the destination and the receiver of the various impacts generated through tourism.

He describes the following eight-step process:

1. Establish a funding source for tourism development planning. Since tourism development planning process starts with defining the system, developing leadership, inventorying attractions or uncovering market profiles of current visitors, the overall community profile and the political system will determine the funding structure.
2. Create a Tourism Organization. For tourism development to be one of the leading economic development agencies in a community, an organisation including as many representatives from different interest groups as possible, as well as business leaders, government officials, concerned citizens, academicians and others in the community should be afforded an opportunity to belong to the tourism organization. The ideal size of the organization depends on the emphasis placed on tourism development.
3. Analyse the present situation. It not only requires an assessment of the present market situation but at the local level, a review of physical and social resource limits. Linkages between private and public sector organizations must be established. Legal and political constraints and opportunities identified, and a supply/demand perspective drawn.
4. Set Objectives. Local or community level objectives may be more focused on community expectations from tourism rather than simply increasing dollar flow.
5. Develop alternate strategies
6. Select a preferred alternative based on available funding, political acceptability, physical resource availability, consistency with known market trends, overall ability to meet objectives and directed at target markets.
7. Implement the preferred alternative
8. Monitor and evaluate.



A successful tourist destination rarely happens by accident. Rather, it is product of careful planning in a number of critical areas. In a comprehensive analysis of the development of a visitor destination, these areas range from the visitors themselves to the local infrastructure. The experience of many destinations has demonstrated that such a comprehensive analysis is necessary to anticipate the wide range of impacts that tourism brings to the society. The resulting crisis in planning, as well as the accumulated experience in this area, has brought about a more realistic view of the limitations of planning, led to the development of planning mechanisms that deal with uncertainty and change, and produced a better quality of planning product and process. An important part of this process will be the implementation and management of the plan. For the reasons given and discussed above, planning for a multi-sector activity like tourism is particularly difficult. The importance of the socio-cultural impacts on society – as reflected in the case of Iran discussed below – can be a major consideration and challenge to planners.

#### **4.4 Tourism Planning in Iran**

It was over seventy years ago in 1938, when Iran's tourism was first recognized as an industry worthy to be administered under jurisdiction of a ministry. Since then, the industry has been handled by a number of different bodies under many names and titles. In 1967, tourism development first found its place in the country's five-year development plans with annual budgets. To respond to growing needs of the tourism industry for planning, in 1971, one year prior to termination of the first development plan, a contract was signed with a Swiss company 'Tourist Consult' to prepare a

comprehensive plan for development of tourism in Iran. After 2.5-year study, a 2000 pages report along with detailed analysis and recommendations was produced and submitted to the Iranian Planning and Budget Organization but faced difficulties in the course of implementation.

In 1980, the Iran Touring and Tourism Organization (ITTO) affiliated to the Ministry of Culture and Islamic Guidance was formed with the main aim of planning and managing the tourism sector in Iran. Besides a number of scattered plans, later in 2002, the Iranian Tourism Development Master Plan was jointly produced by World Tourism Organization WTO, UNDP, and ITTO. Planning for tourism is the responsibility of the Management and Strategic Supervision Office under the President and the parliament in macro levels and ICHHTO and its thirty provincial offices in operational levels.

Currently all tourism planning should be based on the 2025 Perspective Plan, the high level plan prepared by the Expediency Council and approved by the Leader and 5-Year Economic and Sociocultural Plans ratified by the parliament. A 20-year Tourism Plan of Iran that was introduced in 2005 consisted of a 10-year plan and two subsequent 5-year plans. The target was to achieve 20 million tourist arrivals by 2025 with projected investment of over US\$32 billion, with \$5 billion from the government and the remainder from private enterprise (Faghri, 2007). However, the plan experienced setbacks. The goal was optimistic, given the fact that there were only 1.4 million tourists in 2008, mostly from Central and South Asia and the Middle

East (Euromonitor, 2009). Consequently, tourism and the wider travel and tourism economy currently contribute 3% and 8% to the GDP, respectively (WTTC, 2009). In this context, one of the most important weaknesses in the tourism planning is the lack of an effective monitoring system to supervise the planning process and implementation.

Iran has a particular difficulty in planning for the tourism sector because of the external perception of the country further discussed in the thesis. Questions relating to the safety and security of tourists effect visitor flows. Although Iran has a good record of ensuring the safety and security of its visitors these questions are always related to political perceptions, which are not always accurate or fairly portrayed. Even though much planning is known to take place, it has happened so often that the phrase 'plans collect dust on the shelf' has become a popular planning cliché' (Gunn, 1998, p.20).

#### **4.5 Conclusions**

It is impossible to discuss all the approaches and methodologies proposed by various tourism development professionals, especially in the context of this thesis. However, what emerges clearly is that planning for tourism development cannot be separated from the mainstream of social, economic and environment development, especially if it is to be sustainable, it must be ecologically sound in the long term, economically viable, as well as ethically and socially equitable for the local communities. (Aronsson, 2000, p.37)

In this regard, it is again open to question whether this is achievable as equity is often an ideal and we cannot think of any country or society where equity prevails.

Tourism development is a process that needs to be planned, implemented, monitored, and reviewed continuously, and therefore needs an institutional setup for the purpose.

The institutionalization of sustainable tourism development requires the participation of a wide variety of stakeholders, with the right approaches and coordination mechanisms, which cannot be taken for granted, but need to be defined and consciously implemented.

The readiness of a destination for tourism development, depends not only on the level of its resources and infrastructure, but also on a number of other factors such as the priority given by the local government to tourism as an economic sector, and the active participation of the local community in the development and management of tourism facilities and services.

In the last three decades, much has been written on the application of policy and planning techniques to the field of tourism. This chapter has attempted to capture some of the main concepts and trends of application as applied to tourism. In subsequent chapters these issues will be revisited in the context of tourism development in Iran.

## **Chapter Five**

### **TOURISM IN IRAN – TRENDS AND PROSPECTS**

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#### **5.0 Introduction**

This chapter provides a brief assessment of tourism in Iran. The main focus of this chapter is to describe the current tourism situation of the country including its strengths and weaknesses. Plans for development of tourism in Iran are also discussed in this chapter.

#### **5.1 Overview**

Iran is positioned in the southwest of the Asian continent with an area of 1,648,195 Sq.Km. It is bound by Azerbaijan, Armenia, Turkmenistan, and the Caspian Sea to the north. Pakistan and Afghanistan to the east, Iraq to the west, Turkey to the northwest, the Persian Gulf and Gulf of Oman to the south. Iran has a rich cultural and natural heritage, many aspects of which are unique to the world. As ancient Persia its archaeological and historical heritage is of interest to most of the world covering several religions including Jews, Christians, Muslims, Zoroastrians and even earlier religions.

Figure 5.1 Map of Iran



Iran has 12 Cultural sites inscribed on UNESCO's World Heritage List, and at least sixty locations have been submitted on the Tentative List (UNESCO, 2011). Furthermore, there are more than 3200 sites listed by the Cultural Heritage and Tourism Organization of Iran.

Iran has five major biomes so that the Iranian habitat supports some 8,200 species of plants (a conservative estimate), of which almost 1,900 are endemic. There are 12.4 million hectares of woodland, and some 8,900 hectares of mangroves along the Persian

Gulf coast. Field studies in Iran confirm the presence of over 500 species of birds and 160 species of mammals. The wetlands of Iran are globally significant; large populations of migratory birds winter at these wetlands or use them on their way to and from wintering areas in Africa or the Indian sub-continent. Because of its large size and varied ecosystems, the Islamic Republic of Iran is one of the most important countries in the Middle East and Western Asia for conservation of biological diversity.

Iran's Protected Area and Reserve system provides the core areas for biodiversity conservation. This reserve system is not sufficient in itself for long-term conservation, and must be harmonized with conservation efforts in other areas and land-uses. In Iran, areas protected by the Department of Environment cover 8.2 million hectares (about 5% of the land area). The Department of Environment's goal is to increase this proportion to 10% of the national land area. Limited tourism and research occurs in these areas. Details of the four categories of protected area managed by the Department of Environment are given below.

In addition the Forests and Rangelands Organization of the Ministry of Agriculture manages 131 reserves with a total area of over 111,000 ha. Of these, 19 are Natural Forest Parks, 91 are Forest Reserves, and 21 are Natural Parks. Furthermore, the other ministries also manage a number of protected areas.

However, in spite of its rich cultural and natural heritage, which is outstanding in the world, Iran has around two million tourist arrivals a year as compared to Turkey with 26 million tourists or Egypt with 13 million tourists in 2008. This clearly demonstrates that Iran is not capitalizing on its natural, cultural and tourism heritage, the cause of which are the focus of this thesis.

## **5.2 Tourism Development Planning**

Since its inception, the Islamic Republic of Iran has been well aware of the variety and value of its cultural heritage and natural endowment. It has a declared intention to use these assets for the economic and social development of the nation's remote and rural regions, rich in tourism resources , and to establish economic linkages between rural and urban areas; to generate income opportunities and employment especially for the nation's growing youth population, a large percentage of who are unemployed and therefore the cause of related social problems; and to generate foreign exchange earnings from resources other than oil and gas reserves. For these reasons, the Iranian government has incorporated tourism as part of the strategies for national development in its five-year development plans and 2025 perspective plan.

Iran prepared a national tourism policy<sup>1</sup> in the year 2002 with technical assistance from UNDP/WTO, as part of Iran's Third Five Year National Development Plan, in coordination with the Management and Planning Organization. It took three years

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<sup>1</sup> Iran Long Term Tourism Development and Management Master Plan (2000-2015)



(1999-2001) to prepare the National Policy for Tourism, as a national level project financed by both the Government of Iran as well as the UNDP. The policy was approved by the Iran Tourism High Council within a few months of its completion. However, the outcome was never put into practice due to the political crises; ongoing regional crises in Iran's neighboring; poor, instability and inconsistent management and marketing in tourism sector; unwell-developed infrastructure, and other facilities in country.

### **5.3 The SWOT Analysis**

The SWOT Analysis prepared for the National Policy provides a comprehensive and clear picture of the overall tourism scenario for Iran's tourism sector.

The National Tourism Policy documents Iran's competitive strengths as follows:

- A rich, ancient, and unique tangible and intangible Persian cultural heritage and history, in particular, it's pre-Islamic and Islamic heritage, and its location on the ancient Silk Road which passed through the northern part of the country;
- diverse natural landscapes, fauna and flora incorporating two sea coasts, three major mountain ranges, two major deserts, and a major plateau area to the west, and diverse climates including arid dry desert climates, cool temperate climates, humid Mediterranean climates, and cold alpine climates;
- Strategic geopolitical location in relation to Asia, the Middle East, and Europe.

Historically, Iran was the centre of one of the world's great ancient civilizations – the Persian Empire – that made great contributions to science, mathematics, architecture,

literature, art, and the spread of religious ideas. In this context, it ranks with Greece, Egypt, China, and Italy in terms of importance globally. Supporting these attractive and location factors are:

- a well-developed transportation and service infrastructure base that except for Turkey, is the best in the neighboring countries of the surrounding region;
- reasonably well established tourism facilities and services, and traditions of hospitality that exceed that of many other countries in the region;
- A reasonably well-educated labour force that with appropriate training is well suited for working in the tourism sector.

With around 2 million international visitors, Iran is already the second most important destination country in the South Asia Region after India, and is currently the fastest growing destination in this region. Iran is connected by direct international air services to 35 cities abroad, a strength that has yet to be fully exploited. Iran's domestic tourism market is already developed and given further economic growth and stability, has the potential to expand significantly.

Iran's government is committed to the development of the tourism sector in order to harness its potential towards socio-economic development as well as environmental and socio-cultural sustainability. To support the development of tourism, the Iran government has a tourism programme as part of its five-year planning process; and maintains the Cultural Heritage, Handicrafts, and Tourism Organization whose primary functions are to implement the Five-year Tourism Plan.

Iran's fledgling private sector includes a number of strong companies that are involved in the airline, hotel, and tour operation sectors. With the recognition that many of the services provided to tourists are best provided by the private sector, the privatization of many public tourism assets should further strengthen the capacity of the industry and lay the foundation for it making a much greater contribution to the development of tourism. At the same time, the public sector's increasing focus on developing and implementing policies that are conducive for tourism development is also an important strong point. Overall, Iran possesses many of the basic competitive strengths necessary to develop a strong and sound tourism sector.

Whilst Iran's tourism sector possesses several strong points, it is also beset with a number of internal weaknesses that limit its ability to harness the full potential of its tourism resources. These are described below. In relation to the development of the tourism resources and attractions of Iran, the main weaknesses appear to be:

- Although Iran has many outstanding tourism resources and attractions, there is currently no up-to-date inventory and evaluation of these resources and their associated tourist access, facilities, and services.
- Various databases exist on Iran's natural and cultural tourism resources but all have been developed from a particular viewpoint in which tourism may only figure partially. This makes it difficult to effectively plan the development and management of these resources from a tourism point of view.
- While traveling in Iran can be agreeable in spring and autumn, it can be equally tiring during winter and summer.

- The Iranian seashores cannot compete with that of the Mediterranean or the Pacific due to the humid and hot summers of the Caspian, and the bareness and harsh climate of the southern coast.
- Lack of a clear market orientated regional structure and development program for tourism and a tendency to focus upon provincial tourism development structures that are not market orientated.

In terms of access infrastructure and services to and within Iran, the main weaknesses are:

- The current air access infrastructure, although quite extensive requires modernization and improved maintenance. Air navigation control systems are outdated, while passenger services including handling facilities are generally inadequate.
- The existing road infrastructure network is aged, in need of upgrading, improved maintenance, relatively poor safety standards, and insufficient support services and facilities.
- The existing railway system is generally quite old and operated with traditional systems, does not provide good access throughout the country, has relatively poor terminal and passenger handling facilities, inadequate services and facilities in the main terminals, operates at very low speeds, and is not integrated with other transportation modes.
- The current sea transportation infrastructure is limited to ports in the Persian Gulf, while passenger terminals can handle up to 300 passenger vessels facilities for larger cruise ship passengers are limited.
- Although Iran Air has recently purchased new aircraft, overall, the existing Iran owned and operated air and road transportation fleets are generally aged, poorly maintained, and in need of modernization to bring them to acceptable standards.

In relation to the tourist facilities and services of Iran, the main weaknesses are:

- Most of the Iran's tourist facilities (especially its lodging facilities) are generally aged, poorly maintained, in need of major refurbishment or modernization.
- Many of the newly developed hotels do not conform to the standards that have been set by the national tourism organization, while service levels are generally below the standards provided in other successful tourist destinations.
- Although a system of facility standards for the lodging sector has been in place for many years, these standards are generally not adhered to.
- The existing facility standards are out-of-date and need to be modernized in light of current international practice.
- Many of the larger tourism facilities are still controlled by public sector owned or quasi-public sector owned companies and foundations that lack the management and financial capability to modernize, maintain, market, and operate their facilities to the required standard on a profitable basis.
- The operations of these semi-public-private organizations and the subsidies they receive tend to distort the operation of the market, and exerting considerable drag on the development of the industry.
- The existing laws and regulations governing the development and operation of tourist facilities overlap and lack transparency.
- Because of antiquated guild and union laws, there are effective barriers to the entry of professional tourism facility and service operators, and the industry sectors are unable to organize and represent their interests at a national level.

In relation to tourism's financial services, the major weaknesses at the present time are:

- The limited number of foreign exchange facilities available to tourists.
- The inability to use the major international credit cards to settle accounts.

At present, tourists need to go to the main branches of banks or to a limited number of licensed foreign exchange dealers in order to exchange currency. These branches and licensed dealers are generally not conveniently located in relation to the main tourist routes thus inconveniencing the tourist. The inability to use the major credit cards and the need to pay for services in cash is a major weakness for the tourism sector. Most international tourists are disinclined to carry large sums of money and are therefore disinclined to destinations that require this.

In relation to the existing international tourism flows of the Iran, the following weaknesses are apparent:

- The existing tourism flow is heavily dependent upon the surrounding countries that account for around 82% of total arrivals.
- The surrounding countries also comprise the fastest growing segments of the international markets, and with some exceptions such as Turkey and the Arab states, are generally low yield markets in terms of per capita spending.
- While the overall volume of international tourism has been growing strongly, gross yields in per capita spending terms have been growing only marginally.

The image of Iran in the international arena, although improving, remains a major weakness in the long haul international markets, and to a lesser extent, in the regional international markets. Many erroneous beliefs and perceptions abound about Iran that can only be corrected in a proactive way.

In relation to the available data on tourism demand and supply, a number of weaknesses currently exist that limit the ability to effectively plan, develop, and manage the tourism sector:

- The existing data on international tourism is limited in scope, incomplete collections, and some of this, such as the expenditure and length of stay data is not reliable.
- Socio-demographic data of visitors to Iran is limited.
- Data on the type of accommodation used, main purpose for visiting, length of stay, activities undertaken, places visited, and opinions about facilities and services is not available.
- Data on domestic tourism is available only in relation to the number of guests, guest nights, and month of use in lodging establishments (mainly hotels). Apart from this, there is only occasional provincial based survey data on the domestic market but this is not useful in profiling the national domestic market. Moreover, the data collection methods and definitions used vary from province to province making it impossible to compare the results or to build up a national profile of domestic tourism from this base.
- Data on the operation of tourist facilities is similarly beset with scope, accuracy, and reliability issues.
- Data on the economic, socio-cultural, and environmental impact of tourism is limited. The existing data on the economic impact of tourism is officially defined by the set of data related only to the lodging and restaurant sector. This limited definition of tourism significantly understates its true value and importance for Iran.
- Data on other key aspects such as the performance of the hotel sector in relation to capital investment is not available.

- Data on manpower employed tends to be understated due to the provision of costly insurance laws that require mandatory insurance of all staff.
- Data on the impact of tourism on the natural and socio-cultural environment is generally limited to specific sites or cases, and no overall indicators in this area are currently available to determine how sustainable the current tourism practices are. For example, a number of key areas such as the Caspian Coast or key pilgrimage sites such as that at Mashhad City are very crowded during the main holiday times in Iran. This creates a variety of problems in terms of waste management, as well as competition for scarce resources between visitors and residents at certain times.

The institutional structure and organization of the tourism sector in Iran displays a number of weaknesses. The existing institutional structure is relatively immature in relation to the changing roles that are expected of it. The Cultural Heritage, Handicrafts and Tourism Organization (ICHTO) as the national tourism office is currently undergoing a transition from being a provider of tourist facilities and services to being a promoter of the sector as a whole. On the other hand, the fledgling private sector is being asked to carry the full responsibility for servicing the needs of tourists yet the enabling laws and regulations needed to allow it to play its part are not in place. These changing roles of the public and private sector require new legal, regulatory, human resource and organization capabilities that have not been developed. As a result, the CHTO still contains a staff base that is rooted in the old culture and way of doing things at a time when new more modern practices are required. This weakness in the



capability of the existing CHTO manpower base imposes a major drag on its ability to plan and manage the tourism sector according to national development priorities.

The existing tourism education and training system was organized primarily around providing trained staff for public sector operated tourist facilities and services. Although the tourism training and education function is also in transition, its current capacity to deliver the required type, number, and level of trained staff is limited. Teaching staff lack basic industry experience and do not generally engage in academic research, while teaching facilities, equipment, laboratories, and materials are generally poor and below acceptable standards. Industry participation in the tourism education and training system is limited with little input into the identification of training needs and training programs. On-the-job training courses that are offered by some tourism training and education institutions are seen as inadequate and too expensive by the industry. Overall, the tourism education and training institutions appear to be focused on providing more glamorous management training rather than skilled training of front-line staff, which appears to be urgently needed.

There are a large number of laws and regulations that control the tourist sector, as well as unwritten laws and regulation that control what kind of tourist can visit and the way in which tourists must behave while in Iran. The main weaknesses appear to be:

- Many of the existing laws and regulations controlling the tourism sector are outdated or have not been revised.
- In some cases, the required regulations have never been promulgated thus rendering the law or particular provision of a law moot.
- Other laws actively discourage the development of appropriate management practices and professional methods, and in some cases, the laws and regulations allow too much discretion on the part of the interpreting agency. For example, the unwritten regulation that a manager of a hotel must be a Muslim and an Iranian national or the apparent power of the accommodation guilds and unions to license the operation of new entrants. These types of regulations directly contradict the intent of other laws such as the Foreign Investment law and works against developing a conducive environment for foreign and domestic investment to occur.
- The resources available to ensure compliance are not commensurate with what is required. As a result, many of the laws and regulations, particularly in relation to the maintenance of standards cannot be enforced.

In addition to the written laws and regulations governing the operation of tourist facilities and services, individual tourists from abroad are also subject to various unwritten culturally rooted regulations and in some cases ministerial decrees that govern their behaviour in the country over and above what they would normally expect. The principal issues in this respect are:

- Restriction on the entry of single women unless accompanied by a family member.

- Requirement that female visitors cover all parts of their bodies including their hair.
- Prohibition on alcohol.
- Segregation of males and females at beaches and other swimming facilities.
- Prohibition of what would be considered 'normal' evening entertainment in other countries.

These restrictions significantly limit the type, scale, character, and yield in per capita expenditure terms of tourists that can be attracted to Iran. It is interesting to note the Constitution of the country respects the rights of Iranian minority ethnic groups (who make an important contribution to Iran's socio-economic and cultural structure) to practice their traditional lifestyles, culture and belief systems. In this context, considering the important economic, social, and geopolitical benefits that tourists can bring to the country, it may be appropriate to view tourists in the same context – as a special cultural minority group whose traditional lifestyle should be respected in the same way as that of the Iranian minorities.

In relation to the management of the natural and socio-cultural impacts of tourism, the main weaknesses appear to be:

- An absence of useful data and indicators of the condition of the major natural and cultural tourism resources of the country.
- The management framework necessary for the sustainable use of these resources is not in place.

- The natural and socio-cultural tourism resources of the country are at risk of losing their value as tourism resources.

While the weaknesses in Iran's tourism sector currently hinder its ability to optimize its share of the growing international and domestic tourism markets over the long term and raise some serious questions about the long-term sustainability of the country's tourism sector, Iran is not alone in this position at least among its neighbors. This situation provides an opportunity to move ahead of most of its regional competitors by addressing the weaknesses identified above. In this way, Iran could potentially achieve the level of tourism development currently enjoyed by Turkey and other more developed tourist destinations such as Greece.

Based on its strengths and weaknesses, the opportunities for Iran's tourism industry have been discussed in the following. Iran's opportunities for the development of the tourism sector arise from two levels. Firstly from market based opportunities, and secondly from the opportunities to correct the observed weaknesses of its tourism sector. From an external point of view, Iran's main opportunities are:

- Market trends that show an increasing interest in the type of attractions and products that Iran can provide.
- Use of Iran's Major Muslim, Christian, Zoroastrian, and other important religious sites to capitalize on the growing interest in religious experience and knowledge, especially among the long haul countries of Europe and North America.

- Taking advantage of the introduction of aircraft with more flexible service capabilities in terms of airports that can be serviced, as well as the introduction of smaller purpose built jet aircraft such as the 50 and 70 seat commuter passenger jets able to quickly move tourists from major airport hubs to secondary airports close to the main attractions of interest.
- The explosion of Internet's web based information dissemination and e-commerce developments allowing destinations and destination based suppliers to reach and market direct to the travel trade and consumers at relatively low cost.
- Taking advantage of the development of more efficient and lower cost tourist facilities and services and management systems.
- Developing Tehran as the main international airport hub in the region by taking advantage of the consolidation of the transportation sectors - particularly the airline sub-sector - through continuing deregulation, introduction of larger capacity, longer flying range aircraft and forming of operational and marketing alliances should result in more efficient operations and reductions in prices.

The National Tourism Policy was prepared as a State of the Art document for tourism development in Iran with a close collaboration between international and national specialists, during a three-year period (1999-2001). Yet, six years after the formulation of the tourism policy, there has been no significant change in the situation of the tourism industry. The completion of the tourism policy created quite a stir within tourism and related stakeholder organizations and ministries. Surprisingly, the owner organization of the tourism master plan – the Management and Planning Organization, disowned the tourism policy after its initial approval. Perhaps it was due to some shortcomings in the master plan and different approaches of the new government. Senior management in the

national tourism organization changed and the tourism organization went through a merger with the Cultural Heritage Organization, despite the recommendations of the national policy to the contrary.

A resurgence was witnessed for a short period of one year, with large sums dedicated for tourism development in the form of budgets as well as foreign exchange reserves, creation of the Iran Tourism Development Corporation, active participation in travel exhibitions, announcement of several tourism projects; but unfortunately most of them not within the framework of the tourism policy and without any understanding of the related national issues. Further changes in the national government and subsequent changes in the management of the Cultural Heritage and Tourism Organization; and thereafter its further merger with the Handicrafts Organization were a bizarre display of how chaos can rein confounding simple logic and reasoning, indicating the importance of political will in development planning.

In short, the events are a de facto statement of the reality that planning has meaning only when there is a supporting institutional structure, with the capacity to implement plans. In the fieldwork for this thesis, many of these issues were explored with interviewees and they form the basis not only for an analysis of the present situation but also for a consideration of how the tourism sector in Iran could develop in the future. There are many problems both of a nature internal to the country and also external. As noted above, many of these problems are long-standing and affect not only tourism

development prospects but also other sectors in the economy. It will be suggested how some of the major problems could be addressed to unlock the tourism potential which Iran undoubtedly has. Perhaps one generic problem relates to external perception of Iran by the international community, and particularly related to the issue of tourist security and safety.

Regarding safety and security, Iran is viewed as destination with high degree of caution by certain countries and western media. Increased tension between Iran and the West over the past several years is a cause of concern. Iran is an Islamic theocratic country and Islamic customs, laws, and regulations are enforced in Iran. Therefore local Islamic codes of behavior, food and dress are to be observed by Muslim and non-Muslim tourists throughout the country. Religion thus influences individual host and guest experiences, but also the operation of the industry, tourism policy-making and destination development (Zamani-Farahani& Henderson, 2010).

During the past recent decades, political system directly influenced the vision of Iran as peaceful and hospitable destination (Amirtahmaseb, 2008). Furthermore, since the 2009 Iranian Presidential elections, there were significant demonstrations in Iran's major cities, which heightened political tension and an unpredictable security situation. Political developments in the region may also prompt large demonstrations and major political changes in the future resulting some risks and security issues for tourism industry.

Terrorism is a threat throughout the world and Iran is not an exception. Some southeastern regions of Iran particularly border areas with Afghanistan, Pakistan, and Iraq, are affected by ethnic conflicts and there is a possible threat of terrorism, drug trafficking targeting at tourists and government interests. Explosions have also been reported in parts of the region since 2005, which lead to issuance of travel warnings particularly by western countries causing a drastic drop in the flow of tourist to the country. Iran has a low street crime rate and criminal acts are not generally a problem for travelers in Iran.

Local transportation system suffers from ageing and low standard of maintenance. On many of Iran's domestic air services, there are serious concerns about meeting the safety standards. This is mainly due to sanctions and embargo imposed on the aviation industry. Reports suggest that the accident rate of Iranian airlines is approximately four times higher than that of airlines in the Middle East. Iran has also a very high rate of traffic accidents, the second highest cause of mortality in the country due to poor driving standards. Medical facilities are reasonable in the major cities and outbreaks of diseases are not serious issues in Iran. Regarding natural disasters, Iran is on an active seismic zone and experiences frequent earthquakes, including several major quakes in recent years. Sandstorms and dust stemming from Iraq and Saudi Arabia is a cause of concern in recent years particularly in the western part of the country.



Consequently, the safety and security image of Iran can be considered as one of the major problem in promotion tourism in Iran (Vafadari & Cooper, 2010). Negative news about Iran in western countries lead to project a negative picture regarding security and safety of tourists in Iran which have resulted to drop in tourist flow (Saddad, 2009)

#### **5. 4 Conclusion**

This chapter provides an overview, aspects of the country and a description of the areas of the study (Iran). The significance of tourism industry is also discussed in detail. The external and internal environment of the tourism industry in Iran is analyzed by using SWOT analysis. The study on the structure of the present tourism development in Iran indicates that there is a huge potential for further development of the tourism industry in Iran. However, it is hindered by poor government policy and inadequate tourism management. Based on the SWOT analysis, historical monuments, the diversity of the climate and inexpensive facilities and services offered are among the strengths of the country. Iran's tourism industry should take advantage of the country's culture and heritage in order to attract more tourists. The strengths and the opportunities indicate that there is a potential to improve tourism. On the other hand, the country's policies and regulations, limited sustainable management practices and the religious restrictions have dampened the growth of the tourism industry. In addition, with the current political crisis, the tourism industry is facing a critical situation if no corrective measures are taken to address the vital tourism management and institutional issues. The weaknesses

and the threats should be given serious attention in order to avoid any barriers that may undermine its status as tourist destination.

## **Chapter Six**

### **RESEARCH METHODOLOGY**

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#### **6.0 Introduction**

This chapter discusses the methodological choices for the study and it is divided into various sections. The first section addresses the justification of the qualitative approach adapted for the research and reflects upon the research process from the perspective of the researcher. The chapter continues by examining general approaches to the research followed by discussion on the origin of qualitative research in tourism studies. The case study as the research design, and in-depth interviews as the data collection technique, is then described and explanation is provided for the approach taken. The final section of this chapter discusses the limitations resulting from the adopted approach.

#### **6.1 Approaches to Research**

Study and investigation, especially to discover new facts is a useful definition of research (Hawkins, 1991). In general, research is a “systematic process for investigating problems to find solutions or increase understanding of problems and their underlying causes” (Williamson, et al., 1982, p.7). Researchers should be competent in articulating the complex process of interpretation, reflection, and action in which they engage during the process of study. In order to achieve this goal, the

researcher must first explore the ways in which they are connected to the research in terms of topic and methodological approach. They must be fully aware of various ways these connections may influence their theorizing and practice (Marshal & Reason, 2007).

It is an important consideration to recognize that research is carried out by an individual with a life and who lives in the world and thus often follows the role of a 'participant observer.' In this regard, personalities, social contexts, various personal and practical challenges and conflicts are amongst the factors that can affect different stages of research development from choice of the research topic and questions, all the way through selection of data gathering methods, until reporting the project's outcomes and finding. With the acceptance of allocating added value to the researcher's internal abilities, competencies and skills, high quality research requires the researcher to have or gain a capacity for self reflection, so in this way he/she is fully engaged in the process of acquiring information and achieving required perspectives and assumptions about the study.

From a psychological point of view, the conscious self sees an unconsciously edited version of the world, guided by purposes, and of course, the whole of the mind cannot be reported in a part of the mind. This is based on the fact that human beings cannot know everything through rational intelligence, and must accept incompleteness. Quality is thus becoming rather than being (Marshal, 2007).

Quality is also shown in the nature of our engagement with others. It suggests that humans are open to experiencing and hearing what is going on, paying attention, and create conditions for open mutual engagement and communicative spaces. Thus, it is crucial to admit that there is an awake, choiceful, reflective human person rather than as a researcher working strictly in role and with techniques to follow. The notion of taking an attitude of inquiry implies opening one's purposes, assumptions, sense-making, and patterns of action to reflection.

Having stated the above, a good research study should start with learning to ask good questions and a commitment to a serious exploration of the implications of asking. People should learn to accept the limits of their current knowing, recognizing that they do not already understand and know how to do everything. It should also be understood that there is a limit to what a human being can know. This is the essence of living in this post modern world of the 21st Century, learning to live on the edge of knowing and not knowing.

Having mentioned the imperfect human ability in knowing and understanding different facts and phenomena, the requirement for conducting purposeful and designed research can be highlighted. People accept the role of researchers to become competent of understanding a portion of the world surrounding them, in order to have a better, yet more confident life. In the same context, Veal (1997) categorizes types of research based on their function as:

- Descriptive research – finding out and describing what is, which is also referred to as exploratory as it seeks to discover and describe.

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- Explanatory research – explaining how or why things are as they are and using this to predict, thus moving beyond description.
  - Evaluative research – arising from the need to make judgments on the success or effectiveness of policies and programmes.

One common distinction in this categorization is between qualitative and quantitative research methods (socialresearchmethods.net). Quantitative research methods were originally developed and utilized within the territory of studying natural phenomena. As the result, quantitative methods are now well accepted in the social sciences through different methods including survey methods, laboratory experiments, and numerical methods such as mathematical modeling (Myers, 2011). Qualitative research methods were initially developed and flourished within the domain of social sciences to enable researchers to study social and cultural phenomena. Action research, case study research, and ethnography are good examples of different methods of conducting qualitative researches. It is mainly about the engagement of the researcher with observation, participant observation (fieldwork), interviews and questionnaires, document and texts, and the understanding of one's own impressions and perceptions from the facts and phenomenon.

Commentators and researchers have got different views regarding the selection of qualitative research method over quantitative ones for conducting social research and studies. Kaplan and Maxwell (1994, p. 45) argue that: "The goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified".

An existing widespread belief is that if there is one aspect of the human being that separates it from the natural world, it is undoubtedly its competency of communication, either verbally or non-verbally during social interactions. People need to be understood, and no quantitative research method is believed to be competent to accommodate this need. Social studies are those categories of research that are about understanding human-related events and phenomena. Considering this fact, and accepting the matter that no quantitative method can replace the Midas touch of the human factor on feelings and expressions of human beliefs, experiences, and ideas, qualitative method are a good nominee for playing the role of a suitable research method for conducting social researches.

In opposition to the previous claim, some researchers, including Gable (1994), Kaplan and Duchon (1988), Lee (1991), Mingers (2001) and Ragin (1987), recommend triangulation, which is a combined application of qualitative and quantitative research methods employed at the same time, relating to the same topic of study. There are other distinctions, which are commonly made. Research methods have variously been classified as objective versus subjective (Burrell & Morgan, 1979), as being concerned with the discovery of general laws (homothetic) versus being concerned with the uniqueness of each particular situation (idiographic), as aimed at prediction and control versus explanation and understanding, as taking an outsider (etic) versus taking an insider (emic) perspective, and so on. Considerable controversy continues to surround the use of these terms; however, a discussion of these distinctions is beyond the scope of this section.

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Creswell (2003) notes that the understanding of research could be simplified based on strategies of enquiry and thus there are three approaches to research:

- 1- Qualitative approach – often makes knowledge claims based primarily on 'constructivist' perspectives.
- 2 – Quantitative approach – primarily uses positivist / post positivist claims for developing knowledge
- 3 – Mixed methods approach - tends to be based on knowledge claims on pragmatic grounds. These approaches are illustrated in more details in table 6.1

Creswell (2003) further suggests that in practice, these approaches can be referred to as:

- Quantitative approach inclines to be used in order for the researcher to test a theory by specifying narrow hypotheses and the collection of the data supporting or refuting the hypothesis. This can also be referred to as deductive approach, in where theory deductively uses and places toward the beginning of the plan for the research.
- Qualitative approach inclines to be used when researcher seeks to establish the meaning of phenomenon from the views of participants. This also can be referred to as inductive research, in which the research building from the data to broad themes to an emerging theory.
- Mixed method approach is based on assumptions that collecting diverse types of data provides an understanding of research problems. It may include deductive use of theory testing and verification, or inductive use in an emerging theory of patterns.

Creswell (1998) defines qualitative study as an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyzes words, report detailed views of informants, and conducts the study in a natural setting.



Qualitative research can be defined from another perspective: Qualitative research involves the use of qualitative data, such as interviews, documents, and participant observation data, to understand and explain social phenomena. Qualitative researchers can be found in many disciplines and fields, using a variety of approaches, methods, and techniques.

In order to choose a qualitative approach in seeking insights into a research domain, one should be able to state well-defined relationships between the requirements of project and the competencies of qualitative enquiry. Some specific subjects of research are believed to be more harmonized with the specifications of qualitative research. This point is discussed further below in relation to its use in this study.

Generally speaking, within the domain of social science, and due to the complexity of the phenomena and their relative subjective reactions, there would not be many theories to forecast or even explain behavior. In such cases, the researcher is expected to observe, analyse, and internally interpret the events with maximum possible levels of accuracy.

From the other side, most social studies require each individual to be studied in his own natural and specific setting, along with all of its relevant contexts. Any deviation from this rule can deeply influence the ultimate result of research and cause unnatural reaction. Another requirement of social studies is the expansion of findings and explanations of each event. This form of interpretation demands extensive time

spent on rephrasing, summarizing, and extracting the key points of each observed phenomenon.

**Table 6.1 Qualitative, quantitative and Mixed Methods approaches (Creswell, 2003:19)**

<b>Tend to or Typically</b>	<b>Qualitative Approaches</b>	<b>Quantitative Approaches</b>	<b>Mixed Methods Approaches</b>
Use these philosophical assumptions	<ul style="list-style-type: none"> <li>Constructivist/ Advocacy/ Participatory knowledge claims</li> </ul>	<ul style="list-style-type: none"> <li>Post-positivist knowledge claims</li> </ul>	<ul style="list-style-type: none"> <li>Pragmatic knowledge claims</li> </ul>
Employ these strategies of inquiry	<ul style="list-style-type: none"> <li>Phenomenology, grounded theory, ethnography, case study and narrative</li> </ul>	<ul style="list-style-type: none"> <li>Surveys and experiments</li> </ul>	<ul style="list-style-type: none"> <li>SequentiaI, concurrent and transformative</li> </ul>
Employ these methods	<ul style="list-style-type: none"> <li>Open-ended questions, emerging approaches, text or image.</li> </ul>	<ul style="list-style-type: none"> <li>Closed-ended questions, predetermined approaches, numeric data</li> </ul>	<ul style="list-style-type: none"> <li>Both open and closed ended questions, both emerging and predetermined approaches, and both qualitative and qualitative data and analysis</li> </ul>
Use these practices of research, as the researcher	<ul style="list-style-type: none"> <li>Positions himself or herself</li> <li>Collects participant meanings</li> <li>Focuses on a single concept or phenomenon</li> <li>Bring personal values into the study</li> <li>Studies the context or setting of participants</li> <li>Validates the accuracy of findings</li> <li>Makes interpretations of the data</li> <li>Creates an agenda for change or reform</li> <li>Collaborates with the participants</li> </ul>	<ul style="list-style-type: none"> <li>Tests or verifies theories or explanations</li> <li>Identifies variables to study</li> <li>Relates variables in questions or hypotheses</li> <li>Uses standards of validity and reliability</li> <li>Observes and measures information numerically</li> <li>Uses unbiased approaches</li> <li>Employs statistical procedures</li> </ul>	<ul style="list-style-type: none"> <li>Collects both quantitative and qualitative data</li> <li>Develops a rationale for mixing</li> <li>Integrates the data at different stages of inquiry</li> <li>Presents visual pictures of the procedures in the study</li> <li>Employs the practices of both qualitative and quantitative research</li> </ul>

Creswell, 2003:19

## 6.2 Qualitative Research in Tourism

Qualitative research is concerned with non-statistical methods of inquiry and analysis of social phenomena. It draws on an inductive process in which themes and categories emerge through analysis of data collected by such techniques as interviews, observations, videotapes, and case studies. Samples are usually small and are often purposively selected. Qualitative research uses detailed descriptions from the perspective of the research participants themselves as a means of examining specific issues and problems under study.

Qualitative research is referred to by a variety of terms, reflecting several research approaches. Field research is often used interchangeably with qualitative research to describe systematic observations of social behaviour with no preconceived hypotheses to be tested (Rubin & Babbie, 1993). Hypotheses emerge from the observation and interpretation of human behavior, leading to further observations and the generation of new hypotheses for exploration.

Qualitative research is also referred to as naturalistic research or inquiry (Taylor, 1977) into everyday living. Direct observations are made of human behaviour in everyday life. Drawing on symbolic interaction theory (Blumer, 1969), naturalistic researchers believe that gaining knowledge from sources that have 'intimate familiarity' (Lofland, 1976) with an issue is far better than the 'objective' distancing approach that supposedly characterizes quantitative approaches (Haworth, 1984). Zurcher (1983) used this technique as he examined such common occurrences as riding on an airplane or attending a football game.

In the context of tourism research, there was initial reluctance by researchers to study tourism. Early studies of tourism usually came about as a spin-off from other research. The most significant of these disciplines are sociology, geography, economics, psychology and social psychology, and history (Veal, 1992). Rapid growth in tourism and the need to explore various dimensions of a multidisciplinary nature of tourism necessitate systematic investigation in the field. Research now has become an important tool for the tourism industry both nationally and internationally since most parts of the world are touched by tourism in one way or another. It is a tool used by private and public sectors alike to gather data on a variety of aspects of tourism (Jennings, 2001). Qualitative research methodology is receiving growing acceptance in the social science community and becoming particularly popular among researchers working on tourism issues.

### **6.3 The Significance of Qualitative Research**

Qualitative research differs from quantitative research in that the latter is characterized by the use of large samples, standardized measures, a deductive approach, and highly structured interview instruments to collect data for hypothesis testing (Marlow, 1993). In contrast to qualitative research, in quantitative research, easily quantifiable categories are typically generated before the study and statistical techniques are used to analyze the data collected. Both qualitative and quantitative research is designed to build knowledge; they can be used as complementary strategies.

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Gilgun (1994) suggested that qualitative approaches are similar in method to clinical social work assessments. Clinicians rely on interviews to gather data on a client's issues in the context of the environment. A clinician goes over a series of hunches and working hypotheses that are based on observations made through ongoing contact with the client. Qualitative researchers, like clinicians, are trained to look at each case individually, without imposing preconceived notions or attempting to generalize to all clients having a particular problem. Qualitative researchers maintain field notes and documents on their research (Gilgun, 1994; Marlow, 1993), just as clinicians keep running accounts of contact with a client in the form of process recordings or case records.

One crucial step in conducting qualitative research is to identify limitations constrained by the specification and characteristic of the topic of research in relation to the selected method of data gathering, an issue discussed below. Under the general concept of procedure design, the researcher makes efforts to examine his own role within the process of study and defines specific description of the roles to be played. A well designed research study should have clear, logical, and rational relations with the theory or the main hypothesis of the research. According to Creswell (1998), acceptable qualitative research should have the following characteristics:

- It entails rigorous data collection: The researcher collects multiple forms of data, summarizes them adequately and spends adequate time in the field.
- The study is framed within the assumptions and characteristics of the qualitative approach to research.
- The researcher identifies studies and employs one or more traditions of inquiry.

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- The researcher starts with a single idea or problem that s/he seeks to understand, not a causal relationship of variables.
  - The study involves detailed methods, a rigorous approach to data collection, data analysis, and report writing.
  - The writing is so persuasive that the reader experiences “being there.”
  - Data is analyzed using multiple levels of abstraction. That is, the researcher’s work is presented in a way that moves from particulars to general levels of abstraction.
  - The writing is clear, engaging, and full of unexpected ideas. The story and findings become believable and realistic, accurately reflecting all the complexities that exist in real situation.

According to Creswell (1998), there are four different types of qualitative research, with four different definitions, procedures, and potential problems ([socialresearchmethod.com](http://socialresearchmethod.com)):

1. **Biography:** This is when the study of individual experiences is told or researched through documented files and records and archives. This type of qualitative research begins with an objective set of experiences in the life of the subject under study. It should be limited to a well defined time span of the subject’s life according to the topic of research. At the next stage a set of recordable data would be gathered using different systems of data gathering, amongst which face to face interview is the most popular. The researcher then organizes the stories around themes that indicate epiphanies in the life of the subject. Having performed all the mentioned responsibilities, the researcher would be strongly dependent on the individual perception plus the subjects’ explanations to recover the targeted meaning out of a set of multiple possible meanings. That last responsibility of the researcher is to explore the larger context of the discussion topic and conduct organized

complimentary research to define the historical, social, ideological, and cultural context of the subject and define the relations and interactions existing among them.

Despite the usefulness of this type of qualitative research, it has got a number of challenges which should be faced by the researcher. The most challenging item is that the data gathering process of this type is extensively demanding and requires a considerable investment of time and attention. From the other side, and with the aim of enriching the quality of research, the intuition and internal skills of interviewer should be at a level that enables the researcher to put the subject within the desired context. As part of interpersonal skills, the researcher should be competent in narrating the events and discussions in a professional way.

2. Grounded Theory: The intent of grounded theory is to generate or discover a theory – an abstract analytical schema of a philosophy that relates to a particular situation. This situation could be one in which individuals interact, take actions, or engage in a process in response to a phenomenon (Creswell, 1998). This type of qualitative research should be performed under a number of separate, yet inter related sections:

- In open coding, the researcher forms initial categories of information about the phenomenon being studied by segmenting information. Within each category (a category represents a unit of information composed of events, happenings and instances), the researcher finds several properties, or subcategories, and looks for data to *dimensionalize*, or show the extreme possibilities on a continuum of the property.
  
- In axial coding, the researcher assembles the data in new ways after open coding. The researcher presents this using a coding paradigm or logic diagram in which he/she identifies a central phenomenon, explores causal



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conditions (i.e., categories of conditions that influence the phenomenon), specifies strategies (i.e., the actions or interactions that result from the central phenomenon), identifies the content and intervening conditions (i.e., the narrow and broad conditions that influence the strategies), and delineates the consequences (i.e., the outcomes of the strategies) for this phenomenon.

- In selective coding, the researcher identifies a “story line” and writes a story that integrates the categories in the axial coding model. In this phase, conditional propositions (or hypotheses) are typically presented.
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- Finally, the researcher develops and visually portrays a conditional matrix that elucidates the social, historical, and economic conditions influencing the central phenomenon.

The ultimate result of this type of research is a theory proposed by the researcher close to a specific problem or population of people. Challenges associated with this type of research include recognizing that in order to get to the desired, applicable substantive theory; the researcher has to consider a large number of notions, theoretical ideas and possibilities. From the other side, the rigid and precise procedure of this system leaves no room for creativity and deviation from the mentioned structure, putting the researcher in a difficult condition to cope with complex, dynamic, and evolving social phenomena. Another fact is that the researcher should be aware of the point at which an analyzed theory is saturated or when a theory is sufficiently detailed.

3. Ethnography: Ethnography is a description and interpretation of a cultural or social group or system (Creswell, 1998). In such a study, the researcher examines the group’s observable and learned patterns of behaviour, customs, and ways of life

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(Harris, 1968). Here, the researcher becomes a participant observer, and gets immersed in the day-to-day lives of the people or through one-on-one interviews with members of the group. The researcher focuses on the meanings of behaviour, language, and inter-actions of the culture-sharing group. Within this approach, the researcher tries to identify patterns of pervasive discern of interaction between people in their ordinary and natural setting as the normal process of daily life is on the process. At the next step, the researcher or, in this case the ethnographer attempts to portrait a set of cultural rules for the group of people being observed through engaging in extensive work in the field (field work), gathering information by observations and interviews.

The researcher in this domain is interested in gaining access to individuals through gatekeepers. In this regard, the gatekeepers or those who can provide the required links with individuals with desired information can benefit the research to a great extent. The reciprocity between investigators and individuals being asked is another sensitivity of the researcher, the information of interviewees is best returned when it reflects something of their interest. The researcher is also sensitive to the actions and reactions between people being surveyed and interviewers. It is of crucial importance for the research that investigators make the meaning of dialogues and questions as clear as possible, so that the danger of misperception and misunderstanding can be avoided.

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From the other side, the natural social context of those being interviewed should be understood and realized. This is important since people from differing backgrounds or situations can have a specific point of view at the result of their experience.

4. Case Study: Creswell (1998) defines a case study as an exploration of a “bounded system” or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context. Some consider “the case” as an object of study (e.g., Stake, 1995) while others consider it a methodology (e.g., Merriam, 1998). According to Creswell, the bounded system is bounded by time and place, and it is the case being studied – a programme, an event, an activity, or individuals. In this approach, the researcher is obliged to situate the case in a physical, social, historical, or economic context or setting. The researcher needs to identify the focus of the study. It could be either on the case (*intrinsic study*), because of its uniqueness, or it may be on an issue or issues (*instrumental study*), with the case used instrumentally to illustrate the issue. A case study could involve more than one case (*collective case study*). Selection of the case can either be in result of the specific and attracting information that it projects or just because it has been accessible or unusual. Methods of data collection in this field are extensive, based on multiple sources such as observation, interviews, documents, or audio-visual materials. The analysis itself can be either a *holistic analysis*, which tempt to study the entire case, or an *embedded analysis* of a specific aspect of case according to the data required for completing the study. The case of study should be described in details so that the further findings and information which are gathered through the data gathering process can be based on it. In situations where a multiple case

approach has been selected, the detailed information about each of the cases should be provided exclusively, and in a broader view, the relation between the cases should be reviewed under a thematic analysis (cross-case analysis). In the final stage, the researcher reports the “lessons learned” from the case (Lincoln & Guba, 1985). One of the main challenges of this approach is related to selection of the most suitable case among a number of available and possible cases. From the other side, the researcher should decide in the first place if the research is going to study a single case or multiple cases. The desire for *generalizability* is among the factors to encourage multiple case approaches. But at the same time, studying more than one case at a time runs the risk of diluted study, lacking the required or ideal depth compared to a single case. In such conditions, decisions on the number of cases to study become a challenge itself. No matter how many cases are selected to study, it should be noted that the gained information should be enough to help the researcher get the desired depth in the case. Decisions over the boundaries of research in terms of events, required processes, and timing are another challenge of this approach. This case may become further complicated in situations in which the case under study does not have any clearly defined beginning or ending.

Qualitative approaches also have the advantages of flexibility, in-depth analysis, and the potential to observe a variety of aspects of a social situation (Babbie, 1986). A qualitative researcher conducting a face-to-face interview can quickly adjust the interview schedule if the interviewee's responses suggest the need for additional probes or lines of inquiry in future interviews. Moreover, by developing and using questions on the spot, a qualitative researcher can gain a more in-depth

understanding of the respondent's beliefs, attitudes, or situation. During the course of an interview or observation, a researcher is able to note changes in bodily expression, mood, voice intonation, and environmental factors that might influence the interviewee's responses. Such observational data can be of particular value when a respondent's body language runs counter to the verbal response given to an interview question.

Clearly, quantitative and qualitative methodologies have different strengths and weaknesses, and the strategy taken should depend on the nature of the question being investigated. In many instances, both qualitative and quantitative approaches can be used in the same study. For example, standardized measures might be used to collect data in conjunction with open-ended interview questions. It is possible to code interview data using both qualitative and quantitative techniques and to report the results of both the qualitative and quantitative analyses of the same data set (Mc Roy et al., 1988). Qualitative strategies need not be limited to small-scale studies.

The close compatibility of qualitative research methods with social science in general and tourism in particular is likely to lead to greater use of qualitative strategies in the area. As more researchers network, refine, and publish qualitative studies that clearly specify the techniques used, qualitative methodology is likely to receive even greater acceptance among tourism researchers. Therefore, in studies of social processes of complex human systems such as tourism, communities, and so on qualitative methodology may be the most appropriate research strategy.

## **6.4 Research Design**

In this study, for a number of reasons, a key informant qualitative approach was deemed essential. Firstly, the fragmented and often unreliable tourism data available in Iran made it unrealistic to build research questions upon such sources. Secondly, social research is context-determined and is subject to influence from cultural and political considerations. In Iran, for these reasons, research into sensitive areas such as policy presents challenges for both the researcher and participants. Arieli, et al. (2009) highlights this problem in the Palestinian context in their attempted study of governmental organizations. Finally, the use of key informant interviews provides a defined body of potential respondents with the political and personal confidence to participate in the research in a relatively uninhibited manner.

In general, there is a well established format for a qualitative design which includes different stages of presenting a problem, asking a question, collecting relevant data to answer the question, analyzing the data, and finally, being placed in the right position for answering the question or proving or disproving the initial hypothesis of the study ([socialresearchmethods.com](http://socialresearchmethods.com)). The initial stage in conducting qualitative research is to ask the right questions and a clear definition and statement of the problem which is to be studied. Within this section, the purpose of study should be well defined. The next step would be design of a suitable question or questions to acquire information. The approach in present research is qualitative and inductive in nature because its theoretical orientation is consistent with the assumption of a qualitative paradigm.

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It should be noted that the researcher as an insider worked in the Iranian tourism sector in areas such as international tourism, education and training, advisory positions, marketing activities and tourism associations etc., in managerial levels for a long period; therefore, he had enough knowledge of barriers to development of tourism in Iran. The researcher, through his background studies and participation in relevant meetings such as UNWTO conferences etc., was relatively aware of advances in the tourism domain. The proximity to the subject had both strength and weakness. It was a real strength because of being familiar to many key tourism figures and having access to them and studying in a field, which is well known to the researcher. It is also a weakness because of the assumption by interviewees that the author was already aware of almost all prevailing issues in the Iranian tourism industry, preventing them from addressing further details while being interviewed. From these strengths and weaknesses stems the related issue of researcher 'proximity' to the environment within which he is working. Kanuha (2000) draws the distinction between 'being native' (coming from the context and environment within which the research is conducted) and 'going native' (being drawn into that environment as a consequence of engaging in the research). This researcher's starting point was clearly one of 'being native' and this has implications for the objectivity of the research process, particularly in a culture such as Iran. However, for precisely this locational reason, it would have been very difficult for an outsider to have obtained the trust of respondents and elicited the depth and quality of information that is presented in this thesis. Therefore, this thesis is undoubtedly a compromise. Undertaking the study was a difficult balance between, on the one hand, a detached

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researcher seeking objectivity, and on the other, a participant observer using subjective knowledge and experience.

#### **6.4.1 Survey Instrument**

A qualitative approach is considered to be appropriate because the research questions, which are generated by the research problem, are concentrated on subjects that require a great deal of information about them. As noted in the previous chapter, there are a number of problems both internal and external to Iran which makes the future development of tourism problematic. It is the attempt to explore these issues, which are the main justification for the three research question areas. The main research questions are:

- 1) To what extent do the internal barriers to developing tourism in Iran, including culture in its many forms, religious issues, national policies relating to tourism, political issues, business issues, infrastructure, human resources etc. make Iran a destination difficult to develop and market?
- 2) To what extent do the external barriers in attracting tourists to Iran, including the present image of Iran in the main tourism generating markets, travel restrictions to and within Iran, media and its role in reshaping the image of Iran, political issues etc. make Iran a destination difficult to develop?
- 3) Which strategies can be developed to lessen the barriers on the one hand and promote balanced tourism development in Iran on the other hand?

The detailed list of questions used in this research is included in Appendix 1. Over the previous four chapters, the analysis of the literature has been used as the basis for the extraction of key questions that can be posed to respondents in Iranian tourism.



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These questions cover the following areas: cultural and political barriers to development of tourism, tourism policy and planning, quality and quantity of tourism amenities, business opportunities and human resources in tourism sector, market image and the role of mass media, tourism marketing and any further recommendation could be suggested by respondents. The mentioned question areas reflect the title of this thesis and are all focused on the fundamental issue of what has to be done to overcome or at least mitigate, these perceived barriers to development of the tourism sector. The choice of methodology also reflects the need for basic fieldwork to overcome the paucity and often, unreliability of the tourism data available.

#### **6.4.2 Sampling Technique**

The case study is one of several ways of doing social science research. Study methods involve an in-depth, longitudinal examination of a single instance or event: a case. They provide a systematic way of looking at events, collecting data, analyzing information, and reporting the results. As a result, the researcher may gain a sharpened understanding of why the instance happened as it did, and what might become important to look at more extensively in future research. Case studies lend themselves to both generating and testing hypotheses (Flyvbjerg, 2006).

Yin (2002) on the other hand, suggests that case study should be defined as a research strategy, an empirical inquiry that investigates a phenomenon within its real-life context. Case study research means single and multiple case studies, can include quantitative evidence, relies on multiple sources of evidence and benefits from the prior development of theoretical propositions. He notes that case studies

should not be confused with qualitative research and points out that they can be based on any mix of quantitative and qualitative evidence (Yin, 2002). This is also supported and well-formulated in Lamnek (2005). He considers the case study as a research approach, situated between concrete data taking techniques and methodological paradigms.

Case studies can be classified in different ways based on their primary disciplinary base (Brotherton, 1999), objective of the research (Meriam, 1998), theoretical orientation (Hartley, 1994), purpose of study (Stake, 1995). Yin (1994) subdivides case studies into single and multiple studies with holistic or embedded units of analysis (Figure 6.1). Referring to Yin's typology, the case study design of this research falls within type one.

Figure 6.1: Basic types of designs for case studies

	Single-case designs	Multiple-case designs
Holistic (single-unit of analysis)	Type 1	Type 3
Embedded (multiple units of analysis)	Type 2	Type 4

Source: Yin, 2002, p.40

Special attention was given by the researcher to select the research destination based on the researcher's familiarity with the destinations and his working experience in Iran's tourism industry. The case study environment in this research is the Islamic

republic of Iran and its policy response to tourism development and tourism marketing in a challenging environment. Although the context of this study is complex within the country selected, it qualifies as a case study because it has a combination of attributes which characterize it as unique and which make generalization beyond the case meaningless. That said, there undoubtedly are lessons that can be learnt from this case by those shaping policy in other environments (Rose, 1993).

### **6.4.3 Sample Size**

A total number of 25 respondents were selected because of the seniority and experience within Iranian tourism policy formulation, tourism planning, and tourism marketing. According to Gunn (2002), there are four main groups of planners and decision makers in tourism development. These are the public sector (government), the business sector (private), the non-profit sectors (including Associations) and professional consultants. These key informants were selected based on the researcher's own experience resulting from direct involvement in the tourism sector of Iran over a period of fifteen years (see Table 6.2).

The reasons to have this number were mainly due to time, location, and availability of interviewees. However, it was evident that, towards the end of the process, a level of information saturation had been reached where no additional perspectives were added to those already provided by the informant group. There were only minor changes/additions to the original list. Therefore, the process of using "snowball" sampling was applied. The respondent list was rechecked with each interviewee and

they were asked if they had any recommendations, or could suggest any changes to the list.

Table 6.2 List of Interviewees

Organization	Number
1 – Government	8
2- Tourism Associations (P)	5
3- Academics	4
4- Tour Operators	8
Total	25

As noted, the respondents hold or have held a wide variety of senior positions, within Iranian tourism. They include most of the key figures in recent Iranian tourism development and their views can, realistically, be taken to closely reflect the outlook of the key stakeholders in the sector and its political and commercial leadership.

Table 6.3 List of respondents and their position

Respondent ( R )	Position
1- Government	
R1	Vice president, Head of Cultural Heritage, Handicrafts & Tourism Org. (ICHHTO)
R2	Ex-president of ICHHTO
R3	Vice president – Tourism, ICHHTO
R4	Head of CHHTO research centre
R5	Ex-president of Iran Touring and Tourism Org. (ITTO)
R6	Director General – Marketing ICHHTO
R7	Director General – Education and training ICHHTO
R8	Managing Director Iran Tourism Development Co.
2- Tourism Associations/NGOs	
R9	Chairman, Iran Tour & Travel Association (ITTA)
R10	Chairman, Tehran Tourism & Travel Agencies Association (TTAA)
R11	Chairman, Tour Operators Society
R12	General Secretary, Iran Hotel Association
R13	Chairman, Tour Leaders Association
3- Tourism Academics	
R14	Lecturer, Tehran University
R15	Lecturer, Ex head of Tourism group. Alameh Tabataba'ee University
R16	Lecturer, Tehran University
R17	Head of Tourism group. Alameh Tabataba'ee University
4- Private Sector	
R18	Managing Director, Galiver Tours
R19	Managing Director, Holiday Tours
R20	MD SEWAK Malaysia, Ex Marketing Director (ITTO)
R21	Chairman, Argejadid Tourism Co.
R22	Managing Director, Aryan Tourist
R23	Managing Director, Top Tourism Co.
R24	Managing Director Yasmin Tourism Co.
R25	Team Leader. Tourism Master Plan

These four categories of interviewees were deemed sufficiently senior and experienced in tourism to provide the quality and depth of information and opinions that the researcher was seeking.

#### **6.4.4 Data collection**

A total number of 25 in-depth interviews were conducted. In-depth interviews involve an unstructured conversation free of constraints of a rigid questionnaire, in which interviewees are encouraged to relate in their own terms, experiences and attitudes relevant to the research topics.

According to Salter (1990) using the depth interview technique the researcher should be able to achieve vivid accurate accounts founded upon immediate personal experiences, and to follow up and explore, through new questions, interesting ideas and their implications as disclosed by the interviewee. Qualitative interview data is non- numerical and conclusions can not be drawn which will be based on statistical inference. However, what such an approach can provide is an understanding of people's life-worlds, trying to understand situations from the perspective of those being researched (Stroh, 2000).

Interviews were partly conducted in their premises and partly by invitation in researcher's office in a relaxed but structured manner. Interviews ranged from one to three hours in duration, depending on the availability and level of engagement of respondents. All interviews were digitally recorded. The core ranges of questions for all interviews remained the same and were those distilled from an analysis of the

literature as particularly pertinent to tourism policy, development and marketing in difficult environments. However, in reality, the key informant sample were, in many cases, enthused to go considerably beyond the formal interview questions and to develop themes and issues which provided additional insight in to their perceptions and understanding of Iranian tourism. The researcher ensured that such deviations were accommodated and factored into the analysis of the interview transcripts.

#### **6. 4.5 Data analysis**

There are standards for assessing the quality of qualitative studies (Creswell, 1998; Howe & Eisenhardt, 1990; Lincoln, 1995; Marshall & Rossman, 1995). According to these guidelines, under the concept of rigorous data collection, the researcher is expected to spend adequate time on summarizing the data gathered through multiple forms of data collection. The border of such a research is confined into well defined and framed assumptions according to the characteristics of qualitative research.

Having a clear idea about the subject of research can serve as a keystone of success in delivering well organized, reliable, and relevant information. In this regard, the researcher has to start the process of data gathering with a single, well defined problem, not by analysing a casual relationship between an extensive numbers of variables. Writing the qualitative research results should be so persuasive that it makes the reader feel exactly the same as those who have been involved in the process of data gathering. The presented material should be believable, and realistic, at the same time being accurate in reflecting the complex situation faced in real situations. Following collection of qualitative data, it is essential to undertake a

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careful analysis of data in order to draw reliable and valid conclusions. According to Patton (1980) there are three stages in the analysis process:

- Analysis – is the process of bringing order to the data, organizing what is there into patterns, categories and basic descriptive units.
- Interpretation – involves attaching meanings and significance to the analysis, explaining descriptive patterns, and looking for relationships and linkages among descriptive dimensions.
- Evaluation – involves making judgments about and assessing value to what has been analysed and interpreted (Patton 1980).

In the actual fieldwork, all interviews were digitally recorded and carefully transcribed. Since almost all interviews were conducted in Persian language, it was essential that these be translated to English, which was a very time consuming task. In the next stage, in order to organize the collected information a thematic analysis approach was adapted. Based on pre determined area of discussion and respondents answers the main headings were identified. This is especially important in reaching a valid conclusion. The main heading of the findings which are described in coming chapters are as follows:

- Internal problem areas
  - Culture in its many forms
  - Religious issues
  - Political issues
  - National policies relating to tourism
  - Business issues
  - Infrastructure
  - Human resources



- External problem areas
  - Present image of Iran in main generating markets
  - Travel restriction to and within Iran
  - Media and its role in reshaping the image of Iran
  - Political issues
  
- Strategies to lessen the barriers and promote a balanced tourism development

The above themes were identified through a process in which a bigger list covering about seventy different problem areas was further short listed and reorganized into main themes and sub-themes to cover almost all major tourism issues in Iran.

### **6.5 Limitations of the Research Methodology**

In relation to collecting information from government authorities, since the research work coincided with the alteration in government structures and subsequently, many positions in different government organizations experienced dramatic changes, particularly at managerial levels, the researcher had difficulties in interviewing the new comers to the Iranian tourism system who had little knowledge about the complexities of the sector and in some cases their contribution was limited to just an ‘outsiders’ view of the sector. This was mainly for two reasons; some may have been reluctant to be interviewed because they were new and their information about the sector was not adequate; and secondly, if they took part in interviews felt that their comments were not reliable enough to be considered seriously. Therefore some persons who had held positions in previous governments had to be included in the interviewee's list. This, in some instances, did not enable the researcher to collect the required data quickly and in the set time frame.

Another limitation of the research was that all interviews were conducted in the Persian language and had to be transcribed and translated to English which was a very time consuming practice mainly undertaken by the researcher, especially because there were a number of issues that had to be covered and the length of interviews were much longer than normal ranging between one and a half to two hours for each interview. Considering the novelty of the subject in Iran, the researcher also faces inadequate resources.

During the course of the field work and study, economic changes such as the rise in the oil and gas revenues, and political issues such as the nuclear question also impacted the attitude of interviewees towards tourism, particularly those in the public sector. Despite these difficulties it is considered that the extent and coverage of the interviewee list and the time spent on interviews has yielded very useful information which could not have been obtained by other means. Finally, the proximity of the researcher to the subject and the respondents has already been noted as both a strength and weakness within this study.

## **6.6 Conclusion**

The main goal of this chapter is to explain and discuss the methodology adopted for the research. Due to the nature of tourism activities and the particular problems of data availability in Iran, a qualitative approach was considered to be useful and appropriate for the study. Case study method was chosen as the research strategy since it is capable of providing valid theoretical generalization beyond the specific

case. The use of in-depth interviews as a data collection technique enhances the authenticity of data which are then analysed using thematic analysis approach. The collected data and findings are provided in the coming chapters.

## **Chapter Seven**

### **STUDY FINDINGS**

#### **Internal Barriers to Tourism Development**

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##### **7.0 Introduction**

This chapter presents the findings in the context of internal barriers and identifies strategies to overcome the difficulties of developing a tourism industry in difficult destinations such as Iran.

In the present and following chapters, the current conditions of the tourism industry in Iran are discussed. This information is structured on the basis of main themes and sub themes with use of quotes from in-depth interviews as evidence from key Iranian tourism opinion holders and commentators, known to the writer due to his direct contact and experience in tourism over the past 15 years. These themes help to explain factors, which may influence the development process of Iran's tourism industry.

##### **7.1 Internal Barriers to Tourism Development**

###### **7.1.1 Culture**

Culture, defined as the intangible character of public conceptualization as the shared values, attitudes, commitments, beliefs, and overall patterns of thinking, socially

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constructed among members of an organization, has a tremendous influence on the long-term effectiveness and performance of any industry or organization (Dennison, 1984; Wilkins & Ouchi, 1983) which seems to be true in the case of societies as well. This section of the thesis aims to discuss the relationship between tourism development in Iran and the specific Iranian culture of the present time. The main aim of this section is to discuss whether the culture can be considered as a barrier to development of tourism industry in Iran or not.

Although the term culture has long been defined and introduced in the domain of social science as the unique amalgam of a society's shared values, behavior patterns, mores, symbols, attitudes and normative ways of conducting business (Marcoulides & Heck, 1993; Tunstall, 1986), there needs to be a specific definition of culture within the domain of tourism and leisure studies, which can help to better understand the correlation between the two concepts of culture and tourism. In other words, if there is any intention of improving the conditions of tourism, the exact definition of culture within the territory of tourism should be available. According to R15, (Alameh University Lecturer):

"The discussion of culture is amongst the essential subjects in tourism development of any country. Therefore, the term culture requires to be further defined in details as a concept within the social sciences, and its functions clearly explained. Within the domain of tourism, we generally perceive cultural issues as the interaction between guest and host communities. "

On the other hand, tourism is a diversified industry shaped by an enormous number of components, subdivisions, and branches, which requires a holistic and competent managerial system to match the presented definition of culture to all the components of the tourism industry. This managerial character should be competent in spotting the unclear areas and transforming them into easily understandable definitions, which can be further used to give directions and to setting long-term strategies and perspectives. R14, (Tehran University Lecturer), states:

“Dealing with cultural issues demands a specific field of management which is competent of giving clear directions about cultural concerns and phenomena. We should gain the ability to define culture as an independent term. I believe our concern is from the definition of culture, which has lead to the illusion of cultural invasion.”

At this point of discussion, one may argue the necessity of connecting culture and social issues to the concept of tourism development. Therefore, before getting any further, this necessity should be identified and explained. The whole concept of culture is meaningful because of the presence of people as the actors who practice norms and unwritten regulations. Assigning the right priorities between two general concepts of tourism as a social activity and culture as a manifestation of social behavior would be of great help to avoid exaggerating minor issues and negative consequences. R14, (Tehran University Lecturer), believes that:

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“As a matter of fact, we can hardly find any social and human related issue in isolation from cultural concepts. I believe we should distinct two issues in relation to tourism and culture. One is a major concern, while the other is exaggeration of a concern. I personally believe that in the case of culture and tourism in Iran, we have turned a minor concern into a huge problem.”

Culture in Iran, unlike parts of Turkey with its beach tourism or Dubai with its beaches and shopping, is one of the main tourism attractions of the country. Therefore, respondents took the view of cultural tourism that can be considered as an important element in development of the tourism industry in Iran.

A cross-cultural service encounter typically exists when the involved tourism service supplier and the involved tourism service customer belong to different cultures. Tourists (customers) in new environments with different cultures may lack the social support system and networks which mediate service environments within their own culture. When tourists' (customers') expectations cannot be met, the differences between perceived reality and expectations have to be reconciled. This often forms the basis for emotional reactions such as disappointment, fear, loneliness or incomprehension, which can result in cultural conflicts (Cushner & Brislin, 1997). Thus, cultural conflicts implicitly emerge between a host population and tourists. Conflict involves cultural phenomena such as value systems, collective life styles, traditions, safety levels, and moral conduct. Cohen (1982) refers to it as tourist's 'ecological bubble'. In this context, a well-managed destination should gain relative success if educating and familiarizing the

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incoming tourist with the existing norms and obligations of its society are addressed.

According to R18, (Managing Director of Gulliver Tours):

“I believe it is not correct to view culture as a barrier to development of tourism. Since most tourists are aware of their obligation in observing the rules and regulations of destinations they visit, in case of proper educating and providing clear directions, most of the potential negative cultural impacts of tourism can be prevented. In other words, if we face some problems, it is mainly due to lack of awareness and understanding amongst the guest and host communities.”

In order to create and market internationally appealing tourism products, to achieve competitive advantages and to sustain competitiveness against global or transnational tourism firms, a number of tourism and hospitality management know-how gaps have to be identified and corrective management measures must be undertaken. These include:

- Intercultural management skills and know-how in managing the interface of the service encounter across the four tourism related cultures (culture of sending region, culture of host region, tourism and leisure cultures, organisation culture of tourism enterprises).
- Know-how concerning proper choice and implementation of market entry strategies in foreign markets (franchising versus management contracts, joint ventures or Greenfield investments, etc.).
- Know-how concerning regionally/culturally differentiated travel motivations and tourism behaviour of customers (Weiermair, 2000).



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Having realized this managerial requirement, R7, (Director General Education and Training ICHTO), states that:

“I personally do not view cultural issues as a major barrier for the development of tourism; on the contrary, I believe it can positively influence its development. Undoubtedly, no one can argue the fact that if the tourism is going to be developed to its maximum potentials; both the guest and host communities should be educated to gain the required level of cultural compatibility and tolerance.”

In order to delineate cross-cultural influences and linkages embedded in the tourism value chain, Weiermair (2000) has specified the cultural context in which such encounters take place. This cultural context is commonly referred to as tourism culture. Principally there are at least two types of cultures and/or cultural contexts, which are, first linked to the tourism, demand side and second which are related to the supply side.

Tourists, representing the demand side, can belong to one or several cultures or cultural settings. At the most general and non-differentiated level, they belong to the culture in which they were born, which can (but must not necessarily) be represented by their country of residence, often referred to as the tourists' sending country.

While coming from specific sending regions, tourists may also belong to a multitude of possible subcultures, cultural settings, or simply groups, which exercise influence or

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control over individual behavior (Wirehair, 2000). Having discussed the demand side of tourism activity, it would be highlighted that there are an enormous number of variables influencing the choice of travel. Although a portion of the tourism flow may desire to select destinations, which are as close as possible to their own culture, so they would experience a very little cultural and behavioral difference while on a trip, there is another division of tourists who are willing to experience new cultures and phenomena. The latter group has a good tolerance for accepting new cultures and norms, only if such differences are correctly and positively conveyed through advertisement and marketing actions. In this regard, R4, (Head of Cultural Heritage and Tourism Research Institute), indicates:

“I do not perceive cultural differences as a constraint or threat for tourism development. In other words I view these differences as a unique attraction and a chance for experiencing something new for the tourist. I think in many cases we are the only one who unnecessarily consider the cultural differences as a barrier and magnify its potential negative consequences.”

If we define tourism industry in two different, yet related divisions of the supply side and demand side, some interesting connections can be investigated. On the supply side, or the side of the tourist-receiving region, there are again two cultural settings which are important: cultural norms of the tourism receiving region or country and the organizational culture of hospitality and/or other types of tourism enterprises (Weiermair, 2000). Hospitality and tolerance for accepting and hosting people from different cultures is something that develops through time. If a culture is already blessed

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with the tradition of hospitality and there are hosts who have long been well known for hospitable and kind interaction with foreigners through their history, much of the work has already been done. If such communities succeed in separating politics from the tourism related interaction, much of the biases and negative perceptions would be avoided. In this regard, R15, (Alameh University Lecturer), indicates:

“The discussion of cultural variety is not a new phenomenon for our people, since Iran has long been the meeting point of a wide range of different cultures all through its history; Iranians are deeply familiar with accepting such differences. But I can not ignore the recent negative perception of some Iranians which has been developed particularly in years after the 1978 revolution as the result of colonial strategies of some western governments in the past 100 years.”

Blaming the inadequate support of government regarding the discussion of cultural diversity and development of tourism industry, R9, (Chairman of Iran Tour and Travel Association) believes that:

“The tourism industry of Iran is not suffering from any cultural barriers. If there is any, it is originated from the government. You can hardly ever find any people complaining from difficulties of interaction and dealing with foreign tourists. As a matter of fact, the root of this hospitable behavior is deep in our culture and religion.”

As cultural proximity and cultural distance are likely to influence the perception of the host community, it is of great importance that the tourism management system of a tourist destination succeeds in erasing negative images arising from interactions with

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undesirable types of tourists. R24, (Managing Director Yasmin Tourism Co.), recalls an example of such negative memory as hippie tourists in Iran during the 1970's:

“Some of the cultural concerns in relation with foreign tourism refer to cheap hippy tourists of the 70's, the era prior to the Islamic revolution. Due to their strange behaviour, a majority of people did not acquire a proper and compatible cultural image from those hippie tourists and maintained that negative perception for a long times afterward.”

From the view point of Weiermair (2000), it is possible to differentiates between three types of cultural values or norms being practiced by people: those which are shared globally; those which are adopted as rules of behavior at national and/or regional levels; and those which pertain to subcultures such as “the vacation culture” or the shared values of particular interest groups. Such a differentiated notion of culture, cultural norms and culturally driven rules of behavior can be easier applied to the varied settings of service encounters in tourism. It seems that cultural issues are mostly exaggerated in the absence of appropriate education and awareness activities. R1, (Acting Head of Cultural Heritage and Tourism Organization), states:

“The subject of cultural differences has been exaggerated and negatively magnified for long time in our country. In reality, there are no major cultural differences between our people and foreign incoming tourists. we have to exclude some extreme actions of tourists keeping in mind the fact that even in their own country such actions are not perceived as respected.”

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Regarding outcomes of exposing the Iranian host community to different cultures and behaviors of incoming tourists, R7, (Director Education and Training CHTO); referring to advancements in information technologies in the 21<sup>st</sup> century argues that interactions between communities are not only confined to face-to-face interactions between parties involved. He states:

“I think with the development of communication and IT, and their related tools and techniques such as internet, satellite, etc, discussion of cultural invasion through tourism and confrontation and incompatibility between guest and host communities are no longer a major issue. The face to face interactions could have been a threat in the old days when there was no mention of globalization and technological prospect. Therefore, no major negative role can be perceived for social interactions resulting from tourism development.”

R5, (Ex President of Iran Touring and Tourism Organization), believes that apart from different factors contributing to development of tourism in Iran, culture can be viewed in an economic context. Although some commentators such as Birkin (2000) believe that enterprises of the 21<sup>st</sup> century should be concerned about issues beyond the monetary and economical benefits of their product and should substitute the traditional system of economy with new trends such as environmental economy or ecological accounting, no one can argue the fact that even in the 21<sup>st</sup> century, businesses should be profitable and economically viable if they are to remain competitive in their market. He indicates that:

“Presence of humans as an undeniable component of any discussion about tourism complicates the situation. Until now the Islamic Republic of Iran has not

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managed to find a compatible and appropriate model of achieving economic development goals. Unfortunately, none of the present economical models in the world are applicable to the specific and unique conditions of tourism industry In Iran. This incompatibility is mostly the result of socio-cultural differences between Iran and other countries. In such a condition, we have to develop our own Iranian- Islamic model of economic development.”

Research results in the field of non-tourism-related 'comparative consumer behavior' also suggest the coexistence of both significant differences and significant similarities in consumer behaviour across international markets. In his literature review regarding the interrelationship between culture and consumer behaviour in international markets, Walters (1996) arrives at the conclusion that the culture-consumer behaviour nexus is complex and the degree of similarity of broad cultural factors is often not of crucial importance in regard to overseas consumer behaviour and the segmentation of global markets. This is primarily because many dimensions of consumer behaviour in foreign markets are influenced mainly by non-cultural factors. As a consequence, cultural homogeneity may not be a prerequisite or a viable global market segment in many product markets. Conversely, Warner and Joynt (1996, p.372) argue that “a culturally homogeneous global market segment may be of limited interest because consumption behavior is dependent upon many other factors that are not captured in the culture construct” (Weiermair, 2000).

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Therefore, a somewhat differentiated approach, which distinguishes, between global, national and sub-national cultures and their impact on tourism behavior should be developed in order to reduce the negative impacts through awareness activities, create appropriate interactions between host and guest communities and benefit from culture as a unique tourism attraction.

From the above comments there seems to be a consensus that Iranians as a host people do not have any particular objections on cultural grounds to foreign tourists. A number of references have been made to the historic hospitality of Iranians, something that reflects not only national characteristics but also Islamic tradition of welcoming travelers. In such a geographically large and ethnically diverse country such as Iran many areas and communities will have had limited experience of welcoming tourists. It seems therefore prudent to consider such areas who might receive tourists in the future as requiring some form of educational or training support to prepare them for tourism and possible avoidance of inter-cultural conflict or tension.

### **7.1.2 Religion**

According to Morrison (1996), tourism comprises two different, yet deeply linked divisions of demand side and supply side, and every phenomena happening within the territory of tourism and travel is either the direct or indirect result of interaction between the supply and demand sides.

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This section, aims to explore the issues related to the connection between religion, namely Islam, and the discussion of tourism development in Iran. With this aim, this subject has been approached from two different, yet complimentary approaches: one from the foreign tourist's point of view, which shapes the demand side of discussion, and the tourism industry of the Islamic Republic of Iran as the supply side.

In order to begin the main discussion of understanding the relation between tourism development and Islam, the position of Islam regarding the acceptance of foreign, non-Muslim tourists should be depicted. About the necessities of communication with other nations, Hosseini (1998), highlights the fact that according to the characteristics of the 21<sup>st</sup> century, communication and interaction between Iranians and people from other countries and nations does happen, whether the government and religious leaders accept it or not. On the other hand, Mokhlesi (1998), another religious commentator, introduces international tourism and the acceptance of foreign tourists as an advised Islamic way of delivering the peaceful message of Islam.

From these comments, it can be understood that Islam supports the general concept of receiving foreign tourists. However, this acceptance is highly conditional and is tied into a number of reservations which need to be observed. In other words, at the same time that the Islamic teachings has obliged Muslims to accept and welcome the foreigners who travel to Islamic countries with peaceful intentions, it has also asked non-Muslim visitors to observe Islamic codes of behavior and conduct while they travel in Muslim



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countries. The basis of such a request is that Islamic states do not want to jeopardize the values and practices through exposing Muslims to different behaviours and lifestyles of non-Muslim tourists, which may contradict with Islamic norms.

Confrontation with different behaviour, culture, and lifestyle is not an unexpected phenomenon during visits to new destinations, especially those of other religions. R1, (Acting Head of Cultural Heritage & Tourism Organization) speaks of these differences as a new feeling that incoming tourists are willing to experience, provided they are well informed about the codes to be observed in advance:

“There is no doubt that visitors and tourists will definitely observe differences in the host community, they are mostly willing to experience them since they are here to familiarize themselves with Iranian culture and the people who practice it as their daily routine. In this regard proper education about restrictions and behavioral differences is of crucial importance in offering a professional, yet memorable visit for incoming tourists.”

On the other hand, there are various religious teachings of the holy Prophet that introduce Islam as a peaceful religion in which hospitable relations with incoming guests is highly advised. There are a number of examples from the behaviour of the holy Prophet and his household in which they have accommodated and kindly hosted non-Muslim travelers at their homes in order to show the friendly attitude of Islam. Furthermore, those travelers were safely taken care of and highly respected during their

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stay in Islamic regions. R9, (Chairman of Iran Tour and Travel Association), brings a quote from holy Quran as follow:

“According to the Holy Quran, there is no force in religion. In this respect the function of a holy religion is to educate not to force its practices. Back in history during the time of Prophet Mohammad, no one can find any example of punishing individuals because of refusing and not observing for example, the codes for dressing.”

During the course of history, there have always been deviations from teachings of religions. In this regard, R24, (Managing Director Yasmin Tourism Company), explains:

“Religious beliefs in their very pure form can never set any restriction for tourism development. Extremist actions and misperceptions from those religious beliefs are mainly the source of limitation for development in the domain of tourism.”

In this situation, if there is a serious intention of introducing Iran as a cultural tourist destination, related publicities, and advertisements should be selected with extreme caution in order to picture the proper image of Iran. R18, (Managing Director Gulliver Tours, states):

“The ways in which the Islamic rules and practices are particularly pictured in non-Muslim countries play a determining role in shaping perceptions. Screening a woman dressed in black from head to toe in a religious ceremony or an angry crowd shouting in demonstration with closed fists will definitely cause negative perception for viewers and audience.”

It seems that some of the present problems of Iran's tourism industry are related to previous strategies and actions of the government which need to be addressed through proper policy formulations, appropriate planning and sound implementation of strategies in a coherent manner. R15, (Alameh University Lecturer), indicates:

“Whether we like it or not, as the direct result of some previous extremist actions, considerable amounts of negative image have already been shaped from Iran, which act as a powerful cultural barrier in development of our tourism industry. If we truly wish to change the situation, some fundamental planning for educating the key religious players is required to make sure that strategies are properly implemented. For example despite the announcement of some of the Islamic religious leaders regarding the fact that it is not mandatory for foreign tourists to observe the Islamic codes for dressing they are still obliged to practice it during their visit to Iran.”

In this regard, Abhari (1998) presents the need for initializing a commission shaped of all the governmental and nongovernmental organizations, agencies, tour and travel associations, police, diplomatic police, representatives of relevant ministries, municipalities of various cities, representatives of religious leaders and advisors etc, to follow up tourism related affairs and ensure implementation of agreed plans.

Amongst various plans, there should be a programme for educating and informing incoming tourists about the way they are expected to behave while visiting Iran. Without such a clear programme, no one can blame a foreign non-Muslim tourist for not

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observing Islamic codes of conduct. Little has been done in the past and just relating to dress codes and alcohol consumption in form of small pamphlets delivered to tourists while getting visas.

R19, (Managing Director Tatilat Tours), agrees with the necessity of educating incoming tourists prior to their visit, allowing them to have enough knowledge when choosing the destination:

“If we succeed to make a true picture of Iran as a tourist destination, we give the potential tourist the facts, information, and time to decide about his trip to a different destination. In this way, the choice would be a conscious decision and the tourist will definitely be ready to face cultural and behavioral differences. On the other hand, in many cases these differences which are barriers for western non-Muslim tourist can function as an advantage to attract Muslim tourists.”

At present, a very important issue which can positively affect development of tourism in Iran is acceptance and endorsement of religious leaders and commentators. If they acquire a realistic, positive position towards the whole concept of tourism and acceptance of non-Muslim tourists, they can facilitate and accelerate the development process through issuing decrees to support of tourism.

The history of negative perception of religious leaders about non-Muslim tourists is mainly due to their concerns relating to probable negative intention of foreign tourists while visiting Iran. Zakeri (1998) mentions an example of an Armenian who entered

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Iran in 1638 with the intention of inviting Muslims to his religion through publishing and distributing their holy book in Iran.

R2, (Ex President of Cultural Heritage and Tourism Organization), realizing this necessity of changing the negative perception of Islamic religious leaders indicates:

“Negative reactions of some of the religious leaders stem from their lack of knowledge regarding the discussion of tourism. I personally do not see any religious barriers for tourism development at the moment, but one or two religious decrees may be required to ease and facilitate the process of tourism development in Iran.”

Therefore, the issue is more than about tourists; it is the “leaders and commentators” who should be educated about tourism. They often have their own idea of what tourism is (which is often uninformed) and first and foremost this misconception needs to be fixed.

It might be helpful to further clarify the position of Islam towards the subject of tourism. Islam as a globalized, international, and spiritual religion respects all human beings, and welcomes them since they are all superior creatures of God and therefore have dignity. From this perspective, all Muslims are asked to respect people from other nations, races, religions, colors, and cultures. Islam praises each and every human being because they

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are potentially valuable sources of creativity, energy, and positive thoughts. (Hosseini, 1998).

Advertising such positive aspects of Islam towards tourism can have major positive influence on the choice of potential foreign, non-Muslim tourists and increase their understanding of behavioral and religious differences while they are visiting Islamic territories. It is important to know that many other Muslim countries have already endorsed tourism and its development. The country which is the birth place of Islam and hosts some of Islam's holy places, Saudi Arabia, is now developing its tourism sector according to a detailed plan and has initiated new visa relaxation measures to facilitate entry.

R4, (Head of Cultural Heritage and Tourism Research Institute), takes another step forward and introduces such differences as attractions for incoming tourism under specific conditions:

“Our Islamic beliefs and codes can definitely function as an attraction if they are planned and guided in the right direction. In this respect we all must try to respect religious beliefs of non-Muslim tourists and do not over emphasize our beliefs, as Prophet Mohammad had no intention to force others to accept his practices. Of course, there are some misperceptions and misunderstandings from Islamic practices such as dress codes which can be considered as a barrier to tourism development.”

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In the same context, R17, (Alameh University Lecturer), addressing the important issue of mutual respect indicates that the best solution and most advised strategy is the one that do not jeopardize or offend the beliefs and norms of both parties involved in exchange of tourism experience:

“Within a religious sensitive community like Iran, these issues should be managed and addressed in a way that tourists do not feel they are under pressure and from the other side; those who are sensitive about cultural issues do not think that incoming tourists will not observe their Islamic values and beliefs.”

R4, a religious figure does not view present Islamic codes as an obstacle to tourism development in Iran. He blames the lack of general management of tourism and shortages of required infrastructures to be the main reasons for stagnation of Iran’s tourism industry:

“We have only asked foreign tourists not to drink alcoholic beverages in public and women to wear a simple light head scarf in public places. I personally do not think these simple requests can function as barriers in attracting tourists. Our present failure in attracting foreign tourists is generally the result of problems in infrastructures, transportation, accommodation facilities, and mainly the management of tourism industry in macro dimensions, not the religion.”

Whether it is accepted or not, no one can argue the fact the incoming tourist requires a certain level of standard services and foremost a peace of mind and feeling safe. In this respect, it is therefore, essential that development plans are agreed and actions

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implemented before tourism marketing is intensified. R23, (Managing Director, Top Tourism Company) asks a question:

“I have a simple question: have we been successful in attracting Muslim tourists from Islamic countries who do not wish to consume alcoholic drinks during their stay and already dress according to the Islamic codes? In some countries such as Saudi Arabia, much emphasis is being given to attracting Muslim tourists particularly by extending their Hajj pilgrimage.”

The importance of this question would be further highlighted when we know that at present there are about 1.5 billion Muslims in the world, amongst which about 170 millions are Shiite. If Iran has not gained any success in attracting and satisfying this large niche market of the tourism world, maybe this raises questions with respect to the tourism development strategy in Iran and religion should not be the only focus for blame.

Therefore, although there are some minor limitations as far as religious norms and values are concerned, it is obvious that religion can not be considered as a major barrier to tourism development in the country. It suggests rather that more attention has to be given to how to correct misperceptions of Iran in overseas markets. It may be this misperception or misunderstanding is the main barrier to increasing international tourist arrivals.



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The study reveals that as practiced in other Muslim countries such as Malaysia, Turkey, Indonesia, etc the tenants of Islamic practice can coexist with the development of tourism. But to address the continuing challenge, respondents agreed that it is essential to form professional commissions and well-informed advisory groups comprising of both public and private sectors representatives to raise the subject with key religious figures to gain their appreciation and support.

### **7.1.3 Domestic Politics**

Being a broad concept, tourism can be analyzed and researched in relation with many other fields, including politics and international relations. According to some commentators such as Henderson, 2003, tourism is without doubt, a highly political phenomenon, which extends beyond the sphere of formal government structures and processes if politics is conceived as being essentially about power relations, and it is thus an underlying and indirect theme in much tourism research.

Meanwhile, Altinay and Bicak (2002) argue that tourism is widely sensitive to political instability and the political environment has a great impact on the tourism industry in any region (Clements & Georgiou, 1998; Hall, 1994; Scott, 1998). Based on this view, it is not an unexpected phenomenon that changes within the main political stream of a country affect the process of tourism development in that country. This argument is specifically true about countries like Iran, in which politics and centralized government

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are more visible and has a dominant role. R9 (Chairman of Iran Tour and Travel Association) explains:

“Being a politically driven country instead of an economic one has created all these problems for us. Japan for instance, as an economic power is capable of sustaining its economic position even if the political system of the country changes, but in Iran, our politics set the rules for economic domain that is why whenever a political system changes, the whole system loses the balance.”

Although several Western governments rely on private sector initiatives, arguments in favor of strong government support continue to be persuasive. From the other side, tourism can also be a political issue in many countries, therefore different tourist policies may be developed to placate and please business and social groups. This form of restrictive, tightly regulated state planning does have its drawbacks. It can lead to a standardization of the product, and lack of creativity and dynamism, which are generally required to ensure products are continuously updated in line with consumer changes. There are a large number of reasons for governments to be involved in tourism. Those that aid development are outlined briefly as follows:

- 1- Regulation of tourism products as a means of consumer protection:
- 2- Minimization of the negative impacts of tourism (such as social and environmental).
- 3- Provision of incentives/grants/loans which act as a stimulus for development, by aiding projects which would otherwise be uneconomic.
- 4- Acting as a data collection agency for tourism flows and expenditure (D.C. Gilbert 1990).
- 5- Funding and supporting marketing and advertising strategies.

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6- Providing education and training facilities specifically for tourism.

7- Developing tourism infrastructure and facilities.

R18, Managing Director of Gulliver Tours focusing on the drawbacks of having such a highly centralized, governmental, and political tourism industry in Iran indicates:

“Iran’s tourism sector like many other sectors is deeply involved with the general political system of the country. We have all observed the repeating reality of changing all the major and minor policies and strategies of tourism industry when a government changes. It should be realized that although tourism can make great contributions to improve general development of the country, it can still function as a nonpolitical industry. Is it really possible to separate politics from tourism? I believe it is literally impossible to draw a line between these two and make believe they should not be connected.”

R7 (Director of Education and Training Institute), agreeing with the idea indicates that tourism should be approached as an academic field of study. He believes that managers who take over the responsibilities of leading a mega industry such as tourism and travel should be academically and practically qualified for their functional positions.

“A lot of tourism related projects started during the previous governments, have been left aside. This is a fact that tourism is a scientific and professional subject and should not be approached from political points of view. Although it could be admitted that the top managerial levels, such as Vice president and head of the Tourism Organization may have the political roles, but as we follow down the hierarchy, tourism should become a more and more professional issue.

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Interference of politics in tourism sector usually leads to unwanted consequences.”

From another perspective, R2 (Ex-President of Cultural Heritage and Tourism Organization), considers the present tourism industry of Iran as a mega industry made of an enormous number of small and medium sized enterprises, as is the situation in many other countries of the world. He states that apart from the top authorities which should inevitably be governmental, therefore highly political, other managerial positions should remain in isolation from political changes. Stability of these positions can guarantee the successful implementation of previous plans and act as a non-stop accelerating power to achieve strategies and long-term visions and missions. In this regard, he states:

“I believe that the major and central managerial roles of any industry have to be political to some extent. On the other hand, I think all the technical and operational levels of all industries should be non-political. In other words, apart from the members of the governmental cabinet who are political persons, other positions must remain fixed and distinct from politics and should not be changed and replaced with every minor change in government. Within smaller organizations such as Cultural Heritage and Tourism Organization of Iran this issue would be of greater importance.”

Considering the specific political system in Iran which controls many industries and businesses, R14, (Tehran University Lecturer) explores a different reality. According to him, the present tourism industry in Iran is under dual control of two very different and not connected ruling forces. One of these two forces is non-governmental and non-

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official and the other is governmental streams. In such a condition, it may seem difficult to provide harmony and balance between the actions of these two campaigns. Roosta further explains:

“Tourism in Iran has got complex conditions. Each province and region is under the dual governing force of two distinct powers, namely official politic forces and unofficial nonpolitical streams, which both influence the function of the tourism industry in various ways. Tourism management has to be viewed as a long-term strategic issue, we should make sure that well qualified persons appointed for key positions are provided with enough time and resource to implement their long-term strategies and plans, otherwise roles would become political and unstable, as it has been the case of our country. Unfortunately ever since the revolution a lot of people have been assigned to lead tourism organizations and most of them had failed to take a holistic and strategic approach towards achieving the goals and objectives of the organization under their command.”

On the other hand, and given the breadth and impact of tourism worldwide, it is inevitable that national governments will involve themselves in decisions affecting both the development and promotion of tourism products. However, the extent to which individual governments directly intervene in tourism marketing depends on a number of factors. The stage of economic and social development, which the state has reached, as well as its own conception of what role it should play, will largely determine the political values of the government.

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The political sensitivity of the tourism industry in Iran is mostly determined to be high by commentators such as R14. The more politically sensitive is an industry, the more government would practice influence over macro and micro decision related to that industry. The process of recruitment especially about top managerial roles would not be an exception from this general rule. R9, (Chairman of Iran Tour Travel Agencies Association), explains some of the drawbacks of such a highly political industry as follow:

“Political sensitivity towards tourism is much higher in Iran in comparison to other industries and sectors, which directly influence the appointment of managers who are going to lead this sector. In a situation with a change of top managers, lower positions and responsibilities undergo massive changes, most of previous plans and projects would be left aside before they find enough time to get to any desirable target or destination.”

Some commentators take a broader approach and view the concept of tourism development from a more fundamental point of view. Being a highly labour intensive industry, tourism, and travel is a daily business full of contacts with people. From an internal point of view, managing the daily job and interactions in tourism demands a well educated, highly experienced, charismatic manager who is capable of seeking opportunities, identifying potential problems before they arise, and motivate and educate staff in order to get the best possible professional behavior from them in contact with customers.

According to and Raybould and Wilkins (2005), the hospitality industry, in common with many other industries, has shown increasing levels of competition and complexity over recent decades (Kandampully & Suhartanto, 2000) and the skills needed by managers in the industry reflect these changes (Chung, 2000). Umbriet (1993) suggested that the changes in industry have increased the need for a management leadership style rather than a management style of supervision and control and this changing role of management has been reflected in the literature with recognition of the decreasing importance of operational and technical skills (Tas, et al., 1996) and a corresponding increase in the emphasis on corporate and strategic skills (Gilbert & Guerrier, 1997).

Respondents such as R1 introduce the lack of qualified managers as the contemporary problem of Iran's tourism industry. He indicates:

“Although I personally view political issues as a barrier for our tourism development, there are also other weaknesses in the private sector. Even if we ignore the political inclinations of our managers, this industry is lacking the professional, well educated, and experienced managers.”

R4 accepting the view of R1 connects this discussion with tourism planning and macro plans for developing the industry such as Master plans. He returns to the discussion of appointment of tourism managers as political roles and blames the people of Iran for suffering from myopia in electing political leaders. He explains:

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“This is the basic and structural problem of our government system and is not limited to any specific industry such as tourism. Small percentages of top managers who take over governmental positions are professionally qualified for their positions. On the other hand one of the major problems in our political system is that people vote for individuals and not plans and programmes. Therefore, all sectors will face various problems and in such situation, it really doesn't make any difference if Khatami is in power or Ahmadinejad.”

From the other side, research reveals that contrasts in political ideologies, cultures and practices help to determine the prominence given to tourism in planning, resource allocation and decision-making. Most governments, whether in the West or East, support tourism primarily because of its economic rewards (Go & Jenkins, 1997; Williams & Shaw, 1998) and countries which once avoided contact with the outside world have embraced the industry; for these, the promise of financial returns is seen to offset the risks of exposure to potentially subversive influences (Sofield & Li, 1998). Tourism has become an accepted, albeit contested, economic development tool that also allows governments to demonstrate their legitimacy and authority (Hall & Page, 2000; Richter, 1994). It may be employed in nation-building, tourist representations helping to define national and cultural identities and to meet other socio-cultural objectives (Carter, 1996; Peleggi, 1996) (Henderson, 2003). In this regard, R15, (Alameh University Lecturer) defines the two - way relationship between tourism development and politics as a potentially constructive one, if the government manages to take a consistent, yet sustained position toward tourism and travel as an independent industry:



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“I believe politics can have positive influence over the development of tourism industry, only if the government takes a strong, serious position in supporting tourism as an important option for general development and prosperity of the country.”

The above discussion about the relationship between domestic politics and development of tourism indicates that in a political oriented country like Iran, actions of government have significant impacts on performance of all industries including tourism. Among the factors, which may affect the process of tourism development in Iran, it is believed that the government's position in relation with tourism development has a key role in making or breaking the future of the industry in Iran.

### **7.1.3 Tourism Policy and Planning**

Policy generally refers to an overall, high-level plan that includes goals and procedures. Public policy therefore, takes into account the desired end results of a government and the method of attaining those results. Policy is a process as well as a product. It is used to refer to a process of decision making and also to the product of that process. Policy is spoken of as what is and what ought to be: policy is stating our priorities, and policy should serve the public interest.

Tourism policy acts as a set of guidelines to determine which specific objectives and actions should be pursued to meet the needs of the particular destination area under

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consideration. Policies regulate the actions of not just the government, but also those in the private and non-profit sectors (Amoah & Baum, 1997).

Although tourism is a concept to be analyzed independently, but within the broader economic scope of a country, no industry can function on its own without being connected to other industries. In this regard, the approach that government takes regarding the assignment of priorities in different sectors would be the ultimate determinant of improvement and success in these domains. In the case of Iran, oil and gas have long been distracting government from paying suitable attentions to other industries. It seems that the huge revenues of oil related products cause policy makers to forget about the need for a diversified non-oil dependent economy. R9, (Chairman of Iran Tour and Travel Association), refers to the export of petroleum as a distracting factor, which delays the development of other industries such as travel and tourism in Iran:

“I strongly believe that development of our tourism industry has long been suffering from the lack of a long term, holistic, and national planning. On the other hand, oil and gas related revenues have been distracting government authorities from setting any specific, well defined plan for the development of tourism Industry in Iran.”

For the foreseeable future, oil and gas will constitute the main input to economic prosperity but these sources can be used as a means of financing a diversification of the

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economy. As an example, but on a smaller scale, is the use of oil revenues by the Government of Dubai to both modernize and diversify its oil-dependant economy.

The public sector has many roles to play in the co-ordination, planning, legislation, regulation, and financing of tourism, Applying decision- making within the framework of adopted policy is much more beneficial than taking *ad hoc* responses to opportunities and problems as they arise. However, the state's responsibility does not rest at policy making alone. Because of the fragmented and small business character of the tourism industry, it frequently rests with the state to take the initiative to offer incentives in order to realize the objectives set out in a country's tourism policy (Amoah & Baum, 1997). On the other hand ignoring the role of the private sector in managing various tasks in the tourism industry and failure in educating, financing, and empowering the sector can slow down the development process of tourism industry. In this regard, R2, (Ex-President Cultural Heritage and Tourism Organization), explains:

“According to the results of my personal researches, roots of problems in our tourism industry can be traced in the fact that ever since the Islamic revolution, tourism has never really had any place amongst priorities of the government, and it was not taken into consideration as a serious subject.. There are a number of reasons which are believed to be the causes of such a situation, for instance, prior to the 1978 Islamic revolution tourism and travel used to be run and operated by governmental agencies and organizations. In such a condition, I consider the weakness of the private sector in taking the control of tourism industry as the root of the problem.”

Due to the fragmented character of the tourism industry, the role of the private sector in managing various aspects of tourism was highlighted. In recent years, contrary to the time when everything used to be supervised and run by the government as a central point of reference, private sector is playing a more proactive role. R1, (Acting Head of Cultural Heritage, and Tourism Organization) argues:

“If we approach this topic from a broader perspective, it would be understood that governmental agents and organizations are not the only sources of problems for Iran’s tourism industry. This is a truth that the private sector has got many problems which negatively influence the process of tourism development in our country. Anyhow, the policy of Iran’s tourism organization is not to get involved with the functional aspects of tourism, it tries to pave the way for the private sector. This is mainly because of the fact that private sector is proved to do a faster and more efficient job in this regard.”

In this respect, collaboration on policy formulation between the public and private sectors is expected. The opposite will give rise to poor quality of the tourism product or the host community’s environment and way of life. Hence, sustainability itself is at risk (Amoah & Baum, 1997). In present situation of tourism industry in Iran, plans may fail if they are not properly supported by the government. It is therefore, important to create harmony, agreement, and cooperation between public and private sector to achieve objectives.

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In this respect, the approach that government uses towards the tourism industry plays a crucial role in ways in which projects and plans are going to be set, evaluated, financed, implemented, and supervised. R18, Managing Director of Gulliver Tours, define this failure of creating a consistent view towards the concept of tourism as the main cause of all failed tourism plans and projects:

“The problem is that the government has not yet reached to any conclusion regarding the priority and importance of tourism from cultural, social, political, and economical points of view. The truth is that it is not decided whether tourism should play a leading role in macro policies of the country or not. That is why all of the tourism related works and projects developed and completed in Iran during the past 30 years are scattered and unbalanced.”

On the other hand, without having a reliable and accurate system of data gathering, none of the plans and strategies can be formulated based on reliable data. The government may optimistically hope for a productive and profitable tourism industry and on this basis sets unreal plans, which are not applicable to the present situation in the country. In other words, if the plans and strategies of tourism are going to improve the situation in any way, the exact specifications and characteristics of that industry should be evaluated and defined in qualitative and quantitative systems. R17, (Alameh University Lecturer), explains:

“I believe we have got a managerial problem in this regard. We are facing major difficulties in management of tourism industry. For instance, we have not managed to define the borders and specifications of tourism industry, or choose and apply a reliable statistical system to provide decision makers with required

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data and statistics in order to demonstrate the positive and negative outcomes. That is why the policies and plans in tourism are not well defined and organized.”

Policy implementation holds the key place in the whole policy-making process. Poor or non-implementation of policy means wastage of resources, time, and expertise spent in formulating them. As a result, not only the process of solving a public problem will be delayed, the standing and faith of government and public authorities involved will be lost (Elliot, 1997). No matter how tourism policy is formulated in the government structure, it will finally need to be implemented in enterprises. Tourism enterprises play a significant role in implementation in terms of information exchange and cooperation. Thus, it is of value and interest to study how tourism policy is implemented in tourism enterprises. A clear understanding of tourism policy implementation can not only improve the government’s tourism policy-making process, but also enhance the theoretical understanding of the political dimensions of tourism including tourism politics and tourism policy making process (Zhang, et al., 2002).

According to this view, all the reasons that contribute to the failure of policies and plan’s implementation should be diagnosed and properly addressed. R14, (Tehran University Lecturer), explains existing problems in implementing tourism related plans as follow:

“There have always been a lot of plans that never turned into action. This fact is the proof for the sad truth that our tourism and travel industry is badly suffering

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from management and strategic planning weaknesses. As the government changes, the plans of the previous government are ignored. We are experiencing all these troubles just because we always fail to take a strategic, holistic, long term perspective in our policy and planning; and instead we focus on short term, tactical management practices”

Policy-making process comprises of policy formulation and policy implementation. However, policy formulation and implementation are not two separate steps, but are rather closely coalesced and intertwined. Nor can implementation simply and reliably be distinguished from policy formulation, as implementation of one policy decision almost always brings new problems into the agenda. Therefore, policy-making process is an interactive process without beginning or end (Lindblom, 1980, 1993). Thus, policy implementation is the extension of policy formulation. There is no universally-accepted definition for policy or tourism policy. [Concerning the case of tourism industry in Iran, it is similar with the tourism industry of China, “whatever government chooses to do or not to do with respect to tourism” \(Zhang, et al., 2002 cited in Hall & Jenkins, 1995\).](#)

According to this claim, implementation should be considered in relation with planning, therefore as the government is involved with planning, requirements and resources needed to achieve plans should also be considered. R7, (Director of Education and Training Institute, CHTO), sets the example of tourism master plan of Iran and explains the obstacles and limitations in reaching the functional stage:

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“I think we have just begun to take the first steps in this regard. Developing the macro policies for tourism development is not sufficient on its own. These should be completed with functional operational plans along with the necessary resources and requirements. Fortunately in this regard some positive actions have been taken in the past, including the development of Iran’s Tourism Master Plan in cooperation with UNWTO and inclusion of tourism in development plans such as the fourth and fifth 5-year development plans and 20-year perspective plan of country.”

Agreeing with the idea of R7, R4, (Head of Cultural Heritage, and Tourism Research Institute) approaches this issue from another angle:

“Although the plans of tourism development have been defined in the macro level, fundamentals of applying such plans are not yet developed and accessible in smaller scales. For instance at the same time that we are trying to build a positive and attractive image of Iran as a tourist destination in source markets, we should develop the required culture of accepting tourists in our own country to show that not only tourism industry is not a destructive agent but can bring about many positive outcomes for the host community.”

All these discussions about the situation of the tourism industry in Iran tell the story of a traditional industry. Within the complex environment of the tourism industry, responsibilities and structures have evolved through history, tradition, and bureaucratic convenience rather than in response to the needs of the tourism industry and its employees (Amoah & Baum, 1997). It is not surprising, therefore, to find the lack of



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oversight and policy management that exists in most countries with respect to planning and strategy synthesis. R24, (Managing Director Yasmin Tourism Company) states:

“Iran’s tourism development plans and strategies are mostly set without a realistic approach towards the industry. In this way, achieving pre planned goals and applying strategies are usually bound to fail. Discrepancies between the predicted incoming tourist arrivals and its related revenue and real statistics can be set as a tangible example of such failures. In the tourism perspective, it is forecasted that 20 million incoming tourists should travel to Iran in 2025, which shows unreal positivism and lack of a realistic approach towards the macro policies and planning for tourism development.”

On the other hand, it is worth noting the role of human resources in this process. It can be the guarantee for implementing pre set plans and strategies in the real world. Without this Midas touch of human action, no tourism experience would be complete. When human resource issues are not included in planning and policy making, fundamental changes in public policy and management thinking about human resources will be difficult for host countries to implement. Wealthier nations are more likely to take an interest in human resource concerns than the poorer ones. According to Jenkins (1997), tourism in developed countries can be regarded as a mainly a social activity with economic consequences and: in developing countries, it is largely an economic activity with social consequences. Issues regarding human resources development are dealt with in a separate section.

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### **7.1.5 Infrastructure**

The four previous sections of this chapter analyzed some issues, which are believed to have influence over the development process of the industry. In this section, infrastructure as one of the basic requirements for tourism development and its effects on tourism in Iran is discussed. In a general sense, infrastructure applies to physical necessities that must be supplied to tourists. This includes roads, electricity, water, telecommunications, and transport and so on. In these sections, accommodation and transportation facilities are also discussed under the infrastructure term.

Tourism is an attractive and important industry for many nations. Countries new to tourism, however, need to consider the primary needs of both foreign and domestic tourists. In developing countries levels and extent of infrastructure is often a barrier to developing tourism.

In general, it can be argued that creating a harmony between supply and demand within the tourism industry can play a major role in any attempt to provide quality service and memorable experience for tourists. This evaluation and prediction of supply and demand should be regarded as major points of reference while planning for developing tourism infrastructures. Without such an evaluation, a huge amount of time, finance, energy, and creativity would be wasted on non-important projects whose feasibility is under question. The development of tourism infrastructures should be carefully prioritized according to the demand of markets. Realizing the importance of evaluating demand

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prior to developing infrastructures, R23 (Managing Director of TOP Tourism Co).

Indicates:

“The question of whether we should develop the tourist attractions prior or after preparing required tourism infrastructures has always been misleading to development of our tourism industry. We should know that this development can never happen suddenly over night and shapes according to the balance between tourism demand and supply.” It is often the lack of suitable infrastructure which frustrates the attainment of tourism potential”.

While internal systems and procedures are important mechanisms, Kim and Olsen (1993) advocate a balanced approach by monitoring events occurring in the external domain and assessing the potential impact on business and unit level operations. External awareness is also influencing trends in facilities management and design (Teare, 1996). In other words, a successful tourism industry must gain a realistic view about requirements, needs, and expectations of its potential domestic and international customers and tourists. Respondents such as R19 realizing this crucial point emphasize on distinguishing between specifications and requirements of different potential markets and set plans for development of infrastructures in a way that cover needs of the segment of market with highest expectations in order to satisfy a much wider range of expectations. He indicates:

“Tourism is meaningless without infrastructures. We need to make a good investment on infrastructures because the tourist requires a proper temporary living in a destination. Iran considering itself amongst the top 10 heritage

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destination of the world, yet can not claim to have 10 real 5 star, standard hotels. This is due to the narrow, internal approaches that we have taken towards the tourism services. As long as we set standards of hospitality and tourism services according to the limited expectations of local and domestic tourists, we can never achieve our goals in satisfying incoming tourists whose expectations tend to rise.”

Recognizing the need for required infrastructure and facilities to provide world class tourism experience, R12, (Secretary of Iran Hotel Association) states:

“While we do not have a clear idea about what is meant by a standard, desirable tourism and hospitality service, for sure we cannot expect to deliver such a service. Required infrastructures and facilities are yet to be introduced and provided if we really aim to increase the quality of our tourism experience. In other words, most of us are in favor of numerical growth which is more tangible, instead of increase in quality level, which is harder to achieve and sustain. However, in the absence of quality standards we may not get an increase in international tourists and should depend on national tourists to increase numbers.”

Considering the fact that centralized, governmental efforts may not be sufficient to develop such a high quality service sector, R14, (Tehran University lecturer), suggests that in case of providing sufficient investment guarantees, the private sector might be able to accelerate this process of developing tourism infrastructures. He explains:

“Tourism should be perceived as a system which depends on its infrastructures, investment, security and guarantee for investors and a professional management

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if it is going to function properly. The truth is that we have ignored all of these issues and yet expect this system to work perfectly.”

Having discussed about the requirements of having proper infrastructures, at this point the attention should be focused on setting strategies and plans to sustain achievements and successes through time. In other words, it might not be such a hard task to achieve a onetime success in attracting tourists, but sustaining it in a way that does not jeopardize tourism resources would be the real challenge. There are a number of examples for countries that failed to sustain their advances in tourism, therefore lost their market. Research conducted by Harrison (1995) and Garcia-Ramon (1995) looks at two different countries in their search for a prolonged tourism life cycle. First, Harrison considers Africa, and in particular Swaziland and reviews progress in the context of life cycles. The author notes that this particular nation underwent rapid growth during the British colonial period but has since declined rapidly. A rejuvenated Swaziland has the potential to develop an excellent tourism product that not only uses the skills of the local people but also fits the local environment. Perhaps by reflecting on examples of badly planned development in Kenya and Tanzania, Swaziland has an opportunity to learn from these and to provide the “perfect destination”. Second, Garcia-Ramon looks at Spain, noting that over the past few years Spain has tried desperately to offer products that support the local community. Focusing away from the coastal regions, Garcia-Ramon notes that the rural interior needs to be developed to provide the “ideal” rural tourism product that

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allows visitors to stay with the local people, so breaking down local-tourist resentment (Eccles & Costa 1996).

Highlighting the importance of sustaining achievements in tourism industry, R5 (the ex Head of Iran Touring and Tourism Organization ITTO) explains:

“Development of tourism infrastructures should be defined within the macro tourism development plans. A successful example of this suggestion was in the domain of oil and petroleum. However sustaining such successes is of great importance too, for example we might succeed to attract a good number of incoming tourists through condensed advertisement or through a specific political stream, but without fundamental plans and in the absence of required infrastructures we will not be able to sustain this success and lose the market. There is no need to emphasis over the fact that in such an unsustainable market, private and public investments will not prosper and fail to bring about any improvement.”

Amongst the strategies that different commentators have suggested to develop a tourism industry in a sustainable manner, R17, (Allame University lecturer) refers to the issues of demand fluctuation as a threat. He believes that huge fluctuation in demand will overload tourist destinations during the short time high seasons and useless during long low and shoulder seasons. He states:

“Fluctuation in demand for travel within our domestic market has been a strong discouraging factor for those who wish to invest in tourism infrastructures such as transportation or accommodation facilities. There are only two very busy high

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season in our market, namely the New Year vacation and summer. During these two peaks tourism industry is functioning with its full potentials but at the end of these high seasons all tourism related activities become unfeasible. In other countries the government makes required provisions to spread and prolong these high seasons and help tourists and traveler benefit as much as possible from the presented facilities.”

Seasonality affects most tourist-receiving countries; it is a general problem. Need to balance supply and demand is very difficult in trying to phase-in and fund infrastructure developments. It should also be noted that seasonality has an impact on the use of infrastructure such as accommodation, transport, water resources etc., and is a constant challenge to marketing strategies.

The complexity of today's globalized and competitive business environments have made quality one of the most important sources of competitive advantage for the tourism business enterprise/destination. Many leading quality organizations have started to exploit opportunities to face this situation and recognized the importance to have systematic processes to manage quality to gain and maintain this competitive position. Each business management is aware of the fierce competition in every sector and customer expectations have never been greater. It is no longer sufficient just to maintain a business; it is necessary to move forward if a business wants to achieve a sustainable future. The above statement is relevant here because in today's tourism, the quality of

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infrastructure as defined earlier play a significant part in the quality of total tourism experience.

With the increasing quality of tourism services, while planning for developing tourism attractions, planners should also be aware of the infrastructure that might be required to serve the needs and expectations of potential visitors. R20, (the ex Marketing Director of ITTO) explains:

“Since we have failed to act according to a comprehensive master plan within the domain of tourism, a lot of our tourist attractions have not been recognized properly and as a result the required infrastructures to attract tourists are not provided.”

Infrastructure was traditionally supplied /financed by government; based on current policies, now much more is coming from private sector investment. Considering the specific situation of Iran, there might be alternatives and substitutes to take the place of government in this regard or at least offer a helping hand to accelerate such a development. R1, (Acting Head of Cultural Heritage and Tourism Organization) considers the private sector as qualified candidates for such a position and explains:

“One of the possible solutions to confront the existing shortage of tourism infrastructure is to make the private sector responsible for upgrading and developing the infrastructures. Although the private sector has got its own problems and limitations, but it has been proved that they can play a more successful role in this regard in comparison with the monopoly of government in tourism.”



Since tourism and travel is an international industry with high rate of competition, any delay in approaching targets may give opportunity and chance to foreign competitors to achieve that goal and therefore gain competitive advantage. R10, (Tehran Tourism, and Travel Agencies Association) sets the example of failure to turn Iran's southern Islands into major business and tourism hub of the region due to shortages of tourism infrastructures. He adds:

“Unfortunately due to existing shortage of tourism infrastructures, what was planned to happen in southern islands of Iran, in the Persian Gulf, happened in Dubai, Bahrain, Qatar, and Oman in different forms, and Islands of the Persian Gulf could not turn into an important tourism hub in the area.”

This is what many commentators refer to as the ever changing character of tourism industry. To improve, means to change, and change can be stressful. There is no magic formula that can be applied to every business, but there are proven systems, such as quality management that can bring great benefits if it is applied in the right way (Eraqi, 2006). Within the highly political conditions of business in Iran, gaining the support of government may be a powerful acting force to guarantee implementation of plans and therefore turning the Iranian tourism industry into an industry which does not miss any chance of gaining competitive advantages because of problems and shortages that

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caused delay in implementing plans and strategies. In this regard R11, (Chairman of Tour Operators Society) states:

“If we manage to place the development of tourism and travel industry amongst the priorities of the government, all the related organizations will be obliged to cooperate to achieve the aim of developing required tourism infrastructures”.

In conclusion, it should be stated that travel and tourism is a very unique industry which is under the direct and indirect influence of many factors and issues. Although mentioned issues were discussed in separate divisions, nobody can truly prioritize among them. The ultimate fact is that the collective results of an enormous diversity of individuals and both the public and private sectors together will shape up such an international industry.

One of the most important factors influencing the success of this industry is the perception of customers and users from the service and experience they receive as tourists. In other words, the quality of tourist experience would be a determining factor in putting a destination amongst the evoked sense of that person, therefore affecting future choices of travel and word-of-mouth recommendations... In this way, all the factors and issues that may influence such an experience of a customer should be recognized, evaluated, and improved if one country is really aiming to achieve sustainable development in its travel and tourism industry.

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### **7.1.6 Tourism Business Issues**

To compete in today's tourism marketplace, it is essential for tourism businesses to develop products based on the needs and wants of their customers. Due to the multifaceted nature of the tourism industry, product development is more complicated particularly when a destination as a whole is considered as a tourism product. In this case product includes not only the physical product and service but also planning and development and generally covers all different elements which directly or indirectly refer to tourists, and therefore, people view it from different angles. This comprehensive approach is usually described as destination marketing. This section highlights some of the obstacles in relation to tourism businesses, which hinder the development of the tourism industry in Iran in spite of its rich historical, cultural, natural, social, and religious attractions.

In this regard, tourism product development is a task, which is difficult to achieve and sustain. This is partly due to the difficulty of assuring the consistency of service delivery but also because expectations differ from person to person. In Iran, a high proportion of foreign tourists come on packaged or inclusive tours. This means that individual tourists will feed back their opinions and levels of satisfaction to the tour organizer. This is a valuable source of information, which will be further discussed below. This can be one approach towards the question of why some countries such as Iran with rich tourism attractions fall short in attracting desirable number of tourists. R17, (Alameh University Lecturer), believes that this question should be answered from the viewpoint of tourists.

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In this regard, he states that having a number of tourism attractions will not be sufficient to guarantee the total success of this business. He further explains:

“Iran has got a high potential of tourist attractions and is said to be amongst the top ten heritage destinations in the world. Despite this fact, most of those attractions are still in an immature condition and have not turned into marketable products.”

On the other hand, it should be considered that the development of tourism infrastructure as an important element in tourism product should happen according to a well designed, thoroughly analyzed plan. Building physical facilities, such as hotels, restaurants, telecommunications systems, and transportation, has been the main instrumental concern of tourism planning in many developing countries. Thus, tourism planning has been viewed as a simplistic process of encouraging new hotels to open, making sure that there was transportation access to the area. For example, in Turkey, private sector representatives have influenced the central government to give generous incentives to increase bed capacity. The result has been a sudden boost in facilities, such as hotels and air and road transport, in places that were becoming popular holiday resorts. However, these facilities have been developed haphazardly. Although the superstructure of the industry has reached a high level, infrastructure has not been developed to the same extent (Tosun & Timothy, 2001). The importance of providing a logical connection between supply of tourism products and their relative demand by customers has always been the discussion topic of many contemporary commentators. R2, (ex president of

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Cultural Heritage and Tourism Organization), gives an example of the Caspian Sea coast as one of the most attractive destinations in the region because of its natural settings. He states:

“In Iran at the moment we are facing challenges more in supply side rather than demand side. For instance, Iranian green coast of the Caspian Sea with its unique Mediterranean like climate is an exceptional area within the Middle East region. Despite this, due to shortage of required infrastructures and facilities visitors and tourists can not make best use of the destination. In this respect legislations and regulations must be set in a way that eases the process of economical investment in such areas and therefore, offer new tourism products to open the market.”

There has always been a major debate about the security of investing in tourism. There are several economic facts that most of investors fail to pay attention to, therefore they invest their money with wrong expectations. For instance, since it is necessary to give up real resources, goods and services to provide for the demands of tourists, the net benefits to an economy from tourism growth are typically substantially lower than gross tourism expenditure. Recognizing this, tourism researchers are paying increased attention to the concept of yield so as to inform benefit cost analysis, government policy, marketing strategies and investment decisions in the context of tourism development (Dwyer & Forsyth, 1997). According to this statement, gaining financial benefit from tourism investments is a mission that happens slowly over time. Achieving such a profit requires the knowledge of yield management, and a wide perspective of all environmental, social, cultural, economical, and political issues that might affect the business process of

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tourism. R8, Managing Director of Tourism Development Co.), believes that investors should be well informed about the specific characteristics of the tourism industry and become aware of the business climate of the country. He believes that misperceptions and myopia of investors should be corrected if they are going to be attracted to invest in this industry. He further adds:

“One of the major problems of business development in the tourism sector is inadequate investment. Lengthy process of investment, lack of interdisciplinary approach, absence of proper investment culture where investors instead of investing in long term projects prefer to look for profitable short term projects with quick return. This causes delays in absorbing investment and required financial support for developing the tourism sector in the country.”

Like other areas we addressed so far, tourism business development is closely linked with managerial characteristics of players in this field. If this subject is approached from a broader and holistic point of view it would be revealed that the Iranian tourism industry has always suffered from shortage or even absence of a professional managerial leadership. No one can argue the fact that in the presence of well educated highly experienced managers, problems can be addressed professionally and more effectively.

The effective management of service quality in an organizational context is a multidisciplinary paradigm. It is anchored in the relationship between the customer and the service provider and as such constitutes a dynamic service process (Olsen, et al., 1995). Managing the process to try to provide quality service requires a thorough

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understanding of concepts in organizational behaviour, human resources, operations, marketing and information management among others (Teare, 1998). In this regard R14, (Tehran University Lecturer), explains:

“We have not succeeded in recognizing the root problems of our tourism industry. Some commentators believe that tourism industry is suffering from demand side, therefore focus on promotion, marketing and advertisement activities. Another group blames shortages in supply side, so they try to promote investment. But I believe the most essential problem is related to areas of tourism management which is under the direct influence of governmental policies and the general management system of the country.”

In the search for a suitable measure of the impact of tourism growth, increased attention is being focused on the concept of yield. This refers to the net economic gain from tourism and takes account of the benefits and costs of tourism activity. Some valuable work has been undertaken on estimating gross tourism expenditure and the contribution of tourism to particular economies. So far, however, researches have fallen well short of providing an accurate estimate of tourism yield. Having mentioned only one aspect of the highly complex condition of tourism industry, it should be emphasized that there should be a powerful, effective, and knowledgeable source of leadership if this business is going to gain any success. Discussing the complexities and nonlinear relations between factors that might affect the tourism development process, R24, (Managing Director Yasmin Tourism Company) explains:

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“Tourism economy of Iran can be defined as relatively weak and ineffective. Since the required supports and insurances are not provided for tourism related projects, tourism activities are not proved to be profitable enough; therefore needed motivations for entering this industry are not justifying the potential risks. If our tourism industry could benefit from the governmental support like other sectors such as industries and agriculture, hopes for achieving tourism development would increase to great extents.”

Agreeing with R24, Ghamkhar, R10, (Chairman of Tehran Tour and Travel Association) emphasizes the influential role that the government of Iran can play in supporting and leading the tourism industry. He states:

“I believe that government should take the lead in tourism businesses of the private sector and through incentive initiatives support them in order to become stronger, like the support rendered to automotive industries of the country for the past 15 years.”

In more operational levels, a certain set of standards for tourism services should be defined by government in order to ensure achieving the highest levels of customer satisfaction. In this regard, some researchers including Teare (1998) believe that the external customer or guest is the organization’s focal concern and delighting guests is more a matter of attitude and commitment on the part of employees than any other single factor. If it is to thrive and succeed, the notion of service excellence needs to be embedded in the organization’s statement of purpose or mission and continually reinforced by its corporate behaviour.



On different business opportunities, R19, (Managing Director Tatilat Tours), speaks about the importance of developing and maintaining a close relation with companies and firms that are famous in tourism business development. He adds:

“If we benchmark the tourism practice of present leading tourism countries as for example Turkey and China have done and develop and maintain good international relations with mega tourism companies that are capable of producing high quality products and knowledge. China encouraged joint-partnerships with leading hotel companies to enjoy investment, managerial experience and market connections. This way, we can effectively develop tourism businesses.”

R17, (Alameh University Lecturer), speaks about the importance of taking the right position towards the issue of tourism states:

“In relation to tourism businesses, general policies of country’s trade system play a crucial role. Some countries have merged their tourism industry with their Trade Promotion Organization TPO, and they have done this because they view tourism as a productive business. But in the case of Iran tourism industry is merged with Cultural Heritage Organization, an organization which is mainly concerned with historical researches.”

In this regard, it is suggested that developing countries should develop an appropriate method of planning by using the right mix and proportion of components of the contemporary approach, taking into account their own circumstances (Tosun & Timothy, 2001).

Deciding about the prospects for the tourism industry, there should be concerns about the specific markets that they are going to attract. Without choosing a specific target market, all the further efforts of designing attractive products and marketing actions may be inefficient and wasted. In the case of the tourism industry in Iran, R12, and (Chairman of Iran Hotel Association) explains:

“If we intend to develop our tourism business, we have to select our target market wisely and carefully. In this regard I believe our priorities can be Shiite Muslims, neighboring countries of the region and other Islamic countries and in the next level we can move on to attract other international tourists.”

Speaking about the issue of selecting the most beneficial and proper target market for the Iranian tourism industry R23, (Managing Director of TOP Tourism Co.) adds:

“Another target market for our tourism industry can be Iranians living abroad. For instance, at the moment several millions of Iranians are living in the United States who is mostly in good economical conditions. If we manage to attract them to Iran, they will spread in all cities and provinces according to their origin and place of birth. This phenomenon can help to increase the number of visitors to cities other than Shiras, Isfahan or other main tourism destinations of Iran.”

For countries that expect to gain from tourism activities, the development of the destination as a unique product is of great importance. As mentioned above tourism businesses should consider development of various elements of the product particularly when it is a destination as a whole in order to create a sound and lucrative business environment. Given the diversity of the tourism product in Iran and the equally diverse

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foreign markets, respondents agree that there is a clear need for Government and the private sector to jointly formulate a marketing strategy. There has to be priorities which should dictate how budgets are spent and particularly related to those foreign markets where Iran might have some competitive advantages such as Iranians resident overseas.

### **7.1.7 Human Resources**

Human resource management is a central strategic and operational concern within the tourism and hospitality industries. The contemporary knowledge about human resources can improve the business success for quality and market positioning of tourism at local, regional and national levels. This section will demonstrate that all stakeholders, be they public or private sector, visitor or host community, would benefit from a close integration of human resource, labour market and education policies ( Baum, et al.,1997). Traditionally, human resource management (HRM) denoted administration and little else. The role of the unit centered around routine tasks such as record keeping and maintenance. Personnel administration, as it was formerly known, had little stake in the business objectives of an organization. Traditional roles of HRM have not disappeared. Indeed, their core responsibilities are fundamental to most organizations. Nevertheless, things have changed. Most executives viewed human capital as a cost needing to be controlled or minimized. Now, they realize that employees contribute significantly to the financial performance of their organization.

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The transfer of human resource (HR) management practices across national boundaries has become a key strategy for multinational companies to achieve competitive advantage in global markets. However, national differences are major factors complicating the process. The introduction of shared services for HR management departments offers not only costs savings and greater efficiency, but also provides the HR function with an opportunity to focus on more strategic issues (Human Resource Management International Digest, 2004 based on Hyland& Verreault, 2003). According to this view, apart from the shared practices and strategies of Human Resource Management, which are widely accepted by organizations all around the world, there are some variations according to the business characteristics and the nature of each country's market conditions, which can gain enormous competitive advantage for companies and industries. Being aware of such regional codes of HR management in each country can ease the process of managing day to day process of any business.

There is little doubt that consumer experience of “human value added” through service is varied within and between the hospitality sectors of most countries. In part, this is a reflection of the eclectic nature of customer expectations, which may demand very different things from the same service delivery situation. It is also a factor of the number of human interactions (moments of truth) which most customers experience within any one hospitality purchase - these may or may not be within the one organization and thus the ability to “control” the customer's experience may not lie within the organization, which suffers through lost business ( [Baum, et al., 1997](#)).

Some contemporary commentators including Baum view tourism and hospitality industry as a “human intensive” business in which without the Midas touch of human as personnel and service providers no purchase experience would be complete. In other words if the tourism industry is going to take the right advantage from the skills and talents of its staff, there should be a mutual understanding between top managers as the representatives of organization and operative staff as the mediators of organizational services to end customers. In this regard, the concept of Human Resource Management should be approached as a multidimensional phenomenon that is in direct and constant interaction with the human aspect of staff. Of course, treating employees with respect, as human beings with a stake in the company would play a crucial role in demonstrating such an organizational wide belief. Sears, Roebuck and Company, for example, provides their employees with training that gives them the skills they need to be empowered and take responsibility for authoritative decisions. Additionally, if employees are treated as “partners” in the company – and its future – they are more likely to work in ways that will help the company face the next economic downturn with confidence and competitive action. Empowered employees are much more likely to be innovative employees. Innovative thinking and action spreads: innovators in the company can teach others to do the same (Frances, 2002 cited in Aghazadeh, 2003). This can help organizations stay ahead of their competitors, stay alive during a downturn and stay prepared for when the economy does take a turn upward ( Aghazadeh, 2003). Agreeing with these issues, R14, (Tehran University Lecturer) states:

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“Tourism industry is highly human intensive in its pure character. In such a condition, the most valuable asset of any tourism related company is its human resource. This workforce as human resource should be analyzed from different dimensions. It should be understood that all human beings have their own thoughts, emotions, feelings, beliefs, personal and social relations, hopes, aims, and goals which should be deeply respected.”

One of the difficulties for tourism and hospitality education is that it is expected to dance to the tune of a fragmented and heterogeneous sector where there are few commonly defined needs at a technical or knowledge level. The requirements of major airlines, hotel companies or heritage sites are diverse but are also significantly different from the needs of SMEs across the sector. The sector also draws in players from areas of activity which may, at best, acknowledge a tenuous association with tourism and hospitality and, at worst, fail to see their responsibilities in this area at all - such areas can include national parks, leisure and recreational interests, the finance sector, the security services and parts of the retail sector. One of the consequences of a fragmented public and private sector interest in tourism and hospitality is that there is rarely a clear, single authority with responsibility for the management and direction of education, training and development initiatives in support of the sector. In reality, there is frequently a range of organizations and agencies, which have some involvement but also have loyalties and interests which lie out with the domain of tourism and hospitality (Baum, et al., 1997). Because of the diverse nature of tourism industry, there should be a type of harmonization between academic educations and job related experience. Acknowledging

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this fact, R1, (the Acting Head of Cultural Heritage, and Tourism Organization of Iran)

refers to the fact that holding of academic degrees without the required business experience is not enough for the country's tourism industry. He explains:

“One of our biggest problems in the country is that we have people holding academic degrees in tourism but we are still in shortage of qualified planners and competent managers. Unfortunately on the other side, most of our qualified and professional managers are already employed in other industries which are believed to be more profitable with easier and faster financial opportunities.”

On the other hand, well developed leadership skills, the ability to change attitudes and behaviours, the capacity to exert effective influence and work through others, the talent for successful partnership working and, most importantly, having the potential to adapt quickly to internal and external change, and to get that change owned and embedded in an organization are the core competencies sought by organizations the world over, regardless of sector, industry, specialism, background or level (Human Resource Management International Digest, 2004). These capabilities and competencies are the minimum expected values that a high ranked manager at the decision point of daily business process of any industry, including tourism should demonstrate. R4, (Head of Cultural Heritage & Tourism Research Institute) evaluates the general condition of managements in various Iranian business sections and industries as unacceptable. He believes:

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“This is the structural problem of our system in the country and is not limited to tourism industry. We can hardly find any high ranked manager who is specialized and well qualified for his position. Although other countries experience the same problem to some degrees, but the difference in our country is that people in public elections go for persons instead of programs and plans. In such a condition the general managerial system of the country in macro dimensions does not move in a harmonized way. ”

This present troubled condition of the tourism industry is the result of 30 years of ignoring this industry. In this regard, R23, (Managing Director TOP Tourism Company) explains:

“Taking a glance at the history of Iran’s tourism history would reveal the fact that we have ignored tourism industry for 20 years after the revolution and only during the past 10 years we slowly started to change our attitudes toward this industry. During that period most of the tourism managers were non professional individuals who in turn absorbed an enormous number of unqualified people to take over operational responsibilities and roles. Lack of tourism related experience of such a human resource has caused and still causing problems for the industry.”

Up to this stage, the highly fragmented, complex, multidimensional, and human intensive characters of the contemporary tourism industry have been discussed. With such specifications, there should be standard system of education, which enables individuals to better understand their positions and therefore do their responsibilities with higher qualities. Helping staff to better understand the complex concepts of tourism



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business should be placed amongst the top training and educational priorities.

Conceptual simplification is a process common to much of education, allowing learners to develop a general understanding of main principles without the burden of overload which a focus on specific cases and detail may impose. This assumes that, once basic principles have been internalized, students will be able to apply these to wider contexts and situations. This approach assumes that there are clear generalizations, which can be applied to the academic or vocational field in question. O'Donnchadcha & O'Connor (1996) rightly argues that a practical education (as opposed to a rather more narrowly defined vocational education) needs to equip students both for employment and "to cope in the world" (Baum & Nickson, 1998). R7, (Director Education and Training of Cultural Heritage and Tourism Organization) speaks about the specific conditions of tourism related education in Iran as follow:

"It should be deeply understood that managing wide range of tourism activities demand a scientific and professional view exposed by qualified managers. In this regards, our tourism industry should develop a master plan for improving the skills, technical capacities, and professional competencies of its present workforce at the same time of recruiting qualified staff to take over high ranked managerial and planning positions within both private and public sections."

What is frequently seen as a practical issue, is that education providers may or may not be delivering appropriate curricula to meet industry's needs, is also an issue of policy concern and, in many respects, it is policy shifts that will be required to provide the lead, and assist the sector and the wider community to face up to predicted changes within

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tourism and hospitality in the future. Amoah (1997) postulates that effective linkages between policy formulation and implementation in the tourism and the education/labour market environments are an important building block towards meeting the human resource challenges which Spivack (1997) identifies. She argues that this outcome is most effective where specific tourism education policies are articulated and put in place as a result of the convergence of the two supporting policy areas (Baum, et al., 1997). In other words, if the educational system of a country is to focus strategically and fundamentally on the subject of improving technical, communications, vocational, and professional skills of the work force, a supportive governmental agreement is required to ensure required skills has been transferred to graduates. R9, (Chairman of Iran Tour and Travel Association) blames the ignorance of the government for not investing enough in human resource education. He adds:

“I believe one of the main reasons for not developing the human resources in tourism is because this sector has not been placed amongst the development options and priorities of the country and as a result, proper investment on human resource development has been neglected both in private and public sector of Iran's tourism.”

Approaching this topic from another dimension, R14, (Tehran University Lecturer) names the influential factors that are believed to affect the tourism development process in Iran as follow:

“Within the discussion of tourism and human resource management there are five factors that are of importance, namely correct selection, right motivations,

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proper education and training, and careful evaluation which should happen continually during the process of human resource management.”

Meanwhile, Aghazadeh believes that in the current business environment, there are five critical business challenges that need to be faced, namely, globalization; profitability through growth; technology; intellectual capital; and change, change and more change. Within such a complex business environment only highly educated, experienced, efficient, and effective organizations and industries may demonstrate required specifications to remain competitive in the tourism, leisure, and hospitality industry. R17, (Alameh University Lecturer) admits that the present tourism industry of Iran is not functioning well enough and views it as an ineffective one. He further explains:

“Continuous training and education are important necessities of human resource development. Unfortunately we do not have an effective and efficient educational system in our tourism industry. Such a shortage is the direct result of the absence of a standard system which is capable of recognizing personal and functional abilities, and comparing them with the desired standards and qualifications to plan an effective training service for staff.”

On the other hand, R24, (Managing Director Yasmin Tourism Company), believes that providing the workforce with a certain level of education and training will not guarantee their effective presence in the organization. He refers to existing problems as barriers which hold back staff to function to their potentials. He states:

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“Although presence of opportunities for acquiring higher education has made a knowledgeable young workforce accessible, but absence of factors such as motivation, acknowledgement and recognition of high quality work, and justifiable promotional systems have caused troubles for using our human resource to its maximum potentials. Official reports portray the low efficiency and productivity of the workforce and the unsatisfying entrepreneurial activities in comparison with other countries with similar conditions.”

Adding to the complexity of the tourism industry in Iran, there are a number of wrong beliefs and habits that worsen the difficult conditions of developing tourism industry. .R2, (Ex President of Cultural Heritage and Tourism Organization) sets the following example in this regard:

“One misleading belief within Iranian culture is that everyone thinks he knows almost everything. According to my own experience, less than 10 percent of unqualified people who are offered a managerial position would refuse to accept that responsibility and honestly admit they are not qualified for that position. This phenomenon is partly related to their talent and courage and partly to lack of personal knowledge of one’s own competencies and abilities.”

In international terms, Ulrich (1998) has suggested four ways for HR to deliver organizational excellence:

1. Partner with senior and line managers to move planning from the conference room to the marketplace.

2. In order to deliver efficiency to reduce costs and yet maintain quality, become an expert in the way work is organized and executed.
3. Become a champion for employees while working to increase employee contributions, specifically commitment and ability to deliver results.
4. Become an agent of continuous transformation, shaping processes and a culture that will improve an organization's capacity for change.

This makes the HR department much more than “policy police” and regulatory “watchdog”. Even more advanced and empowered HR departments may only oversee recruitment, manage training and development programs, and design initiatives to increase workplace diversity. This is not what is required of modern HR professionals. They may form partnerships with operating managers to rethink and reconfigure the HR function and become committed to outcomes. Line managers are answerable to the shareholders to create economic value; the customers for product or service value; and the employees for creating workplace value. HR managers must be part of this “agreement” (Aghazadeh, 2003). R12, (Chairman of Iran Hotel Association) is amongst the managers who are in favor of the approach of viewing the concept of human resource management from a broad perspective and do not set restricting limitations for what can be achieved through applying HRM practices to the daily process of business. He adds:

“I believe that training and education is just a small component of the long chain of human resource management activities, therefore we should take a holistic and multi dimensional approach toward the concept of developing human resource competencies and capabilities.”

Because the business world is changing, the role of HR must change. Once HR departments were considered as “mechanical” agents, helping the organization to hire and fire (and possibly train) employees. The HR department was an administrative necessity but little more. Over the last 20 years, the importance of a highly skilled, well-motivated, flexible workforce has become clear. HR departments are now expected to 'add value' to the organization – not simply incur cost (Aghazadeh, 2003).

Applying such a view would make tourism organizations more human conscious and therefore more caring about their human resources. Within such a culture, people are treated as respectful individual who are truly empowered and supported to do whatever it takes to satisfy a customer and deliver a zero defect service according to the organizational limitations and regulations.

## **7.2 Conclusion**

In this chapter we have reported and explored some of the opinions of interviewees on the three research questions noted in section 6.5 and related the comments to six areas of perceived problems limiting the development of the tourism sector: culture, religion; tourism policy and planning; infrastructure; tourism business issues; and human resources.

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Most of the interviewees did not recognize culture as being a barrier to tourism development. Some suggested that in an era of improved telecommunications and growing use of the internet, cultural isolation was no longer an option. It was considered that many potential visitors to Iran were aware of dress codes and some restrictions on social behavior while others accepted these as part of a 'new' cultural experience and something, which added to the visit. However, it was generally recognized that if there was a problem related to culture it was firmly with the Government, which seemed to fear foreign visitors might affront or even dilute the social mores of Islam and the Islamic Republic. Some interviewees believed that this attitude stemmed from the pre-Revolution days and particularly related to the behavior of 'hippy' travelers. An outstanding problem remains and that is how to inform and educate clerics and government that measures can be taken to inform and educate visitors to avoid any potential problems.

Similar views were expressed in relation to the question of religion. Visitors could be informed perhaps via embassy websites, during the visa application process and during airline travel, of the codes of dress and conduct expected in the Islamic Republic. As alcohol is not available in Iran and the visitor market is mature rather than young, no one argued that religion was a barrier for visitors and current visitors respected these values. In relation to domestic politics, the biggest problem related to the structure of government administration over tourism. When government changed so did senior politicians and managers thereby creating a problem of continuity of policy and its

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implementation. Often projects were abandoned as a consequence of these government changes and many senior appointees had little or no experience of the tourism sector, which together with weak government-private sector co-ordination, is a current problem. Since the Islamic Revolution in 1978, tourism has not been a major feature of national economic planning and is not a recognized priority. Although it is now included in the National Five Year Plan for reasons given above, government has at best, an ambivalent approach to the sector. There is need for a defined tourism policy, improved legal and administration structures, and perhaps a support from investment incentives. A continuing problem is the paucity and poor quality of tourism data and statistics, which creates difficulties in planning for the sector.

Throughout the interviews, there was a focus of concern about the poor state of infrastructure for tourism in Iran. Domestic and international transport links were described as inadequate with much of the road network required upgrading and the accommodation stock was of variable quality. The banking system was problematic for visitors mainly because of restrictions on foreign exchange transactions and specifically, limitations on the use of credit cards. It was suggested that there was need for a greater government-private sector partnership to mitigate some of these difficulties, for without improvements, sustainability of the tourism sector could be jeopardized.

There was a proliferation of business issues with constant references to the lack of professional management in the tourism sector and in particular, changing government



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appointments, often with no knowledge of or experience in tourism. It was also considered that government needed to clearly define its position relating to tourism in Iran, create stronger government-private sector coordination and avoid short-termism in its approach to investment. It was noted that in Turkey and China as examples, external expertise through joint-partnership agreements had brought considerable development benefits to the tourism sector.

Human resource issues were regarded very much as a 'work in progress.' In the last decade considerable efforts had been made by government and the private sector to provide education and training for new and current workers in the sector. Employment and social laws constrained major changes but efforts were being made to generate improvements. One problem was the lack of a clear policy on human resource development and perhaps a lack of understanding of the requirements of the tourism sector. There is a considerable difference in the requirements of the international tourist and the domestic tourist and the questions of industry standards have yet to be resolved. There is no doubt that the interviews have yielded very useful data and to some extent, almost a consensus on what the main internal problems inhibiting growth in the tourism sector is. In the next chapter, external perceptions and problems are considered.

## **Chapter Eight**

### **STUDY FINDINGS**

#### **External Barriers**

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##### **8.0 Introduction**

In the previous chapter, internal barriers to tourism development in Iran were addressed. The present chapter considers the external barriers covering sub-themes such as image of Iran, role of media, and foreign politics.

##### **8.1 External Barriers**

Tourism is a multifaceted industry and affected by various factors both in domestic and international levels. In this section, some external barriers to development of tourism in Iran are discussed.

###### **8.1.1 Image of Iran**

The intangible characteristic of tourism related products and experiences have further complicated analysis of imagery factors that may affect the choice of tourists. It is a fact that the customer can never truly encounter the tourism experience unless he is in that specific destination. As a result, most tourists are highly dependent on the images they receive through various channels of marketing and information systems to shape a rough

idea about what they are about to experience. Based on this primary perception the ultimate choice of tourist regarding the most desirable destination would be shaped. However, it is acknowledged that often a country can do little to change its image external to the country. It has little if any control over foreign media or the travel trade. Changing destination image or other perceptions can be a long-term and expensive activity. However, identifying these problems is a first step in seeking a strategic solution.

In this section the image of Iran in tourist generating markets, which has been one of the main obstacles in tourism development of the country for the last thirty years, is discussed. The benefits inherent in the consumption of tourism services are primarily experiential. Not only does the tourist engage in the actions but also shapes the actions at the vacation destination (Padgett & Douglas, 1997). Before the actual consumption, the consumer envisions these experiences reasoned upon positive emotions that the destination evokes in his or her mind. Because behavior is often a result of such perceptions (Lindquist, 1974, 1975), the traveler's choice of a given vacation destination depends largely on the favorableness of his or her image of that destination (Leisen, 2001).

On the other hand, it should be noticed that the marketing of many destinations does not begin from a zero base. It frequently begins with a set of negative or positive attributes established over a long period of time based through communication processes largely independent of marketing's control. For example, a long history of industrial decline can result in the development of a strong negative image (Zelinsky, 1994). In contrast, a destination with a long political/social history or cultural heritage arguably may have developed a strong positive image. Such images can be referred to as organic images (Gunn, 1997). Destination images fall on a continuum that begins with organic images which are developed over a long period of time and represent "the totality of what a person already knows or perceives about that destination ... from newspapers, radio and TV news, documentaries, periodicals, dramas, novels, and non-fictional books and classes on geography and history" (Gunn, 1997). These are replaced by induced images which are formed by exposure to a destination's marketing programme whose role is to build on or change the extant organic images (Hankinson, 2004).

In this regard, Roosta, Tehran University Lecturer further explains:

"In my point of view, tourism is an intangible product. According to this characteristic, selection of a tourism destination would be the result of image and perception of the traveler. Closer to the expectations and demands of the tourist would be of higher chance of being selected. In other words, the closer that the image of a destination is to the needs and wants of travelers, the more likely it would be selected as the destination to visit."

In reviewing destination image, Baloglu and Brinberg (1997), stated that the image construct consisted of two components, cognitive and affective, the cognitive also referred to as perceptual, was concerned with beliefs and knowledge about an object or destination while the affective was related to feelings or emotions about an object. These authors then suggested that environments and places have perceptual and affective images and that places additionally have an overall image that is a summation of both perceptual and affective components. For commentators such as Ahmed (1996), tourists perceive many images of their destination and the images influence their attitudes and behavior. What this author appears to be suggesting is that an overall measure of destination image limits marketers ability to devise positioning strategies, and that ideally positive and negative images of destination attributes should be investigated. (White, 2004). However, as these images are external to the destination country, they can be very costly to explore and verify. Having emphasized the reality that there are always two very different positive and negative components shaping every delivered image, R10, (Chairman of Tehran Tour, and Travel Association), discusses that individual differences can deeply affect their perceptions from a single image. He adds:

“The image of a tourist destination is usually a combination of negative and positive issues, which collectively affect the choice of the traveler. The mentioned positive and negative issues are not perceived exactly the same by different viewers. The same image that is perceived as a negative point by one community may be a positive attraction for another segment of the market.”

Faced with a great variety of competing destinations, the traveler must eliminate some options owing to time and money constraints. Among the narrowed set however, the traveler is likely to choose the destination with the most favorable image (Gartner, 1989) and one which meets expectations of personal safety and security. The image connotes the traveler's expectation of the destination and a positive image promises the traveler a rewarding experience. Consequently, the images held by individuals in the marketplace are crucial to a destination's marketing success. While for one individual a given destination is appealing, for another the same destination is less appealing (Leisen, 2001).

The traveler creates an image by processing information about a destination from various sources over time. This information is organized into a mental construct that in some way is meaningful to the individual. Gunn (1972) suggests that destination images fall on a continuum beginning with the organic image followed by the induced image and ending in the complex image. The stage of an individual's image depends on his or her experience with the destination. The organic image arises from a long history of non-tourism specific information, such as history and geography books, newspaper reports, magazine articles, and television reports that were not intended as tourism-specific. Thus, individuals who have never visited a destination nor have sought out any tourism-specific information will likely have some kind of information stored in their memory. At this point, there might be an incomplete image, to which the traveler adds other bits

and pieces. The induced image is derived from a conscious effort of tourism promotion directed by tourism organizations. While the organic image is beyond the control of the destination area, the induced image is directed by the destination's marketing efforts. It depends upon colorful brochures distributed at Visitor Information Centers, information available in travel agencies, travel articles in magazines, TV advertisements, and many other activities a tourism organization might choose to promote the destination. The complex image is a result of an actual visitation and incorporates the experience at the destination (Leisen, 2001).

Referring to the first stage, namely the organic image, R2, (Ex President Cultural Heritage and Tourism Organization) explains the contemporary situation of Iran as follow:

“The image of Iran has been conveying a revolutionary, insecure, and political country. The long war between Iran and Iraq, followed by the Kuwait-Iraq war, invasion of United States-Iraq war, and finally the issue of Al-Qaida in Afghanistan have all reflected a chaotic and conflicted image of the region which acts as a powerful negative point for the tourism industry of Iran.”

Meanwhile, R17, (Alameh University Lecturer) believes that Iran can take advantage of the second stage of image formation. Although he admits that there are other factors, such as the political obstacles, which are further complicating conditions of tourism development in Iran, there is a great chance to revise the projected negative images

through well organized and professional marketing and advertisement activities conducted by qualified managers. He adds:

“Although I cannot ignore the existence of this problem, I do not view it as our biggest one. This is partly due to our foreign policies and partly to mass media of certain countries which continuously propagate Iran as an unsafe and chaotic region.”

R22, (Managing Director of Aryan Tourist) proposes the following strategy to start a more effective and influential marketing and advertisement activities:

“I suggest that if we wish to improve the present image of Iran, it is better to concentrate on the name of Persia which is more associated with history and culture in the evoked sense of people around the world instead of emphasizing over the name of Iran which is more political. Foreigners unconsciously associate the name of Persia with Persian Carpet, Persian Caviar, Persian Cat, and a lot of other positive images, products, and experiences.”

In fact, the name Persia commonly conjures up quite different images to the name of present Iran (Baum & O’Gorman, 2010). This name refers to Iran’s cultural heritage back for at least 5,000 years; give a more favorable picture of Iran.

Pointing back to the presented discussion of perceptual and affective components of every image it can be suggested that attitudes are evaluative statements formed through



the interaction of cognitive, affective and behavioral components, where the cognitive component represents the beliefs and knowledge one holds regarding an object or person, the affective component represents ones feeling towards an object (sad, happy etc.) and the behavioral component is how one acts towards the object. Moreover, recent research that has examined the affective component has indicated that emotions are better predictors of destination visitation and customer purchase intentions than the more commonly used cognitive component (White, 2004). Accordingly, many image producers try to influence the emotional judgment of potential tourists and positively or negatively manipulate their choice through projection of carefully designed images. Relating to the tourism industry of Iran, some foreign image producers like media with political orientation try to project an undesirable and uncomfortable image of Iran with the aim of preventing increase in tourism flow to the country. In this regard, R24, (Managing Director Yasmin Tourism Company), sets the following example:

“Iran has long been pictured with wrong, undesirable, and negative images such as:

- Introducing Iran as an Arabic country and Iranian as Arabs.
- A hot country covered with deserts, with intolerable climate.
- Picturing Iranians as Arabs who are under the influence of Islamic fundamentalism and support terrorist activities.
- A country in which human rights are not respected”.

Admitting that the contemporary tourism industry of Iran is in critical condition R7, (Director General Education and Training of Cultural Heritage and Tourism Organization), believes that some urgent corrective strategies should be developed and implemented in order to improve this existing undesirable image of Iran. . He adds:

“I personally view this wrong image of Iran as the biggest problem of our tourism industry. About the discussion of incoming tourists, such undesirable vision is actually functioning as a huge barrier for selecting Iran as a tourist destination. In order to overcome such a huge obstacle, there should be a very effective strategy based on comprehensive research conducted by image building professionals. On the other hand, if there is real intention to change the undesirable conditions, a wide range of political, marketing and advertisement, and trade activities must be conducted according a carefully selected strategy. Of course, such a remedial strategy would require appropriate funding and managing”

Richardson (1969) insisted that there may not be a universal human cognition; some people may record their experiences as images while others may use words, and that mental images are conscious entities that can be categorized into different types, and the types differ subjectively according to the degree of conscious control one has over the image and the degree of image vividness (White, 2004). In this respect, and with the help of smart planning, the projected false image of a destination such as Iran can be corrected and revised by encouraging holders of such false perceptions to visit Iran. Referring to “complex image”, or the final stage of image perception proposed by Gunn

(1972) which is the stage in which the tourist has visited the selected destination and compares his expectations with the actual events that he has experienced during his visit, R17, (Alameh University Lecturer) states:

“I believe that there is a two way relationship between tourism and image. In this respect, there would be great chances that this problem of wrong image be solved through tourism itself.”

R21, (Chairman of Arg-e-Jadid Tourism Company), brings a live example of the presented claim as follow:

“According to the conducted researches and interviews on foreign tourists, about 95% of them admit that the image they had in their mind prior to their visit to Iran and that of which they truly observed during their stay was absolutely different.”

There is evidence that the satisfaction of tourists may result in spreading positive word-of-mouth communication about destinations and repeat visits to the area, which is essential for economic profit from tourism and improving the image of the destination (Hennessey, et al., 2010; Truong & King, 2006).

Once a consumer decides to travel, he or she expects a rewarding experience from the trip. The traveler’s anticipations are derived from the image the traveler has of the destination (Gartner, 1989). The image represents the destination in the traveler’s mind

and gives him or her pre-taste of that destination (Leisen, 2001). R12, (Chairman of Iran Hotel Association) explains that since the current images of Iran does not picture a high quality tourism service, the limited number of travelers who select Iran as their destination enter this country with a very low expectation, which functions as a positive point for the tourism industry of Iran. In this regard, he explains:

“All the negative images of Iran shape up a very low and limited expectation of services for the incoming tourists who select Iran as a destination. During the visit to Iran since most of such expectations are not only met, but in fact exceeded, the satisfaction level of visitors increase to great degrees. Return of tourists to their country of origin and the positive word of mouth about realities of Iran can have great positive influence in correcting the wrong image produced by mass media.”

Speaking from a broader perspective, some commentators including Leisen, 2001, believe that little effort has been made to segment the travel market based on images. Specifically, studies conducted to identify consumer groups with more favorable images are missing. The importance of these segments was expressed by Crompton (1979). He recommended that groups of people with an above average image be identified, since they form more responsive target markets. The identification of such consumer subgroups would allow the destination marketer to target these segments and further enhance their image, so that the destination becomes favorable over other areas at the point these people make their travel decisions. In addition, the identification of these opportunity segments would provide guidance for a highly focused and cost-effective

promotional campaign. The resulting optimal allocation of promotional resources would ultimately lead to higher conversion rates of advertisements and increased travel to the destination.

R9, (Chairman of Iran Tour, and Travel Association) agrees with the above theory and believes that whether the tourism managers like it or not, the present negative image of Iran as a tourism destination does exist. Accepting such a fact and making the right decisions can help this industry to improve. One suggested strategy in that regard would be prioritizing of those segments of market that do not have a pre set negative perception from Iran identified through careful market study. In this way, the tourism industry can be saved from loosing visitors and eventually become more competent in rebuilding and revising the existing false image of other market segments. He further explains:

“Although such a negative image of the country existed for the 30 years, we haven't done much to correct and improve the conditions. For instance, we have failed in attracting tourists from places such as some Muslim countries which do not have any negative perceptions and even have positive image about Iran in their minds.”

In conclusion it can be stated that thorough investigation of image of Iran as a tourism destination and evaluating the root causes which have produced such a negative perception can play a crucial role in improving and revising the damaged image of the country in the target markets. The marketing and advertisement activities conducted by

the Iranian tourism organization, companies, and associations can function as a complimentary plan for creating a desirable and attractive image of the country as a tourism destination. In the same context, in today's tourism world, it is also essential that recent means such as internet, e-marketing activities, etc. are properly used to address the issue. Much has yet to be done to overcome image negativity. Again, it will require a commitment and coordinated effort from both the government and private sector to initiate effective action. In fact, the private sector operators have the closest contact with visitors and have ample opportunities to explore with them their expectations, experiences and levels of satisfaction with their trip. This information can be a valuable input to formulation of marketing strategy.

### **8.1.2 The Role of Media in Reshaping the Image of Iran**

In the previous section, the importance of developing a true, attractive, and desirable image of tourism destinations was discussed. It was explained that in the absence of a proper image, and in some worse cases of negative imagery such as the case of Iran, the tourism product mix could not be introduced properly and therefore, cause severe damages to the tourism industry. This section highlights the roles that media and marketing activities can play in reshaping the existing image of Iran as a tourism destination.

The degree of satisfaction gained from the experience relates to several factors including the expectations of the tourist, the degree of reality on which those expectations were based, the ability of the tourist to adapt to perceived realities and the nature of the critical encounter that shaped that reality (Ryan, 1991a). This provides the link between tourism and marketing (Wheeler, 1998). According to this theory the marketing mix, which includes the highly influential components of media, would be of outmost power to make or break the satisfaction of tourists from their visit and therefore affect the success of tourism industry of any country.

Like product and service brands, destination brands generate sets of expectations or images of a place prior to consumption. The more favourable the image of a destination, the greater the likelihood of selection. Evidence suggests that visitors' choices of destinations are based on the degree to which they generate favorable images (Gartner, 1989, Woodside & Lyonski, 1989). Destination images are thus the means by which a prospective tourist determines a destination's potential for satisfaction (Pearce, 1982). A destination's brand image is therefore crucial to its marketing success (Leisen, 2001). A key role of marketing in this context is to develop the destination as a positive perceptual entity or brand (De Chernatony & Riley, 1998). In an increasingly competitive market therefore, destination marketers must seek a fuller understanding of the nature of images held by both individuals and organizations in order to build more favorable brand images and thereby enhance a destination's attractiveness and economic development (Hankinson, 2004).

In this regard, R1, (Acting Head of Cultural Heritage and Tourism Organization), define the power and competencies of media as follow:

“Within the present globalized world in which people are getting closer to each other mass media play the role of veins. Influence of media and communicational systems are to a degree that they can set the fundamentals for massive changes in various grounds. With such power, many tasks are done or prevented through mass media.”

In relation to introducing and marketing the tourism industry of Iran, there are a number of obstacles which have long been causing misperceptions in the international tourism market. R2, (Ex President of Cultural Heritage and Tourism Organization), believe that Iran with its high potential for attracting tourists should try to replace the present negative images with more desirable and pleasant ones. Indeed, Iran is widely renowned for its diverse attractions such as historic and cultural monuments, landscapes, climate, customs, and the people’s lifestyles (O’Gorman, et al., 2007). According to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), Iran is ranked as one of the world’s top countries in terms of the number of ancient and historical sites (UNESCO, 2010). However, the lack of information and advertising renders the country remaining relatively less explored by the outside world. He explains:

“In fact Iran has been experiencing long years of political, social, and economical reformations and through this time foreign media have focused on picturing an unstable Iran instead of introducing our cultural, natural, and



historical attractions. At this time I believe we should start to advertise a peaceful and cultural image of Iran as a tourist destination.”

In this regard, R16, (Tehran University Lecturer) describes the negative, yet influential role of foreign media in picturing an undesirable image of Iran as follow:

“Western media have long been active in creating a frightening image from Iran. Although this wrong image is the direct or indirect result of Iran’s political stances, but proper utilization of the power of media can be crucial in creating a clear picture of Iran.”

On the contrary there are a number of commentators who do not view the efforts of foreign media in spoiling the image of tourism industry in Iran as a serious matter of concern. R3, (Vice President of Cultural Heritage and Tourism Org.), refers to the globalization phenomena and states:

“Although media can play crucial role in shaping perceptions from a destination, but within the contemporary globalized world and accessibility to a wide range of communication systems, Internet sites, publications, and various types of media, picturing an unreal and biased image of a country is getting a harder.”

R25, (Team Leader, Tourism Master Plan) investigates the potential role that media can play to improve the existing corrupted image of Iran as a tourist destination as follow:

“Media can definitely play an influential and crucial role in correcting the perception of people around the world about Iran. Without the help of media, informing foreign tourism market about the real situation of Iran and reshaping the existing negative image would be impossible.”

The tourism and hospitality sector has become a major economic activity as expectations with regard to the use of leisure time have evolved, attributing greater meaning to free time. The evolution of tourist behaviour encourages both change and the emergence of new meaning (Bouchet, et al., 2004). This results in marketing having potentially a greater prominence in tourism and hospitality, than in other industries. Potential that is not always fully achieved (Morgan & Pritchard, 2002). The key reason for this failing is that the marketing for tourism and hospitality has been focused not on the consumer, but on the destination or outlet, with marketing strategies being related to the products offered (Williams, 2006). Roosta, Tehran University Lecturer, believes that the whole planning of tourism marketing through mass media is faced with failure since the tourism product has been the focus of attention in all of those efforts. He further explains:

“In utilizing the media, we have missed two opportunities. First we failed to create a suitable image of the country, second we just focused on attractions. I believe instead of spending enormous amount of money on fragmented advertisements, reshaping the image of Iran should be followed through a comprehensive national plan.”

Hankinson (2005) has stated that in contrast to consumer products, place products are more complex and therefore present a significant challenge for the destination marketer. First, places exist both as holistic entities or nuclear products and as collections of contributory elements or individual services and facilities. Thus, a city can have an overall reputation as an old industrial city, while individual (contributory) elements, for example sports facilities, museums or shopping centers, can have their own individual reputations for totally independent reasons. The job of the destination marketers is to select a portfolio from these individual elements to form the basis of a destination product. Second, the place product can be assembled uniquely by each visitor from their experiences of a chosen set of individual contributory elements (Ashworth & Voogt, 1990). As a result, the destination marketer may not have full control over the product experience. Third, places are multi-functional. The same place can offer historical buildings, shopping facilities, sports facilities, and entertainment venues. These may all be consumed by the same consumer group such as residents or individually by different consumers with special interests (Ashworth & Voogt, 1990). Therefore, the same destination product can be consumed simultaneously by different consumers' segments (Hankinson, 2005). With such a complex condition of marketing and destination promotion, it is important to select the best possible plan with the highest rate of efficiency and effectiveness. In this regard, R10, (Chairman of Tehran Tour and Travel Association) explains:

“I believe the media usage should be diverse and well planned. Although different media such as TV, internet, magazines and newspapers, and cinema can have direct influence over the perception of tourist from a destination, indirect channels such as 'word of mouth' can have a more effective and lasting influence than the direct ones.”

Today's traditional word-of-mouth (WOM) has changed into a new form of communication, namely electronic word-of-mouth (eWOM) communication (Cheung & Thadani, 2010). In effect, social media plays a vital role in marketing for almost any business. The Internet has provided a new platform of communication, which is similar to word-of-mouth, which could empower consumers. Travelers can email each other, post comments and feedbacks, publish online blogs, and form communities on the Internet (Pan, et al., 2007, p.4).

Anecdotal evidence delivered through media coverage, would suggest that contemporary consumers are self-indulgent, pleasure seeking individuals, easily dominated by marketers and advertisers, who act like sheep in the ways they mimic referent others. However, the reality is obviously much more complex than such a scenario suggests. Contemporary consumers are as likely to be driven by thrift as to they are to be hedonism; they use consumption to make statements about themselves; they use consumption to create their identities; and they develop a sense of belonging through consumption. Consumption also plays a part in finding fulfillment, developing creativity

and expressing their individual abilities. Clearly, such a complex phenomena cannot be easily understood (Williams, 2006). In this respect, it can be claimed that a sole advertisement about the beauty and attractiveness of a destination would no longer be sufficient to influence the choice of travelers. R17, (Alameh University Lecturer), agrees with the above claim and adds:

“During recent years, the Cultural Heritage and Tourism Organization of Iran have screened various ranges of advertisements about Iran on international satellite channels and televisions such as CNN, BBC, Aljazeera, MBC, Euro news, etc. Although this is a similar strategy that other countries such as Malaysia and India have adopted, but I personally do not consider it as being sufficient to correct the existing negative image of Iran as a tourist destination. E-marketing and the internet possibilities, travel blogs as well as trip advisor reports might help correct the situation.

Furthermore, it is believed that communicating the desirability of a product or service to a potential customer does not end with the execution of an advertising idea. Media selection, though not so visible a component of the process, links the message to the customer. Good media selection delivers the message to the right audience at the right time: important steps in moving the consumer to a purchase decision.

A central part of any media planning effort is selecting the target market for the advertised product or service. Media planning, consequently, centers upon the customers for the product or service and their media habits. Most media usage research is

conducted to identify the media habits of specific demographic audiences since, for advertising purposes, media usage equates with likelihood of advertising exposure. Consequently, when managers are faced with promotion decisions of which medium provide the best vehicle for advertising messages, they are generally guided by usage of data.

While such usage data reveal the extent to which a particular vehicle allows a message to reach a target audience, the consumer's attitude towards the medium as an advertising vehicle, or perceived usefulness, is generally hard to be evaluated. For marketing managers involved in media selection, consumers' perceptions of media types as useful paths has definite implications for advertising and promotional decisions. The potential for a message to achieve the desired response is critically linked to the consumer's response to the message. When customers view a particular medium as useful in terms of advertising, the likelihood of those advertisements gaining the desired response is enhanced (Haynes, 1991). R19, (Managing Director Tatilat Tours), believes that through selecting the right media, the true beauty and attractiveness of Iran as a tourism destination can be introduced. He adds:

“I believe that we can improve this negative perception of Iran through developing joint cultural, sport, business, and investment programs and activities with other countries and positively reflect them in the international media. Unfortunately, the private sector input to the marketing strategy devised by the national organization has been ignored.”

Different commentators have suggested various methods and strategies for attracting the attention of the right target market to Iran. In this regard, R23, (Managing Director TOP Tourism Company), believes that through development of positive word of mouth produced by influential people in the tourism industry, credibility of this country as a safe and desirable destination for visit would be increased. He explains:

“In this regard it is possible to identify influential people and characters as well as reporters and journalists and representatives of mass media such as international newspapers, and televisions channels and invite them come to Iran. Their first hand experience can be of great help to improve the present undesirable picture of Iran. This has been tried previously, but due to inappropriate management, the feedback was not very positive”

It can be concluded that it is the media’s role to report what happens in the world, no matter how ugly or distasteful it may seem to some people. Much to the surprise of many people, news is what *actually* happens, not what some people would *like* to have happened (Zerman, 1995). Undoubtedly, in the tourism domain, image of a destination play a crucial role in its position in the global marketplace. Since perception of people from a tourist destination is subject to alter on day to day basis. Therefore, both public and private sectors should be well prepared to take corrective measures to positively reshape the image of a destination.

Although there is general agreement that Iran has and does suffer from a negative international image, that image is not one created by the tourism industry, but rather, the negative country image affects the perception of the tourism industry. It follows therefore that the tourism industry must project its attractions and attendant hospitable welcome. It should project itself as the welcoming face of Iran. It must relate this to a statement of security and personal safety for visitors to the country, a cocoon which tourists will expect. The ability of South Africa during the apartheid years, and the well documented problems in Egypt and Lebanon has not ended tourism to and in these countries. However, they are examples of how external images can be changed and shaped. Without a positive and welcoming image tourism cannot flourish. Image is too important to be left solely to the international media. As noted above, constant attention need be given to monitor foreign media, correct unfair or misleading perceptions, and to reshape an image by careful selectivity of information, channels of communication, and target markets. It should also be noted that a 'welcoming image' is not only a media invention; in Iran government relaxation of visa regulations, use of credit cards, improvements in infrastructure noted in Chapter 7 would all contribute to improving the image of Iran as a tourist-friendly country.

### **8.1.3 International Politics**

In this section, the foreign policies of the government and its relationship with tourism development of the country are discussed. Several respondents have defined clear relationships between the tourism industry in Iran and the foreign policies of the



government. During the following discussions, negative and positive impacts are discussed and several suggestions are presented in order to minimize the negative effects of politics on tourism and promote its positive impact.

Modern tourism is an ecological, economic, and political system that is complex and global. As it matures, it attains a degree of separation from the rest of society (Cohen, 1972). The system is marked by a centrifugal tendency (Christaller, 1955, pp. 5-6) as it constantly expands into new areas, whether a spontaneous “Organic” pattern as a result of some inner impetus or in a sponsored, induced form through the efforts of the national authorities or large scale developers (Cohen, 1972, 1984).

This complex interdependent system of tourism is shaped from a number of components which are in their turn under the direct or indirect influence of other issues and parameters amongst which foreign politics are believed to be of great importance. Politics has long been defined as a two edged sword with powerful competencies of making or breaking businesses. The relationship between tourism and politics has been analyzed from different perspectives by various commentators. R24, (Managing Director Yasmin Tourism Company), describes the relations as follow:

”Political tensions have always been a major negative factor for the tourism industry of any country. Foreign policies of the Islamic Republic of Iran, especially during the past three years, have not been in line with tourism objectives of the country. Such foreign policies have limited the international

relations of Iran and created political tensions with other countries. For instance, Iran has failed to develop desirable political affairs even with its closest neighbors, which has adversely affected the travel and tourism sector.”

The current undesirable picture of Iran has been developed as the result of some actions and policies of the government in recent years. In this regard, R17, (Alameh University Lecturer), further explains:

“Our political relations with other countries have direct impact on the image of Iran. This relationship is not confined to governments, in business grounds, tourism companies are also sensitive about political issues and respond accordingly.”

On the other side, the nature of tourism products is associated with a certain level of uncertainty. R6, (Marketing Director of Cultural Heritage and Tourism Organization), states:

“Each and every tourism destination has got strengths and weaknesses and a wide range of unpredicted events may happen. On the other hand, type of political relations between countries is closely associated with the way in which incidents are covered. It may be perceived as routine in a country while it could lead to immediate travel warnings along with negative side effects in another country.”

According to this argument, the political environment of the destination country is amongst the external factors, which can have both positive and negative impacts on

tourism. In this respect the way that political decisions are made and practiced and the ways in which such policies are, being analyzed by foreign governments can play a crucial role in choice of incoming tourists to the country. On the other hand, the way that those political actions are being reported and broadcasted through mass media can further complicate the condition of predicting the effect of foreign politics on the development of tourism sector. R20, (Ex Marketing Director (ITTO)), states:

“Some political actions in Iran and their reflection abroad provide a good opportunity for some foreign countries to picture a negative image of Iran and try to isolate it politically. But it does not mean we give up all our plans and efforts of developing our tourism industry and wait until the political relations between Iran and other countries for example USA normalizes. We should have powerful presence in global media and reflect the realities of Iran to the world.”

Despite the presence of such obstacles, there are a number of successful examples of countries with difficult and unsecure political conditions that have managed to sustain their tourism industry as an independent sector and enjoy the economical, social, and cultural advantages of the industry. In this respect, R1, Acting Head of Cultural Heritage and Tourism Organization, uses the example of the former Soviet Union and adds:

“In the past, in spite of political tensions and cold war between the Soviet Union and the western countries, there was an annual flow of four million tourists to the Soviet Union out of which 3.5 million were from the United States and Europe.”

At the same time that many tourism experts are worried about the negative effects that political decisions might have over the daily business of the tourism industry, some commentators including R4, (Head of Cultural Heritage and Tourism Research Institute), have taken a totally different position towards this issue. He believes:

“People have now access to various sources of information and it is not possible to stop tourists from travelling to a destination by political intention and negative biased propaganda.”

R25, (Team Leader Tourism Master Plan), is another tourism professional who believes that the negative influence of Iran’s foreign policy has been over emphasized while there are a number of other problems that should be overcome in order to develop a prospering and successful tourism industry. She explains:

“I cannot argue the fact that international policies of countries have got influence over the choice of travelers, but nobody can claim that governments for example in the United States and Europe have got nothing to do except preventing their citizens from travelling to Iran. People would not limit their travels unless there is serious safety and security issues or required facilities are not available in the destination.”

In this respect, the increased knowledge of individuals who are going to select their travel destination should be noted. The 21<sup>st</sup> century is no longer the era of superstitions and naive beliefs. People have been raised as educated and logical individuals who have

access to most means of communication to gain the information they need to make decision. R11, (Chairman of Tour Operators Society), agrees with this and adds:

“Many people would never take the advice of their government for not going to a destination just because there is a different political system or they will be obliged to observe certain codes of conduct in a country. I believe such differences can become attractions if they are correctly managed and properly advertised.”

In regard to the this comment it is interesting to note the successful development of the tourism sector in Cuba despite the long-standing embargo on trade and citizen’s travel imposed by the United States. Speaking from a broader perspective, the tourism industry may be perceived as an industry that can help to improve and revise the foreign politics of governments through tourism interactions among people of different countries. In other words, a two-way relationship between tourism and foreign politics can be identified in which both sides can affect each other directly or indirectly. Providing a memorable experience for incoming tourists can bring distanced nations closer to each other, therefore provide the means of improving political relations between countries. In this respect R18, (Managing Director of Gulliver Tours), states:

“Although at present the tourism industry does not have the power to influence and alter political views of the government, but it can be of great help. We should try to revitalize our relations with other countries based on a strategic plan. This is a fact that all citizens of a country do not totally agree with the political decisions of their governments and in many cases even disagree with

them. Many people do not accept the advice of their governments about excluding Iran from their travel list. These are the points on which we should focus.”

In this regard, R2, (Ex President of Cultural Heritage and Tourism Organization), uses the example of facilitating the tourism flow between Iran and Saudi Arabia as a result of improvement in political relations between two countries. He explains:

“Developing a peaceful and stable political relation with other countries can have positive impacts on development of our tourism industry. For instance, improvements of relations between Iran and Saudi Arabia removed travel obstacles between the two countries and as a result nowadays Iran is receiving thousands of Shiite Muslims from Saudi Arabia who could not easily travel to.”

In line with tourism development objectives of Iran, facilitating the movement of people to and within Iran can be of great help to encourage tourists to select Iran as a favorite destination to visit. R10, (Chairman, Tehran Tour and Travel Association), states:

“Acquiring the visa for travelling to Iran has turned into a major problem for many foreigners. Visa waiver, or at least easing the visa issuance process by taking the advantage of IT and electronic systems of issuing visa can definitely increase the number of inbound tourists.”

In conclusion, it is revealed that foreign policies of a government can have both positive and negative impacts on tourism performance of a destination. It is suggested that although the foreign policies of the government of the Islamic Republic of Iran has caused a number of obstacles and difficulties for developing the tourism industry of the country and has failed to portray a desirable and attractive image of Iran, there are still opportunities to reshape the image of Iran. In this regard, close cooperation of public and private sectors at a domestic level on one hand and international collaborations on the other hand is required to ease the process of overcoming the existing difficulties.

## **8. 2 Conclusion**

This and the previous chapter have attempted to analyse clearly both the internal and external barriers to the development of tourism in Iran. The issues have not been particularly difficult to identify, as many stem from the beginning of the Iranian Revolution in 1978, but they have been given veracity by the use of prominent figures in the tourism sector whose comments are based on extensive experience. These comments in one sense reflect the day-to-day reality of operating a tourism business in Iran. It is also clear that as in other countries, tourism operates within the wider political environment acting very much as a form of development parameter. For example, a more liberal approach to visa issuance or a visa-on-arrival regime would facilitate travel. The use of joint-partnership hotel investment with foreign countries very much on the Chinese model could bring considerable managerial expertise, market connection, and image benefits. Support for the tourism industry in relation to investment incentives is

another example where benefits could be derived. However, these are all policy issues which will eventually require a government decision and further demonstrates the need for a closer relationship between government and the private sector. Many of the problems described here are not confined only to the tourism industry but have a wider impact. Much remains to be done before the true potential of the tourism industry can be attained. However, many other countries such as Lebanon, Cuba, Egypt, and South Africa and within the United Kingdom, Northern Ireland, had continued to develop their tourism sectors despite many difficulties. The current difficulties in the Arab World will certainly disrupt visitor flows and provide many challenges for tourism sector companies and marketing strategies. Many countries other than Iran will be facing problems, many of which have been identified in this and the previous chapters.



## **Chapter Nine**

### **DISCUSSION OF FINDINGS**

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#### **9.0 Introduction**

This chapter discusses the empirical findings as presented in chapters 7 and 8 and links them to the relevant literature. The order of discussion is similar to theme structure in previous chapters, which is divided into two main themes and ten sub-themes.

#### **9.1 Internal Barriers to Tourism Development in Iran**

##### **9.1.1 Culture**

It is evident from the findings that different stakeholders place various understanding on the term 'culture'. In general, there seems to be lack of a coherent view as to what constitutes culture and there is lack of clarity and consensus as to a definition of culture. For most interviewees, culture seemed to focus on the inter-action between the visitor and the host community and also on the consequences of that inter-action on the host community.

This attitude has been adopted in a relatively uncritical manner without reference to the considerable debate that exists, both at an academic and practitioner level regarding the concept of culture and its functionality in tourism development.

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On the other hand a group of respondents believe that cultural issues are exaggerated in Iran and panic about negative outcomes resulting from exposure of the host community. It has been seen that in most cases, due to lack of a common understanding, a minor concern has turned into a major problem. Most of respondents mainly from the private sector, do not consider culture as a barrier since Iran has long been the meeting point of a wide range of different cultures all through its history.

As we have seen, definitions that exist for culture place considerable emphasis on shared values, attitudes, commitments, beliefs and overall thinking of a society (Dennison, 1984). The findings of this study show that there is almost consensus that cultural differences do not necessarily mean cultural conflicts will arise. Culture is not a static concept but it is something, which is constantly changing and evolving. On the other hand, the above discussion demonstrates that culture is not a well-defined concept across different categories of interviewees in the research area, and this confusion is a result of different stakeholders adopting different perspectives on what constitutes culture. This confusion, perhaps, is not surprising because the definitions of culture are very general.

Despite this statement, the general perception among interviewees is that culture as a whole way of life of people could positively affect development of tourism in Iran. What may be lacking is the understanding of culture and its role in tourism development.

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In general, the perception among academics, tour operators and government

organizations is that culture is not a major issue in tourism development in Iran.

The findings suggest that a different approach should be developed. The one in which culture is viewed as a means of 'invasion' is not the best solution. Distinguishing between global, national and sub-national cultures and their impacts on tourism behavior (Weiermair, 2000) in order to reduce the negative impacts through awareness activities, create appropriate interaction between host and guest communities, and benefit from culture as a unique tourism attraction. If culture both in the sense of a living culture and heritage are to be the main attraction in Iran's tourism, then it is necessary to realize that tourists also bring their own cultures and this can often enrich local communities. Culture cannot be protected in the sense of it remaining unchanging; it will evolve but not change fundamentally. It should also be noted that as in most other geographically large countries, tourists are not evenly distributed so some regions and areas may not be exposed to foreign visitors or their culture. A monitoring of tourist activities will provide one means of assessing impact of the visitors and any problems can be managed. For example, over-visitation of a cultural attraction leading to deterioration in both visitor experience and possibly physical or environmental damage are problems, which require management solutions. Using the experience of other countries sometimes allow tourism planners to anticipate problems and provide the necessary preventative measures as part of an operational plan.

Culture of course, is one of the most important attractions in a country's range of tourism assets. It also provides a means of distinguishing and differentiating one

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country from another and within large countries, one region from another. Displaying one's culture for tourists is often a sense of national and regional pride but it is also usually linked to a concern that culture might be changed, diluted or commoditised. This must be acknowledged as a possible risk but as culture is of the nation and people then it is the responsibility of these stakeholders to manage its cultural heritage. In particular, government should ensure through monitoring and community consultation that inappropriate displays or demonstrations of cultural manifestation are not allowed. Sometimes it requires government intervention to combat the power of the travel trade and tour operators who may want to present culture both traditions and artifacts in such a way as to maximize profits. King and Parnwell (2010) and Singh (2009) are replete with case studies of the challenges of using culture as part of a tourism development strategy.

In Iran, consideration of tourism and culture are inextricably linked to religion with the fear that foreign visitors and particularly non-Muslims will somehow challenge one of the pillars of the Islamic republic. This is further discussed in the next section

### **9.1.2 Religion**

The findings indicate that there are different attitudes towards the consequences of the interaction of non-Muslim tourists and an Iranian Muslim society. A majority of respondents without significant difference believe that people can not live in isolation and in today's world can not stop communication and interactions of Iranians with other people across the globe.

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It is also evident from the findings that Islamic teachings while supporting the general concept of tourism, has obliged Muslims to accept and welcome foreigners who travel to an Islamic country provided they observe the codes of conduct and respect the Islamic norms and values (Scott & Jafari, 2010). Part of tourism planning therefore requires a means to emphasis to visitors that Islamic norms have to be respected but to do this in an informative rather than in an authoritarian way. It can be expected that many 'cultural' tourists would already be apprised of these views and practices before arriving in the country.

Respondents mostly believe that if there is any issue it has nothing to do with religion but it is in relation with the perceptions and attitudes of religious leaders and commentators. Therefore, any perceived problem may not be with the visitors but rather with government apprehension of a possible conflict of cultures and life-styles. It is also considered that religious beliefs in their pure form can never set any restrictions for tourism and its development, but extremist actions and misperceptions are mainly the source of limitations as it is hardly seen tourists causing problems in Iran. There is a consensus among most stakeholders interviewed that negative reactions of some religious leaders stems from their lack of knowledge and understanding about tourism.

On the other hand, some respondents consider the lack of proper planning and management of tourism as the main problem and raise the question as to why Iran as not been successful in attracting tourists from the Muslim world and particularly from Shiites communities. As previously noted, more Shiites are visiting from Saudi

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Arabia and this is a market segment, which has great potential in other Muslim countries.

Despite these comments, religious figures particularly in government have a major role to play. It seems more than tourists do, it is the religious leaders and commentators who should be educated about tourism, and first and foremost this misconception needs to be fixed.

In general, while academics had a rather neutral view on role of religion in tourism, tour operators believed that there are no limitations for tourism in Islam and current practices stems from certain personal attitudes. Government respondents considered the prevailing regulations as an opportunity and not a barrier enabling tourists to have a new experience provided the regulations are further relaxed and tourists are educated about them.

In this regard, the study findings suggest that as practiced in other Muslim countries, the tenants of Islamic practice can coexist with the development of tourism in Iran but there is need to address the continuing challenge through forming professional commissions and well-informed advisory groups comprising of both public and private sectors representatives to raise the subject with key religious figures in order to gain their appreciation and support. The successful development of tourism in Malaysia and Turkey show that religion itself is not a barrier to such development but it does require careful policy decisions and implementation. Government should set clear parameters to guide marketing strategies and to inform the industry. The travel trade itself particularly tour operators facilitating inbound tourists could then base

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their programmes within the policy guidelines and assume responsibility for both educating and managing foreign visitors.

### **9.1.3 Policy and Planning**

Policy generally refers to a set of objectives that are used to facilitate the development and execution of a plan that includes goals and procedures. Public policy therefore, takes into account the desired end results of a government and the method of attaining those results.

Tourism policy is generally considered as an area within a nation's overall economic policy. Economic policy is concerned with the structure and growth of a nation's economy and is often articulated in five-year or ten-year plans that project conditions in the coming decade and plan the nation's economic growth within those conditions (WTO, 1996).

In the case of Iran, findings reveal that tourism has never been considered seriously as a development option in government's national plans. Most respondents believe that the substantial oil and gas related revenues have distracted government's attention from the tourism industry in Iran. Therefore, it has never really had any considerable place amongst development priorities of the government. This is perhaps not surprising given the country's huge resources of oil and gases both commodities in international demand. However, as Iran has a growing and young population, and an increasing demand for jobs, tourism has some advantages, which other sectors cannot offer. For example, unlike oil and gas extraction, tourism is labour-intensive; tourists also travel to the sites and areas where tourist attractions

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are; it has, at lower employment levels, an ability to absorb low-skilled workers with associated lower training costs; it has considerable visibility in rural areas and through the country's cultural heritage, many development opportunities. Although tourism will never challenge oil and gas as the major sector in the economy, it does offer many advantages for strategic development in parts of the country where other economic activities cannot prevail. It deserves more attention from national planners. Findings also indicate that even in the case of existing plans, the main problem remains with the implementation issue.

Policy implementation holds the key place in the whole policy-making process. Poor or non-implementation of policy means wastage of resources, time and expertise spent in formulating them. As a result, not only the process of solving a public problem will be delayed, the standing and faith of government and the public authorities involved will be lost (Eliot, 1997). Also Tribe (2010, p. 189) comments: "two important aspects of strategic implementation (are) first, resource planning where emphasis is on identification of resources needed to support a strategy, issues of resources fit, and formulation of a co-coordinating plan. The second aspect of strategic implementation involves designing an organizational structure that can best support a particular strategy. This in turn prompts a discussion of structural types, structural elements and issues in organizational design." In Iran to date, these issues have not been co-ordinated. The problems relating to the organizational structure for the management of tourism have already been detailed and are further noted below.

Most of interviewees argue that much of this problem is due to focusing on short-term tactical management practices instead of taking a holistic long term perspective



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in the policy and planning. Tourism planning takes place in different departments of Cultural Heritage, Handicrafts, and Tourism organization in a scattered and unbalanced manner. Although all planning should be directed towards objectives set in the 2025 perspective plan, but in most cases plans are not integrated and well-coordinated.

It is also clear from the findings that general management of the tourism industry along with required resources play a key part in tourism policy formulation, planning, and implementation. Weakness in this area has negatively affected the whole planning process in Iran.

In general, academics, while emphasizing on necessity of having a non-political approach towards tourism believed that tourism is under pressure from official and non-official political forces and therefore, politics should be separated from tourism unless it has a supportive role. Tour operators believed that as clearly seen in current situations, tourism is very much affected by government political approaches in various layers of management and practice. On the other hand government respondents endorsed the political role of government in the top management as well as adaptation of non-political approach in technical and professional positions provided that the relevant structures and manpower are in place in the private sector.

The above discussions indicate that the presence or absence of a national tourism policy is important in setting goals and directing development of the industry. On the other hand, considering the changing role of the private sector in Iran, government should enable the private sector to take a lead role in tourism. At present it is not

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clear whether the government is prepared to undertake a coordinating and initiating role in the tourism sector. Over the last decade there has been considerable support for the idea of government playing an enabling role in the tourism sector and introducing the conditions and framework for the private sector to take the main development role. In Iran at present, this major step will require political decisions at the highest political level particularly if the tourism industry is to be supported and managed.

#### **9.1.4 Domestic Politics**

Politics can have both positive and negative impacts on tourism development depending on policies and actions of governments. At the domestic level, the study findings reveal that politics have adversely affected the tourism industry in Iran on many occasions. Changes of governments with subsequent changes of tourism policies and planning and repeated displacements in managerial positions could be considered as one of the main barriers to tourism development. Lack of continuity in the personnel managing the tourism sector is also a recurrent problem and as noted above often leads to the abandonment or non-implementation of tourism plans. When the new managers have little knowledge of, or experience in, tourism it tends to stagnate any momentum for progress.

In this context, while academics considered the weak tourism management in the public sector as the main reason for lack of proper tourism policy formulation and planning, tour operators and associations viewed the lack of appropriate policy guidelines as the main problem. Government respondents viewed the issue due to

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lack of high level policies considering tourism as an important option for development of the country as well as relatively weak private sectors.

The findings also suggest that tourism should be considered as a professional and non-political sector since the interference of politicians in tourism usually leads to unwanted consequences. However, realistically, it will be very difficult to exclude politicians from intervention in the sector. If intervention could be through some organised channel such as a tourism industry council comprising both government and private sector representatives, this might give benefits from such interventions. On the other hand, domestic politics can have positive impacts on tourism development in Iran provided that the government adopts a comprehensive long term approach and a facilitating and supportive role. In Iran, with a rapidly evolving political and economic situation, domestic politics is a sphere of influence within which the industry will have to operate.

### **9.1.5 Infrastructure**

In a general sense, infrastructure applies to physical necessities that might be supplied to tourists. The infrastructure for tourism thus includes basic infrastructure components like airports, railways, roads, waterways, electricity, water supply, drainage, sewerage, solid waste disposal systems, and services. Moreover, facilities like accommodation, restaurants, recreational facilities and shopping facilities comes under the ambit of tourism infrastructure. Planning for sustainable development of tourism infrastructure therefore, involves the integrated development of basic infrastructure and amenities along with all the tourism facilities in a balanced

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manner. Although infrastructure considerations are regarded as an internal matter for a country, poor infrastructure affecting the enjoyment and quality of the holiday experience will obviously affect the external image of a country as a tourism destination.

It is obvious from the findings that tourism infrastructure particularly after the 1978 revolution has not been well developed in many areas such as transportation, accommodation, etc. most of respondents believe it is due to general approach of government towards development of tourism.

In Iran, most tourism infrastructure have been controlled and run by government or semi-government organizations and since there hasn't been a comprehensive plan for tourism development in place, practices are scattered and unbalanced, and in rare cases where plans exist, they are not implemented appropriately.

In other words, absence of integrated planning for development of tourism in Iran and lack of a long term holistic approach in the public sector have adversely affected tourism development in general and infrastructure in particular. The plan prepared by the WTO team in 2002 has never been implemented. On the other hand, quality of infrastructure facilities is not up to international standards. As tourists travel more frequently and widen their international experience, their expectations tend to rise. Therefore, success in the tourism industry very much depends on how these expectations are fulfilled through provisions of standard facilities and quality services.

In developing countries, the infrastructure development is mainly undertaken by the public sector and as a result, development of tourism industry generally is highly affected by actions of government. In the case of private sector involvement, study findings reveal that there is a consensus among all respondents that private sector like many developed countries can play a key role in infrastructure development of the country. They also argue the fact that since these activities were traditionally done by the public sector, any serious participation and involvement of the private sector in the process necessitates strong government facilitation and support.

In the same context, there have been many attempts such as organization of international meetings to attract foreign investors to participate in development of tourism infrastructure projects, but lack of provision of necessary guarantees and ambiguity about the feasibility of projects resulting from the political climate prohibited them from active participation. It should also be noted that foreign investors not only provide capital for projects but also bring much-needed expertise. Again, this is an impact and barrier to tourism development, which can only be alleviated by direct government intervention.

There are a number of tourist attractions across the country that are not well recognized or properly organized and therefore, the required infrastructure to attract tourist is not developed. Much of tourism development opportunities remain as potential rather than realized. The research findings also suggest that infrastructure development should be well-planned and timely. For example the Iranian islands in

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the Persian Gulf lost the opportunity of developing a major tourist hub in the area due to shortages in required infrastructure.

In conclusion, there was a consensus among all respondents that first and foremost, the development of infrastructure should be defined and incorporated in the macro tourism development plans of the country. A good example to support this suggestion is the Iranian oil and gas industries, which showed a relatively successful performance in the past decades.

#### **9.1.6 Business Issues**

Tourism is becoming an increasingly important force in the economy and its contributions to business development are significant and growing. Iran possesses a rich range of natural, cultural, and man-made tourism resources which make it an almost ideal tourist destination. Considering this diversity, there are enormous business opportunities in various sectors of the industry in areas such as lodging, passenger transportation, food service, distribution, tourist activities etc.

The overall growth in tourist arrivals and domestic travel movements is expected to bring about a corresponding increase in capacity requirements and demand for new products, facilities and services, thus paving the way for local and foreign investment opportunities. There seems to be considerable potential for the development of recreation and sports-based tourism. The corollary to this is the improvement and upgrading of quality, skills, and competencies of the required employees, particularly those in direct contact with tourism. The need for improved accessibility will

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likewise open investment opportunities in air, water, and land transport operations.

The findings reveal that due to the complexities of tourism in Iran and the multi faceted roles of the public sector in the operation the tourism industry, many businesses found it difficult and not attractive to engage in the tourism sector. The findings suggest that success in development of any business, at the first stage, depends on product as the core element. Many tourist attractions in Iran, for example, are not developed properly and have not turned into a marketable product.

Therefore, the main challenge rests in the supply side rather than demand side. One area for development is the use of Iran's geography, which provides many possibilities for regional development. An associated issue is the question of environmental management. This is regarded often as a long-term issue but in reality, it has to start somewhere. It should not be treated as a 'stand-alone' issue but be an integral part of tourism planning; short-term decisions often have long-term consequences and when an environment is degraded it is very difficult and expensive to restore. There are many examples globally of desertification, erosion of rain forests, over-building and over-development which stand testament to short-term thinking.

Another issue in business development in tourism is inadequate investments. Investors, due to their doubts about the feasibility of tourism projects and lack of necessary assurances, are often reluctant to undertake investment and prefer to look for short term projects with better profitability and quick return in other economic sectors. On the other hand, in a market economy, private sector financial institutions

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are generally risk adverse. They tend to avoid projects where it is difficult for them to assess risk or they add a loading for unknown risk. Risk assessment for small village and town projects will be difficult. Moreover, because of certain fixed costs in risk assessment and loan or equity management, there is a tendency for financial institutions to prefer larger projects. For these reasons, it can be difficult for smaller projects to obtain financing. To offset this disadvantage, government could introduce a program to provide seed equity and low interest loans for smaller tourism and tourism related projects. If the projects that are funded were chosen wisely, the program should be self-funding.

In relation to business issues different view were expressed. While academics believed that despite the great tourism potential, there is no serious economic approach towards tourism development due to inappropriate government policies and management, tour operators considered the lack of proper government support unlike as offered to other sectors as well as inadequate investment in promotion of Iran in target markets as the key issues. In the same context government respondents focused on lack of suitable infrastructure, long-term investment and the need for creation of new products.

All respondents believe that the private sector, specially entrepreneurs, and SMEs, in order to benefit from various business opportunities in tourism, need to have support of the Iranian government. Government support for example, in the automotive and agricultural industries have lead to rapid and sustainable development in both sectors. In tourism which offers possibilities for many small-scale businesses, government support could be very beneficial. The study findings also suggest that



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tourism is not best placed in the governmental structure. Some countries view tourism as lucrative business and have merged it with their trade promotion organizations, but in the case of Iran the tourism industry is merged with the Cultural Heritage Organization which is mainly concerned with historical researches. As noted by Tribe (2010) above, to succeed in development an important consideration is the appropriate institutional structure to support these initiatives. In order to address issues relating to business prospects in tourism, both public and private sectors should consider and benchmark best practices in the world such as Turkey, Malaysia, and China, all countries which have recent experience of developing tourism. In the case of China for example, after the 'open-door' policy from 1976, they overcame both investment scarcity and lack of professional managers by adopting joint partnership arrangements with foreign companies. There is considerable experience of developing tourism in Muslim countries and an examination of some of these practices including the recent initiatives in Saudi Arabia deserve scrutiny. The findings reveal that similar to other areas, in the Iranian tourism industry, attitudes and actions in managerial levels particularly in the public sector play a major role in business development.

#### **9.1.7 Human Resources**

Tourism is essentially a service business, and the many people whom a visitor encounters and relies on to provide for basic needs and wants are critical to success of a tourism destination. Human resources planning and development has been defined as "a systematic approach to insure that the right people are in the right job at the right time" (Inskeep, 1991, p. 403). Although this definition is now over 20 years

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old, it still captures the essence of human resource planning. Because tourism is a service industry, knowing how many people are needed to fill current and future positions and what attitudes, skills, and knowledge the people who fill those positions should possess is important in tourism development. Besides the quantification aspect, human resources development must also be sensitive to the socio-cultural environment of the community and host society.

In the past human resources, development was often neglected in tourism destination planning. The assumption was that once tourism projects were completed, it would be easy enough to find labour and to do intense, short-term training to prepare people for jobs. This view has proven to be shortsighted, and in countries with scarcity of either labour or skills or both, the success of tourism enterprises was put into jeopardy as a solution to import labor and skills were not only costly, but also usually met with government opposition. Tourism is a growth industry for many countries and regions, and human resources planning are seen as essential in balancing labor supply and demand and in developing and sustaining quality tourism products. As previously noted, as tourists become travelers that are more frequent their sense of what is an appropriate standard is honed and countries who neglect this aspect of tourism development will suffer in comparison with those destinations with higher standards. New buildings or facilities in themselves are not enough and they should be supported by high standard services.

Government strategies related to human resources development cut across a wide range of activities including education and training, immigration, wages, and other work-related incentives and controls. Human resources planning could involve:

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- “Evaluating the present utilization of human resources in tourism and identifying any existing problems and needs.
  - Projecting the future human resources need by estimating the number of personnel required in each category of employment and determining the qualification for each category of job.
  - Evaluating the human resources available in the future.
  - Formulating the education and training programs required to provide the requisite qualified human resources” (Inskeep, 1991, p. 404).

The study findings demonstrate that human resources in the Iranian tourism industry generally do not respond to requirements of the sector in various areas. At the managerial level, most managers particularly in the public sector are not well qualified and properly positioned. In turn, at lower levels the same problem exists. The main reason for the scarcity in trained human resources might be considered as the fact that the tourism sector until relatively recently has not been placed amongst the development priorities of the country, and as a result, necessary investments in human resources development have been neglected both in the public and private sectors.

In the study, in general, academics emphasized on important role of human resources in tourism development as well as the need for devising a master plan for HRD including review of current tourism education system, planning various education and training courses and proper recruitments. The condition of human resources particularly in managerial levels has been considered as weak by the industry creating many problems for development of tourism. In the government level, respondents agree with lack of enough well educated and well experienced human

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resources in the tourism sector and believed that it is not specific to tourism and can be seen across other sectors.

Almost all respondents believe that continuous education and training is an essential tool for human resources development. Lack of an effective and efficient education and training plan on one hand and no internationally recognized service standards to determine the requirements on the other hand, have caused deficiencies in human resource development in the Iranian tourism sector for the past three decades. In the same context, a wrong work culture could be witnessed particularly among high-level tourism managers. In most cases if they are offered a managerial position for which they are not qualified, but they hardly refuse it. Perhaps the only way to change this work culture over time is to select younger workers who can be trained for the tourism sector and gain work experience there. More effort will have to be made to promote talented young managers from within the sector. In hotels, there is some evidence that major changes have been made to select and train younger employees and managers, and particularly those with foreign language skills.

Despite the above, the findings reveal that education and training is just one ring of the long chain of human resources activities. Therefore, a comprehensive approach should be adopted to achieve the human resources objectives. In this regard, correct selection, right motivation, proper education and training and careful evaluation are of great importance and should be considered continually in the human resourced development process.

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In conclusion, the projected worldwide growth of the tourism industry will increase the demand for skilled and trained labour. In addition, the labour intensive, service dependant, and widely diverse nature of tourism makes it a priority to have a well-educated and trained work force. It is obvious that more has to be done in meeting industry needs and steps should be taken to establish a comprehensive skill standard system. This comprehensive approach is essential because continuing reliance on an ad hoc approach will not address the many difficulties noted above.

## **9.2 External Barriers to Tourism Development in Iran**

### **9.2.1 Image of Iran**

It is difficult to define what a 'destination image' exactly is, as this term has been defined and used differently in a variety of contexts and disciplines. Kim and Richardson (2003) collected all the ideas and summarized the destination image as a totality of impressions, beliefs, ideas, expectations and feelings accumulated towards a place over time. According to Jenkins (1999), destination image influences tourists' travel decision, their cognition and behavior at the destination, as well as satisfaction levels and recollection of the experience. Gartner (1993) also suggests destination image is the key underlying factor in the destination site selection process.

Research findings reveal that for the past three decades, the image of Iran in tourist generating markets has not been favorable. As some respondents point out, Iran has long been pictured with wrong, undesirable, and negative images such as:

- Introducing Iran as an Arabic country and Iranian as Arabs.
- A hot country covered with deserts, with intolerable climate.
- Picturing Iranians as Arabs who are under the influence of Islamic radicalism and support terrorist activities.

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- A country in which human rights and democracy are not respected.

On the other hand, the image of Iran was adversely affected by various events. The 8-year war with Iraq followed by the Kuwait-Iraq war, the United States war with Iraq, the issue of Al-Qaida in Afghanistan and Pakistan and finally the recent nuclear issues have all reflected a chaotic and conflicted image of the region in general and Iran in particular. The current political upheavals in the region add to this problem, not only now affecting Iran. Most respondents believe that the political climate in Iran especially in relations with the West play a major part in creating an undesirable image of Iran through western media. There is no doubt among all respondents that this image of Iran is one of the main barriers in selecting Iran as an attractive tourist destination. Criticizing the government for not having planned corrective actions to improve the conditions, respondents from private sector emphasize the need for a comprehensive plan for development and marketing of tourism in Iran. They argue that although image issue is an important factor, Iran has not been successful in attracting tourists from countries who do not have any negative perception and even have positive image of Iran.

In relation to the image issue, in general, almost all respondents agree on existence of a negative image of the country in international levels. However academic respondents expressed different views. Some believe that although image of a destination play a major role in tourists' choice, but can not be considered as the key issue while others considered it as the most important barrier which needs to be addressed appropriately and on the other hand, some viewed tourism as a tool to

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correct the image problems. Those involved in the industry believed that there have always been positive and negative images of destinations which mean to tourists differently and need to be identified and addressed effectively. Respondents from tourism organizations considered the various crises in local, regional and international levels as the cause of the negative image of Iran.

To address the image issue, some respondents suggest to focus on the name 'Persia' which is more associated with history, civilization and culture instead of 'Iran' which is more political. Examples such as Persian carpet, Persian caviar, Persian cat, etc. can represent positive images. In the same context, politics and international relations play a significant role in the formation of a desirable image of the country and therefore, the Iranian government has a determining role. Politics can have both positive and negative impacts on tourism development and marketing. If the government by any means is not willing to positively support, it is recommended to help depoliticize the tourism sector. This not only enables the tourism industry to safeguard itself in the international target markets, but also contributes to the stabilization of political relations in certain cases.

In conclusion, the study findings reveal that through a comprehensive plan a positive image of the country could be formulated. This would require an active partnership between both public and private sectors in this regard. Obviously, national policies will not be changed simply to accommodate tourism sector concerns but much can be done in selected media outlets to reassure foreign visitors and potential visitors about their security and safety in Iran and of the welcome they would receive.

### **9.2.2 The Role of Media in Reshaping the Image of Iran**

During recent years the role of the mass media and its critical position in tourism information and decision making process has increased. With the mass media, instant television and internet coverage, it is particularly difficult to hide bad news. However in relation to trade contacts which are particularly important in the Iranian case, these channels can be used to correct distorted news and better inform potential customers of the true situation.

Study findings demonstrate the fact that the western media have been active in creating a frightening image of Iran for the past three decades. Although this wrong image is believed to be the direct or indirect result of the Iranian government's foreign policy and its international political relations, some respondents argue that in the 'Global Village' and with accessibility to a wide range of communication systems such as internet, various publications and other means of sharing information, picturing an unreal image of a country is getting harder.

It is obvious that negative events may lead to changes in the purchase decision process and if there are no alternative sources of information, the media may be the most influential in shaping attitudes and opinions (Glaesser, 2003). On the other hand it has been suggested that mass media also play an important role in the restoring phase after a crisis that have lead to negative media publicity and damage a destination's image (Beirman, 2003).



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To address this issue, during recent years, the Cultural Heritage and Tourism Organization (ICHTO) has screened a range of advertisement clips in international satellite channels and TVs such as CNN, BBC, Aljazeera, MBC, Euro news etc. but since it was not a part of a broader plan, was not enough to convert the existing negative image of Iran into a desirable tourist destination. The majority of respondents believe that initiatives such as conducting joint cultural, sports, business and investment activities as well as identifying and inviting influential people and key figures, reporters and journalists and representatives of international mass media, through their first hand experience can improve the present undesirable image of Iran.

In general, there was a consensus among all respondents on the role of the international media on portraying a positive or negative image of a destination. In the case of Iran it is believed that apart from the need to review the international relations by the government, the issue should be addresses through various effective activities.

Study findings also reveal that instead of fragmented costly advertisement activities, reshaping the image of Iran must be carried out through a comprehensive national plan. Meanwhile, the political policies of the government and its corrective measures in international relations play a key part in positively reshape the image of Iran as a tourist destination through mass media. Image development is perhaps one of the major difficulties confronting Iran. Without a favourable image in the minds of potential tourists it will be a constant battle to try and maintain the existing visitor

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arrival figures and to try to increase them. This is another area where public and private sector cooperation is necessary.

### **9.2.3 Foreign Politics**

In today's global economy, the relationship between industry and government is a close and vital one. International tourism, which by definition involves the movement of people across national borders, is heavily dependent upon governments' political actions. The political dimensions of tourism occur at a number of different levels, international, national, regional, community and individual (Hall, 1998). This study reviews the impact of politics on the Iranian tourism industry international level. International political relations have both positive and negative impacts on tourism. Political tensions have always been a negative factor in tourism industry of any country.

The study findings reveal that on many occasions, Iran has experiences political tensions in its relations with some countries, which in turn have had direct impact on Image of Iran and as a result adversely affected tourism sector. Some respondents argue that unpredicted events may happen in any tourism destination, but how they are covered by the media in source countries, very much depend on political relations of these countries. It is frequently seen that an incident may be perceived as routine in one country while it could lead to immediate travel warnings in another country. The social uprising in Paris a couple of years ago during which thousands of cars were set on fire was much bigger than post election political unrest in Tehran, but

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media coverage was not comparable and about 20-80% of tours booked with Iranian tour operators were immediately cancelled.

In general, in relation to political issues, while academics emphasized on negative impacts of government international political approaches on image of Iran, tourism practitioners considered the political relations as direct and determining in development of the sector. On the contrary government respondents did not evaluate this issue compared to perception of tourists, as an important factor.

While there is a consensus that establishing sound and stable political relations with other countries can have positive impacts on the development of tourism, the study findings suggest that the following points should be taken into consideration.

- Although governments have a key role in movements of tourists among different countries which is normally practiced and controlled through visa issuance and travel warnings, people do not necessarily limit themselves to the views of their governments. For example, in the past during the cold war between the Soviet Union and western countries, millions of tourists visited the Soviet Union most of which were from the United States and Europe.

- Secondly, people now have access to various and alternative sources of information and it is therefore, difficult to prevent them from travelling to a destination directly unless there is political prohibition like the United States government ban on travel and trade with Cuba. In fact, the most important concerns for tourists relate to their safety and security in places they visit.

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- It is suggested that people should not wait until their governments sort out their problems. Private sectors can play a significant role in image building campaigns and establish sound business relationships.

From another perspective, tourism may be considered as a sector, which can have positive impacts on political relations of countries. In many cases, strong tourism relations have stopped governments creating serious political tensions. For example, there has been a minor land dispute between Iran and United Arab Emirates for years but travel of more than one million Iranians to the UAE and its positive economic impact, have always stopped politicians taking serious negative political actions. On the other hand, despite the importance of political relations in tourism, most of the respondents argue that the bigger issue is again the general management of the tourism industry in Iran and that is why Iran has failed to attract tourists from countries with which it has very good political relations.

In conclusion, it is considered that the political relations between governments can have both positive and negative impacts on the tourism performance of countries. To address this issue, the Government of Islamic Republic of Iran based on its development objectives should redefine its political relations with different countries in order to portray an attractive and marketable image of Iranian in tourist generating markets. The Iranian government can also help depoliticizing the tourism sector or empower the private sector to play a bigger part in the political environments. Many of the barriers to tourism development discussed in this section are of fundamental importance. It will require a major change of attitude of government to tourism and

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to the role of the private sector in any future development. A continuation of the present ad hoc approach to tourism will not allow its development to achieve its undoubted potential with commensurate benefits to the country.

### **9.3 Conclusion**

In discussing the findings, emerging from the interviews an attempt has been made to cluster views under ten sub-headings, which in turn are related to the research questions. It is apparent that since the Islamic Revolution the tourism sector has not received a high status in government policy or planning. Inevitably, this has caused many difficulties to emerge and with little attempt to mitigate them. What is most noticeable is the government's ambiguity towards the tourism sector perhaps reflecting a state of benign neglect. It has made efforts to support tourism on some occasions but not in a sustained way; intervention in the sector is at best spasmodic, usually uncoordinated, and has not sought to involve the private sector. Many of the problems described above such as lack of investment, direction, coordination and a clear policy and plan for tourism has been ongoing for many years. Despite these difficulties, inbound tourism has continued to grow over the three decades since 1978. As demonstrated in this study, tourism is multisectoral and requires a comprehensive approach to stimulate development; without such an approach much of the potential of tourism in Iran will not be realised.

## **Chapter Ten**

### **CONCLUSION**

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#### **10.0 Introduction**

This chapter considers the outcomes of the study and recommends appropriate approaches to overcome or mitigate the identified internal and external barriers to the development of tourism in Iran. The limitations of this study and suggestions for further research are presented at the end of this chapter.

#### **10.1 Research Findings**

The research findings are related to the research questions (set out in Chapter 6.5) and are as follows:

1. To what extent do the internal barriers to developing tourism in Iran make the country a destination difficult to develop and market?
2. To what extent do the external barriers to attracting tourists to Iran make the country a difficult country in which to develop tourism?
3. What strategies can be developed to reduce the barriers on the one hand and to promote balanced tourism development on the other?

The questions were divided into internal and external factors for purpose of analysis and presentation; they are inextricably linked. At present, with the Middle East in

political turmoil, many of the external factors which have been identified as affecting Iran are faced by many countries. Inevitably, tourism into the region and intra-region will suffer, at least in the short-term. It is perhaps an example of how external events and publicity is more difficult to influence and control than internal issues. As many of the research findings discussed below have emerged from interviews, they can be presented as received opinion based on experience and participation in the Iranian tourism sector and not as some abstract and detached view. There can be a criticism that qualitative research can be overly subjective but given the conditions in Iran and as justified in Chapter 6, this approach has yielded information which could not have been obtained through other approaches. Therefore, the author has confidence in presenting the issues discussed below.

Every tourism destination exists within its own unique macro-environment within and around which tourism takes place. Referring to the term used by Cohen (1972, p. 166), for tourists, this may be described as "the destination bubble" which consists of several factors shared in common by all destinations such as economic, socio-cultural and environmental in general, and elements like access, attractions, infrastructure, image, politics, communities, norms and values, human resources, management, etc in particular. Each of these factors can have dramatic effects on the performance of a tourist destination. The imbalances in the impact of these elements which are largely outside the immediate control of individual nations make certain destinations difficult to develop and market. A related problem may be a desire to change the basis of the tourism attraction; some Asian countries have acquired reputations for tourism based on prostitution, easy access to drugs and a hedonistic

life-style. To move away from this image will take time and a consistent remedial strategy.

Any 'destination bubble' has its own unique characteristics and therefore it is not possible to formulate a generic strategy suitable for all destinations. Some countries concentrate mainly on securing the economic benefits from tourism and compromise the sociocultural and environmental issues and some try to follow the sustainability path. In some cases it is 'value for money' and in some 'money for values'. Therefore, proper identification of barriers and creating a 'right balance' for tourism development in difficult destinations would be the key to success. The findings below are related to the three research questions and cross-referenced to appropriate literature.

The findings of this study guide us to certain conclusions that show the ways in which tourism could be developed and marketed by the Islamic Republic of Iran. Despite its great potential in terms of rich tourism resources, Iran has been considered as a difficult tourism destination to develop because of problems identified and discussed in previous chapters. For instance, the "easy" oil and gas revenues limit or perhaps disincline the government from considering alternative development initiatives. On the other hand, the need for diversification of the economy, job creation, and wealth distribution oblige the public and private sectors to consider tourism as an essential option for development of the country. Besides, as is well recognized, tourism often takes place in areas such as rural locations where alternative development options are few or non-existent.



As indicated in the literature and findings, tourism encompasses the potential of both positive and negative impacts on culture. As Enzensberger (1996, p. 122 cited in Singh, 2009) observes: 'Travel is one of the most ancient and common aspects of human life...how do we justify isolating something called tourism from something, which has always existed, as if it were something unique.' This comment centers on the evolutionary nature of tourism and with evolution comes change. The complexity of what might constitute tourism is noted by King (2010, p.43 cited in Hitchcock, et al., 2009) '...the crucial concerns for (anthropology) since the mid 1970s have been the social and cultural interactions between tourists, the agents, and intermediaries (including tour companies,, guides, entrepreneurs, policy-makers and service providers), and communities which they encounter; the organizational forms of tourism activities; the character, socio-economic backgrounds and motivations of tourists and their experiences of place and people in relation to different kinds of tourism; the images and representation of tourist destinations, local residents and tourists; the socio-cultural consequences of tourism for local communities; and the response of those who are subject, in Urry's terms ( 2002) to the 'tourist gaze'. Although writing from an anthropological perspective and with comments related to Southeast Asia, King's comments have relevance for Iran.

In the case of Iran, the destination in which norms and values of the society are of great significance, cultural issues particularly resulting from the interaction between the guest and the host communities are considered to be a barrier to the development of tourism. However, interviewees strongly disagreed with this statement and most

suggested that this attitude was held by government and its representatives. Culture was considered as a tourism asset to be used in marketing and tour schedules and as a means of enriching visits for tourists. Most visitors observed cultural modes of behavior and dress and this issue was not regarded by interviewees as a barrier to marketing Iran but rather as a means of differentiating the country as a tourism destination. To overcome this issue the study findings suggest that areas of concern should be clearly identified with government representatives, and any necessary cultural awareness programmes for both visitor and host communities be designed and implemented. In this way, culture could be used and to some degree, protected. as an important tourism asset. It should be noted that in this proposal it is recognized that culture is never stagnant but constantly evolving. If, as is suggested, cultural attractions and heritage are the basis of the Iranian tourist product, then every effort should be made to address any perceived or real problems, which may hinder further development of the sector.

It is clear that despite various attitudes, the role of key religious figures in relation to the development of tourism in Iran is important. It is revealed from the case study that their perception is mainly due to lack of understanding of tourism as an economic and socio-cultural activity. To address the continuing challenge the findings recommend that professional commissions and well-informed advisory groups comprising of both public and private sectors' representatives are formed to raise the subject with key religious figures to gain their appreciation and support. This approach should be done at national and sub-national levels. A major barrier identified is the lack of appropriate tourism policy formulation and planning, and

poor implementation. Policy implementation holds the key place in the whole policy-making process (Elliot, 1997; Tribe, 2010). Without implementation policies and plans simply become historical reference documents such as the Tourism Master Plan (2000) prepared by the World Tourism Organisation. In addition, in the words of Richter (2009, p. 132 cited in Hitchcock, 2009) ‘plans are little more than creative writing.’

Findings suggests that the whole tourism planning process should be reviewed and integrated with plans formulated to meet the macro development objectives of the country set in the 2025 perspective plan. Interviewees considered that planning was at best, ad hoc, and lacked focus and suffered from a scarcity of planning expertise. It was also considered that any national plan could not be regarded as either credible or implementable without the input of the private sector. At present, there is no formal channel of communication between the private sector and government, an approach best described as a ‘top-down’ method, which indicates what the private sector is expected to do without involving it in a consultative process. In most countries, the role of government in tourism development has been re-appraised with government creating an enabling environment by providing the legislative and financial support to allow the private sector to take a lead in development matters. Iran is currently very far from this model and the situation is unlikely to change until government is persuaded that tourism is worthy of being supported and foreign visitors do not threaten to undermine Islamic values. Implementation of plans has been spasmodic and random, something which has wasted planning resources. To develop a public-private sector liaison, government needs to create a group of tourism planners and

advisors which can guide and monitor implementation strategies. This should be a permanent group, which through time and activities will develop the expertise need to reap the benefits from the tourism planning process. It could also provide the communication channel between government and the private sector.

It is evident from the findings that lack of proper infrastructure with internationally accepted standards is considered to be one of the barriers to the development of tourism. Infrastructural projects such as airports, roads, and services such as water and sewerage systems are usually enormously expensive. At this stage in Iran, most of the infrastructure will have to be provided by government. In order to move, wherever possible, to a government-private sector partnership, and respond to the growing needs of the industry, it is recommended that investments are encouraged by the help of various initiatives and incentives to diminish the concerns of investors in terms of profitability and viability of the projects and security of investments. It is also suggested all infrastructure facilities that have been controlled and run by the government and semi-government organizations are privatized, and the private sector, like many other developed countries actively participate in development of infrastructure with the financial and legal support of the government. This may be too radical a suggestion at present but such a privatization measure could take place in stages to encourage more efficient management of tourism facilities and perhaps, private sector investment.

In a broader perspective, it is recommended that the tourism business environment in general and the destination of Iran as a product in particular, should be further

developed. Lack of well-planned marketable products, inadequate investments, and scarcity of new business initiatives are among areas that need to be addressed to improve the tourism business environment. In the same context, the private sector entrepreneurs and SMEs can play a significant role in creation of various business opportunities both domestically and in collaboration and partnership with foreign companies. Again, these changes should be made in stages. Perhaps of priority concern is the important role of small businesses and SMEs, which are most prevalent in tourism, not just in Iran, but also on a global scale. It is often these providers of services to tourists who suffer most from business uncertainty and lack of economies of scale and would most benefit from government recognition and support. These small companies often have a significant role to play in providing services to domestic tourists, which as Singh (2009, p. 1) notes ‘.... from an academic and policy-making perspective, holiday and leisure travel in one’s own country, is at best, a poor and under-valued cousin to international tourism.’ The growing volume of domestic tourism in Iran requires more attention from government and the providers of tourism services.

Another limitation that has been identified in the findings of this study is the issue of human resources planning and development. It is demonstrated that human resources in the Iranian tourism sector do not adequately respond to the requirements of the industry. This deficiency ranges from top managerial levels both in the public and in private sectors to lower levels in the industry. To address this issue it is suggested to evaluate the present human resources situation, project the future needs, evaluate the human resources requirements in the future and formulate education and training

programs based on specific skill requirements and standards. These suggestions constitute a Human Resources National Plan for the Tourism Sector, which would explore the issues emerging from the interviews and plan to rectify current problems and to meet future needs. An essential component of this exercise would be to identify training needs and how they could be introduced. Change is not instantaneous and despite planning for the future, an important aspect of improving human resources is to train and support current employees in the industry.

In the context of external barriers, the findings demonstrate that the image of Iran portrayed in the tourism source markets in the past thirty years is one of the major external barriers to development and marketing of tourism in Iran. This has mainly resulted from the political relations of the country with the international community and many unwanted events arising from within Iran and neighboring countries. To address this important issue, the findings suggest that with the active partnership of public and private sectors, a comprehensive plan should be formulated and effective marketing and image building campaigns are professionally conducted in order to create a desirable image of Iran as an attractive tourist destination. Creating a desirable image does not mean creating an illusion; the image has to be based on as true and realistic a picture of the circumstances in Iran as possible. It should be developed from a combination of reassurance for visitors, information, and the various tourism options, which are available to visitors.

During recent years the role of the mass media and its critical position in shaping the image of a destination, information and decision making process has increased. The

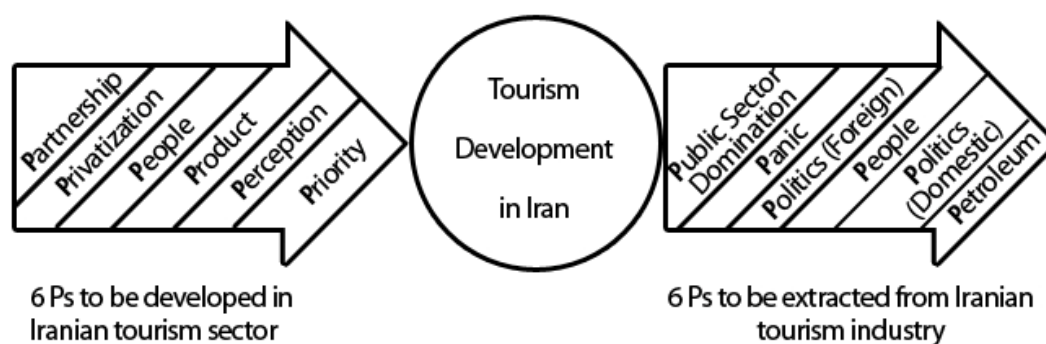
findings suggest that instead of scattered activities, use of media for reshaping the image of Iran must be carried out through a well designed and integrated plan. It is obvious that this cannot happen in isolation, political attitudes of the government and its relationship with the international community play a key part in positively reshaping the image of Iran through mass media. As noted above, the current political turmoil in the Middle East is intensifying problems and brings the concept of crisis management into focus. Every country and company needs a crisis management plan to react to unforeseen circumstances. Tribe (2010, p. 246) defines a crisis management strategy as ‘a strategy to deal with major, extraordinary, and unforeseen events’, as also stated previously by (Glaesser, 2003). International tourism by definition is generated from outside a country and circumstances change quickly and can be volatile. When this happens most plans will require media intervention and to develop a crisis management strategy would put more emphasis on proactive rather than reactive management of these changes.

It is also appreciated that international political relations can have both positive and negative impacts on tourism development and marketing (Edgell, et al., 2008, pp, 157-164). The study findings reveal that tensions in political relations between countries have direct impact on the image of a destination and can adversely affect the tourism sector. There is no doubt, as the interviewees attest, that the tourism sector in Iran has suffered very much because of the national policies of government, and how these have been interpreted outside the country. It is unrealistic to expect government to change policies simply for the benefit of the tourism sector, which, yet, is not a national priority. However, by careful use of the media, rebuttal of

inaccurate stories and information, and perhaps relaxing some of the restrictions to tourist access such as visas, tourism could be facilitated.

The comments and suggestions made above which were derived from interviews can be summarized as below in Figure 10.1

Figure 10.1 Tourism developments in Iran



The above 6Ps which should be developed in the Iranian tourism sector are summarily represented as:

**Priority:** one of the major impediments to tourism development in Iran is that it has never been given the priority it deserves in the country's development programmes. Therefore, required policies are not formulated, planning is on an ad hoc basis and mostly not implemented and end results are not significant. This is mainly due to the importance of the oil and gas revenues which limits government to consider tourism as an important development option.



*Perception:* Iran has been portrayed with a wrong and undesirable image. This negative perception can be considered as one of the most important barriers in selecting Iran as an attractive tourist destination. In order to overcome this obstacle, based on comprehensive research, image building activities in various media must be developed and implemented.

*Product:* Product is the core of any tourism activities and especially when destinations are referred to as tourism products, many areas need to be developed to respond to growing needs and wants of tourists. Selection of sites and products must be prioritized and result in the provision of quality services ranging from infrastructure and attractions to total management of the destination.

*People:* Tourism is an activity that highly relies on people for good performances. This covers a wide range from government and industry to community levels. Lack or in some cases poor development of human resources, may be considered as the most important barrier to development of tourism in Iran which first and foremost should be addressed.

*Privatization:* Major tourism activities in Iran have been controlled by government or semi-government organizations. This has resulted to a relatively weak private sector with no strong role. Privatization, therefore, can lead to more professional performances in the competitive market place.

*Partnership:* Public-private partnership and community involvement is a move that attracted the attention of stakeholders in recent years. This important issue covers

many areas ranging from planning and marketing activities to investment and human resources development.

On the other hand, 6Ps which should be extracted from tourism in Iran represent:

*Petroleum:* Oil and gas revenues have been the major sources of income in Iran. These revenues in many instances prevent government to focus on other lucrative activities such as tourism. Planning for a diversified economy is therefore an essential step to achieve economic diversification and sustainability.

*Politics (Domestic):* Tourism sector particularly in government levels has been politicized for economic and socio-cultural reasons in the past three decades. This has resulted in inconsistency in various areas and domination of politicians of the sector has adversely affected the tourism development process of the country.

*People:* Tourism is a human intensive industry and quality of human resources play a key role in the development of tourism. In Iran, particularly in managerial levels and in the public sector, managers are not well qualified for the positions they occupy and in many cases have adverse effects on the development of tourism. These people should be replaced by competent persons with necessary qualification, skill, and experience in line with comprehensive human resources development objectives. It is desirable to review the current legislation relating to the tourism sector and the relevant labour laws.

*Politics (Foreign):* Political tensions in international relations of countries have always been a negative factor in the tourism industry of any country. Government of

the Islamic Republic of Iran should therefore, avoid unnecessary political tensions in the international level in order to picture a marketable image of the country and facilitate movement of tourists to and within Iran.

*Panic:* One of the important barriers to development of tourism in Iran is the serious concerns of some key figures particularly religious leaders about the possible negative consequences resulting from exposing the host community and its norms and values to different cultures. To address this unreal view, it is essential that these leaders are educated and informed about tourism and its impacts in order to fix their misconception.

*Public Sector Domination:* Although the tourism development policies of the Iranian government recently is to move towards privatization of all tourism activities particularly in the industry level but most of the infrastructure, facilities and general management of the tourism sector are still under the control of Government or similar organizations. This approach leads to monopoly by the public sector, a weak private sector, lack of competitiveness, low quality of tourism services, and low rate of investments and therefore low provision of marketable products.

Perhaps one of the most difficult problems to overcome is the lack of coordination of tourism actions by government. As Hall (2008, p. 164) has noted ‘...coordination is an extremely significant concept in tourism policy and planning.’ As the above comments have clearly suggested, there are too many ad hoc interventions and as an essentially multisectoral activity, tourism requires a managed approach based on

information and expertise to achieve its full potential. The achievement of this potential of course, has to be sustainable. With lack of a comprehensive approach to the tourism sector as present, the issue of sustainability becomes a component of the planning process rather than being a major consideration, even a parameter for development. As Hollins (2001, cited in Hall, 2008, p. 227) notes: 'Sustainability, is after all, basically an ecological concept'. This quotation gives a clear indication of the holistic nature of the development process and of the underlying need for coordination of the many components involved.

## **10. 2 Contribution of the Research.**

Very little research has been undertaken on tourism in Iran except for the publication of various travel books or few papers. This study has made the best use of the available published data and supplemented this with interviews with persons knowledgeable and experienced in the tourism industry. The main contribution to new knowledge has been in considering the various elements in the 'destination bubble.'

Identifying the impediments to securing growth in the tourism sector; and proposing tourism development options based on qualitative research using both the author's considerable experience in the sector and through interviews with key stakeholders both in government and in the private sector. What this approach has demonstrated is that Iran faces a wide range of problems in attaining a vibrant and high quality tourism sector. Perhaps uniquely, the origin of the Islamic Republic has seen religion as the major characteristic of the country and the aspect, which guides many

decisions. Therefore, the views of the religious leadership will influence all sectors of the economy and on what changes are possible. For the tourism sector, which provides services for both foreign and domestic visitors, it is the human dimension of service provision, which determines quality and ultimately, satisfaction for the user. Visitor satisfaction is extremely important in tourism and this has been recognized in the suggestion of a Human Resources Development Plan for the sector.

An added dimension in relation to international tourism is the external image of the country. Many of the stakeholders interviewed have openly and honestly commented on this as a problem area. Essentially, it is an area where government has almost complete control but through international business connections, it is often possible to ameliorate distorted and negative images by providing accurate information. It is not an easy task but again points to the need to improve links between government and the private sector to develop a tourism strategy, which addresses many of the issues raised in this study. Much remains to be done to deliver the tourism potential of Iran but it is hoped that this study has at least identified the major impediments to development and offered some recommendations as to how they might be ameliorated.

This study has been many years in preparation and although the author believes that the problems described are extant in Iran, it is accepted that further work needs to be done to update this foundation work. It is hoped that this study will facilitate further research into the many areas of tourism and tourism development strategy to the benefit of the country and its people.

### **10.3 Limitations of the Study**

One of the main challenges during the research period was the change of government followed by considerable changes in personnel at the senior managerial levels. Therefore, the researcher had difficulties in interviewing newcomers to the tourism system who often had no previous knowledge about the complexities of the tourism sector in Iran. As noted above, many managers were appointed without tourism experience and could only offer generalized opinions on the sector. A related problem was the length of the interview, which often covered a very broad range of topics.

A further limitation was the poor availability and coverage of statistics relating to the tourism sector. Much data had very little historical trend and it was difficult to establish what had happened to the sector before the study had begun. The absence of any serious academic work on the sector was a further problem. Therefore, in many senses, this is a pioneering study, which can be built on.

Another problem was the lack of library resources particularly related to the availability of journals and comparative studies. The author had tried to overcome these disadvantages but access to specialist tourism libraries in Iran is very limited and journal access is a particular problem. The internet helped with some information but was no substitute for an adequate library. Hence, the balance of the thesis was very much on the collection of new knowledge through interviews and an attempt to put the research output within the context of the relevant literature.

#### **10.4 Recommendation for Future Research**

The result of this study provides a foundation for further research in terms of addressed issues and major impediments to tourism development in Iran. Among priority areas for research would include an analysis of the process and content of government policies for tourism; research into the legislative and institutional framework for tourism; funding and investment incentives for tourism; human resource development for tourism; marketing strategies for tourism; and small business development in tourism. Comparative studies, on the other hand, might help in understanding of best practices used in other countries and lead to a practical model for tourism development planning and implementation. Although each of the issues and impediments are worthy of separate study what is required is a programme of studies which provide a comprehensive analysis of the sector and which can suggest methods and systems for improving the statistical information available.

#### **10.5 Final Remarks**

Despite its wealth of oil and gas resources, Iran still faces many challenges in raising the standard of living and opportunities available to its growing and young population. There are so many problems to overcome in achieving these objectives. It is believed that tourism, an activity that sees the tourist travel to the attraction, has considerable advantages for regional development. It can provide opportunities where other economic activities cannot flourish, and is the provider of services to domestic and foreign visitors. With some of the suggestions made in this study it is hoped that the sector will grow and become an increasingly important part of Iran's economy and society.





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## **Appendix I**

### The main questions in the questionnaire

1- Do you consider culture as a barrier to development of tourism in Iran? If yes what strategies need to be developed to resolve this issue?

2- Some people believe that current religious norms have a direct impact on tourism performance in Iran, do you see these religious issues an impediment to development and marketing of the country as a tourist destination?

3- What is your opinion about tourism policy and planning in Iranian tourism sector? What has been the likely impacts of such plans on development and marketing of tourism?

4- Politics can have both positive and negative impacts on tourism development. How do assess the issue in the case of Iran, particularly in domestic level?

5- What is your opinion about quality and quantity of tourism infrastructure in Iran? Do they respond to necessities of tourist?

6- Considering the enormous business opportunities in various sectors of the industry in Iran, what challenges need to be explored and addressed?

7- How do you evaluate the human resources situation in various levels in Iranian tourism sector? What strategies need to be developed to respond to current and future requirements of the sector?

8- There is almost a consensus that the projected image of Iran abroad is one of the major barriers in development and marketing of tourism. If you agree, what strategies do you think should be in place to resolve this important issue?

9- In the same context, how do you assess the role of mass media in shaping and reshaping the image of Iran as a tourist destination? What do you think can be done to resolve the issue?

10- Considering the political dimensions of tourism, how do you assess the impacts of politics particularly in international level on development and marketing of tourism in Iran?

11- Do you have any specific recommendation in relation to above issues?

12- Is there any other areas which you think can be considered as a barrier to development and marketing of tourism in Iran and should be addressed?