

SWISS TOURISM INDUSTRY FIGHTS A DECLINE IN DEMAND



The decline of the average revenue of Swiss tour operators continued throughout 2015. Last year, all agencies generated 3.19 million francs, i.e. 2% less year-over-year. In 2016, Swiss tourists are traveling more but are booking their stays at the last minute.

Based on the revenues, the Swiss Travel Federation (FSV) regards the situation of Swiss tourism as stable. However, the business performance is only “satisfactory,” as reveals a survey of the FSV and the University of St. Gallen, presented in Zurich.

The productivity of travel specialists declined last year and at best stagnated depending on the size of the tour operator. The average income per employee has also decreased, dropping from 1.02 to 0.98 million francs.

Last year, the foreign currency effects gave the local tour operators a hard time, but thanks to the increase in consulting fees, their gross revenue remained stable. However, due to increasing labor costs, the gross revenue decreased from 1.4% to 1.2% from one fiscal year to another.

For the next twelve months to come, the outlook of Swiss tourism industry remains mixed. The 351 businesses surveyed by the Swiss Federation anticipate a decline in demand, despite the downward trend in prices. The margins will therefore remain under pressure, particularly for small companies.

In 2016, it is the geopolitical situation in many destinations which causes the industry to suffer. Not surprisingly, Turkey, Tunisia, and Egypt – like Paris and London – are being shunned this autumn despite competitive prices. Spain and its islands, Greece, Cyprus, Italy, Portugal, small towns, and also Scandinavia are the winners.

Nonetheless, this year, the Swiss still plan to travel. On average, they undertake 2.8 trips of three nights at least, in comparison to 2.6 trips last year, revealed in the survey of the insurance company Allianz Global Assistance, published in parallel.

The Swiss are also more likely to travel. In 2016, 84% of some 1,020 respondents embarked on at least one private trip of three days out of the year, marking 3% more than in 2015.

Cautious clients are waiting more and more until the last minute to book their holidays abroad. The share of early bookings (more than two months in advance) has also fallen to 46%, after 50% a year ago, “most likely due to the risk of potential terrorist attacks in some tourist destinations,” according to the insurance company.

However, the survey also reveals the great divide between the estimated risks in terms of security and the actual problems encountered. **More than half of clients (55%) fear unrest and terrorist acts during their travels. In reality, delays are the major problem (41%).**

During the preparation stage, two-thirds of respondents prefer to make their reservations on the Internet. One Swiss in five prefers to visit an agency, at least once a year. One in ten users get by on their own, while 9% resort to sharing expenses.

Regarding the choice of the Swiss tourism operator, the personal relationship and experience always

holds more importance, according to Allianz Global Assistance. It is even the main criterion for 47% of respondents.

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