ANALYZING THE DOMESTIC AND FOREIGN INVESTMENT AREAS IN THE DEVELOPMENT OF IRAN’S TOURISM FROM THE VIEWPOINT OF EXPERTS

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ABSTRACT

The high revenue generation potential of tourism and its development potential in our country have made the bed for investments in this sector. Unfortunately, however, despite such positive features, our country enjoys a small share of the huge profits of this industry, which seems to be due to a lack of identification of investment opportunities compatible with our country’s structure by domestic and foreign investors that can attract international tourists. Hence, the significance of this study is that it shows, from the experts’ view, which areas of investment in this industry are most effective in attracting foreign tourists. The ideas of authorities regarding the topic were analyzed separately. In order to analyze the data and observations, after data collection, coding, data entry and creating a database, descriptive statistical procedures like frequency table, central and dispersed indices like mean, standard deviation, etc. were used. In order to prove the hypotheses, different techniques like student t-test, Wilcoxon signed-rank test and binominal test were used. The findings suggest that investment in development of the source and destination country’s data bases, is significantly influential in attracting tourists. This is because most tourists have acquired their essential information about the destination, tourist attractions, exchange rates, local traditions, weather, tourist products, tour schedule details, flights, tour prices and working hours of parks and museums. Moreover, the results indicated that there were ineffective and inefficient connection methods to travel agencies because none of the experts had acceptable assessments of travel agencies’ websites. Nonetheless, as the experts believe, such investments will prove effective in attracting tourists. This study clearly points out the constructive role of attracting mutual investors in developing tourism and also shows positive effects of investment in areas that can quickly satisfy the needs and preferences of tourists, facilitate their access to the attractions of destination country, create a difference in provided services.

Key words: tourists, domestic investors, direct foreign investment, mutual investment
INTRODUCTION

Nowadays, tourism is considered one of the most profitable financial activities in national development cycles of countries the world over, especially in terms of employment, currency generation and economic prosperity of different areas. Inter-community tourism will result in national and cultural communication, international correlation and strengthens friendly relationship between nations and promotes global peace. These astonishing cultural effects, the ever-increasing share of tourism in gross economic production, new vacancies created in the process as well as public welfare have made tourism a multifaceted activity that most countries with a rich cultural heritage and natural habitats are interested in. With a single look at tourism industry in Iran, it can be seen that given the geographical location and diversity of climate of our country, there are innumerable tourist attractions to develop this industry with. Our country enjoys 5000 years of cultural heritage, encompassing multiple civilizations of different eras in human history, with only a few rivals in terms of historic landmarks. Iran is introduced by UNESCO as one of the top ten countries of the world with invaluable historic sites (HalajiSani, 1997).

Despite all these, Iran’s share in the global tourist industry is only minimal. Hence, investment in areas that are influential in attracting tourists to our country seems essential. Since there is far less investment in tourism industry compared to other industries, and because with minimum investment maximum vacancies and currency generation can be achieved, it is especially important to pay attention to it. Therefore, this study is significant since it clarifies, from the viewpoint of experts, the areas of investment that are most effective in attracting foreign tourists. The main objective of this study is to identify main investment opportunities (areas) for domestic and foreign investors that are most effective in attracting foreign tourists, from the viewpoint of experts.

LITERATURE REVIEW

There have been studies conducted on Iranian tourism some of which are presented in the following:
Forghandoust et.al. (2009), have considered identifying the private sector in tourism, assessing the probability and analyzing benefit costs, conducting essential research and sufficient demand in tourism industry, among variables that can positively affect tourism industry. They put advertisement in first rank, lack of probability assessment and benefit costs’ analysis in second rank, lack of trained managers and employees in rank three, lack of a environment with better security conditions in rank four, lack of security in rank five and lack of necessary research in rank six. Jawaheri (1998) showed the most important obstructs for international tourist attraction to Kish Island to be lack of research, lack of appropriate services consistent with hotel and accommodation ratings, lack of training for the human resources for residential units in Kish Island, lack of coordination between the culture of foreign visitors and the governing norms and social values and also lack of coordination between authorities and responsible organizations in the area. SardiMahkan (2001) suggested in a study that the most important factors to the tourists in the holy city of Mashhad are condition of shrines and pilgrimage places, historical sites, accommodations, the behavior of authorities and people’s hospitality, costs and also
establishment of overseas marketing and travel agencies, increasing expertise of travel agency’s staff, advertisements in papers, participating in different tourism fairs and exhibitions and providing online services. Moslehi (2005) concluded that selecting a tour guide who is a cultural advisor on one hand and skillful, articulate and polite on the other is of great influence in attracting tourists. Khania (2005) claims in a study that a way of making a living in developing countries with huge debts on one hand and political clashes and disputes on the other, is using natural, historical and cultural attractions for tourist attraction that will eventually lead to peace for the countries. Khalifesoltani (2005) suggests that one way to achieve stable economy in face of wild fluctuations in oil prices and instability in other goods’ markets is to develop tourism industry and exploit natural resources and historic, cultural and religious landmarks to attract more tourists to Iran. Kazerouni (2005) analyzed economic and cultural obstacles that have caused the slump of this industry in Iran and also the plans of the government to make this economic sector more prosperous, suggesting breakthroughs to strengthen this industry in the end.

METHODOLOGY OF THE RESEARCH

The present study is a descriptive and field research. In this study, all data collection methods are used including: 1.observation, 2.interviews, 3.documents and 4.questionnaires. Student t-test, Wilcoxon singed-rank test and ratio test have been used to analyze the data. The sample population of this study consists of tourism experts of Cultural Heritage and Tourism of the province and managers and supervisors of travel agencies, hotel managers and hotel experts, foreign affairs ministry experts and IT experts in the province who sum up to 55. Their participation criterion is their involvement in tourism. After analyzing collected data, the results are as follows:

CONCLUSION AND SUGGESTIONS

A. The reason for selection of Iran as tourist destination from the viewpoint of tourists

The lowest average of ranks belong to internet in the country of origin and then the tourism industry exhibition and fairs. The highest rank besides ‘others’ option belonged to internet in the destination country. The least inconsistency of ideas compared to the standard deviation belonged to internet in the country of origin and the highest was for advertising brochure. The options of ‘internet in the country of origin’ and ‘internet in the destination’ are grouped together and are called ‘investment’ items and other options (brochure, fair, etc.) are grouped together and are called ‘others’ items. The significance of difference of average ranking between these two items is then analyzed using Wilcoxon singed-rank test. Results show that internet in the country of origin and destination played a significant role in selecting Iran as a destination by tourists.

B. Method of acquiring data about destination country including tourist attractions, exchange rate, local traditions, weather and tourist products by the tourists
The lowest average of ranks belongs to internet in the country of origin and then the destination country. The highest rank besides post belonged to telephone. The least inconsistency of ideas compared to the standard deviation belonged to internet in the country of origin and the highest was for to internet in the destination country.

The options of ‘internet in the country of origin’ and ‘internet in the destination’ are grouped together and are called ‘investment’ items and other options (brochure, post, etc.) are grouped together and are called ‘others’ items. The significance of difference of average ranking between these two items is then analyzed using Wilcoxon singed-rank test. Results show that internet in the country of origin and destination played a significant role in acquiring basic information about the destination country.

C. Method of acquiring data about travel schedule details, flight, price of tours, parks and museums open times by tourists

According to results, the lowest average of ranks in question 3 belonged to internet in the country of origin and then the brochures and catalogs. The highest rank belonged to post. The least inconsistency of ideas compared to the standard deviation belonged to post and the highest with 1.37, that is highest of all, was for going to travel agencies. Now, similar to other questions, the options of ‘internet in the country of origin’ and ‘internet in the destination’ are grouped together and are called ‘investment’ items and other options (brochure, post, etc.) are grouped together and are called ‘others’ items. The significance of difference of average ranking between these two items is then analyzed using Wilcoxon singed-rank test. Results show that internet in the country of origin and destination played a significant role in acquiring data about travel schedule details, flight, price of tours, parks and museums open times.

D. Method of acquiring tickets and booking hotels by tourists

According to results, on average, the lowest ranks belonged to internet to get the tickets and then there is going to travel agencies, with post being in lowest rank. The consistency of ideas compared to the standard deviation was approximately the same in all options of ‘internet’, ‘post’ and ‘telephone’ with ‘going to travel agencies’ at a little lower rate. Now, similar to other questions, the options of ‘internet in the country of origin’ and ‘internet in the destination’ are grouped together and are called ‘investment’ items and other options (brochure, post, telephone) are grouped together and are called ‘others’ items. The significance of difference of average ranking between these two items is then analyzed using Wilcoxon singed-rank test. Results show that internet in the country of origin and destination played a significant role in method of acquiring tickets and booking hotels by tourists.

E. Experts’ view regarding the relationship of investment in databases of destination country and that of the country of origin with tourist attraction

The results indicated that experts think investment in databases of countries of destination and origin that will lead to raising the awareness of tourists about destination regarding attractions, exchange rates, local traditions, weather, tourist products, details of trip schedule, flight, prices,
open hours of parks and museums, ticket purchase and hotel booking, is positively correlated with a rise in tourist attraction in Khorasan province.

F. Experts’ view regarding the relationship of investment in areas that can quickly answer the needs and preferences of tourists and facilitate access to destination country’s services and can improve the quality of services

According to the results, investment in areas that can quickly answer the needs and preferences of tourists and facilitate access to destination country’s services and can improve the quality of services is correlated with an increase in the province’s tourist attraction.

G. Experts’ view regarding the relationship of mutual investment with rise in tourist attraction

According to the results, experts believed there is a correlation between mutual investments with rise in tourist attraction in Khorasan province.

SUGGESTIONS

The following can be suggested based on the findings of this study:

1. Establishing agencies and having presence in Middle Eastern markets with priorities because such agencies can both create a cooperative communication between origins and destinations and make mutual investments possible.
2. Forming marketing databases (in order to realize the introduction of Iran and its attractions to audiences in target countries).
3. Running appropriate and frequent overseas advertisement campaigns in a structured framework.
4. Regulating of international and marketing affairs in order to formalize international activities and attract foreign investments for mutual cooperation and investment.
5. Having a network connection with agencies and international tourist information centers
6. Development of an electronic tourism database
7. Improving foreign currency services in banking system for better coordination with tourists’ needs
8. Attracting foreign investors via mutual investment in marketing and advertisement and providing information to supply for mutual investment needs, to expand domestic private sector, to create a better situation for cooperation of private sector and foreign investors that are some of prerequisites of success of mutual investment.
9. Developing an information and statistics database to be used for measuring economic effects of tourism.
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