The Tourism Industry and the process of Internationalization in the Middle East: the example of Jordan

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Ongoing internationalization processes have resulted in significant changes on the supply side in many fields of the economy and also specifically in tourism. While the scientific discourse is working hard to keep pace with these rapid changes, there is nevertheless a considerable deficit in research on the problems and risks as well as the potential and opportunities that arise in association with intensifying processes of internationalization.

This project focuses on the analysis of the internationalization of SMTEs in the Middle East, which continues to be a tourist destination for Westerners in spite of major political and other crises. As indicated in several studies (see e.g., Axinn et. al., 2002; Fletcher, 2008; Greenley et. al., 2007; Javalgi et. al., 2011; Moskowitz, 2008; Zhang, 2007), internationalization of SMEs in service industries is a complex process, and studies which take a more holistic view to this phenomena are needed. Just one theoretical approach is not sufficient to describe the ongoing developments and implications in the field of service firms, especially in tourism in the Arab world with its special abilities. For these reasons, this project – according to Ojala (2008) – uses three different theories, namely the Helsinki internationalization model (Luostarinen, 1979), the network model of internationalization (Johanson & Mattsson, 1988), and the international new venture (INV) theory (Oviatt & McDougall, 1994), as the baseline for the investigation of internationalization of tourism SMEs in the service sector.

As a concrete example for the study serves the Hashemite Kingdom of Jordan, which has gone through a strong international expansion of its tourism industry in recent years and which has shaped over decades, especially by the domestic tourism (see e.g., Berriane, 1992; Scherle, 2004). Although attractions like the Nabbatean city of Petra or the Dead Sea are well-known internationally, tourism in Jordan is a relatively young phenomenon. Until the beginning of the peace agreement with the neighbouring state of Israel in 1994 a tourism sector could gradually develop, which is however still at an early stage of development. In particular, the geo-strategic location, embedded in various trouble spots like Israel, Iraq and recently Syria and its diversified outstanding tourist offer feature Jordan as a very interesting research area. The project studies tour operators, incoming agencies and hotel businesses in Jordan.

The project is concerned with five closely related study areas. Firstly, the degree of internationalization among tourism actors in Jordan will be examined in the context of current transformation processes and with regard to both supply and demand. Secondly, a study will be made of finance and (foreign) investments due to the fact of international influences. Thirdly, the project will provide a critical analysis of referral marketing/ word-of-mouth practices and reputation management in an international environment. Fourthly innovation behaviour and the related challenges when it comes to innovations will be discussed. Fifthly and finally, the cooperation
with (semi-)public authorities is outlined, especially concerning the 2011 released new National Tourism Strategy (2011-2015).

In the context of the workshop first empirical results should be presented in relation to the individual study areas, which will lead to a possible internationalization model in the Arab world. The research findings will be used to develop recommendations for future action for tourism enterprises in Jordan. These will also allow enterprises to identify their potential for international success in order to utilize these insights in the process of internationalization in the future.
Bibliography (selection)


