

**Identification of factors influencing tourism industry  
development with cultural approach and their prioritization  
with AHP method (case study: Iran country)**

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**Abstract**

*The purpose of this study is identify factors affecting the tourism industry in Iran and prioritize them by the AHP method. There are 4 main factors and 8 indicators that affect these factors. Of course, it should be pointed out that these factors may vary according to the culture and politics of different countries. The five main factors in terms of prioritization are as follows: 1. Policy and institutional factors, 2. Economic factor, 3. Organizational factor, 4. Social and cultural factors. The main factor is Policy and institutional. Therefore, according to these studies, the main factor that managers and investors must understand government policies about the tourism industry before making any decisions in this industry and make their decisions based on them so that they will not fail in the future. But, the least value is about Social and cultural, but this does not mean that it should be ignored. Each of the above factors should be considered in its place, and the lack of attention to any of these may put the tourist industry in recession. This research can help you better decide on the development of the tourism industry and advancement in this industry and provide the basis for future research.*

**Keywords:** *tourism, Analytic Hierarchy Process (AHP), Policy and institutional, Economic, Organizational, Social and cultural*

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## **1. Introduction**

The tourism industry is today among the world's clean, low-cost industries, and one in every 15 people working in the world are active in this sector. On the other hand, the tourism industry in the world has come up with a variety of topics such as e-tourism, eco tourism, health tourism, sports, rural, cultural and historical. Considering this situation and given that according to the World Tourism Organization, Iran ranked fifth in the natural attractions and ranked tenth in ancient and historical attractions. As well as the growing youth, the high unemployment rate, the necessity to increase foreign exchange earnings and investment abroad, more attention paid to tourism in the past can be the reason for full employment, increased foreign exchange earnings, the introduction of Iranian civilization and culture. The world, the widespread and constructive engagement with the countries of the world, the weakening of national and minority borders. Learn 27 different languages.

The tourist industry has several branches including:

- 1- Health tourism:** Traveling to health villages without doctor intervention. Usually to escape from the congestion of cities or to eliminate tensions and stress, and even to use more sunlight.
- 2- Therapeutic tourism:** Use of mineral waters, salt, natural slime, supervised sunscreen and medical intervention.
- 3- Medical tourism:** Travel to treat illness and carry out surgery under the supervision of doctors in treatment centers that include treatment for the patient's follow-up.
- 4. Sports tourism:** Tourists who have been visiting the area for at least 24 hours and aim to travel to participate in sports-related activities.
- 5. Adventure tourism:** Includes trips to mountainous or rugged areas or adventure sports such as pancho, climbing, rock climbing and hiking trails from rugged roads.

**6. Agricultural tourism:** Includes visits to farms and agricultural land that support some kind of domestic agricultural economy.

**7. Virtual Tourism:** The journey does not take place physically, but the discovery of the world through the Internet, books and television.

**8. Environmental tourism:** A permanent tourism that affects the environment, such as a tour of national parks.

**9. Book Store Tourism:** The popular effort to support independent stores is to advertise them as tourists and tourists.

**10. Educational tourism:** Includes traveling to a country for membership in an educational institution or attending privately owned classes. Examples include cooking classes, with the presence of chefs or tourism industry classes.

And other samples.

The tourism industry is fast-growing and increasingly competitive. According to the World Travel & Tourism Council (WTTC, 2013), travel & tourism's contribution to the global GDP grew for the third consecutive year in 2012, creating more than four million new jobs. Furthermore, in 2012, the tourism industry performed better than the entire wider economy, growing faster than other notable industries such as manufacturing, financial services and retail. More than 10% of all new jobs were created in the tourism industry. In 2012, the number of international tourist arrivals worldwide exceeded the one billion mark for the first time. The number of destinations is also increasing. As the tourism industry turns into a key driver of socioeconomic progress, new enterprises and new jobs are being created in tourism sectors, and the forecasts are also highly optimistic. International tourist arrivals worldwide are expected to increase by 3.3% annually, doubling the 2010 figures by 2030. The market share between world economies will also change; it is expected for tourism sector the maximum growth rate in the emerging economies markets (UNWTO, 2013).

According to the latest statistics received by the Immigration Police and the Najah Passport by the Cultural Heritage of Handicrafts and Tourism, in the first five months of 2011, the number of foreign tourists entering the country increased by about

13% compared to the same period last year, to 145,169 people Has come. The statistics show that the number of foreign tourists entering the country increased by 1 percent in August 2011 compared with August 2010 and reached 302726 people. In August this year, the arrival of foreign tourists through land borders of 5% and the increase of 9.99% in the maritime borders decreased by 15% and the rail border by 35%. (Report of the Cultural Heritage Organization of Handicrafts and Tourism, 2011).

If tourism firms want to respond to more and more demanding and exigent tourists, they need to innovate. Only through innovation can they retain their competitiveness. Creativity and innovation occur when you identify and prioritize factors affecting the tourist industry.

In this study, we tried to identify the most important factors influencing the development and development of the tourism industry. And we conclude that there are four factors on the subject (1. Policy and institutional factors, 2. Economic factor, 3. Organizational factor, 4. Social and cultural)

## **2. Key factors**

In this section we will be well acquainted with the four key factors.

### **2.1. Policy and institutional factors:**

In the past, state interference in the economy has been recognized as an economic system that, in such a situation, the private sector cannot have significant activities, because all institutions, organizations and companies belong to the government. On the other hand, the credo of the lexical meaning of the word "market-based economic system" must be acted upon without government interference. Although the degree of government interference in different countries varies in different countries, but even in areas where the market economy is claimed to be abandoned by the government, the government intervenes for a variety of reasons. (Gay, 2009).

The government as a provider of tourism activities is desirable in the following areas:

#### **1) Government support for planning:**

A number of governments help and support certain industries for economic development. Governments act in different ways to

support various economic sectors or industries. Some governments, through the formulation of industrial policies - sometimes as approved and announced programs - can accurately determine the goals, nationalize the industries, and play a very active role in shaping the economic system of the country. Take the vital (same). If the government refrains from planning and controlling industrial (occupational) tourism, and only has a supportive role in the development of this industry, it will do things that will encourage people and organizations to invest and Provides activity in this field. For example, tax incentives can be used to encourage individuals to invest in particular investments, and to help develop infrastructural structures and national parks, and staying for tourists, hotels, guests for individuals and organizations, Perks and other individuals and civil institutions. Generally, Proper government policies and other support institutions in support of innovation and entrepreneurship

#### 2) Exemptions from Administrative Rules:

In the tourism industry, the role of the government in monitoring and regulating regulations is important because government regulations are in place to protect consumers. Government oversight could include areas such as direct control of passengers' access to services, the obligation of hotels to comply with safety principles, observance of laws and regulations relating to the health of food and health, the supervision of the conservation of natural resources, and Cultural, control over the building process, building location and rules for zoning and building plans, and so on.

#### 2.2. Economic factors:

In many developed world countries, the tourism industry plays a major role in the economy, as a result of which these countries have a special interest in this industry, and with increasing investment, they will benefit from the economic benefits of tourism. Hence, investing in this sector has always been one of the attractive opportunities for profitability and job creation.

Nevertheless, in our country, there are still plenty of opportunities for investment in this industry.

Natural and geographical features, historical sites and ... all have opportunities for investment and development of economic

activities, but in fact, there is a long way between the existing potential and the activities carried out, and this is the most important reason for the attractiveness of investment in the tourism industry in Iran. The share of the tourism industry in the Iranian economy is 121.237 trillion billion, which is 2.3 percent of Iran's gross domestic product. (WTTC, 20014).

This agent has two branches, including:

1) The existence of competition between existing firms in the tourism industry:

In general, competition prevents the industry from being exclusively isolated, especially the tourism industry.

Because most companies in the industry Can be successful That able to provide better services to tourists.

2) There are risky investors:

On the other hand, if we want to provide good services to travelers, we must have the right capital. And this requires attracting investors but convincing investors is a very difficult task. And only with a good background and compelling reasons, you can convince them to invest in your project.

Of course, the tourist industry is known as a high-risk industrial enterprise, and should be considered in this industry precisely.

3.3. Organizational factor:

Considering the combination of structural features of industrial areas - tourists provided by Garofoli, the following major factors can be identified:

1. Staff Expertise and Skills:

In every field, especially the tourist industry, it is important to train employees in accordance with their jobs and positions. In this way, organizations and organizations can provide more suitable services to the client. For example: In the tourist industry, if employees do not dominate in international languages, they cannot communicate with tourists, which will reduce the number of tourists in the tourist area.

2.The existence of a system of efficient relationships between economic agents:

that will streamline the flow of information on technology, market, suppliers and other components and reduce transaction costs. (Rabelot, 2003, 53)

#### 4.4. Social and cultural:

The cultural and social factor is divided into two sub-categories, including:

##### 1. social principle:

It is worth mentioning that social features are necessary for the functioning of tourist areas. In tourist areas, the organization of economic relations is intertwined with existing social relations, and economic behavior adheres to a certain degree of social norms and structure. Therefore, social laws affect the process of transactions and the type of relationship between employers and their labor force and economic agents belonging to that community. This means that "social cohesion" is effective in the emergence of a kind of ethics. This "ethics" implies the existence of economic and behavioral sanctions that are applied in the event of opportunistic behavior (Rabelot, 2003, 52)

##### 2. cultural principle:

The tourism industry forms a large part of the modern economy, and many nations invest in this industry to attract tourists from all over the world to introduce their culture, history and geography. But the importance of tourism is not only important because of its role in the development and prosperity of countries, but its role in cultural exchange and the introduction of the history and culture of nations to the rest of the world is also extremely important. Tourists visiting a country when returning returns a huge amount of information about their country's culture, history, nature, and geography, as well as the good and bad memories they have experienced when they visit the country. So it should be monitored in such a way as to best suit the culture's transition. For example: by giving Borshur, a cultural atlas, a banner, and so on.

### **3. The proposed model**

Based on the literature reviewed above, we argue that the key factors for the advancement of the tourism industry are 1. Policy and institutional factors, 2. Economic factors, 3. Organizational factors, 4. Social and cultural.

Each of these factors includes two subsets, including: 1. Policy and institutional factors (1. Government support for planning, 2.Exemptions from Administrative Rules), 2. Economic factors (1. risky investors, 2. The existence of competition between existing firms in the tourism industry), 3. Organizational factors (1. Staff Expertise and Skills, 2. The existence of a system of efficient relationships between economic agents), 4. Social and cultural (1. social principle, 2. cultural principle, and we propose a model including these elements (see Figure 1).

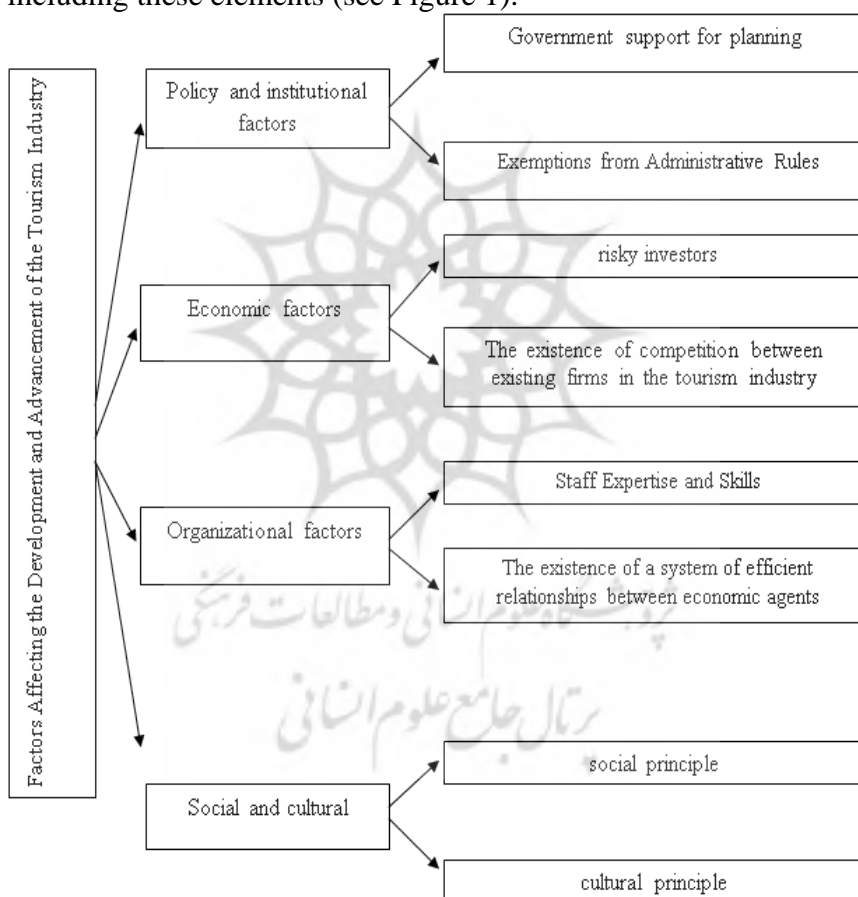
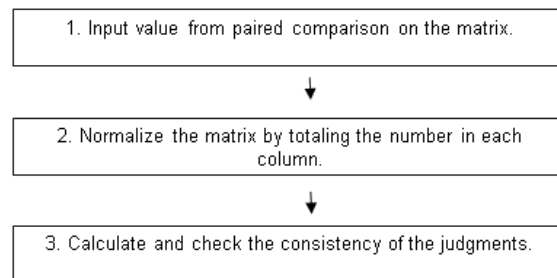


Figure 1: The proposed model

#### 4. AHP method:

Based on the data obtained from the questionnaires, we applied the analysis of AHP technique as depicted in Fig.





**Fig. 2. AHP Analysis**

The AHP method starts by calculating the Consistency Index (C.I.) and Consistency Ratio (C.R.) for each respondent using the formula stated in (Thomas, 1980). For each respondent of questionnaire, if the value of C.R. is less than 10% (or 0.1), the response is considered to be acceptable. In this experiment, there are 90 responses having C.R. less than 0.1. The hierarchical ranking calculation using Expert Choice is then performed according to (Irfan & Junseok, 2009) for all alternatives in each level of the AHP model. The analysis results are discussed in the next section. The AHP method starts by calculating the Consistency Index (C.I.) and Consistency Ratio (C.R.) for each respondent using the formula stated in (Thomas, 1980). For each respondent of questionnaire, if the value of C.R. is less than 10% (or 0.1), the response is considered to be acceptable. In this experiment, there are 90 responses having C.R. less than 0.1. The hierarchical ranking calculation using Expert Choice is then performed according to (Irfan & Junseok, 2009) for all alternatives in each level of the AHP model. The analysis results are discussed in the next section.

#### **4. Findings of the research:**

As can be seen in Figure 3, the result shows that Policy and institutional factors (approximately 29.19%) is the most important factor that can Development and Advancement of the Tourism Industry. Economic factors (approximately 24.36%), Social and cultural (approximately 23.87%) and Organizational factors (approximately 22.57) are ranked second, third and fourth respectively.

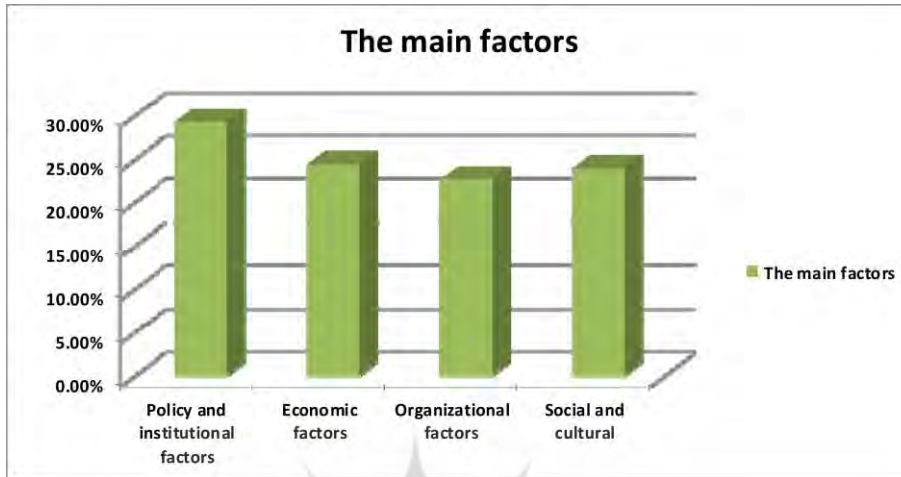


Fig. 3. The main factors:

According to the information obtained, we conclude that risky investors with the highest 54.28% are the first factor in economic factors and competition among companies in the tourism industry with 45.71% as the second most important factor. (Fig. 4)

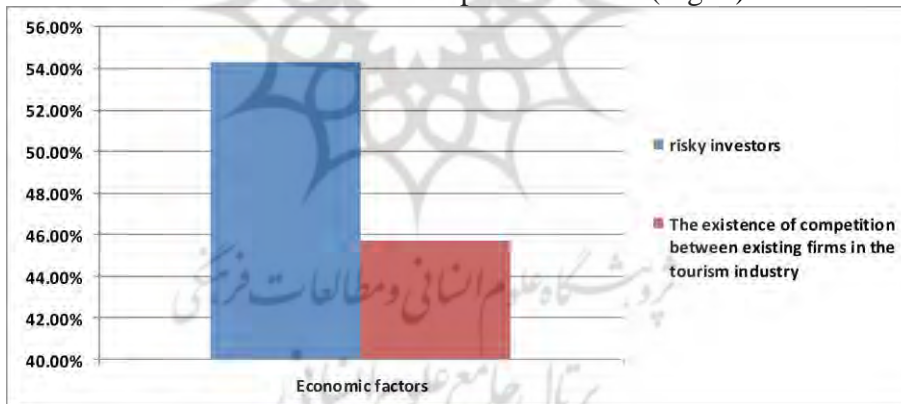


Fig. 4. economic factors

In Policy and institutional factors, we conclude that the exception in the administrative law is ranked first with almost 63.27 percent, and government support for planning is ranked second with about 36.73 percent. (Fig. 5)

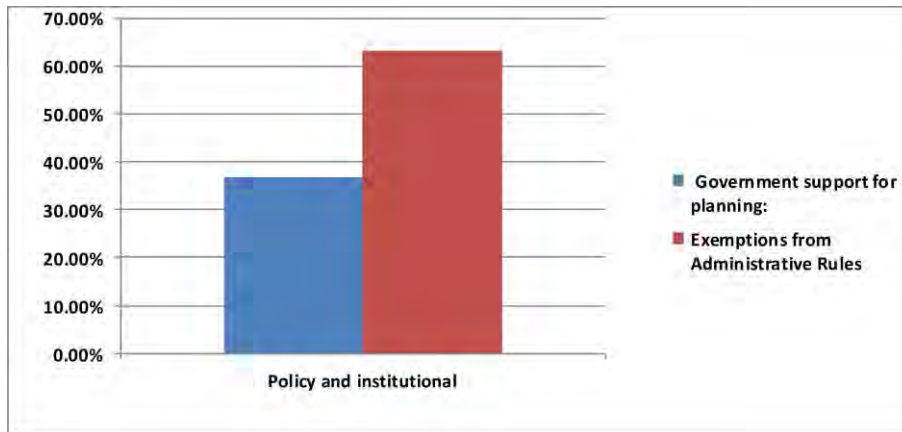


Fig. 5. Policy and institutional factors

In organizational factors, it can be concluded from the information obtained that the existence of an efficient relationship between economic factors is the most important factor (72.20%) and employee's specialty and skills (27.80%) is the second most important factor. (Fig. 6)

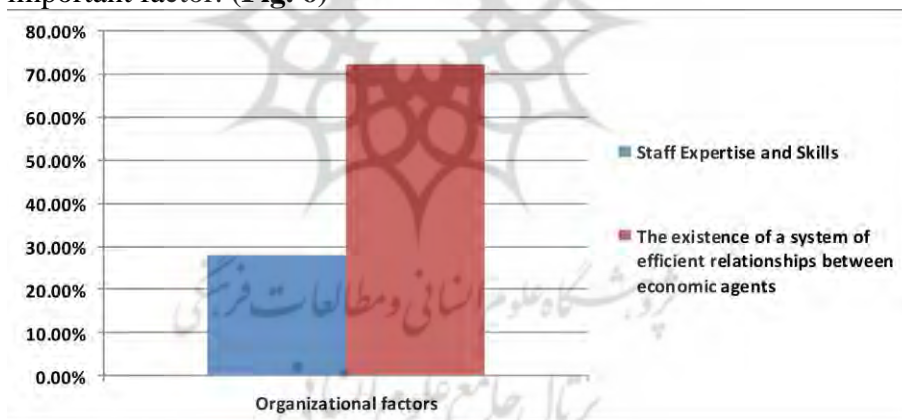


Fig. 6. organizational factors

Finally, we examined social and cultural factors, we concluded that cultural principles with 59.84% as the most influential factor and social principles with 40.16% would be the second factor. (Fig. 7)

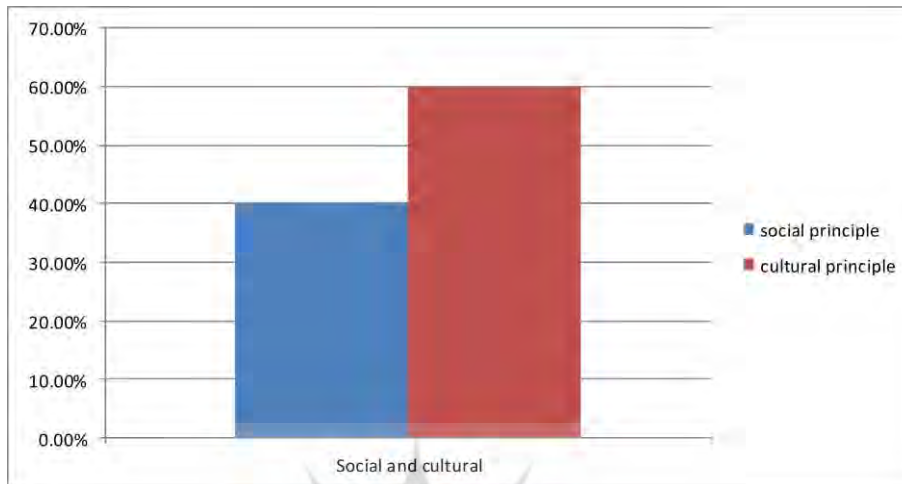


Fig. 7. social and cultural factors

### Conclusion

In this research, we first tried to identify the factors affecting the tourist industry (1. Policy and institutional factors, 2. Economic factors, 3. Organizational factors, 4. Social and cultural factors). After that, We apply AHP to rank all the factors that affect the tourism industry. This The results indicate the priority of the policy and institutional factors that managers and staff of this information should be aware of. In addition, for each of the factors, we considered two indicators, which are described in detail in each case. However, the limitation of this research is that we conducted the survey only in a specific context (i.e. Iran country). Different countries or different cultures may have different opinion and hence the result might be different. Moreover, the AHP framework used in this study can be tested by other statistical methods such as the factor analysis and structural equation model by designing a different questionnaire for the same factors and choosing larger samples including both customers and companies. But the present research can be the basis for the issues involved and will help promote the tourism industry.

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