

## Economic and Social Benefits Exploration through Tourism Industry: An e-Marketing Perspective

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### Abstract

*The study aims to investigate the economic effects of digitalization on the success of tourism and the factors hindering the implementation of digitalization in the tourism industry. The study used the primary data gathered through interviews with the experts and the stakeholders of the tourism industry. The study is qualitative in nature and has attempted to discuss all the possible aspects related to the digitalization of tourism and the possible challenges faced by businesses while adopting digitalization in the tourism industry. The study found that there are several types of factors affecting the digitalization in the tourism industry, which include factors related to the environment, technological, economic, political and legal, cultural and social too. Then there are some specific environmental factors which include competitor identification and competitor analysis, relationship with customers and suppliers and partners and associates. Other than external factors, internal factors were also found. Some of them are convenience of use and technical availability, cooperation between firms, and firm level support to stakeholders. The study concludes that if these factors are addressed successfully, then the local economy can grow at a faster rate through tourism.*

**Key Words:** Economic, Social, Tourism Industry, e-Marketing, Digitalization

### Introduction

Tourism is part of a potent service industry worldwide facing competition that is characterized by constant change, which is why Innovation is critical to maintaining and creating an edge on competitors. The innovation is to adopt and use new technologies to improve productivity and management, which is called the competitive factor over the competitors. Similar to the other businesses, travel companies need to invent new products and services and improve to survive before they become old fashioned and lose competitive advantage and there will be no demand ([Afolabi, 2016](#)).

Digitization, in a broad sense, basically denotes transferring the manual data into the digital data. When it comes to tourism digitization, it is supposed to be only limited to online hotel bookings and online remittances, yet the travel business has combined digitization and integrated it with tourism not only to enhance the revenues but also to find out and develop new tourist spots and avenues. ([Živković, Brdar, Gajic, & Stanković, 2016](#)).

### The Nature of Tourism

Travelers can be categorized into two types; firstly, those who travel for the aim of doing the business. Tourists of the other category may travel for personal reasons, including visiting family and visiting friends, for religion, sports, culture, nature, health, studies, etc. For the first group, decisions about travel and where to go and when to go are largely beyond their control. Business travelers do not have many choices regarding their potential destinations or what are the timings of their trip. Business trips are usually arranged on short notice and for a very short period of time; their travel time is usually as short as a day ([Afolabi, 2016](#)). In this case, a significant amount of journey time may be involved. For these reasons, business travelers require frequent and regular transportation to their destination, efficient and reliable service, and reasonable facilities for accommodation and dining. Many times, business tourists are sponsored by their employers and they do not pay attention to travel expenses ([Gustafson, 2012](#)).

### Tourism in Pakistan

Pakistan is a country with the blessings of having rich tourism potential due to its rich cultural, geographic, and human diversity and history. Tourism has become a mature tool for generating considerable

considerable economic benefits. There are several tourist destinations in the country which are Swat, Mengora , Malam Jabba, Nathia Galli, Behrain, Patriata, Kalam, Kalar Kahar, Shangla, Shandur, Balakot, Soan Valley, Kaghan, Kashmir, Naran, Ayyubia, Gojal, Murree, Gwadar, Chitral, Gilgit Baltistan, Haripur, Hunza and Neelam valleys, other mountain ranges and historical and paleological sites. Pakistan has great prospects and there are many sites for tourists, such as trout fishing in the cold waters of northern areas, especially the Swat River, a traditional event of polo championship at Shandur, paragliding, and rock climbing and trekking in the northern areas of Pakistan, camel and jeep racing, boar crabbing and hunting in the coastal areas and the Arabian Sea. (Chaffey, 2011). The main types of tourism in Pakistan can be divided into four categories.

### **Adventure Tourism**

It includes sports activities, social exchanges, or nature happenings. For many people, adventure tourism is not limited to base jumping or scuba diving with sharks but they prefer tourism. Few places in the world are as opulent as the northern regions of Pakistan. These places are Kaghan, Naran, Gojal, Chitral, Malam Jaba, Shangla, Murree, Leepa Valley, Ayubia, Naltar valley, Kashmir, Kalam, Gilgit Baltistan, Kunar valley, Hunza, Sawat, Naran, Kashmir and Neelam valleys. This region is beautiful like no other region, unparalleled in its legacy of blocked civilizations. Home to stunning destinations, the most beautiful valleys, lakes, rivers, glaciers, and peaks, the region also connects one of the four highest mountain ranges in the world, i.e. the Hindu Kush, the great Himalayas, the Pamir, and the Karakoram, With unparalleled gorgeous scenery for climbers, and hikers worldwide (Dirsehan, 2015). The Deosai Plateau is known as the uppermost plateau in the world and is located at the junction of the great Karakoram and the western side of the Himalayas. In summer, the climate is pleasant and the trees are shady. Besides natural scenery and many things to visit in this area, many endangered species of plants and animals are present in this area and this region is also home to the critically endangered Himalayan brown bear (Abrar, et al., 2016).

### **Religious Tourism**

Religious tourism includes visits to holy sites, shrines, or religious buildings and associated sightseeing for satisfaction (Abrar, et al., 2016). This nature of travel is to travel according to one's own beliefs or for religious purposes and to share religious information with other people. Pakistan has followers who believe in three major religions, Islam, Hinduism, and Christianity, and some areas of Pakistan are also the birthplace of Sikhism i.e. Nankana sahib, Hasan Abdal and Kartarpur. The country is not only of great value in terms of Islamic heritage but also rich in other religious heritage. The places of worship of Guru Nanak, the originator of Sikhism, such as Nankana Sahib and Gurdwaras in Hasanabdal, are very important to all the world's Sikh communities and have extraordinary appeal. There are various Holy places for saints and sufia kirams, attracting many pilgrims and religious tourists from domestically and globally. These are the Shrines of Data Ganj Baksh Ali Hujwairi Lahore, Hazrat Abdullah Shah Ghazi Karachi, Hazrat Farid-ud-din Ganj-e-Shakar Pakpattan, the shrine of Mian Meer Shah Husain Lahore, Bahauddin Zakaria of Punjab, Shah Abdul Latif Bhattai Bhit Shah, and Lal Shahbaz Qalandar in Sehwan sharif (Gupta S., 2015).

### **Historical and Archaeological Tourism in Pakistan**

The country of Pakistan is full of traditional archaeological sites belonging to the different ancient cultures like Takht Bhai representing Buddhists of Gandhara culture, Mohenjo-Daro and Harappa belonging to the world's earliest civilizations of the ancient Indus valley, and the Mughal Empire (Jani & Minde, 2016).

Gandhara's name belongs to an existing ancient kingdom (Mahajanapada) in northern Pakistan to eastern Afghanistan. According to Zend Avesta, Gandhara is the sixth greatest scenic place on earth. The main cities of the kingdom are Prushapura (now Peshawar, also known as the city of people as well as the city of flowers), Bامyan, previously known as ancient Varmayana, and Taxila, previously known as ancient Tak Shashila. The kingdom period was from the 1st century BC to the late 11th century AD century.

Harappa is a major city against a huge brick wall. Pakistan, A culturally and traditionally varied country, offers different traditions, customs, and scripts, historical sites for tourists. Mughal dynasty and monuments of the era of the British raj are also amazing attractions.

### **Ecotourism**

Ecotourism can be defined as minimizing unemployment and poverty which will cause a boost in the satisfaction of the UN Millennium Development Goals. Ecotourism is often associated with culture, norms and natural resources as a product. The main cultural resources of ecotourism are cultural festivals, traditional events, historical museums, traditional handicrafts, and food and cooking in local areas. Pakistan offers some of the best world ecotourism

destinations which includes the High Mountains like (the great Himalayas, the mighty Karakoram, and the Hindu Kush Mountain ranges), glaciers and huge cliffs, the high mountains meadow, the cone-bearing forests, shrubland forests, and various flora species, and fauna species (endemic and migration), deserts, beaches, coastlines, and wetlands. Pakistan has 10 of the 18 mammalian orders in the World Order including the smallest mammal animal living on the earth the Mediterranean Pygmy Shrews and the largest mammal living on the earth the mighty blue whale. Pakistan is a country which has a lot of things to offer especially adventure and adventurous tourism.

Many adventurous happenings appeal to eco-tourists and the visitors, such as hiking, climbing, biking in the mountains, rafting in the white waters, mountains jeep rallies and desert jeeps hunting, boar hunting, trout fishing, bird watching, yak and camel riding, Indus dolphin in the Indus river. Cultural festivals comprise the Sanduur Polo fest where traditional polo is played, Silk route Fest in memory of the silk road, Kalash Fest in Kalash valley, Khanpur dam Water Fest and adventure, Food, Clothing, and hospitality hosted by different communities. Shandur Polo is played in a traditional fest that happens every year in Shandur Pass, the highest polo field in the world about 3700 m from sea level.

## **Brief Literature Review**

### **Digital Marketing and Tourism**

It can be defined as the use of electronic and digital media by marketers or marketing executives to bring goods or services of their business to market mainly with the determination to attract customers and let them communicate with brands and organizations by using digital media. Digital marketing has different techniques most important technique of digital marketing is social media marketing ([Chaffey et al., 2009](#)). Digital marketing is also known as online marketing, whether through a website, online advertising, e-mails, interactive kiosks, interactive Television ads or mobile phones. [Torraco, \(2005\)](#) defined it as the use of all accessible platforms of digital and internet advertising media to promote a brand to reach its goals i.e. targeted market segment for that brand. Digital and e-marketing refer to the use of digital advertising media to promote products and services ([Bala & Verma, 2018](#)).

In this modern era and economy, Digital marketing has become an important part of promoting a product or services of any business ([Jharkharia & Shankar, 2005](#)). By opting for digital and e-marketing, all type of business is growing day by day because digital marketing increase brand awareness hence sales and revenue, and generate positive tendencies linked with the operations of a firm or organization. Using digitized data and information digitization increases the business outputs by improving business operations. Recently the focus of the Pakistan government is shifted towards the growth and development of the tourism industry and economy ([Murphy, Chen, & Cossutta, 2016](#)).

Ordinary people are called tourists when they voluntarily leave the regular environment they inhabit and travel to another spot, city or some other environment. These people typically involve in diverse actions, no matter how near or distant the atmosphere is (destination) is ([Gupta S. D., 2015](#)). So, a tourist will be considered a tourist because of what activities they perform while visiting some other place. ([Hojeghan & Esfangareh, 2011](#)).

The travel industry sees digital technology as the shortest and most efficient way to achieve its goals. Digital promotions play a significant part in tourism as end users can be thousands of kilometers away ([Bala & Verma, 2018](#)). "Today, 3.5 billion people have access to the internet. This figure includes people of all age groups with different incomes and social statuses. This metric is growing every year. If it was earlier thought that the internet was mainly used by young people, now more and more adults and elderly people, especially in foreign countries, use social networks every day and use the internet to search for information," stated Dulat Iman, Director of the Marketing Department of the Kazakh Tourism national company.

Digital and social media marketing can help businesses retain ([Alexis, 2017](#)) and expand their customer base as traditional communication channels become less common and society focuses more on Digitalized communications ([Chaffey, 2011](#)). According to a report by Google, in 2013, the internet and online information constitute the top source for tourists planning vacations. About 80% of sources also represent the internet as their most trusted source. This preference is because the internet greatly facilitates information processing. Therefore, 43% of travelers already know where they will travel when they turn to an online travel agency and which services they will choose ([Rivera & Goasduff, 2014](#)).

The tourism industry can be improved dramatically through e-marketing ([Dirsehan, 2015](#)). Tourism and the Internet are ideal partners (WTO, 2001b). There is a lot of difference between online and physical shopping environments and the perception of the customers as their experience cannot be the same. The trend of digital and e-marketing is creating ease in online buying and shopping. Consumer perceptions always signify effectiveness in e-marketing in tourism. This can be concluded, "It covers all processes from business management to new customer search and service delivery to existing customers" ([Alexis, 2017](#)).

Tourism also has a positive effect on Macroeconomic and financial interests, not only affecting the national economy but also applying to communities and people living in these areas (Afolabi, 2016). Although currency improvements and Job creation is usually an essential resource for tourism, focusing on regional progress and economic conceivable outcomes, maintenance and upgrading of natural and social resources should not be ignored. The determinants of global tourism streams have been the subject of various studies (Aramendia-Muneta & López, 2013).

The key purpose and goal of this paper and research study are to answer the questions associated with the factors affecting digital marketing in the tourism industry of Pakistan. First to examine the prevailing situation in our country and after that suggest recommendations for refining this situation in the country.

## **Methodology**

The study is inductive in nature and applied the qualitative method to recognize the most significant features of the problem. The inductive approach describes the external and internal factors that impact the proceedings of internet marketing strategy. This study was mainly focused on two points, all of which applied the snowball sampling method, the first focus was on which factors were most significant in the E-tourism Industry Marketing Strategies and the second one was to identify what is the impact of the digitalization on the stakeholders of the tourism industry

which factors were most significant in the E-tourism Industry?

the impact of the digitalization on the stakeholders of the tourism industry

In the first stage of the study, a board of professionals with management and decision-making positions was recognized as part of an open-question survey and used snowball sampling to answer the first research questions. The second phase of the study focused in determining the main stake holder of the tourism industry and the to learn about the impact of the digitalization on the key stakeholders of the tourism industry

The main focus of the study was to create a common list of influencing factors across three groups of entities: hotels, airlines, tour operators, and agencies. Initially, the responses of expert decision-makers in the research field to the questions posed by the researchers were analyzed. Focused group discussions were held among experts from the firms like Cross road adventures, Exploria, rock valley tours and home Togo. Discussions are held in the form of structured and unstructured interviews. These are the top Pakistani travel agencies and hotel booking applications and they claim to adopt digitalization in their operations fully or partially.

For this stage, Excel software is used. In this study, the most significant factor in tourism digital marketing strategy the analytical hierarchy process was implemented and rated. The method involves the main objective of the study, then explains criteria and subcriteria (if any), and finds alternatives at the end of the structure. Formerly, one country, Pakistan, was set as an option.

## **Results**

The study conducted detailed surveys to understand the problem and possible solutions. For this purpose, the researchers visited different offices located in different areas in Pakistan. The purpose was to explore the maximum and retrieve maximum benefits.

### **Effect of Digitization on the Pakistan Tourism Industry**

Tourists are the most crucial and main stakeholders of the tourism industry and the development in the tourism industry always has an influence on the different stakeholders of the industry. Tourists, as the main stakeholder, are the one who creates demands in the industry, while restaurants and the hotel business are on the opposite side and the one who are the suppliers who fulfill the demand created by the tourists. Between all of this, there are some middlemen entities which are the travel agencies who act as a bridge between the suppliers and the demand. Govt agencies that act as controlling and regulating authorities which can be at the national level, provincial level or local level, obviously they are also one of the main stakeholders of the tourism industry. In one way or another, digitization will influence all the stakeholders. It has already changed the way of doing business for a lot of stakeholders in the tourism industry also, it has a great positive impact on the experience of the tourists. Following are the some of influences on the stakeholders of the industry

### **Tourists**

As tourists are the main and crucial ones, all the other stakeholders of the industry tend to work to fulfilling tourists' demands and to increase their satisfaction. Eventually, this will lead to an increase in the number of tourists in that area, which will benefit the tourism industry. Digitalization is a way by which satisfaction of the tourist increases. It provides a lot of benefits to the tourists in different means. Showing the weather trends for upcoming days of a

tourist spot online is one way of that. With digitalization, it becomes very easy for tourists to know about the upcoming weather conditions of a particular tourist spot. Weather and temperature are the main concerns for tourists while planning a holiday tour. So by accessing weather conditions digitally, tourist can plan their upcoming tour accordingly.

After planning and deciding the tourist destination next step is to decide the way how to reach that point. Transportation for tourists is always a hectic challenge. With digitalization, it will become very easy for tourists to arrange transportation. Whether it's by road, by air, or by any other means, tourists can book it online through different apps or by using websites. Also, tourists can compare fares of different transporters online sitting at their homes without any hassle.

Food is a very important factor in every tour and is one of the main attractions of any tourist spot. Tourist always wants to eat healthy food and they face great difficulty in finding out good restaurant or spot to eat healthy in a new area. With digitalization, tourists can search online for good spots to eat healthy food and it will become easily accessible for the tourist. With digitalization, tourists can get information about restaurants, transportation, and weather very easily.

### **Travel and Tourism Agencies**

Travel agencies are one of the main stakeholders of the tourism industry. The style of working of travel agencies is very traditional but with the time and the digitalization in the tourism industry, the way of working of travel agencies is evolving. They act as a middleman between the tourists and the hoteliers and maintain the flow of the tourists in the industry. Digitalize themselves is a great opportunity for the tourism agencies to get a competitive advantage in the market as every business is innovating itself to get a competitive advantage. With the help of internet marketing, tourism agencies can communicate effectively and easily with tourists. Digitalization can also minimize the marketing and communication costs of travel agencies. Customer can also do their decision-making easily. Reducing the costs means higher the profit. In this age of digitalization, everyone has a smartphone mobile, which causes travel agencies easier to market themselves.

### **Hotels and Restaurants Owners**

As we know, hotels and restaurants are the main suppliers and stake holders of this industry. And innovation is required for every business to get a competitive edge in the market. Digitalization is one way for hotels and restaurants to innovate themselves in order to shatter the competitors. Providing online bookings can be one way of that. Hotels and restaurant can show their presence in that area digitally. There is no need for a tourist to find out a good restaurant or hotel after reaching that area. Tourists can pre-book rooms and food before reaching that tourist spot. Hotels and restaurants can use social media platforms for their marketing. Facebook and Instagram are good and effective mediums for that. Tourists can also get to know about the reviews done by other tourists of the famous food spot or hotels in that particular area. Food panda is also a good option for the restaurant owners and they can also boost their sales with the help of this platform as previously, a lot of restaurants boosted their sales and achieved a competitive edge by using this platform.

With digitalization, hotels and restaurants can also cut down their advertisement and other costs. Also, they can experience customer relationship software and can maintain a good record of the customer. By reducing costs and maintaining good relationships with customers and tourists, they can get a competitive edge in the tourism industry.

### **Conclusion**

Pakistan is a country with great potential for tourism and implementing digitalization in the tourism industry can boost it. Tourists are the most crucial and main stakeholders of the tourism industry and the development in the tourism industry always has an influence on the different stakeholders of the industry. Tourists as the main stakeholder, are the one who creates demands in the industry, while restaurants and the hotel business are on the opposite side and the one who are the suppliers who fulfill the demand created by the tourists. Between all of this, there are some middlemen entities which are the travel agencies who act as a bridge between the suppliers and the demand. Innovation is required for every business to get a competitive edge in the market. Govt agencies that act as controlling and regulating authorities which can be at the national level, provincial level, or local level, obviously they are also one of the main stakeholders of the tourism industry. In one way or another, digitization will influence all the stakeholders.

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