

THE BARBADOS  
HOTEL AND TOURISM  
ASSOCIATION



## **“Rallying Through Adversity”**

***Sue Springer***

**June 8<sup>th</sup> 2011**



**WELCOME TO  
THE BHTA'S  
*Annual General Meeting 2011***





## Global Influences

- ❖ Changes in long standing autocratic rulers across North Africa & Middle East
- ❖ Unknown future relationships with western oil-dependent nations especially the US
- ❖ Increased price of oil rising from US\$91a barrel in Dec 2010 to US\$127a barrel in May 2011
- ❖ Nature's wrath – a year of devastation from massive earth quakes & tsunamis in New Zealand, Japan, Chile & Myanmar to tornados in the US
- ❖ Japanese disaster causing continued challenges with other economies e.g., motor cars in USA



## Global Influences

- ❖ USA – unemployment still high the latest figures released in June shows a slow down in new employment
- ❖ Major card companies reported a decline in usage normally a bad sign for discretionary purchases e.g., Travel
- ❖ Consumer confidence has fallen on both sides of the Atlantic
- ❖ India and China = economic growth of 8 to 9% in 2011
- ❖ Accessibility for these markets challenged
- ❖ Growing demand for luxury goods and travel by these travelers





## Global Influences

- ❖ PIGS – Portugal, Ireland, Greece and Spain – all of these countries still facing major economic challenges
- ❖ Greece – 2<sup>nd</sup> phase of the rescue package currently being paid
- ❖ Additional challenges for Europe due to the e coli issue – US\$150M aid to farmers
- ❖ Fuel prices could affect the cruise industry with higher prices causing the cruise companies to reposition their ships – e.g., staying closer to home to utilize less fuel



## Airlines

- ❖ Increased move towards airline consolidation rather than mergers, including joint scheduling
- ❖ AA/BA/Iberia announced transatlantic shuttles between London & New York, Chicago & Miami = departures every 60 to 90 mins.
- ❖ Sir Richard Branson looking to sell his majority equity in VA
- ❖ Increase of crude oil prices of over 20% in 2011
- ❖ Key US carriers announcing capacity cuts to the Caribbean
- ❖ Shares of major airlines have declined between 4% to 7%
- ❖ BA still challenged with strike threats



## Caribbean Lodging Performance Report STR April, year to date 2011

	2011	2010	2009	2008	2007
Occupancy %	72.2	68.6	68.6	75.1	74.7
ADR \$	188.69	187.83	176.83	216.83	228.54
RevPAR \$	136.22	128.81	121.24	162.75	170.71





## State of the Industry - Barbados

- ❖ Long stay arrivals recorded an increase of 11% for Jan to April 2011
- ❖ UK major increase of 20% - however a number of events affected 2010 figures e.g. cancelled flights, volcanic dust etc.
- ❖ A slight decline of 1.9% in the Canadian Market - West Jet operating into new destinations & air fare prices increased to Barbados.
- ❖ An increase of 7.1% in the USA – Jet Blue on stream
- ❖ An increase of 29.7% for the German market – 2 Condor flts.
- ❖ Other Europe increased 16.8% a more aggressive marketing approach being used.
- ❖ Brazil an increase of 1193 pax. due to GOL direct flight
- ❖ Caribbean market has increased by an average of 16%





## Current situation

- ❖ Although increase in arrivals year to date spending is still down.
- ❖ Costs of operation continue to rise with increases in utilities food prices & increased import duties on numerous items
- ❖ One example - Generators for hotels to assist with generation of electricity & to prepare for disasters no longer being allowed to be imported duty free.
- ❖ The increase of VAT which has in most cases been absorbed by the hotels.
- ❖ All surrounded with a global market that CANNOT absorb any increase in rates.
- ❖ Decrease in arrivals for May 2010 by approximately 10%



## Cruise Tourism

- ❖ Rising fuel prices affecting the cruise industry
- ❖ Cruise lines look @ the global market for ship deployment especially as cruising becomes more popular globally
- ❖ Heavy discounting – lack of spending capability
- ❖ Direct sales increased significantly
- ❖ Increased capacity coming on stream
- ❖ An Increase in ship calls over 2010 by 34% to April
- ❖ Ships being repositioned and ship call projections for 2012/13 for Barbados do not look positive





## Membership

- ❖ New Members 18– Total membership 318
- ❖ 3 Accommodation, 5 Direct Tourism Services & 10 Supporting Members
- ❖ Lost 20 members due to closure of business or financial challenges
- ❖ Student Membership Programme launched
- ❖ PR focus on the Tourism Page that is featured in the Advocate and the Nation once per month.



## Productivity Incentive Pay Scheme

- ❖ First year of data has been collected for analysis from the 9 hotels in the pilot project for 2010
- ❖ 749 persons trained to date
- ❖ Training will recommence for the wider BHTA membership from June assisted with funds from TVET
- ❖ Training will be done on the West & South coasts with larger properties helping to host smaller properties
- ❖ A meeting will be held with Sir Roy and the BWU to present the recommended scheme





## Tourism Fund

- ❖ Total funds collected in 2010 were reduced due to the downturn in business however projects were still facilitated
- ❖ DTS members continue to use donation boxes
- ❖ Greater need for Tourism Fund in current economic climate
- ❖ BHTA's increased focus on marketing initiatives
- ❖ Encourage everyone to come on board
- ❖ Positive product and marketing projects
- ❖ Special emphasis on marketing – marketing consultant Mrs. Cicely Walcott



## Tourism Fund – Making Barbados Better

- ❖ **Backin' Barbados** – Hosted a Roman Toga Party for the top tour operators from the UK & Europe – networking opportunity for the members.
- ❖ **South Beach Food Festival** – Largest food festival held in Miami 20,000 attendees. Sponsor's location in the Grand Tasting Village
- ❖ **E-commerce platform** - Contracted Regatta headed by Ashwin Kamlani to develop an e-commerce platform
- ❖ **Trade Shows** – The Water Activities & MICE product club members attended a number of trade shows
- ❖ **Portugese Language Classes** – Partially funded





## Tourism Fund – Making Barbados better

- ❖ **Holetown Bridge** – The bridge at Holetown was completely refurbished due to major disrepair.
- ❖ **Staycations** – Developed to encourage Barbadians to enjoy what our visitors spend thousands of \$'s to experience. Over Bds\$1M booked during the last phase.  
Utilised by the BTA in the regional market for Caricom nationals.



Website: [www.staycationbarbados.com](http://www.staycationbarbados.com)



[Home](#) [Deals](#) [Staycation TV](#) [Join Us](#) [My Staycation](#)

Take a  
well deserved  
**Break!**  
Today!

*Special rates for Locals and Caricom Nationals*



join us on [facebook](#)

#### Featured Property



##### Terra Caribbean Villas

Tel: 430-3770 / Email:  
[charmaine.gill@terra-caribbean.com](mailto:charmaine.gill@terra-caribbean.com)  
US \$99-\$150

#### Featured Activities

Become one of the thousands of local and regional residents who have experienced the fun, relaxation and complete surprise of a Barbadian Staycation. It is an experience you will treasure. With great deals and fantastic locations, you can have your pick.

Try it because you deserve it!

#### About Staycation



##### What is a Staycation?

The word Staycation is a combination of "stay" and "vacation" and refers to a holiday that takes place

##### What is Staycation Barbados?

Staycation Barbados is a domestic tourism program that primarily promotes to locals and residents. The

Details: Provides links to every property, activity and attraction.  
Allows visitors to leave comments, submit their emails to receive special offers and find out about the latest promotions





## Advocacy

- ❖ Public / Private collaboration critical especially in the current economic climate
- ❖ Meetings with Ministers of Government
- ❖ Regular meetings with COP
- ❖ Discussions regarding new legislation
- ❖ Specific meetings with the Minister of Tourism and BTA
- ❖ Discussion topics included-
  - ❖ Updating of the TDA, Taxi Fares, Cruise tourism, License challenges, Beach Restoration, APD ect.
  - ❖ Individual Members challenges and presentations



## The BHTA's Implementation Strategy - How do we Action the Study?

- ✓ Establish a small implementation committee
- ✓ Establish priorities
- ✓ Assign responsibility to existing committees and BHTA representatives.
- ✓ Engage stakeholders and partners in the implementation of strategies jointly in their area of expertise
- ✓ Avoid duplication of effort by engaging stakeholders and establishing roles and responsibilities.





## Implementation strategy cont'd

- ✓ BHTA membership to lead from in front
- ✓ The Implementation Committee to evaluate and prioritize the recommendations
- ✓ Engage the stakeholders and partners identified to action items or report on relevant existing program
- ✓ Table reports at board meetings



# BHTA Committees

## Wider Industry Focused

1. Business Excellence – May Hinds
2. HR – Gail Springer
3. Marketing - Anne Marie Thompson
4. Cruise – Ralph White
5. Finance– Clarence Hiles
6. Implementation Committee – Roseanne Myers
7. Public Education and Awareness- Colin Jordan

## Membership Focus

1. A and B class – Ann Smith and Paul Collymore
2. Luxury – Eric Mapp
3. DTS – Ralph White
4. Membership – Dawn Kirton
5. Health and Safety – David Rouse
6. Environment – Loreto Duffy – Mayers
7. Fund raising – Ann Smith





# The Human Factor

## Study Defined Problem

- ❖ Lack of understanding about the importance of tourism

## BHTA Initiatives

- HR & Business Excellence Committee
- ❖ Met with Ministry of Education & Human Resource Development to present a comprehensive proposal.
- ❖ Includes the introduction of an immersion programme for teachers
- ❖ Pilot project with 7 primary & 7 secondary schools
- ❖ Set up a Tourism Education committee to monitor proposal & reintroduce Adopt a School



# Financial Performance

## STUDY DEFINED PROBLEM

- Tax Cost Base hindering financial performance of the sector
- Tax & Legislation Cumbersome and not applicable to all areas of tourism
- Some foreign currency earnings never enter Barbados
- Terms of debt funding often unsuitable for tourism businesses
- Inflexible debt structures
- High Operating Costs

## BHTA INITIATIVES

### BHTA Finance committee

- Local and international agencies to be targeted for funding of projects
- 2 projects have been submitted to the BPSA project hub & funding is being pursued.
- Institutional Strengthening & Development of an Underwater Attraction
- Recommendations for the update of the TDA presented to the Ministry of Tourism.





# THE ENABLING ENVIRONMENT

## STUDY DEFINED PROBLEM

- Poor monitoring of tourism assets in operation
- Inadequate knowledge base about the industry
- Too many government departments to interact with (17 for a hotel set up)
- Crime, drugs and beach harassment are a problem

## STAKEHOLDERS/PARTNERS

- Submission to the White paper made on behalf of the BHTA to address the issues related to legislation etc. has been completed.



# Cruise & Sea Access

## STUDY DEFINED PROBLEM

- Port experience for cruise passengers deters passengers from disembarking
- No focus on cruise tourism development.
- Missed opportunities to market Barbados to cruise visitors → poor rate of cruise conversion
- Port built for today not for future capacity

## STAKEHOLDERS/PARTNERS

BHTA Cruise Committee

- ❖ Input made to White paper includes recommendations re these topics.
- ❖ Map targeting cruise visitors has been commissioned to hand out at BTA port
- ❖ Welcome sign designed for the port about to be constructed funding.
- ❖ Major project to audit all BHTA member attractions to refresh the product is to be implemented but requires funding.
- ❖ Full participation in the Cruise tourism Task force's activities





# Accommodation

## STUDY DEFINED PROBLEMS

- Little growth in the hotel sector
- Assets continually rated as tired
- Considered to have too few activities for guests
- Legislation does not provide for adequate recourse for non registration of properties

## STAKEHOLDERS/PARTNERS

Luxury / A class/ B class/ Apartments

- ❖ Category meetings will focus members on adopting world class standards e.g., AAA
- ❖ Plan to implement Hospitality Assured across the sector to be rolled out by BE committee
- ❖ Special assistance for members to enroll for HA until September 2011 – MOU with CTO/NISE & BHTA
- ❖ Committee meetings to include safety & security & environment as standard part of agenda.
- ❖ Audit of implementation of green initiatives to be undertaken.



# The Villa Sector

## STUDY DEFINED PROBLEM

- No legislation governing the registration and operation of villas as short term rental accommodation
- Economic contribution completely unmeasured and misunderstood
- Minimal financial incentives for the sector despite its contribution to growth in tourism attractions and accommodation stock

## STAKEHOLDERS/PARTNERS

- ❖ Villa and condo committee established since 2007
- ❖ Research on the economic contribution of the villa market currently being carried out by the MOT in association with the Central Bank
- ❖ Recommendations given for the White paper on Tourism





## Marketing & Strategy

### STUDY DEFINED PROBLEM

- ❖ Too many organisations marketing the destination with unclear image
- ❖ The BHTA needs to take a more proactive approach to marketing & make structured input into the BTA plan
- ❖ Better coordination & communication required between the BHTA & BTA

### SOLUTION

BHTA Marketing committee

- Input made to the white paper on need for more consistent marketing message
- BHTA has refocused its mandate and mission to include Marketing.
- A contract for Marketing support has been established to bring consistent focus on major projects.



# Marketing & Strategy cont'd

## STUDY DEFINED PROBLEMS

- ❖ Need to utilise IT to improve sales

## BHTA INITIATIVES

- A BHTA e-commerce platform has been commissioned and will be launched today
- The responsibility for creating a national summer package has been embraced by the BHTA with the “Take Me To Barbados” implemented for summer/fall 2011.
- The BHTA has taken a leadership role in ensuring the product clubs remain active to ensure focus on the major niches. (Details in book)





## How do we innovate in the tourism sector?

- ❖ **Package our products to leverage their power (i.e. sports facilities and accommodation)**  
A model for the BHTA Hospitality desk to offer services at all major events is being developed.
- ❖ **Market the niches and develop new niche market opportunities e.g. agro-tourism; medical tourism**  
No additional work done on agro tourism but initial meeting held to understand the scope of opportunities for medical meetings and conferences
- ❖ **Improve visitor spend?**  
Major research to be commissioned to address this issue and find solutions to address.
- ❖ **Use our physical assets better (i.e. Kensington)**  
No initiatives planned for this yet.



## Next steps

- Our committees are comprised of several partners and we hope to continue to expand the involvement where relevant.
- Complete the tasks identified on the priority list of each committee over the next 12 months.
- Commission major research on visitor spend
- Access funding to support the following major projects





- ❖ The implementation strategy is designed to be a long term process but with results being monitored continuously.
- ❖ Thank you to the Board, Management and Staff to their commitment to change
- ❖ Thank you to our partners and stakeholders for the support and cooperation as the BHTA seeks to improve the competitiveness of the tourism sector.



**Ladies & Gentlemen**

**This is YOUR Association working for YOU and  
“Rallying through Adversity”**

**As Disraeli once said “There is no education like adversity”**

**I thank you**



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