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Challenges of Branding Iran: Perspectives of Iranian Tourism Suppliers

Abstract

Branding could be viewed as one of the most influential marketing tools available to destination marketers. Creating an effective and successful destination brand is however a considerably complex process which requires substantial effort, time and resources. This process is even more complex in the case of Iran which for decades has been suffering from significant negative imagery in the tourist generating markets. The aim of this paper is to focus on some of the challenges faced by Iranian tourism suppliers in relation to creating a successful branding strategy for Iran. The findings of this paper are based on interviews conducted in Iran with representatives of Iranian tourism suppliers from both the public and private sector. The analysis of these interviews suggests that tourism suppliers face two main challenges: (1) lack of effort and resources (2) lack of essential collaboration between the public and the private sector.

Key words: Destination Image; destination branding; Iran tourism; tourism suppliers; tourism stakeholders.

1. Introduction

Branding could be viewed as one of the most influential marketing tools available to destination marketers confronted by tourists who are ever more interested in experience rather than tangible elements of the destination products such as accommodation and attractions (Morgan et al., 2004). Creating a successful destination brand however is a complex, time consuming and costly exercise. Iran is a country with enormous tourism potentials derived from its rich cultural, historical and natural assets. One of the world's most renowned travel companies, Cox & Kings – which is also world's longest established travel company (1758) – for instance, has predicted that Iran will be amongst the 'hottest' destinations in 2017. Iran however, faces significant challenges when it comes down to successfully branding itself. Decades of negative imagery in the tourist generating markets – particularly the west – has resulted in the creation of a powerful discourse of 'Iran-as-Polity' which – over time – has become institutionalised in these markets (Khodadadi and O'Donnell, 2015). Overcoming or at the very least challenging this powerful negative discourse will not be an easy task for the country's tourism suppliers. Derived from the analysis of interviews, this paper focuses on two main 'challenges' from the Iranian tourism suppliers' perspective: (1) lack of effort and resources (2) the lack of essential collaboration between the public and the private sector.

2. Interviews with Iranian Tourism Suppliers

To understand the perspectives of Iranian tourism suppliers, a total of six semi-structured interviews were conducted during a field-trip to Tehran, Iran, in June 2010. A purposive sampling technique was employed hence, participants were selected based on their roles within the Iranian tourism industry at the time when interviews were conducted.

2.1 The Public Sector

Interviewee One: A high ranking civil servant within the Bureau of Planning and Development of International Tourism at the Iran Cultural Heritage, Tourism and Handicraft Organisation. This organisation is a governmental body responsible for the planning and development of tourism.

Interviewee Two: A representative of Cultural Heritage and Tourism Exhibition Company. This Company is part of the ICHTO and is responsible for and runs Iran's stand at international tourism exhibitions such as WTM, ITB, BIT, ATM, etc.

These individuals were – at the time when interviews were conducted – leading figures within the two and only main public sector organisations primarily responsible for the development of the international tourism market for Iran. Hence, they have the key responsibility of producing and supplying ‘induced’ information sources (Gartner, 1994; Baloglu and McCleary, 1999; Beerli and Matin, 2004) in the potential target markets and, therefore, have a vital role in the production and circulation of destination images.

2.2 The Private Sector

Interviewee Three: A high level member of Iran and Tehran Travel and Tourism Union, also known as the Iranian Tour Operators Association (ITOA).

Interviewee Four: A member of the Board of Directors at Tehran Tour and Travel Agencies Associations.

Interviewee Five: Managing Director of Tour Operator A.

Interviewee Six: Managing Director of Tour Operator B.

Participants 4, 5 and 6 are the leaders of three major tour operators in Iran specialised in inbound tourism from western countries. Interviewee 3, a high-level member of Iran and Tehran Travel and Tourism Union was also selected because of his fundamental role in facilitating collaboration between the public and private sector and his substantial knowledge of the development of the private sector,

policies, planning, performance and the tourism industry in Iran in general. These individuals were – at the time when interviews were conducted – key representatives of the private sector as they are highly active in the development of the international tourism market for Iran.

Interviews with the above participants lasted 30 minutes on average and were audio recorded. Interviews were then transcribed and translated from Farsi into English. A sample of translated interview transcripts were viewed by – an independent – native Farsi speaker to ensure translation reliability/integrity. Analysis of data gathered is based on Michel Foucault's thinking on discourse primarily as developed in his *Archeology of Knowledge* (1972).

3. Challenges of Branding Iran

3.1 Lack of Effort and Resources

Creating an effective and successful destination brand is a considerably complex process (Pike, 2005) which requires substantial effort, time and resources (Moilanen and Rainisto, 2009). This process is even more complex in the case of Iran which currently suffers from significant negative imagery in the tourist generating markets (Khodadadi, 2016a). Analysis of the interviews shows that one of the key challenges faced by Iranian tourism suppliers in creating a successful brand for Iran is the lack of effort and necessary resources. Tourism development in Iran is very much dependent on the country's ongoing/changing political environment. Tourism development strategies are set by Iran Cultural Heritage, Tourism and Handicraft Organisation whose head is directly appointed by the President in office. Therefore, depending on the government's priorities and attitude towards tourism development, it could be either cherished or side-lined – which was in fact the case during President Ahmadinejad's time in office. This, in turn, has major implications for the level of effort and resources dedicated to tourism development activities in the country. Below are some examples extracted from the interviews conducted with tourism suppliers which demonstrate these points:

Our biggest problem is to secure our costs. Many of the things we do are not even as much as the budget for a month in other countries [...] The private sector is also weak in terms of investment although in many other countries it is the private sector that invests the most (Interviewee 2).

we need to develop an effective brand for Iran. We should broaden our views regarding this matter [...] there are some actions being taken in the country with regards to branding but the most important part of this process is the actual implementation which unfortunately is problematic in the country (Interviewee 4).

Unfortunately, this theory [branding] is a new phenomenon in Iran despite its importance. There has not been sufficient work done with regards to this notion. We do have a large number of natural, historical and cultural attractions that could be taken into account for an effective branding strategy but not much work has been done [...] Branding needs further work to be developed like many other countries in Europe, India, Malaysia and other countries who have well established brands and are seeing its benefits (Interviewee 5).

Interviews with the suppliers reveals that although the importance of an effective branding strategy for Iran is acknowledged amongst the suppliers, there is – or at least was at the time of the interviews – a significant lack of support for and investment in developing a branding strategy for Iran. A clear example of this can be seen from a comparison between Iran and one of its neighboring countries, the United Arab Emirates, which shows that while UAE's capital investment in tourism in 2015 was \$7.4 billion, Iran's only reached \$3.3 billion (World Travel & Tourism Council, 2016).

This therefore, has resulted in suppliers 'inability to provide an alternative source of information for international tourists, however limited, has also contributed to some extent to the media becoming the dominant or even for many people the only source of information in external tourist markets' (Khodadadi, 2016b: 91). It is worth noting – particularly with reference to the statement by participant 4 above – that even implementing small-scale efforts is 'problematic' in the country. For example, Participant 4 argues that 'we should consider that in our country we need a national determination to develop the Iranian tourism industry. For example, our revenue from the oil industry has resulted in the neglect of the tourism industry'.

Iran ranks second in the world in natural gas reserves and fourth in proven crude oil reserves. The country's economic activity and government revenues still depend to a large extent on oil revenues (World Bank, 2017). According to the Organization of Petroleum Exporting Countries (OPEC, 2014), the country's total revenue from petroleum exports – even under heavy international sanctions – was more than \$61 billion in 2014, far greater than tourism's contribution to its GDP (2.3% of total GDP, \$9.1 billion) during the same period (World Travel & Tourism Council, 2015). Additional factors, such as the heavy US-led international sanctions, combined with the Iranian government's low interest in tourism development – at least at the time when interviews were conducted – have resulted in extremely limited investment in tourism (Khodadadi, 2016a).

3.2 Lack of Stakeholders Collaboration

The importance of stakeholders' collaboration in creating a successful tourism destination brand is well-researched in the tourism literature (Morgan et al., 2003; García et al., 2012; Kavaratzis, 2012; Campelo et al., 2013). This essential collaboration is however, far from reality in Iran. Analysis of

interviews with the private sector shows that there is a lack of close collaboration between the public and private sector in Iran:

in my opinion the public sector has not been successful in terms of cooperation for developing the tourism industry. I think it is enough that they are not interfering or causing problems. We expect the public sector to have better cooperation with us (Interviewee 5).

We have no cooperation with the public sector regarding branding activities. However, we definitely need standards and should move from traditional strategies to modern and more standardised ones. We should create a brand for Iran and introduce it internationally (Interviewee 6).

This lack of collaboration therefore, has resulted in a lack of unified and effective approach to developing a successful brand for Iran. The following statement by Interviewee 5 also shows that this collaboration is not only non-existent but also undesirable as it is deemed ‘interfering’ rather than collaborative. It is noted by Khodadadi (2016b: 91) that ‘even [...] small-scale Iranian efforts that have been invested in promotion strategies have not been effective in reaching the target audience. The majority of investment by the public and private sector is going into the development and production of brochures and catalogues and participation in international exhibitions with very little attention to the recent developments in Information and Communication Technologies and particularly the Internet’. This is particularly evident from the last statement by Interviewee 6 who acknowledges that a more modern and collaborative approach is needed to Iran’s marketing/branding activities.

4. Conclusion

Branding is a powerful tool not only in positioning a destination in its desirable target markets, but also in re-positioning a destination which suffers from negative imagery (Hall, 2002; Smith, 2005). The latter, particularly, is significantly important in the case of Iran which for decades has suffered from negative imagery in its tourist generating markets. It is clear – from the analysis of interviews – that Iranian tourism suppliers are well-aware of the importance of branding in re-imaging Iran in the tourist generating markets. However, after speaking to suppliers from both the public and private sector it is very much evident that little effort has been invested in the development of a clear and unified branding strategy for the country.

The future however, looks more promising. The election of President Hassan Rouhani and the subsequent lifting of nuclear-related sanctions on Iran in January 2016 has – to a large extent – transformed Iran's political and economic climate. This has created unique opportunities for the

struggling tourism sector in Iran (Khodadadi, 2016a). Over the past year there has been a change in attitude and will towards tourism development activities in Iran. For example, Iran recently hosted an international conference on tourism branding (3-6 January 2016) in one of Iran's most popular/visited tourist cities (Isfahan). This conference (<http://www.en.tbrand.ir/>) was supported by Iran Cultural Heritage, Tourism and Handicraft Organisation. It hosted several national and international guest speakers/participants from both the industry and academia. According to Euromonitor International (2017: 3), Iran's government and the Promotion and Marketing Office at Iran's Cultural Heritage, Handicrafts and Tourism Organisation has also introduced two main programmes to promote tourism: (1) familiarisation tours for travel agents, reporters and tour operators, and (2) private sector participation in tourism fairs like ITB Berlin, with such participation previously prohibited by the government'. Although the outcome of these activities remains to be seen, such activities are a positive step towards building a better future for the tourism industry in Iran.

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