

City Marketing of Dubaï, characteristics and underlying factors

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Abstract:

Dubai has become an important destination for regional and global tourism, rising to prominence as a top location for shopping, leisure, sporting events, international conferences and media events. Dubaï is probably one of the best known examples of a city brand that has established itself in a very short period of time while riding the waves of globalization. Favorable business conditions and shrewd investment decisions have led to Dubaï becoming one of the Gulf's most successful and rapidly expanding economic environments and Dubaï is now firmly established as the business, financial and commercial hub of the region.

Key words:

City marketing, tourism, image of the city, Dubaï

الملخص:

أصبحت دبي مقصدا هاما للسياحة الإقليمية والعالمية وارتقاءها كأفضل موقع التسوق والترفيه والمناسبات الرياضية والمناسبات الإعلامية والمؤتمرات الدولية. دبي احد أفضل الأمثلة على العلامة التجارية في فترة زمنية قصيرة جدا أثناء ركوب أمواج العولمة. أدت ظروف عمل مواتية وذكاء قرارات الاستثمار إلى تحول إحدى دول الخليج إلى انجح البيئات الاقتصادية المتوسعة بسرعة إذ تحولت دبي بفعل التسويق إلى المركز المالي والتجاري في المنطقة.

الكلمات المفتاحية:

تسويق المدينة، السياحة، صورة المدينة، دبي

ترميز التصنيف G31،G39:Jel

I. Introduction:

While the marketing of urban places has been practiced, at least, since the 19th century, cities increasingly tended to rely on marketing methods in the last three decades, when 'competition for inward investment, tourism revenues and residents at various spatial scales intensified' (Kotler *et al.*, 1999)¹.

The role of cities is increasing within the regional, national and global economic environment, making the problem of gaining and maintaining urban attractiveness and competitiveness still relevant². Cities must increase the efficiency of existing and new infrastructure and services to a level never previously achieved³. This will require a step change in the integration of marketing. Tourist satisfaction is important to successful destination marketing because it influences the choice of destination, the consumption of products and services, and the decision to return⁴.

II. Why Dubai:

1. Dubai and the city marketing:

City marketing enables a new level of quality within the local development policy in terms of comprehensiveness, creativity and flexibility. New resources in the form of ideas, capital and local knowledge are mobilized for local policy. In this way city marketing enables a strategic approach to public planning in collaboration with the private sector⁵. Dubai today is a tourism, trade and logistics hub and has earned itself the reputation of being the "gateway between the east and the west." It is considered to be the dynamic nucleus of the Arabian Gulf region.

Today, it can be argued that what is projected as the 'image' of a city, can be more important than the reality of the city itself, in shaping the opinion held by visitors, investors, and even its own inhabitants with regard to the place⁶.

2. Doing Business in Dubai:

Dubai subscribed in the notion: "if it's good for business, it must be good for Dubai"⁷. The popularity of Dubai as the region's best and the world's emerging global business hub has empowered the Emirate to create unique economic opportunities and value propositions that attract the best of global entrepreneurial and business leadership. Dubai has developed economic sectors as diverse as aviation, tourism, logistics, trade, health, education, technology, and media among others. In 2011, trade, tourism, logistics and transportation already constituted up to 60 percent of Dubai's total GDP.⁸

3. Choosing Dubai for investment:

Dubai's success story as a world leader in enterprises and modernization has earned the city great international distinction and made it an important business, trading and tourism hotspot.

Dubai is a dynamic, business-friendly city with a great track record of executing major projects. Leading projects are undertaken every year and are completed within the set limit. Dubai blends a luxury environment, tradition, culture, market and an attractive climate together⁹.

The table below shows a summary of various alternatives for starting a business in Dubai:

Table 1: various alternatives for starting a business in Dubai

	Mainland Dubai	JAFZ	DIC	DHCC	DuBiotech
Number of set-up procedures	6	6	6	6	6
Process working days	13	21-30	30	30-45	12
Fees	AED 12,300	AED 20,500	AED 18,500	AED 20,000	AED 19,000
Capital requirement	0	AED 500,000	AED 50,000	AED 100,000-	AED 50,000
Foreign ownership	49 %	100 %	100 %	100 %	100 %

Reference: DFI (Dubai Foreign Direct Investment), "Why Dubai", p31,
in <http://www.mt.usi.ch/study-tour-report-2009---dubai-126912.pdf>

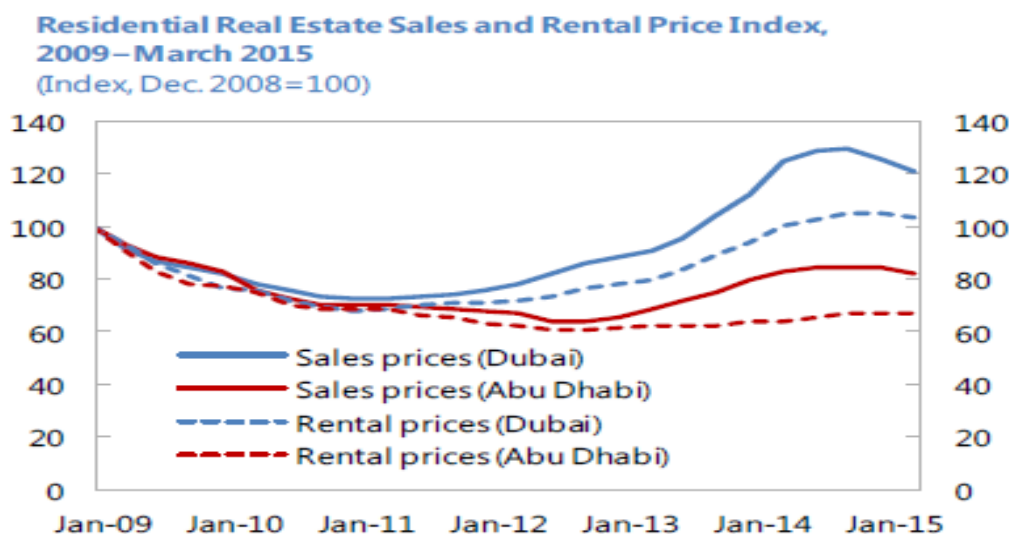
Dubai offers two major alternatives for registering new or existing businesses, either onshore with Dubai DED or offshore in one of its free zones. Whether a company sets up in mainland Dubai or a free zone, all businesses and their employees will pay no business taxes or personal taxes. Whichever location the investor chooses, Dubai is a business opportunity not to be missed.

III. Economy and tourism in Dubai:

1. Economy:

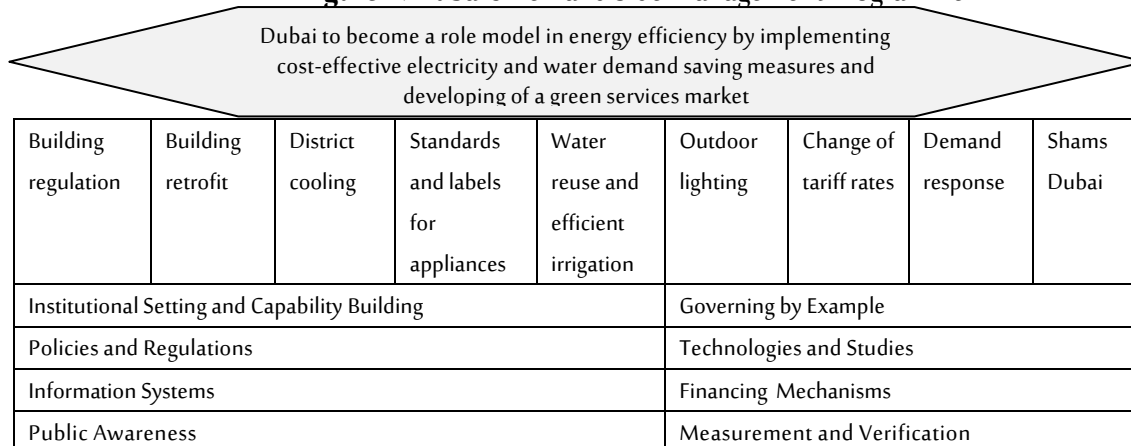
Much of Dubai's current business success has been the result of its bold and visionary leadership. Economic growth was fuelled by private sector participation in developing sectors for which the government set the stage by establishing a conducive business environment, coupled in many instances with heavy investments to boost private sector confidence.¹⁰

Dubai is a fast-growing city that has developed as a global hub for business, trade and tourism over the last four decades. The population of Dubai grew from 0.6 million in 1993 to over 2.2 million in 2013, representing an annual growth rate of over 6.5%. Dubai is now a major tourist destination, playing host to over 11 million tourists in 2013. Hotel guest nights grew at an annual rate of 12.8% between 2003 and 2013.¹¹



Reference: Situation économique et financière de l'Emirat de Dubaï, Publications des services publics, juin 2016, p3 in http://www.tresor.economie.gouv.fr/14018_situation-economique-et-financiere-de-lemirat-de-dubai

Figure 2: Dubai's Demand Side Management Programme



Reference: Cooling in Dubai: A Market Share and Efficiency Study; RSB for Electricity and Water, Government of Dubai; p1, in <https://www.rsbdubai.gov.ae/wp-content/uploads/2016/03/20160210-Webtext-Dubai-Cooling-Study.pdf>

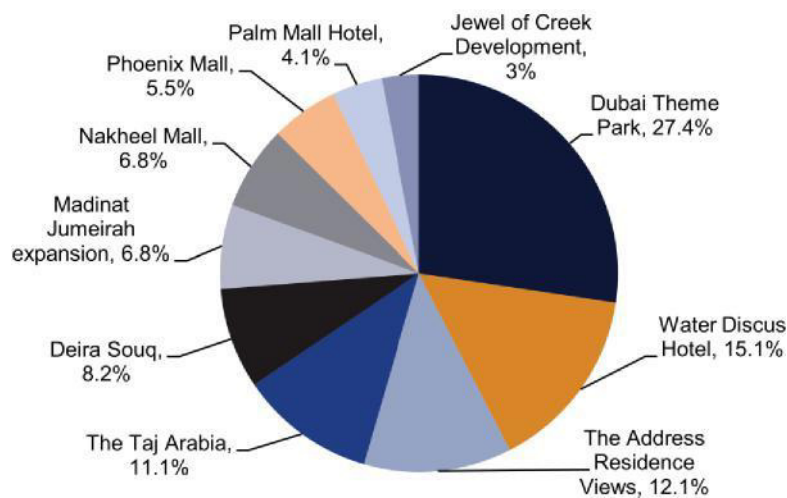
2. Tourism:

Dubai has transformed its urban landscape and image into a mixed-use urban development containing luxury residences, extensive shopping complexes, tall skyscrapers, luxury hotels (such as the iconic Burj Al Arab hotel), immense malls, inventive theme parks, international events, and a variety of entertainment complexes¹²

Dubai's economy relies on many sections of the "state", one of the most important being **tourism**, in 2014 total 70.475.636 passengers traveled through Dubai Airport. To maintain this important position in the tourism industry they have been known to create big and impressive tourist attractions.¹³

“Dubai is the number one business events destination in the region,” says Steen Jacobsen, director of Dubai Business Events – the official convention bureau and a division of the Department of Tourism and Commerce Marketing. “We’re not only home to the biggest exhibitions that exist in the region, but also the highest number of international association meetings. Of the world’s Fortune 500 companies, 56 already have a presence here.”¹⁴

Figure 3: Top 10 Dubai’s tourism related projects to be awarded in 2014,
% of total USD 9.95bn, as of H1 2014



Reference: Dubai’s tourism and hospitality sector overview; Sector Economics 26 October 2014, Emirates NBD, p01, in

https://www.emiratesnbd.com/plugins/ResearchDocsManagement/Documents/Research/EmiratesNBD_Research_Sector_Updates_26_Oct_2014.pdf

Tourism has become a popular global leisure activity. In 2010, there were over 940 million international tourist arrivals, with a growth of 6.6% as compared to 2009. International tourism receipts grew to US \$19 billion in 2010, corresponding to an increase in real terms of 4.7%.¹⁵ Dubai’s ambitious plan to become one of the leading global medical tourism hubs is expected to attract 170,000 medical tourists (AED 1.1bn in revenues) by 2016 and 500,000 tourists (AED 2.6bn in revenues) by 2020.¹⁶

IV. Marketing of Dubai:

1. Market Positioning and Branding

As Peter Folton, general manager of the Grand Hyatt Hotel in Dubai, pointed out in relation to the tourist sector, “What is unique about Dubai is that there has never been a destination that does such a great job of marketing on the international stage.”

Branding has been a key element in this development strategy: Dubai has branded itself as “quality and innovation.”¹⁷

Table 2: Dubai's top source markets

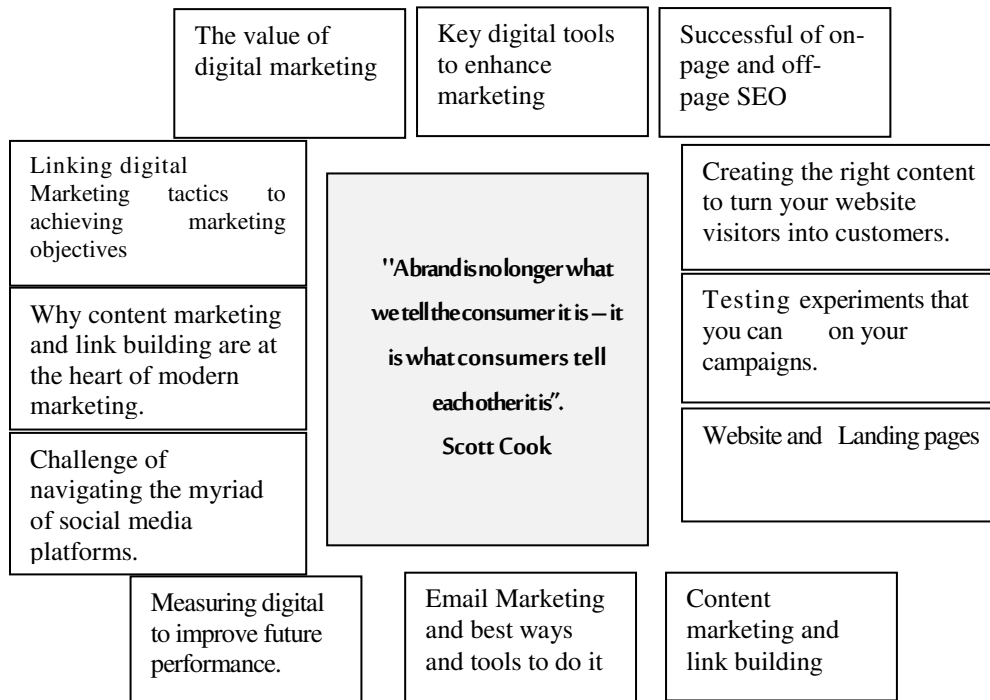
January – September 2013			January – September 2012		
Rank	Nationality	Total Guests	Rank	Nationality	Total Guests
1	Saudi Arabia	1,052,353	1	Saudi Arabia	843,568
2	India	631,638	2	India	549,450
3	UK	535,284	3	UK	489,884
4	USA	356,971	4	USA	369,474
5	Russia	263,969	5	Iran	262,881
6	Kuwait	261,346	6	Russia	242,289
7	Germany	234,505	7	Germany	229,685
8	Oman	218,775	8	Kuwait	226,326
9	China	201,036	9	Oman	213,995
10	Iran	196,897	10	China	181,180
11	Australia	194,448	11	Pakistan	178,887
12	Pakistan	185,919	12	Australia	144,121
13	Egypt	152,825	13	France	124,545
14	Qatar	132,435	14	Qatar	123,513
15	France	132,383	15	Egypt	120,307
16	Philippines	95,138	16	Philippines	92,339
17	Italy	90,919	17	Italy	85,942
18	Jordan	85,528	18	Bahrain	76,031
19	Lebanon	80,098	19	Jordan	72,640
20	Bahrain	73,486	20	Lebanon	69,580

Source: Department of Tourism and Commerce Marketing (2013), in

http://chfr.dubaixperts.com/index.php?option=com_content&view=article&id=741%3Adubai-welcomes-over-79-million-visitors-in-first-nine-months-of-2013&catid=1%3Alatest-news

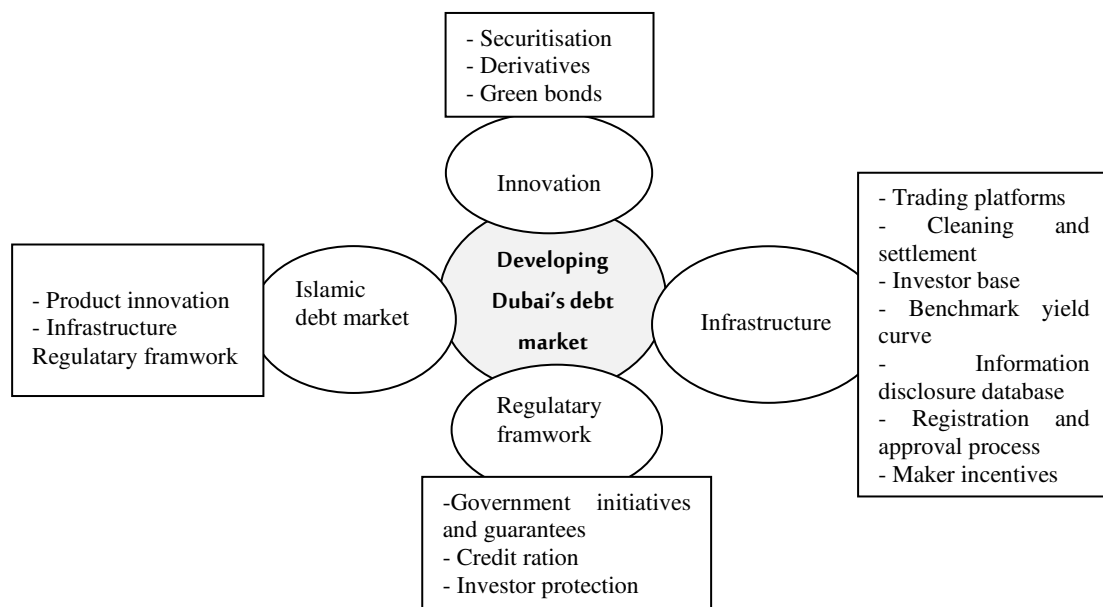
Saudi Arabia and India ranked as the top markets for Dubai for tourists from January to September of 2013, and tourists from UK, U.S., Russia, Germany, Kuwait, Oman, China, and Iran also made it to the list of top 10 nationalities travelling to Dubai for tourism. Key attributes of stability, government policy, accessibility, amenities, attractions and promotion form a framework for Dubai's tourism.¹⁸

Figure 4: Key pillars of branding Dubai by digital marketing



Reference: Digital Marketing Essentials, A Brand new and highly practical, ISM Training, Dubai, in http://ismdubai.com/wp-content/uploads/2016/03/Digital_Marketing_2017.pdf

Figure 5: Key pillars of developing Dubai's debt market



Reference: Deloitte, "Developing Dubai's debt market to promote investment and growth", Dubai Economic Council; p in https://www2.deloitte.com/content/dam/Deloitte/xs/Documents/finance/me_fa_dubai-economic-council-2015.PDF

Enhancing Dubai's profile and competitiveness in areas of product innovation, market infrastructure and regulatory frameworks is fundamental for the development of both conventional and Islamic debt markets

2. Success factors enhancing Dubai's image:

Faced with the reality of growing competition between cities, the efficient management of a tourist destination, for example, means a need, a challenge, and an opportunity for public and private bodies. Having an attractive tourist destination brings benefits for both residents (higher employment and better quality of life, for example) and visitors¹⁹.

Table 3: Factors of city marketing of Dubai

Factors of city marketing	
Burj Khalifa: It is the tallest artificial structure in the world, standing at 829.8 m (2,722 ft).	Dubai Creek: It is a saltwater creek located in Dubai. It ends at Ras Al Khor Wildlife Sanctuary. Some sources say that the creek extended as far inland as Al Ain, and that the Ancient Greeks called it <i>River Zara</i> .
The Dubai Fountain: it is the world's largest choreographed fountain system set on the 30-acre manmade Burj Khalifa Lake, at the center of the Downtown Dubai development in Dubai.	Bastakiya District: The construction of Al Bastakiya dates back to the 1890s. In its prime, the locality was capable of supporting 60 housing units.
Wild Wadi Water Park: is an outdoor water park in Dubai. Situated in the area of Jumeirah, next to the Burj Al Arab and the Jumeirah Beach Hotel, the water park is operated by Jumeirah International, a Dubai-based hotelier.	Meydan Racecourse: is a horse racing facility located in Dubai. It opened on March 27, 2010, replacing Nad Al Sheba Racecourse, which formerly occupied the same site. It can accommodate over 60,000 spectators in a 1 mile-long grandstand.
Dubai International Financial Centre: (DIFC) is a federal financial free zone situated in the Emirate of Dubai. The DIFC aims to provide a platform for business and financial institutions to reach into and out of the emerging markets of the region.	Ski Dubai: It is an indoor ski resort with 22,500 square meters of indoor ski area. It is a part of the Mall of the Emirates, one of the largest shopping malls in the world, located in Dubai, United Arab Emirates. It was developed by Majid Al Futtaim Properties.
Madinat Jumeirah: it is a luxurious 5 star resort in Dubai and is also the largest resort in the emirate, spreading across over 40 hectares of landscapes and gardens. It is designed to resemble a traditional Arabian town.	Dubai Marina: Dubai Marina is an artificial canal city, built along a two-mile (3 km) stretch of Persian Gulf shoreline. When the entire development is complete, it will accommodate more than 120,000 people in residential towers and villas.
Dubai Museum: It is the main museum in Dubai; It is located in the Al Fahidi Fort, built in 1787 and is the oldest existing building in Dubai. In 2007, Dubai Museum welcomed 1,800 visitors daily, with a yearly total of 611,840.	Global Village: it is claimed to be the world's largest tourism, leisure and entertainment project. It is the region's first cultural, entertainment, family and shopping destination. Every year, it has over 5 million visitors over an area of 17,200,000 sq ft (1,600,000 m ²).
Dubai Gold Souk: It is a traditional market (or <i>souk</i>) in Dubai. The souk is located in the heart of Dubai's commercial business district in Deira, in the locality of Al Dhagaya. The souk consists of over 300 retailers that trade almost exclusively in jewellery.	World Islands: it is an artificial archipelago of various small islands constructed in the rough shape of a world map, located in the waters of the Persian Gulf, 4.0 kilometers (2.5 mi) off the coast of Dubai.
Palm Islands: They are two artificial islands, Palm Jumeirah and Palm Jebel Ali, on the coast of Dubai.	Deira Clock Tower: originally referred to as the Dubai Clocktower, is a roundabout in Dubai.
Hotels: Since many of the people in Dubai are tourists and not permanent residents, there are plenty of intriguing hotels built to house these temporary residents. Some of these have become iconic symbols of the emirate, such as the Burj Al Arab.	

Source: Tourist attractions in Dubai, p1-5, in http://en.wikipedia.org/wiki/tourist_in_Dubai

Table 4: Dubai as an important destination

Best place to live	Life style	With over 202 nationalities represented in Dubai, the city offers a highly attractive social and multicultural environment with a safe, family-friendly lifestyle
	Best retail	Dubai is a shopper's paradise, with many international retail brands having a large presence in the city. Dubai was ranked number one in the CB Richard Ellis' 2011 report 'Top 20 Cities for Retail'.
Dubai as a preferred business location	Pro-business Government	Dubai has a highly proactive pro-business government, with the most transparent business regulations in the region.
	Global Headquarters	Dubai plays an essential role as the main base of multinational companies operating out of the Middle East.
	Connected	Dubai offers a world-class transport infrastructure providing easy
	Logistics infrastructure	With its best-in-class logistics infrastructure, Dubai is the world's third largest re-export hub and has the world's fourth busiest international airport.
	ICT Leader	Dubai is the regional leader in ICT and telecoms. Mobile phone penetration rate in Dubai is the highest in the world
A visionary leadership	Infrastructure	The extraordinary perception and vision of Dubai's leaders have created one of the world's most successful and vibrant cities. A belief in the potential and possibilities of the future has lifted this previously obscure trading town into a major player on a global stage. This vision continues, and with it, Dubai's ambition expands.

Reference: Why Dubai, p8, <http://www.mt.usi.ch/study-tour-report-2009---dubai-126912.pdf>

3. Technology and Innovation

In Dubai and the wider UAE, the media focuses overwhelmingly upon smart cities. This is largely a reflection of the initiatives underway in Dubai itself to become a leading 'smart sustainable city' in time for the 2020 Expo. P40

Nine key parameters characterize Dubai's development path:²⁰

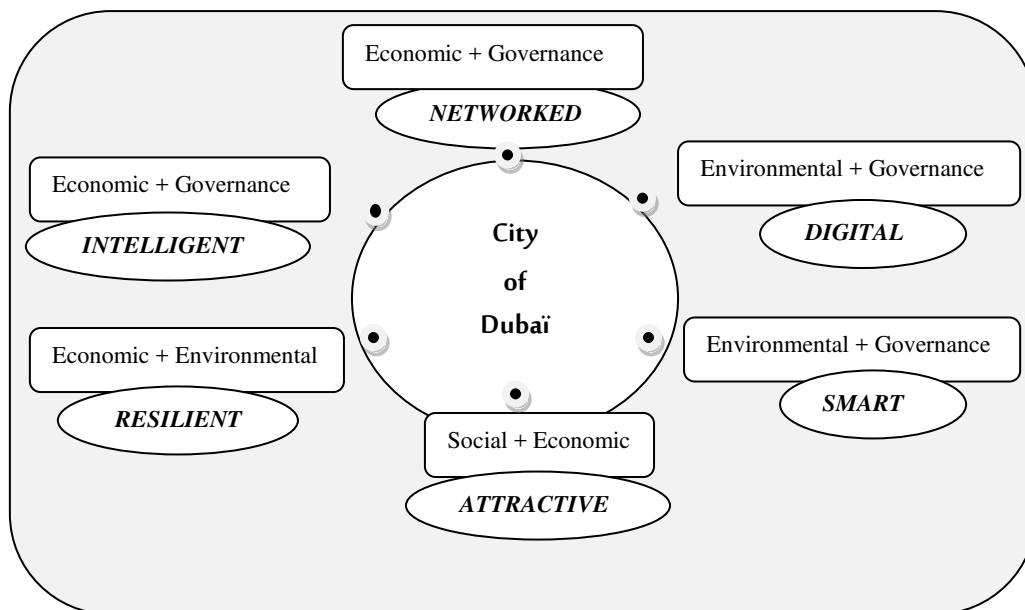
- Government-led development (ruler-led)
- Fast decision making and "fast track" development
- Internationalization of service provision
- Creation of investment opportunities

- Supply-generated demand ("first mover")
- Market positioning via branding
- Development in cooperation with international partners

V. Dubai as future attractive city

Cities also adopt future city vocabulary in an attempt to become better equipped to plan and shape their futures, as they acquire and build new governance systems, finance tools, data streams, and city management techniques²¹

Figure 6: Dubai as future attractive city – hybrid concepts of success



Reference: adopted from Emily MOIR, Tim MOONEN, Greg CLARK (2014), What are Future cities? Origins, Meanings and Uses, p14, in <https://www.gov.uk/government/collections/future-of-cities>

Finally, the plan addresses the government as the custodian of the city development in all aspects. These perspectives were divided into 6 themes, each highlighting a group of strategic developmental aims for Dubai, and together forming the city's vision for 2021²²

- **The People:** "City of Happy, Creative & Empowered People"
- **The Society:** "An Inclusive & Cohesive Society"
- **The Experience:** "The Preferred Place to Live, Work & Visit"
- **The Place:** "A Smart & Sustainable City"
- **The Economy:** "A Pivotal Hub in the Global Economy"
- **The Government:** "A Pioneering and Excellent Government"

Dubai is among the world's premier destinations for hosting meetings, conferences and exhibitions, and is the business capital of the Middle East. As a major tourism hub, the city is well set-up for visitors, has an international outlook, and most people you encounter will speak English²³.

Dubai has in it all that makes a nation competitive globally; a stable and progressive regime, rule of law, excellent infrastructure, banking and financial system that is healthy, markets that are fiercely competitive, tax regime that is friendly and not strenuous on the business and human resources which are talented and international in outlook.

VI. Conclusion:

As the forces of globalization place cities into direct competition with one another, cities are required to deliver thriving economies, great quality of life, political stability, business friendliness and a reduced environmental impact in order to be competitive not only on a regional or national scale, but globally

Dubai attracts around 12 million visitors a year, and boasts nearly 90,000 hotel rooms across more than 630 properties. It's a home to the tallest building in the world – the 829.8m-tall Burj Khalifa. And with its 47-mile-long, fully automated Metro system, world-class airports, and state of the art IT network, it's perhaps the most hyper connected city on Earth.

The future we want The City we need: it is a very clear overview of the future attractive cities

According to the view widely shared by locals, visitors and a worldwide audience, Dubai, created its unique brand within the global market place by "capturing the attention through superlatives"²⁴, The construction of Dubai's image, which was previously aimed at attracting global flows of capital, had to be pragmatically recreated in the aim of establishing a correlation of culture, society and a unique urban experience.

The importance of destination branding is made clear by Morgan and Pritchard: 'the battle for customers in the tourism industry will be fought not over price but over the hearts and minds in essence, branding . . . will be the key to successes.

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