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Research paper

Enhancing Business Strategies Through An Evaluation of The Investment Climate and Tourism Potential in CALABARZON

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Abstract

This study evaluates the investment environment and tourism potential of CALABARZON, a rapidly developing region in the Philippines. With its growing popularity as a tourist destination, the research examines how investment conditions enhance the region's appeal. It focuses-es on the connection between investment opportunities and tourism growth, particularly how strategic investments can promote sustainable economic development, increase job opportunities, and improve the experiences of both tourists and residents. A descriptive research design was used to assess CALABARZON's current status of investment and tourism. Data were gathered through a standardized survey questionnaire, collecting both quantitative and qualitative inputs from various stakeholders, including local government officials, tourists, and residents. Most respondents were young, unmarried women with college degrees and average income levels. The findings reveal that while CALABARZON is a moderately popular destination, there remains significant potential for growth. Survey results indicate that a strong investment climate enhances tourism by supporting better infrastructure, services, and marketing. These findings offer both academic insights and practical guidance for investors, business leaders, and policymakers. The study concludes with recommendations for building an inclusive and thriving economy by leveraging CALABARZON's natural, cultural, and economic assets for long-term development.

Keywords: *Business Performance Strategies; Investment Climate; Tourism Potential.*

1. Introduction

Investing in infrastructure that supports tourism is crucial for global growth, ensuring that tourist sites and resources are easily accessible by air and road. To promote sustainable growth in the tourism industry and improve management and quality infrastructure, substantial funding—both from within the country and abroad—is needed. To unlock the full potential of tourist areas in the short and long term, it's important to pinpoint key infrastructure connections that shorten travel times between destinations. The following step involves developing and putting into action an investment plan that combines public and private funds [1].

As a key socio-financial interest, the Department of Tourism (DOT) was tasked with promoting, marketing, and growing tourism in the nation to create jobs overseas and foreign exchange while also teaching a wider audience about the advantages of travel. To develop, improve, and promote the tourism industry in the region centered on the sites, the Southern Tagalog (Region IV) Local Development Plan offers advice to both the public and commercial sectors [23].

All of this has helped to create CALABARZON's distinctive reputation among tourists. With its vast network of swimming pools and hot spring resorts, Laguna, known as the "Resort Capital of the Philippines," has undoubtedly won over both domestic and foreign tourists. As the site of the actual signing of the Philippine Declaration of Independence (1898), Cavite has rightfully earned the title of "Historical Capital of the Philippines." Batangas, with its rich and stunning beach attractions, is only three hours away from Metro Manila, making it one of the closest getaway destinations. It also boasts the second-largest international seaport in the Philippines. Rizal is renowned for its mountain ranges, which offer a wide view of Metro Manila from its densely populated Antipolo neighborhoods.

The study has ranked the top ten tourist attractions in each province and categorized them. The study concentrated on that aspect in particular because the bulk of the top 10 are natural attractions. The cave and Malibic Libic Falls in Cabang, the Taal Volcano, Masasa Beach, Sombrero Island, Laiya Beach, Anilao Dive Sites, and Mt. Maculot in Batangas, Daranak Falls, Mt. Pamitinan, Mt. Daraitan, and Mt. Masungi in Rizal, and Salibungot Beach and Kunaway Beach in Quezon are among the chosen tourist destinations.

As a result, there is no denying the region's beauty; the biggest challenge is maintaining its appeal. This attraction is mainly maintained by the collaborative efforts of the players in the tourism sector. Therefore, government assistance is also crucial to achieving this goal. The more industry-friendly projects the government offers, the more likely it is that the destination will be made desirable to prospective tourists or clients. On the other side, if the government is unable to continue offering additional industrial support services, private organizations

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might step in and offer assistance or support. This can be accomplished through a range of investments. To ensure continuous profit prospects, private investors must consider the region's investment attraction, particularly its investment climate.

The CALABARZON region, which includes the provinces of Cavite, Laguna, Batangas, Rizal, and Quezon, has been acknowledged for a long time as one of the most economically vibrant and geographically important regions in the Philippines. Thanks to its closeness to Metro Manila, strong infrastructure, and abundant natural and cultural attractions, CALABARZON offers significant opportunities as both a tourism hotspot and an investment center. Nonetheless, despite this potential, there are still gaps in how the region fully utilizes these dual strengths to promote inclusive and sustainable growth.

Amid rising competition both globally and locally, regions such as CALABARZON must create informed, data-based business strategies that connect investment efforts with tourism growth. This study is motivated by the understanding that a favorable investment climate marked by business-friendly practices, encouraging policies, infrastructure, and innovation is vital for boosting tourism competitiveness. Similarly, tourism can serve as a driving force for drawing new investments in hospitality, transportation and various service industries.

This research seeks to assess the present condition of the investment landscape and tourism potential in CALABARZON, as well as how the interplay between these two sectors can improve regional business tactics. Through the identification of strengths, challenges, and opportunities, the research aims to deliver valuable insights that assist local policymakers, investors, and tourism stakeholders in developing strategies that enhance the region's economic prospects. In the end, this research aims to enhance sustainable regional development via cohesive and strategic planning.

2. Objectives of The Study

The study's main goal was to determine CALABARZON's investment environment and the tourism industry's potential. Its specific objectives were to: evaluate the level of potential of the tourism industry in CALABARZON in terms of cultural proximity, destination environment, price, destination image, risk and reward, and geographical proximity; test whether the investment environment significantly affects the appeal of the tourism industry in CALABARZON; and propose business performance strategies to help improve the industry's competitiveness.

3. Literature Review

Investments can be categorized in a few different ways: one way is based on where the funding comes from or the country where the owning company is registered; another way is based on whether the investor is a private individual or part of a government department operating below the national level. Because of this, the first part of this section focuses on domestic tourism investments rather than foreign direct investment. The second part then covers private tourism investments [6].

The Philippines ranked ninth among the ten ASEAN countries in terms of foreign direct investment (FDI) as a percentage of GDP. While investors often find the Philippine regulatory environment complex and challenging, conditions are markedly improved within the special economic zones. Notably, those administered by the Philippine Economic Zone Authority (PEZA) are recognized for their regulatory transparency, streamlined procedures, and comprehensive “one-stop shop” services that facilitate business operations for investors [13].

CALABARZON is easily reachable by both land and sea, with roads, bridges, and ports serving as key routes for trade, tourism, services, and the movement of goods within and beyond the region. The seaports connect the region’s island municipalities to other areas. Important production zones include agricultural and fisheries areas, forests, mining sites, industrial centers, economic zones, and tourism destinations—these are the main drivers of the local economy. The region has identified five priority industries: IT-BPM, metals, electronics, automotive, and petrochemicals. In 2023, efforts will focus on developing investment plans for these sectors. The expansion of business process outsourcing, AI services, digital health, animation, and other tech-related industries is also a priority, supporting IBPAP’s push for more high-skilled jobs and a competitive environment. Lastly, there is an emphasis on promoting responsible investment through Environmental, Social, and Governance (ESG) principles to ensure sustainable growth in CALABARZON. [20].

3.1. Macro-fundamental

The first step in conducting a macro fundamental analysis is to understand the state of the economy and how it influences investment decisions. When focusing on stock investments, the boom phase is especially important, as rising income and cash flow are expected to drive increases in dividends and stock prices. Typically, dividend yields on common stocks are much lower than the current rates on bonds and other long-term investments. A stock is considered a good investment only if its price growth is expected to more than make up for that difference [15]. Gaining experience in trading and investing is also a key part of understanding the macro fundamentals of the financial market.

3.2. Governance

Governance is largely about a government’s ability to create policies (policy design) and then carry them out (implementation). It’s important to separate these two stages because the reasons behind policy decisions can differ from the reasons guiding how those policies are put into practice [19]. Additionally, governance includes building and maintaining new relationships between the government, the private sector, and civil society [16].

3.3. Infrastructure

Tourism infrastructure is a key part of what the region has to offer visitors. The economy and community both depend a lot on the basic facilities, accommodations, and service providers that make up this infrastructure to function smoothly. Tourism attributes focus on attracting visitors, giving them a path to follow, and setting the time and place for their visit. For tourism to happen, safety measures and embracing the values of tourists are essential. Alongside this, the supporting services and facilities—often called tourism infrastructure—are what make it all work [18].

3.4. Appeal of the tourism industry

Attractiveness plays a crucial role in driving tourism growth. Images of a destination often inspire travelers to visit. When people travel for leisure, they typically want to experience the main attractions of a place. These attractions often have a connection to the local community and can be natural, cultural, or created by people, like tour operators [5]. Many factors influence how appealing a destination is to tourists, but the main focus is on what makes the place inviting. Attractions are what encourage people to visit, while tourists usually avoid places that lack adequate facilities. Research shows that understanding what makes a destination attractive helps explain why people choose to travel there. To truly measure a destination's appeal, it's important to look at its features and how they come together [10].

3.5. Cultural proximity

Venture capital investments are inherently risky, particularly when investors operate in regions with cultural environments different from their own. Cultural differences significantly influence trust levels, the terms of financial contracts, and the performance of portfolio companies. When there is cultural proximity, venture capitalists are more likely to succeed because they better understand the informal or "soft" information about the firms they invest in. On the other hand, greater cultural gaps between investors and portfolio companies often result in more thorough screening and monitoring processes. Consequently, these careful evaluations and oversight practices enhance the chances of success in venture capital investments [12].

3.6. Destination environment

Flora and fauna contribute significantly to most of the world's tourism industries. For instance, the Amazon's vegetation and animals attract a lot of scientists and explorers. Brazil's economy is estimated to be worth the Amazon rainforest at $8.2 billion or more. Exotic vacation spots like the Caribbean, Bahamas, Panama, Indonesia, and so on attract more tourists than any other nation because of their rich plant and animal life [27].

3.7. Price

Price is the part of the marketing mix that has the biggest impact on boosting sales. The other parts are usually seen as costs. Many experts point out that the two biggest challenges for marketing managers are dealing with resistance and setting the right price. Pricing is often the least understood marketing factor, yet it's something that businesses control freely in an open market. A price is simply the amount charged for a product or service. More broadly, pricing refers to the total value customers give up in exchange for the benefits they get from buying or using those products or services [14].

3.8. Destination image

Both positive and negative connections with a destination, its inhabitants, and its products are difficult to convey [3]. Travelers' perceptions of a destination influence their choices and behaviors not only during the trip but also throughout the phases of enjoyment. Consequently, the evaluation and selection process is primarily based on visual representations, which create a link between travelers' motivations and their choice of holiday destination [17]. Recognizing the variations in travelers' perceptions, images, and motivations toward a destination is essential for understanding and forecasting tourism demand and its subsequent effects on the destination.

3.9. Risk and reward

Tourism and risk are closely linked, as leisure travel inherently involves a certain level of uncertainty. Furthermore, as a service, tourism exhibits characteristics such as intangibility, heterogeneity, perishability, and inseparability. Both theoretical and empirical research indicate that consumers perceive higher levels of risk when engaging with services compared to tangible goods. Since travelers are more likely to recognize risks that feel personal or are subjectively sensed, much of the research on tourism risk focuses on perceived or subjective threats rather than objective or actual dangers [28].

3.10. Geographical proximity

Additionally, being geographically close enhances the exchange of both official and informal information, helping investors develop a deeper insight into local market conditions, regulations, and customer behaviors [4]. This understanding of the local environment enables investors to evaluate opportunities more precisely and oversee their investments more efficiently, leading to better overall performance [11].

4. Methodology

The study used a descriptive method because it is specifically intended to give a thorough and accurate depiction of the traits, actions, attitudes, and perceptions of a particular population. It was used in this study. Studies that seek to address the "what" question—for instance, what participants believe, feel, or behave in reaction to particular phenomena—are especially well-suited for this study approach. A descriptive technique was both acceptable and productive because the study's goal was to systematically describe and evaluate current conditions or relationships rather than change variables or test cause-and-effect. The study's main tool for efficiently collecting data was a survey questionnaire. Because survey questionnaires are effective at gathering a lot of data from a big population in a short period of time, they are an often-used instrument in descriptive research. In order to make comparisons and arrive at statistically sound results, they allow researchers to standardize replies. Additionally, questionnaires enable anonymous responses from participants, which can boost honesty and lessen social desirability bias—especially when discussing delicate or opinion-based subjects. This was used to determine the investment climate and attractiveness of the tourism industry in CALABARZON. The questionnaire is one of the major instruments used to gather and collect the needed data. The study's respondents included visitors, locals, and LGU offices—particularly those involved in the tourism sector. They were selected as participants because the researcher thought they had a strong chance of learning enough about the

state of the investment environment and the appeal of the local tourism sector, as they had more experience and exposure in the operations of the tourism industry in the region. The Philippine Statistical Authority and the corresponding provincial tourism office of each province provided the total number of employees per province, the total number of tourists arriving, and the total population of residents, which made up 390 respondents for the study. To appropriately distribute the number of respondents in each province and at each tourist destination, stratified proportionate random sampling was used.

A questionnaire was the main tool used in the study to collect the required data. The study "Determining Drivers of Destination Attractiveness: The Case of Nature-Based Tourism of Bangladesh" by Islam, Hossain, and Noor (2017) used the questionnaire. It was divided into two sections: Part I included the respondent profiles, and Part II evaluated the investment environment and the tourism sector's appeal in CALABARZON. The reliability (Cronbach Alpha) result was .901, indicating that the questionnaire was deemed reliable and could move forward with the survey.

The survey's collected data was categorized, totaled, and examined. For the analysis, the researcher employed the following statistical techniques. The respondent profile was determined using percentages. The first objective, which assessed the quality of the investment climate in the tourism industry in CALABARZON, and the second objective, which evaluated the industry's level of attractiveness, were both addressed using the weighted mean. When the respondents were grouped by LGU, residents, and tourists, One-way analysis of variance (ANOVA) was utilized to find the significant difference in the respondents' assessments of the quality of investment. Regression analysis was also used to examine whether the investment climate in CALABARZON has a significant impact on the industry's attractiveness.

Table 1: Distribution of the Respondents in Terms of their Profile

Age	Frequency	Percentage
18-35	256	65.5
Sex	Frequency	Percentage
Female	204	52.3
Civil Status	Frequency	Percentage
Single	208	53.5
Educational Attainment	Frequency	Percentage
College Graduate	185	47.4
Monthly Income	Frequency	Percentage
Php 10,001.00 – Php 25,000.00	164	42.1
Total	390	100

The table shows that the majority of respondents fall within the 18 to 35-year-old age group, with 256 individuals representing 65.6% of the sample. Regarding gender, females comprised the majority, accounting for 204 respondents or 52.3%. When looking at civil status, most participants identified as single, totaling 208 respondents or 53.3%. In terms of educational background, nearly half of the respondents were college graduates, with 185 individuals making up 47.4%. Lastly, the most common monthly income bracket among respondents was between Php 10,001 and Php 25,000, representing 164 people or 39.2% of the group.

4.1. Ethical considerations

The researcher conducted the study with ethical considerations in mind, making sure that all information collected was used solely for research purposes in order to preserve the integrity and quality of the study. The researcher also sought the consent of the respondents through letters and other communications to make sure that they were prepared to answer the necessary questions involved in the research. By allowing respondents to choose whether to include their names in the questionnaire, it was also ensured that their privacy and anonymity were respected. Additionally, the researcher made sure that the respondents provided their free and informed consent when answering the questionnaires. Finally, it was ensured that none of the study participants suffered any harm or injuries, and security was of top priority.

5. Results and Discussions

Table 2: Investment Climate of Tourism in CALABARZON

Indicators	Tourists Composite Mean	Verbal Interpretation	Local Residents Composite Mean	Verbal Interpretation	Local Government Composite Mean	Verbal Interpretation
Macro-Fundamental	3.00	Agree	3.25	Agree	3.15	Agree
Governance	3.17	Agree	3.49	Agree	3.31	Agree
Infrastructure	3.08	Agree	3.38	Agree	3.18	Agree
Total	3.08	Agree	3.37	Agree	3.21	Agree

Legend: 3.50 – 4.00= Strongly Agree (SA)/ Highly Attractive; 2.50 – 3.49 = Agree (A)/ Moderately Attractive; 1.50 – 2.49 =Disagree (D)/Less Attractive; 1.00 – 1.49 = Strongly Disagree (SD)/ Not Attractive.

The evaluation of the quality of the investment climate in the tourism industry in CALABARZON, as reported by visitors, locals, and the local government, is summarized in Table 1 and received composite means of 3.08, 3.37, and 3.21, respectively, with a consensus verbal interpretation of agree. This indicates that the CALABARZON region is somewhat conducive to investment because of its favorable environment and healthy level of competition, which draws in more money.

According to the evaluations of the three respondent groups, the CALABARZON region's governance contributes to a moderately favorable level of investment quality. A region's well-executed policies and governance, whether they pertain to tourism or other industries, give investors a sense of security and safety, which encourages them to establish or expand businesses in the area. One of the key elements in drawing in more investors is government support, since it enhances the country's image and helps to position each region as the nation's investment hub.

Governments around the world understand that the attraction of foreign direct investment (FDI) has made general regulations and policies that affect investment in their countries more and more important. It has been shown that improving precise public governance by making laws and regulations more predictable, transparent, and efficient, as well as by enforcing them consistently and by promoting higher

standards for public service, not only improves the business regulatory environment but also makes an area more appealing to investors. Although many governments have attempted to fund retailing while also improving public governance, few have been successful. [25].

Table 3: Level of Potential of Tourism Industry in CALABARZON

Indicators	Tourists Composite Mean	Verbal Interpretation	Local Residents Composite Mean	Verbal Interpretation	Local Government Composite Mean	Verbal Interpretation
Cultural Proximity	3.25	Agree	3.50	Agree	3.35	Agree
Destination Environment	3.36	Agree	3.59	Agree	3.37	Agree
Price	3.25	Agree	3.29	Agree	3.44	Agree
Destination Image	3.26	Agree	3.50	Agree	3.40	Agree
Risk and Reward	3.27	Agree	3.47	Agree	3.43	Agree
Geographical Proximity	3.12	Agree	3.40	Agree	3.27	Agree
Total	3.24	Agree	3.37	Agree	3.21	Agree

Legend: 3.50 – 4.00= Strongly Agree (SA)/ Highly Attractive; 2.50 – 3.49 = Agree (A)/ Moderately Attractive; 1.50 – 2.49 =Disagree (D)/Less Attractive; 1.00 – 1.49 = Strongly Disagree (SD)/ Not Attractive.

Table 2 presents the overall summary of the assessment of the tourists, residents, and local government on the level of potential of the tourism industry in CALABARZON. By achieving the composite means of 3.25 for tourists, 3.46 for locals, and 3.38 for the local government, the majority of respondents concurred that CALABARZON's tourism sector is moderately appealing. This was made feasible by the existence of several tourism-related businesses that offer top-notch services and competitive travel destinations that are on par with the best travel destinations found in every other region of the nation.

The table shows that, of the indicators that the tourists evaluated, risk and reward, as well as the destination's environment, received the highest weighted mean of 3.36 and 3.27, respectively, and were deemed to be moderately attractive. Nonetheless, the closest location received the lowest evaluation (3.12 weighted mean), which is still somewhat appealing.

The analysis reveals that travelers give careful thought to the surroundings, risk, and reward of their destination. The best way to satisfy a tourist is to have a visually appealing and enjoyable physical setup and surrounding atmosphere. Security and peace are important additional factors. The proximity of the attraction is the least important factor, but it still has a significant impact.

However, when it came to the impacts of the destination environment (3.59), cultural proximity (3.50), and destination image (3.50), the locals in CALABARZON strongly agreed. They thought it was all very appealing. According to the 3.29 weighted mean, which is still deemed to be reasonably attractive, the price is the least important factor to take into account in the interim.

Conversely, the location prioritizes the destination's environment, cultural proximity, and image. Since locals were the ones most concerned with showcasing their own culture and were heavily dependent on the favorable perception of their destinations and attractions, the latter two indicators might affect them. Their desire to generate revenue for their community or the locals in particular may be the reason they give the least amount of thought.

Ultimately, the local government evaluated the region's tourism sector by reaching a consensus on the factors of price, which had the highest weighted mean of 3.44, and risk and reward, which had a weighted mean of 3.43. Since they were the ones establishing the guidelines and standards for pricing as well as the ones suggesting and carrying out the security and risk regulations, they considered these two to be fairly appealing. The least important factor is the distance to the destination because they are aware of the region's political accessibility, which makes it somewhat appealing.

The idea of tourism has recognized the vital role that environmental quality plays in ensuring the survival of most tourist locations. Tourism managers have been more inclined to include environmental measures in their current administration strategies and practices if doing so resulted in reduced expenses and/or increased revenues and profits [22].

Table 4: Effect of Investment Environment on the Potential of Tourism in CALABARZON in terms of Cultural Proximity

Variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients	T	Sig.	Verbal Interpretation
1 (Constant)	.894	.121		7.377	.000	Significant
Macro-Fundamental	.138	.043	.149	3.206	.001	Significant
Governance	.291	.043	.326	6.840	.000	Significant
Infrastructure	.321	.047	.349	6.758	.000	Significant

R-Squared .512.
F-stat 135.113.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was displayed in Table 3. With an f-statistical probability value of.000, the entire econometric model is considered significant. The R-squared value of .512 suggests that variations in investment quality account for 51.20 percent of the variation in the tourism industry's potential in CALABARZON. Y-intercept =.894, with all other variables held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by .894 percent. The macro-fundamental, governance, and infrastructure coefficients are all positive, suggesting that improving investment quality will make the tourism sector more alluring in terms of close proximity to different cultures.

Strong cultural-tourism ties can increase a country's or region's attractiveness and competitiveness. Culture plays an increasingly significant role in tourism products and aids in establishing a specialty in a competitive global market. At the same time, tourism offers a crucial way to improve lifestyle and make money that can sustain and improve heritage, creativity, and cultural production. As a result, establishing a close connection between tourism and culture can make a location more desirable and competitive as a destination for travel, employment, and investment [24].

Table 5: Effect of Investment Environment on the Potential of Tourism in CALABARZON in Terms of Destination Environment

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Verbal Interpretation
	B	Std. Error				
1 (Constant)	1.572	.123		12.738	.000	Significant
Macro-Fundamental	.119	.044	.143	2.704	.007	Significant
Governance	.218	.043	.272	5.025	.000	Significant
Infrastructure	.236	.048	.287	4.876	.000	Significant

R-Squared .369.
F-stat 75.184.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was presented in Table 4. With an f-statistical probability value of.000, the entire econometric model is considered significant. The R-squared value of.369 suggests that variations in investment quality account for 36.90% of the variation in the tourism industry's potential in CALABARZON. Y-intercept = 1.572 when all other variables are held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by 1.572 percent. The macro-fundamental, governance, and infrastructure coefficients are all positive, suggesting that improving investment quality will boost the tourism sector's allure as a travel destination.

The benefits of the tourism industry to the economy, environment, and society are especially beneficial to developing nations. Creating jobs, preserving and celebrating indigenous culture, lowering poverty, and promoting environmental conservation (or eco-friendly alternative lifestyles) are some of these advantages. For example, gross tourism receipts in Tanzania in the 1980s accounted for much less than 10% of overall export revenue. In 2000, tourism surpassed even cotton and coffee as the leading export earner, accounting for over 35% of all exports of commodities and services [26].

Table 6: Effect of Investment Environment on the Potential of Tourism in CALABARZON in Terms of Destination Price

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Verbal Interpretation
	B	Std. Error				
1 (Constant)	1.134	.142		7.956	.000	Significant
Macro-Fundamental	.126	.051	.131	2.493	.013	Significant
Governance	.221	.050	.237	4.411	.000	Significant
Infrastructure	.321	.056	.336	4.747	.000	Significant

R-Squared .376.
F-stat 77.641.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was presented in Table 5. With an F-statistical probability value of .000, the entire econometric model is considered significant. The R-squared value of .376 suggests that variations in investment quality account for 37.60 percent of the variation in the tourism industry's potential in CALABARZON. 1.134 is the y-intercept value while all other variables are held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by 1.134 percent. The macro-fundamental, governance, and infrastructure coefficients are all positive, suggesting that improving investment quality will make the travel and tourism sector more appealing financially.

A financial commitment made by the government, a private company, or both with the expectation of future returns is called an investment. The tourism sector is the target of tourism investments, which guide and assist the sector's expansion. Capital budgeting for the buildup of assets is linked to investment decisions. The investment process describes how funding projects are carried out in companies and organizations [9].

Table 7: Effect of Investment Environment on the Potential of Tourism in CALABARZON in Terms of Destination Image

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Verbal Interpretation
	B	Std. Error				
1 (Constant)	1.647	.120		13.738	.000	Significant
Macro-Fundamental	.079	.043	.099	1.849	.065	Significant
Governance	.166	.042	.217	3.937	.000	Significant
Infrastructure	.276	.047	.352	5.885	.000	Significant

R-Squared .346.
F-stat 68.012.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was presented in Table 6. With an f-statistical probability value of.000, the entire econometric model is considered significant. The R-squared value of.346 suggests that variations in investment quality account for 34.60 percent of the variation in the tourism industry's potential in CALABARZON. Y-intercept = 1.647 when all other variables are held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by 1.647 percent. The macro-fundamental, governance, and infrastructure coefficients are all positive, suggesting that improving investment quality will boost the tourism sector's appeal as a travel destination.

The basic prerequisites for a tourist resort looking to expand its tourism sector and attract foreign tourists are its geographic characteristics. The geographic location of a tourist site can help it grow and thrive and provide it a competitive edge over other places. The characteristics of a tourism center usually have an impact on travelers' expectations and how they plan their trips. A place can rapidly gain international recognition as a popular travel destination when its geographic features are combined with the right type of tourism. Geographically speaking, accessibility and distance have a big impact on tourist preferences as well as the type and cost of tourism [2].

Table 8: Effect of Investment Environment on the Potential of Tourism in CALABARZON in Terms of Destination Risk and Reward

Variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients	T	Sig.	Verbal Interpretation
1 (Constant)	1.273	.126		10.069	.000	Significant
Macro-Fundamental	.094	.045	.106	2.090	.037	Significant
Governance	.238	.044	.280	5.347	.000	Significant
Infrastructure	.302	.050	.346	6.104	.000	Significant

R-Squared .412.
F-stat 90.018.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was presented in Table 7. With an f-statistical probability value of.000, the entire econometric model is considered significant. The R-squared value of.412 suggests that variations in investment quality account for 41.20 percent of the variation in the tourism industry's potential in CALABARZON. Y-intercept = 1.273 when all other variables are held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by 1.273 percent. The tourism industry is expected to become more appealing in terms of risk and reward as a result of improved investment quality, as indicated by the positive coefficients of infrastructure, governance, and macro-fundamentals.

The competitiveness of the tourism sector should be considered by policymakers, and specialists must offer proof to back up their conclusions. Governments have not yet been able to employ a common framework for assessing competitiveness in the tourism industry, despite the fact that exclusive agencies have developed several indicators over the years to address certain issues of competition. Currently, member and partner nations are collaborating to bridge this gap and make a substantial contribution to the logical evaluation of competitiveness [8].

Table 9: Effect of Investment Environment on the Potential of Tourism in CALABARZON in Terms of Geographical Proximity

Variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients	T	Sig.	Verbal Interpretation
1 (Constant)	.571	.141		4.044	.000	Significant
Macro-Fundamental	.151	.050	.144	2.999	.003	Significant
Governance	.278	.050	.277	5.608	.000	Significant
Infrastructure	.384	.055	.372	6.941	.000	Significant

R-Squared .476.
F-stat 117.982.
Prob(F-stat) .000.

The summary of multiple regression results for the effects of investment quality on infrastructure, governance, and macro-fundamentals was presented in Table 8. With an f-statistical probability value of.000, the entire econometric model is considered significant. The R-squared value of.476 suggests that variations in investment quality account for 47.60 percent of the variation in the tourism industry's potential in CALABARZON. y-intercept =.571, with all other variables held constant. This indicates that if the investment's quality is equal to zero, the attractiveness value will increase by .571 percent. The macro-fundamental, governance, and infrastructure coefficients are all positive, suggesting that improving investment quality will make the tourism sector more alluring from a geographic standpoint.

It's unclear just what part geographic distance plays. In the same way that the distance between two countries affects the exchange of goods for foreign direct investment (FDI), it can be seen as a proxy for changing obstacles (tariff and non-tariff barriers, transportation costs). Consequently, distance functions as a deterrent in a vertical model, but FDI flows are anticipated to rise in a horizontal model as the distance between the host and investor countries increases. However, cultural and legal differences might make it hard for international businesses to get established in a nation. (and hence to the appearance of FDI inflows). In this case, it is anticipated that the distance will have a detrimental impact. [21]

6. Proposed Business Performance Strategies

In general, the tourism industry's investment climate in CALABARZON is deemed to be moderately attractive. This indicates that the majority of stakeholders are content with the roles and contributions that the region's tourism-related investments have played. Still, there are a few areas that should be the primary focus of the evaluated factors and indicators in order to enhance the service even more and provide additional funding to benefit all participants in this rapidly expanding tourism sector.

An initiative aimed at improving business operations was put forth to encourage all parties involved in the tourism sector to actively and continuously contribute to improving the conditions and services provided by the sector in CALABARZON.

Based on the respondents' lowest evaluation, the researcher concentrated on creating an operations initiative that will help the community and tourism industry practitioners grow and develop positive, harmonious relationships with one another. This will also be a good way to raise the caliber of services provided in the area and a useful tool for increasing the region's competitiveness with respect to the other regions of the Philippines' tourism industry. In the end, this will guarantee travelers a more practical and reachable tourism sector, especially for those first-hand services they require to guarantee a positive experience during their visit to the CALABARZON area.

CALABARZON, known for its rich culture and natural beauty, has a lot of potential to grow as a top spot for tourism and business. To make the most of this, several key initiatives should be put in place. Setting up bank branches and ATMs near tourist areas will make it easier for visitors and locals to handle money safely and conveniently. It’s also important to raise awareness about protecting the environment. Local governments, NGOs, businesses, and communities should work together to promote conservation, especially in popular nature spots. Improving facilities like hotels, transport, rest stops, and restaurants will make trips more comfortable and enjoyable, encouraging visitors to stay longer. Highlighting the region’s culture through events like SINSAY: A Journey from the Past can attract more tourists and support local artists. Sharing information through websites and social media will help travelers plan their visits and learn about everything CALABARZON offers. To keep tourists coming back, prices need to be competitive, so businesses should study nearby regions to find the right balance between affordability and quality. Making transportation better and more accessible through partnerships will help visitors get around easily. Tourist safety is a must, so having a disaster response team with regular training and proper equipment will keep everyone protected. Finally, boosting transportation services will improve travel experiences and encourage more people to explore the area.

7. Conclusions

The majority of respondents are female, single, between the ages of 18 and 35, with an income between Php 10,001.00 and Php 25,000.00. The CALABARZON region is deemed moderately favorable for investment by residents, tourists, and government agencies due to its healthy competition and pleasant climate, which attracts more investors. Travelers, locals, and the local government unit all concur that the CALABARZON region is reasonably appealing to tourists due to the abundance of various tourism-related businesses that offer high-quality services and competitive tourist attractions that can be compared to other regions in the nation. The investment climate in the CALABARZON region affects how appealing the tourism sector is. To improve the region of CALABARZON's investment environment and tourism industry's appeal and to stay up to date with industry demands, a business performance strategy was put forth.

To enhance business strategies and strengthen the region's tourism and investment potential, it is recommended that CALABARZON's local governments and stakeholders invest in digital transformation and sustainability initiatives. Improving digital infrastructure and expanding internet connectivity, particularly in key destinations across Cavite, Laguna, Batangas, Rizal, and Quezon, will enable the adoption of smart tourism practices such as digital booking systems, virtual tours, and data-driven visitor management. Training programs for MSMEs should also focus on developing digital literacy and innovation to improve competitiveness in both the tourism and investment sectors. At the same time, sustainability metrics—covering resource efficiency, waste management, and community involvement—should be integrated into business operations to ensure responsible growth. Establishing a regional sustainability scorecard and promoting public–private partnerships for eco-friendly and technology-driven tourism infrastructure can further advance CALABARZON as a model of smart and sustainable regional development.

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