



Year In Review



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION

CARIBBEAN



CHTA: AN INDUSTRY RESOURCE



In 2015, CHTA took great care in becoming an invaluable resource to the hospitality and tourism industry and the region as a whole more than ever before. Through the direction and vision of CHTA's past President Emil Lee and a dedicated group of industry volunteers, CHTA has been able to refocus on

supporting the National Hotel and Tourism Associations and adding value to our membership where it counts most, the bottom-line.

Greater Collaboration and Engagement

In addition to strengthening the National Hotel and Tourism Associations (NHTAs) throughout the region, CHTA welcomed a new era of public-private sector collaboration between CHTA and the Caribbean Tourism Organization (CTO). CHTA wants to encourage an ongoing constructive dialogue between hoteliers, allied members and the public sector to proactively look at improving tourism. Through its webinars, events and stepped up communications, CHTA has entered a new era of engagement with members adopting an open-door policy aimed at growing upon the tremendous wealth, talent and expertise which exists within our broad member base.

New Executive Team

The introduction of a new executive team at Caribbean Travel Marketplace further emphasized CHTA's desire to change the status quo. When Emil Lee announced during Marketplace that Frank Comito, former Association Executive with the Bahamas and past president of the Caribbean Society of Hotel Association Executives, would become the new CEO the room was abuzz with excitement, especially from the other hotel association executives and presidents. The CHTA Executive Board also created a new position of Chief Marketing Officer and named Matt Cooper, long-time allied member of CHTA to the post. And when Lee announced that "we have taken this opportunity to promote one of our own to the new position of Chief Operating Officer (COO)" and named long-time CHTA employee Vanessa Ledesma, the audience roared with approval.



Focus on Research and Education

As CHTA closes out a transformative year, with the unexpected announcement from Emil Lee that he will be stepping down 8 months earlier due to a request by his government to assume a ministerial post, CHTA's transition plan kicked into gear. CHTA President Elect Karolyn Troubetzkoy took the helm serving as Acting President. She pledged to continue to build upon the great foundational work established by Emil and his team, and take CHTA to new heights.



TOURISM BOOM



In 2015, Caribbean Tourism welcomed millions of tourists to its shores and experienced a significant growth over 2014. The region's tourism sector posted a six percent increase in arrivals in the first quarter of 2015, for the

the 17th straight quarter of positive growth. That represented a total of nearly 8 million visits to the region in the first three months of 2015. The region also set a record in the first quarter for room occupancy (77.8 percent), average daily rate (\$239.84) and RevPar, or revenue per available room (\$188.25), according to the CTO. To view a summary of the most recent CTO report, [click here](#).

More Airlift and Airport Expansion

Multiple airlines continue to add new Caribbean destinations. JetBlue now services 28 Caribbean destinations second only to the American/United merger, with new routes from U.S. gateways to Grenada, Curacao, St. Lucia, Montego Bay (Jamaica), Port of Spain (Trinidad) as well as Puerto Plata, Punta Cana and Santiago (Dominican Republic). Delta Airlines added new service to Grenada, St. Lucia and Barbados. United Airlines launched new service to Nassau (Bahamas), and Southwest announced new service to Aruba, Montego Bay (Jamaica) and Nassau (Bahamas). Regional carriers such as [InselAir](#) and [Seabourne](#), among others have also expanded their destinations.

A new airport facility was also created in the eastern Caribbean to keep up with new arrivals. Antigua and Barbuda opened the brand-new VC Bird International Airport in August of this year, marking the culmination of one of the region's most ambitious infrastructure projects. This new state-of-the-art facility can handle as many as 1,777 passengers per hour, with a shopping area, food court and a VIP lounge.



Looking Ahead

As we prepare for continued growth, the Caribbean must exceed guest expectations to maintain a competitive edge over other destinations. According to TripAdvisor, the most important factors in satisfying the modern traveler are:

1. Give them an experience! You are not just selling a room and a pool. You are selling memories. Take advantage of what makes your island and your property unique.
2. Give them their top 5 "traveler must haves" for free: in-room Wi-Fi, parking, breakfast and personal care items.
3. Embrace the technology they love. Mobile marketing must be part of your marketing plan, along with all of the applications and social platforms travelers use when going abroad.



SARGASSUM



Helping hotels and destinations to counter the impact of Sargassum Seaweed was a CHTA priority in 2015. Sargassum Seaweed is a natural occurrence in the Caribbean, and home to a huge variety of sea life. In fact, several creatures, like the

Sargassum fish are born, reproduce, and die solely within this environment. Unfortunately, since 2011, the Caribbean has seen an increase in the amount of biomass of this seaweed coming ashore and 2015 was a particularly bad year for some areas in some regional destinations. Although harmless to the environment, Sargassum created a problem for some tourists looking to relax on the beach.

The increase of Sargassum Seaweed was due to nitrogen and phosphorous land-based runoffs as well as the rise in water temperatures and low winds. As Sargassum continued to invade so many beaches in the region, hoteliers and governments alike had to act quickly to mitigate the negative impact on guests and the environment. Even though it would be faster to remove the Sargassum seaweed by using cranes and mechanical equipment, such an endeavor was time consuming, expensive and it disrupted wildlife habitats.



Looking Ahead

To assist the region in facing this unforeseen challenge now and in the future, CHTA created the following tools and resources:

1. CHTA's Caribbean Alliance for Sustainable Tourism (CAST) created a Sargassum Resource Guide which showcased the potential uses of the Sargassum seaweed. How it can be used to build up dunes and protect beaches from erosion, used as fertilizer and compost, even incorporate it into food. [Click here to download the guide.](#)
2. A regional Sargassum Task Force was created in order to build a community involved and educated about the uses of the Sargassum.
3. A Sargassum webinar was offered by CHTA in collaboration with the Galveston Island Park Board of Trustees and CVB to share best practices for the relocation or removal of Sargassum (equipment, timing and placement practices) and develop an environmental education campaign targeting visitors. To view a video of the webinar or download the PowerPoint presentation, [click here.](#)
4. CHTA also worked with CTO on several public relations activities to allay the concerns of prospective travelers by assuring them that most beaches in the Caribbean were not impacted by Sargassum.



THE OPENING OF CUBA



2015 saw the biggest and most disruptive event to take place in Caribbean tourism in fifty years with the shifting paradigm of US Cuba relations. Cuba has been a major player in the industry for years, receiving more than 3 million visitors in 2014 (second only

to the Dominican Republic) however, the anticipated flood of arrivals from the US once the embargo is fully lifted will have significant and sustained impact on the rest of the region. CHTA expects that the countries nearest to Cuba will feel the greatest ripple effects and encourages all Caribbean stakeholders to find ways to mitigate those effects now. There is ample time and opportunity for the net effects to be positive for the Caribbean as a whole, as travel interest in the region is heightened.

The true impact of businesses losses or gains will depend on whether the overall number visitors to the region increases and if those destinations are prepared to receive them. Perhaps the greatest impact Cuba has made on the rest of the region, is their example of leading with cultural tourism and the myriad opportunities for linkages.



Looking Ahead

With the aim to help raise awareness of the effect and changes that the Caribbean can expect and further improve the odds of beneficial outcomes for the region, CHTA created the following tools and resources:

1. “Cuba: The Great Disruption for the Good of the Caribbean” position paper. [Click here to download.](#)
2. Testimony submitted to US Trade Commission – CHTA submitted a position of support for the lifting of the embargo. The organization recommended creating a Caribbean Basin Tourism Initiative (CBTI) . Similar to the original Caribbean Basin Initiative of the 80’s, a CBTI would provide policy and technical support to the region, while removing barriers to tourism related travel and trade.

We hope these initiatives could become the spark that ignites the long desired and much needed cooperation and collaboration among all of the governments and the private sector organizations of the Caribbean region.



TROPICAL STORMS AND HURRICANES



Tropical storms and hurricanes can wreak havoc in the Caribbean, inducing considerable physical damages and potentially discouraging tourism. Given its impact on tourism, finding ways to minimize potential future losses caused by these meteorological phenomenon are imperative.

Tropical Storm Erika

Tropical storm Erika made landfall in Dominica on August 27, 2015, with 12 inches of rainfall, creating landslides, flash flooding and property damage with the loss of 31 lives on the island. Dominica had to restore its roads and telecommunications, and relocate 300 families who lost their homes to the Tropical Storm. Erika caused more than US\$200 million in damage.

Hurricane Joaquin

Later in the year, on October 2nd Hurricane Joaquin hit the southern Bahamas. Joaquin was a category 4 hurricane when it hit the southern Bahamas reaching winds of up to 165 mph. Many residents lost their homes and many out islands were flooded by the storm. The storm battered trees and buildings as surging waters reached the windows of some homes and inundated the airport runway at Ragged Island.



Looking Ahead

To prevent, mitigate and deal with the effects of severe tropical weather, CHTA has created the following initiatives:

1. CHTA circulated its [Hurricane Preparedness Manual](#) and an [Insurance Readiness Guide](#) to help organizations better prepare property and personnel from harm during an emergency weather situation.
2. CHTA's Acting President Karolin Troubetzkoy and the Dominica Hotel and Tourism Association created the "Caribbean Hotels Unite for Dominica" joint fundraising initiative to support and fundraise for families in need. CHTA members created a campaign for hotel members across the Caribbean to donate 3-7 night vacation packages for auction on CharityBuzz.com. As a result, 57 Caribbean vacation packages were auctioned off online reaching over 125,000 bidders in 109 different countries and raising US\$51,000.
3. In response to Hurricane Joaquin, many individuals created Go Fund Me accounts to raise money for those in need. The Bimini Big Game Club Resort and Marina created a donation goal of \$2,000 to help the residents of San Salvador in central Bahamas as part of the resort's ongoing Community Goodwill program. Members of the Bahamas Hotel and Tourism Association, and private sector tourism boards made substantial cash and in-kind contributions towards hurricane relief.



THE SHARING ECONOMY



Dealing with the sharing economy has been hotly debated by many in 2015. The sharing economy (also known as shareconomy or collaborative consumption) is based on peer-to-peer-based sharing of access to goods and services, coordinated

through community-based online services. In short, owners rent out accommodations or vehicles using a peer-to-peer online services. Companies such as Airbnb, that help people find and rent lodging, and Uber, a faster way of renting a car service to take you anywhere, are pioneers in this new economy.

The Down Side of the Sharing Economy

In spite of its popularity and advantages to users, there is also a dark side and negative impact created by this new way of doing business. The hospitality industry has certainly felt its impact. In addition to drawing travelers away from traditional lodgings and travel services, growing concerns exist about inconsistent quality control and safety standards by participating accommodations. CHTA is developing an industry position paper on the matter calling for a level playing field. The same laws that were put into effect for the safety and security of hotel guests should be equally abided by in the sharing economy.

Opportunity for Growth

Spearheaded and driven by millennials, which according to the Cornell Centre for Hospitality research millennials are set to make up 50% of all travelers by 2025, the sharing economy is clearly not going away. Ignoring the matter and attempting to adhere to the old way of doing business will surely result in missed opportunities. A growing number of hotels are adopting promotional approaches similar to what Uber and Airbnb offer. This sector should also be taxed similarly to the traditional accommodations sector.

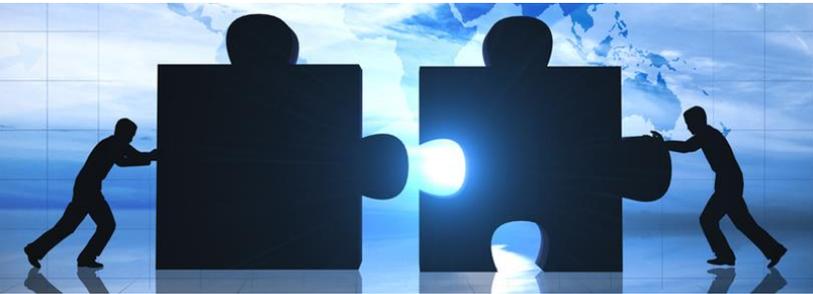


Looking Ahead

1. CHTA will be releasing a formal position paper regarding the sharing economy with further information and recommended steps to move forward in this new digital economy.
2. CHTA will provide more information, training, webinars and other content to better prepare the Caribbean hospitality and tourism stakeholders for the impending changes and effects of this new technology.



EXPEDIA AND ORBITZ MERGER



The Birth of a Titan

On February 12, 2015 Expedia merged with Orbitz creating an enterprise value of 1.6 billion. The merger combines the largest online travel agencies in the US. CHTA and the American Hotel and Lodging Association argued that the merger

would create a "duopoly" between Expedia and Priceline, which would control 95 percent of the online travel-marketplace. The vast majority of online booking sites are actually owned by the two companies. Booking.com, OpenTable and Kayak are owned by Priceline. Hotwire and Hotels.com is owned by Expedia, which also purchased Travelocity in January for \$280 million. That paved the way for its latest acquisition of Orbitz, which reported \$10 billion in bookings last year for airfare and hotel stays.

Industry Impact

OTAs are important channel distribution partners and the industry looks to them to remain as such but not at the expense of on-going margin erosion for hoteliers. All hotels, in particular small and independent hotels and attractions which are highly dependent on OTAs (Online Travel Agencies) to support business generation, as a consequence of this merger, could be further exposed to high commissions and acquisition costs due to the lack of competitive OTA options. Consumers would also be negatively impacted as well. Higher commissions and less choice will result in higher consumer costs.

Caribbean Impact

Caribbean hotels are assessed some of the highest utility rates in the world. The cost of goods and services, many which need to be imported, far exceeds the industry global average. Investments in human capital are higher than the industry average. The Caribbean has some of the highest costs of doing business in the world which would be exacerbated by any increase in OTA commissions.



Looking Ahead

1. In response to the announcement of the Expedia Orbitz merger, CHTA offered a position paper and testimony to the U.S. Department of Justice regarding its opposition to the merger. [Click here to read the complete document.](#)
2. CHTA also raised the region's concerns with Expedia. Having already recognized these concerns, Expedia has increased its commitment to the region and is negotiating more favorable commission rates for hotels.



CHIEF



The Caribbean Hospitality Industry Education Forum (CHIEF) inaugural event took place on October 2-4, 2015 at El Conquistador Resort, a Waldorf Astoria Resort in Puerto Rico. CHIEF was created in response to great demand from members to

provide an interactive forum that covers all crucial aspects of the Caribbean hospitality industry. CHIEF encompassed multiple disciplines and aspects of Caribbean hospitality within a unique interactive education setting focused on helping organizations make money, save money and do so in a sustainable way.

The event focused on three main educational tracks: operations, marketing and sustainability, all of which provide cost-saving measures and revenue boosting strategies that increase profitability. Each session provided not only invaluable insight from top industry experts, but practical real world best practices from Caribbean hoteliers.

A New Kind of Conference

The combination of a trade show component along with educational roundtables empowered allied members to share and promote their latest products and services, educate hoteliers on consumer demand and behavioral trends. CHIEF also offered supplemental tracks continuing education tracks:

- The Certification in Hotel Industry Analytics (CHIA) provided by STR and The American Hotel Lodging Educational Institute
- The Leadership for Service Excellence Training provided by Florida International University's Institute for Hospitality and Tourism Education and Research.

In an effort to learn from the best and recognize the best in our industry, CHTA created the CHIEF Awards to showcase best practices in the each category: business operations, sales and marketing and sustainability. To view the winners and their best practices, [click here](#).



Looking Ahead

1. Save the Date! If you missed out on attending CHIEF this year, don't miss it in 2016. CHIEF will be returning to El Conquistador, A Waldorf Astoria Resort on September 30 – October 2, 2016. Stay tuned for information on the brand new sessions and activities.



SOCIAL MEDIA AND TRAVEL



Social media has provided many opportunities for businesses in all categories, but nowhere is this more true than in the business of travel.

Social Media is the New Travel Agent

According to Forbes report 2015's top travel trends, Facebook was

designated the main platform for sharing life events and travel related content. 52 percent of users surveyed said their friend's photos inspired travel plans, and 76 percent post their vacation photos to social networks. During vacation research, 55 percent of those surveyed liked pages relating to the trip they were planning. This is a very important touch point for travel brands, as social media is a key research tool for vacationers. If a brand is able to present itself to a vacationer mid planning cycle, then it could influence those 33 percent who change hotels, or the 7 percent who change their destination.

Drive Traffic and Engagement

Social media is trusted above all other forms of advertising by 92% of consumers. The most important thing to remember when creating content for your posts it has to be social. This means it cannot look, feel or sound like a paid advertisement. It has to have a personality, a sense of humor, and above all provide value to your prospective guest. Inspire them. Don't tell them. Peak their curiosity.

Optimize your Website

Social media can provide your brand awareness, boost your SEO (search engine optimization) and can drive traffic to your website where you can close the sale. A responsive (mobile optimized) website with an easy to use booking engine it vital. By 2018, 35% of online travel bookings will be made via mobile.



Looking Ahead

1. Take advantage of upcoming educational sessions at Caribbean Travel Marketplace and CHIEF. Don't miss out on the social media workshops and trainings we will offer in 2016, including member exclusive webinars.
2. Engage with CHTA throughout the year on Facebook, Twitter and LinkedIn, using the corresponding hashtags to increase your social media's reach and get more people to look at your posts and follow you on various platforms.

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