University West Hungary
Faculty of Economics

TOURISM MARKETING IN LIBYA
BETWEEN REALITY AND AMBITIONS

Theses of the Dissertation

Haitm Abdulhameed Bizan

Sopron
2009
**Doctoral School:** Doctoral School of Economic Processes and Theories

**Leader:** Prof. Dr. Székely Csaba DSc.

**Program:** International Market Strategies

**Leader:** Prof. Dr. Judit Balázs CSc.

**Supervisor:** Dr. Fáyné Dr. habil. Péter Emese CSc.

### 1.8 Research Publications

The following research papers have been published in the theme of this thesis:


- Bizan, H (2008). ‘Arab Tourism to Where?: Libya as a Special Case’, research paper presented at the 3rd Arab Forum for Tourism that was held in Cairo-Egypt (5-8/ May/2008), organised by the Arab League.


from that of international tourists coming from abroad. As result of this study, it would be possible to establish a suitable tourism marketing strategy.

- A complete new research study to investigate whether coordination between different tourism organisations such as (tour operators or travel agencies, local hotels, national airlines, etc), is needed essentially to reach the maximum utilisation of the tourism capacity in the country and satisfy tourists.

- Deep investigation studies on sustainable tourism development plans have to be continuously carried out by related tourism authorities in Libya. Such studies would be looked at the social and economical impact of tourism on the country or the environmental influence of tourism on socio-cultural aspects.

- Tourism Satellite Accounts (TSAs) as a new approach adopted recently by the United Nations World Tourism Organisation (UNWTO) in order to find out the exact income contribution of tourism into each sector of the economy. Therefore, it is time now that TSA to be applied in Libya as countries like Canada and the UK has done so to vitalise their tourism industry.

1.1 Setting the Scene

Tourism is the world’s most important and largest industry that regarded as one of the key sectors of national economies. It generates a major part of the national income as an important source of foreign currencies, necessary for local development. Tourism is also a major job generating industry characterized by its multiple effects on a number of other industries such as traditional and food industries, building infrastructure services such as hotels, restaurants, cafes, roads, airports and ports as well as other basic elements of tourism infrastructure. In fact, the main interest in international tourism started actually in the early sixties of the 20th century, especially in international organizations and constitutions. (The UN Conference on Travel and Tourism held in Russia in 1963 considered Tourism as an extremely desired human activity that deserves encouragement by people all over the world. The conference also urged all countries to give utmost and high priority to tourism industry through providing necessary technical assistance, due to its expected importance in consolidating economic development and earning hard currencies. Four years later, the United Nations declared 1967 as the International Year for Tourism.

International tourism has flourished in the recent years. The growth rate of international tourism reached 12 per cent per year. This rate outpaced the growth rate of world trade movement, and made tourism a key economic element in the economical and social development process in modern societies. (Nour El-Deen, 1997; Aldahlawy, 1987). In addition, Tourism has recently become more important in people’s life after it was limited to the wealthy classes of societies. Accordingly, the number of tourists in the world has increased over the years from 14 million tourists in 1948 to 190 million in 1984 and rose to 340 million in 1986. In 1990, the number was 454.9 million and was 691 million in the year 2000 (WTO, 2000). Where international tourism revenues amounted to us $ 118 billion as a direct income in 1985 apart from indirect income, and rose to us $ 455 billion in 1999 as a direct income, which means that tourism was no longer a social luxury, but has become an essential economical factor in the enhancing the GDP of any country. And According to World Tourism Organization (WTO), the number of world tourists would be (1.006.4 billion in 2010 and 1.561.1 in 2020). The revenues generated by tourism have grown at an average of (11.2 %) a year since the 1950s, easily outpacing the general world economic growth (WTO, 2000). This upward growth of tourism has come despite fears of international terrorism, wars, natural disasters such as tsunamis and earthquakes. Experts in the tourism industry expect the growth to continue at around (5%) for the foreseeable future. The WTO also affirmed that the growth rate of tourists’ arrivals to the Middle East and Africa have done well between 2000 and 2005. For example, international tourist arrivals to Africa increased from 28 million to 40 million, which represent a growth of (5.6%) a year, beating the world average of (3.1 %). Over the same period, Africa’s international tourism receipts more than doubled from ($ 10 billion to $ 21.3 billion). The WTO estimated that the
growth rate of tourists’ arrivals to the Middle East and Africa would grow between 5.5%
and (7.1) % from 1995 to 2020 (WTO Tourism Market Trends, 2007). This means
that the continent of Africa plus the Middle East is still largely unexplored territory,
where the potential for Africa as a whole therefore is immense. Libya for example,
with its highly attractive location in the North African region, has a great opportunity (to
come out of the cold) and be part of the international tourism business.

However, it is time now that the Libya should take its share in the international
tourism receipts and activate its tourism marketing actions, especially as it possesses a
huge and great attractive tourism sites, some are natural and some are man-made in
modern and ancient history. What is needed now is that all authorities concerned should
exert utmost efforts to develop a plan or a strategy for tourism marketing in Libya,
taking into consideration all economic and social circumstances, as well as the
possibility of getting advantage of all sources of tourism attractions it has got, according
to the world recognized standards of marketing tools known world-wide.

1.2 Background to the Research Problem

The problem of the current research study, as seen by the researcher, is that despite
the fact that the Libya possesses varied touristic natural resources which form the
necessary raw material for the Libyan touristic product (such as remedial, ecological
and desert tourism), and a huge cultural heritage which makes up a large part of tourism
industry and which should bring up benefits and welfare for the people of Libya and
contribute to enhance the economic development process. In spite of this, Libya hasn’t
got its share of the worldwide receipts for international tourism, which, according to
World Tourism Organization (WTO, 2000 Report), ranks first on top of other industries.
This is evident in the obvious difference in the number of tourists visiting Libya and
other neighbouring countries in the year 2005, whereby Each of Egypt, Tunisia and
Morocco attracted over 5 million tourists, Libya attracted only 173,000 tourists. Table
(1.1) shows the big difference between tourist numbers visiting Libya and neighbouring
countries (WTO, 2007).

1.7 Proposed Work for Future Researches

To replicate the results, further researches on the topic are suggested as follows.

- Marketing research should be conducted to identify the potential local and
  international market segments for each valuable tourism product in Libya with
  a critical review to match supply and demand components. S.W.O.T analysis
  for every attractive tourism area within the country is also needed.
- Research work has to be carried out to investigate whether the attitude,
  expectations, and satisfactions of domestic tourists are similar to or different
Moreover, referring to the international tourists visiting Libya’s survey, the length of stay of these visitors is relatively short. Therefore, in order to encourage visitors to extend their length of stay, diversification of the tourism products has become a necessity. Other opportunities for visitors to consume can be encouraged by offering intensive tour programmes and preferential treatment for tourists. Since, practices such as; tax-free shopping, convenient payment systems (credit card machines etc), the provision of proper shopping facilities for incoming tourists, and the development of traditional souvenirs and gifts that are warmly received by visitors. Finally, Conferences or convention tourism is a major economic activity in most developed countries. After the lifting of UN sanctions on Libya, many foreign companies came forward seeking investment in various sectors (Constructions, telecommunication, etc). This encourages tourism organisations to organise professional events for those sectors, which require sufficient congress halls and facilities offered by hotels in Libya. However, the necessity of adopting convention tourism as a unique approach is obvious because of some key points, which are; generating large financial funds to the tourism sector and extending the tourism season to the whole year round. Let alone, using it as a tool for special marketing promotion and advertisement of Libya as an attractive tourism destination and gives an opportunity to the participants to experience various tourism products within the country. This in return, would encourage them to come back as ordinary tourists and conveying the same message to their friends and relatives abroad.

Policy Seven: Sustainable Tourism Development

To sustain and enhance to tourism industry in Libya, continuous improvement is always needed, as the country may face increased demand on its tourism products in the future. Whether the Libyan tourism market will be able to meet and take advantage of this increased demand will depend on how various tourism organisations both public and private cope with the existing tourism problems and take the necessary steps to meet the challenges of the future. Three important aspects should be considered carefully to achieve sustainable tourism development: The product's life cycle, the socio-economy and the environment. Problems arise when development is rushed taking little or no consideration of these three aspects. In order to accomplish a sustainable and successful tourism development, in addition to related-tourism infrastructure and tourism product diversification, the Libyan tourism sector needs continued improvement in marketing activities and tourism training programs to meet the continually changing tourism markets’ demand or desires.

1.6.2 Research Contribution

Contribution of the research has been described previously as “the evaluation of important of the thesis to development of the discipline” (Philips and Pugh 2000). Whetten (1989) associates a theoretical contribution to consist of the following attributes: (1) Significant, new, value added contribution to current thinking addition to the filed of research. (2) Will the theory change the area of research in some way or the other? (3) Is the underlying logic and supporting evidence required and is the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td></td>
<td>2,411</td>
<td>2,871</td>
<td>5,116</td>
<td>5,746</td>
<td>7,795</td>
<td>8,244</td>
</tr>
<tr>
<td>Tunisia</td>
<td></td>
<td>3,204</td>
<td>4,120</td>
<td>5,058</td>
<td>5,114</td>
<td>5,998</td>
<td>6,378</td>
</tr>
<tr>
<td>Libya</td>
<td></td>
<td>96</td>
<td>56</td>
<td>174</td>
<td>142</td>
<td>149</td>
<td>173</td>
</tr>
<tr>
<td>Morocco</td>
<td></td>
<td>4,024</td>
<td>2,602</td>
<td>4,278</td>
<td>4,761</td>
<td>5,477</td>
<td>5,843</td>
</tr>
</tbody>
</table>


In the mean while, tourism revenues in the above-mentioned countries in the year 2005 ranged between $ 2.1 billion in Tunisia, $4.6 billion in Morocco, and $ 6.8 billion in Egypt, while it was only $ 164 million in Libya. Table (1.2) shows the big difference between Libya’s revenues and other neighbouring countries (WTO, 2007).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td></td>
<td>1,100</td>
<td>2,684</td>
<td>4,345</td>
<td>4,584</td>
<td>6,125</td>
<td>6,851</td>
</tr>
<tr>
<td>Tunisia</td>
<td></td>
<td>948</td>
<td>1,530</td>
<td>1,682</td>
<td>1,582</td>
<td>1,970</td>
<td>2,124</td>
</tr>
<tr>
<td>Libya</td>
<td></td>
<td>6</td>
<td>2</td>
<td>75</td>
<td>205</td>
<td>218</td>
<td>164</td>
</tr>
<tr>
<td>Morocco</td>
<td></td>
<td>1,259</td>
<td>1,296</td>
<td>2,039</td>
<td>3,225</td>
<td>3,924</td>
<td>4,621</td>
</tr>
</tbody>
</table>


From the above discussed figures of tourism arrivals and revenues, we can learn that tourism marketing for developing countries including Libya is an important aspect in promoting and selling the tourist products. Thus enhance its competitive market share in the tourism industry within the North African or the Middle East region. But in fact a developing country like Libya usually suffers from a number of problems, the most important of which is the difficulty in marketing the tourism product to the customer (tourist or traveller). This may be due to the lack of expertise and funds allocated for purpose of marketing, as well as inadequate distribution systems suitable for this purpose. However, the research problem could be summarized as follows:

1. Lack of interest on the part of various tourism organizations (local tour operators and travel agencies) in Libya, to study (national and foreign) tourist needs, wants and demands, which could identify precisely the desired types of tourism. Such study would help develop a new tourism marketing strategy, which would satisfy the desired needs of the both the tourist and the tourism market locally or internationally in changeable business environment.
2. Inability to target the most important and relevant tourism market sectors, which could be achieved only by devising suitable characteristics for the evaluation of areas of investment and tourism attractions and determine their targeting priorities before positioning an effective marketing strategy in Libya.

3. Lack of an effective tourism development plan or strategy due to mis-direction of available physical and human resources. This could be due to the fact that people or officials working at the various tourism sectors are lacking marketing techniques or skills and are unaware of the importance of the use of the suitable marketing tools in order to effectively influence the tourism market and gain competitive edge in the region as a new tourism destination.

However, from the above discussion the main research question is formulated:

“Are the current tourism planning and marketing strategies in Libya efficient or effective to achieve sustainable tourism development locally and internationally?”

1.3 Research Aim & Objectives:
Tourism is considered one of the biggest industries in the world and is expected to be very important at least in view of capital invested and volume of manpower. Like other countries, Libya seeks to get into tourism industry since it is something inevitable and complementary to the economic development program, beside the benefits that may be earned from its share of the local, regional and international tourism market. As a result, the Libyan government in the recent years has introduced tourism as an attractive developmental alternative to sustain the national economy beside the oil factor. This research will focus on the enhancement of the tourism industry in Libya, which might become the most promising sector in the near future. However, this in return may require a deep insight and a strategy that can envisage a good use of time, effort and money. This is exactly the main aim of the research, which can be summed in the following research objectives:

✓ Implementing the modern concepts of marketing in the tourism sector, taking into account the conditions under which the concept is applied.
✓ Giving emphasis to the importance of using universal marketing tools and techniques. This can be done by adopting a new strategy for marketing the Libyan touristic product and the fulfillment of the strategic objectives of the tourism sector in order to help provide an alternative source of income and strengthen the Libyan economy and be the market leader.
✓ Presenting a true image of the actual situation of the Libyan tourism market showing how far travel and tourism organisations are portraying the diversity of the Libyan touristic products in terms of society and culture, history and heritage while targeting specific segments related to individual types of activity or pursuit. As a result, regular marketing research becomes essential, particularly in a strongly competitive and fickle tourism market. In a country like Libya, which entered the international tourism market only a few years ago, there is a crucial need for marketing research, in order to capture adequate information about various tourism market segments. This helps in understanding the attitudes of actual and prospective tourists and keeping up-to-date with their personal needs, wants and desires. However, in order to increase the awareness and image of Libya as a new attractive tourism destination, the researcher proposes the establishment of representing tourism offices abroad in major tourism generating countries (Italy, Germany, France, Austria, Spain, UK, etc). As a cost saving device or interim step, the London office for example, should be responsible for some other countries in the European Union. In the long-term marketing strategy, it will be essential to have an office in the USA, which would also serve Canada. The national Libyan Airlines' offices abroad and other local carriers also can be reached to promote the country's touristic product internationally. The importance of a destination having a foreign office lies in it is ability to help travel agencies or tour operators abroad to influence the choice of the destination in various ways. Moreover, the need for foreign offices becomes more crucial when considering that those tourism organizations handle about 70% of travel packages worldwide.

Policy Six: Tourism Product Diversification
Further to policy six discussed above, diversification of the Libyan tourism products becomes a necessity as modern tourism activity has shown a growing tendency towards it. Keeping pace with the rapidly changing and complex requirements of tourists in a highly competitive international tourism markets and allowing the emergence of new tourism destinations cannot be achieved without tourism product diversification combined with a high standard of tourism services and facilities. In fact, the image of Libya as a tourism destination is entirely based on historical places, desert and culture. Therefore, the opportunity for diversifying the tourism product exists. Libya can become one of the best sun, sea and sand destinations in the world, which requires heavy investment in beach resorts, hotels and sea sport facilities. Moreover, many other tourism resources such as business fairs tourism, treatment tourism, mountain trekking, marine-based activities, scuba diving, etc, are not fully exploited due to the lack of tourism services which could play a significant role in diversifying the country's tourism products. Those tourism resources might be helpful for Libya both in the short and long-term and could create more leisure and construction activities for other cities apart from the capital that may create community well-being and encourage settlement of people in rural areas who would otherwise prefer the urban areas for job finding opportunities.
they do not feel that these plans were imposed on them. Local people must be informed
about the economic benefits of tourism development through using different means,
perhaps through internal marketing and through education and training programmes.

**Policy Three: Tourism Investment Projects**

Developing a new tourism-related products or services, require intensified
efforts at the initial stages in order to gain an adequate proportion of the international
tourism market share and then to maintain this position in the medium to long term. In
Libya, where tourism is viewed as an economic alternative for gaining economic
growth, the government should make investment as easy as possible for prospective
investors. Consequently, this could lead to an increase in the tourism market share and
enable Libya to compete more effectively. Moreover, sufficient funding and
establishing an appropriate atmosphere for investors that might boost confidence among
them, is required to encourage local and foreign investment to invest in tourism-related
services. In addition, the development of more tourism accommodation such as small
and medium-sized hotels, airports, railways, beach resorts, road motels and guest houses
to meet the demand of prospective international and domestic tourists at a competitive
price and more "value for-money" facilities could lead to sustainable tourism
development and fast marketing promotion of the country as a new tourism destination
known worldwide for its attractive sites.

**Policy Four: Tourism Education & Training**

Education and training is required for enhancing the skills of those working at
all levels in the tourism industry, which is critical to its future prosperity. Training
should be performed in a wide range of skills, including management, marketing and
information technology. The industry needs skilled managers and marketers who are
capable of identifying and meeting the needs of international visitors. In addition, there
is a need to stimulate the demand for training by both employers and employees in the
Libyan tourism sector. Tourism studying facilities should be provided at School and
University levels to produce better educational programmes directed towards planning,
developing, management and marketing of tourism in Libya.

**Policy Five: Tourism Marketing Activities**

The need for marketing activities basted on well-designed framework or
strategy, which Libya is currently lacking, represents a core factor for achieving tourism
growth in the country. In addition to awareness and knowledge about the Libyan
Touristic product and improving the image of Libya as an attractive tourism destination
among international tourist markets, marketing plays a vital role in understanding the
needs and desires of the actual and potential tourists. It is essential to respond quickly
to the continuous changing demand of the international tourists and other external
environmental conditions. This could be achieved successfully by offering the country's
touristic products in a more attractive way than its competitors could as well as

**1.4 Research Hypothesis:**

I. Ineffectiveness of tourism marketing activities carried out by both the public and
private tourism organisations based on a well-designed marketing strategy approach
could have a negative impact on the tourism sector in Libya.

II. Developing a sound marketing strategy to promote the Libyan touristic product
would enhance the effectiveness of the tourism activities carried out by both the
public and private organisations working in the Libyan tourism sector.

**1.5 Significance of the Research**

Tourism has been a part of human life for a variety of purposes such as health,
education, trade, leisure, recreation, and for social gathering. Improvement in travel
technology and high per capita disposable income, especially in the developed societies
with increased interest to travel abroad, have led to enormous growth in international
tourism (Busby, 1993). This proves that in developed countries, tourism has assisted
diversification of the economy and helped to combat regional imbalance, while in
developing countries such as (Tunisia, Morocco, and Egypt), it has provided an export
and better job opportunity, with greater price flexibility, self determination than their
traditional practices or expertise (Wearing and Nail, 1999).

Tourism is also an economical activity that gains great importance in countries that
possess touristic and archaeological sites visited by individuals as tourists and those
who are interested in tourism affairs and projects. Therefore the presence of purposeful
strategies based on sound marketing standards represent the starting point in launching
and the success of any tourism plan aimed at attracting tourists and revenues.
Accordingly, not effort or activity whatsoever would succeed unless linked to suitable
strategies especially in terms of marketing. Reliable planning for tourism marketing
with all its elements is the true guarantee to ensure that tourism would succeed as a
human activity on one hand and as an economical motivator on the other.

Adopting a new strategy for tourism marketing symbolizes an important step
towards determining the markets, which commodity and service corporations existing in
continuously changing unpredictable environments are targeting. Such strategy should
also be capable of meeting tourists' needs & desires. To ensure success to such
strategy, sufficient and accurate data on all aspects of the entire market should be
available to tourism marketing planner, through conducting field studies on tourism
destinations in a country like Libya. This process aims at determining the features and
value of each site separately and identifying the characteristics and nature of the users of
the touristic market. The study derives its significance from two facts. First, this research focuses on the tourism industry that is one of the fastest growing and largest in the world. Second, this research concentrates on the marketing function, and its modern techniques, and the various marketing strategies, tools and techniques.

1.6 Research Conclusions & Recommendations

Tourism is an interdependent sector. Tourism can provide benefits for both tourists and the host community. By developing an infrastructure and providing recreation facilities, both tourists and local people benefit. Tourism marketing strategies should be developed in a manner that is appropriate to the destination. It should take the culture, history and stage of economic development of the destination into account. Tourism marketing can be a tool to motivate governments to inject more funding in improving infrastructure, especially in the initial stage of tourism development. Many developing countries cannot afford to finance construction internally. Thus, the need for cooperation between public, private and foreign investment becomes essential. However, the Libyan government should play a leading role in the development of the tourism industry, since the private sector may be small. Government involvement should include the provision of resources for marketing research and development, training and an improved services standard; transportation systems and infrastructure development, land zoning and preservation of cultural and environmental assets. In addition, without government involvement in tourism planning and marketing, development of the sector lacks cohesion, direction, and long-term sustainability. In the initial stages of tourism development, a great deal of finances is required for tourism infrastructure, facilities and other related services.

Moreover, there are a number of problems, which hinder the success of tourism development plans thus the tourism marketing strategies in developing countries-over-centralization of decision-making, difficult implementation, lack of comprehensive planning and flexibility. The chapter has highlighted that the main function of the planning process lies between policy making, implementation and monitoring to assess performance. Modification of the plan where necessary is necessary for success. Involvement and action need to be taken at board level at the Libyan government through the GBT to collaborate with tourism-allied sectors is an urgent need to boost the country’s tourism potential through new combined approach to tourism planning and marketing. In addition, the new proposed framework for tourism marketing is required to attract tourists at national and international level by forecasting demand through regular marketing research. As a result, the need for marketing and promotional activities either by direct marketing through GBT and PTBs or by private tourism organisations has become essential. Furthermore, Planning within tourism marketing is the only possible way to assist achieving organisational objectives and growth as well as improving performance in a fast and ongoing changing tourism market. The next section however, will recommend further policies to validate or succeed this new approach of tourism marketing in Libya.

1.6.1 Tourism Policy Recommendations

Libya is among several countries, which have introduced tourism as an attractive development option to sustain the national economy which depend heavily on oil revenues in the last decades. At the national level, it is primarily government responsibility, to formulate a comprehensive tourism strategy based on many strategic elements such as tourism planning and tourism marketing frameworks. However, this strategy would be better implemented through the following recommended policies before transiting them into quantified targets and rates of tourism growth:

Policy One: Government’s Commitment & Involvement

Government’s commitment is a significant perspective of tourism development. Government usually provides the physical infrastructure necessary for tourism, such as roads, airports and communications. Adequate transportation infrastructure and access, to generating markets is one of the most important prerequisites for the development of any destination. In addition, it can attract both domestic and foreign investment, which will stimulate the economy. In other wards, this means that government involvement in developing countries including Libya is a necessity especially in the initial stages of tourism development. The industry could not survive without them. Governments have the power to provide the political stability, security and the financial framework which tourism requires. In addition, an adequate budget for funding tourism projects and implementing tourism-marketing plans is an important factor for accomplishing successful tourism growth. Some tourism development plans were prepared to further tourism in the country. However, non-implementation of these plans mainly due to insufficient budget, in addition to some other reasons, was a major drawback to accelerate tourism development. Therefore, in order to achieve tourism growth in the country the government’s involvement and commitment becomes essential to overcome any financial problems concerning the development of the tourism sector.

Policy Two: Total Community Participation

In order to provide the international tourism markets with a value-added touristic product that is economically, socially, environmentally, and culturally viable, the involvement of the community in tourism planning and marketing has become essential. Participation of all tourism stakeholders in tourism marketing, including local communities and indigenous people, during all phases of planning and management is essential, leading to the empowerment of locals, greater transparency and facilitating conflict management. Good tourism marketing plans should involve sharing of ideas between locals and planners. This kind of plan usually fits with communities’ needs and