

Marketing strategies for Mexican tourism: Arab - Muslim market

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Key Words

Tourism, Mexico, Marketing strategies, Emerging markets, Arab countries

Abstract

Tourism, as an economic activity, has a high importance worldwide due to factors that are involved in it, and also because it is a real opportunity for business. In Mexico, this is not the exception, tourism represents close to 9% of the Gross Domestic Product (GDP) and it is the third largest source of foreign currency earnings (US-Mexico Chamber of Commerce 2011). Nowadays, Mexico already counts with some loyal markets regarding this activity; most of foreign tourists who visit the country are from United States of America and from Canada. Some other travelers practicing tourism in Mexico come from Europe and Latin American countries. Considering globalization and trends involved in this phenomenon, such as the importance of emerging markets, Mexico has to take into account the idea of increasing its touristic offer to a new potential market. In this research paper, the Arab/Muslim countries will be studied as a possibility of opening a new market segment in terms of tourism. This research will describe the main characteristics of Arab countries, as well as Muslims' cultural behavior. The paper then, will attempt to propose several strategies to promote tourism in Mexico focused on the Arab/Muslim market.

1. Introduction

Globalization is a current phenomenon that has been affecting different worldwide aspects – such as economy, cultural behavior – which has provoked a reduction of ideological barriers among nations as well as economic growth. Due to these changes, certain countries that were not on the spot years ago now are being highlighted. Within economical affairs, the “so called” emerging markets have won important relevance. An emerging market is a nation with social or business activity in the process of rapid growth and industrialization. This term was originally brought into fashion in the 1980s by the World Bank economist Antoine Van Agtmael. The concept is sometimes loosely used as a replacement for emerging economies, but it really means a business phenomenon that is not fully described by or constrained to geography or economic strength; such countries are considered to be in a transitional phase between developing and developed status (Authers 2006).

Examples of emerging markets include Indonesia, Iran, some countries of Latin America, some countries in Southeast Asia, South Korea, most countries in Eastern Europe, Russia, some countries in the Middle East, and parts of Africa. According to Morgan Stanley Capital International (MSCI), the United Arab Emirates (UAE) entered into the group of emerging markets [when??] and it is considered by economic analysts as a good option to incentive business activities (Stoukas & Madany 2013). Many countries around the world are conscious about business opportunities that the emerging markets represent. One economic activity with high relevance worldwide is tourism. Mexico has a wide offer regarding tourism, but most of it is basically focused to western markets. Tourism represents close to 9% of Mexico's GDP and it is the third largest source of foreign currency earnings after petroleum and remittances (US-Mexico Chamber of Commerce 2011).

Arab countries -as emerging markets, such as UAE - are seen as an unknown target for Mexico. As regards to tourism affairs, promotional strategies for this specific market have not been developed yet. This segment should be considered potentially attractive due to its high purchasing power. As a business opportunity, Mexico should study the Muslims' cultural context, as well as their behavior as potential customers. This research paper will expose an overview of this emerging market. Besides, it will describe Mexican tourism offer and strategies to promote it to the focused target: Arab countries.

2. Literature Review

2.1 Arab Countries

The Arab world, also known as the Arab Nation, consists of the Arabic-speaking countries and populations of the 22 Arab League countries, stretching from the Atlantic Ocean in the west to the Arabian Sea in the east, and from the Mediterranean Sea in the north to the Horn of Africa and the Indian Ocean in the southeast. It has a combined population of around 422 million people (Bokova 2012). The Arab League is a regional organization that aims -among other things- to consider in a general way, affairs and interests of the Arab countries.

Different forms of government are represented in the Arab World: some countries are monarchies: Bahrain, Jordan, Kuwait, Morocco, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Other Arab countries are republics; with the exception of the Palestinian Authority, Lebanon, and recently Mauritania. Democratic elections throughout the Arab World are generally viewed as compromised, due to outright vote rigging, intimidation of opposition parties, and severe restraints on civil liberties and political dissent (Kramer 2009).

Major economies of Muslim world are composed of some economic systems of Western Asia, South Asia, Southeast Asia; most of Middle East, most of North Africa, and most of West Africa. Arab countries are mostly, although not exclusively, emerging economies and derive their export revenues from oil and gas, or from the sale of other raw materials. Arab World has had significant economic growth in recent years, largely due to an increase in oil and gas prices, which tripled between 2001 and 2006, but also due to efforts by some states to diversify their economic base. The main economic organizations in the Arab World are the Gulf Cooperation Council (GCC), which includes states in the Persian Gulf, and the Union of the Arab Maghreb (UMA), made up of North African States. The GCC has achieved some success in financial and monetary terms, including plans to establish a common currency in the Persian Gulf region. Recently, a new term has been coined to define a greater economic region: the MENA region (standing for Middle East and North Africa) is becoming increasingly popular. Saudi Arabia remains the top Arab economy in terms of total GDP (Bernard 2004). Arab countries comprise a cultural, ethnic, linguistic, religious, and artistic multitude and richness. Most of the population from these countries practices the Islamic religion; therefore these countries are also known as the Muslim World.

Approximately 23% of the world's population is Muslim. Current estimates conclude that the number of Muslims in the world is around 1.6 billion. Muslims are the majority in 49 countries; they speak about 60 languages, and come from diverse ethnic backgrounds (Pew Research 2012). The majority of people in the Arab world adhere to Islam and the religion has official status in most countries. Shariah law exists partially in the legal system in some countries, especially in the Arabian Peninsula, while others are secular. Overall, Arabs make up about one quarter of the world's 1.5 billion Muslims, a group sometimes referred to as the Islamic world. The average population growth rate in Arab countries is 2.3%. As of 2010, over 1.6 billion or about 23.4% of the world population are Muslims. Of these, around 62% live in Asia-Pacific, 20% in the Middle East-North Africa, 15% in Sub-Saharan Africa, around 3% in Europe, and 0.3% in the Americas (Pew Research 2012).

The world's Muslim population is expected to increase by about 35% in the next 20 years, rising from 1.6 billion in 2010 to 2.2 billion by 2030, according to Pew Research Center's Forum on Religion & Public Life new population projections (Pew Research, 2012). Although Islamic lifestyles emphasize unity and defense of fellow Muslims, schools and branches exist. In the past, both Pan-Islamism and nationalist currents have influenced the status of the Muslim world.

There are two main sects in Islam: Sunni and Shi'ite. Sunni Islam is the largest denomination, although in some countries it is a minority. Sunnis have their historical roots in the majority group who followed Abu Bakr, an effective leader, as the successor of Muhammad; instead of his cousin and son-in-law Ali. The Sunnis are so known because they believe themselves to follow the Sunnah or "custom" of the Prophet. Shi'ites are those Muslims who followed Ali, the closest relative of Muhammad, as Muhammad's successor. The overwhelming majority of Muslims in the world -between 87% and 90%-are Sunni (Religion Facts 2014).

2.1.1 Differences between Arab and Western countries

Arab countries differ from western civilizations, not only in the way they are organized, but also for their historical background. Furthermore, these two groups have their very own cultural identity which directly reflects their lifestyles and behavior. Some comparisons of the way that both civilizations see different aspects in life will be described in chart 1.

Chart 1. Comparison between Western and Arab countries lifestyle views

Westerners	Arabs
<ul style="list-style-type: none"> • They see Arab society in decline, propped up temporarily by oil revenues. • Generally separate church and state. • The individual is the basic social unit. • Status is gained by achievement. • They like to deal in cold facts. • They want to be fair. • They believe in organizations and institutions. • They wish to modernize. • They have created equality for men and women. • They must appear to behave rationally. • They respect strength. • Friends are seen as a good company. • They usually restrict the amount of information they give when knowing a person for the first time. • When negotiating, Westerners try to find logical conclusions. • Men and women mingle freely in Western societies. • In western countries, hospitality is more reserved and less expressive. • They arrive on time to appointments. 	<ul style="list-style-type: none"> • They are very conscious that their civilization once led the world and believe that they are capable of doing so again. • Most Islamic countries do not separate religion and state, and it strongly influences social behavior, politics and even business. • Family is the basic social unit. • Status is gained by class. • Arabs will not let facts destroy their honor. • Arabs want to be just, but flexible. • Arabs believe in people guided by God. • They strive to find a way of adopting modern modes of behavior without disrupting the traditions they value. • They believe the two sexes have vastly different personalities and roles. • It is important to impress others with their integrity. • In Arab societies the weak must be respected and protected, and piety is one of the most admirable qualities. • A friend is a person who cannot refuse your request; neither can you refuse his or hers. • Arabs tend to talk a lot about their family and connections. • Arabs use personalized arguments, appeals and persistent persuasion. • Visiting and long conversations are frequent. • Hospitality is more effusive, even to strangers. • They are much more relaxed in their timing. • Arabs prefer arranged marriages, which on the whole are very stable, involving mutual respect.

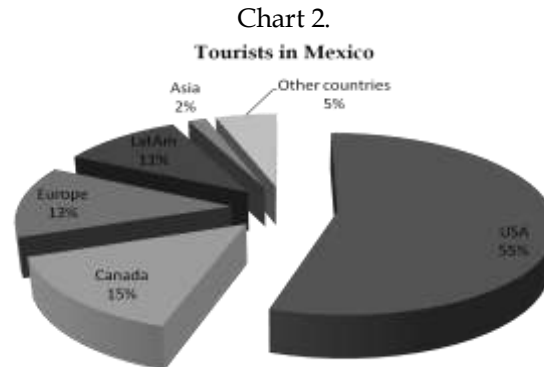
2.2 Tourism in Mexico

Tourism is one of the most important economic activities in Mexico. It is the eighth most visited country in the world, with over 20 million tourists a year. Tourism represents close to 9% of Mexico's GDP and it is the third largest source of foreign currency earnings after petroleum and remittances. In 2010, Mexico was ranked the 10th most visited country in the world with 22.4 million visitors in during that year. (US-Mexico Chamber of Commerce 2011).

Mexico has been traditionally among the most visited countries in the world according to the World Tourism Organization and it is the most visited country in the Americas, after the United States. According to the Ministry of Tourism (Secretaría de Turismo, SECTUR), most tourists come to Mexico from the United States and Canada. Other visitors come from Europe and Asia. A small number of tourists also come from other Latin American countries. There is also a burgeoning domestic tourism trade as a growing affluent middle class begins to go on holiday within their own country. While Mexico's

middle-lower class usually promotes national tourism, the middle-higher class usually prefers to travel overseas (SECTUR 2013).

The chart below shows the amount of foreign tourists in Mexico during the year 2012, and it is classified by nationality.



Data based on: SECTUR, 2013.

The Travel and Tourism Competitiveness Index (TTCI) report measures factors of attractiveness of developing business as regards to traveling and tourism industry of individual countries. In 2011, it ranked Mexico in 43rd place worldwide; which is fourth in the Americas. When only considering, the sub index measuring human, cultural, and natural resources, Mexico ranks in the 13th place on a worldwide level, 10th for the natural resources criteria and 19th for the cultural criteria (Blanke & Chiesa 2011).

2.2.1 Attractions in Mexico

Mexico is internationally recognized by its major touristic attractions; some of the main destinations include cities as well as beaches. The offer regarding tourism is quite varied, from typical beach resorts to guided visits to churches. Just a few years ago, tourism has become a personalized experience; therefore different types of it have developed a lot more interest within travelers. Nowadays, there are several types of this activity, such as ecotourism, rural, cultural, religious, gastronomic, and adventurous tourism, among others. Mexico has a differential competitive advantage towards other countries due to the fact that it has vast options to offer tourists different kinds of experiences.

The capital is Mexico City -one of the largest cities in the world-, it might be seen by tourists as an exciting spot to visit. As an important megalopolis, the city has multiple options as attractions; ancient ruins and pyramids, hundreds of museums, cultural activities, and a vast number of restaurants. Furthermore, the most important Mexican enterprises and foreign companies are settled in Mexico City, represented in modern buildings and corporations. Therefore, different styles of architecture from past centuries merge with modern constructions, offering an outstanding urban landscape. Some of the “must seen” sites to visit in this cosmopolitan area are: Teotihuacan, Bellas Artes Palace, Historic Center, Metropolitan Cathedral, Templo Mayor Museum, Anthropology & History Museum, Xochimilco, among others.

Another important aspect when visiting Mexico is the immense variety of gastronomy options. Tourists may find in the city a lot of places to taste typical Mexican dishes; not only high cuisine restaurants or fancy lounges, but also street stands or food trucks. There are some other important cities in Mexico that are attractive to travelers, such as Guadalajara, Monterrey, or Morelia. These sites are also appealing because of the cultural richness that might be seen when visiting them.

Mexican beaches are appreciated worldwide, and most tourists that come to the country decide to spend most of the time in this type of destinations. In the Yucatán peninsula, one of the most popular beach spots is Cancún, which is mainly known for the turquoise clear water of the ocean. In the aforementioned area, Playa del Carmen is also located; with very similar characteristics, as it is on the Caribbean Sea. The Yucatán peninsula offers an incredible scenario for tourists due to the fact that the beaches are the perfect background for ancient ruins from the Mayan civilization. Tulum and Chichen Itzá are two of the most recognized archeological spots to be explored when travelling to Mexico. In the Pacific coast there are also some other beach destinations, such as Acapulco, or the surfing beaches of

Puerto Escondido. Along the central and north Pacific coast, the biggest beaches are Mazatlán and Puerto Vallarta. At the southern tip of the Baja California peninsula, the resort town of Cabo San Lucas is located.

The touristic attractions described above, represent just a small part of the entire touristic offer that Mexico has. Travelers around the world are interested in visiting this country and Mexico is still in the process of understanding their expectations.

2.3 Marketing Tourism

Tourism marketing is different from “typical marketing” because the customer purchases a series of services, but is left with very little concrete value at the completion of his trip. As a result, the marketing initiatives have to emphasize the value of the memories, make the collection of services easily accessible and added value through additional programming and other factors. A key challenge is to convince potential customers that the item they are purchasing provides good value for the price, and that the services will be as described and expected. The marketing mix for this specific activity comprises eight P's which contribute to develop the strategies in tourism; those are:

Product: is the collection of services that have features and benefits. Standard features and benefits include the normal amenities of a hotel room, for example. Good marketing adds special features, such as free breakfasts or free Internet.

Price: has to match the product, but good marketing makes the price seem more attractive. The operator can either add features to the product and keep the price the same or give a discount for the same features.

Promotion: gives details of the product and the price. The key characteristics of the promotion are the method of communicating the information, the content of the promotion and the cost to the operator. The promotion has a target market, and the method and content of the promotion has to appeal to the people who it reaches. The price the members of the target market are willing to pay has to cover the cost of the promotion.

Place: refers to the location where the customer buys the collection of services. Ideally, the operator who sends out the promotion uses it to encourage the potential customer to visit the operator's location and complete the purchase. With the convenience of online payments, the operator may find that the best strategy is to direct potential customers to an attractive website where they can complete the purchase.

People: Since the product is a collection of services, the people who provide the services are a key to the success of the transaction. Operators must have top-level service to initially complete the sale and to encourage repeat customers.

Planning: The key service component of the tourism experience is planning. The customer expects that the experience will correspond closely to what he purchased. The only way to ensure that kind of correspondence is to execute according to detailed plans, and have contingency planning in place for problems.

Programming: One way to add value to the standard product and to distinguish a particular offering from competitors is to offer exclusive programming. Customers will purchase a product that caters to their particular interests. Special programming can address such preferences and draw in additional customers.

Physical evidence: If possible, the provision of physical evidence that the customer experienced the particular tourism product can help sales. Providing professional photographs of the customers at key events or the supply of branded products are effective strategies for promoting particular tourism products (Markgraf 2014).

2.3.1 Marketing strategies to promote tourism

Within the World Tourism Organization (WTO) in 2000 was created the Market Intelligence and Promotion Department, which overall mission is to provide the Members of the Organization with the information they need for completing their qualitative and quantitative knowledge of the tourism markets, identifying market trends and selecting effective techniques of tourism promotion and its evaluation.

According to the WTO (2013), the main objectives of this department are:

- Identify and analyze tourism market trends.

- Develop short and long term tourism forecast.
- Increase and disseminate knowledge on specific market segments and generating markets, in particular the ones with the fastest growing trends.
- Develop benchmarking between the National Tourism Administrations & Organizations.
- Define means and strategies to maximize the effectiveness and return of tourism promotional activities.

It is important to design a tourism marketing plan, identifying the strategies that need to be followed. A tourism marketing plan outlines the advertising and overall marketing approach that will be used to promote a destination. Marketing plans create a customized action statement that the entire tourism board can follow and use to measure the effectiveness of each campaign involved in the effort (Morello 2014).

2.4 Marketing strategies to attract tourism to Mexico

After reviewing the previous information about tourism in Mexico, as well as the general marketing strategies applied for this activity; some specific ones directed to the Arab/Muslim market will be the following.

- Arabs believe that people act guided by god, so they trust in their word. Therefore, always give them what you offer. In terms of tourism affairs, provide the service you promise.
- There are several attractions in Mexico deeply related with religious tourism; in that sense, it could be ideal to develop a bond between Muslims and Mexicans sharing the common respect for religious beliefs. Even though they are not the same, Arab countries might feel curiosity to learn and understand Mexican culture.
- When making the promotion of a specific destination in Mexico, always tend to focus on the importance of family unity. Arabs consider family as the basic social unit, so give them the idea that travelling to Mexico will encourage this value.
- Emphasize the recognized "Mexican hospitality" as a differentiation competitive advantage when visiting the country. Arab society is also known for being effusive; this is a strength that both societies share.
- Sell Arabs the idea of personalized trips and really intend to create for them a holistic experience. There are multiple attractions in Mexico so it is a real opportunity to create a plan in regards of their specific expectations.
- In terms of publicity for a beach destination, never use images of women in swimsuits. This will be totally inappropriate; instead, use images of the natural scenarios and landscapes.

These are just some examples of strategies that might be used in marketing for Mexican tourism focused to the Arab/Muslim markets. It is necessary to study the characteristics and behavior of the target to achieve the expectations it.

3. Discussions and conclusions

Tourism in Mexico represents a major economic activity which generates considerable profits to the country. It has a wide range of attractions that are appreciated by foreign travelers. Despite the international recognition of Mexico as a leading destination to visit, the great majority of tourists that come to the country are basically from North America.

Due to globalization as well as communications and technology development, Mexico has a real opportunity to increase its touristic market. As discussed throughout this research paper, the Arab countries might be considered as potential customers for any economic activity.

After studying the lifestyle and behavior of the Arab countries, we can realize that even though they have a different cultural context and historical background than Mexicans, there are still certain characteristics that both societies share. Principles and values are highly appreciated and respected on both nations; therefore, it could be possible for Mexico to create empathy when getting close to this new market.

It is important for Mexico to continue in the process of recognizing opportunities for creating and opening new markets, not only within tourism, but also in every single business field.

4. Research limitations and direction for future research

The information recovered for this research paper is purely theory; it is completely based in articles and data statistics. The contribution of an Arab foreigner in Mexico would have enriched this investigation. Unfortunately, it was not possible to interview a Muslim for the current study, which represents a limitation in regards of accurate information from a direct source. Due to the fact that in Mexico there are no current proposals to incentive tourism among new markets, specifically the Arab one; there is a lack of information in certain data statistics related to the behavior of this market. This represented a limitation during the development of this research.

Cultural behavior will continue changing throughout the years as a consequence of globalization trends; therefore, the importance of studying other cultures' lifestyles will keep being a must. Entrepreneurs and governments in charge of developing business and relationships worldwide will have to be updated in terms of understanding the differences between societies.

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