

The Gulf Cooperation Council (GCC) Source Market Report

2014



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This report is a joint effort between the Observatory of Tourism in Valais and the Observatory of Tourism in Ticino where it shares a common structure from Chapter 1 to Chapter 3. The report published by the Observatory of Tourism in Valais contains two chapters (5 & 6), which are specific to trends of the GCC travel market in Valais. The report published by the Observatory of Tourism in Ticino contains two chapters (5 & 6) which are specific to trends of the GCC travel market in Ticino.

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Introduction

The focus of this report is on the Gulf Cooperation Council (GCC) source market. It addresses the development, trends, general travel behavior of the GCC traveler in Switzerland, more specifically in Canton Valais.

The GCC countries – Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar – are the key source markets for outbound travel from the Middle East region. Being only 20% of the total population in the region, the GCC countries contribute for 60% of travel volume and 75% of travel spend (ETC, 2012).

One of the main key characteristics of the GCC outbound travelers is that they belong to multi-cultural and multi-ethnic resident community (UNWTO, 2012). Indeed, diversity characterizes the GCC community and, therefore, the outbound travelers. In addition, when talking about outbound travel tourism from the GCC countries, it is important to bear in mind that 75% of outbound travels are intra-regional (inside the Middle East region and/or GCC countries) and are made by non-local Arabs (immigrants).

The purpose of this report is to shed light on patterns of travel behavior of the GCC nationals to destinations outside their regions of origin. Therefore, although the GCC countries share common patterns as to language, religion, and culture, it is necessary to draw attention to the small differences that characterize this heterogeneous group of tourists with the view to better understand the underlying trends and adopt suitable policies.

The main trends of the GCC outbound tourism that arise from this study can be summarized as follows:

- a. GCC outbound tourism largely consists of family travel, or when it is FIT (Free Independent Traveler), it is extended to family members. The size of households ranges between 4 and 8 members but it varies according to the occasion of travel and the source market of origin.
- b. The GCC tourists usually travel for leisure and VFR (visit friends and relatives) purposes, yet business is arising as a dominating motivation.
- c. Length of stay from the GCC tourists is longer than the stay of other foreign tourists although it decreased over years as a general common trend.
- d. Shopping is the primary activity for the GCC outbound tourists who are high spenders for luxury goods.
- e. Along with traditional travel influencers, young and well-educated people, the so-called 'first-time travelers', with the support of the internet and mobile technologies, are playing a leading role in driving outbound travel market.
- f. Word of mouth still dominates as the main channel to 'find out' destinations in spite of increasing usage of smartphones and social media.
- g. Saudi Arabia, UAE and Kuwait remain the key GCC source markets, however Qatar and Oman are emerging as interesting source markets.
- h. Diversification is a keyword to the GCC outbound tourists.

Data analysis of tourism flows from the GCC tourists in Canton Valais confirm the main trends outlined previously and provide some particularities as follows:

- a. Arrival and overnight volume from the GCC tourists have increased from 2005 to 2013 but the length of stay has been reducing in recent years – a common trend to international travel flows - although the length of stay is longer in Valais than nationwide and with respect to non-GCC tourists.
- b. The GCC tourists largely and mostly spend their time in Valais during summer (July and August). However, winter tourism in Valais is gaining large attraction with these tourists.
- c. A ‘diversification’ trend is common to single destinations in Valais. In addition to destinations such as Crans-Montana and Zermatt, which are popular with the GCC tourists, ‘new’ destinations in Valais such as Bagnes, Martigny Région and, to a minor extent, Saastal, have been gaining increasing overnights in recent years. This is clear when segmenting among the GCC countries.
- d. Crans-Montana and Zermatt are destinations where the GCC tourists spend their nights both at hotels and in their own apartments. There are other destinations, such as Chablais and Nendaz, which gain more overnights in apartment than in hotels.
- e. An emerging middle-income class and young people are increasingly travelling along with traditional ‘luxury’ GCC tourists. This is clear from the data on overnights spent by the GCC tourists at 1- and 2-star accommodation between 2011 and 2013 in Valais against the trend nationwide where the GCC tourists preferring the 5-star accommodation.
- f. The UAE are the first GCC source market, followed by Saudi Arabia. Kuwait and Qatar rank at third and fourth position respectively. In addition to general patterns, each source market seems to show its own specificities as to season and destinations in Canton Valais.

The report is organized as follows:

Chapter 2 devotes attention to the GCC outbound travel market by examining development and recent trends of the six GCC sources markets. Data for Part 1 are mainly sourced from the 2012 “The Middle East Outbound Travel Market” report from the European Travel Commission and other qualitative sources in English and Arabic languages. Quantitative data are sourced from secondary publications as well as primary research of the Valais Tourism Observatory.

Chapter 3 provides an analysis of the GCC outbound travel market in Switzerland by using data from HESTA database. The focus of the analysis is on arrivals and overnights as well as the length of stay from the GCC tourists in Switzerland and across cantons.

Chapter 4 examines the development and trends of the GCC outbound travel market in Valais. Attention is devoted to arrivals, overnights and the length of stay in this canton, and to patterns related to season, main regions and destinations as well as accommodation categories.

Chapter 5 provides insights into the GCC outbound travel market in Valais across single GCC source markets. The aim is to disentangle across these source markets as to arrivals, overnights and length of stay, as well as season and destinations. Data availability also allows for a detailed analysis into the travel behavior of the tourists from the three main source markets – Saudi Arabia, UAE and Kuwait – as to the main destinations and months of year.

Chapter 6 examines apartment occupancy from the GCC tourists in Valais by using data collected by the Valais Tourism Observatory. Particularly, overnights in apartments at the main and minor regions are examined.

Conclusions with some indications for policy implications close this report.

An appendix is provided with notes on intercultural communication and tips for dealing with the GCC traveler.

Chapter I: The Gulf Cooperation Council (GCC) Countries: An Overview

This chapter provides an overview of the background and geography of the Gulf Cooperation Council (GCC) countries. The development and recent trends in demographics, economy, as well as culture and society of this region are outlined.

1.1. Background and geography

The Arabian Peninsula is located in the southwestern region of the Asian continent covering around 3 million square kilometers. The southeastern area of the peninsula is the Rub'al-Khali (*the Empty Quarter*) which is the world's largest expanse of continuous sand. Politically, the Arabian Peninsula consists of the Kingdom of Saudi Arabia, Bahrain, Kuwait, the United Arab Emirates (UAE), the Sultanate of Oman, Qatar, and the Republic of Yemen. Apart from Yemen, these countries constitute the Gulf Cooperation Council (GCC),¹ founded on 26 May 1981. The aim of GCC is to promote coordination between member states in all fields in order to achieve unity (His Highness Mohammed bin Rashid Al Maktoum, 2014). Figure 1.1 and Table 1.1 show, respectively, the location map of the GCC countries and a summary of key information on each country.

Figure 1.1 - Map of GCC countries



(Wikipedia, 2014)

¹ Yemen is expected to become a member of the GCC organization in 2015 after years of negotiations.

Table 1.1 – GCC countries: main economic and social indicators

	Saudi Arabia	Bahrain	UAE	Kuwait	Oman	Qatar
Surface (km ²)	2,249,690	760	83,600	17,818	309,500	11,586
Population (est. 2012)	26,534,504	1,281,332	8,364,000	2,646'314	3,090,150	1,951,591
Population growth rate % (2010-2015)	2.1	2.1	2.2	2.4	1.9	2.9
Population aged under 14 years (%)	28.2	20.0	20.6	25.6	30.6	12.5
Population aged 65 years and over (%)	3.1	2.6	1.0	2.1	3.2	0.8
Density/km ² (2011)	14.0	1,747.2	94.4	158.2	9.2	161.1
GDP (in billion US\$, 2012)	883.7	33.03	255.8	150.9	89.06	185.3
GDP growth rate % (in real terms, 2012)	5.1	4.8	4.4	6.2	5.0	6.2
GDP per capita (in US\$, est. 2012)	25,084.6	24,149	64,840.3	45,824.1	21,560	104,971

Sources: UN World Factbook 2013 Edition, Central Intelligence Agency (CIA) World Factbook, GCCSTAT (2012), DZT (2014).

1.2. Demographics

Population in the six GCC countries is very diversified and is distributed amongst a multi-cultural and multi-ethnic resident community constituted of local nationals, and non-nationals from well over a hundred different nationalities. Non-nationals or expatriates are broadly classified into three main nationality groups – Arabs, Asians and Westerners. Non-nationals constitute over one-third of the total population in the GCC, their proportions being highest in the UAE (82%) and lowest in Oman (27%) (ETC, 2012). This population diversity is consequently mirrored in travel behavior: indeed, from travel point of view, each segment has unique needs and travel trends with the GCC national segment being the most lucrative (Malhorta, 2012).

The GCC countries are one of the world's fastest population growing regions. The populations of the six GCC countries have gained more than 13 million over the past eight years to peak at 46.8 million at the end of 2011 and this figure is projected to rise to 49.8 million in 2013, according to a regional study (Emirates247, 2012). The GCC's booming economy in recent years has created substantial demand for expatriate workers. As a result, the region has experienced a rapid growth in population. However new forecasts show that the population growth rates are now moderating. The growth rate in the GCC remains very high compared to the global population average growth of 1.2% a year. The growth of the GCC national population is projected at around 2.3% during 2010-2015, down only slightly from 2.5% in the previous five years.

Amongst the GCC countries, the UAE population is expected to have the largest expansion from 11.3% of the total GCC population in 2004 to 18.2% in 2013. Qatar's share is projected to increase by over a half, from 2.4 in 2004 to 3.7% in 2013. By contrast, while Saudi Arabia still represents the majority of the region's population, its share is expected to decline from 68 to 61%. This is because Saudi Arabia has the highest proportion of nationals to total population in the GCC, at nearly 67% in 2011 (Emirates247, 2012).

As Table 1.2 shows, the nature of the GCC population is remarkably young, especially in Saudi Arabia and Kuwait. As a whole, 30% of the population in the GCC region is between 25-44 years old (Switzerland Tourism, 2014).

Table 1.2 - GCC Population by Age and Gender Ratio, 2012

	Population (est. 2012)	0-14 years	15-24 years	25-54 years	Male to Female
Saudi Arabia	26,534,504	28.8%	19.8%	44.2%	1.03
Bahrain	1,248,348	20.2%	15.9%	56.3%	1.54
UAE	8,364,000	20.5%	14.0%	61.6%	2.19
Kuwait	2,646,314	25.7%	15.5%	52.3%	1.43
Oman	3,090,150	30.8%	20.4%	41.7%	1.22
Qatar	1,951,591	12.5%	14.4%	68.9%	3.29

Source: adapted from (Dubai Office, 2014)

1.3. Economy

From an economical point of view, the GCC's common market came into existence early in 2008. There were plans to adopt a single currency in 2010, but these were later shelved. A customs union was declared in 2003 but has made little progress since. GCC countries were among the first to be hit by the global economic downturn of 2008/2009, but managed to get through better than other parts of the world due to the oil wealth in the region. Almost half of the world's oil reserves is in the GCC countries with Saudi Arabia being the most powerful member of the alliance (BBC, 2012).

GCC countries had average GDP growth of 5.8% in 2012, according to a recent study by Strategy& (2013), formerly Booz & Company.

With this region ranking as the largest producer and exporter of oil, income from oil together with the low population density make the six Gulf countries the richest in the world in terms of average income per capita. According to a report published in 2013 in association with the Qatar Financial Center, the UAE topped the list for HNWI² (high net worth individuals) in the GCC with 53,800 millionaires. As noted by UHNWIs (Ultra high net worth individuals), Saudi Arabia ranked first and was home to 1,225 of the HNWI's holding more than US\$30 million (CHF28,2 million) in investable assets, whereas the UAE counted 775 UHNWIs. Qatar was home to 4,160 HNWI's and 290 UHNWIs and Kuwait accounted for 13,600 HNWI's and 720 super rich. Moreover, the number of wealthy individuals in the region is estimated to have grown by between 5% and 6% per year since 2011, according to the study.

The region's penchant for a luxury lifestyle is well known and documented after all. According to Chalhoub Group, a leading actor in luxury goods segment in Middle East, GCC nationals are high spenders, especially when they travel abroad: a UK tourism report published by transaction company Global Blue noted that GCC travelers made up 26% of the total spend by international visitors between January and July 2013, with a focus on luxury goods (ATM, 2014). Moreover, in the Gulf region the high consumption of luxury goods

² HNWI's are classified by the financial services industry as those people or families with US\$1 million (CHF940'000) in liquid financial assets. More than US\$50 million (CHF4.7 million) in wealth classified a person as "ultra HNWI" (www.investopedia.com).

per capita is driven by age (50% of luxury purchases are from customers under 30 years of age), a high income with a high purchase frequency, a strong appeal for novelty, and a tendency to change high-tech items and fashion brands frequently, irrespective of any need to do so (Church, 2011).

1.4. Culture and Society

Arabic is the official language of the GCC countries. It is one of six official languages of the United Nations and is spoken by as many as 422 million speakers in the Arab countries (UNESCO, 2014). The Arabic language belongs to the Semitic language family. It is also a liturgical language of 1.6 billion Muslim speakers (Pewforum, 2014).

In addition to Arabic, English is widely spoken by most of the GCC nationals. Other languages such as Hindi, Farsi, Bengali, Malayam, Punjabi and Tagalog can be found but those are mainly related to expats from India, south East Asia, and Africa working in the GCC countries.

When dealing with GCC visitors, and to better understand their traditions and customs it is important to understand their religion. In the Gulf region, the main religion is Islam. The word `Islam` in Arabic means `submission` and derives from `peace`. There are two obligatory prayers per day. Friday is considered the holy day for Muslims where they stop working at noontime and gather for collective prayer.

Religion plays a leading role in everyday life of people as well as to public sphere in the GCC countries and in Muslim states in general. In recent years, the Ramadan period has fallen during the summer period which had impacted the travel behavior. Therefore, it forced people to split the travel period into two parts making it possible to take two vacations, a shorter one and a longer one, but will this behavior continue after two years (passing of Ramadan) it is not sure (Dubai Office, 2014). Ramadan has usually a particular meaning for the family and a significant social importance. Therefore, travelling usually takes place before or after the month of Ramadan.

Chapter II: The Gulf Cooperation Council (GCC) Outbound Travel Market

This chapter sheds light on the development and recent trends of the GCC outbound travel market. Because at the time of the writing of this report no disaggregate data for the GCC countries are available, some travel statistics (e.g. arrivals, spending) can only be inferred from data on the Middle East region. It is worth reminding that the GCC nations constitute about 60% of all outbound travel from the Middle East and that they contribute by 75.5% international spending of the whole region (ETC, 2012).

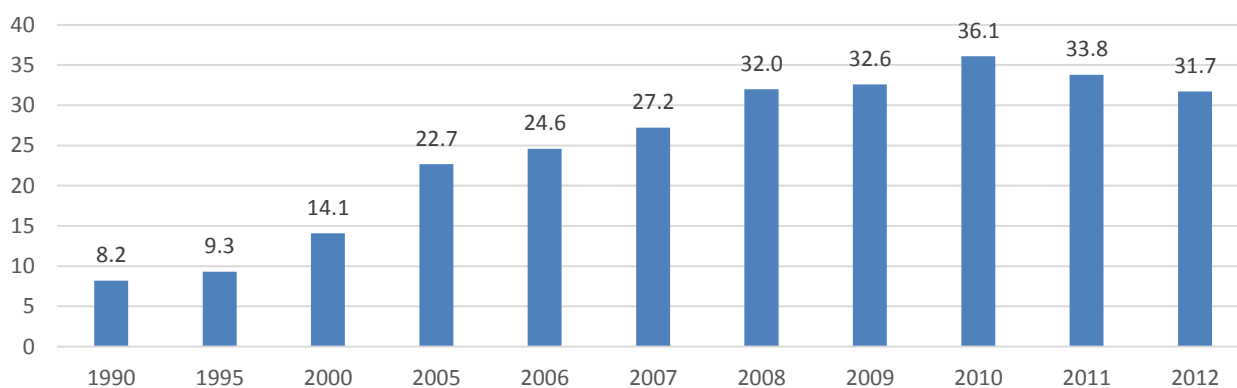
2.1. Development and Trends

At the time of the writing of this report, no disaggregate and complete data about international arrival volume from each individual GCC country are available and most reports available focus on three main GCC source markets: Saudi Arabia, UAE and Kuwait. Therefore, inferential can only be drawn from arrival data of the aforementioned Middle-East region and the source markets. Figure 2.1 shows the evolution of international arrivals from the Middle East region from 1990 to 2012.

With economic growth and political stability in the GCC countries, except Bahrain there is a strong demand for outbound travel (Dubai Office, 2014). According to ETC (2012), the main travel source markets from the Middle East are the six GCC nations that constitute about 60% of all outbound travel from the Middle East region. In 2009 Saudi Arabia ranked first with 6 million outbound arrivals, and it was followed by United Arab Emirates with 5 million (ETC, 2012). In 2010, Saudi Arabia is again the GCC country to generate the highest outbound arrival volume with more than 7 million arrivals.

In 2012, the most significant source markets are Saudi Arabia (47%), UAE (31%) and Kuwait (22%) that altogether account for a total volume of 11.5 million arrivals to foreign destinations (DTZ, 2014).

Figure 2.1 – International arrivals from the Middle East (in million), 1990-2012



Sources: ETC (2012), UNWTO (2013)

Particularly, UAE outbound tourism flows is entering a niche segment, where the tourists want to have new and unique experiences at top destinations they visited previously. As a result, an increasing number of tour operators offer routes of particular interest that focus on wine and food tours in South France, holidays with a guide in Italy and adventure travels in Malaysia. In the luxury segment, UAE travelers are becoming more and more demanding as they ask for tailored travels with a focus on specific interest in

order to gain genuine travel experiences. Therefore, they are willing to pay a premium as long as these travels offer additional benefits.

In 2010, international outbound spending from the GCC countries as a whole accounts for 75.5% of total international outbound spending from the Middle East (ETC, 2012). In 2010 Saudi Arabia tops the GCC countries with US\$21.1 billion (CHF19.8 billion) in international outbound spending (+3.5% from 2009) (Table 2.1). UAE follow with US\$11.8 billion (CHF11.1 billion), +14.2% from 2009.

Table 2.1 – International tourism expenditures from the GCC countries, 2000-2010 (US\$, million)

	2000	2005	2006	2007	2008	2009	2010
Saudi Arabia	./.	9.08	12.961	20.158	15.129	20.419	21.135
UAE	3.019	6.186	8.827	11.273	13.288	10.347	11.818
Kuwait	2.494	4.531	5.572	6.636	7.570	6.442	6.748
Oman	0.471	0.668	0.713	0.752	0.856	0.900	1.004
Qatar	0.307	1.759	3.751	1.262	1.453	0.481	0.538
Bahrain	0.224	0.414	0.455	0.479	0.503	0.408	0.506
Middle East	14.625	29.849	39.965	49.795	49.809	50.523	55.236
% exp. GCC out ME	--	75.8%	80.8%	81.4%	77.9%	77.2%	75.5%

Sources: ETC (2012), own elaboration on ETC (2012) data

According to the most recent data from the World Tourism Organization, in 2012 no GCC country ranks the list of top spending countries in the world. Despite this, source markets beyond the top 10 showing substantial growth include Kuwait, Qatar and United Arab Emirates (UNWTO, 2013).

2.2. Main destinations

Making the destination choice depends on several factors: the overall setting and image of the destination, good tourist facilities; cultural familiarity, variety of shopping, good weather, exploration opportunities, visa processing, entertainment for the whole family and quality of accommodation ((Visit Britain, 2010) , (Malhorta, 2012)) with cultural experiences and family-focus being the two most important factors when planning travel (Malhorta, 2012).

Popular destinations outside the Middle East region are in Europe, Asia and Asia Pacific regions ((UNWTO, 2012) that contribute to increase outbound tourism flows from the GCC countries in recent years. Europe tops the most visited destinations from the GCC tourists with a 49% share in 2010 with European destinations such as the United Kingdom, Germany, Switzerland and Italy as favorite destinations all the times and Austria which is gaining position (Table 2.2).

Asia and the Pacific region substantially improve their positioning from 12% in 1990 to 19% in 2010. The Far East, particularly Thailand and Malaysia, are in the top ten of the GCC tourists' favorite destinations. Australia is becoming more popular and the Indian Ocean islands like Maldives, Seychelles and Mauritius increasingly selected for short trips (Malhorta, 2012).

According to a survey conducted by the World Travel Monitor in 2012 in Saudi Arabia, UAE and Kuwait, 15% of outbound travel flows from tourists from the three GCC countries (totaling 11,5 million) are directed to Europe, 12% to Africa, 1% to America and 1% to Australia (DTZ, 2014).

Table 2.2 - Popular travel destinations from the GCC countries

Origin	Destination-Europe	Destination – Rest of the world
Saudi Arabia	1. Switzerland, 2. France, 3. United Kingdom, 4. Turkey	1. Malaysia, 2. Indonesia, 3. Singapore, 4. Morocco
Bahrain	1. United Kingdom, 2. Germany, 3. France	1. United States, 2. India, 3. Malaysia
UAE	1. United kingdom, 2. France, 3. Germany, 4. Italy	1. Thailand, 2. Singapore, 3. Malaysia
Kuwait	1. United Kingdom, 2. Switzerland, 2. France, 4. Germany, 5. Turkey	1. United States, 2. Malaysia, 3. Thailand
Qatar	1. United Kingdom, 2. France 3. Switzerland, 4. Germany	1. United States, 2. Malaysia, 3. Thailand
Oman	1. United Kingdom, 2. Germany, 3. France	1. India, 2. Malaysia

Source: adapted from UNWTO (UNWTO, 2012)

The GCC tourists also tend to repeat visits in `tourist friendly countries`.

2.3. Main motivations

At the time of writing of this report, only data from Tourism Ireland (2014) allowed to get insights into main motivations to travel from the GCC tourists from a quantitative perspective. Indeed, according to this source, 82% of outbound flows from the GCC tourists are for leisure purpose, while the remaining 18% are driven by business motivations.

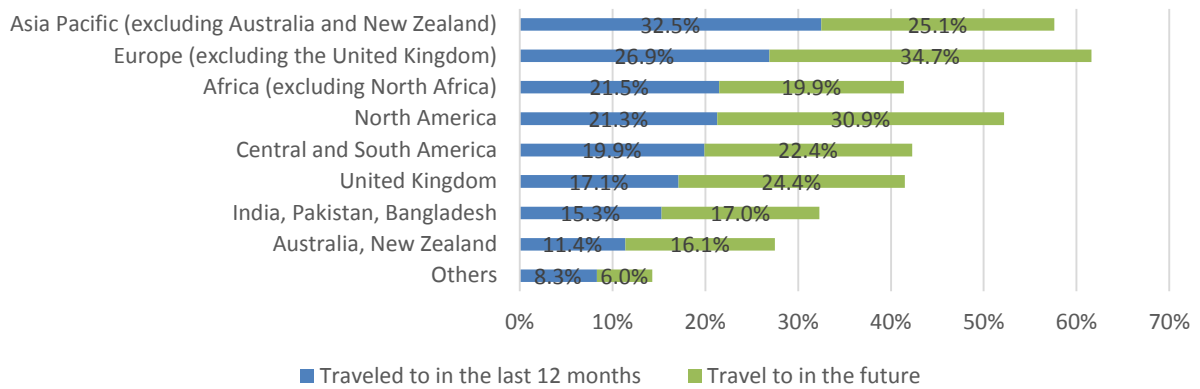
Leisure travel is dominated by the family market segment. Particularly, this market can be divided into five segments (UNWTO, 2012):

- family market (young family with small children or older family);
- VFR (Visit Friends and Relatives) market: this market accounts for 35% outbound travels (Frost & Sullivan and Insights Middle East, 2014);
- Couples (young couples or older couples);
- Youth (single travelers or group of friends) and
- Honeymooners.

Business travel has been emerging as another main motivation for outbound tourism flows.

A recent survey from Statista (2014) shows that 26.9% and 21.3% of respondents had traveled to Europe (excluding the United Kingdom) and North America respectively for business purpose in the last 12 months and their respective shares are expected to increase in the future (Figure 2.2).

Figure 2.2 – Business travel regions of the GCC travelers, February 2014



Source: Statista.com (2014)

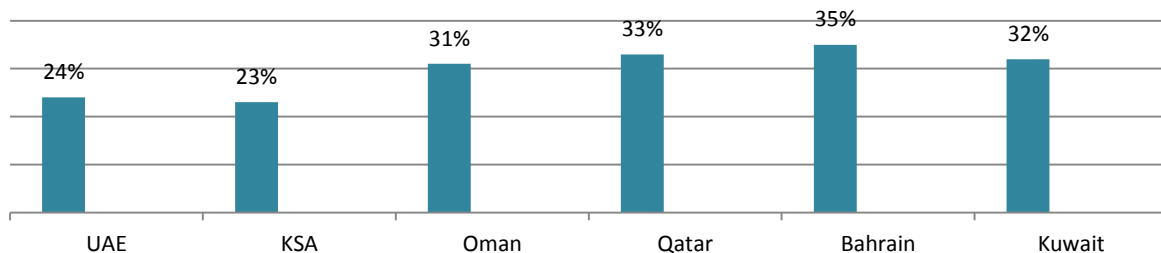
2.4. Sources of Information

According to a research, 70.6% of travelers rely on word of mouth amongst friends and family. Word of mouth comes on top of the list in terms of relevance of source of information with brochure being high affinity (Switzerland Tourism, 2014). Before going to a new destination, families ask friends and family about destinations as they feel a sense of comfort when they know about the country from people they know (Visit Britain, 2010).

However, the usage of internet as a source of information has been increasing recently by accessing social networks, websites, online travel forums and chat rooms seeking travel information or reviews on holiday destinations (UNWTO, 2012). Indeed, the number of internet users in the GCC countries is estimated to grow steadily in next 4 years with Saudi Arabia topping the other GCC countries from 16.44 million users in 2013 to an estimate of 23.21 million users in 2017 (Gulf News, 2014). According to DTZ (2014), internet plays a significant role in travel organization with 82% outbound travels organized online.

A more recent study showed that smartphone penetration in the GCC countries is amongst the highest in the world (in Saudi Arabia and UAE smartphone penetration is at 60% and 61% respectively) with many leisure travelers planning their travel through this medium (Figure 2.3). Therefore, customers need personalized experiences and customized services.

Figure 2.3 - Usage of smartphones for travel-related arrangements



Source: Adapted from (Frost & Sullivan and Insights Middle East, 2014)

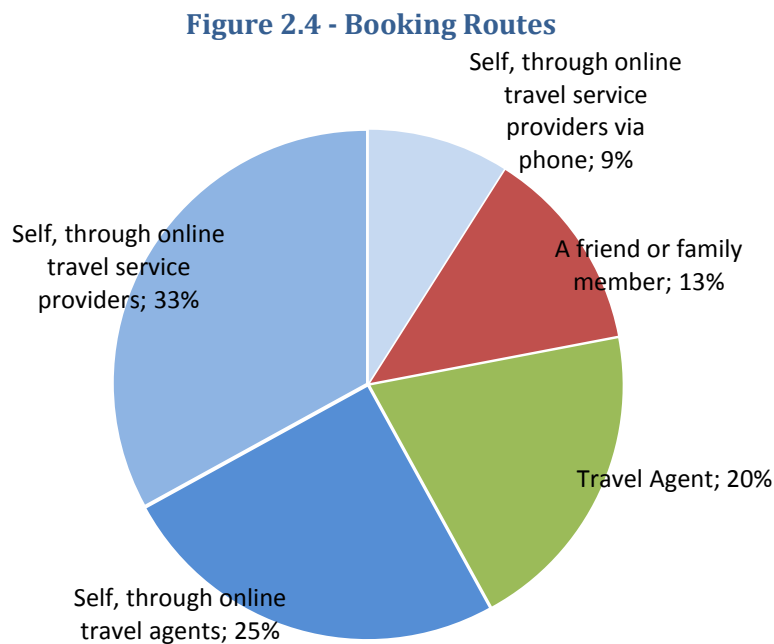
Young people are playing a leading role in driving outbound travel markets. More importantly, these 'digital natives instinctively turn to mobile technologies and social media to plan, book and manage travel' (Travel

Daily News, 2014). Furthermore, young travelers from GCC are *‘extremely well-informed, highly proficient and with access to technology, and deeply connected to their peer via social media, the coming of age of today’s teenagers as tomorrow’s decision makers will shake up traditional behavioral patterns towards a faster, self-directed, open system’* (Frost & Sullivan and Insights Middle East, 2014, p. 4).

2.5. Booking patterns

Similar to tourists from other countries, the GCC is a late booking market with a tendency to plan and book their holiday last minute. Many book their summer holiday less than two weeks prior travelling (UNWTO, 2012). This tendency is mainly noted amongst middle income households and young travelers who have the habit of *‘window shopping’* looking for bargains. The luxury traveler is more likely to book at least four weeks in advance (UNWTO, 2012).

Although the travel agent plays an important role where the majority of customers used them as their main mean of booking (UNWTO, 2012) (Visit Britain, 2010)), more recent research shows an increase in online booking (Figure 2.4).

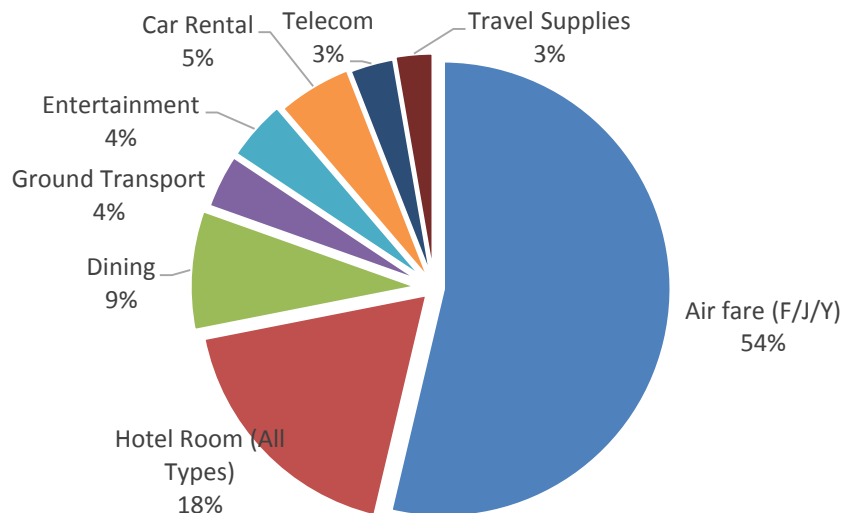


Source: adapted from (Frost & Sullivan and Insights Middle East, 2014)

2.6. Travel spending

GCC travelers are notoriously high spenders and top consumers (Ali, 2014) (Albayan, 2014) (UNWTO, 2012)). According to Malhorta (2012), 54% of their resources are devoted to airfare spending (Figure 2.5):

Figure 2.5 – The GCC tourists' spending by category, 2011



Source: Malhorta (2012)

Notes: Airfare F=First class/J=Business class/Y=Economy class

Shopping is the primary activity of GCC tourists when they travel abroad. Cosmetics, lingerie, textiles and footwear are the most purchased items in addition to jewelry, which these tourists prefer in gold and silver.

Socio-economic factors as well as cultural and religious ones explain why GCC tourists love luxury goods. For years now, the emerging economies of the GCC countries are showing a fast rise to top of a young middle class that intends to show its own economic power and social status by consuming luxury goods. For instance, owning accessories of well-known Western luxury brands becomes self-expression, a distinction with respect to the typical uniformity of traditional long dresses that characterize the typical clothing of this region.

Many countries are trying to attract this lucrative market including luxury brands (Koumelis, 2014) and Switzerland is not excluded (Saudi Gazette, 2014). There is a large potential growth of this market (eTurbonews, 2014), (Pavri, 2013)). This includes airfare, hotel room, ground transport, travel supplies, and car rentals (Frost & Sullivan and Insights Middle East, 2014). According to the World Factbook, the average spend in the GCC countries for inter-regional travel is as high as US\$4,980 (CHF4,681) and for international travel, it is US\$9,920 (CHF9,324) (Table 2.3).

Table 2.3 - Average travel spends, inter-regional and international

	Average spend per intra-regional trip	Average spend per international trip
Saudi Arabia	US\$ 5,650	US\$ 11,550
Bahrain	US\$ 6,900	US\$ 12,205
UAE	US\$ 5,000	US\$ 10,400
Kuwait	US\$ 4,265	US\$ 9,590
Oman	US\$ 4,415	US\$ 9,090
Qatar	US\$ 3,650	US\$ 6,690

Source: (Frost & Sullivan and Insights Middle East, 2014)

2.7. The profile of the GCC tourist

At the time of writing of this report, no update data are available that allow to provide a complete profile of GCC travelers. Therefore, once again, it is possible to have such a profile by inferring from the characteristics of Middle East travelers and then to integrate it with specificities of GCC travelers.

International leisure travelers from the Middle East are more male than female, with half belonging to the 18-34 years age group. Nearly two-thirds are well educated with a graduate or post graduate degree qualifications, and an equal proportions are working individuals (ETC, 2012).

In GCC countries, 60% of international leisure travels are nationals, and 40% are expatriates. Household sizes vary for national and non-national households: while three-fourths of nationals belong to large households constituted of 5 or more family members, over two-thirds of non-nationals belong to households consisting of up to 4 family members.

International leisure travel is limited to middle and upper income households in Middle East. Leisure travel to long haul destinations in Europe and the Americas is mainly seen among the more affluent households (ETC, 2012).

Most predominantly, the GCC traveler is an individual traveler. However, there are different traveler profiles such as the independent traveler and the middle-income traveler who is expected to emerge in tandem with the continuous important segments such as the business traveler, family traveler and seasonal traveler (Frost & Sullivan and Insights Middle East, 2014).

Most of these tourists travel with their immediate and extended families. In some cases, and depending on family status, this could include governesses, secretaries, cooks and drivers. The size of the travelling group could reach up to 30 members (Visit Britain, 2010) and even up to 60 members (Hotelleriesuisse & Suisse Tourisme, 2013). Yet, the majority of travelers are between 4 and 12 people. Travel agents in Saudi Arabia mentioned that Saudis travelling to Europe in large family groups of 8-12 people during summer months and in smaller family groups of 3-5 people at other times (UNWTO, 2012).

Travel decision maker dominating effect are the wife/child in UEA and Bahrain, the husband in Qatar, Oman and Saudi Arabia, and the wife in Kuwait (Malhorta, 2012). Children are becoming key travel decision makers to destinations to ski, or with parks such as Disneyland. These *'first-time travelers'* or *'coming-of-*

age` travelers, who are helped by the increasing availability of the internet and smartphones, will look for new experiences and are in favor of technology and social media.

Typically, upmarket families in this segment tend to take holidays during the hot summer months (June to September) to cooler destinations. These tourists travel during the school breaks in general so to have the family travel together. Therefore, trips are planned according to the children holiday breaks from school or university in summer and winter ((Visit Britain, 2010) (UNWTO, 2012) (Hotelleriesuisse & Suisse Tourisme, 2013) (Switzerland Tourism, 2014)).

2.8. Accommodation and length of stay

GCC travelers' preference of type of accommodation is service apartment due to family size, cultural needs, traditional bonding, long stays and lifestyle needs. Travelers from Saudi Arabia are those who prefer most service apartments, followed by Kuwait, Oman, Bahrain, then UAE and finally Qatar (Malhorta, 2012). The focus by the World Travel Monitor on the three key GCC source markets reveals that 42% of GCC tourists from Saudi Arabia, UAE and Kuwait spend their nights in hotels during their outbound travels. 33% of the nights are spent at first class hotel accommodation, while middle class hotels account for 6%. Low cost hotel accommodation accounts for 3%. A significant 33% share is devoted to private and free accommodation (DTZ, 2014).

In general, the GCC tourists from Saudi Arabia, UAE and Kuwait spend an average of 13 nights on their trips abroad. Short travels of 1 to 3 nights account for 23% of outbound travels, while longer travels of 4 nights account for 77% (DTZ, 2014).

The GCC tourists typically travel in July and August, with the average length of holiday varying between 2 - 42 days. During `Eid Al Adha` Holidays (the festival which commemorates the sacrifice of Abraham), the average length of stay reduces to 4-10 days (Tourism Ireland, 2014).

In general, travel patterns are affected by the timing of Ramadan each year. As a result, this has impact on the average length of stay.

2.9. Summary

Table 2.4 and Table 2.5 provide a summary on travel characteristics and criteria for the GCC outbound tourists.

Table 2.4 - Travel characteristics

Travel characteristics	UAE	Qatar	Saudi Arabia	Kuwait	Oman	Bahrain
Family Size (n. of people) with maids	6-12	4-8	6-12	6-8	4-8	4-6
Travel Spend per person (USD/pp)	3'280	4'100	3'360	2'670	1'606	1'860
Class of Travel	F / J / Y	F / J / Y	J / Y	J / Y	Y	Y
Preference of Service Apartments	5	3	8	6	6	6
Travel Decision-maker	Wife / Child	Husband	Husband	Wife	Husband	Wife / Child
Critical Travel Influencers	WOM, TV, PR, Visa, Print	WOM, TV, PR, Visa, Print	WOM, Price, Visa, Print	WOM, Price, Visa, PR, Print	Price, Visa	Price, Visa
Travel Trip Major (Stay Period/days)	1 ; 21-42	1; 21-56	1 ; 28-56	1 ; 16-42	1 ; 14-28	1 ; 14-21
Travel Frequency Minor (Times/Days)	2 ; 3-10	4 ; 3-7	4 ; 3-5	6 ; 3-5	2 ; 3-5	2 ; 3-4
Flight – Direct (D)/with Stop (S)	D - V imp - 9	D - V imp - 8	D/S – not imp - 5	D – not imp - 6	D – not imp - 5	D – not imp - 5
Concierge Service (MAAS)	5	7	6	9	4	3

Source: (Malhorta, 2012)

Note: The research covered a sample of 2'500 GCC nationals using a Likert scale from 1-10 with 1 being low and 10 high).

Abbreviations: WOM=Word of mouth; PR=Public relations; Class of Travel: F=First class/J=Business class/Y=Economy class.

It is worth noting that according to this research, Qatar accounts for higher travel spend per person across all the six GCC countries, followed by Saudi Arabia and the UAE.

Table 2.5 - Travel criteria

Travel criteria	UAE	Qatar	Saudi Arabia	Kuwait	Oman	Bahrain
Importance of Luxury indulgence	7	8	6	10	4	5
Van/Mini Bus Rental	2	3	8	8	8	6
Importance of Shopping	6	8	8	5	7	7
Dining and Entertainment Need	8	8	8	9	6	5
Weather linking – Cold/Raining	8	8	6	6	7	7
Preference of City Center	9	9	7	9	7	5
Preference of Beach/Water Activities	2	2	1	5	1	4
Language – Arabic preference	4	5	9	4	4	3
Role of Travel Agents in booking	5	6	8	3	7	4
Health Tourism	5	5	4	7	6	4

Source: (Malhorta, 2012)

Note: The research covered a sample of 2'500 GCC nationals using a Likert scale from 1-10 with 1 being low and 10 high).

Interestingly, Qatar and Kuwait tourists give more importance to luxury indulgence than the other GCC countries when travelling. In addition, shopping when travelling is very important to Qatar and Saudi Arabia tourists. Regardless of the country, cool/cold weather and raining are relevant to GCC tourists when choosing a destination. Note also that among the GCC tourists, Saudi tourists as being more traditionalist largely prefer the usage of Arabic language and Saudi and Oman tourists assign more relevance to the role of travel agencies in booking.

Chapter III: The GCC Outbound Travel Market in Switzerland

This chapter provides an overview of the GCC outbound travel market in Europe in general and in Switzerland in particular. The focus of the analysis of tourism statistics from the GCC travel in Switzerland is on the development of the travel behavior of these tourists from 1999 to 2013 and across all the Swiss cantons.

3.1. Arrivals, Overnights and Length of Stay

European destinations account for 12% of Middle Eastern travel in 2010 with an increasing number to Turkey, UK, Germany, Cyprus, Greece and Poland despite the economic downturn in 2008-2009 (ETC, 2012); DTZ, 2014). It is important to note that the reference to Middle East in this context goes beyond the GCC regions. As mentioned previously, the main travel source market from the Middle East are the six GCC nations that constitute about 60% of all outbound travel from Middle East region (ETC, 2012 p.38). Table 3.1 shows the evolution of arrivals from the Middle East at top six European destinations from 2000 to 2010.

Among the European destinations, the United Kingdom is a common popular destination across all GCC countries with Germany in second place while Switzerland mainly hosts tourists from Saudi Arabia, Kuwait and Qatar (ETC, 2012).

Table 3.1 - Arrivals from Middle East at top six European destinations, 2000-2010

	Number of arrivals (x 1'000)				Change %	Share %	
	2000	2005	2009	2010	10/09	2005	2010
Europe	1,765	2,456	3,745	4,403	17.6	100.0	100.0
Turkey	242	626	1,228	1,704	38.7	25.5	38.7
France	399	573	835	891	6.7	23.3	20.2
United Kingdom	428	384	596	529	-11.3	15.6	12.0
Italy	98	376	261	350	34.1	15.3	7.9
Germany	106	185	259	336	29.9	7.6	7.6
Switzerland	41	66	102	122	17.6	3.1	3.1
Austria	29	68	97	120	23.7	2.8	2.7

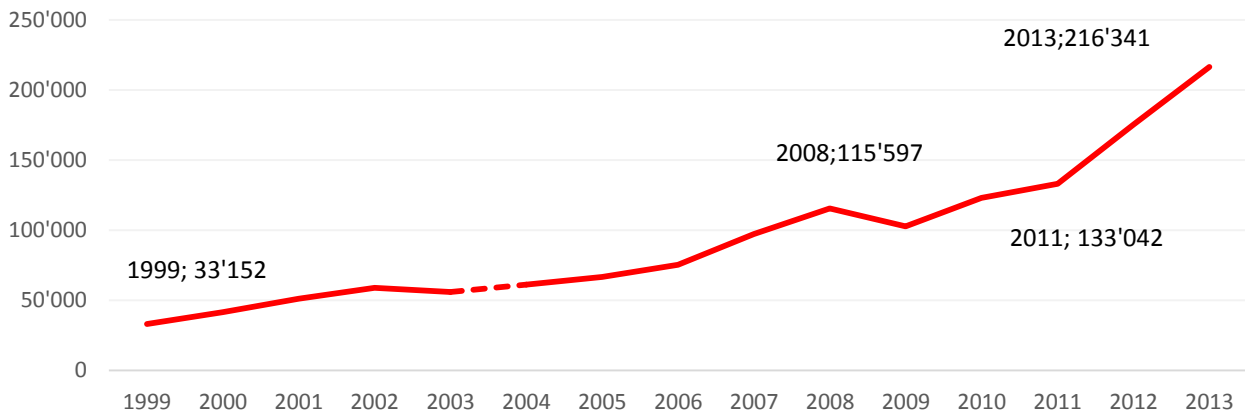
Source: ETC (2012).

According to a recent survey from the World Travel Monitor, Saudi Arabia, UAE and Kuwait are the three key source markets for European destinations in terms of arrivals and overnights. In 2012, Europe hosts 1.785 million GCC travelers from Saudi Arabia, UAE and Kuwait with UAE accounting for the largest source market (50%), followed by Saudi Arabia (37% and Kuwait (13%)(DTZ, 2014).

Among the European destinations, Switzerland is very well positioned with the GCC tourists as the main drivers for a holiday at Swiss destinations are natural scenic beauty, good (cool, cold) weather, cities, prestigious holiday products, culture, history and sightseeing attractions. On the other hand, the GCC countries are an attractive market for Switzerland as they rank 10th in terms of total overnight volume, 8th in terms of turnover and 1st in terms of daily expenditure. Across all markets abroad, the total turnover from GCC accounts for 5.1% of the market share in 2013 (Switzerland Tourism, 2014) and the number of tourists to Switzerland from the Gulf is expected to increase by 25% in 2014 compared with 2013 (Al-Etihad, 2014).

Arrivals and overnights from the GCC tourists in Switzerland have been growing from 1999 to 2013 (Figure 3.1 and Figure 3.2). Particularly, after a peak in 2008, arrivals show a rapid take in 2011 by growing by 62.6% from 2011 to 2013.

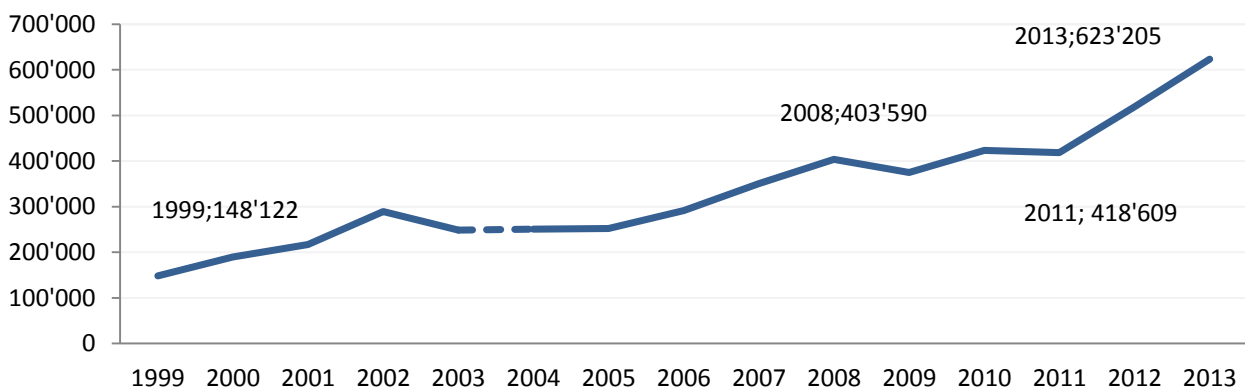
Figure 3.1 – Arrivals from the GCC tourists in Switzerland, 1999-2013



Overnights also follow a similar pattern to arrivals despite they grow slower than arrivals (+48.9%) over the same period.

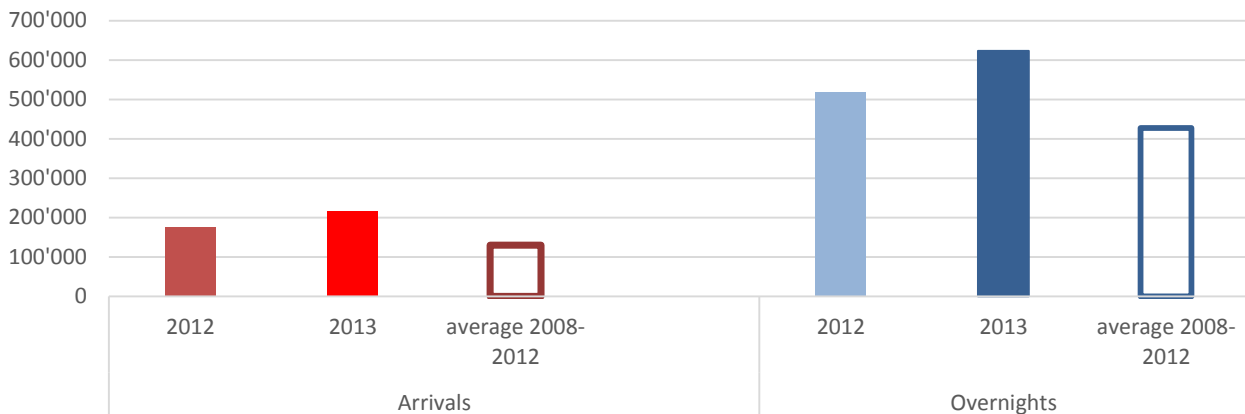
In 2013 arrivals from the GCC tourists increases by 23.5% from 2012, whereas overnights grow by 20.1% from 2012.

Figure 3.2 - Overnights from the GCC tourists in Switzerland, 1999-2013



However, the positive performance in recent years is a slowdown with respect to the average of the period 2008-2012, when arrivals and overnights increase by 66.5% and 45.7%, respectively (Figure 3.3).

Figure 3.3 – Arrivals and overnights, 2012, 2013, average 2008-2012



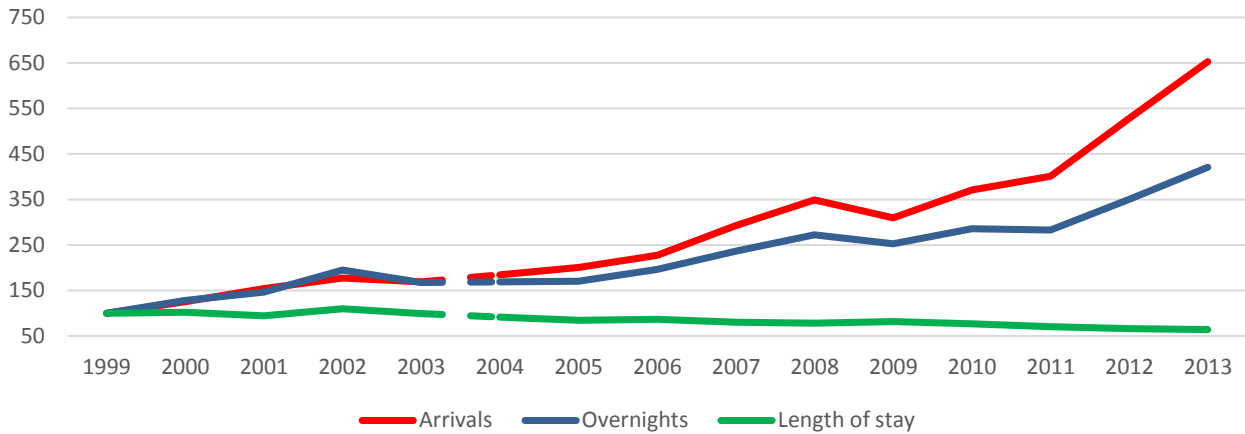
Nonetheless, with respect to arrivals and overnights from tourists of other nationalities in Switzerland, arrivals and overnights from the GCC countries have been increasing steadily over years. In 2013, GCC arrivals and overnights in Switzerland account respectively for 2.5% and 3.3% over all foreign arrivals and overnights.

The increase in arrivals from the GCC tourists could be due to a combination of factors. Visas are an important aspect for a destination that would like to attract visitors from the GCC countries. With the introduction of the Schengen Visa, it has become interesting to GCC travelers to visit more than one country in Europe. Because of this, Switzerland’s participation to Schengen agreements in 2008 may have driven the increase in arrival volume of the GCC tourists in Switzerland after 2010, despite the economic downturn in 2008-2009. However, this leads the GCC tourists to arrange visits to multiple destinations with the result that overnight stays in Switzerland have decreased over recent years.

The more favorable exchange between the Swiss franc and Euro, because of the cap in fluctuations imposed in 2011 by the Swiss National Bank, may also have positively affected outbound tourism flows from the GCC countries in recent years. It is worth noting also the impact of marketing operations from Switzerland Tourism in the GCC region, a strategy that started in 2003 with the establishment of a representative office in Dubai, and intensified in recent years (Saudi Gazette, 2014).

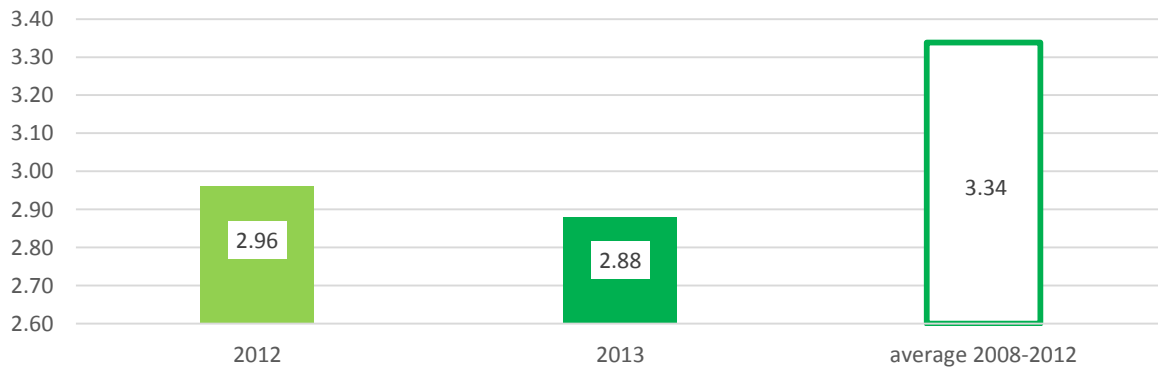
Considering the evolution of arrivals and overnights as mentioned previously, it is possible to infer how the length of stay from the GCC tourists has considerably reduced over years: in 2013 it drops by 2.7% from 2012, and by 13.7% over the past five years (Figure 3.4 and Figure 3.5).

Figure 3.4 – Arrivals, overnights and length of stay (index in %) from the GCC tourists in Switzerland, 1999-2013. Base year=1999



Nonetheless, the length of stay from the GCC tourists is higher than the length of stay from non-GCC tourists although this gap has been slowly reducing over in years.

Figure 3.5 – Length of stay from the GCC tourists in Switzerland, 2012, 2013, average 2008-2012



The GCC tourists usually visit one single destination over their travel although the number of those tourists who visit multiple destinations is increasing when they visit Europe.

3.2 Differences across Cantons

From the analysis of the development of overnights from the GCC tourists across all the Swiss Cantons from 2009 to 2013, it is possible to identify four patterns (Table 3.2):

**Table 3.2 – Overnights from the GCC countries by canton,
average values 2009-2013**

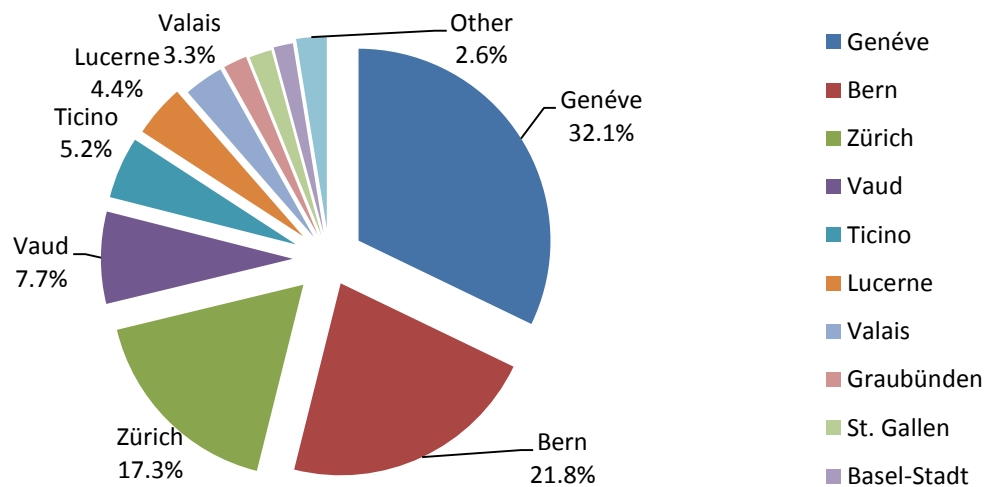
	Average 2009-2013
Genève	171'693.6
Zürich	83'880.4
Bern	77'203.4
Vaud	42'039.2
Valais	16'564.4
Ticino	20'856.6
Lucerne	20'514.0
Graubünden	9'951.4
Basel-Stadt	9'248.0
St. Gallen	9'525.6
Aargau	2'185.8
Schwyz	1'617.8
Nidwalden	1'266.6
Zug	860.6
Obwalden	883.6
Neuchâtel	524.8
Basel-Landschaft	669.2
Fribourg	594.4
Thurgau	435.4
Solothurn	438.4
Appenzell Ausserrhoden	294.8
Schaffhausen	271.4
Uri	159.4
Glarus	78.6
Jura	8.8

- Canton Genève tops on average with 172'000 overnights from the GCC tourists;
- a second group of six cantons accounts for an average overnight volume between 20'000 and 84'000 overnights: Canton Zürich ranks second after Genève with 84'000 overnights on average, followed slightly behind by Canton Bern with 77'000 overnights. This group also includes Vaud, Valais, Ticino and Lucerne, which is the canton with the lowest overnights on average;
- a third group that includes those cantons with average overnight volume between 9'000 and 10'000 overnights on average (e.g. Graubünden, Basel-Stadt);
- a fourth group includes Canton Aargau, Schwyz and Nidwalden with average overnight volume between 1'200 and 1'700;
- a fifth and largest group which include Cantons with average overnight volume below 900 overnights, such as Canton Obwalden, Zug, and at the bottom Jura (8.8 overnights on average).

As a whole, all the cantons account for an increase in overnights from the GCC tourists in the period between 2009 and 2013. Canton Jura makes an exception to this general trend as it shows a drop of the average overnight volume in the period 2009-2013. Cantons Appenzell Ausserhoden and Schaffhausen also show a very small change in the average overnight volume in the period 2009-2013.

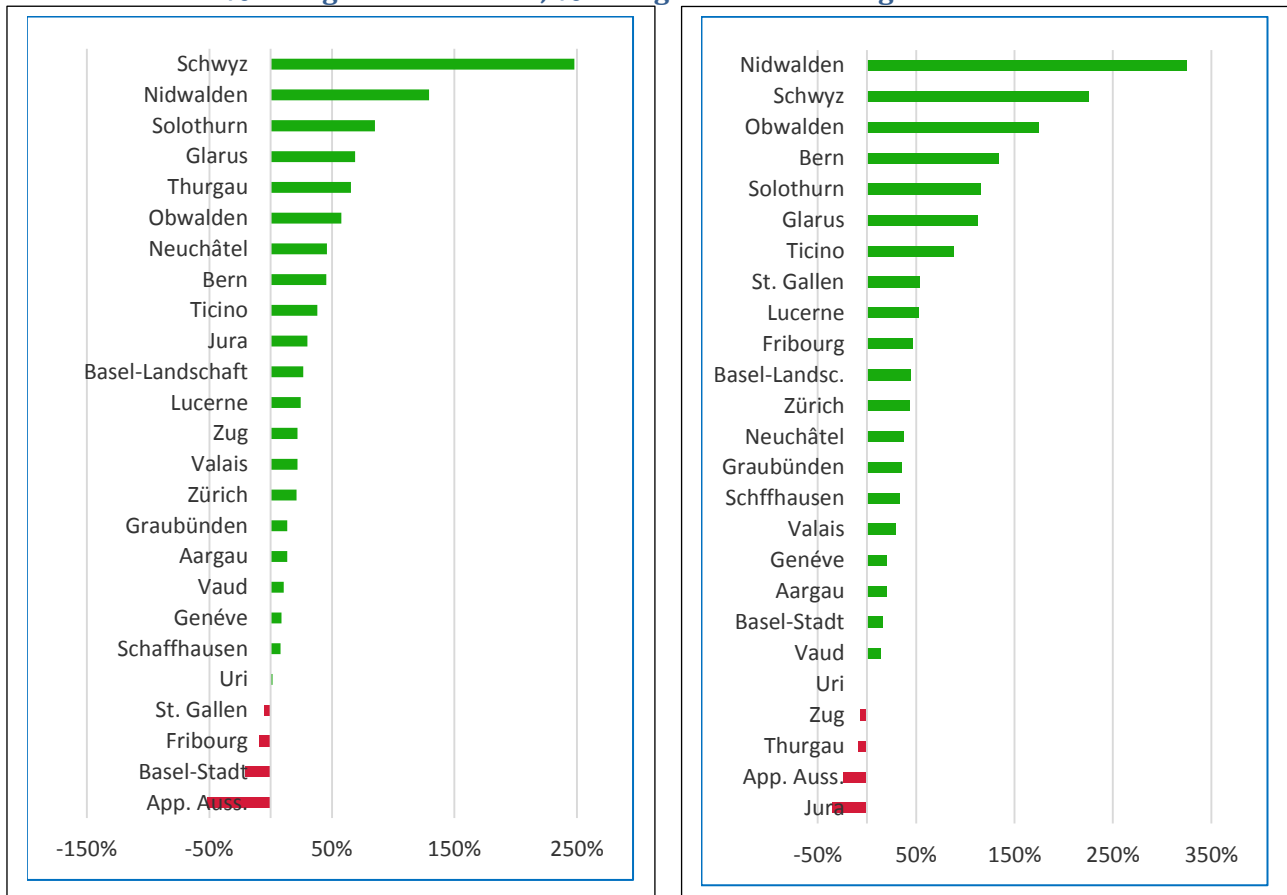
When examining the development of overnights in 2013, Canton Genève tops all the cantons with more than 200'000 overnights (32.1%) (Figure 3.6). Cantons Bern and Zürich follow with 21.7% and 17.3% overnights, respectively. Cantons Vaud, Ticino, Luzern and Valais position with lower shares: 7.7%, 5.2%, 4.4%, and 3.3%, respectively. The remaining cantons show overnight shares lower than 2%.

Figure 3.6 – Overnights from the GCC tourists in Switzerland, 2013



The analysis of the growth in the overnights from 2012 to 2013 and with respect to the average in overnights over 2008-2012 shows that Cantons Schwyz and canton Nidwalden are the cantons that gain the largest increase: with respect to 2012, Canton Schwyz tops with the highest growth, +247.8%, from 1'034 overnights in 2012 to 3'596 overnights in 2013. Canton Nidwalden ranks second with 129.2% increase, from more than 1'300 overnights in 2012 to about 3'000 overnights in 2013. Whereas, when examining the growth with respect to the average overnight volume from 2008 to 2012, Canton Nidwalden accounts for the largest growth (+325%) (Figure 3.7). It is worth noting that Appenzell Ausserhoden gains no ground over years.

**Figure 3.7 – Overnights from the GCC tourists by canton,
% change 2013 vs 2012, % change 2013 vs average 2008-2012**



The results from the above analysis seem to indicate that along with traditional Swiss destinations, new destinations and new trends are arising. The most familiar Swiss Cantons to GCC tourists, such as Genève, Zürich, and Bern have kept and are still keeping their attractiveness. However, in addition to these most “traditional” destinations, a number of Swiss Cantons/regions is gaining increasing favor from the GCC tourists: for instance, Canton Schwyz and Nidwalden that account for impressive increase as to overnight volume over the latest 5 years. This implies that the GCC tourists are diversifying by looking for and visiting new destinations such as Ticino, St. Moritz Engadin and Gstaad (Switzerland Tourism, 2014).

When visiting Switzerland GCC tourists usually travel with family and by male groups of 3-4 people. They tend to stay longer than other foreign tourists do, about 2 days on average, and visit one destination. However, the number of people who are travelling for multiple destinations is growing when they visit Europe. The GCC tourists that visit Switzerland are relatively young as 56% of those staying in Switzerland are between 16 and 35 years (Hotelleriesuisse & Suisse Tourisme, 2013).

The GCC tourists are attracted by Switzerland because of nature, mountains and Swiss cities. According to many experts, the friendly approach of Swiss people to Arab tourists is a key reason of Switzerland’s popularity. Indeed, unlike many European countries, Switzerland is one of few countries that do not adopt

any federal policy adverse to Muslim; even though in recent years there were events that seriously could impact tourism flows from this region (Gupta, 2010).³

Similar to Chinese tourists and tourists from emerging markets, GCC tourists are highly inclined to shopping. In Switzerland, they are particularly fond of traditional Swiss crafts, chocolate, souvenirs as well as luxury goods and prestige products, high fashion, brand bags and shoes, jewelry and watches. Items and accessories for children are not left out, not to mention toys (Hotelleriesuisse & Suisse Tourisme, 2013). GCC tourists are well known to top as to shopping expenses among foreign tourists from emerging markets. According to Switzerland Tourism, GCC tourists spend an average of CHF 500 per day (Saudi Gazette, 2014). Chinese and Indian tourists follow with daily average expenses of CHF 350 and CHF 300, respectively.

Although no official statistics are available for the time being, a market segment that is showing large success with GCC tourists is health and wellness tourism: indeed, 5% to 10% of wellness tourists in Switzerland are GCC tourists. According to Swiss Health, the national association that includes as its members more than 50 Swiss institutes and specialized centers in medical services and treatments, GCC tourism volume in this segment has increased between 20% and 50% per year over the latest 3 years and account for a very important market share in Switzerland (IMTJ, 2013). GCC tourists are attracted to this market segment because of the quality of services offered and the possibility of tailored services for the final users.

Health tourism or medical treatment is usually combined with family holidays in Switzerland. However, Switzerland is undergoing competition from Germany on this market segment as Germany is better renowned for its medical services and many GCC customers go there for their treatment. Germany is also seen as a popular base for travel to other parts of Europe due to its well-connected flights from the region and GCC travelers like the combination of Germany, Austria and Switzerland, preferring to stay a few days in each country (UNWTO, 2012).

A minority market that is steadily improving is business travel and is almost exclusively male represented.

³ Particularly, it is about two referendums. The first referendum, dated 2009, showed most Swiss citizens back ban on minarets. The second one, in 2013 is about Ticino's ban on burqa. Tourism operators think that there exceptions to female Muslim tourists will be necessary when the new regulation is coming in force (GdP, 2014).

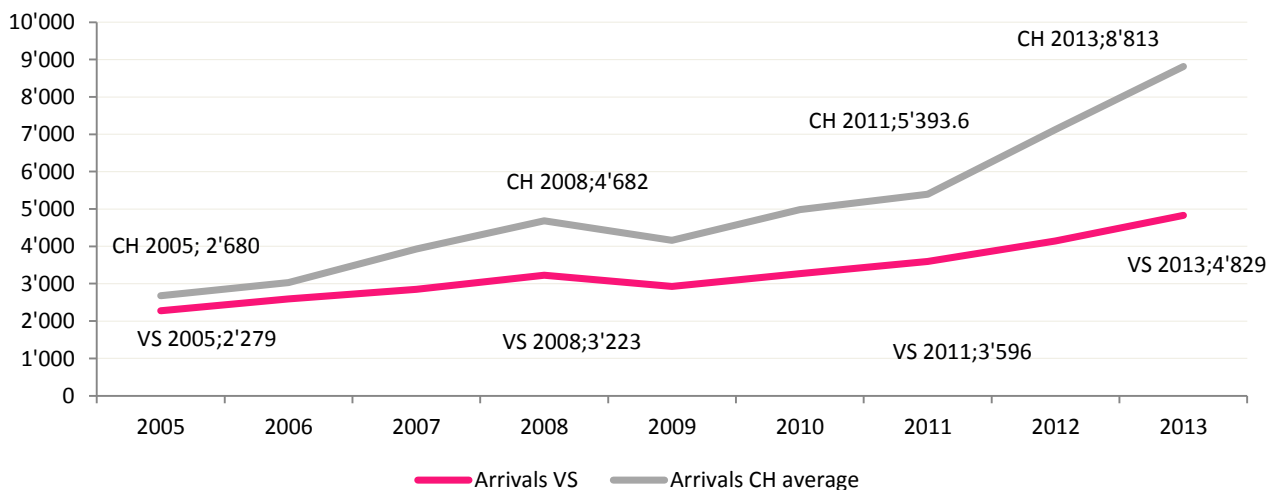
Chapter IV: The GCC Outbound Travel Market in Valais

The focus of this chapter is on the development and recent trends of the GCC outbound travel market in Valais. After examining arrivals, overnights and length of stay from the GCC tourists in a comparative perspective (Valais with respect to trends in Switzerland), attention is devoted to patterns related to season, main regions and most significant single destinations to the GCC tourists as well as to accommodation categories.

4.1. Arrivals, overnights and length of stay

Arrivals and overnights in Canton Valais from the GCC tourists show a steady growth from 2005 to 2013. However, they develop differently with respect to the average trend at the national level (Figure 4.1).

Figure 4.1 – Arrivals from the GCC tourists, Valais and Swiss average, 2005-2013



Arrivals in Canton Valais have been developing below the average level in Switzerland. However, the gap with the national average seems to start to accelerate in 2009-2010.

More notably is the trend of overnights over years: until 2008, overnights from the GCC tourists in Valais are still larger than the average level in Switzerland. In 2009 there is a turnaround as overnights from the GCC tourists start to be higher, on average, at national level. This gap seems to get larger since then so to maintain in recent years (Figure 4.2).

Figure 4.2 – Overnights from the GCC tourists, Valais and Swiss average, 2005-2013

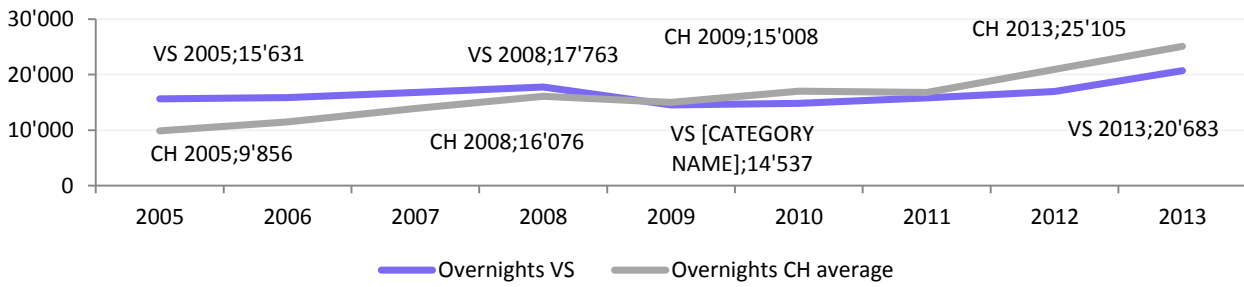
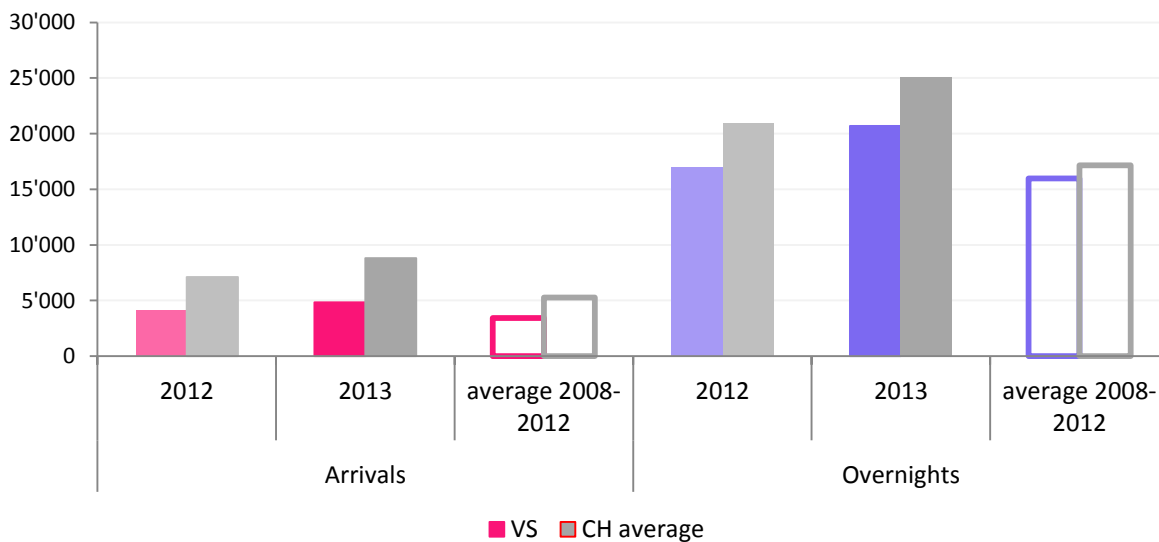


Figure 4.3 shows the differences in arrivals and overnights in 2013 both with respect to 2012 and to the average volume over the period 2008-2012. Arrivals and overnights from the GCC tourists refer to Valais and the average trend in Switzerland.

In 2013 arrivals from the GCC tourists in Valais increased by 16.4% from 2012 and by 40.7% with respect to the average volume from 2008 to 2012. Overnights also follow a similar pattern as they increased by 21.8% from 2012 and by 29.4% with respect to the trend over 2008-2012.

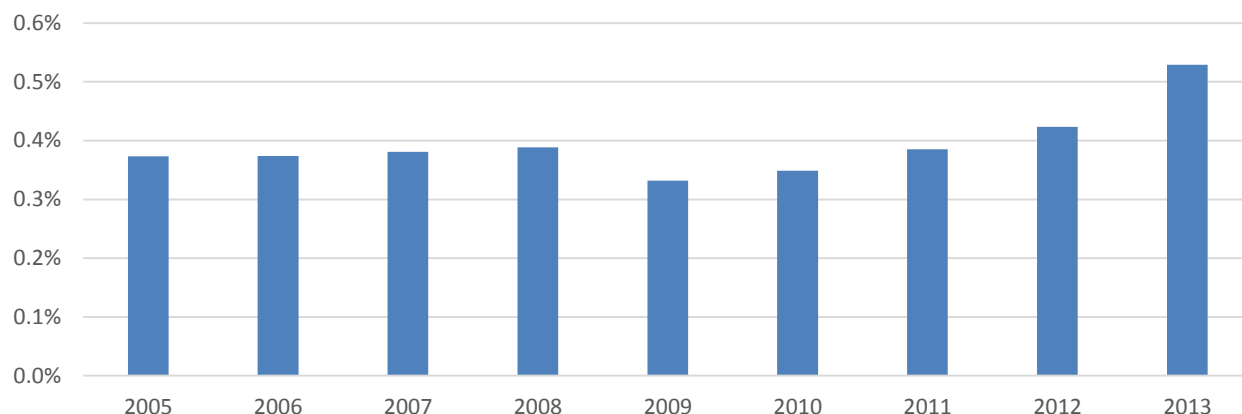
With respect to the average trend of arrivals and overnights in Switzerland, figure 4.3 further highlights the results from the previous analysis: particularly, the gap in overnights with the average trend in Switzerland has been becoming larger in recent two years with respect to the same trend over the period 2008-2012.

Figure 4.3 – Arrivals and overnights from the GCC tourists in Valais and average in Switzerland, 2012, 2013, average 2008-2012



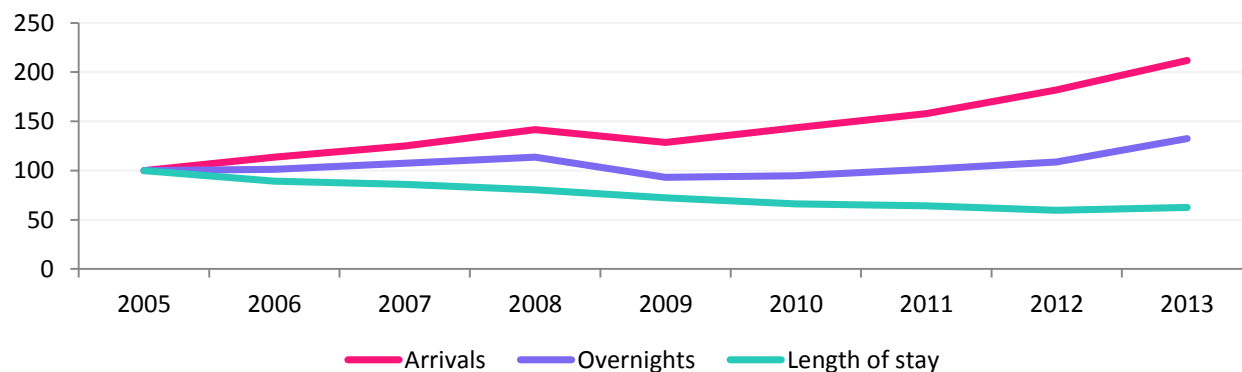
Between 2005 and 2013, overnights from the GCC tourists account for an average of 0.4% of all overnights in Canton Valais. The overnight volume from the GCC tourists has increased in 2013 to 0.5% from 0.4% in 2012 (Figure 4.4).

Figure 4.4 – Share of overnights from the GCC tourists vs non-GCC tourists in Valais (%), 2005-2013



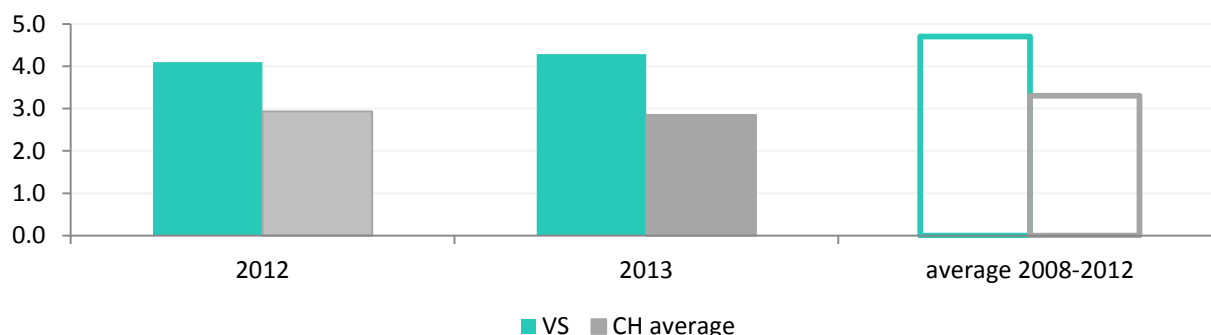
In terms of length of stay, the GCC tourists have reduced their stay in Canton Valais over years as the tourists of other nationalities do as a whole (Figure 4.5).

Figure 4.5 – Arrivals, overnights and length of stay (index in %) from the GCC tourists in Valais, 2005-2013. Base year=2005



In Valais, the length of stay from the GCC tourists has reduced over years (Figure 4.5) with a -8.8% drop in 2013 against the average length of stay from 2008 to 2012 (Figure 4.6).

Figure 4.6 – Length of stay (days) from the GCC tourists in Valais and average in Switzerland, 2012, 2013, average 2008-2012

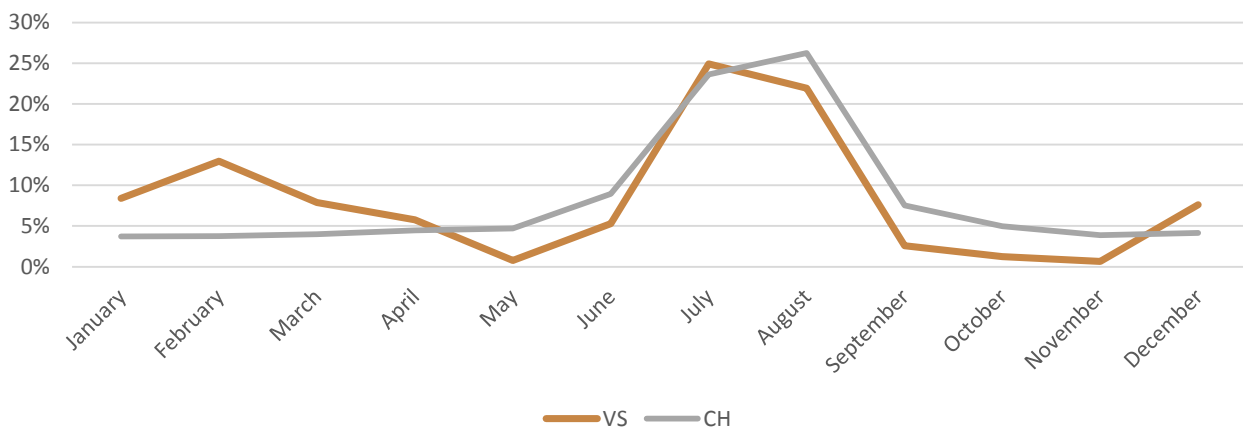


In spite of this drop, the length of stay from the GCC tourists in Valais is longer than the length from the GCC tourists nationwide (-13.7% on average from 2008 to 2012) as well as the length from non-GCC tourists both in Canton Valais and nationwide.

4.2. Season

The overnights in Valais from the GCC tourists are concentrated in July (24.9%) and in August (21.9%) as well as in February (12.9%) (Figure 4.7). Against these most intensive months, May and September are on average the months of year with the smallest overnight volume (around 0.7% and 2.5% respectively). Data also show that GCC tourists tend to stay overnight in the first quarter rather than in the last quarter except for December (7.6%).

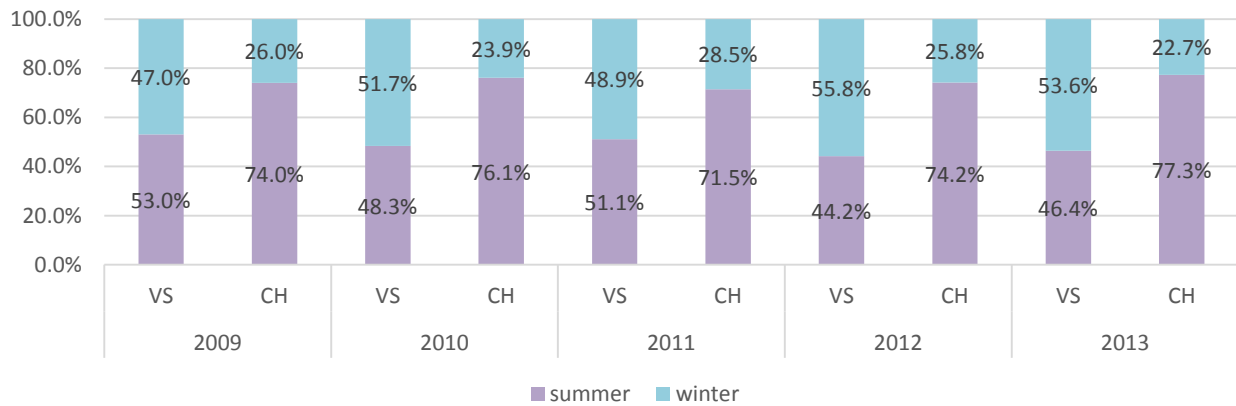
Figure 4.7 – Overnights from the GCC tourists by average share per month (%), Valais and Switzerland, 2005-2013



Overnights at the national level from the GCC tourists are also concentrated during the two central months of the year although with a different intensity. Indeed, August gains the highest average rate (26.2%), followed by July with 23.6% nights. The remaining months show a regular pattern with an average overnight share of 4%, except in June and September when the overnight percentage increases to about 8%.

The result that the GCC tourists tend to visit both Valais and Switzerland in summer season is clear as well when examining the overnight volume by season (summer, from May to October, and winter, from April to November) (Figure 4.8). In Valais, the overnight share in summer drops by about 7% from 2009 to 2013 whereas it increases by 3.3% in Switzerland in the same period.

Figure 4.8 – Overnights from the GCC tourists by season (summer and winter) in %, Valais and Switzerland, 2009-2013



At a national level, the overnights in summer are relatively steady from 1999 to 2003, with a yearly average around 77% and with a peak of 82.3% in 2003. Because the GCC tourists usually travel in summer in Switzerland, the growth of overnights in Valais during winter season might show an increasing interest of the GCC tourists for winter tourism.

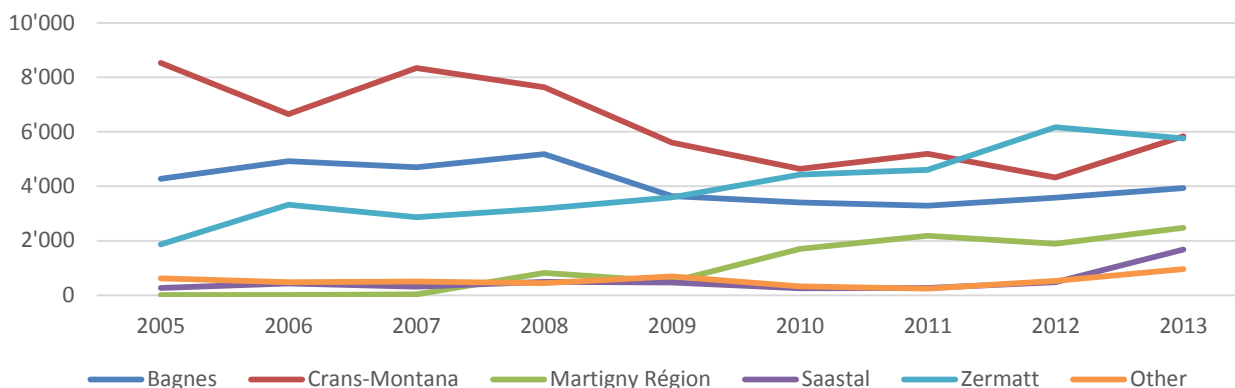
4.3. Main destinations in Valais: overnights and length of stay

Figure 4.9 shows the development of overnights from the GCC tourists at the main destinations in Valais from 2005 to 2013. It is possible to note that:

- Martigny Région and Zermatt are the destinations that show a steady increase in overnights over years, particularly from 2009;
- Crans-Montana and Bagnes show a trend to a drop in overnights from 2008 although with a different pattern: while overnights at Crans-Montana experience an up-and-down pattern after 2008, Bagnes displays a more regular development with a small take in 2011;
- Saastal, which has accounted for about 500 overnights on average per year from 2005 to 2013, shows a growth in overnights from 2012;

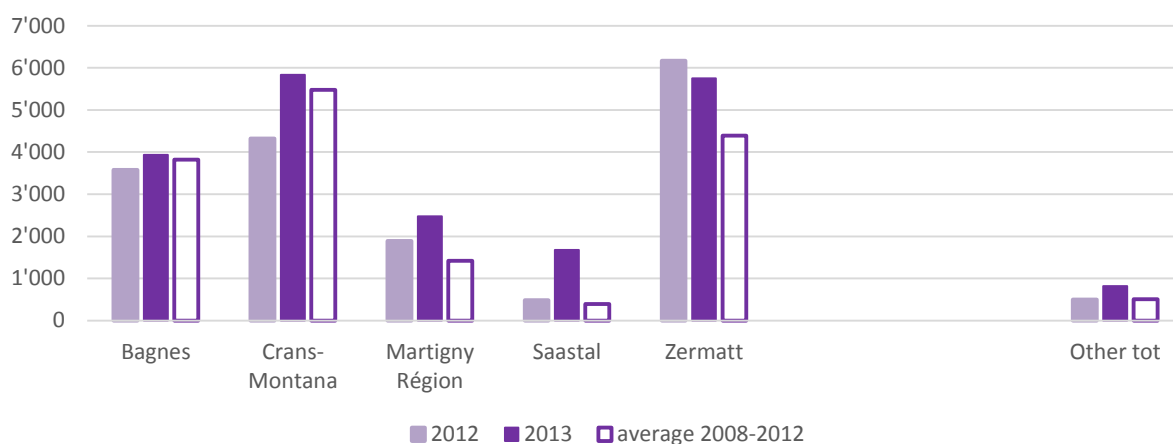
Note that overnights at the other destinations in Valais are aggregated under the group 'Other' which include destinations with a yearly average ranging from 3 overnights (Lötschental, the lowest) and 125 overnights (Leukerbad, the highest).

Figure 4.9 – Main destinations in Valais by overnights from the GCC tourists, 2005-2013



By examining the trend in overnights at the main destinations in Valais in recent years (figure 4.10), data show that in 2013 Crans Montana and Zermatt accounts for 28.2% (5'836 overnights) and 27.8% (5'750 overnights) of the GCC tourists overnight volume in Valais. Bagnes and Martigny Région follow with 19% and 12%, respectively.

Figure 4.10 – Main destinations in Valais by overnights from the GCC tourists, 2012, 2013, average 2008-2012



Among the destinations with significant overnights from the GCC tourists, Zermatt is the only one with a drop in overnights from 2012 to 2013 (-6.8%).

Other destinations (not shown in the figure) that account for a growth in the same period are Vallée du Trient (+400% with an average of 6 overnights), Sion Région (+137.9% with an average of 78.2 overnights), Sierre-Anniviers (222.9% with an average of 19.2 overnights), Ovronnaz (+159% with an average of 56.8 overnights) and Leukerbad (+49.7% with an average of 114.2 overnights). Except Ovronnaz, which account for a relatively small growth (+7.3%), all the other destinations maintain a steady growth from 2012 to 2013 as well. With respect to the average overnight volume over 2008-2012, Goms region has shown the highest growth, +564.4% (with an average of 29.8 overnights).

It is worth noting that such high percentage increases are a result of comparing a relatively large number and a small number in the base year, therefore these growth numbers call for attention when interpreting them. Therefore, the analysis of length of stay will be focused on the main destinations in Valais – Bagnes, Martigny Région, Crans-Montana, Saastal and Zermatt.

Results from the analysis of the length of stay at the main destinations in Valais also reveal interesting patterns that shed more light on the performance of the main destinations in Valais in terms of length of stay (Table 4.1). Firstly, Zermatt, which accounts for a length of stay of 2.5 day from the GCC tourists in 2013, has been experiencing a drop in length both with respect to the period 2008-2012 (-7.3%) and to 2012 (-4.8%). Also Bagnes shows a similar pattern, with a 6% drop in the length over the past six years and -5.4% with respect to 2012.

Conversely, Martigny Région and Saastal account for an increase in length of stay that has been larger with respect to the period 2008-2012 than with respect to 2012. Indeed, Martigny Région accounts for a 9.2% increase in length in the past 5 years against 5.3% growth from 2012, whereas Saastal has gained 29.6% growth in length over the period 2008-2012 against a 12.7% from 2012

**Table 4.1 - Length of stay at the main destinations in Valais:
2012-2013, average 2008-2012, % change**

	2012	2013	Average 2008-2012	% change	
				2013 vs average 2008-2012	2013 vs 2012
Bagnes	7.58	7.17	7.62	-6.0	-5.4
Crans-Montana	5.86	6.43	6.98	-7.9	9.6
Martigny Région	6.42	6.76	6.19	9.2	5.3
Saastal	4.74	5.33	4.11	29.6	12.7
Zermatt	2.64	2.51	2.71	-7.3	-4.8

Interestingly, Crans-Montana, which experiences a 7.9% decrease over the past six years, has been able to recover positively with 9.6% increase from 2012.

4.4. Accommodation categories

In Valais, overnight volume in accommodation under the category “other”⁴ accounts for 39% of total overnight volume in 2013; 4-star hotels and 5-star hotel follow with 29.2% overnights and 13.2% overnights respectively (Table 4.2). This is opposite to the trend observed in Switzerland, where 4-star and 5-star accommodations account for the largest share (42.6% and 30.8% respectively).

**Table 4.2 – Overnights from the GCC tourists in Valais and Switzerland by hotel category:
2013, % change 2013 vs 2012**

	2013		% change 2013 vs 2012	
	Valais	Switzerland	Valais	Switzerland
Other	38.8%	5.4%	15.0%	-26.6%
No category	1.3%	3.0%	-88.8%	16.7%
1-2 star	7.2%	2.7%	1'074.8%	56.9%
3 star	10.3%	15.5%	43.9%	27.6%
4 star	29.2%	42.6%	71.8%	46.1%
5 star	13.2%	30.8%	7.6%	1.6%

⁴ Accommodation with the ‘other’ category label include hotels with no star classification. These hotels can be good accommodation.

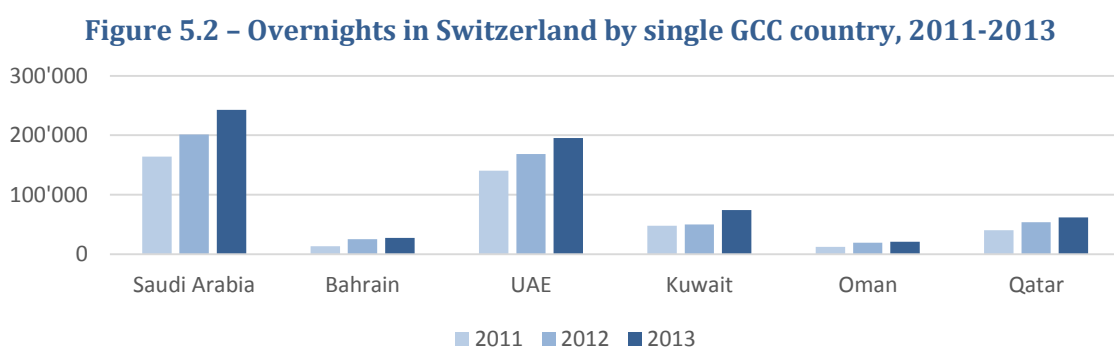
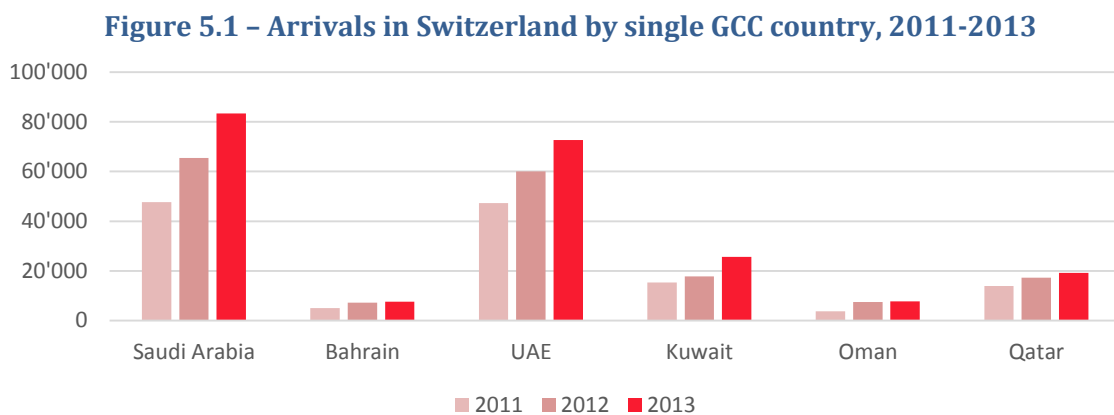
Data also show that overnights at 1- and 2-star hotels in Valais gain the most impressive growth over one year (+1'074.8%). At a national level, this category also gains the largest growth (+56.9%) with respect to the other categories. An increasing number of the GCC tourists coming from the emerging middle-income households in those countries, as well as young travelers who are experiencing their first time travel abroad, may explain this shift from upper categories to lower ones.

Chapter V: The GCC Outbound Travel: Insights across Single GCC Source Markets

This chapter examines the development of the GCC outbound travel market in Valais across single GCC source markets from 2011 to 2013. After an overview of the recent trends in arrivals and overnight in Switzerland and in Valais, the focus is on season, month and main destinations in Valais with a detailed analysis on the three source markets – Saudi Arabia, UAE and Kuwait – as to which destinations and which months tourists from each source market spend most their overnights.

5.1. Arrivals, overnights and length of stay in Switzerland by single GCC country

Disaggregate data on arrival and overnight volume by individual GCC source market from HESTA database allow to examine the development of outbound travel market in Switzerland from each one of the GCC countries from 2011 to 2013 (Figure 5.1 and Figure 5.2).



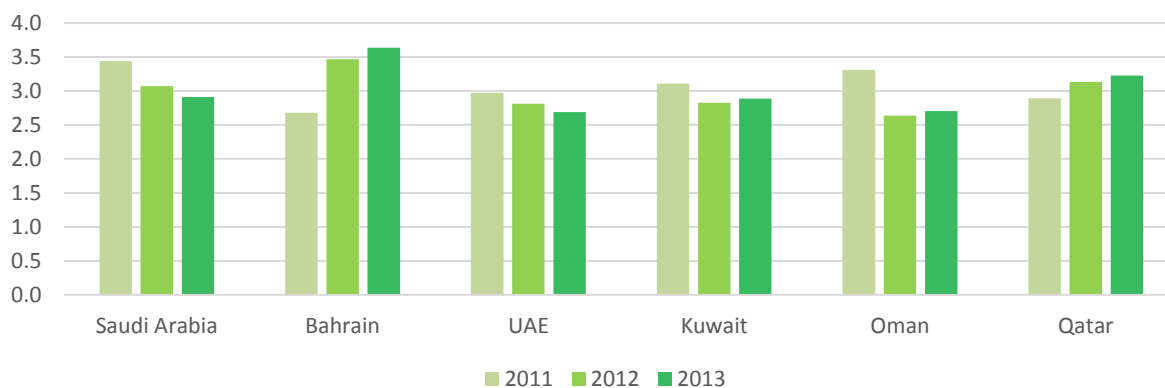
From 2011 to 2013, arrivals and overnights in Switzerland from all the GCC countries have steadily increased. However, across the GCC countries, Saudi Arabia and UAE show the largest arrivals and overnights; Saudi Arabia tops in 2013 with more than 83'000 arrivals and 243'000 overnights, +27.3% and +20.8% from 2012, respectively, and UAE follow with about 73'000 arrivals and 195'000 overnights, +21.2% and +15.9% from 2012, respectively.

Kuwait is the third GCC country by arrivals and overnights in Switzerland after Saudi Arabia and UAE, with about 26'000 arrivals and 74'000 overnights in 2013. Surprisingly, arrivals and overnights from Kuwait show the highest increase from 2012 to 2013: +44.6% in arrivals and +47.9% in overnights. Qatar follows with 19'000 arrivals and 62'000 overnights in 2013, +11.5% and +14.9% from 2012, respectively.

Both Oman and Bahrain show increase in arrivals and overnights less than 10% from 2012 to 2013.

Data on the length of stay in Switzerland by individual source market reveal interesting patterns (Figure 5.3). First, only the length of stay from tourists from Bahrain and Qatar has increased over the 3-year period. The length of stay from Bahrain tourists shows a higher increase from 2.7 days in 2011 to 3.6 days in 2013, whereas the length of stay from Qatar tourists has grown from 2.9 days in 2011 to 3.2 days in 2013.

Figure 5.3 – Length of stay from the GCC tourists in Switzerland by single GCC country, 2011-2013



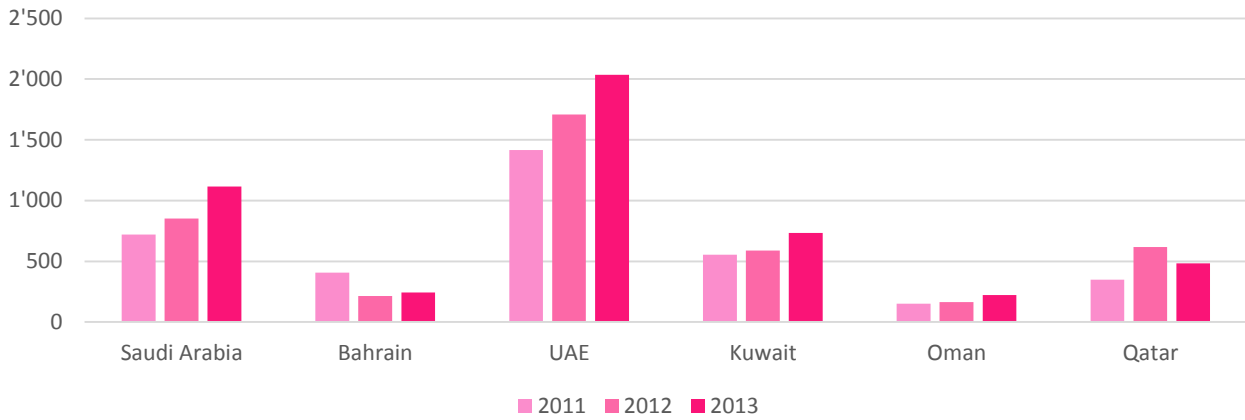
Conversely, the length of stay from the Saudi Arabia and the UAE tourists has decreased over years. This drop is higher for Saudi Arabia tourists as the length has reduced from 3.4 days in 2011 to 2.9 days in 2013.

The length of stay from Kuwait and Oman tourists follows the same trend. As to Kuwait, the length has reduced from 3.1 days in 2011 to 2.9 in 2013, whereas for Oman this drop has been larger, from 3.3 days in 2011 to 2.7 days in 2013.

5.2. Arrivals, Overnights and Length of Stay in Valais by Single GCC Country

Data on arrivals and overnights in Valais also show that Saudi Arabia, the UAE and Kuwait provide the largest contribution to tourism flows in Valais across all the GCC countries (Figure 5.4 and Figure 5.5). UAE tops with 2'000 arrivals and 7'600 overnights in 2013, +19% and +1.3% from 2012, respectively.

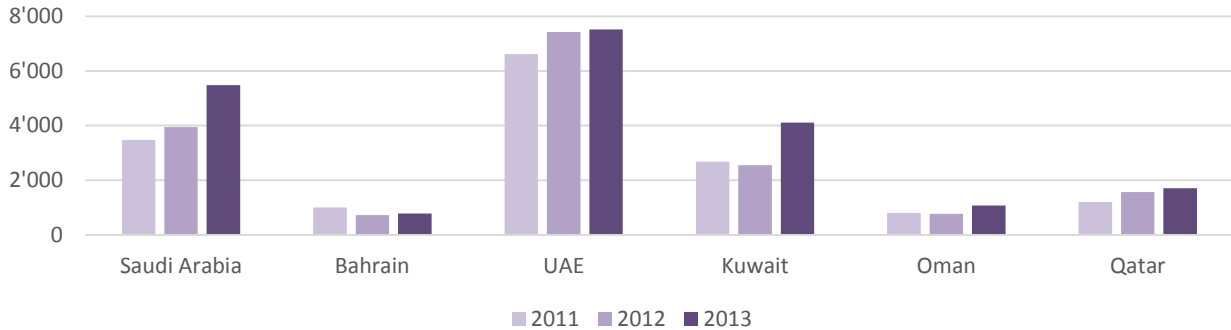
Figure 5.4 – Arrivals from the GCC tourists in Valais by single GCC country, 2011-2013



Saudi Arabia follows with more than 1'000 arrivals and 5'400 overnights in 2013, +30.7% and 38.8% from 2012, respectively.

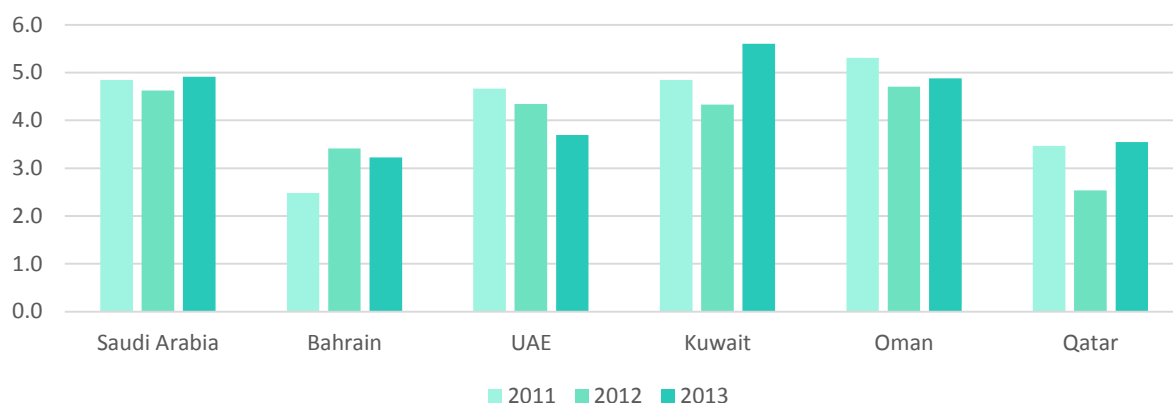
Kuwait accounts for 733 arrivals and 4'108 overnights in 2013, +24.4% and 61% from 2012, respectively.

Figure 5.5 – Overnights from the GCC tourists in Valais by single GCC country, 2011-2013



Insights into the length of stay in Valais by single GCC country show a differing development of length in Valais across all the GCC countries (Figure 5.6). First, the length of stay from the UAE has decreased from 4.7 days in 2011 to 3.7 days in 2013 and it accounts for 14.8% fall from 2012 to 2013. Saudi Arabia, the second source market in Valais, shows no significant change in the length.

Figure 5.6 – Length of stay from the GCC tourists in Valais by single GCC country, 2011-2013



Interestingly, across the major source markets, Kuwait accounts for the largest growth in the length from 4.8 days in 2011 to 5.6 days in 2013. Oman and Qatar also gain an increase in the length over 2012-2013.

5.3. Season in Valais by Single GCC Country

Previous analyses show that the GCC tourists in Valais concentrate their number of nights during summer, in February and in December.

Table 5.1 – Overnights from the GCC tourists in Valais by month and single GCC country, 2013

	Saudi Arabia	Bahrain	UAE	Kuwait	Oman	Qatar
January	621	383	881	111	20	54
February	639	39	1'416	782	289	446
March	418	16	949	152	371	153
April	210	2	573	66	260	216
May	39	5	145	37	6	47
June	1'218	30	423	370	18	42
July	348	126	476	148	32	141
August	1'046	76	1'289	1'807	78	232
September	139	91	298	450	3	55
October	85	8	210	41	4	30
November	8	--	50	--	2	6
December	708	8	809	144	--	288

Deeper insights into the behavior of the tourists from the individual GCC country in 2013 reveal interesting patterns (Table 5.1):

- Saudi Arabia tourists concentrate mostly their overnight in June and August with, respectively, 1'218 and 1'046 overnights;
- Tourists from Bahrain mostly spend their nights in January (383 overnights) and in July (126 overnights);
- Tourists from the UAE concentrate their overnights in February (1'416 overnights) and August (1'289 overnights);

- Kuwait travelers spend 1'807 overnights in August and 782 overnights in February;
- Oman travelers concentrate their overnights in March (371 overnights) and February (289 overnights)
- Tourists from Qatar concentrate their overnights in February (466 overnights) and in December (288 overnights).

5.4. Main Destinations in Valais by Single GCC Country

Table 5.2 provides a map of the distribution of overnights in 2013 at the main destinations in Valais by individual GCC country. Data show that as a whole, in 2013, except for Bagnes, all the main destinations in Valais gain most overnights from one specific GCC country. For instance, Crans Montana mostly gains overnights from Kuwait tourists, who top with more than 2'000 overnights, positioning before the UAE (with about 1'850 overnights) and Saudi Arabia (with 1'300 overnights). Whereas Martigny Région gains most overnights from the UAE tourists, who spend about 1'200 overnights in 2013. Oman follows at a large distance with 600 overnights.

Saastal is the mostly preferred by Saudi Arabia as it counts about 900 overnights from this source market and Bahrain follows with 300 overnights. Zermatt gains most overnights from the UAE and Qatar, which account for 2'400 and about 1'050 overnights, respectively.

Table 5.2 – Overnights at the main destinations in Valais by single GCC country, 2013

	Saudi Arabia	Bahrain	UAE	Kuwait	Oman	Qatar
Bagnes	1'545	30	1'504	636	24	195
Crans-Montana	1'311	99	1'847	2'163	289	127
Martigny Région	401	1	1'191	284	597	--
Saastal	874	310	162	3	30	296
Zermatt	950	334	2'408	881	140	1'037

Differently, Bagnes gains approximately an equal overnight volume from tourists from Saudi Arabia and the UAE, with about 1'500 overnights from each country – although Saudi Arabia accounts for more about 50 overnights than the UAE. Kuwait ranks third with slightly more than 600 overnights.

5.4.1. The Main Five Destinations in Valais by Single GCC Country and Months of Year: A Focus on Saudi Arabia, UAE and Kuwait

The previous analysis on the main destinations in Valais by single GCC country seemingly reveals that tourists from a particular GCC country may favor one or more particular destinations in Valais. Considering this association, the focus of this section is to shed light on the behavior of tourists from the three key source markets – Saudi Arabia, UAE and Kuwait – to the main destinations according to the months of year.

Table 5.3 displays the distribution of overnights in 2013 at the main five destinations in Valais from the Saudi Arabia tourists by months of year. Data show that Crans-Montana gains overnights from this GCC

country throughout the year, with a concentration in June (300 overnights, that is 22.9% of total overnight volume from Saudi tourists in Crans-Montana) and August (379 overnights, for a 28.9% share) and December (18.8% share) as well.

Zermatt also accounts for overnights from the Saudi tourists throughout the year except for November. Overnights are concentrated in summer with June and August which account for, respectively, 19.5% (185 overnights) and 26.7% (254 overnights) of the total overnight volume. March gains 105 overnights in 2013 (11.1% of the total volume), which is the highest volume in winter.

**Table 5.3 – Overnights by top five destinations and months of year:
Saudi Arabia, 2013**

	Bagnes	Crans-Montana	Martigny Région	Saastal	Zermatt
January	289	84	192	7	44
February	20	64	--	520	35
March	55	79	--	135	105
April	--	39	--	157	12
May	--	6	--	--	31
June	680	300	--	1	185
July	204	66	--	--	70
August	161	379	6	27	254
September	--	35	1	4	81
October	--	11	--	--	38
November	--	2	--	6	--
December	136	246	202	17	95

Interestingly, Martigny Région mostly gains overnights which are concentrated in January and December (about 50% share each).

As far as the UAE tourists regards, Crans-Montana and Zermatt are the two destinations where the UAE spent most overnights throughout 2013 (Table 5.4). However, while Crans-Montana appears to be mostly a winter

**Table 5.4 – Overnights by top five destinations and months of year:
UAE, 2013**

	Bagnes	Crans-Montana	Martigny Région	Saastal	Zermatt
January	252	381	132	--	103
February	230	587	470	8	101
March	334	92	379	14	124
April	138	207	--	28	193
May	--	11	--	4	81
June	85	33	22	1	240
July	144	32	55	--	228
August	85	253	4	17	732
September	--	113	1	--	184
October	--	12	--	--	194
November	--	2	--	--	42
December	236	124	128	90	186

destination (with January and February accounting for, respectively, about 400 and 600 overnights), Zermatt gains higher overnights in summer, with overnights distributed from June (240 overnights in 2013) to August (about 700 overnights, the highest accounted) and, to a minor extent, in September and October.

Crans-Montana and Zermatt also gain most overnights almost throughout the year from the Kuwait tourists (Table 5.5). Interestingly, Crans-Montana attracts an impressive overnight volume in July, which accounts for 64.2% share (about 1'400 overnights) in 2013.

**Table 5.5 – Overnights by top five destinations and months of year:
Kuwait, 2013**

	Bagnes	Crans-Montana	Martigny Région	Saastal	Zermatt
January	22	30	--	--	51
February	393	89	235	--	65
March	35	10	49	3	55
April	--	6	--	--	66
May	--	178	--	--	31
June	52	99	--	--	136
July	15	1 389	--	--	34
August	39	--	--	--	290
September	--	316	--	--	96
October	--	--	--	--	14
November	--	25	--	--	--
December	80	21	--	--	43

Despite the distribution of overnights throughout the year, Crans-Montana and Zermatt remain mainly summer destinations to Kuwait tourists as the larger overnight volume is concentrated from June to August and September.

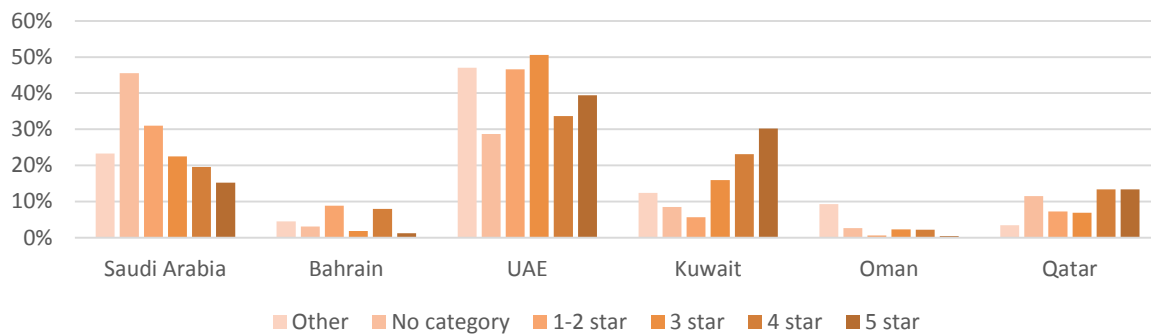
Among the main destinations in Valais, Saastal accounts for only 3 overnights over all the year.

5.5. Accommodation Categories

The analysis of the development of overnight volume from 2011 to 2013 with respect to hotel category and the GCC source market reveals that tourists from Saudi Arabia seemingly favor to spend overnights at ‘no category’ accommodation as this category gains 45.5% overnights from Saudi Arabia (Figure 5.7).

Conversely, overnights at 3-star accommodation gain the largest share (50.6%) with UAE tourists. Accommodation under ‘other’ classification (that is, it is not possible to gain information for this kind of accommodation) follows behind with 47.1% overnights spent by the UAE tourists.

Figure 5.7 – Overnights from the GCC tourists by hotel category and by the individual GCC source markets: average value (%), 2011-2013



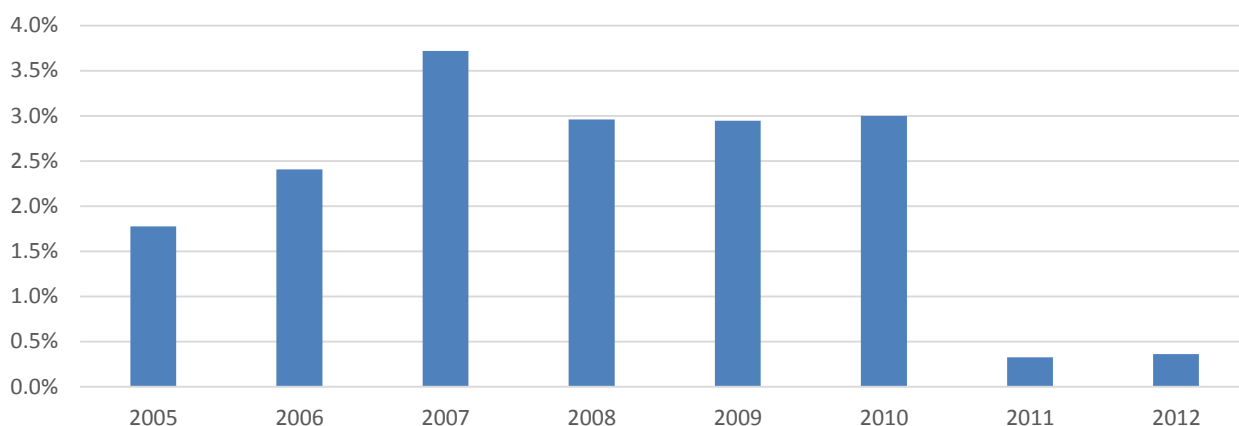
For Kuwait tourists, accommodation at 5-star hotels gains 30.2% overnights on average over the same period. Qatar tourists equally spend their nights at 4- and 5-star hotels on average (13.4%) whereas Bahrain tourists spend slightly more overnights at 1- and 2-star (8.3%) against 4-star hotels (8%). Oman tourists’ overnights at accommodation under the category “other” account for 9.3%, the largest share for the tourists from this country.

Chapter VI: Apartment Occupancy

This chapter examines the development of apartment occupancy from the GCC tourists in Valais. The data are sourced from OVT (2014).

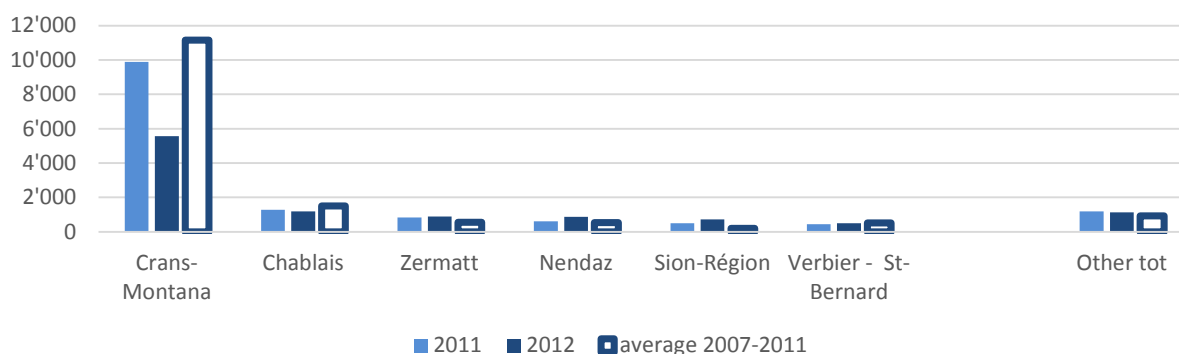
Some regions in Valais are homes to GCC tourists as well. These apartments/chalets are a mix of secondary homes and rented apartments/chalet from agencies. The share of apartment occupancy from the GCC tourists has increased until 2007 when it reaches a peak (3.7%); it maintains a stable level (around 2.9% on average) from 2008 to 2010. In 2011, this share drops dramatically to 0.3% and gains a 0.1% increase one year later (Figure 6.1).

Figure 6.1 – Share of apartment occupancy from the GCC tourists vs non-GCC tourists (%), 2005-2012



In terms of apartment occupancy in the main regions in Valais, in 2012 Crans Montana tops with 5'600 overnights (51.2% apartment occupancy) spent by the GCC tourists in these apartments/chalets. However, apartment occupancy in this region drops by 6% from 67.1% in 2011, the largest fall registered. Chablais region ranks second with 10.9% apartment occupancy. Zermatt, Nendaz, Sion Region and Leukerbad follow with from 5.1% to 8.2% occupancy, whereas the remaining regions, such as Saastal, Martigny Region, account for about 10% occupancy altogether.

Figure 6.2 – Main regions in Valais by apartment occupancy (overnights), 2011, 2012, average 2007-2011



Moreover, Crans Montana and Chablais are the two regions that in recent years show a remarkable downfall (between -50.1% and -3.7%) in apartment occupancy with respect to the average apartment

occupancy from 2007 to 2011. Conversely, Sion Région and Nendaz have gained larger apartment occupancy more recently with +259.9% and +62.6% growth respectively.

As far as the 'minor' regions (which are grouped under 'other tot') regards (Table 6.1), Leukerbad has gained steady growth over 2007-2011, particularly over 2011-2012 when it accounts for +377.4% growth (from 115 overnights in 2011 to 549 overnights in 2012). Also Lötschental accounts for an increase in apartment occupancy over years although at a lower rate (+44.8%).

**Table 6.1 - Apartment occupancy from the GCC tourists in minor regions in Valais:
2011-2012, average 2007-2011, % change**

Other tot	2011	2012	Average 2007-2011	% change	
				2012 vs average	2012 vs 2011
Aletsch	267	202	268.8	-46,4%	-80,9%
Goms	6	-	21.3	-100.0%	-100.0%
Leukerbad	115	549	221.6	147,7%	377,4%
Lötschental	58	84	58.0	44,8%	44,8%
Martigny Région	249	171	129.0	32,6%	-31,3%
Rund um Visp	-	-	24.0	-100,0%	-
Saas-Fee / Saastal	409	202	268.8	-24,9%	-50,6%
Sierre-Anniviers	89	75	108.0	-30,6%	-15,7%

Chapter VII: Conclusion

The GCC (Gulf Cooperation Council) countries are a key source market for outbound tourism in the Middle East region and an emerging one for international outbound tourism. There is a great potential for growth in international outbound travel flows from the Gulf region in the next few years if some factors are considered. Those include: the fast-growing population in this region with the considerably young nature of population itself; an emerging middle-income class, as well as the high spending that traditionally characterizes outbound tourists from this region. All this makes the GCC countries a very attractive and lucrative market. However, this market pose important challenges to Western tourism operators and policy makers as to the understanding of cultural, religious and societal characteristics of travelers from this region.

A key pattern of travel behavior of the GCC outbound tourists is that they are used to travel with their family members. This may imply travelling with the extended family on particular occasions and/or even with family help personnel. So, the number of people travelling as a family may vary according to the occasion and the source market of origin. Indeed, although the six GCC countries share common religious and cultural aspects, there are small differences as to habits and traditions that distinguish each source market one from the other and only constant attention from tour operators to the needs of these tourists may help better understand them.

Within the family framework, with the internet and smart phones available, children are starting to have an influence on the family when discussing holiday and vacation options (e.g. going to Disneyland, skiing, etc.) as many parents believe that they live for their children and therefore they take their opinions into serious consideration ((Visit Britain, 2010), (Dubai Office, 2014)). Considering the remarkably young nature of the GCC population, especially in Saudi Arabia and Kuwait, children and young people are expected to become key decision-makers as to traveling. These *‘first-time travelers’* or *‘coming-of-age’* travelers will look for new experiences and are in favor of technology and social media. Hence, this segment of *‘tomorrow’s decision-makers will conduct end-to-end research online, make reservations and bookings independently, and share their experiences with their social network in various forms including reviews, photographs, and videos’* (Frost & Sullivan and Insights Middle East, 2014, p11).

Another pattern to consider as to GCC tourists is that while on holiday they tend to avoid places frequented by other GCC travelers as they prefer experiencing personal freedom and not feel as if they are being observed or judged (Visit Britain, 2010).

The majority of visitors from the Gulf like sightseeing tours in Switzerland and Europe. Some of their most popular activities include visits to natural sites, shopping, excursions by cable cars or other ski lifts, boat trips, as well as frequenting bars, clubs, discos and casinos. This indicates that despite their traditional clothing, some tourists from the Gulf do not mind the Western way of life; they also sometimes drink alcohol but rarely in public (Hotelleriesuisse & Suisse Tourisme, 2013). It is concluded that in Valais there are not enough night life activities. GCC travelers are accustomed to go out at night and apart from walking around and perhaps having some of the restaurants open, there is not much to do in Valais in the evenings.

In Switzerland, tourists from the GCC countries typically visit Bernese Oberland, Zurich Region and Lake Geneva Region with the preferred being Beatenberg, Unterseen, Interlaken, Le Grand-Saconnex, Geneva, and Montreux. In fact these regions receive about 79% of visitors from the overall GCC visitors to Switzerland while Valais receives about 3.3% of the overall visitors to Switzerland (Table 3.2 & Figure 3.6). Nonetheless, data analysis confirms a trend that has risen in recent years: visitors from GCC like

diversification and therefore they look for new destinations. Ticino, St. Moritz Engadin and Gstaad in Bernese Oberland are expected to gain GCC tourists in the mid-term period (Switzerland Tourism, 2014).

In addition to rest, discovery and business, some visitors come to Switzerland for medical treatment. Generally, they combine family holidays with medical treatment. In recent years, an increasing number of honeymooners have been attracted to Switzerland which confirms that Switzerland as a destination is good for newlywed young couples. Additionally, middle class families are noticed to arrive in Switzerland, and although they do not have the same purchasing power as the luxury guest, they claim similar type of hospitality. Despite the GCC tourists' attraction to sightseeing and nature in Switzerland, Switzerland is not perceived as a family friendly destination as Switzerland lacks adequate facilities and entertainment facilities for children of the GCC tourists such as play areas in restaurants or special programs and activities organized by hotels or the destination for children and teenagers of different age groups.

GCC tourists are well known to be high spenders for luxury goods. More specifically, in the context of Switzerland, the average spend of an individual is US\$594 and equivalent to CHF530 as reported by Swiss tourism ((24 For Media Studies, 2014) (UNWTO, 2012)). For instance, *'Saudi travelers are willing to pay high prices and spend 7 times more than a European counterpart'*. In addition to luxury, they are attracted by service excellence and the most innovative technology of consumer products such as smart phones, smart watches, tablets, etc. This provides a potential not only to promote such commodities but also to use these technologies as a platform for travel services available to the tourists while at the destination.

Policy Implications for Valais Region

With the GCC countries being family-centered, values are a critical pillar of society; it is important to consider all facets that this implies. Therefore, it is important to segment across the GCC tourists markets in order to make the appropriate offers. The main products for tourism remain leisure, shopping and medical (Dubai Office, 2014). Some of the main leisure activities include walking about and enjoying the atmosphere, relaxing, enjoying the hotel/resort and its facilities, enjoying the weather, shopping, dining out, going to beaches and the seaside, going on sightseeing excursions, touring and driving around and visiting friends and relatives. Overall, they enjoy the diversity of outdoor activities, lake and mountain landscapes, the fresh mountain air and hiking trails. Some visitors are interested in historical places, are willing to undertake nature excursions and others do not mind as well casinos and nightclubs. (UNWTO, 2012) (Hotelleriesuisse & Suisse Tourisme, 2013)). However, over the years other interests started to surface among travelers such as snow/ski holidays, spa/health oriented holidays, sporting holidays including golfing trips, music/cultural/sport events, cruise holidays and adventure trips (UNWTO, 2012).

Sporting events on the other hand are very popular in GCC countries, particularly, football, golf and motorsport. Western sports culture is not always understood by Muslim visitors but younger generation of men and women are increasingly interested in "soft adventures" such as paragliding and water sports. In Arab culture, men and women practice some sports separately, especially swimming. In hotels, it is recommended to organize pool schedules including the provision of hours reserved for women. It is not uncommon to see some clients entering the swimming pool area with leggings, t-shirt, wearing a scarf or a veil (Hotelleriesuisse & Suisse Tourisme, 2013).

Flexibility is an important element particularly that the GCC traveler is a last minute decision maker. This is not only in the context of booking their travel but also while at the destination. Creativity and spontaneous propositions by the service sector is highly appreciated by this market segment.

Furthermore, wellness and beauty, more particularly to the female GCC traveler is important. This implies another program or product development adapted for this segment in the domain of Health and Wellness tourism in Valais.

Bearing the above in mind, Valais enjoys a diversity of natural attractions and resources that could appeal to the GCC traveler. Proper policies should consider further market segmentation and diversification by traveler target and source market. Market segmentation implies that within the family focus travel there exist other markets or sub markets consisting couples (young or old), honeymooners, and youth, each one with their own needs and expectations in relation to tourism experiences. So, the service provider needs to consider programs and activities for all family members. Diversification implies that tailored services and offers based on the traveler target should be provided in addition to a core offer.

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APPENDIX

Intercultural Communication Notes

Trade & Business

Arabs are known to be natural traders who master the art of reading faces. So, it is advised not to reveal weaknesses, show impatience or other emotions when in contact with them. In business, Arabs are well prepared to negotiate with people. They have a taste for risk depending on the domain of business.

Additionally, in the Arab society a hierarchical structure exists where differences in the social order are well accepted. The social status of a person depends on family, relationship with the government or organization, knowledge and financial status. The business world is predominantly male oriented. A fundamental principle is to "always save face", whether in business or in the private sphere. So, one should be cautious with public criticism.

Although Arabs are known to be less individualistic than Europeans and feel good in a group, in trade negotiations, people often play a more important role than the company. Thus, a good business relationship is based on good personal relationship. Furthermore, time has less importance than in Europe, which represents a difficulty for Europeans when trading with Arabs from the Gulf countries. Patience therefore is a key to success.

When it comes to communication, Arabs prefer an indirect form and their mode of communication is based on rhetoric, exaggeration and repetition. The tactics for many is to hide behind those persons who have a higher status to avoid giving a clear and final answer. Therefore, they would invoke the superior, the family, the state, or even God when they use the phrase "Inshallah" (if God is willing). In discussions, they may also not react in certain situations, but one should not see a positive or a negative sign.

People who trade with Arabs have an interest in whether their interlocutor is really authorized to conduct business in question. It is advisable to even determine who really makes the decisions, as it is not necessarily the interlocutor or the person conducting the talks. In the Arab world, intermediaries have a central role. They are often very influential keys actors and can open doors and overcome difficulties.

Gifts are highly appreciated and the exchange of gifts between trading partners is common. These must be of value and convey a positive image. As long as the objects are in accordance with the principles of Islam, all shapes and colors are allowed. Honey and typically Swiss souvenirs are highly welcomed (Hotelleriesuisse & Suisse Tourisme, 2013).

Guests enjoy remarks of respect towards their culture and religion. Even small gestures can play a factor such as providing Arab TV channels for children, prayer mat with compass, extra towels for ablutions, addresses of mosques or places of prayers, halal shops and restaurants. In the event of having a large group of practicing Muslim visitors in hotels, it is recommended to provide a prayer room and include 'Halal' on the menu (Hotelleriesuisse & Suisse Tourisme, 2013).

Tips for doing business

With Tour operators

- Try to introduce new products, despite that the Middle East market is a buyer's market.
- Many GCC agencies have expat staffs and managers, with short-term goals, please keep that in mind when giving credit.
- Travel to Thailand is starting to be year round, so continuous offers is good a strategy
- Bundle secondary destinations together and in the presentation to the offer.
- Work in educating the agents not only selling them.

For Hotels

- Hotels to target consumers in their advertising, to generate awareness, but not attempt to sell direct as they will lose the support of the agencies.
- Provide basic cultural requirements such as the hose in the toilets
- In buffets strictly mark the pork or halal food
- Breakfast have a vegetarian pan for the live egg station
- Kids Clubs, actively promote them, as well as have some genuine activates not, only easy access to video games, especially in the hotels in remote beach areas.
- All-inclusive offers.

Source: Based on (Dubai Office, 2014)

Food

- Generally do not serve pork, rare meat or alcohol.
- Offer your guests halal dishes, fish, seafood and vegetarian dishes.
- Arabs consume large quantities of bread and their preference is pita bread.
- Complement the international breakfast buffet with fruits, juices and point out the type of meat products containing pork.
- Drinks are usually ordered during or after the meal. Make water at disposition to your guests spontaneously.
- Arabs usually drink plain water. Be sure to offer a wide selection of soft drinks, including fruit juices.
- Tea is the favorite beverage of Arab guests. They like it sweet and can be served with fresh mint leaves. It is ideal as a welcome drink, as well as freshly squeezed juices.
- Coffee drunk in the Gulf countries is prepared with cardamom. Turkish coffee is also drunk sweet.
- Desserts: Always have the dates on the tables. Many varieties of this fruit are unknown in Switzerland. Desserts and very sweet especially the pastry made with hazelnuts, walnuts, almonds, pistachios and honey. Chocolate (without alcohol) as well as ice cream is well appreciated in summer.
- Breakfast takes place between 10 and 12, evening meal between 21 and 23 and at noon they normally have a little snack. Children are served first. It is not uncommon that they ask to take away the leftover so ask your guests if they wish to do so. (Hotelleriesuisse & Suisse Tourisme, 2013)

Eating Habits

Generally speaking, practicing Muslims follow a dietary code which forbids the consumption of pork and alcohol. They eat halal, which means that the meat must come from animals killed according to Muslim ritual. When halal meat is not available, Muslims eat fish or vegetarian dishes. Yet, these clients do not mind local specialties as long as they are halal. For hotels therefore, it is not always easy to cater for the Arab Muslim client as some visitors bring their food with them and prepare their meals in their rooms and in certain traditional families, men and women eat separately (Hotelleriesuisse & Suisse Tourisme, 2013). In Zell am See, an Austrian resort it was reported that visitors *'bring their own traditions such as haggling in the shops over purchases and some cook in their hotel rooms which some see as a fire and health hazard'* (Planetski.eu, 2014).

Most of the time, visitors from the Middle East eat in silence. They are particularly fond of buffets that allow them to choose from many dishes. They prefer dishes with vegetables, meat and rice. Lamb, poultry and fish are always welcomed. The Gulf Cuisine has many Mediterranean flavors. In Europe, the Arabs rarely eat by hand. Dessert, coffee and tea are immediately served after the meal and they leave their table as soon as the meal is finished (Hotelleriesuisse & Suisse Tourisme, 2013).

Dress code in the GCC countries

Men and women use traditional style of dressing in the GCC countries. These are exhibited in a long dress shirt with long sleeves (dishdasha or thobe). In summer the dress is white and in winter darker colors such as cream, brown or gray are used. On top of the dress (thobe) a coat (abaya) is worn. On the head, men wear traditional ghutra or shmagh. This square of cloth can be white (Emirates Arab states, especially Qatar), white and red or black and white (especially Saudi Arabia) or white and gold (Oman). This scarf is maintained by a black cord called *'agal'*. When travelling abroad, Arabs from the Gulf dress in Western style.

Apart from Saudi Arabia, there are no dress codes for women. Muslim women wear a scarf (hijab) or a veil with which they cover part of the face (niqab). Women in the Gulf countries often wear the *'abaya'*, a long black coat, with or without niqab. The veil can be a sign of deep attachment to Islam, but many women are veiled due to social convention. Some women can be seen hiding a portion of their head and some others also go out bareheaded (Hotelleriesuisse & Suisse Tourisme, 2013).

Other Characteristics

- Most visitors from Gulf countries still book through traditional channels. It is not rare to find travel agencies belonging directly to families.
- Personal recommendations via Arab family networks are paramount.
- Women play a vital role in the choice of holiday destinations, accommodation and activities.
- Guests from Gulf countries who travel with their servants pay greater attention to reporting hierarchal relationships when booking.
- Most Arab guests speak English well enough. They usually speak loud and with use gestures.
- Arab vacationers are rarely in a hurry when they travel. They sometimes change their plans; even the date of their departure is often undefined. Generally, they consider longer stays.

- Avoid looking at a person of the opposite sex in the eye neither extend visual contact with older people.
- When welcome your guests wait for the person of the opposite sex to reach your hand first before you reach out your hand to them.
- Never scold a child directly but try to speak to his father or an older member of the family drawing their attention to the internal rules and children behavior in a diplomatic manner.
- It is rare that Arab guests programs or book excursions in advance. They appreciate the complementary proposition of hotels and offers of tourist offices. (Hotelleriesuisse & Suisse Tourisme, 2013)

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