

Chapter 8

Digital Marketing and Tourism: Opportunities and Challenges

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ABSTRACT

Tourism is placed in a global context involving various culture with different preferences and purchasing powers. Thus, using digital marketing can provide new insights and rich data that can be used for developing tourism products or services to fulfill various needs. With a hyper-competition marketplace, using digital marketing helps in creating and sustaining competitive advantages through developing dynamic capabilities that allow organizations to adapt to changes in individuals' attitudes, behaviors, and preferences through continuous monitoring and analyzing of data captured by digital marketing technologies and tools. There are two core marketing elements that an organization focuses on: its brand and its customers (Kannan & Li, 2017), and digital marketing plays a crucial role in managing those core elements. The main feature of digital marketing is global content reach and richness in efficient, effective, customized, and innovative ways. In this chapter, we shed light on opportunities and challenges in digital marketing and tourism.

INTRODUCTION

Information and communication technologies have contributed significantly to redefining and reviving the tourism sector (Marchesani et al., 2024). Advancements in technology have transformed the marketing landscape with the advent of new tools and capabilities in the form of digital marketing. Those technologies include AI, AR, VR, digital content management, mobile marketing, and advertising (Apasrawirote et al., 2022). Digital marketing has emerged as an enabler for achieving destination strategies and as an extender for traditional marketing endeavors. This new form of marketing has the power to influence tourists' behavioral intentions to visit destinations and make travel decisions (Armutcu et al., 2023). Digital marketing enhances the direct-selling process, which in turn results in building and maintaining positive customer relationships in terms of trust, satisfaction, acquisition, and retention (Harrison & Hair, 2017). Furthermore, the technology can create demand through involvement in social networks. However, the decision to develop and adopt a digital marketing strategy is influenced by the level of competency of

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the organization in terms of its resources and capabilities. Digital marketing facilitates capturing a large number of performance measurements and metrics, thus enabling continued monitoring and corrective actions. Such metrics include the number of website visitors, number of social media account followers, number of likes, shares, replies, and so on.

Tourism is placed in a global context, involving various cultures, perspectives, and languages, with different preferences and purchasing powers. Thus, using digital marketing can provide new insights and rich data that can be used for developing tourism products or services to fulfill various needs. With a hyper-competition marketplace, using digital marketing helps in creating and sustaining competitive advantages through developing dynamic capabilities that allow organizations to adapt to changes in individuals' attitudes, behaviors, and preferences through continuous monitoring and analyzing of data captured by digital marketing technologies and tools. Generated data can be transformed into knowledge and insight that can improve the decision-making process.

Geng et al. (2024) defined tourism marketing as “a series of complex and integrated marketing activities carried out by tourism service providers to provide suitable tourism products or services, create satisfying tourism experiences, promote social and environmental sustainability, and improve the performance of tourism activities”. From a marketing perspective, different tactics, involving a mix of product, price, place, promotion, people, process, and physical evidence, can create marketing strategies and can be used as a strategic tool (Lim, 2023). From a tourism perspective, various types of tourism develop different marketing strategies and tactics based on their values and goals. Marketing activities are becoming crucial to promote tourism destinations and create demand, leading to revived economic growth, employment opportunities, and improved revenue. Organizations have not fully realized the potential of using the new digital capabilities (Taiminen & Karjaluoto, 2015; Pandey et al., 2020). Dolnicar and Ring (2014) defined tourism marketing as:

customer focus that permeates organizational functions and processes and is geared toward (1) making promises relating to products and services required when travelling to and staying in places outside one's usual environment for leisure, business and other purposes for less than one year; (2) enabling the fulfilment of individual expectations created by such promises; and (3) fulfilling such expectations through support to customers' value-generating processes.

DIGITAL MARKETING

There are two core marketing elements that an organization focuses on: its brand and its customers (Kannan & Li, 2017), and digital marketing plays a crucial role in managing those core elements. The main feature of digital marketing is global content reach and richness in efficient, effective, customized, and innovative ways. The drivers to adopt digital marketing include hyper-competition, external competitive pressure, and achievement of internal efficiency (Tiago & Veríssimo, 2014). The effectiveness of a digital marketing strategy is influenced by the nature of the market, nature of the audience, and geographical area (Matosas-López, 2021). Effective digital marketing requires developing a strategy that incorporates appropriate digital resources and developing appropriate digital capabilities, in addition to understanding the tourism context. To drive value, digital marketing strategy (see Appendix) needs to be aligned with organizational and business strategy. The tourism context is complex with interrelated and interconnected relationships internally with business organizations and externally with tourists. Digital resources in digital marketing are defined as “electronic data inputs with a sense of value creation in

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