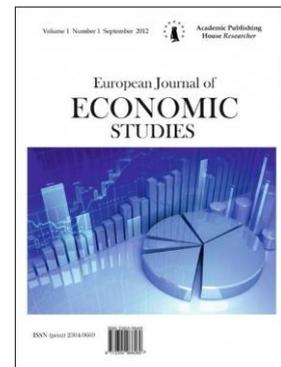


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Tourism Marketing in the Republic of Armenia

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Abstract

It is crucial to accomplish good marketing performance for tourism development. Tourism sphere and main marketing approaches of Armenia are analyzed in the article and some steps for advancement are suggested.

The author concludes that marketing performance is also vital for the state. In this case the country tourism image and brand must be properly advertised in international tourism markets for attracting tourists. It should be done dominantly via Internet. Comprehensive information about Armenian tourism destinations, history, culture, religion, resorts must be propoganded. Armenia should be positioned in international tourism markets as the first Christian country with ancient history and culture, thermal hot springs and fascinating nature welcoming tourists for religious, resort, cultural, eco-, agro- and other purposes. This should be done not only by participating in various tourism exhibitions but also using e-marketing tools widely (advertising (in social networks), promotion and selling via internet, etc.). Surely, a complex and sistematic approach by the above mentioned directions will raise Armenia's tourism competitiveness abroad and will attract international tourists.

Keywords: Tourism, marketing performance, marketing mix, service, product, demand and supply, competitiveness, benchmarking, SWOT, brand promotion.

1. Introduction

Tourism develops very fast and is considered to be one of the largest industries in the world economy. International tourist arrivals reached 1,184 million in 2015, a 4.4 % increase over the previous year ([International tourist arrivals up 4 % reach a record 1.2 billion in 2015, 2015](#)). The total contribution of Travel & Tourism to GDP was USD 7,580.9bn (9.8 % of GDP) in 2014, and is forecast to rise by 3.8 % pa to USD 11,381.9bn (10.5 % of GDP) by 2025 ([WTTC Travel & Tourism Economic Impact World, 2015: 1](#)).

According to the law of the Republic of Armenia "About tourism and tourist activities" tourism comprises the activities performed by citizens, travelling in the informative, recovery, sports, religious, professional, business, rest and other purposes, from the place (country) of permanent residence to other place (country) mostly for the term up to one year without interruption ([The law of the Republic of Armenia "About tourism and tourist activities", 2003](#)).

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In Armenia tourism was announced as a main sector of economy. In 2015 1,192,120 tourists visited Armenia, and in 2014 1,203,746 tourists did ([Tourism, Ministry of Economy of the RA](#)). The Travel & Tourism (T&T) direct contribution to GDP was 396.6mn US \$ (3.6 % of total), T&T total contribution to GDP was 1406.5mn US \$ (12.7 % of total), T&T total contribution to employment was 133,700 jobs (11.3 % of total) in 2014 in Armenia ([WTTC Travel & Tourism Economic Impact Armenia, 2015: 11](#)). The number of hotel facilities was 268 in the RA in 2014, which included hotels, hostels, resorts, rest houses, etc., and only 25 of them have qualification class. Their accommodation capacity was counted 14395 places ([Statistical Yearbook of Armenia 2014, 2014: 191](#)).

The main types of tourism which have a great potency to develop in Armenia based on the existing assests are as follows: historic, cultural, religious, wellness, sport, eco- and agro- tourisms.

2. Literature review

It is crucial to accomplish good marketing performance for tourism development. Today marketing is one of the main functions of the bussiness. Every bussiness entity tries to attract and keep consumers. This goal may be achieved through marketing as it is the process of studying consumers' needs and market demand and supplying such a product or service which will have a demand and will provide profit.

Tourism marketing is very specific as the product is a service which has many characteristics:

1. Intangibility, as it cannot be seen, smelled, tasted, touched,
2. Continuity of production and consumption, as they are being produced during consumption,
3. Quality variability, depending on who and where supplies the services,
4. Inability to store, as the tourism services cannot be saved in order to sell later ([Durovich, 2001: 16-19](#)).

Besides, tourism services have other characteristics as well.

- ✓ The customer goes to another place in order to buy the service,
- ✓ The evaluation of the quality of the services varies for every tourist, as they assess it subjectively,
- ✓ Many external factors influence the quality of the services (for example, weather, tourism policy, international events),
- ✓ High quality of services can not be provided in case of existence of even a little gap, as the whole process consists of many little details,
- ✓ Tourism services have inelastic demand depending on the season, income of people, prices ([Durovich, 2001: 21-22](#)).

Marketing mix in tourism sphere includes the following components.



Fig. 1. 7 Ps of services marketing ([The 7 Ps of services marketing, Business fundas, 2010](#))

Thus, marketing goal is to meet consumer needs by using marketing mix components in the best way. The figure below shows how marketing influences demand and supply of the service.

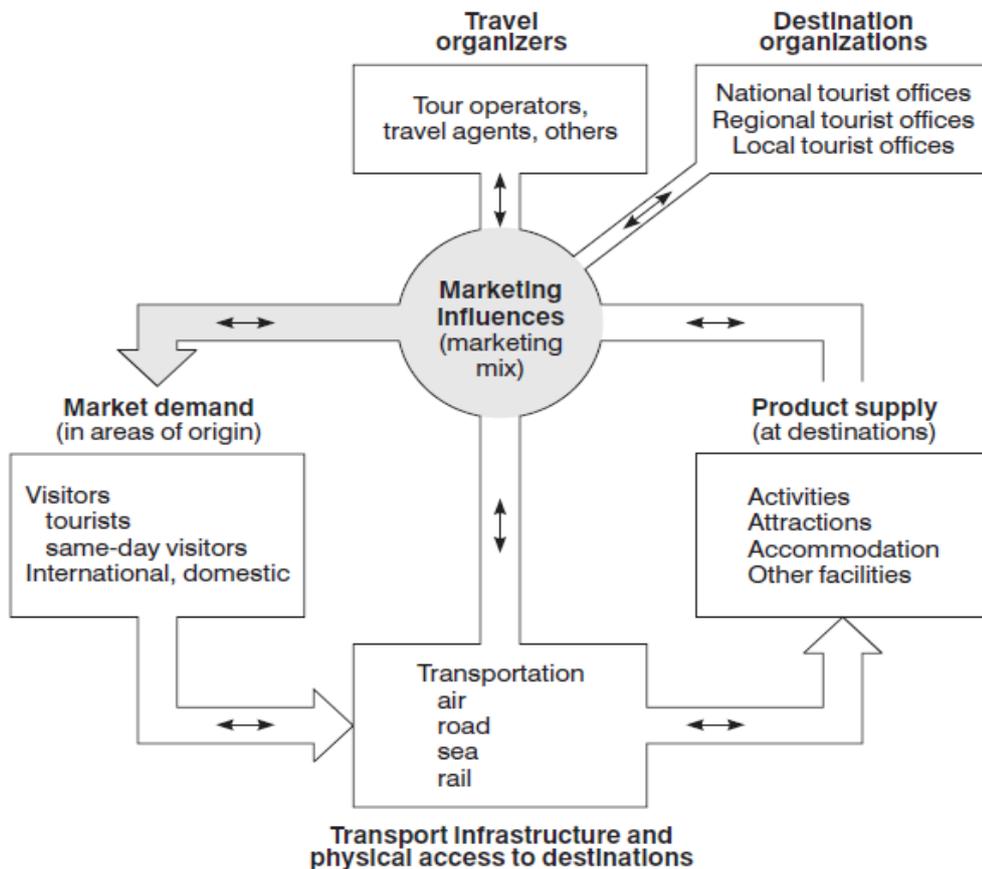


Fig. 2. The systematic links between demand and supply: the influence of marketing ([The Meaning of Marketing in Travel and Tourism: 12](#)).

Obviously, marketing has a core, central and significant role in tourism sphere being the motive of demand and supply. Consequently, every company and also the state must have a marketing strategy for tourism development. In tourism sphere the marketing goal of the state must be a promotion of country's tourism product in national and international tourism markets, attracting tourists and developing the industry.

3. Analysis and Discussion

In 2015 from the State budget of the RA 188,4mln AMD ([The law of the Republic of Armenia about "State budget 2015 of the RA", 2014](#)) was provided for tourism development, which was spend on the following purposes:

- ✓ Improvement of advertisement system for promoting Armenian tourism product in internal and external markets,
- ✓ Organization of traditional festivals,
- ✓ Development of tourism infrastructures and human resources,
- ✓ Promotion of the program of continuous and competitive air transfer services,
- ✓ International collaboration ([Procedures of "Tourism support services" 2015 program, 2015](#)).

For realizing marketing policy in tourism industry and presenting Armenia as an attractive and favorable touristic country a number of related materials, booklets, reference books and tourist maps are being published every year. Armenia's tourism product is continuously being presented in the international exhibitions which is very important for the stable development of tourism industry in the country. In 2015 Armenia participated in the following events:

- January 28-February 1, 2015 "Fitur-2015" international annual exhibition in Madrid,
- March 4-8, 2015 "ITB-2015" international tourism exhibition in Berlin,
- March 18-21, 2015 "MITT-2015" international tourism exhibition in Moscow,
- September 29-October 2, 2015 "Top Resa" 2015 international tourism exhibition in Paris,
- October 8-10, 2015 "TTG Incontri-2015" international exhibition in Rimini.

Cognitive trips to Armenia were organized and Israeli, Italian, Russian, Chinese journalists, sphere specialists and potential investors visited Armenia in 2015, a documentary film about Armenia was made by RAI Italian channel ([Tourism, Ministry of Economy of the RA](#)).

According to the Travel & Tourism Competitiveness Report 2015 which was published by the World Economic Forum within the framework of the Global Competitiveness and Risks team and the Industry Partnership Program for Aviation & Travel, Armenia was at the 89rd place among 141 countries (in 2013 was the 79rd). Spain was the top of the 2015 edition of the TTCI global rankings for the first time, followed by France (2nd), Germany (3rd), the United States (4th), the United Kingdom (5th), Switzerland (6th), Australia (7th), Italy (8th), Japan (9th) and Canada (10th) ([Travel & Tourism Competitiveness Report, 2015, 5](#)).

Table 1. Travel & Tourism Competitiveness Index of the Republic of Armenia ([Travel & Tourism Competitiveness Report, 2015: 78](#))

Index	Rank (out of 141)	Score (1–7)
Travel & Tourism Competitiveness Index	89	3.42
Enabling Environment	57	5.00
Business Environment	50	4.62
Safety and Security	38	5.80
Health and Hygiene	48	5.92
Human Resources and Labour Market	71	4.48
ICT Readiness	69	4.16
T&T Policy and Enabling Conditions	95	3.90
Prioritization of Travel & Tourism	80	4.43
International Openness	83	2.78
Price Competitiveness	77	4.58
Environmental Sustainability	97	3.79

Infrastructure	84	3.14
<i>Air Transport Infrastructure</i>	92	2.26
<i>Ground and Port Infrastructure</i>	97	2.98
<i>Tourist Service Infrastructure</i>	73	4.18
Natural and Cultural Resources	130	1.63
<i>Natural Resources</i>	136	1.88
<i>Cultural Resources and Business Travel</i>	99	1.38

Armenia was the 68th in terms of Country Brand Strategy rating, 117th in terms of effectiveness of marketing to attract tourists, 69th in terms of ICT Readiness, 71st in terms of individuals using internet (46,3 %), 49th in terms of comprehensiveness of T&T data, 67th in terms of timeliness of T&T data, 37th in terms of Visa requirements, 126th in terms of price competitiveness, 92nd in terms of air transport infrastructure, 97th in terms of ground and port infrastructure, 73rd in terms of tourist service infrastructure ([Travel & Tourism Competitiveness Report, 2015: 79](#)).

4. Suggestions and Conclusions

The above mentioned analyses indicate that tourism marketing in Armenia needs improvements both for tourism organizations (e.g. our researches in sanatoriums have shown that their marketing performance have many gaps) and state organs (e.g. “Armenia Information” official website was last updated in 2013).

Tourism sphere organizations must explore current market statistics and trends, demand and supply, customers and competitors and also own possibilities and procedures to promote tourism services. Based on it they must process such a “product” which will have exclusive competences and a good strategy for meeting market needs. For this purpose a SWOT analysis must be done (analysis of strengths, weaknesses, threats and opportunities) which will reveal the main obstacles and based on the existing strengths and opportunities will elaborate an appropriate strategy. Besides, they may also use the method of benchmarking (analyzing the marketing performance and practice of the best organizations of the sphere in order to use some elements in their own activity). The above mentioned steps are very important for having competitive tourism product.

The tourism organizations must also do marketing surveys in order to find out the new needs of customers, their suggestions, complaints, dissatisfactions in order to take measures for eliminating the gaps and serving a competitive tourism product. Such kind of surveys must be done in all stages of the product life cycle (introduction, growth, maturity and decline). Especially during the decline stage it is crucial to reveal and eliminate the main problems. Besides, it is necessary to evaluate own relative market share and market growth rate in order to select appropriate competitive strategy.

Nowadays it is worth using electronic marketing tools, as many tourists prefer to find information about tourism destinations and do bookings beforehand via Internet. So the organizations are to use marketing mix tools also electronically. As we see marketing function is decisive for the organizations as it provides their future performance.

Marketing performance is also vital for the state. In this case the country tourism image and brand must be properly advertised in international tourism markets for attracting tourists. It should be done dominantly via Internet. Comprehensive information about Armenian tourism destinations, history, culture, religion, resorts must be propaganded. Armenia should be positioned in international tourism markets as the first Christian country with ancient history and culture, thermal hot springs and fascinating nature welcoming tourists for religious, resort, cultural, eco-, agro- and other purposes. This should be done not only by participating in various tourism exhibitions but also using e-marketing tools widely (advertising (in social networks), promotion and selling via internet, etc.). Surely, a complex and systematic approach by the above mentioned directions will raise Armenia’s tourism competitiveness abroad and will attract international tourists.

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