

Mutual Strategy Relationship of Eilat vs. Aqaba as Tourism Destination

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Abstract: Aqaba and Eilat are neighboring cities located in the north part of the Red Sea, operate as tourism destination and logistic. Over the last decade Aqaba experienced rapid development as to Eilat with no substantial change. The objective of the research is to determine the strategy of both cities and to indicate future mutual implications. The research applies the Tourism Area Life Cycle (TALC) model and the SWOTCLOCK™ approach. Results show that the 'Leading Strategy' of Eilat is RESPONSE as to LEVERAGE strategy of Aqaba. Findings based upon analysis of empirical data, prove validation and compatibility between the TALC model and the SWOTCLOCK™ approach and enhance knowledge in the field of strategy formulation and tourism. Future studies and researches are recommended to be run.

Keywords: SWOTCLOCK™; TALC; 'GROWTH'; 'RESPONSE'; 'SURVIVAL'; 'LEVERAGE'; Leading Strategy; Eilat; Aqaba,

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1. Introduction

The Peace agreement between Israel and Jordan signed on October 26, 1994 created a new situation which was supposed to leverage prosperity of both countries. The Red Sea is one of the areas with greatest potential for achieving a common vision of peace, security, and economic prosperity. Eilat and Aqaba are located in the northern part of the Red Sea next door to each other. Over the Period of 2000-2011, Aqaba accelerated development processes of tourist infrastructure and Mega Projects, while Eilat experienced only a minor development.

Eilat is the southernmost city in Israel, with a population of approximately 60,000 people, spanning an area of approximately 11,000 acres. The city combines desert environment, Sea & Sun, and marine activity of coral reefs and underwater wildlife. Tourism industry is the main source and important city's economy. Tourism development started in the 1960's and in the 70s the development was dramatic with incoming tourism of approximately 250,000 tourists per year, an increase in the number of hotel rooms to 2,550 and charter flights reached 13 flights per week. Eilat in 2011 runs 9,500 registered rooms in 49 Hotels, serving as 6.7 million bed-nights a year of domestic and incoming tourism at a proportion of 6:1 consecutively. Shopping centers, restaurants, nightclubs, pubs and cafes provide entertainment facilities. Tourist attractions nearby and daily travel to Masada, Dead Sea and Jerusalem are also available.

Aqaba is located in place of the ancient town of Ayla. The city is known for its tourist activity but also the city's export to the phosphate industry and the southern region administrative capital of Jordan. The city covers an area of approximately 375 square kilometers and its population in 2009 is estimated at 103,000 people. In the 70s it was mainly a tourist destination for backpackers, and during the 80s it started to be a tourist destination for northern Europe tourism. Aqaba "Oasis Golden Triangle" vision, combines heritage sites (Petra), Culture and Desert (Wadi Rum) and Sea & Sun leisure and diving activities. In early 2000, Aqaba was declared as economic free zone and the Aqaba Special Economic Zone



Authority (ASEZA) was established with full autonomy and responsibility. In 2006, the Authority reported 432,000 tourist visits, of which 293,000 Jordanians (68%) and the rest incoming tourists. Results in 2010 indicate 503,551 tourists including 208,959 Jordanians (41%) and 294,592 (59%) incoming tourism. Aqaba airport serves about 230,000 passengers, of which approximately 150,000 tourists. Today there are 35 hotels in Aqaba, including 5 international brand hotels, 20 diving clubs, and 18 tourist agencies. More than \$20 billion invested in developing Aqaba's massive Mega Projects in tourism infrastructure and logistics. Among the leading projects to be mentioned are Saraya Aqaba, Ayla Oasis, Tala Bay, Marsa Zaied and other development such as Port Relocation, Aqaba Container Terminal (ACT) and the expansion of King Hussein International Airport (KHIA)

2. Literature Review

2.1 The Tourism Area Life Cycle (TALC) and the SWOTCLOCK™ models

Universal system is a dynamic system that meets developmental processes and revolutionary change over time. Stansfield (1978) was among the first that research on tourism development, proposing a model which describes the development of a tourist site in several stages. Plug (2001) suggested that access to attractive tourist region is under different types of tourists. Butler (2006, 2008, 1980) adopted the Product Life Cycle (PLC) model of Vernon (1966), and offered to run the Tourism Area Life Cycle (TALC) model. Butler (2008) argues that the TALC approach which is characterized by “S” curve is a viable and sustainable development of heuristic explaining the tourist destination in subsequent development stages. However there is some criticism (Lagiewski, 2006) which requires the execution of empirical studies further validate the model. Still exist a number of factors difficult to measure and understand their impact. All of these can create a situation of chaos which affects the properties of the classical of the "S" curve (Lundtorp and Wanhill, 2001, 2008). Cole (2009) examines different approaches relating to the equation describing the behavior of the “S” curve in a chaotic state. In the Caribbean for example the balance of investment return is in the range of 20%-30% of the investment, similar to the global positioning of this parameter (Rohlfs, 2003). Especially for Foreign Direct Investment (FDI), investors expect a reasonable return against the risk level of their investments. Investors expect to have public subsidies, support to capacity suitable and growth rate of arrival of tourists. Although the private sector is the leading cause for tourism development, public sector plays a key role especially with

regard to investment in tourism infrastructure. This is expressed especially in the first stage of the takeoff and the starting operation (Wanhill, 2005). Survey conducted in the Caribbean showed that when the government declares tourism "national priority" and when the percentage of occupancy is approaching a level of 80%, the private sector was encouraged to contribute to the growth of tourism industry (Russel and Folkner, 2004). Involvement and influence of the public sector take-off phase is particularly important although not always driven by the tourist motives are pure, but also by social constraints, economic crisis, and other infrastructure development. As tourist destination becomes more and more attractive to visitors, tourist activities support the cause to the local population to be increasingly involved in the industry. The creation of business support tourism growth is tremendously influenced under the Carrying Capacity constraint, and the density of visitors (Mexa, 2004), (Dwyer, Edwards, Nistilis, Roman and Scott 2009). An empirical study of the TALC model was done by Karplus and Krakover (2004), examining the Dead Sea tourism development over the period 1974-2000. They found that new investment in building hotels, effect bed-nights occupancy and have changed the trend towards regeneration (rejuvenation).

SWOT approach (Strengths, Weaknesses, Opportunities, Threats) has emerged in the 70s and continues in the 21st century, as a generic typology system formulation of corporate strategy. Weinrich (1982) and David (1986) presented different models to deal with the problem of subjective data. Rowe, Mason, Dickel, Snyder and David et al. (2007) developed the SPACE model relies on the principles of GSM model (Christensen, Berg and Salter, and David et.al.2007). One of the challenges was the need to quantitative the database. Chang and Huang (2006) noted that in previous years SWOT concept was introduced mainly under qualitative terms and only a small number of cases had examined in quantitative terms. Shrestha, Alavlapati and Kalmbacher (2004) presented a quantitative application of the Analytic Hierarchy Process typology (AHP) to SWOT model. Yuksel and Dagdeviren (2007) argue that it is difficult to isolate the importance of influential factors. The problem still exists resulting that factors value are determined subjectively factors by experts. Applications of quantitative approaches are more feasible in the private sector where there is an available database. Such is the case where Amin, Zhang and Razmi (2010) design a business strategy based on quantitative analysis of supplier selection, including the implementation of AHP, ANP approaches in combination with linear programming. External and internal factors as well as the priority and relative weight were determined by experts and subjective evaluation of decision makers. Tirosch (2010) presents a modification of the traditional naïve SWOT model by the SWOTCLOCKTM model and the definition of the "leading strategy" derived

from 4 possible strategies:-GROWTH-RESPONSE-SURVIVAL-LEVERAGE. Significant contribution of the typology is that the 'Leading Strategy' is changed over time scale in very similar transitions and order of the stages of the TALC model (Butler, 2000).

The tourism industry applies and implements the SWOT model in various fields. So is Karadakis and Kaplanidou (2010) dealing with a qualitative examination of factors that could leverage mega sporting event of the Olympic Games in Athens in 2004. Another attempt to apply the SWOT model is done by Phu-ngamdee S. (2010), developing a strategy to promote the tourist destination of Wai Pra Kao Wat in Bangkok, and the qualitative study indicates the possible implementation strategies outlined. Mahmoudi (2011) examines the obstacles and tourism development strategies of two villages in Iran. Again, qualitative analysis indicates the six possible strategies for developing rural tourism.

2.2 Eilat – Tourism Surveys

Since the 80s of the previous century there were some surveys which dealt with tourism development dilemmas in the city of Eilat. Breitman (1993) presents the main problems and the risk of a crisis as a result of a quantum leap in the number of hotel rooms, the coast of Sinai, port, airport, environment and interaction between residents and the tourism industry. The report indicated Jordan's intention to build approximately 8,000 hotel rooms for the year 2003. Trend of tourism development in Egypt and Jordan highlighted as a tourism threat to Eilat. Sheinin (2009) offers "Eilat 2030" strategic plan for long-term. Tourist development will cause an increase in number of visitors to 7 million visitors, hotel rooms to 35,000 and a local population of approximately 150,000 inhabitants. Realization is that tourism potential will be possible only by developing a unique tourism Value-Added product in the RED SEA coast. Support of the Israeli government, investment in infrastructure development, relief bureaucratic barriers and encouraging private entrepreneurs for investment is necessary. Adler, Chomsk and Warshawsky (2009) indicate Aqaba as a "New player in the Red Sea" which competes on price and product. Eilat must upgrade its existing Value Added under the new "**Eilat +**" branding. This added value will rely on:- "Holiday + Urban culture", "Vacation + Environment" and "Vacation + Underwater World". Eilat as the urban center of the Red Sea will combine exotic desert experience with urban leisure, switching itself to be the "Riviera of the Red Sea". Gal (2010) indicates that new developments and massive changes in the region and Aqaba, create an opportunity with enormous potential for rapid development

for Eilat. Therefore, it is recommended among other things, to remove borders barriers for tourists, and maintain a regional cooperation of synergy in the Red Sea region.

2.3 Aqaba – Tourism Surveys

Ministry of Tourism Jordan and USAID survey (2004) focused on achieving three main objectives:- Positioning international destination with quality products, Increasing awareness of the city as a base for holidays and dive center and increasing Length Of Stay (LOS). Due to a difficult economic situation in 2008 and tough competition in the Red Sea region, it was an urgent need to increase the existing room occupancy mainly because of new hotels and the creation of appropriate differentiation with Egypt and Eilat. Five stars Hotels alone cannot attract tourists to come and Aqaba cannot succeed unless it can provide a diverse experience and unique destination that can compete in the global markets. As a result, a strategic marketing plan of USAID-Aqaba (2009) identified several weaknesses in Aqaba, particularly in Human Resources (HR), tourist attractions and activities, quality service, dirty beaches, nightlife and markets. It is necessary to develop Aqaba as a tourist destination which still cannot be materialized because of relatively small number of suitable hotels and other facilities. USAID-ACED (2010) examines the previous strategic plans, focusing on factors including extending LOS, which remained unchanged (1.9 bed-nights/visitor). Recommendations emphasis on creating high-quality tourism products differentiation, Meetings, Incentives, Conferences & Exhibitions (MICE) center, golf course, water park and aquarium, highlighting the urgent need to develop the city center, fort, heritage sites, shopping street, nightlife activities and efficient transportation. The program aims itself to attract tourism market segments of the North and West Europe, Russia and Middle Eastern countries and the traditional domestic market. Aqaba is still perceived as the port to Petra and tourists are complaining about the lack of tourist attractions. KHIA is currently utilized only approximately 25% of its capacity of one million passenger movements annually, and it is proposed to run Low-Cost flights to attract more incoming tourists. Aqaba coast diving activity is the tourism core product, affecting LOS to increase. Despite the potential of this product, the industry suffers from a small number of divers, and clubs need to improve infrastructure and safety standards. Israel is named as a major market segment of Aqaba divers. The program emphasizes the development of tourism product in the city itself supplements the Mega - Project system that prevail and the need to develop human capital and jobs creation. The main concern of the residents of Aqaba is that the city will continue to remain only a "gateway" for tourists on their way to Petra and Wadi Rum. United Nations World Tourism Organization (UNWTO, 2009) notes in his report, the market share of

incoming tourism from Israel, as one of the most important market segments of Aqaba, counted about 16,727 bed- nights of Israelis in 2009, and significantly increased in 2010. For the Israeli market, Aqaba operates as a tourist destination that is competitive with Egypt and Turkey and the increase in the number of tourists from Israel justify the marketing effort.

3. Research Methodology & Approach

Eilat and Aqaba are tourist destinations almost identical geographic environment and tourism. Different developments cause great interest to engage. Of this dilemma of the dichotomous situation derived the research question: 'What is the strategy of Eilat and Aqaba, and which is the future perspective implications. The study focuses on the strategic positioning dilemma of Eilat and Aqaba as tourist destination neighboring to each other, in two separate states. The study applies the SWOTCLOCK™ (Tirosh, 2010) and the TALC (Butler, 1985, 2008) models. The research operated personal meetings and interviews with stakeholders from Eilat and Aqaba, including a structured questionnaire. Hebrew version was translated into English and back into Hebrew for validation. Questionnaires were processed by the SPSS program for significance (OneWay ANOVA, 't-test'). Sample size calculation was performed using the G*Power3 software. Empirical data concerning trends of hotel rooms in Eilat and Aqaba, moves of passengers at the terminal boundary Rabin, and incoming tourists at 'Uvda' airport had been collected. Regression analysis was applied to test validity and compliance significance between the 'Leading Strategy' determined by the SWOTCLOCK™ model and related characteristics of the TALC model. The sample size in Israel combines 53 questionnaires and in Aqaba 12 questionnaires, which was completed by some of Israelis and Jordanians of the Ministry of Tourism, local municipalities and authorities, hoteliers, travel agents and attractions managers. The small sample size in Jordan is affected by the Geo-Political complex situation in the region, the Arab Spring phenomenon and the sensitive relations between Israel and Palestinians.

4. Research Findings

4.1 Determination of the Mutual 'Leading Strategy' of Eilat vs. Aqaba

The Leading Strategy derived from the SWOTCLOCK™ model reflects a vector equivalent determined by the relative 'power intensity' of four vectors:- Strengths(S), Weaknesses(W) as internal vectors and Opportunities(O) and Threats(T) as external vectors. The nature and

behavior of each vector is reflected by some factors. The list of the external and internal factors is subjectively determined with reference and prior review. Bernroider (2002) examined in his study a list of influencers and defined subjectively, factors that can lead to business success or failure. List of factors in the research reflect infrastructure "hard" components of the tourism product. Level of impact of each factor (Weighted factor) is determined in the questionnaire under the total sum of 100% condition of all the factors. Next step is to determine the current strategic position for each factor. Intensity of impact positioning is done on a scale of three levels:- high, medium and low for each factor of (S), (W), (O), and (T). Questionnaire given score is transformed on a relative scale 0-6. Score value of '3' indicates the median score representing an indifferent state of "lack of expression of a position". When an external factor of OPPORTUNITY is positioned "medium", it is transformed to '5' score. In a similar way, for THREATS position "high", the assigned transformed value is '0' score on the relative scale. Positioning is done similarly for the internal vectors STRENGTHS and WEAKNESSES. Results of the statistical analysis of relative weight and positioning of the impact factors listed in Table No. 1- :

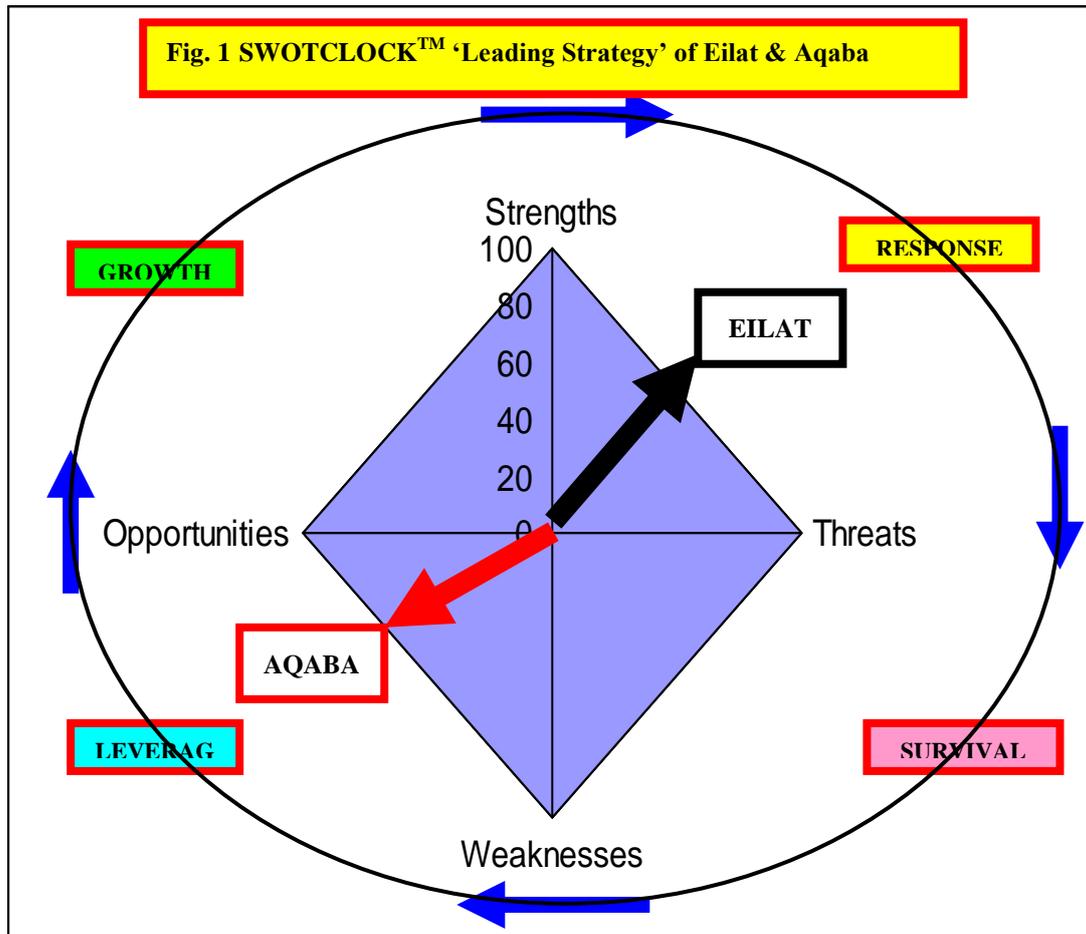
		Weighted Factors			Strategic Position		
		Aqaba	Eilat	Sig Between Countries	Aqaba	Eilat	Sig. Between Countries
Internal Factors	Hotels Infrastructure	17.1%	15.2%	0.014	4.5	4.81	0.002
	Pricing	9.2%	14.0%	0.062	2.83	2.91	0.001
	Tourist Attractions	10.1%	11.1%	0.001	1.17	3.58	0.0001
	Air port	9.1%	10.1%	0.002	4.25	2.17	0.0001
	Quality of service	10.8%	9.7%	0.001	3.25	3.11	0.012
	Infrastructures	9.8%	9.7%	0.001	3.58	2.28	0.028
	HR skill	8.6%	7.8%	0.001	1.58	2.10	0.008
	Tourism Events	5.4%	7.7%	0.014	0.92	3.53	0.0001
	Tourism services	9.2%	5.9%	0.001	1.92	3.25	0.013
	HR availability	6.3%	5.4%	0.01	1.83	1.66	0.015
	Market Share	6.1%	4.4%	0/01	1.33	2.71	0.016
	Total (%)	100%	100%				
External Factors	Domestic Demand	19.4%	16.4%	0.071	4.75	4.94	0.001
	Incoming Demand	22.8%	14.0%	0.001	4.42	4.53	0.015
	Security	11.8%	12.4%	0.014	2.83	0.74	0.001
	Neighboring Competition	4.7%	11.2%	0.001	3.00	0.80	0.0001
	Tourism Ministry Policy	7.8%	10.6%	0.077	3.75	3.66	0.016
	Competitors Infrastructure	4.1%	9.4%	0.001	3.90	1.23	0.0001
	Government policy	12.7%	9.2%	0.052	5.08	2.70	0.0001

	Investors Willingness	8.8%	8.2%	0.018	4.00	3.04	0.027
	Ecology	6.6%	5.5%	0.01	3.67	2.63	0.022
	Illegal Immigration	1.5%	4.0%	0.001	1.60	1.66	0.015
	Total (%)	100%	100%				

The results presented in the table reflect the differences in perception of the relative weight and positioning, which was accepted level of significance in the 't test', between the two populations. The 'Leading Strategy' is determined by the equivalent vector of the calculated relative vector positioning of the internal vectors (S), (W), and the external factors (O), (T). The product of the relative weight (100%) in formation of the indifferent '3' score position, is: - 300. When the vector value of the product of internal factors is greater than 300 (positive value), it means that the organization is 'stronger' than 'weaker' and vice versa when it is less than 300 (negative value). When the vector value of the external environment is above 300 (positive value), it means that there are more 'opportunities' than 'threats' and vice versa. Equivalent vector of internal and external factors determines the 'Leading Strategy'. Processing questionnaire study points to the mutual status of the 'Leading Strategy' of Eilat and Aqaba is shown in Table No. 2:-

Table No. 2:- The Leading Strategy Position for Aqaba & Eilat		
	Aqaba	Eilat
Value of Internal Factors Vector	(27.50)	6.15
Value of External Factors Vector	113.50	(23.61)
Value of Leading Strategy Vector	116.78	24.19
Slope of Leading Strategy Vector	0.2423	0.2628
Leading Strategy Position	LEVERAGE	RESPONSE

It was found that the 'Leading Strategy' of Eilat is RESPONSE and LEVERAGE for Aqaba. Figure No.1 shows the mutual 'Leading Strategy' position of Eilat and Aqaba in 2011.

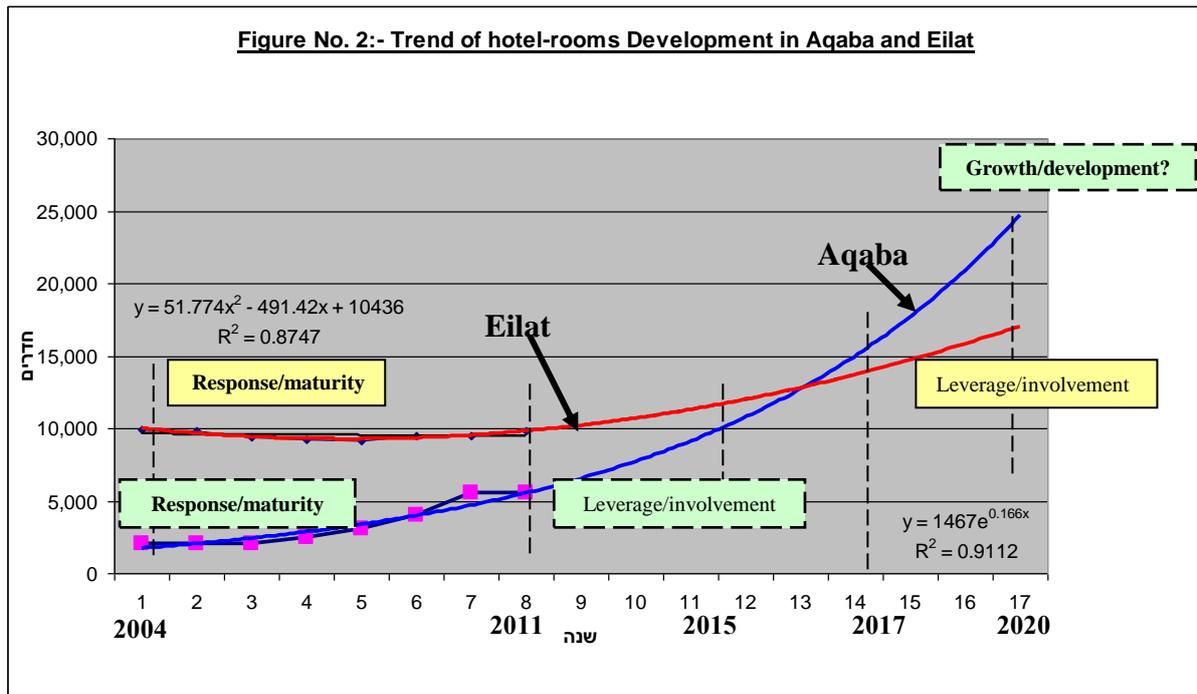


The difference in the strategy between Eilat and Aqaba is significant in the 't test', for the internal factors of 'Strength' and 'Weakness' ($p=0.043$), and also for the external factors of the 'Opportunities' and 'Threats' ($p=0.001$). As a reflection of the RESPONSE strategy, Eilat finds itself in the process of strategic drift without actually meets all the practical processes of tourism development. Aqaba is experiencing a strategic process of LEVERAGE, which over some several years, is expected to be changed into a GROWTH strategy.

The recommended sample size by the G*Power3 software was calculated, based on the results of the 't'-test, and the difference between the average amount of internal and external factors that determine the 'Leading Strategy'. The calculation was performed for the case where the sample size of Eilat and Aqaba will be equal ($n_1=n_2$). The calculated sample size ($p<0.05$, 0.95) is 101 questionnaires to both populations. It is recommended to run an intermediate sample of 80 questionnaires from each group, and to determine to what extent it is necessary to further increase the study sample up to 101 questionnaires.

4.2 Analysis of Empirical data

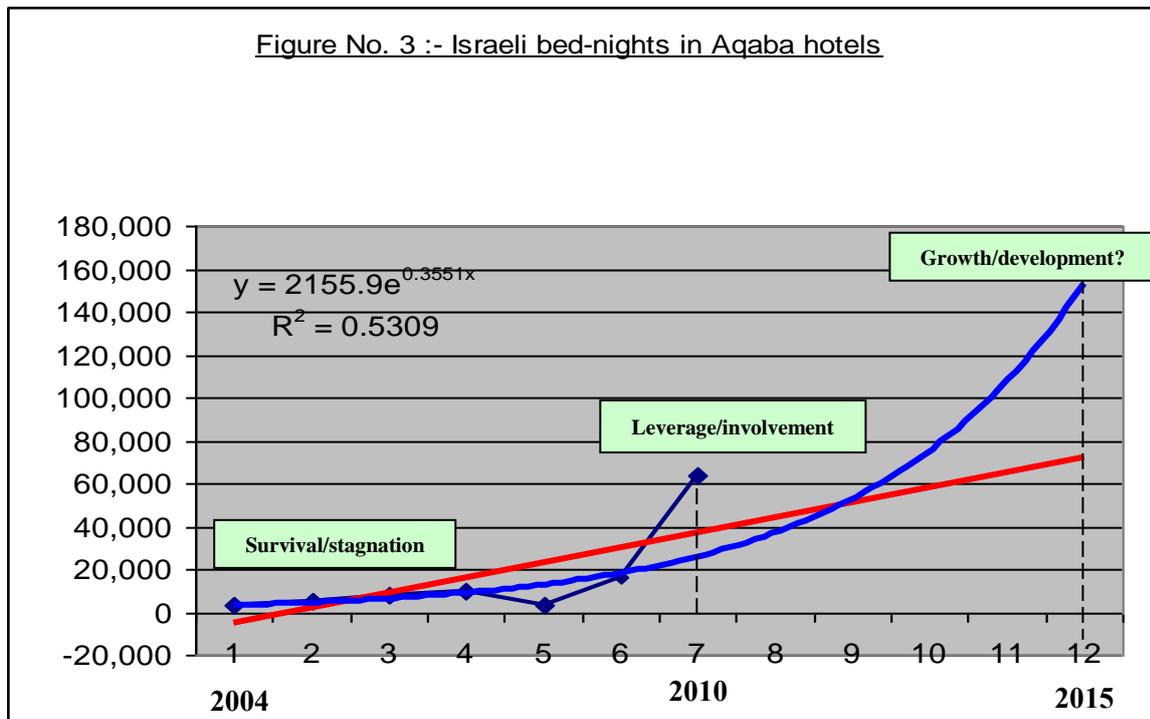
The SWOTCLOCK™ model assumes that there is compatibility with the developmental stages of the TALC model. The second research question concerns the degree of compliance between the models. Empirical analysis can indicate compatibility between stages in the TALC model to those of the 'Leading Strategy' position according to the SWOTCLOCK™ model. Initial assumption of TALC (Butler, 1980) was conduct by a linear function and then logarithmic. Lundtorp and Wanhill (2001) exerted a logical function to describe the development of tourist sites. They presented further theoretical development of the model logarithmic and noted the 'inflection point' and the transition from stage to stage in the TALC model. (Berry et. Butler, 2008) presents a case study of the development of the tourism website at Cairns, Australia by polynomial regression operating at a high correlation ($r = 0.955$) over 20 years period data. As the number of observations is increased, reliability and significance of results will also be higher. Karplus and Krakover (2005) examined the possibility of giving effect to the TALC model by running regression multivariate stochastic logarithmic based on large empirical database of bed-nights and investment in the Dead Sea. Validation and compatibility analysis between TALC and SWOTCLOCK™ models is based on empirical data. Number of hotel-rooms is one of the most important criteria that indicate directions and trends in the development of tourism matching with the 'Leading Strategy'. Database was provided by Eilat's Hotel Association and official available data of Aqaba only from 2004, including hotel-rooms in projects under construction, scheduled to be completed by 2015. Trends in the development of hotel-rooms are shown in Figure No. 2-:



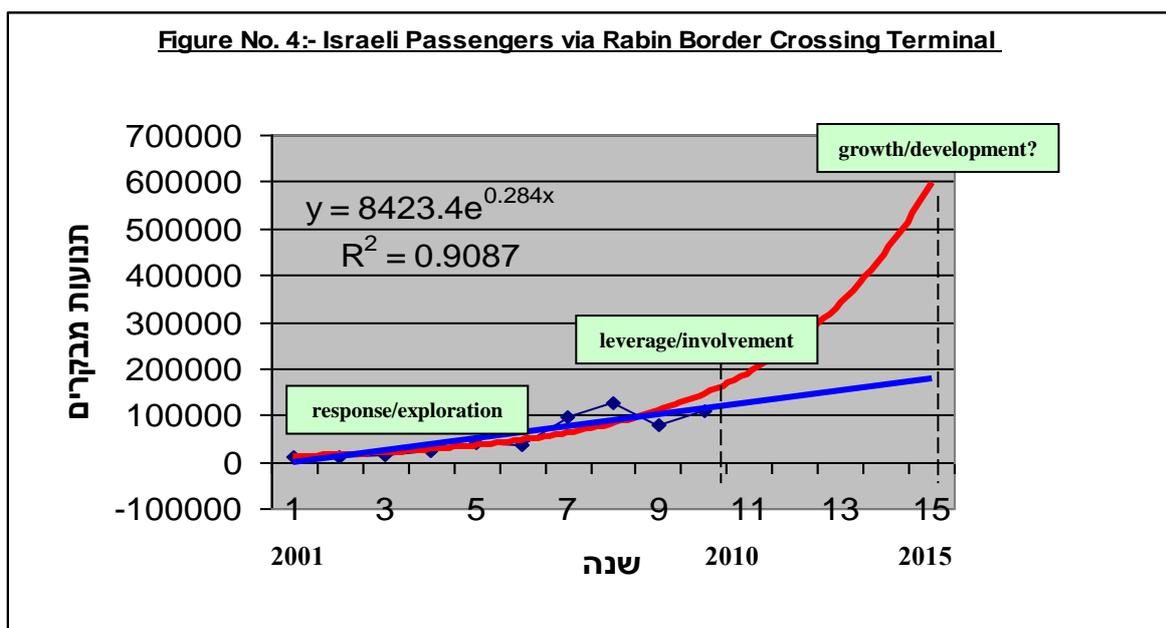
The chart clearly shows the compatibility of TALC model characteristics with the SWOTCLOCK™ model. Eilat has high matching polynomials ($r^2=0.8747$) fit. This behavior explains a trend change from RESPONSE to LEVERAGE 'Leading Strategy'. Since early 2000 Eilat hotel-rooms were in a steady state, very similar to the 'maturity' stage of the TALC model. A slight upward change of hotel-rooms in 2011 may indicate a trend change from RESPONSE to LEVERAGE. Hoteliers in Eilat do not initiate new hotels if there is no feasible ROI in a reasonable time. Domestic tourism market share is approximately 85% of the total hotel occupancy rate of about 70%. Without significant increase in incoming tourism, hotel-rooms will remain at the same level and Eilat will be stuck in a steady state of stagnation. Aqaba is characterized by a significant exponential fit ($r^2=0.9112$), under a rapid increase process of hotel-rooms development. This behavior explains a sequential move from a RESPONSE strategy experienced until 2004, into a LEVERAGE strategy until 2011, followed by a possible GROWTH strategy towards 2015-2017. This nature is identical to the TALC characteristics of 'exploration'/'involvement' and 'development' sequence of the TALC model. If the development trend of hotel-rooms in Eilat and Aqaba will continue to exist without substantial external and internal interferences, number of hotel-rooms in Eilat & Aqaba towards the period of 2017-2020 is expected to even, and can become a significant threat to Eilat. Results of the empirical analysis correspond to the characteristics of the TALC

model and thus, support and confirm the basic assumptions of compatibility to the SWOTCLOCK™ model.

Stakeholders in the study highlighted the growing trend of Israeli tourism, particularly minorities, to Aqaba. This trend is mainly influenced by a common language, similar culture and a sense of comfort that minorities feel their vacation in Aqaba. Results of the analysis are shown in Figure No. 3:-

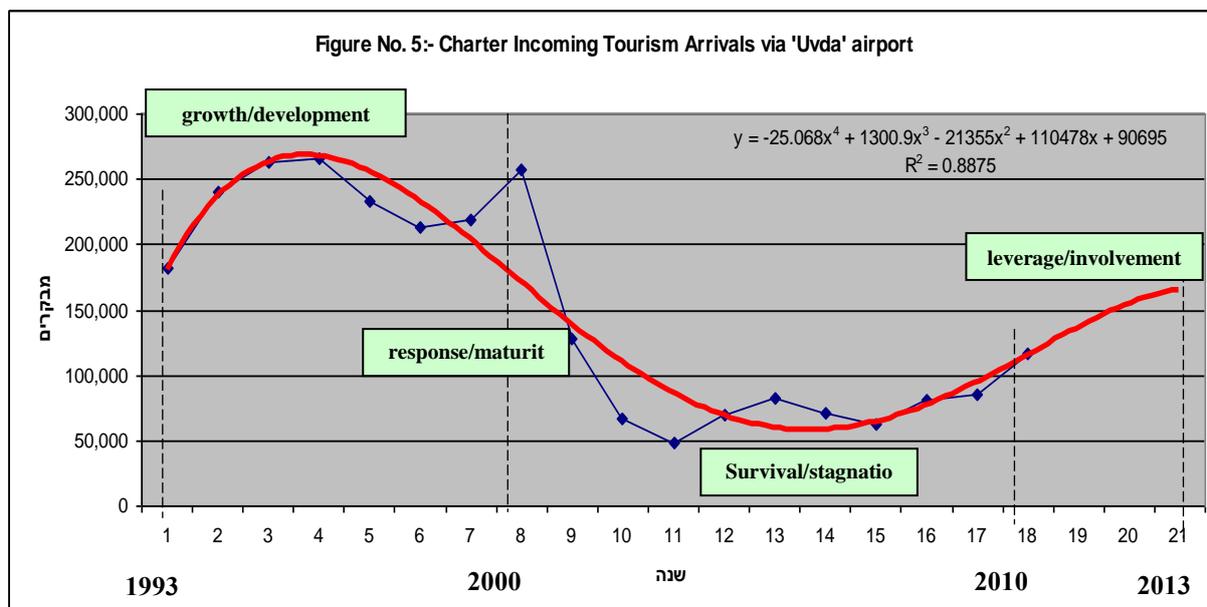


Despite the small sample size (as from 2004), a higher correlation of the respective exponential fit ($r^2=0.5309$) is found. Under the TALC model, there is a clear transition process from 'exploration'/'involvement' up to 2010 and possible move to 'development' stage towards 2015. This situation fits with the SWOTCLOCK™ model, where transition is from SURVIVAL in 2004 into LEVERAGE in 2011, and the possible GROWTH strategy later on. Rabin border crossing terminal is an important junction which can indicate and explain the level of attractiveness of Jordan and Aqaba tourist destinations for Israelis. Figure No. 4 shows the trends of Israeli passenger traffic at the border for years 2001-2011 (source:- Israel Air Port Authority). Exponential approximation fit ($r^2=0.9087$) and values of the regression line were significant ($p=0.001$), reflect a process sequence of 'exploration'/'involvement' until 2011 and possible 'development' stage toward 2015. This behavior fits with the RESPONSE, LEVERAGE and GROWTH strategy sequence of the SWOTCLOCK™ model.



Arrange transition periods according to the characteristics of TALC model matches the order of the transition of the 'Leading Strategy' principles of the SWOTCLOCK™ model.

Airport is an important link of the Supply Chain system in the tourism sector, reflecting the attractiveness of a tourist destination. Incoming tourism to Eilat is via 'Uvda' airport, whilst Eilat airport serves domestic tourism. Figure No. 5 shows result of incoming tourism charter flights arrival trend analysis over the period 1993-2011 (source:-Israel Airport Authority).



The analysis points to the polynomial approximation at high correlation ($r^2=0.8875$). The period during the years 1993 to 1998 enjoyed a growth in incoming tourism to under GROWTH strategy ('development' strategy under TALC model). Then the first intermediate

period (1994-2000) was held under the downward trend in RESPONSE strategy that matches the placement of 'stability'/'stagnation' according to the TALC model. Trend of this decrease were due largely to the decline in the attractiveness of Eilat incoming tourism, the influence of geo - political, security, terrorism, and competition. This trend continued and operated under a strategic SURVIVAL strategy ('stagnation' under the model TALC) as from 2002 until 2009 As of 2010, can be diagnosed by a change in trend and the start of transition to the driving strategy of LEVERAGE, which corresponds to entry of 'rejuvenation' stage of the TALC model. Compliance order sequence crossings between the models, validates the SWOTCLOCK™ model principles.

5. Summary, Conclusions and Recommendations

Research questions focus on the mutual strategic positioning dilemma of Eilat and Aqaba's tourism. The two typologies:-TALC model and the SWOTCLOCK™ model, treat the dilemma in two different systems and approaches, which challenge the research in terms of study design, execution, analysis and presentation of results and conclusions. The 'Leading Strategy' of Eilat and Aqaba in 2000-2011 is described in Figure No.6.

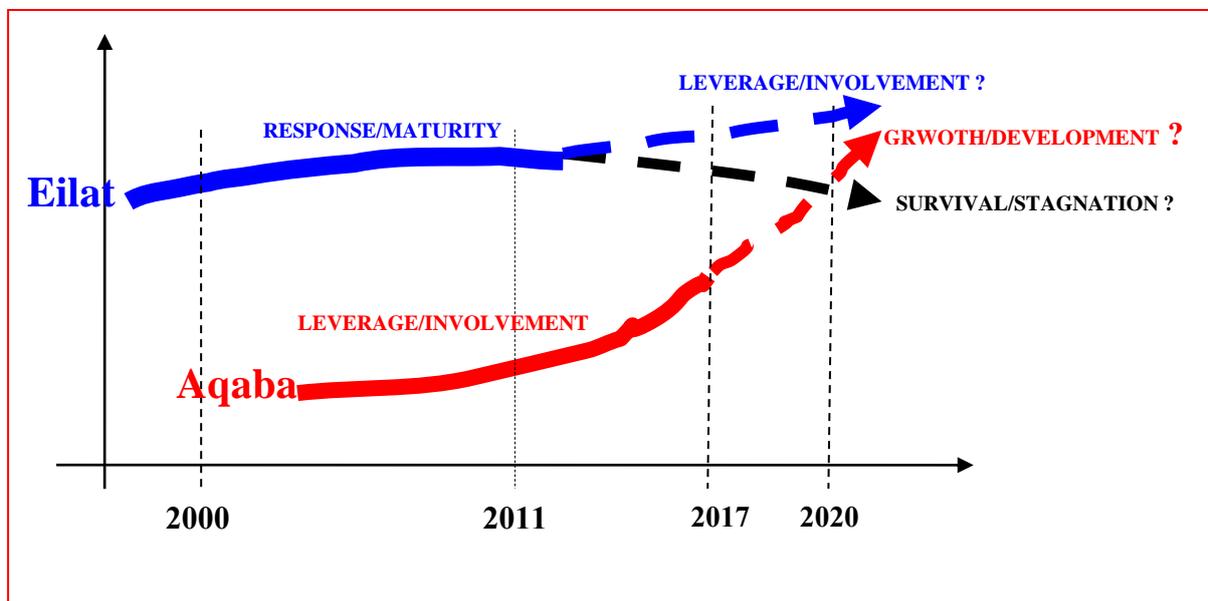


Figure 6: - Leading Strategy Mutual Relationship development of Eilat vs. Aqaba

In 2011, Eilat is a clear process of stagnation and erosion characteristics appropriate the RESPONSE 'Leading Strategy'. However, the 'Leading Strategy' of Aqaba is LEVERAGE, based mainly on tourism development of Mega Projects in infrastructure and hotels of

international chains. Until 2011 the Israeli government refrained from promoting tourism infrastructure development. Bureaucratic processes that last a long time period are one of the main obstacles to promoting mega tourism infrastructure projects in Eilat. If no action is taken integrative, Eilat can very quickly find itself in a SURVIVAL. In 2011 some signs point out a strategic change process toward LEVERAGE strategy, including the government's decisions to promote the construction of the airport in Timna and return Eilat into the National Priority Areas system. Eilat could lose its competitive advantage unless renewed intervention of the Israeli government, developing tourism infrastructure on a national scale, changes in regulatory, financial support and attracting FDI and domestic investment will take place. Eilat has to make itself competitive differentiation for and pass as early as possible into a LEVERAGE strategy. This can be done through a differentiation program focuses on re-branding process "**Eilat +**", and completion of the addition of at least approximately 2,500 rooms in 2015 to 2017. This is a realistic, feasible and possible goal to achieve. Availability of professional HR is also one of the factors affecting the current strategic position of RESPONSE and reduces the willingness of entrepreneurs to build new hotels. In order to meet strategic LEVERAGE expansion and the absence of suitable and immediate alternatives, the Israeli government must permit the entry of foreign workers in an orderly manner in the hotel industry and to deepen local reserve training programs in HR.

Aqaba tourism development LEVERAGE 'Leading Strategy' relies on a clear policy of the Hashemite Kingdom through ASEZA. Aqaba is in a process of development of hotels, particularly of international brands, which is expected to reach approximately 8,000 rooms in the years 2015-2017, and even equal to Eilat in 2020. This is the time where Aqaba can close gaps and create a "**threat**" to Eilat, particularly Sea & Sun leisure activities. This development can turn Aqaba to a leading player in the Red Sea area as Sinai. While some projects can be identified in slowing the development and completion of the projects is lengthened (SARAYA project), the trend of leveraging continues. Hotels infrastructure in Aqaba is indeed necessary but not sufficient. Unlike domestic tourism in Eilat reaching a level of 85% of all tourists, domestic tourism in Aqaba contributes about 40% occupancy in hotels. Therefore, the development of tourism hotel infrastructure and the ratio of:- 1:2.5 between domestic and incoming tourism, creates a challenge which requires effort in developing new markets and continued growth of incoming tourism. At the end of 2011, a switching process that focuses on the "Nature - Heritage - People" triangle under the LEVERAGE strategy needs to improve the tourism product, develop infrastructure

complements of small businesses in tourism and strengthen the human resource for local need. Completion of Mega Projects carried out in Aqaba, is designed for 2017-2020. At that time, this is expected for Aqaba to find itself in a transitional phase to a GROWTH strategy. Aqaba is looking for new market segments, expanding existing segments, operates with greater intensity of charter flights, to increase the current occupancy rooms, and to run tough competition with Eilat in those market segments on price and the tourism product. Although some events like the "Arab Spring" phenomenon can also affect partially the slowdown and the completion of projects, on the long run projects will be completed and will fit with the tourism plan for sustainability.

Dichotomous situation between Eilat and Aqaba presents high interest to explore. The "Red Sea Riviera" vision cannot become real, without free access and easy move of tourists in the region (Aqaba, Eilat and Sinai). Such a vision relies on both tourism synergy and differentiation. Eilat should be different from its neighbors, rely on values of culture, sports, nature and western urban environment, which will complement the Sea & Sun differentiation of Aqaba as a competitor arises. Tourism development process can act as an opportunity to both Aqaba and Eilat. Creating a system of cooperation between the two cities, will create a synergetic process of tourism and economic development.

The results determine the mutual 'Leading Strategy' of Eilat and Aqaba in 2011, and empirical analysis confirms and approves compatibility and validity between the characteristics of the TALC model stages, and those of the SWOTCLOCK™ model hypothesizes. Further similar research by 2015 is recommended to be run, as appropriate comparison to the 2011 study. Such research will enrich the knowledge and understanding of mutual strategic change processes and emphasize validity and compatibility of the SWOTCLOCK™ model with TALC model, beyond of what has been shown in this study. The results also encourage studies into tourism destinations facing similar dilemmas such as the Masai Mara in Kenya vs. the Serengati National Park in Tanzania and the Dead Sea area where both Israel and Jordan operate very similar tourism system.

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