

## **Introduction**

The Company that will be discussed in this project is ISRAEL LAND DEVELOPMENT HOTELS LTD (AKA-Rimonim Hotel and resorts, AKA-"the company").

The main activity of the company is in the hotel industry. The company manages nine hotels, of which three are owned by the Company, one is partially owned, and five are managed by management agreements.

The issue that this project will discuss is the decrease in revenue throughout the years, the reasons for it, and the ways to resolve it.

## **Industry and Company Profile**

**The hotel industry** -The hotel industry records enormous revenues. In 2015 and 2014, the hotel industry recorded revenues of more than NIS 9 billion and NIS 8.5 billion, respectively.

The company operates in a very difficult industry with tough competitors. Competitors must meet very difficult threshold conditions, among other things, to be rich in financing, with professional knowledge, positive reputation, land reserves and more.

The competition in the hotel industry in Israel is divided among a few individual competitors: Israeli competitors - Isrotel chain, Fattal chain, Africa Hotels chain (known by the Crowne Plaza brand), Dan hotels chain, and the company.

International competitors - Hilton, Sheraton, Ritz Carlton.

In recent years, a number of hotels of prestigious international chains have opened in Israel, which constitute as direct competition for the company's hotels. Two slightly smaller competitors in the such as Air B&B. competition are luxury boutique hotels, and Rental of houses for tourists

**Company profile**- The company was incorporated in 1972 as a public company. The company manages nine hotels, including 1507 rooms. The Company's activity in the hotel sector includes hotel services such as accommodation services , events, country club and other recreational services such as spa, water sports and so on.

**Company's goals**- The Company's strategy focuses on a number of issues: strengthening the Company's core operations and improving its profitability, network growth and expansion, while optimizing the use of network infrastructures sustainability, and finally penetration into new areas that relate to the company's hotel activities. An example can be taken by the company's efforts of negotiation for service agreements in other hotels, further more the company is trying to attract more visitor groups, and creating escape rooms in its hotels for creating differentiation and creating attractions that does not exist in other hotels.

**CSR**- The company does not have a permanent policy regarding donations. In 2016, the company donated a negligible amount of approximately NIS 14,000. However, the Company assists and allocates resources from time to time, in the allocation of rooms at no cost, donations

Food, etc., in a scope estimated by the company in tens of thousands of NIS.

## **SWOT**

### Strength

1. The company is an established one that holds a proven reputation as a leader in quality of service and product- The professional experience, the seniority, and the positive reputation the company has accumulated over the years is reflected in the company's many revenues. The demand for a stay in the company's hotels can be seen, since the company generates many revenues and is in fifth place in this industry in the hotel industry.
2. The company has hotels nationwide, from the north to Eilat- The wide range of the company's hotels from Tzfat and the Hermon area in the north of the country, to Eilat in the south of the country, creates a wide range of opportunities for tourists to vacation in its hotels, and meets the taste of every type of consumer due to the different weather and landscape. It can be seen that the company's revenues are distributed moderately among its hotels throughout the country, with 47% of its revenues coming from its hotels in the north of the country.
3. Distribution of suppliers and customers - The company has a wide range of suppliers and customers. There is no significant customer or supplier dependent on the company. This does not allow a major supplier or customer to put pressure on the company, does not increase its costs against it, and places the company in an inferior bargaining position. The opposite is true, and the company has a bargaining power and ability to create superior credit terms.

### Weakness

1. In recent years the company does not generate profits, only loses- The company has lost in recent years millions of NIS, which is bad for every company, and even more so when it comes to a company in a hard industry and demands resource-intensive activities such as the hotel industry. The continued accumulation of losses could lead to the sale of assets, the cutbacks in manpower and the worst in the company's apartment.
2. The company has only one hotel in Tel Aviv and one hotel in Eilat- The most attractive tourism cities in Israel are Eilat and Tel Aviv. The fact that the company has only one hotel in these cities indicates a significant weakness in the company. In the most important tourism destinations in Israel, the company has no significant foothold and market share, and its competitors own more hotels and more options for hosting tourists. The impact is first and foremost on the company's revenue, and its reputation, as a hotel chain that does not located within the most attractive cities.