



Service Quality of Hotels in Abu Dhabi, UAE

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ABSTRACT

Objective – The hotel Industry in the United Arab Emirates (UAE), particularly in Abu Dhabi, is characterized by many luxury hotels (chains) and affordable accommodations. This study seeks to understand the service quality provided by such hotels by gauging hotel guests perceptions and responses.

Methodology/Technique – This study uses the descriptive-survey research approach to determine the service quality of the hospitality service among hotels in Abu Dhabi, UAE. A questionnaire was designed and pre-tested for reliability and validity before it was administered. The responses and interview answers of 50 hotel guests of different cultures and countries were gathered. Majority of them were tourists and travellers.

Findings – Analysis of data disclosed that the service quality of hotels in Abu Dhabi was appraised as “very good to excellent”. Customer service and the quality of services were two important variables that play a major role in the hotel industry.

Novelty – The hotel industry in the UAE is sustainable due to the UAE’s progressive plans and competitiveness.

Type of Paper: Empirical

Keywords: Tourism; Tourist, Service Quality; Customer Service; Hospitality Management.

JEL Classification: M10, M31.

1. Introduction

The Middle East has become a major centre of world affairs, serving as a melting point for cross-cultural diversity and major religions. The Middle East is also one of the most exciting places to travel in the world due to its history and mystery. It attracts large numbers of tourists annually. Hotel services in the Middle East is thus very important as it meets the needs of the tourists, travellers and back packers. Bad services, if not addressed, can quickly be conveyed by the dissatisfied hotel guests, to the detriment of the hotels. Among all the countries located in the Middle East region, the UAE possesses one of the most highly-developed economies in the Gulf region as well as the world. Its oil reserves is ranked sixth-largest in the world with a high per capita gross domestic product (GDP).

The oil and gas industries in the UAE has attracted a huge influx of foreign workers who, together with expatriates, now make up more than three quarters of the population. The UAE is one of the most liberal

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countries in the Gulf region, opening its doors for business to the world. The UAE government is also beginning to realize and capitalize on other sources as a means to ignite its economy. This is done by diversifying valuable sources like banking and finance, investment, real state, aviation, manufacturing and tourism.

Abu Dhabi's growth can be traced back to the latter half of the 20th century with the discovery of massive offshore oil reserves in 1958. This discovery of oil and other petroleum products, as one of the country's distinct asset, had helped to shape the nation's growth and progress where before the country was highly dependent on fishing, pearl diving, farming, poultry, herding, agriculture and importation to other countries.

Today, Abu Dhabi is perhaps one of the most modern cities in the world, known for its notable coasts, high-rise skyscrapers, luxury hotel chains and restaurants, souks, parks, museums and opulent shopping malls. The capital city also welcomes multicultural diversity made up of diverse tourists, travellers, and backpackers of different cultures moving freely and exploring the rich heritage and the Arab cultures of the country. Abu Dhabi is the second most expensive city for expatriate employees in the Middle East region and it is the 50th most expensive city to live in the world. According to Fortune and CNN, Abu Dhabi is the richest city in the world. This reputation has caused Abu Dhabi to become a challenge for tourists, travellers and back packers to visit and explore.

The hotel industry in the UAE, particularly in the capital of Abu Dhabi, is characterized by its many luxury hotels (chains) and affordable accommodations. As tourism is linked to the hotel industry, this study seeks to find out the service quality offered by hotels to its guests/customers. Data for this study were drawn from the responses, perceptions and interviews of guests and customers. The target respondents of this study are non-residents who came from other parts of the world and were visiting the UAE. The methodology, conclusion and discussions of this paper were drawn from the theory-based survey method which was then administered on 50 respondents.

Industry background: Travel and Tourism in United Arab Emirates

In defining the Travel and Tourism activity, the definition provided by the TSA-RMF was applied and this is referred to as "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not remunerated from within the place visited". The phrase "usual environment" is introduced for the purpose of excluding it from the concept of 'visitor' persons who are commuting every day between their homes and place of work or study, or other places frequently visited. In a report conducted by the World Travel and Tourism Council (2014), it was predicted that visitor exports that is spending by inbound international visitors, is expected to be more than AED 10 billion in 2015, representing 8.2 per cent of the country's total exports. Over the next decade, this result is expected to grow by at least 9.5 per cent to become AED15.8 billion (US\$4.3 billion).

The Gross Domestic Product (GDP) and the Travel and Tourism's contribution to the UAE's economy has a direct industry impact on more than 8.5 per cent of the total GDP. The combined direct and indirect impact of the Travel and Tourism economy is expected to total more than 15%. The employment tourism brings to the economy is perhaps one of its important contributions, accounting for more than 40,000 jobs. Due to its nature and its inter related industry, tourism is also supporting other industries like aviation and transportation, banking and finance, food and dining, and many more. Travel and tourism professionals account for more than 200,000 jobs which is more than 15% of the total employment of the country.

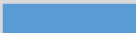










Tourism is expected to increase even more with the depreciating value of the Russian ruble and this country will be seeing more Russians travelling to the UAE. According to TRA (Abu Dhabi Tourism and culture Authority), the government will also be focusing on the UK, China, India, Germany, Australia, and the GCC, all large source markets, as UAE's source of income. The UAE is also looking at the untapped markets of Morocco, Scotland, Hong Kong, and Brisbane, places where the Etihad Airways has just recently launched new routes to. In the first 11 months of 2015, hotel revenues had totaled Dh5.99 billion, six per cent higher from the Dh5.64 billion recorded in the same period in 2014.

This year, the TCA is looking at leveraging developments such as the new cruise terminal at Zayed Port, which is set to boost cruise tourism in Abu Dhabi. This includes the leveraging of archaeological sites in Al Ain which continues to be a key component of the country's overall tourism program. The archaeological sites and ancient civilizations of Al Ain are UNESCO inscribed world heritage sites since 2011. Thus, they will be of incredible value as a regional tourism differentiator. The opportunity to develop cultural tourism is at the heart of the country's promotional push, in line with its commitment to protect, conserve, maintain, and celebrate Abu Dhabi's heritage (TCA, 2015).

The Hotel Industry in Abu Dhabi, United Arab Emirates

Due to the rapid growth and rise of tourists travelling to Abu Dhabi, UAE, the number of hotels and accommodation had multiplied. The table below illustrates. All of these were developed to sustain the influx of tourists, travelers and backpackers. Both 5 star and 4 star hotels account for 44% of the total, (74 out of 168).

Table 1. Hotel Establishment Statistics 2015

December 2015	Hotels & Apartments	Rooms (Total Inventory)	Share %
Hotel Establishments	168	29,760	 100%
Hotels	109	23,063	 77 %
5 Star	39	10,785	
4 Star	35	7,275	
3 Star	21	3,788	
2 Star	9	855	
1 Star	5	360	
Hotel Apartments	59	6697	 23%
Deluxe	20	3,301	
Superior	23	2,538	
Standard	16	858	

Source: Abu Dhabi Tourism and Culture Authority

Compared to 2014, statistics show that there is an increase of 18% in 2015 with the total number of hotel guest arrivals touching 4,105,846. The number of hotel guest nights had increased by 17% to 12,243,096 guest nights. The average length of stay for 2015, however, had decreased by 0.3% when compared to 2014 but hotel occupancy had increased by 1% increase (75.4) in comparison to 2014. (Abu Dhabi – Tourism and Culture Authority, 2015).

Table 2. Hotel Establishments Main Indicator Summary 2015

Indicator	Month of December		
	2015	2014	Growth Rate %
Actual Guest Arrivals	389,728	343,700	13% ▲
Guest Nights	1,359,734	989,162	37% ▲
Room Nights	800,463	661,250	21% ▲
Average Length Of Stay	3.49	2.88	21% ▲
Occupancy Rate%	77%	78%	-2% ▼
Room Revenue	325,817,670	334,635,969	-3% ▼
Food And Beverages Revenues	224,644,762	239,200,597	-6% ▼
Other Revenue	77,824,484	70,849,322	10% ▲
Total Revenue	628,286,946	644,685,887	-3% ▼
ARR	462	485	-5% ▼
REV PAR	356	379	-6% ▼

Source: Abu Dhabi Tourism and Culture Authority

The data and information provided suggest a very impressive figure for the local hotel scene but it has not been ascertained what the service quality of these hotels are like. Thus, the trigger for this study, as the aim suggests, is to find out how the occupants of the hotels reacted to the services provided to them and how they viewed the quality of these services when staying in the hotels in Abu Dhabi. Recent statistics indicate that local occupants alone contributed to a total revenue of 6.62 Billion AED and room revenues had increased by 7% while food and beverages had decreased by 1% accordingly.

2. Review of Related Literature and Studies on Service Quality

Service quality is perhaps one of the most important disciplines in business management and quality management because the focus is on serving and improving customer service and relationship management. Thus, service quality is the gap between perceived services delivered and expected services.

Many studies (Bojanic & Rosen, 1994; Heung et al. 2000; Kwortnik, 2005) conducted in the past relate to the quality of services in the hotel industry. These studies mentioned the importance of service providers in influencing customers' perception of hotel services. One of the early studies looking at service quality was the research conducted by Parasuraman et al. (1988) who considered service quality dimensions as the prime determinants of customer satisfaction. In another study, Kwortnik (2005) noted that hotel service quality provided during unexpected disasters can indicate the ability of the hotel staff in designing and disseminating creative processes which were then used to determine service quality. These findings are very important for the hotel industry as a means to increase customer satisfaction. While it is important for the hotel guests to be able to provide feedback of the service quality, it is also important for hotels to gather feedback so as to enable hotel staffs to focus on those details and attention which can meet customers' needs. From these claims, it is therefore deduced that the concept of service represents the social interaction between service provider and customer in general. Service quality in the hospitality industry can be viewed as the total overall responses and experiences of customers when they visit a city or country. For example, service quality could be manifested in the way customers view the hotels when looking forward to getting a good sleep and comfort in their travels.

Kurtz and Clow (1998) claim that there is a need to focus on customers' perception of risk that is associated with services. This feedback is important for it could very much be linked to advertising, customers' own perception and the consistency in service delivery. All these are very important to both the hotel patrons as well as the hotel owners because as customers, they pay for the hotel accommodation and so they expect the services to commensurate with the amount they paid. Hotel owners want to use this information to further increase their competitiveness. Hotel patrons, as customers, are of different personalities, making their demands diverse but all of them would expect to get their money's worth for every stay they had transacted with the hotels. Abu Dhabi is the fourth top destination city in the Middle East and Africa. In the year 2016, it recorded a total of 3.14 million visitors, a number that increases annually and so far, it remains to be a place with the highest growth rate in the region. The amount of spending recorded for 2016 is 2.6 billion USD (Ravindranath, 2016)

3. Methodology

The variable used in this study includes customer service, accommodation, food and dining, and facilities. A random sample of 50 respondents' guest was identified for administering the survey questionnaire. The focus is on their hotel experience. The questionnaire was designed and pre-tested for reliability and validity. Hotel chains in the tourist club area of Yas Island and the Al Wahda mall were identified. Most of the respondents were staying only for a few days in Abu Dhabi and many would like to stretch their time in exploring tourist spots.

The research questionnaire composed of three parts. The first part comprised the demographic profile of the respondents including age, gender, educational attainment, citizenship, purpose of travel, income and profession. The second part of the questionnaire comprised a 7 Likert Scale for depicting the service quality ratings. The third and last part of the questionnaire comprised a set of open-ended questions which aims at drawing suggestion and recommendations for further improvement. The 50 respondents were identified based on their willingness to participate. Prior to the survey, rapport was established so as to gain trust and confidence before administering the questionnaire. Respondents were then briefed on the research aim and for consent. Responses were then collected on the spot. The target respondents were non-residents of the UAE.

4. Results and Discussion

The result of the demographic profile indicates that the respondents varied across culture and region. Their working profession also varied, ranging from working professionals on vacation to semi retired persons and business owners. The total samples comprise 25 males and 25 females with an age range of between 25-62 years of age. They hailed from the EU, USA, Asia/Russia and African region. Some had acquired another citizenship and use dual passports in order to enter the UAE. All the respondents were asked to rate the hotel's services and facilities based on the 7 point Likert Scale mentioned earlier. The results are presented in Tables 3 to 6.

Table 3. Service Ratings (in percentages)

Customer Service	Extremely poor	Very poor	Poor	Satisfactory	Good	Very Good	Excellent
Reception	-	-	-	23	26	29	22
Appearance	-	-	-	16	31	28	25
Attentiveness	-	-	-	23	38	17	22
Friendliness	-	-	-	13	36	21	30
Courtesy	-	-	-	13	20	29	38

From Table 3, it can be seen that a number of interesting insights could be drawn from the respondents' perceptions of customer service. These respondents were made up of tourists, travellers and backpackers who had stayed in various hotels in Abu Dhabi (based on major locations). Since service of a hotel starts with the way customers or guests are welcomed by the hotels, hotel reception was treated as an item for evaluation. In terms of the hotel's reception, respondents' ratings ranged from very good to excellent, accounting for 51% rating. This implies that the service quality, in terms of reception, is hospitable and guests felt valued. This outcome can be attributed to the front-line/office support offered by most hotels whose people were adept at dealing with different patrons of different cultures. Hotel front liners were often given training related to customer service and communication skills. The next item, friendliness was rated as 81%, meaning that hotel guests had been treated hospitality and warmth. This is very important for hotels when dealing with multicultural customers. Service quality related to courtesy amounted to 67% (very good and excellent combined). This item is always at the top of most guests' list because no guests like bad attitudes. In this regard, it appears that hotel guests were happy with the treatment from the day they entered the hotel. Since this disclosure indicates that hotel guests appreciate the work of the hotel staffs, their perception of the service quality will be positive. Service quality related to appearance amounted to 53% (very good and excellent combined) while attentiveness amounted to 39% (very good and excellent combined).

Overall, the general perception of guests with regard to service quality (customer service) would differ from one to another because they come from different countries with different cultures and they have different personalities, thus different expectations. In this regard, respondents may view certain actions of the hotel staff differently. For some, trivial gestures matter while for others, trivial matters do not matter.

Nonetheless, it cannot be denied that service quality in terms of customer service is most important for the hotels as well as the hotel guests. Guests like to be able to attain some rest upon arriving, then perhaps eat to fill their empty stomachs. If these issues were not addressed by hotels, the outcome would be tired and hungry guests and this may not augur well for any hotel. Thus, these services are very significant issues for both the hotel staff and the guests. In this regard, service quality should assess hotel staff readiness in handling these challenges.

Moreover, as there were instances of hotel guests being misinformed by certain wrong facts, their stay in a new place could be ruined. Of those on a tight budget, visits to certain sites may also be difficult or stressful, thus it is imperative that hotels provide such services of offering guests the opportunity to visit or sightsee new places of interest. Thus, it is important for hotels to have front liners who can take questions and provide answers. The subsequent table illustrates how respondents rate hotel staff's service quality in terms of accommodation.

Table 4. Accommodation Ratings (in percentages)

Accommodation	Extremely poor	Very poor	Poor	Satisfactor y	Good	Very Good	Excellent
Value for Money	-	-	-	21	32	19	28
Furnishing	-	-	-	18	26	35	21
Cleanliness and Orderliness	-	-	-	23	12	37	28
Functionability	-	-	-	12	26	37	25
Comfort	-	-	-	16	28	29	27

Table 4 indicates that cleanliness and orderliness are the most important for accommodation concerns. Over 60% of the respondents noted this. They want a clean room with clean space for resting after a long day out. The next item is functionability which was rated at 62% and Furnishing and Comfort was rated as 56% and value for money at 47% respectively. From the discussion noted in this study, functionability was an important item because respondents wanted flexibility in their rooms. So far, the hotels they had been in, were very supportive of their needs. Value for money was rated the lowest perhaps because it is an area that needs further improvement. However, there was no negative indication or dissatisfaction given by the respondents probably because they already have advanced information about Abu Dhabi being one of the most expensive city. For the respondents, travelling safe throughout the city of their choice is what matters most as some of them have had bad experiences in other cities and countries.

Table 5. Food and Dining Ratings (in percentages)

Food and Dining	Extremely poor	Very poor	Poor	Satisfactor y	Good	Very Good	Excellent
Menu	-	-	-	31	12	32	25
Quality of foods and drinks	-	-	-	17	22	35	26
Cleanliness and Ambiance	-	-	-	14	26	29	35
Prices and Promos	-	-	-	19	20	22	39
Speed of service/support	-	-	-	36	18	23	23

From the prospect of Food and Dining, respondents rated Cleanliness and ambience at 64% (very good to excellent combined), Quality of foods and drinks and Prices and promos were rated similarly at 61% (very good to excellent combined) while Menu accounted for 57% and Speed of service/support was rated the lowest at 46% (very good to excellent combined). Clearly, all the responses provided ranged from satisfactory to excellent. This implies that the Food and Dining item of the service quality is acceptable and fair. Perhaps this has something to do with preferences of the respondents some of whom may have preferred wines and spirits, something that not all Gulf countries are open to this. The of Speed of service/support accounted for a total rating ranging between very good and excellent was 46% suggesting that this area may need further improvement and development. Nevertheless, it is still within the acceptable range. The item of Prices and promos garnered 39% in excellent and this is taken to be a very promising factor for the hospitality industry of Abu Dhabi because respondents had remained positive in this aspect of gimmick and attention-grabbers. In fact, respondents mentioned that the Etihad Airways (UAE National Flag carrier) provides attractive and competitive rates for travelers, hence they chose to travel to Abu Dhabi.

Table 6. Facilities Ratings (in percentages)

Facilities	Extrem ely poor	Very poor	Poor	Satisfactory	Good	Very Good	Excellent
Lobby/ hall/ Balcony/ conference	-	-	-	24	25	32	19
Ventilation/ lighting	-	-	-	29	26	28	17
Pool/Bar/Gym/Concierge	-	-	-	21	22	36	21
Appliances /Wi-Fi /Telecom access	-	-	-	11	19	36	34
Drop/Pick/Location	-	-	-	9	18	33	40

In terms of Facilities rating, the results indicate that the Drop/Pick/Location item accounted for 73% (very good to excellent combined). For short stay travelers, this aspect is very important because they do not want hassles and delays in their travels across cities. Normally, this can be arranged with the hotels. Such arrangement is what makes their stay and travel to Abu Dhabi more convenient and welcoming. Appliances/Wi-Fi/Telecom access is now a necessity for all of us. Therefore this value-added feature and service serves as a major factor for tourists in deciding their stay. It was also observed during the interview that the respondents loved to go swimming as well as doing some gym exercise and other activities. All of these can add up to making their stay really enjoyable if the hotel they stayed in can provide the amenities. For the respondents, these facilities would be to their advantage. Ventilation accounted for 17% (excellent) as the respondents were unable to say much of this since the main function of the hotel rooms were for them to rest and sleep. Moreover, on some occasions, they would be outside and not in their rooms, dining, partying or meeting friends in the hotel lobby.

The last portion of the research focused on the open-ended questions. Based on the interview, almost 75% of the respondents said that they were staying in the hotel for various reasons namely: short holidays/vacation, conference, concerts, special occasion, workshop/seminar and attending major events held in the hotel. From this number, 35% were staying because of conferences, workshops/seminars, 29% were on holidays/vacation with leisure purpose including attending concerts or motor sports event, 26% were staying to celebrate special occasions or anniversaries and 10% had various purposes such as connecting flights or just to experience the Arab hospitality. More research could evaluate if this has anything to do with the timing of the event proper or the airline gimmick.

One of the most interesting and attention-grabbing findings extracted from this study is that 40% of the respondents considered staying in international hotels while 60% wanted to stay in local chains of hotels so as to experience the difference. Abu Dhabi is the home of many local and international chains of hotel with prices that varied from inexpensive to luxury. This choice and selection thus depended on the budget and willingness to pay of the hotel guests.

On the question of Future chances and probability of staying again in the same hotel, the responses gathered a majority of 70% who will and 20% who would try others and a 10% of indecisive responses. Finally, on the question of Recommending the hotel they have stayed in to their colleagues/friends, a majority of 73% would while 27% would not. The responses drawn were probably caused by the pricing factor of the hotels/accommodation.

5. Conclusion, Recommendation and Future Studies

The hotel industry in Abu Dhabi, UAE, portrays various characteristics including pricing, location, customer service and a lot more. Given the scope and nature of the hospitality business, it appears that more needs to be done so as to increase this industry further. From the survey conducted of 50 respondents staying

in Abu Dhabi's hotels, findings suggest that the hotels in Abu Dhabi can be classified from very good to excellent in terms of service quality. Clearly customer service and the quality of the services provided are two important variables which play vital roles in determining the patronage of future clients. Thus far, the hospitality industry of Abu Dhabi started on the right track and is heading in a positive direction but more needs to be done for the industry to sustain its operations. This is because Abu Dhabi has a close rival in Dubai which has more hotels. Nonetheless, guests of hotels want flexibility which can also satisfy their hotel needs.

Hotels in Abu Dhabi range from budget/reasonable priced to deluxe to high end luxury hotels. This means that Abu Dhabi offers a wide range of choices to meet the budget of tourists and travelers. In that regard, the quality of hotel pricing is considered as competitive across the UAE. Based on this, it is highly recommended that online booking and online reservations which offer value discounts and freebies be considered by the hotel industry in Abu Dhabi seriously. This innovation can take to incorporating mobile phone apps so as to be on par with good practices and remain competitive. Perhaps the long term plan could be the establishment of hotels in various reclamation areas like Yas and Saadiyat Island which would no doubt attract more tourists and travelers to Abu Dhabi and the UAE in general. At this stage, the hotel industry in Abu Dhabi can still manage the number of clients but in 2 to 3 years' time as EXPO 2020 approaches, the industry may need to double its time and effort in terms of social infrastructure and hotel accommodation. Thus far, Abu Dhabi is still competitive as it has the means in terms of competitive urban planning which helps it to access the growth and progress. In fact, the Etihad Rail is already in its first phase of upgrading while the Abu Dhabi Airport is also in the process of completion. Both these actions will definitely place Abu Dhabi in the position of being one of the best tourist destinations in the region and in the world today.

Much work needs to be done but hotels in Abu Dhabi are moving forward in the right direction. Therefore, they have to keep that momentum of moving up so as to realize other opportunities ahead. A comparison of services of hotels in Abu Dhabi and Dubai can also be a catalyst of further enhancing the hotels' service quality as part of total quality management. As has been suggested by Hackman and Wageman (1985), total quality, when properly implemented and combined with the appropriate organizational variables, may be a vehicle that allows organizations to dynamically maintain a fit with their environments in a competitive and sustainable fashion.

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