

Module 2

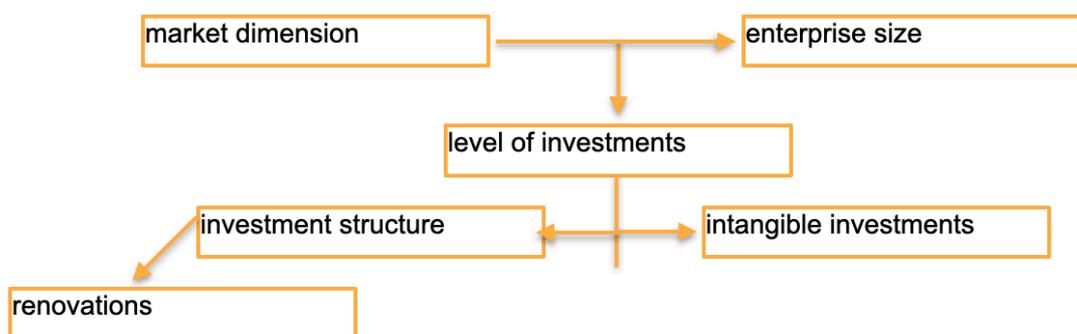
Financial management in tourism companies

Lesson 5 - The Investment in the Tourism Sector

1.1.- THE INVESTMENT IN THE TOURISM SECTOR

1.1.1.- The concept of Investment

To frame the content of this lesson, we allude to Medina (2010), where the author presents in a schematic way, how the investment in the tourism sector, since a prism generalized, based on economic foundations, basic.



Source: Medina, U. (2010). Financial management of tourism activities. Editions Pyramid.

1.1.2.- The importance of Tourism in Spain: economic

According to Fernandez, for the Confidential (2018), “our country is the leader of tourism at the global level, according to 'The Travel & Tourism Competitiveness Report 2017', which places it at the head universal within a key sector in the economy of the entire planet.

At the national level, in fact, its role is essential: the tourism sector represents 11.5% of the Spanish GDP, has grown by 18% since the start of the recovery, and has been awarded 19% of the growth our country has experienced in recent years.

Level of employment, the thing is most representative yet. And is that tourism generates one out of every four jobs since 2013: specifically, 26.8%, and if all of these new workers remain in unemployment, Spain's unemployment rate stood above 20%”.

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1.1.3.- Investment as a key factor for the Leadership in the Tourism Sector

Referring again to the data extracted from the above-mentioned digital source, sets out the main investments that have been carried out in terms of tourism:

- The hospitality industry: in recent years, the hotel industry has made a significant investment in the renovation of facilities and in the modernization of the hotel industry to reposition its offer towards the demand segments of higher purchasing power. In particular, it has substantially increased the supply of tourism in the higher categories (four and five stars), which also enjoy a level of occupancy increasing, which helps to make profitable investments.
- Human capital: according to Bañuls (2004), plays a key role as a competitive strategy in a new international context. It is for this reason that it discusses the growing importance of the human factor in tourism services, as the basic element and differentiator, capable of providing competitive advantages to the sector.
- The new technologies applied to the tourism sector: the deep digital transformation, has the potential to change the nature of many of the services offered and the skills required of workers. There is, therefore, a major drive offering workers a professional career attractive, improving the training offer and by combining better working conditions with the flexibility of the new technological paradigm.
- Entrepreneurship: according to Segittur (2016), states that “each tourist has specific needs and the technology can help meet them. Allows you to develop products that are more tailored to each type of tourist. All of this adds a value added very important for the industry.” There are new business models for the tourism sector.

In added, alluding to the studies conducted by González, León and Padron (2006), presents a series of policies that “may contribute both to generate incentives for the renovation of the tourist destination and to introduce incentives to investment in the maintenance of the quality of services and the environment of the destination. These policies, in the form of strategic actions were incorporated as a result of a study on the process of obsolescence in the tourist destinations more mature, as is the case of the Canary islands. The article closes with a set of conclusions related to the characterization and the optimum management of the problem described.

Renewal policies of the destination: next to the need for investment in public goods, optimal public sector intervention is justified when the strategy desinversora of firms generates negative externalities by inducing losses in the whole of the local tourism economy.

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However, given the diversity of the instruments of intervention and the need to involve a large and diverse group of agents, to determine the key of a regeneration process of a tourist destination seems to be a complex task”.

In order to facilitate the detection of targets determinants to discern in what ways to achieve investment in the tourism sector, the following is a Strategic Plan aimed to cover these needs expressed by the authors, by the analysis carried out by the same:

- “Support Businesses, and promote Partnerships of companies, that transform the standards of owners and operators of the segment of the supply is obsolete or at risk of obsolescence, towards greater investment in quality and differentiation.
- Tighten the control and inspection, and promote the demolition and replacement of buildings and the concentration of ownership, as a way to encourage investment in the modernisation of the plant at risk of obsolescence.
- To improve the quality of infrastructure and public services that impact on the recreational experience of visitors, qualifying, and increasing the coordination of the Public Administrations with competences in tourism.
- Protect and rehabilitate the natural and cultural resources of the Islands as a way to increase the satisfaction of visitors, and to increase the differentiation and competitiveness of the tourist products”.

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