



## **BHTA Annual General Meeting 3<sup>rd</sup> June, 2015**

### **Report of the Chief Executive Officer**

This past year has once again been one of change, challenges, opportunities and successes all of which are now the daily recipe of doing business.

The global financial climate still remains challenging, although we are seeing some improvements in the economies of the UK and the US two of our major markets. Oil prices have reduced over the past six months and will hopefully hold for the next few months. Trends in the industry are dynamic and constantly changing and the product within Barbados has to continually reinvent itself to ensure that it stays relevant and competitive. Increasing productivity requires management to re-engineer their performance standards. The need now more than ever for nimble and proactive marketing and revenue management together with the control of costs is imperative. The increased uses of information technology in the world of marketing - all of these areas of operation are constantly evolving and require hands-on, dedicated and engaged management.

*The future belongs to those who prepare for it today – Malcom X*

With the above in mind and under the guidance of the Chairman and the Board of Directors the Secretariat has been concentrating on restructuring the Association and its work for the future and utilizing the goals as highlighted by the Chairman to direct its activities and work. These goals included effecting changes to the constitution, re-constituting the committees as laid out in the articles of Association, launch a scholarship programme, improve the research capabilities of the Association and the collection of data, improve the Tourism Fund participation, increase our Public relations portfolio, to work closely with strategic partners especially the BTMI and of course to Advocate the needs and requirements of the industry.

#### **ADVOCACY**

##### **Concessions**

From when the Government announced the food and beverage and consumable concessions for Sandals International on 18<sup>th</sup> October 2013, the Association has been in constant dialogue

and consultation with the key ministries and technical consultants to ensure that a level playing field for all our members and hotels operating in Barbados is established.

In October 2014 Parliament passed the amendment to the Tourism development Act making it law for the hotels to be able to access duty free concessions on all food and beverage and consumables required for the operation of an hotel. It was hoped that having made this law that the path of implementation would proceed swiftly. However this has not been the case. An agreement was made to set up a system allowing hotels to initially import alcoholic beverages, wines and meats, this was to be in place for a short period of time to allow for all the regulations and procedures to be implemented and tested. To date some seven months later hotels that have obtained permission from the Minister to import duty free can only do so for alcoholic beverages. There have been no meats imported to date, and none of the other food items and consumables is even being considered. This situation has been compounded by the issue re customs numbers being registered to the trading name of the hotel rather than the actual name of the hotel. For all intense and purposes the procrastination and delays that are being experienced can only lead the sector to believe that these are more delaying tactics to prevent the hotels to actually obtain what has been proclaimed as the law of the land.

The amended TDA has not dealt with the requirements of the 21<sup>st</sup> century product that is needed in order to compete globally. Continuously we are told that the product requires updating and modernizing and that is what many of the hotels despite all the challenges are trying to do. However in this day and age ceramic tiles are rarely utilized for refurbishing, as porcelain tiles are more acceptable and provide for longevity. But every time a hotel imports these tiles there is an issue re duty. The whole idea of the amendment to the TDA was to move away from a list and to be able to import the required items to upgrade the total product and to run the hotels in a more sustainable manner.

Sandals International continues to import all they require to operate. Why is it that the same methodology that is utilized for Sandals cannot be implemented for the rest of the sector? As other new players come into the market, of which there are several, this issue will become more and more erroneous. Certainly we are NOT operating on an even playing field at ALL.

### **Reduction in the VAT rate for the DTS membership**

The Association lobbied over a long period to obtain a reduction in the VAT rate for the Direct Tourism Services (DTS) membership and in 2013 the Government committed to reducing the VAT rate to 7.5% for which we were very thankful. The decisive factor at the time was for companies to demonstrate that 75% of their revenue was received from foreign exchange. The poof required to meet this criteria was very difficult for a number of reasons and having

discussed the issues with the authorities it was decided that the DTS companies would be required to register with the Ministry of Tourism as a qualified tourism business on an annual basis and to demonstrate that 75% of their revenues came directly from tourism sales. However although this was agreed verbally the law has not been amended some two years later, and therefore very few of the DTS companies have been able to access the reduced VAT rate.

### **Municipal Solid waste Tax**

The association lobbied Government re the introduction of the Municipal Solid Waste Tax. Correspondence was set to the Minister of Finance and economic Affairs explaining the position of the Association explaining that the hotel sector was poised to bear the brunt of the Solid-Waste Tax as 95 percent of the island's hotel plant were located on highest value lands, namely beachfront property. It was also noted that the nature of the hospitality demanded that to be competitive hotels had to improve and increase the values of their property and land; it now appeared that the hotels were being penalized for that investment. The Association requested the Minister to consider granting a 50% reduction in the Municipal Solid waste tax for hotels matching the reduction that is granted to hotels for the land tax.

We are very pleased to note that the Municipal Solid waste Tax is under revision and look forward to the removal of this tax on all properties.

## **MARKETING**

### **BookBarbadosnow.com**

Book Barbadosnow.com continues to evolve and more options have been added over the year to help the membership to service their needs and to maximise revenues and sales.

Over the past year a package tool has been added allowing hotels and attractions to offer packages and offers for both products.

A Villa booking engine was launched in partnership with Leisure Link/Vacation Roost, which considering there are over 3000 villa rooms for rent on the island should assist in exposing these rooms.

New Tools have been added to the Hotel's extranet - there is BUKIZI this is a partnership which allows for guests to negotiate rates with the hotel when their travel dates are flexible.

Bookings On-Hold this has been operational for some time but the new addition allows booking to be held from 24hours to 48 hours and even 72 hours depending on the lead time to the date of arrival.

Rate Alert –hotels can use this tool to negotiate rates one to one with guests who opt to receive notice of rate drop on desired dates.

Inventory Control – Hotels can now be notified when their inventory drops below a certain number allowing them to always have product on sale.

The success of BookBarbadosnow.com depends a great deal on each and every one of you to keep your rates competitive and to remember that you are only paying 10% commission so you can be even more generous with your lead in rates!

### **“Gimme 5 and Fly”**

The BHTA worked closely with the then BTA with respects to the programme offered to the 100 agents that visited Barbados during Gimme 5 and fly. For the first time there was a day dedicated to the attractions that are available for visitors on island which proved to be very successful. The visit overall certainly allowed the agents to be exposed to a true Bajan experience!

### **Barbados Island inclusive**

The Barbados Island Inclusive was re-launched in 2014 in all markets except the UK. Visitors received their “free spending money” in the form of cash vouchers on arrival at their hotel/villas. The allotted amounts of money were based on a maximum of two persons per room and on the number of nights stipulated in the various markets. The booking period was extended into the summer to endeavor to drive additional business.

### **VIP Card**

The BTA launched the VIP card promotion which was available during the period of July to December 2014 for the UK market. This card was intended to encourage incremental bookings, especially for families, as it provided added value to holders of the card for on-island activities. The holders of the Barbados VIP card were entitled to “Buy one and Get one 50% off”. The BTA reimbursed each of the participating attractions, half of the 50% off (i.e., 25% of the full cost of the second person).

### **Barbados “Summertastic” Bus Tour**

The Barbados Summertastic Bus tour took place from 23rd June to 27<sup>th</sup> July 2014. The key objective of the road show was to:

- Increase top of mind awareness amongst consumers and the travel trade in the UK
- Expand the network of agents selling Barbados and strengthen the relationship with existing travel partners who sell the island
- Provide training for the travel trade and provide timely updates on the Barbados product
- Stimulate bookings and maximize current airlift capacity

A unique partnership with Fruition Premier Service Ltd. (FPSL) was contracted by the BTA. Fruition is a full service event production and online TV production company with clients ranging from global brands to advertising agencies and PR agencies. Through FPSL the BTA was extended the opportunity which involved the use of an ex Formula 1 mobile studio for the national wide radio show which targeted 17 cities across the UK culminating in Glasgow at the same time period of the Commonwealth games.

The bus was fully wrapped with Visitbarbados livery creating a striking, mobile, branding tool for Barbados. The road show stopped at key locations including city centres and shopping centres in the various cities, strategically chosen because of their propensity to attract high visitor footfall.

To enhance this tour even more, the BTA teamed up with the popular radio station Capital FM, leveraging the popularity status of its radio personalities and street stars to create as much buzz as possible around the tour. Two exciting holiday prize competitions were held during the tour. The first involved entrants having an opportunity to put together a short video indicating why they wanted to visit Barbados. The second saw entrants taking to the luxury coach's on-board studio to try their skills at being a presenter for the day and again stating why they wished to visit Barbados.

Evening events were also hosted targeting the travel trade in the various areas visited by the bus. Social media played a large role in promoting the road show and this medium allowed for "selfies" and photos of the bus and the participants.

The EVP participated with Summertastic for 14 days travelling approximately 1000miles through the UK.

### **Connect Barbados 2014**

The Connect Barbados symposium was held in September which saw approximately 90 tour operators from UK, Canada, Brazil, Europe and the Caribbean on island.

The BHTA hosted an event for the tour operators at the beautiful villa, Marsh Mellow. The theme of the evening was Romance utilizing the venue to emphasize the romance market and the potential of different venues for weddings and the national wedding package "Forever begins in Barbados - Bride Flies Free".

### **Birmingham Dive Show**

The CEO attended the Birmingham Dive show which is held annually. Four dive shops from Barbados were represented on the booth and overall the response from the patrons was

positive. The one challenge was the collateral for this niche, the individual operators had their brochures and special packages to offer, however the general dive piece is now some 4 years old and some of the information is now dated. A DVD of the underwater experience from footage obtained from the operators was compiled and shown on the booth.

### **IMEX Continues to Produce for Barbados MICE Business**

The BHTA MICE Product Club first led a delegation to the IMEX America Meetings and Incentives Trade Show in 2012. The response to Barbados was so enthusiastic that this Tradeshow is now the premier tradeshow for producing meeting and incentive business to Barbados.

#### *Exploring the Potential*

IMEX America is America's largest MICE trade show, with unprecedented business opportunities combined with a great industry gathering. In partnership with the industry's key associations, their unique model is complemented by extensive free education and networking. Over 2000 hosted buyers and thousands of visiting attendees meet with over 1800 exhibitors from 147 countries. IMEX America is the place for the industry's top planners to conduct serious business with destinations and suppliers from the US and around the world. IMEX has the largest US hosted buyer program and an appointment system guarantees business. Over 50% of the hosted buyers attending have budgets in excess of US \$500,000 annually, with almost 17% holding budgets of US \$5 million and above.

#### *Barbados is Seen as a New Destination*

Buyers are excited to see Barbados as an option. Tired of the traditional mass tourism destinations, these buyers are looking for high end destinations that offer new and exciting experiences for their clients. Many are discovering Barbados for the first time.

For the entire three day show the Barbados booths is busy with appointments, group presentations and walk-ins. Several contracts are signed right on the booth.

#### *Return on Investment*

Over BDS\$5 mil. The cost of IMEX participation for Barbados is on average US\$80,000. However, the return on investment is phenomenal, averaging a ratio of 81:1 with over BDS\$5 million per year in business generated on island from our attendance.

IMEX not only benefits the accommodation sector, DMCs and event planners, significant revenue was also gained by activities, attractions and restaurants and supporting product and service providers as the groups bought out tours, catamarans and participate in various events and activities on island. This is a return on investment that is wide spread.

### *MICE Business Resilient*

The nature of MICE business makes it almost recession proof, hence, while leisure travel may be volatile to economic conditions, the meetings and incentive market is more resilient. As Barbados is seen as a new luxury destination, our MICE business continues to soar, and cushions the impact of volatility in leisure travels. Our group business has increased tremendously with IMEX as a key outlet.

### **Barbados Days**

The CEO attended the new marketing event for the UK market called “Barbados Days.” Barbados was featured at four top producing tour operators for a day, namely Kuoni, Virgin Holiday, Thomas Cook and Carib Tours. Hoteliers and/or representatives were able to interact with sales staff, reservation agents and key senior marketing staff of each company.

At each venue the tour operator gave an update on their company and recent developments, current marketing conditions, the sales to date for Barbados and its competitive set. A presentation about Barbados was given prior to the sales staff and reservation agents participating in “speed dating” with the various hotels attending.

On the fifth day a mini-Unite was organized in London. Some 25 supplier companies attended this event which received high praise.

### **WTM**

Barbados was well represented at the WTM stand which looked very fresh and the smaller space although a little cramped certainly created an atmosphere of continuous business. The BTMI invited the BHTA to attend a number of meetings with key strategic partners, airlines and tour operators.

## **PUBLIC RELATIONS**

### **Tourism Talks**

Having surveyed the membership a decision was taken to no longer produce the Tourism Talk pages in the print and on line media. There was no empirical evidence that the Tourism talk pages had been success or a failure s there was no measurement to advise the Association.

Moving forward to replace the pages, press releases were utilized to announce emphasis, educate or advocate the Association’s position on various issues, concerns and activities.

## **MEMBERSHIP**

Membership continues to grow and over the past year we welcomed 27 new members. The majority was in the DTS and supporting categories with 5 in hotels. Unfortunately we lost 24 members, 5 of which were companies that have closed their business.

Orientation meetings were held to ensure that the new members were made aware of the workings of the Association and to actively encourage the new members to become involved and contribute to the sector through the Association.

A membership action plan has been submitted to the board and the committee will be implementing the ideas during the next three months.

## **CONSTITUTION**

The articles of Association for the BHTA were amended at a general meeting of the membership in March 2015.

The amendments included the change of the job title of the Executive Vice President to CEO and the title of President to Chairman.

Voting procedures were amended to allow every voting member to have one vote for dues paid up to and including Bds\$1k and an additional vote for every increment of Bds\$ 1K paid in dues thereafter.

An amendment to the Officers of the Association was made whereby all officers of the Association shall be elected from the voting membership rather than as was previously stated that the President and First Vice President should only be from the accommodation sector. An addition was made that every member should subscribe to the Tourism Fund and to report and pay all monies collected to the Association.

A further addition was made that every member should provide to the Association supply and demand data relevant to the determination of industry performance and other information that may be required for time to time to assist the Association in achieving its objectives. The full amended Articles of the Association are available on the BHTA website for reference.

## **HUMAN RESOURCE DEVELOPMENT**

This committee has concentrated its efforts on the new collective agreement that is currently being negotiated between the BHTA and the BWU as the standing agreement expired on 14<sup>th</sup> December 2014.

The Association would like to take this opportunity of thanking Mr. Ed Bushell, our former Industrial relations consultant for all of his help, support and professional advice that he rendered to the Association over the past five years and wish him well in his future endeavors.

The Association is once again utilizing the services of the Barbados Employers Confederation (BEC) for industrial relations counsel and the BEC is leading the negotiations with the BWU.

### **Scholarships for Tourism students**

The Chairman announced that the BHTA will be providing for four (4) scholarships totaling Bds\$20k per year for the next 3 years to assist students that wish to study in any specific area of Tourism.

This programme will be launched in June 2014 to allow for candidates to apply for the upcoming scholastic year. The School Tourism Education Program (STEP) committee will be responsible for the interview and selection process of the candidates.

It is hoped that this initiative will help to finance students that would otherwise not be able to pursue their dream to study tourism due to the increased rates of tuition fees at the university.

## **TRAINING INITIATIVES**

### **Security Guard training**

Three sessions for the training of security guards were conducted by Superintendent Margaret Stephen and her team. These sessions were conducted on three consecutive Saturdays at the BHTA secretariat. The aim of the training was to educate and sensitize all of the participants about the role and functions of the security guard, rules and regulations of the company, company code of conduct, law and police procedure and indicators of efficiency. There were 20 participants per session and at the end of the sessions an evaluation was conducted and certificates will be distributed to the successful candidates.

### **Leadership 21**

Leadership 21 training is an initiative developed by the Association and the Potter centre and was made possible by obtaining funding from the Competency Based Training Fund (CBTF).

Effective leadership is so critical to the industry's capacity for consistent and reliable delivery of service excellence. In three recent studies the tourism competitiveness study sponsored by the BHTA in 2009, the 2010 NISE study on service in Barbados and the 2014 Tourism master Plan a

lack of management and supervisory skills in the industry was identified and so we honed in on that particular level of training.

This program is competency-based designed in concert with CVQ Management Level 3 occupational standards which is a recognized certification locally and regionally. The program allows the participants to develop tools and techniques to improve performance management, communication, change management, problem solving and decision making skills. The aim is to train 300 member managers and supervisors over a two year period with a minimum of 80% of the participants completing the full CVQ Management level 3 certification.

Picture

### **ST LAWRENCE GAP PROPERTY OWNERS COMMITTEE**

The St. Lawrence Gap property Owners Committee was officially sanctioned for a period of one year by the BHTA on October 2ns 2014. The goal of the committee is to enhance the physical appearance of the gap and to work towards a safer and cleaner environment that can benefit all of the persons who use the area.

A number of initiatives have been discussed including replacing the mosaic tiles, lighting, the removal of the skip from Dover pasture, the improvement of the children's play park, signage, garbage bins and recycling, upgrading of the telephone booths , replanting of plants and palms were required and drainage of the area.

All of these initiatives are under different ministries and governmental departments and the co-ordination and progress regarding the above mentioned areas of concern has been slow. The total project has also been forwarded to the Barbados Tourism Product Authority (BTPA) to request some assistance where possible.

### **RESEARCH AND TECHNOLOGY COMMITTEE**

The Research and Technology committee was one of the committees that were reconstituted. The committee has concentrated on two main areas that of research and IT strengthening for both internal and external members of the Association.

### **MOU with UWI**

In March of this year a MOU was signed between the BHTA and UWI. The main objective that drove this partnership was the need for the BHTA to become more informed by utilizing sound research and data which would help formulate decisions and articulate the industries perspective on areas that impact the sustainability of the hospitality and tourism sector.

The MOU is a framework for establishing and expanding cooperation for the mutual benefit of both institutions and their stakeholders. The MOU covers the following specific areas:

- Collaborative research in tourism and hospitality in Barbados
- Identification and agreement of major research areas that are specific to Barbados
- Applied research that can be practically used by industry stakeholders for policy and general decision-making where required research areas of interest especially relating to operating costs and ROI's of the hotel sector in Barbados versus the rest of the region
- Research outputs that can be published locally, regionally and internationally

Professors from the University have met with the TWG to discuss possible research topics and the scope and purpose for these are now to be developed and sources of income will be sort to move the research aspect of the MOU forward.

### **Tourism Working Group (TWG)**

For approximately one year there was a hiatus with this committee as the members did not meet. Under the new chairmanship of the research and technology committee this sub-committee is once again operational. The members include representatives from CTO, BTMI, BHTA, the Central Bank of Barbados, the Statistical department and most recently the University of the West Indies. A representative from the BTPA is to be invited to join the committee.

The committee has centered their work on discussing the exit survey, the Tourism Satellite Accounting (TSA) pilot project and its progress to date, the challenges collecting data and research topics.

### **MULTILATERAL INVESTMENT FUND (MIF) PROJECT**

#### **MIF Project – Linking Micro and Small Enterprises (MSE's) to Anchor Companies in the Barbados Hotel value chain**

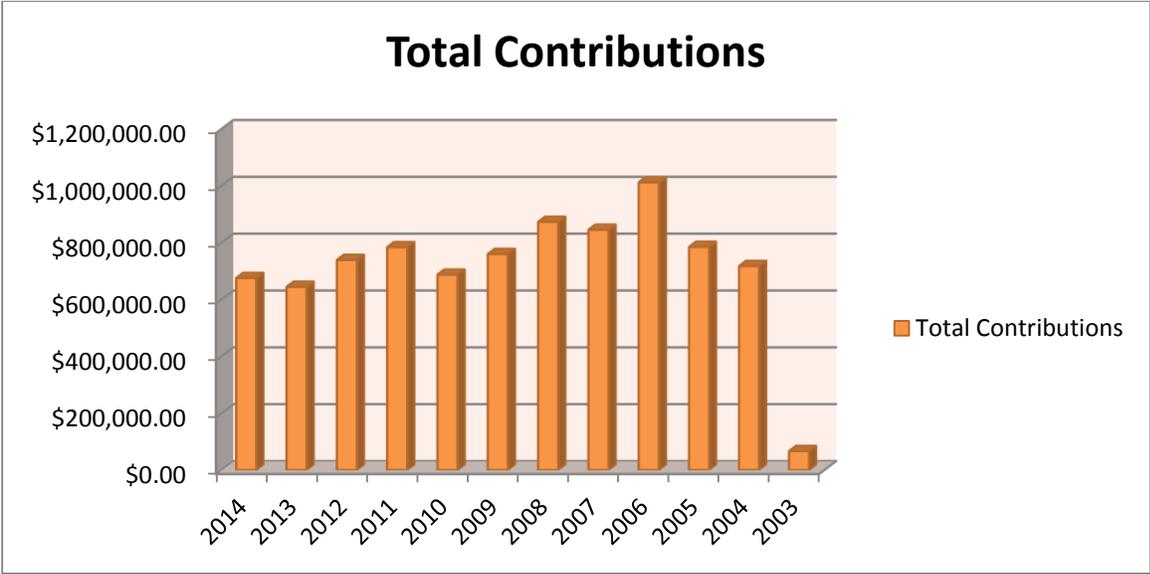
The MIF has approved a US\$417K grant for a project that will boost local business participation in Barbados' tourism sector. The BHTA and local businesses will provide an additional US\$285K in cash and in-kind resources, for a total project investment of over US\$700K.

This project seeks to integrate MSE's as suppliers to key hotels and restaurants operating in Barbados. At least 150 local businesses supplying a range of products and 30 hotels and restaurants are expected to participate.

The project will be executed by the BHTA over a 4-year period. It will pilot an innovative model using an independent consolidator who will support negotiations between buyers and small firms and develop a quality assurance scheme. The project will also establish a digital networking and trading platform, develop a financial model for working capital management and support targeted business exchanges between small and micro businesses and key buyers for the island’s hotels and restaurants.

**TOURISM FUND**

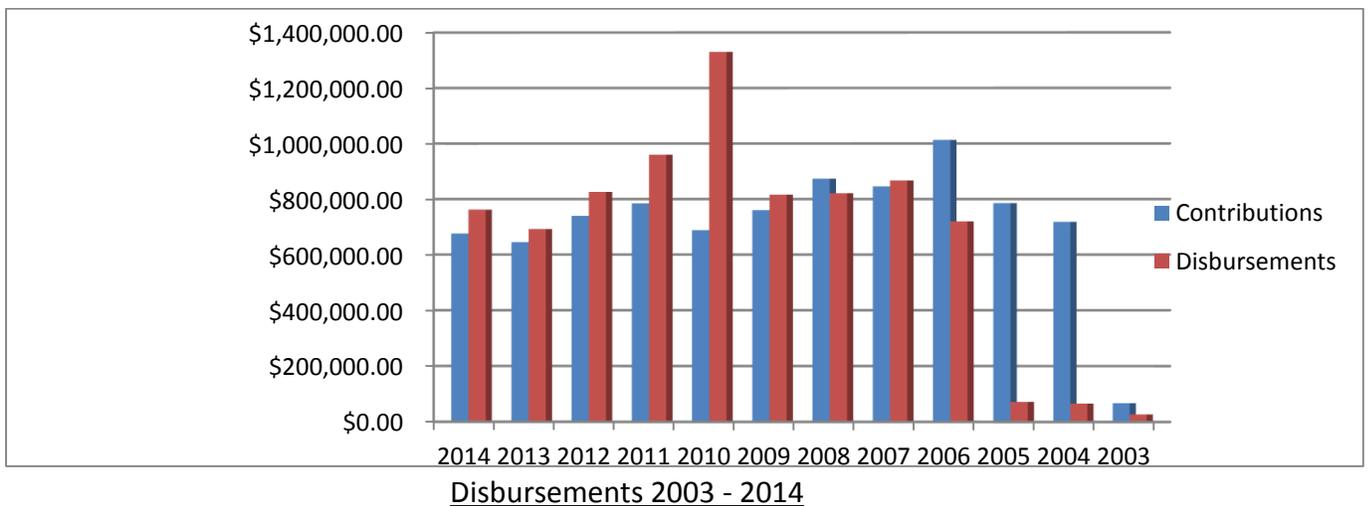
In 2003 the BHTA launched the Tourism Fund with 11 of our accommodation members signed on to contribute to the Fund. Today we have a total of 32 members who have signed on and are contributing to the fund and to date have collectively contributed over \$7 million, most of which has been spent on improving our tourism product and marketing our destination. With this fund, the Association was able to come to the negotiation table as a true private sector partner, working together for the benefit of the players in the tourism industry and that of the entire nation of Barbados, which depend of the tourism industry for the growth and development of our economy. We applaud the 32 properties, both large and small hotels, which have faithfully helped to sustain this fund that has benefited all of our members and the nation at large.



We want to acknowledge the 19 properties that have consistently contributed to the Fund. Since joining they contribute faithfully each year:

- Accra Beach Hotel Ltd.
- All Seasons Resort Europa Hotel)
- Beach View Property Ltd.
- Cobblers Cove Hotel
- Colony Club Hotel
- Coral Reef Club
- Crane Beach Hotel
- Crystal Cove Hotel
- Divi Southwinds Hotel & Resort
- Fairmont Royal Pavilion
- Hilton Barbados
- Rockley Plum Tree
- Rostrevor Apartment Hotel
- Sandy Lane Hotel
- South Gap Hotel
- The Sandpiper
- Tamarind Cove Hotel
- Turtle Beach Resort Ltd.
- Yellow Bird Hotel

The Fund is controlled very carefully to ensure that the disbursements support strategic product development and result in increased business for our industry partners. To date the fund has supported projects such as upgrades in signage across the island, increased security for visitors and locals, saving beaches, promotional activities abroad, improvement of service at key interaction points, human resource development and creating direct business opportunities for our members.



## **The Benefits of the Tourism Fund**

Some of the most significant projects funded through the Tourism Fund include:

- Study on the Competitiveness of Barbados' Tourism Environment
- [www.bookbarbadosnow.com](http://www.bookbarbadosnow.com) Official Booking engine
- National Road Signage project
- CCTV Security Cameras on the South Coast
- Segways for the Barbados Police Force
- Sentebale Polo Cup in Barbados
- Litter bins installed islandwide
- The Barbados Sea Turtle Project
- West Coast Beach Restoration Project
- Collateral Promotional Material for Niche Marketing
- Support for Barbados exhibit at World Travel Market
- Membership representation at International Trade and consumer shows
- Staycation Barbados domestic tourism program
- Crime Stoppers Barbados
- Taste of Barbados
- Bridge and water way in Holetown
- Security Officers for East Coast
- Augmentation of the Airport Immigration officer
- Heritage – Signage, Zouave Uniforms and Brochures and benches for Garrison
- Sol Rally
- The Barbados Food Wine and Rum Festival
- Brian Talma – The Beach Culture Promotions
- Local Promotional Travel Trade FAMs – Gimme 5 and Fly and Connect BGI
- PET Petrol
- 60<sup>th</sup> Anniversary Coffee Table Book – Island In the Sun
- Bringing the Fabulous Wedding Symposium
- Summertastic
- Barbados Days UK Road Show
- St. Lawrence Gap Study
- Social Media Marketing
- Training and HR Development
- Community Projects – St. Matthias, Fun Run

On March 11<sup>th</sup>, 2015, the membership of the Association voted that all accommodation members should contribute to the Tourism Fund through the process of a levy on guest per night rate. Since then we have started the process of welcoming additional contributors to the fund.

**The Tourism Fund – The Power to ACT.**