Abstract

Qatar has developed a long-term strategy to plan for a time when the country will not be dependent upon its oil and gas reserves. The strategy focuses on export diversification, largely through the development of service industries, including finance, knowledge-based sectors and tourism. This may be seen as a sensible option given the availability of capital and the paucity of non-energy resources. To date the success in attracting leisure tourists has been limited. The country faces a number of challenges with its economic diversification strategy through tourism, including the task of creating a strong destination image and assuring personal safety, civil liberty and political stability in a region not noted for these characteristics. It also needs to offer a product that is sensitive to the religious and cultural traditions of the host population whilst appealing to international tourists. This paper looks at diversification as a development strategy, the rationale for Qatar's diversification strategy, the risk perceptions and appeal of Qatar as a holiday destination and then empirically tests whether Qatar fits into a typology of evoked, inert or inept sets of destinations. The results show that there is strong support for the link between export diversification and economic growth but while seen as a relatively safe destination, Qatar currently lacks appeal and does not fall into the evoked set of destinations for UK visitors.

Keywords: Qatar, diversification strategy, destination appeal, risk perception, decision making model, Middle East, Qatar

Tourism in the Middle East has, until relatively recently, attracted a limited amount of research with some notable exceptions (e.g. Daher, 2006, Hazbun, 2008, Steiner, 2010, Avraham, 2013). Yet recent forecasts of tourism to 2030 (UNWTO, 2011) highlight a significant change in the volume, value and impact of tourism for what have been low volume destinations. Recent success stories, such as Dubai, highlight how strategies of economic diversification can reposition a country's economic dependence upon finite primary industry exports such as oil and gas extraction.

This paper examines the relationship between tourism and economic diversification, together with the implications of developing tourism in one Middle East country, Qatar, arguing that such strategies also need to be tempered by research which relates the volatility and strategic fit of leisure tourism to the image and perceptions of the destination among overseas visitors. The paper starts by reviewing the economic diversification literature, in a tourism context, to illustrate the theoretical and conceptual issues this poses for tourism-led development strategies.

It then considers the rationale and challenges associated with Qatar's attempts to diversify its economy by focusing investment on the tourism industry in preparation for a time when its natural energy reserves will no longer be the main source of export revenue. Finally, the paper examines how successful Qatar has been in appealing to tourists from the UK, where "destination appeal … refers to the destination attractiveness and deterrents" (Mihalic, 2000 p.66). In terms of deterrents, Alvarez and Campo (2013) highlight the influence that political instability has on destination image and tourist perceptions. For this diversification strategy to succeed, two parallel actions are required, the first is to build the requisite infrastructure to service the tourism industry and the second is to create a competitive destination image. The approach taken by Qatar is broadly similar to that taken by members of the UAE, particularly Dubai, except like Abu Dhabi (Sharpley, 2002), Qatar recognises that it will have energy reserves for some time to come (General Secretariat for Development Planning (GSDP), 2011).

Export diversification, development and tourism

The literature on economic development has long supported the belief that there is a strong association between the diversification of exports and economic development (Watkins, 1963, World Bank, 2013). Questions that need to be considered include whether export diversification is a natural outcome of the growth process, whether the growth process leads to diversification, or even whether the presence of “Dutch Disease” in resource extracting countries (Corden, 1984), hinders the development of new tradable goods. Export diversification has increased in 60% of middle and low income countries over the past thirty years (Chandra et al, 2008). Fifty years ago 80% of the exports from developing countries were primary goods whereas, in the new millennium, 80% are now manufactured goods (Gelb, 2010). However, the literature has been myopic with respect to its treatment of service exports and has focused largely on the exports of goods (Brenton and Newfarmer 2009). This is in spite of the increased attention paid to trade in services afforded by the World Trade Organisation with the implementations of GATS in 1995 and the increasing role played by services, such as tourism, in developing and developed countries over the past half century. The reluctance of the economic literature to include trade in services may stem from the difficulties involved in their measurement (Brenton and Newfarmer, 2009).

Dependence on a narrow range of exports makes countries susceptible to the negative effects of price shocks which can destabilise economies (Ghosh and Ostry, 1994). The presence of significant resources, such as oil and gas, can impede growth because of the way in which “rents are captured and reinvested” (Brenton and Newfarmer 2009 p. 7). By taking advantage of the wide range of inter-sectoral linkages that may exist between tourist businesses and the rest of the economy (Fletcher et al 2013), tourism can broaden economic activities, improve the quality of life of local residents, facilitate the development of other types of exports and reduce the risk or exposure to shocks created by external price changes. In fact, “diversification will be the greatest where the input requirements involve resources and technologies which permit of [sic] home-production” (Watkins 1963 p. 145). Tourism development can encourage home production and as Cattaneo (2009, p.183) points out “Tourism has played, and continues to play, a prominent role in the diversification and development strategies of many countries”.

There are strong economic cases to be made for using tourism to stimulate growth in foreign exchange earnings. However, to leave the debate there does not do justice to tourism’s ability to develop a broad range of sectors within an economy and raise the standard and quality of domestically produced goods and services, as "there can be learning spill-overs that are not directly associated with tourism but that are indirectly transmitted through backward linkages. Examples of successful tourism-led export product developments include butterfly chrysalises in Costa Rica, wooden furniture in Egypt and rum cakes in Jamaica" (Lejarraga and Walkenhorst, 2007 p.198).

The economic benefits of diversification include countries being able to gain an understanding of foreign tastes and preferences so that goods and services can be developed that meet foreign expectations (Lejarraga and Walkenhorst, 2007), allowing experimentation with new products in a 'safe' environment (Zeufack et al, 2002; Izquierdo et al, 2003), and developing local infrastructure which speeds up general economic development by reducing economic distances within the country. By spreading economic activity across sectors, if demand for one sector's output falters, other sectors may grow and hence, achieve some form of stability (Blattman et al., 2007; Koren and Tenreyro, 2007; Van der Ploeg and Poelhekke, 2009). Blattman et al (2007) argued that price volatility for exports was one of the main determinants of growth performance. Furthermore, a multi-sector approach is likely to result in better performance with the right portfolio of sectors.

Such conclusions have not gone unchallenged and there is still a lively debate in the economic literature about how successful economic diversification is in achieving better growth and stability (Wagner and Deller, 1998; Shuai, 2013), or even how one measures diversification (Duy Tran, 2011). Nevertheless, there is a view that a narrow export range will lead to narrow dependency levels, which leaves economies vulnerable to market shocks. This is particularly true when the exports are primary products. Falls in commodity prices result in dramatic economic slowdowns and this leads to poor investment especially from the private sector (Bond and Malik, 2009). Economic development is not just growth in gross national product (GNP) (Cypher and Dietz, 2009), it is about developing a skilled, educated workforce, creating knowledge and making technological advancements, enhancing well-being and improving the quality of life.

Diversification (particularly vertical diversification) and industrialisation tend to go hand in hand and the terms are often used interchangeably even if they do not have the same meaning (Hvidt, 2013). Industrialisation may once have been thought of as developing a manufacturing sector, as that is the process that 'naturally' evolved (Imbs, and Wacziarg, R., 2003), but today it is wider in scope and includes the development of service sector activities such as financial services, tourism and transport. Tourism is also a resource-based service that requires high logistical and technical support systems (Gelb, 2010). It is also a service that can have high levels of backward linkages to other sectors, although this is far from being inevitable and is dependent upon the level and diversity of the economic structure. The important distinction between the energy export sector and the service sector is that while the former is narrow, highly capital intensive and often state owned, the latter tends to be more labour intensive and attractive to the private sector from an investment and ownership point of view.

Lejarraga and Walkenhorst (2009) used panel data from 1993 to 2003 to demonstrate a significant and positive correlation between tourism development and export diversification and although causality could not be proven there are grounds for seeing tourism as a catalyst for other forms of exports. Lejarraga and Walkenhorst (2007) identified that factors such as land labour and capital were not as significant as the Human Development Index (HDI) in determining the level of tourism development, perhaps because countries with high HDI scores have a quality of life to which tourists can relate. High HDI scores also suggest a healthy, stable and educated environment which stimulates the growth of local entrepreneurship.

In spite of the significant interest shown into the Gulf Region, its development and economic diversification by development banks, agencies and organisations, there has been "limited integrated research into the region's long-term institutional and sectoral development and hence its long term economic significance" (Flamos, et al, 2013: p360). Indeed the authors question whether diversification of any significance has been achieved when compared with that achieved in some Western European countries but such comparisons may be deemed biased in view of the resource bases, time frames and political histories.

If tourism becomes a major export, the challenge then becomes how it is made sustainable, which includes developing a product that evolves and diversifies so it appeals to the changing needs and preferences of tourists. However, this needs the necessary security, political stability and environmental management capacity (Cattaneo, 2009). Having examined some of the issues relating to economic diversification and the role of tourism, attention now focuses on Qatar, its economy and its tourism sector to provide the context for the rest of the analysis.

Qatar's economy in context

The Middle East is a diverse region, geographically, culturally and economically (Nabli 2004). The region is home to some of the richest and poorest countries in the world (see Figure 1). Qatar enjoys a high level of gross domestic product per capita, which is more than double the world average for high income countries (Figure 1). At the other end of the scale, the region includes Yemen, which has less than a third of the world average for middle income countries. In the Middle East the size of the oil and gas reserves are one of the key factors in determining national wealth. Some authors associate the words oil and Arab World so closely that they are used interchangeably (Elbadawi and Makdisi, 2007).

FIGURE 1 NEAR HERE

Although Qatar is considered to be a high income country (World Bank, 2011), it is not included in the International Monetary Fund's (IMF) listings as an *advanced* country (IMF, 2012). The reason for Qatar not being considered an advanced country is found in the definition of advanced, which includes health, education and diversity, as well as income. The HDI ranks Qatar 36th out of 187 countries, which reflects the impressive growth of Qatar's HDI over the past 2 decades. As a country in the Middle East it outperforms its neighbours in terms of its HDI score, but lags behind countries such as Israel (16th), Cyprus (31st) and Malta (32nd). However, the achievement of being included as an advanced country has been set as a key objective in the Qatar National Vision 2030 (GSDP, 2011).

In 2012 the Middle East accounted for 48.4% of the known global oil reserves and 43% of the known gas reserves (British Petroleum, 2013) although the proportion is changing following the discovery of vast and untapped shale oil reserves in the US and Europe and Antarctica. Qatar currently produces 1.4M barrels of oil per day and in 2010 had the world's 12th largest reserve of proven crude oil. At current rates of production Qatar will exhaust its proven oil reserves half way through the 21st century, a daunting picture for Qatar's future generations, and a major factor associated with the decision to diversify its economy to non-energy sectors. Even if the oil and gas reserves in Qatar were inexhaustible, there is still justification for pursuing an economic diversification strategy on the grounds of achieving economic growth and stability (Kubursi, 1984, Shediac et al, 2008). The General Secretariat for Development Planning in Qatar uses the pursuit of economic stability and job creation as justification for their diversification strategy (GSDP 2011).

Although some authors (such as Hvidt, 2013) stress the importance of import substitution activities for achieving a future not reliant on oil-based exports, in Qatar the domestic market is so small (1.7M people) it is a challenge to identify alternative sources of export income and import substitution to ensure prosperity and stability. The dominance of the state in the Qatari economy could be seen as a hindrance as state owned enterprises have often been seen as cumbersome and inefficient, but Hertog (2011) that this is not always the case and that vertical diversification could be achieved by the state investing its energy based revenue properly.

In spite of recent political instability in the region and the on-going effects of the 2008 global financial crisis, Qatar's gross domestic product (GDP) has maintained an impressive year on year growth rate over the period 1980 to 2011 (as shown in Figure 2).

FIGURE 2 HERE

Qatar's rapid GDP growth has been particularly strong during the first decade of the 21st century. This is, in part, a reflection of Qatar's conservative fiscal policies as well as the relatively high prices of oil and gas (inflationdata.com). During the global financial crisis a significant number of construction companies in Dubai collapsed and to prevent the contagion of this to Qatar, the government relaxed its investment laws[1]. As a result Foreign Direct Investment (FDI) inflow into Qatar rose in 2009 (see Figure 3). If Qatar is to have strong future growth prospects, it needs to attract FDI and this is essentially a flow that is associated with countries with growing private sectors. This is recognised in Qatar's National Development Strategy (2011) based on their *Vision 2030*. The growing private sector in Qatar provides a useful option for developing business tourism. Although this move increases FDI foreign ownership is also likely to lead to high economic leakages, to some extent undermining the rationale for diversifying into tourism. Tourism being a service industry has aspects that are highly labour intensive and this creates a challenge in Qatar EuroMonitor (2010). Its economically active labour force increased 4 fold between 2001 and 2011 and the private sector increased its share of total employment (almost 75% of the total in 2011). But 99.3% of private sector workers are non-Qataris, whereas 86% of Qataris work for government departments (Qatar Statistics Authority, 2011). For this reason, Qatar faces significant difficulty in diversifying into labour intensive industries, such as tourism, because of the need to employ a large percentage of expatriate labour. Not only does reliance on immigrant labour add to the social pressures of tourism, expatriate labour has a high propensity to repatriate their income, leading to high economic leakages. Thus much of the benefit of tourism may not stay in Qatar.

[1] As part of its drive to encourage tourism development, the Qatari Government amended the nation's investment promotion law (ameinfo, 2010) to attract more investors, allowing foreign nationals to own up to 100% of the share-capital in some selected sectors, such as entertainment, sport and cultural services (Al Jaafir, 2010 available from tammi.com).

FIGURE 3 HERE

Qatar's National Development Strategy, resting on the four pillars of human, social, economic and environmental long term development (Qatar National Development Strategy 2011-2016) established the Qatar Foundation to transform the country from a carbon-based to a knowledge-based economy. This strategy manifests itself in the number of new universities set up (mainly USA), the launch of Aljazeera TV channel, and investment in international prestige sports (Asian games, 2006) and arts projects. In 2008 the government announced the allocation of US$17 billion for the expansion of the tourism infrastructure such as a new international airport. The effect of this focus on tourism can be seen in the country's performance in the Travel and Tourism Competitiveness Index for 2013 (World Economic Forum, 2013) and the right to host the 2022 World Cup. However, these supply side attributes mean little if they do not translate into improved appeal and demand shown through a steady growth of tourist arrivals and expenditure. Qatar's tourist arrivals performance is illustrated in (Figure 4) and its year on year changes in Figure 5.

FIGURE 4 HERE

International arrivals grew slowly during the latter part of the 1990s but experienced significant growth from 2007 onwards (Figure 5). While impressive, much of the growth has been in business travel which still accounts more than 90% of all arrivals (ameinfo 2010). But regionally, Qatar still lags well behind the UAE with the latter enjoying tourist arrivals seven times greater than Qatar. On the other hand, Qatar's policy for promoting premium products for business and leisure visitors is reflected in the fact that spending per visitor is significantly greater than that found in the UAE. Given the inevitable environmental and socio-cultural pressures created by tourist arrivals and imported labour, high spending tourists, providing their pattern of spending reflects favourably on locally produced goods and services, is a sound option.

FIGURE 5 HERE

Qatar's economic diversification strategy is not innovative and has been pursued by many countries (including others in the Middle East). To pursue a strategy of tourism-led growth there needs to be a destination image that attracts visitors, a positive image is an intangible asset that is much harder to construct than infrastructure. This is a challenge shared by many countries in the Middle East region (Hazbun, 2007). Qatar's geo-political location and socio-cultural circumstances can create as many hurdles as they do opportunities (the environment and cultural authenticity could have great appeal) and the country needs to be seen as a sun, sand, sea and rich Persian-Gulf nation with a hospitable culture. It needs to have destination appeal to encourage inter-regional tourists.

Destination appeal

Crompton (1979, p. 18) defined destination image as "the sum of beliefs, ideas and impressions that a person has of a destination". There is a strong connection between a positive image and continued tourism growth (Bramwell and Rawding 1996, Chon, 1991, Dann, 1996, Echtner and Ritchie, 1991, and Gartner, 1993). Factors identified that can positively influence destination image include infrastructure, service quality, culture, destination costs, freedom to engage in specific holiday activities without fear of sanctions, security and a favourable climate (Beerli and Martin, 2004a and 2004b, and Cooper et al, 2008). A lack of security can also influence the tourists' faith in the product, particularly when personal threats are perceived (Edgel, 1990, Ryan 1993, Mansfeld, 1994, Wahab 1996, Hall and O'Sullivan, 1996, Mihalic, 1996, Sonmez and Graefe 1998, Fletcher and Morakabati 2008, Morakabati et al, 2012). Thus, perceptions that potential tourists hold about destination image, personal safety and security, are inextricably bound. There have been a number of perception studies in tourism (for instance; Mansfeld, 1994, Lepp and Gibson, 2003, Fuchs and Reichel, 2011, Sharifpour et al, 2012, Fuchs et al, 2013) and that underlying the decision to purchase is the reality that tourism consumption is based on perceptions (Mansfeld and Winckler, 2004, Fletcher and Morakabati, 2008, Cooper *et al.*, 2008). If events occur that negatively impact perceptions it deters tourists from choosing that destination. However, to be a successful destination it is necessary to do more than build a positive image. While a positive image of a country may is necessary, it may not be sufficient to attract tourists (Harrison, 1992). Woodside and Sherrell, (1977) tested the conceptual framework of a consumer decision model proposed by Narayana and Markin (1975) and the model was subsequently evaluated (Woodside and Lysonski, 1989) with respect to destination choice. The origin of the model can be linked back to the evoked set (Campbell, 1969) defined as "the set of brands of a product which the buyer considers when making a specific brand choice" (in Narayana and Markin 1975, p1). Narayana and Markin (1975) developed the concept of an 'awareness set' which includes the 'evoked set', as it classifies' all the brands held in the consumer's awareness set. To be successful, marketers need to make sure that their brand falls into the evoked part of the consumer's awareness set. They suggest that there are several subgroups within the awareness set and the evoked set is just one. Potential consumers are aware of many brands but may not consider buying all of them because they may be too expensive, not satisfactory for their motive, have insufficient information, have knowledge of/tried and rejected them, or is satisfied with current brand (Howard and Sheth, 1969). Narayana and Markin (1975) added the inert and inept sets to the evoked set to complete the awareness set, arguing that brands in the evoked set are viewed positively; those in the inert set are viewed neither positively nor negatively, this is where consumers are aware of them (awareness) but do not consider them to be part of their consumer choice; the inept set of brands are those that the consumer is aware of but has rejected. As suggested by Pike (2006) and Murdy and Pike (2012) the advantage of being in the evoked set is the greater propensity for consumers to buy. But the tourist decision-making process is complex and encompasses cognitive assessment of experiences, learning, emotions and perceptions (Glaesser, 2003). Formal and informal education, together with the media, through its constant streaming of advertisements, and political, economic and social event commentaries, are collectively responsible for the development of non-tourism specific country images. This paper applies the Narayana and Markin (1975) model to Middle East destinations, to determine whether Qatar falls into the visitor's evoked set of destinations.

Research methodology and survey details

To determine how successful Qatar has been in appealing to the UK tourist market, a survey instrument was designed which examined perceptions and attitudes towards Middle East destinations, including Qatar to see if these countries fall into groupings which can reflect the evoked, inert and inept sets and, if so, to see what role is played in those groupings by travel risk perceptions. Finally, the paper examines whether previous travel experience to the region can affect the position of destinations in these sets of awareness.

UK residents were selected as respondents on the basis of the UK's long term ties with the region emanating from the past when it was the ruling colonial power over much of the Persian Gulf, including Qatar and because the British are amongst the top tourism spenders (UNWTO, 2012).

The study by Narayana and Markin (1975), using a very limited sample, gave respondents an open ended question, asking them to list all the brand names of which they were aware and the Woodside and Sherrell (1975) study asked respondents to list all of the vacation destinations (locations/cities) that would be available to them in the next twelve months. This study built on the previous approach by providing a list of Middle Eastern countries and asking 'if money and time were no object they would definitely go, definitely not go or did not have sufficient knowledge about a country to make a decision'. A further question was introduced to measure perceptions of travel risks related to these countries. The reason for doing this was to see whether there is a correlation between the respondent's awareness sets and their perception of travel risk, which might explain why a specific destination may be excluded from the evoked set. A 5-point semantic difference scale was used to identify the major types of risk perceptions associated with travelling to and within the Middle East. Respondents were also asked to assess the 'overall' risk associated with travel to each country in the Middle East and its surrounding area. A map of the Middle East was provided to assist respondents. Participants were asked to respond on the basis of their perceptions and did not need prior experience of travelling to the region, but they were not excluded if they had such experience.

The questionnaire was piloted to ensure it was easily understood, simple in structure and relevant to UK respondents. To reach a sufficiently broad range of respondents the survey was distributed physically and online using a cluster random sampling approach within the south of England, by post code selection. The survey was sent to 3,000 households and 394 useable responses were received, just over a 13% response rate. Data were collected from a wide range of households (See table 1) reflecting different ages, gender and income bands, to see if they can explain attitudes towards the Middle East. The study was conducted over a seven month period starting 1st of October 2010. These data were collected both prior to and during the political turmoil associated with the initial phase of the Arab Spring and the data set were tested to see if the events affected the way in which people responded. Events such as the fall of the Libyan Government and the Syrian uprising occurred after the data for this paper had been collected.

TABLE 1 HERE

Findings

Figure 6 displays countries comparatively in terms of the strength of the correspondents' evaluation of risk in visiting them. Each country is plotted at the intersection of the percentage of responses evaluating it as low risk (category value <3) and the percentage evaluating it as high risk (category value >3).

FIGURE 6 HERE

Qatar is seen to be relatively low risk, falling into the same group as Turkey and the UAE. To test whether these possible clusters amounted to distinct groups, in terms of the full scale responses to this question, three aggregated country variables were created by averaging the individual country scores within each group.

As each respondent was asked the same question under the differing "condition" of country, the design of this part of the study was repeated measures. The average scores within each of the possible clusters were therefore also repeated measures, and Friedman's test was appropriate for testing the Null Hypothesis that medians were equal among the three clusters. The result was highly significant (see table 2)

TABLE 2 HERE

Wilcoxon Signed Rank Test was then used to test the equality of medians pairwise (see table 3)

TABLE 3 HERE

The boxplots (Figure 7) visually demonstrate the difference in terms of the distribution of responses between clusters A, B and C.

FIGURE 7 HERE

As the data were collected over a period that captured the start of the Arab Spring it was opportune to assess if there had been a negative shift of risk perception towards Qatar and other destinations in the region as a result of the political turmoil in the region. The respondents were separated into two groups, depending on if they responded before or after the Arab uprising to test if risk perceptions had changed. A Mann-Whitney test was used to test the equality of median of responses before and after the event. To mitigate the type one error, *a* was assumed significant at $p<0.002$. This involved 18 comparisons. Whilst this is not a "family-wise" set in the narrow sense commonly adopted (Keselman et al, 2002), this narrow definition is sufficiently arbitrary to allow for the possibility of enhanced Type 1 error rate in this instance. As a precaution, $P_a = 0.002$ was adopted. Significant differences are reported in table 4. These are all countries, directly involved in the Arab uprising, namely Libya, Egypt and Bahrain implying that risk perception levels had significantly increased for these countries. The findings offered support to the view of other researchers, that political unrest can detract from a destination's tourist appeal (Chon, 1991, Hollier 1991, Abu Fadil, 1992, Echtner and Ritchie, 1991, Gartner 1993, Bramwell and Rawding, 1996, Dann, 1996, Sonmez and Graefe ,1998, Fletcher and Morakabati, 2008).

TABLE 4 HERE

To examine the appeal of each country in the region, respondents were asked “if time and money were not an obstacle, would you go (to each of the destinations included in the study area)”. Respondents were given three options: *definitely would go; definitely would not go; and not having sufficient awareness/knowledge of a destination to make a decision.* These destination alternative sets tend to mirror those identified by Narayana and Markin (1975). Figure 8 shows the percentage of responses of “definitely would go” (y-axis) against those of “definitely would not go” (x-axis). The plot shows a clear reciprocal relationship between the inclination to visit and avoid, and also appears to suggest the possibility of there being three clusters of countries: cluster (A) of in the upper left with a “high inclination to visit – low inclination to avoid” region; cluster (C) in the lower right with a “low inclination to visit – high inclination to avoid”; and cluster (B) where countries were located which had moderate(not sure) inclinations towards either view.

FIGURE 8 HERE

To test whether these clusters amounted to distinct groups in terms of responses to this question, three aggregated country variables were created by averaging the individual country scores within each group[2]. Friedman's repeated measures was employed to test if there were significant differences between the three clusters in figure 8, the differences identified were found to be highly significant (see table 5).

TABLE 5 HERE

Wilcoxon Signed Rank Test was then used to test the equality of medians pairwise (see table 6).

TABLE 6 HERE

The boxplots (Figure 9) demonstrate the differences in terms of the distribution of responses between groups A, B and C.

FIGURE 9 HERE

Taking the findings of this research so far it suggests that there are three distinct groups of countries within the Middle East (D, E and F in Figure 8) based on the inclination of tourists to visit the destinations. These can be translated in such a way as to support the view that within the Middle East, there are three distinct clusters of countries in terms of the tourist's awareness sets, appealing (evoked), unappealing (inept), or where there is a moderate inclination towards either (inert)(see figure 10).

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[2] The original nominal scale was recoded as categorical pseudo-ordinal ("would go", "not sure", "would not go") and the simplifying assumption was made that this scale could be meaningfully averaged. This is considered reasonable in the limited context of this argument.

FIGURE 10 HERE

What arises from this research is that with respect to destination desirability, Qatar, although falling into the same risk group as Turkey and the UAE (the most popular destinations within the region) does not accompany these two destinations into the evoked set and instead found itself in the inert set, suggesting that the country lacks appeal in spite of its low level of risk.

Finally, this study explored the proposition that in addition to destination choice being influenced by the set in to which they fall (evoked, inert and inept) it is also influenced by the tourist's previous travel experience. This was tested to see if the results support the proposition made by Woodside and Sherrell (1977) that tourists with greater experience of travel had a greater number of destinations in their evoked set. To do this, the responses were divided into two groups consisting of those who had previously travelled to the Middle East and those who had not. The same procedure as that used earlier for testing risk perception and inclination to go was conducted. The findings suggest that those with prior travel experience to the Middle East have the same number of destinations in their evoke set as those with no prior experience. This sends a favourable massage to the top three destinations within the Middle East, namely that previous travel experience does not explain any difference in terms of the countries included in the respondent's evoked set.

Implications

The need to diversity economies is unquestionable for stability and growth, this need is even more paramount for countries in the Middle East where dependency on the export of a narrow range of primary products is common whereas stability, economic or political is rare. However, to diversify into sectors that cannot be produced at arm's length, where the consumer has to visit the destination, requires much more than investment in infrastructure and superstructure. It requires investment in destination image. Although it is often stressed that the product characteristics of tourism make it an attractive option for development because of the extent of leakages and the nature of the resources used (Fletcher et al, 2013) it is only an option that is effective if the right image can be created. Failure to get a positive image across will result in poor returns on investment and poor levels of diversification and FDI. The lack of evidence to support Woodside and Sherrell's (1977) proposition that those with greater experience of travel in the Middle East have a larger number of destinations in their evoked set does not seem to help countries like Qatar. Prior travel experience to the region did not explain the respondents' attitudes towards travelling to specific destinations. This clearly puts the emphasis on the need for a strong government commitment and role, this is particularly crucial in situations where there is a relatively weak private sector (Henderson, 2006), together with good positive communication through promotional campaigns to create an appealing image of Qatar because, currently, respondents are placing Qatar in their inert set of destinations. This brings with it implications for the National Tourist Office in terms of their marketing and public relations approaches.

Conclusion

This paper adds to the literature by presenting a broad and inclusive view of export diversification, economic development and questions the effectiveness of tourism in some instances as a strategic development option. It reviews the implications of pursuing this in a tourism context, using a consumer decision-making framework and testing to see if Qatar falls into the evoked set of destinations and, if not, whether travel risk perceptions for the region as a whole, or for Qatar in particular were responsible for its positioning. The economic literature suggests that tourism, as an export activity, can increase FDI, increase GDP, and reduce the level of dependence on a narrow primary product range of goods. By pursuing primary research it was possible to test the validity of such a diversification strategy, which includes the issues surround the attraction of leisure tourists.

The existing knowledge of travel risk perception towards destinations within the Middle East was considered. The results suggest that there are three clusters of countries, both in terms of travel risk perceptions and destination awareness sets. Interestingly, while these two sets of clusters are similar, they are not the same. The findings show that a lack of travel risk perceptions towards a destination does not mean that the destination will be appealing.

This research has also contributed by providing a more in-depth look at Qatar, an up and coming destination that has not had much exposure to this type of research. By evaluating Qatar's economic development and its tourism investment strategy it was possible to go a step further and assess the perception and attitudes of UK residents towards travel to Qatar, as opposed to other destinations in the region. The results suggest that, whilst Qatar has made efforts to separate itself from being perceived as a high travel risk destination in the Middle East, in most cases it fails to be placed into tourists' evoked awareness set.

Safety is considered an important factor when travel decisions are being made, and achieving and maintaining a safe image when the destination is located in a region known for its political instability and sometimes violent events is challenging and may even be considered to be outside the control of an individual country. The presence of safety does not result in Qatar winning the hearts and minds of the British public. Similarly, the presence of high quality infrastructure and superstructure for the tourism industry does not on its own create a winning attribute. For tourism destinations to place themselves in the hearts and minds of consumers (evoked set) it is necessary to have determinant attributes (Lovelock, 2009) to generate powerful pull factors that overcome inertia and the competition from other destinations. Qatar has not achieved this yet. Furthermore, the recent press coverage of FIFA (Sepp Blatter, 15.9.2013) has not helped the country, where Qatar has invested billions to enhance its image as a sporting hub for the region in an effort to boost its image.

There are lessons to be learned from this research, that countries that attempt to achieve economic diversification of their export sectors need to consider the product characteristics of those goods or services it can produce before investing in services such as tourism that may require a conducive social and political environment as well as the means to deliver the services.

Although Qatar has attempted to follow the UAE success with tourism, the secularity in terms of tourism activities seems to have been limited. Tourism development in places such as Dubai and Abu Dhabi, which places the UAE as a more mature tourism destination in the region, makes it harder for Qatar to stand out, and the question remains to be answered “what can Qatar offer to tourists that cannot be found in Dubai and Abu Dhabi?” Sharpley (2002) has already outlined some of the challenges facing countries in the Middle East who choose tourism as a development and diversification option, which include perception, facilities, organisational structure and competition. Qatar shares the same challenges and in spite of the large amount of funds spent on a range of activities designed to promote a positive destination image, the findings of this research indicate that the country still has some way to go to create a destination that is appealing to leisure visitors.

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