

Design of internet marketing based on 7Cs model

(Case of luxury hotels in Iran, Turkey and UAE)

Mohammad R. Hamidizadeh, Ph.D.
Professor, Mgt. and Accounting Faculty,
Shahid Beheshti University, SBU
Even, Tehran, Iran
E-mail: M-Hamidizadeh@sbu.ac.ir

Mohammad E. Fadaeinejad, Ph.D.
Associate Professor, Mgt. and Accounting Faculty,
Even, Tehran, Ir
Shahid Beheshti University, SBU
E-Mail: M-Fadaei@sbu.ac.ir

Fayegh Mojarrad, M.B.A
Shahid Beheshti University, SBU
Even, Tehran, Iran
E-Mail: fayeghmjarrad@yahoo.com

Abstract-The paper's aim is to design the internet marketing based on comparing 7Cs model among the luxury hotels in Iran, Turkey and UAE. This paper utilizes content analysis to analyze the websites of a sample group of 4 and 5-star luxury hotels (178) in Iran, Turkey and United Arab Emirates, three major tourist destinations in the Middle East, based on internet marketing 7Cs model. Also to reveal the differences between websites of the three hotel groups, multivariate analysis of variance (MANOVA) and a series of chi-square tests were used. Based on the findings, hotels are generally not utilizing internet in its full potentials for marketing their services and the use of website as a means of conducting interactive customer relationship is very limited. Nevertheless, findings analysis indicates that hotels in the UAE established more enriched websites in terms of the 7Cs elements compared to Iran and Turkey.

Keywords- Website; Internet Marketing; 7Cs model; Luxury Hotels; Iran; Turkey; UAE

I. INTRODUCTION

The web is a new market channel that has become a serious alternative to traditional channels[5].With the increasing popularity and usage of internet, marketing practices such as the detection of consumers needs and managing their relationships with companies have been changed. New technologies have created innovative ways for firms to do business [6]. According to Palmer and Mc Cole the hospitality industry is in an ideal position to exploit the potential of internet [4]. It has become a necessity for hoteliers to take advantage of the huge opportunities generated by internet technology through establishing their own websites for online reservation [4].The WWW offers the cyber hotelier a revolutionary management and marketing tool [2].Based on the study conducted by Starkov the cost of room reservation through internet was less than 3 dollars compared to 9 dollars for reservation through call center [4]. Online bookings of hotel rooms were up 10.5 % in the third quarter of 2003 as compared to the same period in the previous year worldwide. With the increasing importance of online hotel room reservations, hotel

managers have recently tried to take control of their own websites [7]. It should be noted that however, except the large hotel chains, most hotel websites have a limited range of functions such as promotion and only a few of them use the web as an effective business tool. Investigations focused on the website evaluation can be classified into three categories based on their research method: (1) evaluation by phase, (2) evaluation by characteristics and (3) evaluation by characteristics and effectiveness [4]. In the first category it is assumed that the richness of a website's characteristics is proportional to the companies experience in electronic commerce. In the second category however, the basis for website evaluation is the presence of website features or functionalities which is more flexible than first method. Some studies that applied this research method are explained immediately below. Wan evaluated the websites of international tourist hotels and tour operators in Taiwan based on an instrument comprising of three categories: user interface, variety of information and online reservation. User interface was characterized by ease of access, search mechanisms, standard layout and helpful interface. Variety of information was defined in terms of simplicity, relevancy of information, information coverage and hyperlinks. Online reservation was about the presence or absence of online reservation systems [4]. In another study Rocha analyzed the websites of 50 hotels in Rio de Janeiro using an instrument with 61 items. He then broke down these items into general characteristics, travel information, general information, special characteristics, design and functionality, product information and reservation facilities [4]. Baloglu and Pekcan analyzed the websites of a select group of 4 and 5 star hotels in turkey in terms of site design characteristics (interactivity, functionality, and navigation) and site marketing practices on the internet. Also the variations in design and use of marketing elements on the internet based on hotel type were investigated in this study [1]. The third research method in website evaluation is based mainly on analyzing website's effectiveness and characteristics. Authors that have adopted this approach have understood the construct "website effectiveness" in different ways such

as financial results, consumers intention, etc [4]. Given that there is no consensus on the issue of website effectiveness few studies have been undertaken. Some of these studies are as follows: Mummalaneni (2005) analyzing shopper's emotional status and associating it to web shopping environment, Ranganathan and Gananpathy (2002) investigating the influence of content, design and privacy and security on shopping intentions, Rosen and Purinton (2004) using cognitive psychology for creating a website preference scale, and Schmith et al (2008) measuring website characteristics and relating it to website performance [4].

This study which fills in the second category analyzes the website design features of 4 and 5 star luxury hotels in Iran, Turkey and United Arab Emirates (UAE) as major tourist destinations in the Middle East.

II. TOURISM AND INTERNET USAGE

According to the statistics published by world tourism organization the total number of tourists visiting the Middle East will exceed 69 million by the year 2020 and this region will enjoy a 4.4 percent share in world tourism market [13]. More than 20 million tourists visited Turkey in 2006 and the annual growth rate for tourism industry was 16.2 percent. Iran with an annual growth rate of 5.4 percent attracted more than 1.5 million visitors and this number for UAE is less than 1.5 million visitors with an annual growth rate of 14.2 percent [13].

Internet penetration rate is growing in many countries and people around the world have easy access to internet. DAI or digital access index is a global standard managed by international telecommunication union (ITU) and measures the digital access rate worldwide. Countries ranked in four groups as high, upper, medium and low [4]. According to this index Sweden is the top-rated country in the high access group with a DAI of 0.85, while Nigeria is the lowest rated in the low access group with a DAI of 0.04. As illustrated in table 1 Iran and Turkey are rated in medium group while UAE is in upper level with a DAI of 0.64. On the other hand, there are nearly 23 million internet users in Iran and this number is growing in a way that almost 50 percent of internet usage growth rate in the Middle East is due to increasing popularity of internet in Iran[14].

III. 7CS MODEL

Rafi et al introduced some principles (7Cs) for designing successful technology mediated customer interfaces with a particular focus on website. The 7Cs are a rigorous way to identify the major interface design challenges that senior managers will encounter as they implement their business models [3]. The 7Cs which are used as the basis of website evaluation in this research are illustrated in figure 1. The meaning and dimensions of each of the 7Cs are also summarized in table 2.

To assess the content of the hotel websites based on the 7Cs framework a checklist consisting of 63 checkpoints is developed. The checkpoints were listed by referring to research literature and experts opinions. Given that some external factors such as type of browser, computer speed and

time of site visit influence website performance, these factors were controlled by using the same browser, same computer, high-speed internet connection and the same time for site visit.

IV. RESEARCH METHODOLOGY

Sampling method. For gathering the required data a sample of 178 hotel websites was chosen this way: a list of 4 and 5 star hotels operating in Iran, Turkey and UAE was prepared using official hotel guide websites. From 70 hotels in Iran 51 had their own website (72%)[10], For Turkey this was 566 out of 600 (94%)[11,12] and for UAE 83 out of 93 (89%)[9]. Consequently the total number of hotel websites in the three countries reached to 700 and used as statistical population. Finally based on the ratio of hotels with their own websites in each of the countries, 178 websites were chosen for evaluation by random: 18 websites from Iran, 22 from UAE and 138 from Turkey.

Research hypotheses. In order to evaluate the websites of the select group 7 hypothesis were formed and tested:

- 1: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding context.
- 2: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding content.
- 3: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding community.
- 4: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding customization.
- 5: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding communication.
- 6: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding connection.
- 7: there is a significant difference between hotel websites in Iran, Turkey and the UAE regarding commerce.

In order to identify the variations in the 7Cs items based on hotel type series of chi-square tests were conducted. MANOVA utilized to understand the variations of items used in each category (context, content, community, customization, communication, connection, and commerce) due to hotel type (Iran, Turkey, and UAE).

V. FINDINGS ANALYSIS AND DISCUSSION

Descriptive statistics. Descriptive statistics regardless of hotel type indicates that more than 70% of hotels had phone and fax number, and email address listed in their websites to keep contact with their customers. Also features such as online request form and guest forms were included in these websites for conducting interactive relationships with users. On the other hand only in 11% (20 websites) of the websites online survey is used and features like electronic newsletters, FAQs and email reservation were used in less than 30% of the websites. These results indicate that hotels rely mostly

on primary tools to communicate with their customers and the use of more interactive ways for communication is relatively limited.

Analyzed hotels mostly focus on functional aspects of website design. Navigational features such as external links, site map and consistent navigation make it easy for site users to acquire the information they need, these features were included in more than 70% of the analyzed websites. On the other hand the use of search capability, which is an efficient and quick way for getting information, is limited to 17% of the websites. Regarding commercial features less than 50% of the analyzed websites have transactional capacity. For example update exchange rate which is especially important for international tourists is only mentioned in 15% of the websites. Again less than 26% of the evaluated websites used online payment and among this, very few enjoyed electronic payment security mechanisms. Link exchange with tour operators and travel agencies is another commercial characteristic that can attract more customers to a hotel website and increase the number of orders, but this feature is only used in 30% of the websites. The analysis of websites content indicates that the use of pictures and flash animation for showing tourism attractions, hotel rooms and other facilities is very popular and more than 98% of the analyzed websites included hotel and room pictures. Information about tourism attractions, special events and entertaining ceremonies can affect tourists' decision to choose destination and hotel. Nevertheless, only in 14% of the websites the calendar for special events is available and "what's new" section is available in 29% of visited sites. Given that providing users with update information is essential for website reliability, it is important to mention the latest update date in websites, this date is available only in 15% of the websites. The use of multimedia features such as audio, music and virtual tours is limited to 21% of the sites, in addition banner advertisements, online promotions and special offers for customers were included in more than 33% of the websites. All these indicate that hotels only use visual tools to tangibilize their services and the use of website as a means of information exchange with users is limited. Hotels are not willing to take visitors out of their websites; consequently the use of external links and hyperlinks is limited. The analysis of customization features indicates that only 4 hotels (less than 1%) have multi version websites, with multi version website users with different internet connection speeds have access to website and this can increase the number of visitors. On the other hand, almost 50% of the hotels customized their websites by designing multilingual web pages which is especially important for international tourists. One of the unique features of internet is its capability in conducting interactive communication between people with shared interests; this is specially done through online communities and groups; members of these groups share their information in virtual space and websites. Only 22% of the hotels provide this opportunity to their users through online group membership. Also features such as chartrooms and online forums are utilized in less than 1% of the analyzed websites. Table 3

summarizes average number of the 7Cs items included in websites regardless of hotel type.

Hypotheses analysis. Table 4 shows the average number (arithmetic means) of items included in websites of the three countries. As illustrated in the table, for content the Iranian hotels, for example use an average of 8.3 items out of 22 items in this category while for Turkish hotels this is 10.5 and for hotels in UAE, this is 14. In order to identify the similarities and differences in the 7Cs related items across three hotel types, series of chi-square analyses were used. Of 63 items 34 were significant at 0.05 level (figure 2).

Based on the chi-square analysis, the most frequently used features in websites of the UAE hotels compared to those of Iran and Turkey were update exchange rates (70%), online survey(55%),links to other sites(96%), search capability (68%), online promotions (86%), online payment (86%), email reservation (82%), virtual tours (68%), secure credit card page (82%), online groups membership (60%), privacy policy (73%) and user registration (73%). On the other hand, the use of these items in websites of Iran and Turkey was very limited, for example while in 73% of the UAE hotel websites the privacy policy was mentioned, none of the Iranian hotels used this item in their website and for Turkish hotels this was less than 30%. Although most of the hotel websites did not include items such as hyperlinks, multi-lingual pages, chat rooms, email newsletter, frequent guest program and orders through affiliates, the UAE hotels were more likely to offer these features in their websites. The performance of hotels in items such as email hyperlink, the use of quality pictures and texts describing services, and price information were quite the same suggesting that most of the hotels analyzed in this study were focusing on the simple and primary capabilities of internet.

While most of the hotels operating in the UAE are subsidiaries of big international hotel chains with well designed websites and clear internet marketing strategies, hotels in Iran are mostly local. But most of these differences should not have existed at all because regardless of hotel type, effective site design and internet marketing practices are necessary for all hotels.

Finally MANOVA was used to test the category of items (7Cs features) by the hotel types (Table 5).

Overall, hotels in the United Arab Emirates are performing better than hotels in Iran and Turkey in terms of the 7Cs features included in their websites and are more likely to design an effective customer interface in World Wide Web. According to figures in table 4, this performance is noticeable, especially in commercial features of the website; this means that the UAE hotels try to benefit from the opportunities rising in the era of electronic commerce. Given that one of the challenges facing electronic commerce is the security of online payments, it should be noted that the performance of the UAE hotels in this regard is also successful with more than 80% of them providing security measures for online payments.

Despite the skyrocketed internet usage statistics in Iran, hotels mostly rely on traditional tools for marketing their services and they usually use website as a tool for a simple and static presence in WWW. Consequently they fail to

establish well designed websites based on a clear internet marketing strategy. On the other hand, in Turkey hotels mostly rely on tour operators [1] and travel agents for marketing their services and this may partially explain the lack of some 7Cs related items in their websites compared to the UAE hotels. All of these results should urge the hotel managers especially in Iran and Turkey to redesign their websites to use the opportunities created by information technology and internet, in this regard especial attention should be given to designing effective websites through the use of frameworks such as the 7Cs.

VI. CONCLUDING COMMENTS

The increasing usage of internet services in the Middle East and especially in Iran and Turkey, along with positive outlooks for world tourism industry, should urge hotels to redesign their websites and take advantages of their opportunities. In this regard, a particular attention should be given to website design features such as commerce, customization, connection and community. Websites could be improved by items such as calendar for special programs, update exchange rates, online survey, multi-lingual pages, chat rooms, virtual tours, frequent guest program, orders through affiliates, user registration and online groups membership. The results are limited to hotels listed in the official hotel guides published in late 2009 and early 2010, also to design of internet marketing based on 7Cs model.

REFERENCES

- [1] S.Baloglu,&Y.A.Pekcan, *The website design and internet site marketing practices of upscale and luxury hotels in Turkey*, Tourism Management, 27, 2006, pp 171-176
- [2] J. Murphy, et al, *Management and marketing on the internet: An analysis of sites and features*, Cornell hotel and restaurant quarterly, 1996.
- [3] A.M. Rafie, et al, *Internet marketing: building advantage in a networked economy*, McGraw Hill, 2004.
- [4] Schmidt et al, *The characteristics of hotel websites and their implications for website effectiveness*, International journal of hospitality management,(27),2008,pp504-516
- [5] J.Song,F.M.Zahedi, *Internet market strategies: antecedents and implications*, information and management,(43),2006,pp 222-238
- [6] Thompson et al, *A model for web adoption, information and management*,(41),2004,pp457-468
J. Wong, , Rob Law, *Analyzing the intention to purchase on hotel websites: A study of travelers to Hong Kong*, International journal of hospitality management,(24),2005,pp311-329
- [7] k.Wing Li, Law Rob, *A novel English/Chinese information retrieval approach in hotel website searching*, Tourism management,(28),2007,pp777-787
- [8] www.DTCM.com
- [9] www.irantourism.com.
- [10] www.travelguide.gen.tr
- [11] www.tourism.org.tr/ekin
- [12] www.unwto.com /facts and figures.
- [13] www.world internetstats.com.

TABLE I. DIGITAL ACCESS INDEX FOR IRAN, TURKEY AND UAE

Country	DAI (%)	Rate
Turkey	0.48	medium
IRAN	0.43	medium
UAE	0.64	Upper

Turkey	0.48	medium
IRAN	0.43	medium
UAE	0.64	Upper

Figure 1. The 7Cs model

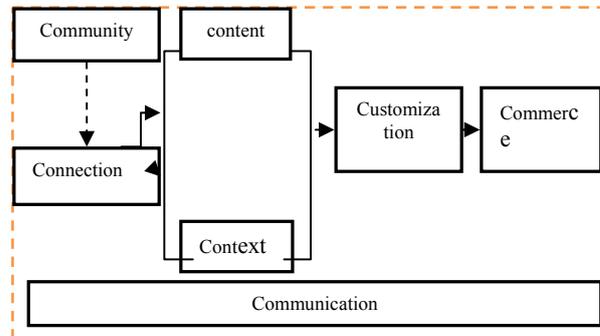


Figure 2. Chi-square test: significance items across stratified hotels

1. Phone number	18. Online promotions
2. Email hyperlink	19. Description of services
3. Online information request form	20. Online payment
4. Calendar for special programs	21. Email reservation
5. Update exchange rate	22. Price information
6. Online survey	23. Email newsletter
7. Online comment form	24. Privacy policy
8. Online guest form	25. Surrounding photos
9. Links to other sites	26. Virtual tours
10. Www. Hyperlinks	27. Frequent guest program
11. Search capability	28. Online meeting facilities
12. Corporate identity	29. Secure credit card page
13. News section	30. Security statement
14. Detailed information	31. Cancellation policy
15. Multi-lingual website	32. Orders through affiliates
16. Pictures quality	33. Online groups membership
17. Chat rooms	34. User registration

TABLE II. THE 7CS MEANING AND RELATED DIMENSIONS

THE 7Cs	Meaning	Dimensions
Context	Aesthetics and functional look and feel	-Function(section breakdown, linking structure, navigation tools) -Aesthetics
Content	All digital subject matter	Offering mix, Appeal mix, Multimedia mix, Content type
Community	Interwoven relationships based on shared interests	Membership, Online communities
Customization	Website modification	-Personalization(by user) -Tailoring(by site and special software)
Communication	Dialogue between website and its users	Broadcast(one to many), Interactive, Hybrid

Connection	Network of links between the site and other websites	Links to sites, Home site background, Outsourced content, Home site content, Pathway of connection
Commerce	Transactional capacity of the website	Registration, Shopping cart, Security, Credit and approval, One-click shopping, Orders through affiliates, Configuration, Order tracking, Delivery options

Total	86.576				
communication	Between Groups	223.488	111.744	29.756	.000
	Within Groups	657.192	3.755		
	Total	880.680			
connection	Between Groups	23.848	11.924	9.629	.000
	Within Groups	216.714	1.238		
	Total	240.562			

TABLE III. MEANS AND EFFECTIVENESS'S OF THE 7Cs

7Cs	Total score	Mean	Effectiveness (%)
content	22	10.7	48
commerce	7	2.3	32
community	5	.6	12
context	6	4.2	70
customization	4	.6	15
communication	15	9.3	62
connection	4	1.9	47

TABLE IV. MEANS OF THE 7Cs FOR SAMPLE COUNTRIES

Features based on related scores	Iran (#18 L.H.)	Turkey (#138 L.H.)	UAE (#22 L.H.)
Content(22)	8.3	10.5	14
Commerce(7)	1.2	2	5.3
Community(5)	.3	.5	1.5
Context(6)	4.1	4.3	4.8
Customization(4)	.05	.7	.9
Communication(15)	7.9	9.1	12.2
Connection(4)	1.7	2	2.8

TABLE V. MANOVA TESTS

Variations' sources	SS	MS	F	Sig.	
content	Between Groups	345.141	172.570	16.895	.000
	Within Groups	1787.471	10.214		
	Total	2132.612			
commerce	Between Groups	226.465	113.232	29.933	.000
	Within Groups	662.007	3.783		
	Total	888.472			
community	Between Groups	18.685	9.343	12.575	.000
	Within Groups	130.017	.743		
	Total	148.702			
context	Between Groups	7.934	3.967	2.571	.079
	Within Groups	270.022	1.543		
	Total	277.955			
customization	Between Groups	7.038	3.519	7.699	.001
	Within Groups	79.538	.457		