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IS THE CARIBBEAN LOSING ITS ADVANTAGE AS THE LEADER IN
DRAWING INTERNATIONAL TOURISTS TO THE WESTERN
HEMISPHERE?

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A Graduate Project Submitted to the School of International Business
Management
of Lynn University
In partial fulfillment of the requirements for the
Degree of Master of International Business Management

APRIL 15, 1996

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TABLE OF CONTENTS

	PAGES
ACKNOWLEDGMENTS	i
Chapter One	
Statement of the Problem	3-4
Introduction to the Problem	5-6
Definition of the Caribbean	7-9
Chapter Two	
The Present Difficulties	10-12
How do Present Tourists View the Caribbean?	13-14
Growing Avenues of Revenue	15-16
Chapter Three	
Literature Review	17-20
Chapter Four	
Results	21-22
Chapter Five	
Recommendations	23-25
References	26

CHAPTER ONE

STATEMENT OF THE PROBLEM
INTRODUCTION TO THE PROBLEM
DEFINITION OF THE PROBLEM

STATEMENT OF THE PROBLEM

Is the Caribbean losing its advantage as the leader in drawing international tourists to the Western Hemisphere?

It appears that the Caribbean Islands have recently been losing their edge as the leader of the tourism trade in the Western Hemisphere. The Caribbean has long been the dominating force behind creative strategies in attracting International Tourists to their shores by creating and developing innovative all inclusive vacation packages. Most disturbing to the Caribbean at this time is Florida especially in regards to attracting families who now choose Florida's attractions over the crystal clear waters of the Caribbean. There are many reasons for the Caribbean's loss of tourism besides Florida. These include new and increased joint advertising by outside countries and the marketing of similar accommodations that in the past have been native only to the Caribbean, such as luxury cruises and one price all inclusive vacations.

The professional importance and relevance in researching this information would be most valuable to those who need to understand the current and imperative situation in regards to waning tourism. This research would be most valuable to Tourism Ministers and Officials who create, plan and design vacation promotions and packages, as well as investors who continue to seek large returns on their investments. Additionally, this information would also help the citizens of most Caribbean nations who largely depend upon as much

as 95% of their economy on tourism (The Caribbean Journal , January 11, 1995). In fact, today, some Caribbean nations are trying to become less reliant on tourism as the most dominant player of their gross national product and have begun to market whatever natural resources their island offers.

INTRODUCTION TO THE PROBLEM

It appears that over the last several years, the Caribbean has slowly been losing its lead as the international tourist haven in the Western Hemisphere. Meanwhile, Florida has begun to increase its market share particularly in regards to Central Florida's family intensive attractions such as Walt Disney World and Universal Studios. What makes Central and South Florida more appealing especially to families is flying straight into Central Florida and enjoying major attractions and then driving south to enjoy the beaches and Miami, a large American cosmopolitan city. All this and they don't even have to leave the country for an all inclusive vacation for kids and adults.

According to an article written in the book "World Travel and Tourism in 1993", the Caribbean is losing ground in its past dominance in tourism in the Western Hemisphere. One study states that the single largest source of revenue for the Caribbean is the United States and tourists arrivals have declined from 10 million (63%) in 1986 to 8 million (55%) in 1990.

In looking at the influx of tourists from Europe, the Caribbean is doing somewhat better. The Caribbean share of European tourists has actually grown from 9.7% to 13.3% in 1990. But even in Europe, particularly in the United Kingdom, the Caribbean has been losing its market share to the United States, especially to Florida which represents both the continuance of a weak dollar and the great success Florida has achieved in recent years. This is done by combining Florida's climatic advantage and range of

attractions not to mention, airfares which have been extremely low creating travel bargains to the states.

A leading travel journal has pointed out four areas of concern that the Caribbean should look at to try and turn around its tourist dilemma. They are as follows:

- 1) Intensive Competition from a growing number of destinations. These competitors would include the United States, Mexico and parts of Central and South America which have finally understood the economic importance of the tourism industry.
- 2) A more demanding and educated consumer who has easier access to information about tourist products and services whether it be via computers, telephones or televisions.
- 3) A technology driven marketplace, particularly in regards to information and reservation systems, which are revolutionizing the tourism industry.

DEFINITION OF THE CARIBBEAN

In order to better understand the complexity of the Caribbean basin, it is desirable at this point to discuss the definition and geographical aspects of these islands.

The Caribbean has been defined in any number of ways, depending on the purposes to be served. The most conventional definition includes the islands from the Bahamas to Trinidad, and including the countries of Belize, Guyana, Suriname and French Guinea. Though not the only useful definition, it does include all those territories with a closely related history, whose patterns of evolution have followed a remarkably parallel trajectory in the modern period.

Altogether the region possesses nearly 30 million inhabitants, slightly more than the seven Central American states. The population growth rates vary considerably. Between the late 1970's and the mid 1980's, Montserrat, Guadeloupe and Martinique were losing their population at the rate of about 0.5 percent per year. Barbados, Dominica, Guyana, Suriname and the Netherlands Antilles were growing at rates varying between 1.5 percent and 2.8 percent per year. The Cayman Islands, with a small population, were increasing at the phenomenal rate of 4.7 percent per year. Yet, the population profile of the region is equally important. For most of the states, over half of the population is less than eighteen years of age, placing inordinate strains on

the national economies since this group requires services well in excess of its contribution to the gross domestic product according to "The World Book Encyclopedia, 1995".

Politically, the region is fragmented into independent states, associated states, and colonial dependencies. Antigua, the Bahamas, Barbados, Belize, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Kitts-Nevis, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago are independent states. Together these states represent about 90 percent of the population. French Guinea, Guadeloupe and Martinique are considered as integral Overseas Departments of France and are so administered. Each Department elects three deputies to the French National Assembly, two senators to the Senate, and one counselor to the Economic and Social Council. In addition, each Department has an appointed official sent to Paris, and an elected General and Regional Council.

The arm of the Atlantic Ocean is considered to be the Caribbean Sea, partially enclosed on the north and east by the islands of the West Indies, bounded on the south by South America and Panama and on the west by Central America.

The name of the sea is derived from the Carib Indians who inhabited the area when Spanish explorers arrived there in the 15th century. The Caribbean is approximately 1,500 miles long from east to west and between 400 and 900 miles wide. It has an area of about 1,942,500 square kilometers or about 750,000 square miles. At the northwest extremity it is connected with the

Gulf of Mexico by the Yucatan Channel, a of passage about 120 miles wide between Cuba and the Yucatan Peninsula. The Windward Passage between Cuba and Haiti is the major shipping route between the United States and the Panama Canal. Many gulfs and bays indent the coastline of South America , notably the Gulf of Venezuela, which carries tidal waters to Lake Maracaibo in Venezuela. With a few exceptions the entire Caribbean Basin is more than 6,000 feet deep. Large areas of the sea exceed 12,000 feet in depth; the greatest depth measured thus far is the Cayman Trench between Jamaica and the Cayman Islands. Navigation is open and clear, making the Caribbean Sea an extension of the North and South Equatorial currents, which enters the sea at the Southeastern extremity and flows in a generally northwestern direction. As a popular resort area, the Caribbean Sea is noted for its mild tropical climate (Funk and Wagnals Encyclopedia, 1994).



CHAPTER TWO

THE PRESENT DIFFICULTIES HOW DO PRESENT TOURISTS VIEW THE CARIBBEAN GROWING AVENUES OF REVENUE

THE PRESENT DIFFICULTIES

The Caribbean must begin to understand and face up to the realities of how many other countries are beginning to lure away their tourist dollars. In 1990 alone, 12 billion dollars was spent by competitors such as: Europe, Hawaii, Asia, Mexico, Florida and Canada, all of which are using an umbrella marketing campaign to wage a tourism war against the Caribbean and at the present time seem to be winning.

The cost of construction in the Caribbean is escalating due to their emergence from a third world economic status to a modern industrialized society. As a result, all types of workers from construction engineers to hotel staff are demanding an increase in their salaries. Consequently, investors are losing high profits and thus risking future investors from coming to the Caribbean (John Collins, Caribbean Business, January 11, 1996). Unfortunately, these increase costs have been passed on to the consumer who chooses to vacation in the Caribbean.

Another example of the Caribbean's loss of revenue comes from increased competition from other countries advertising. A major advertising company from Miami called International Voyager Media has contracted with the Greater Miami Visitors and Conventions Authority to create and print high glossy magazines describing the glitz and popularity of Miami as a world class city. These magazines will be placed throughout South Florida's tourists attractions, hotels and restaurants. International Voyager has been

producing these types of brochures for years as exclusive special media agents for selected Caribbean nations (Tom Stieghorst, Sun Sentinel, June 12, 1995).

To further complicate difficulties for the Caribbean , more domestic American tourists will choose to vacation in their own country than go abroad. In a journal written by Dr. Suzanne Cook of the U.S. Travel Data Center, Dr. Cook predicts that with the recession that hit in the mid to late 1990's, "American tourists will start to spend more money traveling domestically since domestic flights have recently dropped in their prices making it more attractive to fly to the West Coast". Consequently, this will intensify the development of Miami as a major airline hub opening up the West Coast, Far East and South America shuttling people to and from the Caribbean. Therefore, more tourists that are flying to South Florida will decide to fly out west instead of selecting the Caribbean as their final destination. Because of this, Miami International Airport, which is already one of the world's most busiest airports, has just completed the first phase of renovations which will give international visitors a glimpse of South Florida. This will include large domed windows, piped in sounds of the Everglades, water splashing from speakers above escalators and moving walkways. The second phase of renovations already under construction will be an upscale shopping mall which hopes to land large scale exclusive retailers such as FAO Schwartz, Godiva Chocolates etc... this will be open twenty four hours a day. These stores will be dotted along a corridor that will be modeled after major shopping areas of interest to tourists like Bayside, South Beach, Coral Gables and Coconut Grove etc...(Ted Reed, The Miami Herald, May 21, 1995).

As another example of South Florida's emergence as a major airline hub, Carnival Airlines has begun to operate the first nonstop flights between Ft. Lauderdale Executive Airport and Los Angeles, California at an extremely low rate (Tracy Kolody, Sun Sentinel, January 20, 1995).

HOW DO PRESENT TOURISTS VIEW THE CARIBBEAN?

A recent survey published in 1992 by McCaffrey and McCall Advertising Agency came up with fascinating information regarding the Caribbean's tourist market:

- A) There are 28.3 million adults in the United States with annual salaries of at least \$30,000 and higher.
- B) Caribbean vacations generate repeat visits at 48%, which means that almost half of all U.S. tourists return for another vacation to the Islands.
- C) The Caribbean, by and large, delivers an excellent product, which is crystal clear waters and clean beaches. The biggest barrier to repeat visitors is interest in other destinations, not dissatisfaction.
- D) The Caribbean is seen largely as a vacation for couples.
- E) Only 15% of those who have been to the Caribbean felt it was too expensive.

F) The Caribbean's best prospects are:

- 1) Tourists, ages 25-54 with 45-54 year olds being the best and most attractive prospects.
- 2) Mostly married, but a sizable segment of singles.
- 3) College educated.
- 4) From household of total incomes of between \$30,000-\$70,000.

Over the last two years, recent market research findings have found that the majority of complaints by tourists visiting the Caribbean are with the cost of peripheral items such as soda, beer and fast foods. The other area of concern is the general lack of interest or knowledge by the management of major hotels concerning tourist needs and desires. Findings have shown that hotel and restaurant guests feel that management should be visible to all, and must experience first hand, what the consumer experiences.

GROWING AVENUES OF REVENUE

At the present time, there are two areas of growth for tourism in the Caribbean. These include cruises and all inclusive packages. First, cruise vacations have generally outperformed the average land based vacations. In fact, some of the only rare complaints about cruising vacations are regarding the comfort of the accommodations. However, with newer, larger and more luxurious ships being built, these criticisms should be resolved in the near future. In addition, every time a cruise ship docks at a port, the passengers leave port and venture onto the island to purchase everything from toiletries to souvenirs. Secondly, all inclusive vacations have been growing and succeeding at a brisk pace. This is where a tourist pays one price for everything, never having to pay for anything extra while at that resort. Thus, once a vacationer reaches his or her destination, there are no additional charges.

In addition, Caribbean leaders have recently formed an organization to resolve their differences and work together in a joint effort to buildup the lagging tourist industry in the Caribbean as a whole. Consequently, in the short term it could possibly hinder or hurt certain smaller Caribbean countries that are not as financially secure as some of the larger ones. Ultimately, the Caribbean would be helped (Canute James, Journal of Commerce, August 21, 1995).

One of the worst indicators of low international tourism for South Florida is how the Canadian dollar fell last year (1995). Between 1992 and 1993, Canadian arrivals to Hollywood-Ft. Lauderdale International Airport fell by 22%. On the positive side for those Caribbean nations who have their own currency and monetary system, Canadian tourists can actually receive a better deal since their dollar will go farther. Some of the damage that caused the Canadian dollar to fall sharply was the concerns about Canada's huge budget deficit and the reemergence of the Quebec Separatists Movement, keeping many Canadian tourists home and preventing them from traveling (Tracy Kolody, Sun Sentinel, January 11, 1995).

Consequently, as long as South Florida's image continues to be hurt due to the tourist slayings, most northerners wanting to escape the frigid cold and who are concerned about their safety, will ultimately choose the Caribbean over Florida.

The largest tourist population in the Caribbean is as follows. Approximately 66% of all arrivals in the region are U.S. or Canadian citizens. This accounts for 70% (5,000,000) of all foreign visitors to the Caribbean. Visitors from Europe, the worlds largest tourist market region, amounts to about 12% - 15% of total arrivals. The United Kingdom has many historical ties and good airline connections, and is leading the European tourism market.

CHAPTER THREE

LITERATURE REVIEW

LITERATURE REVIEW

Is the Caribbean losing its advantage as the leader in drawing international tourists to the Western Hemisphere?

The above question was examined by this researcher who reviewed over seventy five articles and five business journals dated between January, 1995 - January 1996. Approximately nine articles were selected because of their content in relation to the Caribbean international tourist market.

The articles were categorized in several different areas of content. First, some of the articles dealt with impact of the 1995 hurricane season which left many Caribbean Islands in shambles. However, ultimately it allowed many hotels to be completely renovated after collecting billions of dollars in insurance claims.

Secondly, several articles addressed the aspect of how some of the Caribbean's inclusive offerings that were mostly native to the Caribbean such as all inclusive vacations, and luxury cruises are being offered to tourists in other parts of the world. This creates stiffer competition for the Caribbean.

Thirdly, a group of articles stated how Florida has become extremely successful in pulling away families from the Caribbean to major attractions such as Walt Disney World, Universal Studios and MGM Studios.

Fourth, a small group of articles related how as the Caribbean nations become more industrialized, the cost of construction is escalating thereby not allowing investors to have a high return on their investment. This drives the cost of operations higher and also increases the price of accommodations and all other services in the Caribbean Islands.

Fifth, several articles discussed how Miami is becoming a major international city where more and more non-stop flights are departing from Miami to other various major cities. In anticipation, Miami International Airport has already begun rapidly expanding its operations and facilities.

Sixth, another group of articles describe how recently many nations located in the Caribbean, have formed a joint community which will work together in trying to create more and more tourism for the collective region.

Finally, several articles alluded to how South Florida has suffered a public relations nightmare, as several European tourists were murdered on an inner city streets while asking for directions to and from Miami International Airport. This caused tourists coming to South Florida, to want to change their plans and travel further south to the Caribbean.

Article #1 was written by John Collins of The Caribbean Journal dated, January 11, 1995. The article describes how as the Caribbean emerges in becoming a third world technological driven society, salaries of employees are rising and consequently profits of investors are decreasing.

Article #2 was written by Tom Steighorst of The Sun Sentinel, dated June 12, 1995, which examines how a major graphic arts company headquartered in Miami, which has in the past exclusively produced graphic brochures for the Caribbean, has landed a contract with the Miami Conventions and Visitors Bureau to attract tourists to South Florida.

Article #3 was written by Ted Reed of The Miami Herald, dated May 21, 1996, speaks of Miami International Airport as one of the world's busiest airports which has recently landed large offers by more major airlines. In addition, a massive construction project is expanding the airport facilities and shopping areas.

Article #4 was written by Tracy Kolody of The Sun Sentinel dated January 20, 1995, who explains in describing about the growth of the South Florida area, how Carnival Airlines has become the only airline to offer non-stop flights between Ft. Lauderdale and Los Angeles, California for a low rate. The article also describes how Carnival is the principal airline in the Caribbean.

Article #5 was written by James Canute of the Journal of Commerce, dated August 21, 1995, which describes how many nations of the Caribbean have formed a union to try to collectively attract more tourists to the area.

Article #6 was written by Sam DiMeo of the Caribbean Business Journal, dated October 5, 1995, which speaks of Hurricane Luis and Marilyn slamming into the southern Caribbean islands in September of 1995 and

causing billions of dollars in damage. One point of light in the article describes how some of the untouched islands that did not suffer any damages are picking up the over flow from rerouted cruises, which means atleast the diversions are staying in the Caribbean basin.

Article #7 was written by Anne McCreiff Arrarte of The Miami Herald dated February 8, 1995, which examines Canadian tourists and the devaluating Canadian dollar that has plummeted in recent years. This means that Canadian tourists can travel to certain Caribbean nations that have their own dollar or currency monetary system and receive more money value for their dollars as opposed to getting less for their value in the United States.

Finally, other resources include an advertising agency research project and Caribbean Journals were utilized in describing and explaining the makeup of a typical international tourist visiting the Caribbean. The article points out several aspects of both the positive and negative nature describing the tourists concerns.

CHAPTER FOUR

RESULTS

RESULTS

After all the research has been examined and dissected, it is safe to say that the Caribbean has seen a 3% increase in the total number of tourists arrivals between 1986-1991. Similarly, tourism receipts were up 3.1% in 1992 over 1991, compared with annual increases of 10.1% during the 1986-1991 time period.

The majority of concern, centers around the theory that the Caribbean's competitors have decided to compete head on against them by offering lower room rates and similar amenities to their customers. In addition, Florida has in the last decade carved out a successful niche in attracting families to visit family centered attractions, such as Walt Disney World, Universal Studios, MGM Studios etc... South Florida is also benefiting from its large international airports as an international tourist entry point. This allows these families to stay a night or two and swim the waters of the Atlantic.

Technology has also played a major role in the Caribbean's decrease in attracting tourists. Many other nations have invested highly in new major reservation systems allowing them to promote their product and link every hotel room in the affected area on a continuous twenty-four hour a day basis.

Customer satisfaction is a bright spot for the Caribbean to target in on and boast about. It seems that 48% of all tourists visiting the Caribbean return for a repeat vacation. In addition, most articles examined, suggest that visitors

enjoy most amenities offered at each resort or tourist spot. The only concerns cited by patrons were the cost of peripheral items such as of soda, bottled water, fast food items etc...

CHAPTER FIVE

RECOMMENDATIONS

RECOMMENDATIONS

This researcher recommends that the Caribbean market its services in a more technological way. Since there is increased competition from abroad, the Caribbean needs to package fares and hotel rates in a more competitive price range and begin to target a wider age group between 25-54 years of age and a more diverse population that includes married as well as single tourists. In addition, the Caribbean also needs to update their telecommunications system via 24 hour reservation systems, Internet, satellites, infomercials etc...

The best news coming out of the Caribbean today, is how most island leaders have decided to join together as a task force to try and increase tourism to the Islands as a whole. This joint act of working together should become a permanent organization which should also expand into collective bargaining and negotiating with large hotel chains and airlines. The short term may be initially difficult an some smaller islands but in the long run the contingency of leaders should only lead to a positive situation.

As leaders of the Caribbean nations move together to form joint committees to attract more tourists to the area , as well as build a more stable trade market in the western hemisphere, the idea of the basin being represented as a group of nations will help to propel the Caribbean towards becoming a larger and more industrialized area of the world. In addition, since most vacationers to the Caribbean appear to be extremely satisfied and statistics suggest that 48% of all past visitors return for another stay, it would be wise to promote

the Caribbean to these repeat tourists with the idea of marketing the many different elements of geographical areas of the islands including mountains, beaches, volcanoes, forests etc... Consequently, each time a tourist returns, he or she can explore various changing signs of interests.

South Florida has collectively suffered over the last few years from severe negative exposure from the international media which seems to continuously focus on the killings of several European tourists who while lost in inner city crime ridden areas made the mistake of asking for directions to and from Miami International Airport. If this deviant criminal behavior does not cease in South Florida, then the Caribbean will reap the benefits of attracting those tourists seeking a safe place to vacation. Perhaps, the Caribbean Government and media should play on the fears of international tourists and use the crime in Florida as a marketing tool in promoting their islands.

Overall in 1995, European visitors to South Florida has dropped by a total of 25%. This comes from Germany and the United Kingdom which are the Greater Miami's two largest European markets which also fell from 57.3% and 23.1% respectively.

Canadian visitors also dropped dramatically, falling 31.9%. On the positive side for Caribbean nations who have their own dollar system, the value of the Canadian dollar has also fallen dramatically compared to the value of the U.S. dollar, thus sending some Canadians to the Caribbean where their dollar stretches further (Anne Moncreiff Arrarte, The Miami Herald, February 8, 1995).

Finally, the Caribbean needs to focus in on marketing their friendly image to North Americans and Europeans who have been affected by the severe crime being reported to them from the media based in South Florida. This market is looking for a warm environment complete with surf, sand and beaches but most importantly a safe and friendly atmosphere.

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Source: Sun-Sentinel

Headline: PARADISE IN PIECES
THE ONCE-GLITTERING SHORES OF EASTERN CARIBBEAN STRUGGLE TO
RECOVER FROM HURRICANES

Date: November 19, 1995 Length: 2234 words
Page: 1A Edition: FINAL
Headline: CHARLOTTE AMALIE, U.S. Section: FOREIGN
Virgin Islands

Author: E.A. TORRIERO Staff Writer

Index Terms: hurricanes
resorts
disasters
construction
U.S. Virgin Islands

Present Difficulties

Text:

The tour vans meandered through the hurricane ruins, past the blown-out housing project, the tilted telephone poles, the rows of blue tarps on splintered roofs and the beached sailboats.

When they arrived at the panoramic lookout over pristine Magen's Bay, sightseers were stunned to find one of the world's most spectacular vistas scarred by a hillside of denuded trees and storm-ravaged villas.

"It's surprising how much damage there is," said John Wolf, a travel agent from Boca Raton. "It's hard to imagine such devastation in a beautiful place like this."

As guests arrive for the winter season, the eastern Caribbean is trying to put its best face on the messy evidence of two of the worst hurricanes in recent memory.

In a two-week span in September, Luis and Marilyn roared through these islands, leaving damage in the billions of dollars.

The three U.S. Virgin Islands - hammered only by Marilyn - suffered about \$2 billion in damage and losses to tourism, U.S. officials estimate.

On St. Maarten, which bore the brunt of Luis, French and Dutch authorities are still compiling figures. Losses are estimated in the hundreds of millions of dollars.

Throughout the Lesser Antilles, rebuilding continues slowly and steadily. Tens of thousands are homeless, displaced or living in broken houses. Power and phone service are spotty on the worst-hit islands of St. Thomas and St. Maarten.

Thousands of sailboats and yachts are in repair shops or still sunken. And while many hotels are racing to reopen before Christmas, at least a dozen of the world's toniest resorts will not accept tourists this winter and spring.

"It's not going to be a very good season," said Larry Khiani, a t-shirt shop owner who was rummaging through hurricane-damaged t-shirts on a recent morning. "But what do you expect? It's like a bomb hit us. We can't recover overnight."

South Florida is a major player in that recovery. Dozens of construction and landscaping firms from Miami to West Palm Beach have contracts for the rebuilding of resorts and communities.

Several 40-foot-long container-loads of palm trees and shrubs have

een shipped to the Malliouhana Hotel on Anguilla by landscapers in Lake
orth. Architects from Miami and Fort Lauderdale are drawing plans to
ebuild high-end properties such as Sandals on Antigua and Marriott's
renchman's Reef Beach Resort on St. Thomas.

The Port of Palm Beach has been the shuttling point for telephone
bles, roofing materials, portable classrooms, generators and earthmovers
ound for the islands.

A Baptist missionary chapter in Hollywood is sponsoring a temporary
ousing project on Antigua by sending materials, money and volunteers.

"South Florida is the lifeline here," said James St. John, who manages
ort facilities in Charlotte Amalie for Tropical Shipping of Palm Beach
ounty. "I don't see things letting up for years."

In addition to tens of millions in Caribbean business, South Florida
figures to siphon some tourism from sun-seekers who may see the islands
s too unsettled for vacations.

But island promoters are working overtime to keep vacation losses to a
imum. Tourism is the lifeblood of the Caribbean. In the Virgin Islands
lone, a \$1 billion-a-year industry that employs a third of the local
ork force caters to visitors.

Now, millions of dollars are being spent on splashy ad campaigns, and
ourism envoys have been sent to travel conventions in Europe. Cruise
hips are calling again and passengers are greeted with everything from
um punches to swaying steel bands.

Many islanders are trying to cash in on the hurricanes' aftermath.
axi drivers lurk around cruise ship piers, offering tours of
orm-ravaged areas. Hurricane videos - gut-wrenching outtakes from the
orms and ensuing damage - are available on St. Thomas and St. Maarten.

"We survived Marilyn" -T-shirts are among the hottest sellers.

"I guess you could say we are attracting the disaster tourism trade,"
eadpanned Marc van de Bilt, who heads the hotel association on the Dutch
ide of St. Maarten. "It's not exactly the niche market we were after."

On St. Thomas, the ornate Grand Palazzo Hotel, hideaway for rock stars
nd corporate executives, is empty. Boards cover the marble lobby.
orkers are replacing the red tile shingles. Some hotel staffers are now
all-time construction workers.

Nearby, the Stouffer Grand Beach Resort is a virtual ghost town.
xcept for a few native kids splashing in the sea, the beach is deserted.
ne resort has not been touched since Hurricane Marilyn slammed it. Roof
russes sprout from damaged rooms while architects draw up rebuilding
lans.

Across the island, Frenchman's Reef has been transformed into an
mergency operations center housing thousands of federal relief workers
nd equipment. At the nearby Marriott Morning Star Beach resort, a
250-a-night room comes with no bar or restaurant services. The beach,
eached by splintered wooden steps, is vacant save for a few lounge
airs chained together.

In this main shopping town for St. Thomas, Cary Tenenbaum sat in his
lothing store, Cosmopolitan, packing up soggy Italian loafers and
paning about his battles with insurance companies.

Marilyn tossed a sailboat at Tenenbaum's store. Looters then pillaged
ne place, forcing him to bolt the doors. He claims \$200,000 in losses
rom the "civil commotion" and up to \$400,000 in storm surge damage.

After Hurricane Hugo in 1989, Tenenbaum's father retired from the
amily business and moved to Boca Raton. "We survived then," Cary
enenbaum says. "We'll survive now."

A few hundred miles away, on St. Maarten, Reint Brink walked amid the
arnage of his homey Club Orient resort. Brink started the
lothing-optional place 17 years ago, with six cabins made of Finnish
ood. Hurricane Luis destroyed all but a handful of the 100 rooms Brink
ad since built.

Damage to the resort exceeds \$8 million, Brink estimates.

There's not much left besides a couple of plastic chairs and tables at makeshift bar on the foundation where the hotel's restaurant once was. Prices are posted on cardboard and nailed to a tree on the beach.

"We are back to where we started, with a few handwritten signs," Brink said with a sigh.

Along St. Maarten's glittering shores sits Luis' lasting legacy: rotting hulls. Outside the Beach Plaza Hotel, the freighter Polar Trans lies on the beach while the hotel contractor figures out how to blow it up and cart it away.

"Luis sucks," reads a scrawled sign on the freighter's side.

Nearby, in Simpson Bay, more than 200 sailboats and yachts are still afloat, and dozens are crushed onshore.

Boatyards are jammed with crippled craft. "We have enough work here for years," says Frank Walrave, who is refurbishing 30 sailboats.

At one marina, the fabled Stars & Stripes racing yacht is perched on wooden trestles while workers repair a hole in its fiberglass keel. The boat, which won the America's Cup in 1987, stands as symbolic testimony to Luis' 160-mph fury.

"Of the 1,400 boats in the harbor that day, only 85 were still at anchor after the storm blew out," said Paul Virgo, whose charter firm leases Stars & Stripes as a tourist excursion craft.

Many of the boats were live-aboards, with their owners' life treasures stuffed into their hulls.

Jane Phelan used to swim to work at the water sports shack at the Grand Palazzo Hotel. Since Marilyn blew her sailboat Memaya on shore, she has spent most of her days repairing the damage from a trench in the sand she dug beneath her boat.

"I'm dying to get sailing again," she said, wiping sandpaper dust from her eyes as she patched the hull.

In a St. Thomas boat yard, boat captain Kees Stapel has worked day and night for nearly a month to make his Bristol 35-foot sailboat Argonaut seaworthy.

"I lost two friends out here in that storm," said Stapel, who usually winters at Dinner Key in Miami but sails the Caribbean often. "We are all so happy just to have our lives."

For many islanders, life will be difficult for a long time.

It will be well into next year before electricity and telephone service are fully restored on St. Thomas, authorities said. The island will not receive cable television until next summer.

Already, U.S. disaster workers have distributed \$37 million in housing aid and low-interest loans to residents in the Virgin Islands, U.S. statistics show. Federal emergency crews have given out enough blue tarp to cover the Sawgrass Mills mall from one end to the other. The tarps have changed the texture of the island known the world over for its red roofs.

"I actually thought it was by design," said Wolf, the Boca Raton travel agent, who saw the roofs as his cruise ship came into port. "The blue blends in so well."

Tourists may be seeing blue roofs for years to come. Millicent Richardson, a government worker, has no idea when she will be able to repair the roof on her St. Thomas home. She and fiance Eugene Hurdle cook on a gas stove and eat by the light of a lantern. Three coolers serve as their refrigerator and freezer.

"We'll settle for power before we get a roof," Hurdle said. "I miss the ordinary things, like Monday Night Football."

The only reason Beverly Pelle of Antigua has a roof over her head is because of a South Florida charity. With an \$1,800 donation from the Southern Baptist Foreign Mission Board's Hollywood chapter, volunteers built her a wooden home the size of a toolshed. It's one of several dozen

at missionaries built on the island.

Now Pelle must find a bed for herself and three young children. And she is searching the grounds of her destroyed house for a picture of Jesus to hang on the wall.

"I prayed to God for health and strength to rebuild," she said. "He answered it."

On St. Thomas, much of what remains at the Warren E. Brown public housing complex are girders and mangled possessions. The six buildings are condemned, but some residents remain as squatters, watching with a tinge of resentment as middle-class tourists arrive in the harbor below.

"I see the cruise ships out there, and it breaks my heart," said one federal emergency worker. "To think people could come here at a time like this when people are suffering so much."

Barbara White met a federal aid worker at what was left of her apartment. Their meeting was hardly private. Onlookers could watch from the street because Marilyn had blown out the apartment walls.

"What I have is destroyed," said White, who has moved in with relatives elsewhere. "I'm just trying to salvage something."

A few doors down, Wilhelm Leonard, 7, is waiting to be moved to temporary housing with his family. Wilhelm attends classes only for a half-day because some schools are under repair and available classrooms are shared by several schools.

Wilhelm still has nightmares, his grandparents say, and spent days after the hurricane searching the ravaged grounds for his precious toys.

"I wish I had a million dollars," Wilhelm said. "Then I could buy more toys."

Ken Bragg used to think he had nearly a million dollars - in his house. But after Marilyn hit his hillside abode, the value of his 600,000 house plummeted to \$85,000.

Now Bragg sits in his dark house, his tattered belongings covered by a tarp, as he waits for insurance claims to clear. His teak floor, imported from Siam, buckled. Already, workers have hauled off 100 loads of trash, he said.

"It went from a mansion to a dump, just like that," the retired architect says with a chuckle. "But I'm not letting any hurricane push me around. I'll rebuild. This is my home. Besides, it's still paradise."

caption:

HOTOS 6 CHART MAP

staff photos/MARK RANDALL

color) The remains of a house destroyed by Hurricane Marilyn overlook Charlotte Amalie on St. Thomas, above.

color) At left, Mocko Jumbi Hugo Moolenaar welcomes tourists back to St. Thomas' Main Street, the site of many of the duty-free shops frequented by tourists.

landscapers Richard Cornman, left, and Tim Woody, of Lush Landscaping of West Palm Beach, maneuver a palm tree into place at the Malliouhana Hotel in Anguilla. The hotel imported plants after losing most of its landscaping in Hurricane Luis.

Barbara White meets with Federal Emergency Management Agency inspector Brian Asmussen in the remains of her apartment on St. Thomas, above. Her apartment complex was gutted by Hurricane Marilyn.

At right, boats that had sought shelter from Hurricane Luis' winds in the Simpson Bay lagoon still litter the shore.

David Sprague, a graduate of Palm Beach Atlantic College in West Palm Beach, stands in the rubble of Beverly Pelle's Antigua home, destroyed by Hurricane Luis. He helped build the 10-foot by 12-foot house in the background for Pelle.

HERESA ALBRECHT/Staff

Chart: Shows how eastern Caribbean islands are recovering from Hurricanes

uis and Marilyn.

ap: Locates the eastern Caribbean islands.

emo:

nformational box at end of text.

opyright:

opyright 1995 Sun-Sentinel Company

ecord Number: 00860*19951119*00628

NewsBank, inc. - 1996 NewsBank NewsFile/CD NewsBank - Article with Citation

Source: Caribbean Business (San Juan, Puerto Rico)

Headline: Barbados concerned about competition
As share of Caribbean market contracts and costs escalate,
island nation moves to increase efficiency and productivity

Date: January 11, 1996 Length: 476 words

Author: JOHN COLLINS

Index Terms: tourism
economic development
international relations
statistics
Barbados
Caribbean Nations

Present
Difficulties

Text:
RIDGETOWN, Barbados - Barbados' share of Caribbean tourism dropped from 5% to 3% during the five-year period ended in 1993 and a recent headline in The Nation, "High costs hurting tourism," reflects the growing concern in that country.

The declines registered through 1993 stopped in 1994 when Barbados registered a 1987 arrival-level of 420,000 overnight visitors. In 1989, it had an all-time high of 461,000 visitors.

Barbados received a total of 885,133 visitors in 1994, 459,503 on cruise ships. The total tourist expenditure was \$598 million, and the per capita average spent was \$621.

Barbados has achieved a high level of development. Some point to high hotel operating expenses as a result of that development, influencing its competitiveness in the region.

Emphasizing the partnership between management and labor, Barbados Hotel and Tourism Association Executive Director Noel Lynch would like to see future wage increases linked to productivity. "Productivity schemes should be put in place that aim at developing the industry and its competitiveness regionally and internationally," he said.

During recent salary negotiations between the hotel industry and the Barbados Workers Union, the high costs to hoteliers were cited as threatening to cripple the industry. The union got a 6% increase but the BHTA complained that its members "are paying developed-country wages without commensurate productivity and earnings."

The recent Pannell Kerr Foster study for the Caribbean Tourism Organization reported yearly earnings per room before fixed charges of \$2,774 for Barbados are the lowest among major Caribbean destinations. Among those exceeding it are: the Bahamas (\$8,174), St. Lucia (\$8,021), Jamaica (\$7,665), Trinidad & Tobago (\$6,262), Puerto Rico (\$5,709), and Antigua & Barbuda (\$3,729).

DECLINE IN HOTEL ROOMS

The BHTA points out that Barbados recorded a 16% decline in hotel rooms

Since 1980, while the number of rooms in Antigua & Barbuda, Aruba and St. Lucia each grew 100% and Jamaica, registered an 88% increase.

ITA Ex-president Gordon Seale said in North America and Europe the market doesn't differentiate between St. Lucia and Barbados or between Antigua and Aruba. "All they look at is the cost of going and what they get when they arrive. If we think our product is the only good product in the Caribbean, we're making a sad mistake," he said.

Seale pointed out that Barbados is the only major Caribbean destination that hasn't built a hotel in a decade. "No one is saying we don't have a great product but when you look at investment within the industry you can clearly see that Barbados is not a great investment product. If it were, the Hyatts and all the others would be knocking at our doors, ready to set up hotels."

Record Number: 00766*19960111*04615

The cost of construction in the Caribbean is escalating due to their emergence from 3rd world economies to modern industrialized societies. As a result, ~~there are~~ all sorts of workers from construction engineers to hotel staff are demanding increase in salaries. Consequently, the profits of investors are ~~being~~ being reduced and ~~thus~~ ~~ultimately~~ ultimately risking future investors from wanting to ~~invest~~ invest in the Caribbean.

Headline: CRUISE MEDIA SPECIALIST SAILING INTO NEW WATERS
INTERNATIONAL VOYAGER LANDS VISITORS BUREAU PROJECT; FIRM ALSO
TRYING ON-BOARD TV, INFOMERCIAL FORMAT

Source: Sun-Sentinel
Date: June 12, 1995
Edition: ALL
Section: WEEKLY BUSINESS
Length: 817 words

*The Present
Dilemmas* Page: 11

Author: TOM STIEGHORST Business Writer

INDEX TERMS

Industry/Company/Location:
Publishing industry/ International Voyager Media/ North Miami, Florida

Subject: government contracts
company profiles

Article Text:

After exploring the world, International Voyager Media is coming home. For the first time in its 20-year history, the North Miami company is working the streets of its own hometown.

In May, it landed the Greater Miami Convention and Visitors Bureau contract to publish three full-color guidebooks for tourists, travel agents and meeting planners.

The three-year deal will add significantly to the company's \$18 million in annual revenue, said President Gregory J. Corona. Already, the company has hired two new sales people to sell advertising for the guides, which won't be printed until December.

It is the first big contract for Corona's company to produce books for a U.S. tourist destination. But International Voyager Media is well known in the Caribbean and on cruise lines.

Since it was founded in 1975, it has been producing commemorative books for cruise passengers that are chock-full of ads aimed at an older, affluent customer base.

For nearly as long, it has produced glossy guidebooks for resorts in the Caribbean that tell weary, time-pressed tourists how to get the most out of their week in the sun.

Now, the company is spreading its wings into new media. It has developed on-board television for cruise ships and an infomercial format to sell cruises on TV.

It is also spreading geographically beyond the Caribbean into South Florida and Europe.

Corona says his goal is to provide tourists a steady stream of information from the moment they first dream about a vacation to well after they have returned.

"We're trying to tie together the travel circle," said Corona, who owns the 95-person company along with three other investors and a unit of insurance giant CIGNA Corp.

For example, some cruise customers get materials published by International Voyager Media to help them plan a cruise. When they're about to pack, they get a pre-cruise guide with their tickets in the mail.

During the cruise, International Voyager employees give port lectures on board, and the company's videos appear on The Port Channel in passenger cabin television sets.

Sept. 23.

The 900-passenger Cunard Countess was scheduled to begin weekly Friday visits to Ponce on Sept. 29. Buitrago said both vessels would continue visiting "until further notice."

The port chief also said the Sun Viking, which carries 600 passengers, is scheduled to visit Oct. 13, but he did not know whether more visits were planned. But Buitrago did say Royal Caribbean Cruise Lines, which operates the Monarch, was interested in booking "at least two more ships" to Ponce in the near future.

Right after Hurricane Marilyn we called cruise lines and offered Ponce port in light of the situation in the Caribbean," Buitrago said. "We let them know this port is ready for any visit of any mega ship, including the Queen Elizabeth. We have the draft and the channel."

Florida-Caribbean Cruise Association spokeswoman Michele Paige, whose Coral Gables-based organization represents the leading cruise lines, said the storms did not cause an appreciable drop in reservations.

"We are saying the Caribbean is still there, it still has sunshine, it still is the place to go," Paige said. "It is too soon to see whether the storms changed any travelers' attitudes. If it has changed, it will show up in the next couple of weeks."

SELLING ROOMS WITH FEDERAL STAFF

"In our particular case, the Sands has scrambled to acquire some of the government business," Rick Newman, a Sands Hotel & Casino executive and chairman of the PRHTA's Legislative Committee, said. "The crystal ball shows a slowdown in reservations coming out the northeast."

That business is being sustained by flow of federal disaster relief workers staying in Puerto Rico but servicing Caribbean islands.

Newman said the 414-room Sands was running 80% occupancy for September on the strength of rooms occupied by federal disaster-response workers. He said the hotel would have posted only 60% without those bookings.

Federal Emergency Management Agency spokesman Len DeCarlo said approximately 3,000 personnel from various agencies have been deployed to the Caribbean. Of them 300 are based in Puerto Rico, but many pass through the island while traveling among Culebra, St. Thomas and the mainland.

Manuel Paredo, executive vice president for the Williams Hospitality Group - owners and managers of El Conquistador Resort & Country Club, El San Juan Hotel & Casino and Condado Plaza Hotel & Casino - said many bookings were shifted to a later date, while the hotels gained hundreds of room nights from federal employees for October and November.

COUNTERING BAD PUBLICITY

The Puerto Rico Tourism Co. says it is prepared to spend up to \$2 million to set the record straight in key stateside markets. The Puerto Rico Hotel & Tourism Association and the San Juan Puerto Rico Convention Bureau also are working with the Tourism Co.

"We received some bad press and we are very upset," Thorne said. "We are

After the cruise, passengers get a post cruise magazine periodically or a year.

One constant is the advertising - watches, perfumes, fancy pens, leather goods and jewelry are staples of the company's cruise line fare. Its resort guidebooks are packed with ads for hotels, car rental companies, charge cards and shops.

Ads are so important to International Voyager that it isn't charging anything for the 500,000 Miami guidebooks it plans to publish for the visitors bureau.

Instead, it will rely on ads priced from \$975 to \$15,540 to make its profit. But if ad revenues exceed a certain threshold, the company must share them with the visitors bureau, provided the bureau puts the money into complimentary tourism promotions.

It's too early to tell how well the venture is doing. Ad prices have been raised 15 percent from those charged by the bureau, which self-published its Destination Miami guidebook in the past.

Another new venture began last fall when a 30-minute cruise infomercial made its debut on the NBC network affiliate in Detroit. For three Sundays, the station showed The Cruise Show before football programming. Corona said results were good enough that it plans to try the same thing in 11 regional markets this year.

This year, International Voyager extended its Caribbean cruise franchise into Europe, with books for cruises in Europe aboard Princess, Holland America and P & O cruise lines.

The company's Caribbean Travel Planner, a 268-page Caribbean guidebook produced for the first time last year is now out of print, having distributed 450,000 copies in response to 1-800 number requests in eight months.

Corona is wooing several national advertisers to package in the cruise books and on The Port Channel. If he succeeds, ads for cars, liquor and a consumer products firm could be aboard cruise lines by the second quarter.

One territory that International Voyager hasn't ventured into is guidebooks for U.S. hotels where competitor Guest Informant, of Woodlands Hills, Calif., has a strong presence.

But Corona sees a bright future for deals similar to the one he struck last month with the Miami visitors bureau.

"We're in discussions with two other major cities about a project like this," Corona said. "There's a real opportunity for these guidebooks and planners."

caption:

HOTO

staff photo/JOE RAEDLE

Gregory Corona, president and chief executive officer of International Voyager Media, has magazine page dummy on computer screen.

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record Number: 00860*19950612*00172

As an example of The Carribeans loss of revenue because of increased competition from ~~other~~ other countries advertising. A major Advertising company from Miami called International Voyager media has ~~is~~ contracted with The Greater Miami Visitors and Conventions Authority to ~~create~~ create and print high glossy magazines describing Miami

Headline: New Miami Airport Concourse to Be Filled with Sights, Sounds of Tropics

Source: The Miami Herald
Date: May 21, 1995
Length: 1697 words

Author: Ted Reed

The Present Difficulties

INDEX TERMS

Industry/Company/Location:
Airports/ Miami, Florida

Subject: building improvements

Article Text:

Next month, Miami International Airport is adding the one thing it has always lacked: beauty.

The airport's new \$41.5 million Concourse A, scheduled to open June 8 at the north end of the airport, is bright, airy and structurally imposing. It seems a continent removed from the rest of the airport and its low ceilings, dark, windowless expanses and lack of relationship to the outside world.

"The airport now is a mess because you can't tell where you are," said Guillermo Carreras, lead architect for the project and executive vice president of Spillis Candela & Partners of Miami. "Passengers need to know where they are, where they are going and where they came from. The new concourse does that for them.

"This building is part of a transportation system that takes you from your car into the airport. We tried to accompany that movement with space that is clear - clearer than anything at the airport."

Because the new terminal walls are built primarily with glass, passengers can see everything around them - the runway on one side, parking lots on the other and the sky above. "There is a sense of orientation," Carreras said.

Concourse A's most visible feature is a four-story, 80-foot-high, cylindrical rotunda. "It is a gathering space, a milling space, a circulation space," Carreras said. In the roof, glass prisms break the sunlight into the seven colors of the rainbow.

Other enhancements improve the passageway from the airport to the gates to Concourse A, which has been given a Florida theme, supported by colored glass and a tape of Everglades sounds, such as wind and birds.

"I call this piece 'harmonic runway,'" said Christopher Janney, the Lexington, Mass., artist/composer who designed - and composed - the passageway. "It's an environmental experience, an abstraction of South Florida in color and sound.

"It's not just something you walk through. You experience it not just with your eyes but with the color that falls on your body and also what you hear."

The new concourse, which has 11 gates, will have taken about two years to complete. Besides the \$41.5 million building cost, another \$31 million is being spent on improvements to the area outside the gates where the airplanes maneuver. Concourse A is the first new concourse to open at Miami International since Concourse B opened in the early 1970s.

British Airways, USAir and most of the 17 Latin American airlines in the Latin Pass frequent flier program are scheduled to move into the new concourse.

Other carriers will join them in 1998, when a \$38 million extension of Concourse A and an accompanying \$18 million in outside improvements are scheduled for completion. That will add nine more gates.

Everything will change again in 2003, when American Airlines is expected to move into its own terminal, called Super A, a 4,500-foot-long structure that will stretch from an extended Concourse A through an extended Concourse D.

Harinder Jolly, the airport's assistant director of facilities, said one reason Concourse A is so attractive is that "it's the only facility in this airport that was designed and built without being in use at the same time - we were fortunate enough to have virgin land."

Jolly said Concourse A establishes the look and feel that will be a model for the airport as it moves ahead on its \$2.7 billion improvement project. At the south end of the airport, a new Concourse H - similar to Concourse A - is under construction, expected to be completed by the end of 1996. Architects are already looking at ways to improve the remaining concourses and terminal.

Concourse A should not be an exception at this airport - it should be the rule," Jolly said.

AIRPORT WANTS TO LURE TRAVELERS INTO STORES By Anne Moncreiff Arrarte
May 21--Palm trees swaying. Outdoor cafes. A Latin beat. Sounds like South Beach? Try Miami International Airport. Florida's busiest airport is proposing to step into the retail future with a novel plan: let world-class retailers set up shops along pseudo Miami streets.

The goal: To increase revenue for Miami International and boost tourism to Miami.

"We think of it as complete destination marketing," said Spencer Ballard, director of business management for the Dade County Aviation Department. "Our idea is to take what is now a tired and outdated airport facility and create a merchandise mix comparable to other great airports. By adding Miami's strong shopping identity, we can build our sales and market the city."

The six-year, \$240 million plan calls for Miami International to create a semicircle that would intersect with every concourse. The semicircle could be divided into seven "streets," with a street between each concourse. Retail space would grow from the present 200,000 square feet, about the size of an average Burdines store, to 400,000 square feet.

Each "street" would have the physical attributes of a major Miami tourist thoroughfare. One street might be Calle Ocho, for example, while another would be Ocean Drive and a third Main Street in Coconut Grove. Retailers would be the likes of The Gap, FAO Schwartz, PGA Tour Stores

and Nike along with a full pharmacy, shipping companies, gift wrap areas and automated teller machines.

Imagine if, instead of walking through a crowded old airport that could be anywhere, visitors to Miami come into a re-created version of the city's hippest shopping," said Tony Goldman, owner of South Beach's Park Central Hotel and a consultant on the Miami International Airport Retail Master Plan. "Not only would it attract tourists to Miami, it would give incoming visitors a taste of where to go."

Although no airport has re-created city streets as the Miami plan proposes, many worldwide are getting rid of no-name sundries shops for high-profile retailers.

In London's Heathrow Airport, travelers entering the cavernous duty-free concourse mall can treat themselves to everything from Harrod's to The Aviator Shop to Godiva.

In Pittsburgh's 2-year-old Air Mall, the choices run from T.G.I Friday's to The Body Shop to The Nature Company.

Name retailers are realizing that airports have captive travelers with time on their hands and many of them are anxious to shop," said Miami retail analyst Cynthia Cohen Turk. "A market like Miami is particularly attractive because so many of the international tourists who come through this airport are very familiar with name-brand U.S. goods."

That is one reason airport authorities are so excited about the Miami retail project. Today, a typical traveler to Miami spends \$8.96 in airport stores. In Los Angeles and San Francisco, travelers spend twice as much.

According to Judith Byrd, senior vice president of Unison, the airport consulting firm that designed the Miami proposal, under the new design 10 years from now, each shopper would spend closer to \$24.06.

Research shows that leisure travelers traditionally spend more in airports than business travelers do. Eighty percent of Miami International's passengers are leisure travelers.

And international travelers spend more than domestic visitors. Forty-five percent of all visitors to Miami are international.

Miami, like Los Angeles and New York, is an airport that draws a very strong market for retail sales," Byrd said. "And because many of the tourists, particularly from Latin America and the Caribbean, come specifically to shop, Miami International has the chance to do very good business."

Under the plan, overall retail revenue to the airport would reach \$103 million annually by 2005, according to the Unison study. With no changes to the airport, revenue would reach only \$76 million, the study says.

The only problem with the plan, Ballard admits, is that the Dade aviation department is going to have to relax some of its retail leasing rules. The County Commission will look at the issue when the airport makes its official presentation June 6.

Today, any retailer interested in opening an airport store must present proposals, go before the Metro-Dade Commission and be prepared to wait.

that won't fly for most big retailers. "The key issue here is streamlining, and it's an issue airport authorities are facing across the country," Byrd said. "Airports have to understand that they are marketing to the retailers. Rules can be set upfront about minority hiring and contracts, but after that, you have to run the airport retail like a mall business. You can't get a national retailer to go into a two-year bid process."

If the plan does get off the ground, tourism analysts and officials are convinced it will help draw business to Miami.

Already, Miami is a major international hub where many tourists just change planes or go on to cruise," said Michael Stein, a tourism analyst and partner at the Miami office of Arthur Andersen. "What better way to promote the city for return visits than offering a taste of Miami in the airport?"

For Margaret Megee, vice president of marketing for the Greater Miami Convention & Visitors Bureau, the plan will give Miami high visibility with a low budget.

"We're making the airport a living commercial, seven days a week, 24 hours a day," Megee said. "That kind of marketing, to 30 million people a year, is something we could never afford on our \$1.5 million advertising budget."

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Record Number: 00704*19950521*00032

As a result of ~~the~~ Suzanne Cooks observations regarding Miami's emergence as a major hub to all points west and south. The Miami International Airport ^{is already one of the world's most busiest} has just completed the first phase of ~~complete~~ renovations which will give international visitors a glimpse of ~~the~~ South Florida ^{named} with large windows and piped in sounds of the everglades and water splashing ^{from} ~~the~~ speakers above escalators and moving ~~walkways~~ walkways. The ~~the~~ second phase of renovation will be a ~~shopping mall~~ an upscale shopping mall hoping to lure ~~the~~ large scale expensive ~~the~~ retailers such as K&M Schwartz, Godiva chocolates etc. These stores will be dotted along ~~the~~ a corridor that will be modeled after major ~~shopping~~ shopping areas of interest to ~~the~~ tourist like Bayside, South Beach, Las Olas Blvd etc.

Headline: CARNIVAL FLIES INTO A NEW ERA WITH NONSTOP SERVICE TO L.A.

Source: Sun-Sentinel
Date: January 20, 1995
Edition: ALL
Section: BUSINESS
Length: 594 words

Page: 1D

Author: TRACY KOLODY Business Writer

INDEX TERMS

Industry/Company/Location:
airline industry/ Carnival Air Lines/ Fort Lauderdale, Florida

Subject: markets and marketing

Article Text:

A jumbo jet carrying the Carnival Air Lines logo took off from Fort Lauderdale-Hollywood International Airport on Thursday, carrying Broward county passengers on the first nonstop flight to Los Angeles.

Travelers and tourism officials cheered the inaugural flight, which represented Carnival's entry into the West Coast travel market and Broward's first nonstop flight to Los Angeles.

"This is a real breakthrough; it takes us from being just an East Coast service airline into a new era," said George Spofford, director of Broward's Aviation Department.

Carnival also inaugurated service on Thursday between Miami International Airport and Port-au-Prince, Haiti, that will offer cargo services and will largely compete with American Airlines' operations on that route.

Carnival is looking at new opportunities stemming from the Los Angeles flight, such as alliances with Asian carriers that serve the Pacific Rim, said Daniel Ratti, president of the airline.

And county tourism officials also are anticipating business from the new link to California. Representatives from the Convention and Visitors Bureau and four Broward hotels are in California right now, touting the county's offerings to travel agents in four Southern California cities.

The flight, scheduled to operate daily except on Tuesdays and Wednesdays, was started at an opportune time for Californians looking for transportation to Super Bowl 29 at Joe Robbie Stadium on Jan. 29.

"This could really help open some California markets for Broward," said Francine Mason, spokeswoman for the convention bureau.

In addition, the flight links two major cruise port destinations. Cruise companies based in Los Angeles, like Princess, now have an easier way to move passengers between the two cities, she said.

"This is great. We got off a cruise ship in Fort Lauderdale and now we can fly directly back to Los Angeles. It's a piece of cake," said Ritz Westerhaut of Newport Beach, Calif., as he waited for the flight to take off.

Research conducted by the aviation department showed a need for daily service to Los Angeles for about 300 passengers. That is the number of people who fly to the city on flights with at least one stop on the way, said Ed Nelson, airport marketing director.

Carnival, which serves cities in the Northeast and the Caribbean, is shifting much of its focus to Broward County. The airline consolidated its corporate headquarters near the airport in Fort Lauderdale and last year leased a building at the airport formerly occupied by Federal

*Present
difficulties*

press.

The company intends to build offices, a maintenance operation and a hangar at the Broward airport when financing can be arranged, Ratti said. Next month, Carnival will vacate its hangar near the Miami airport, formerly belonging to Eastern Airlines, and will discontinue its heavy maintenance services, contracting those needs out to other providers. Employees from the Miami operation have been offered other jobs in Fort Lauderdale, Ratti said.

caption:

PHOTO

Staff photo/ROBERT AZMITIA

(Color) A fire truck gives a Carnival Air Lines jet a watery sendoff on Thursday. The airline has begun service between Fort Lauderdale and Los Angeles. Carnival also began service on Thursday between Miami and Port-au-Prince, Haiti, that will offer cargo services.

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Record Number: 00860*19950120*00606

As another example ^{of South Florida} ~~emergence~~ emergence as a major ~~airline~~ airline
Carnival Airlines has begun to operate from Ft Lauderdale
Executive Airport and has started Direct Service to Los Angeles
California.

wsBank, inc. - 1996 NewsBank NewsFile/CD NewsBank - Article with Citation

Source: Journal of Commerce
KNIGHT-RIDDER/TRIBUNE NEWS SERVICE

Headline: 25 Caribbean countries pledge closer economic ties

Date: August 21, 1995 Length: 718 words

Author: Canute James

Index Terms: summit meetings
economic relations
free trade zones
Assn. of Caribbean States

Moving reserves of

Text:

PORT OF SPAIN, Trinidad - Leaders of 25 Caribbean Basin countries have agreed to closer economic collaboration, preparing their economies for a hemispheric free-trade area planned for 2005.

The leaders, who launched the Association of Caribbean States at a two-day summit last week, will cooperate to improve trade and transport within the Caribbean.

They will also make joint efforts to increase the growth of tourism, one of the fastest growing sectors of the economies of many countries in the region.

"The ACS will create a new economic space for the members to create a free-trade area," said Simon Molina Duarte, a Venezuelan economist who is the first secretary general of the ACS.

"It is not wise to develop trade and economic links only with the European Union and North America. We need functional and economic cooperation in this region."

The presidents and prime ministers who created the new economic group said they intend to confront "the challenges and opportunities presented by the globalization of the world economy, increased trade liberalization and the need for cooperation in order to promote investment and wider markets in the region."

The program for cooperation will be worked out by government ministers and technocrats from the member countries, starting with a ministerial meeting in Guatemala in late November.

The creation of the ACS follows two and a half years of attempts by the Caribbean Community (Caricom) to establish a larger economic bloc in the region.

Caricom, which is made up of the English-speaking countries of the region, and Suriname, is being joined in the ACS by the Group of Three (Colombia, Mexico and Venezuela), the countries of Central America, Cuba, the Dominican Republic and Haiti.

The ACS is the world's fourth-largest economic grouping, say officials, exceeded only by the European Economic Area, the North American Free Trade Agreement and the Association of South East Asian Nations.

It has a market of 204 million people.

The convention establishing the ACS also offers associate membership to 15 dependent territories in the region, including Puerto Rico and the U.S. Virgin Islands, which are U.S. possessions.

Neither has accepted the invitation, however. Several delegates to the summit suggested that Washington will not allow participation by

uerto Rico and the U.S. Virgin Islands because it is unhappy with Cuba's involvement in the ACS.

The United States has maintained an economic embargo on Cuba for over 30 years, seeking economic and political reforms by the administration of Fidel Castro.

Castro, who attended the summit, was welcomed by all the other members.

"This is the first opportunity Cuba has had to be part of a significant economic body since the breakup of the Soviet Union," said a senior official of the Cuban delegation.

"We are now being reinstated into the international economy."

Leaders of the smaller members of the ACS have also welcomed the involvement of Mexico in the ACS.

"This adds weight and stature to the new grouping, and Mexico's participation in Nafta is valuable to the smaller Caricom states particularly," said an official of the Caricom secretariat.

Mexico is committed to the ACS and will work to improve trade and other economic relations among the members, said Ernesto Zedillo, the country's president.

"Mexico must look not only to the north, but also needs close ties with its Latin American and Caribbean neighbors," Zedillo said.

The creation of a hemispheric free-trade area was agreed by the leaders of the Americas, except Cuba, at a meeting in Miami in December. It proposes a free-trade area from Alaska to Tierra del Fuego.

"The creation of the Americas Free Trade Area has been agreed," said Patrick Manning, prime minister of Trinidad and Tobago and chairman of the summit.

"Is it too much to hope that the Association of Caribbean States can transform itself into a free-trade area by the year 2000, in preparation for the integration of the hemisphere's economies?"

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Record Number: 00843*19950821*00175

The formation of the Caribbean Community by leaders will ~~can~~ ultimately help all of the Caribbean basin. However, in the short term it will ~~may~~ hinder and possibly hurt certain countries that ~~may~~ are not as ~~likely~~ financially secure

Headline: S. FLORIDA TOURISM FALLS ALONG WITH CANADIAN DOLLAR.

Source: Sun-Sentinel
Date: January 11, 1995
Edition: ALL
Section: BUSINESS
Length: 538 words

Page: 1D

Author: TRACY KOLODY Business Writer
Information from The Associated Press and Dow Jones News Service was used to supplement this report.

INDEX TERMS

Industry/Company/Location:
Travel industry/ Florida

Subject: economic aspects

Article Text:

The Canadian dollar on Tuesday fell to a nine-year low against the U.S. dollar, but the effect of rising travel costs for Canadians is already being felt, local tourism officials said.

Fort Lauderdale-Hollywood International Airport this week reported its lowest number of Canadian passenger arrivals in five years. Through November 1994, Canadian passenger numbers trailed the previous year's figures by almost 93,000, a 22 percent drop from 1993.

"My business would be an awful lot better if the Canadian dollar was going better," said Gill Grenier of the Silver Spray Motel in Hollywood.

Howard County hoteliers say they no longer depend on Canadians to keep rooms filled. And many learned the hard way to look elsewhere for business.

Several motels and other businesses along Hollywood's beach that depended on Canadian snowbirds and vacationers suffered when the number of northern visitors dropped sharply after a recession in Canada and a change that made health insurance coverage more expensive for Canadian travelers.

Some were forced out of business. Others began marketing more heavily to other parts of the United States or South America.

"Canadian business has been declining for several years and we've begun to look at other markets," said Walt Bailey, owner of the small Catherine Motel & Apartments along Hollywood's beach. He is advertising more in the New York and Chicago markets.

In New York trading, the Canadian dollar was quoted at 70.71 U.S. cents, down from 71.13 cents on Monday and the lowest level since March 1986.

In recent months, the Canadian currency has been sliding because of investor concerns about the country's huge budget deficits and the re-emergence of the Quebec separatist movement. It's also been hurt by the Bank of Canada's reluctance to raise official interest rates while U.S. rates rose steadily.

"Canada was very slow to raise rates while the United States increased steadily," said Tom Benfer, director of foreign exchange in New York for the Bank of Montreal. "The risk premium for holding Canadian investments dried up, and the result has been a weaker Canadian dollar."

The Bank of Canada on Tuesday raised official short-term rates 0.50 percentage point to a target of 5.75 percent to 6.25 percent. But the

*growing
reserves
of
reserve*

increase was seen as a defensive and half-hearted move to protect the currency, and only invited more speculation against the Canadian dollar, traders said.

Traders at large banks confirmed that the Canadian central bank intervened in the foreign exchange market several times on Tuesday, buying Canadian and selling U.S. dollars in an effort to slow the decline of the Canadian currency.

Information from The Associated Press and Dow Jones News Service was used to supplement this report.

caption:

HART

staff graphic

chart: (color) Compares the Canadian dollar to the U.S. dollar in quarterly closes for the past nine years

copyright 1995 Sun-Sentinel Company

record Number: 00860*19950111*00559

One of the worst indicators of ^{low} International Tourism
for South Florida is ~~the~~ is how the Canadian dollar
fell last year (1995), Between 1992 + 93 ~~the~~ Canadian
~~arrivals~~ arrivals to Hollywood-Ft Lauderdale fell by
22%. On the positive side for those Caribbean
nations who have their own currency +
monetary system. Those ~~the~~ Canadian tourist
can ~~also~~ actually receive a better deal
~~where~~ where their dollar ~~stretches~~
stretches further. (quote)
Some of the damage ~~the~~ that caused
the ~~the~~ Canadian dollar to fall
sharply was ~~the~~ because →

Headline: Puerto Rico weathering post-hurricane fallout
Hotel bookings, cruise ships shifted from more badly-hit
Caribbean islands; normal business expected by Dec. season

Source: Caribbean Business (San Juan, Puerto Rico)
Date: October 5, 1995
Length: 1349 words

Author: BY SAM DiMEO

(Growing) AVE

INDEX TERMS

Industry/Company/Location:

Hotels and motels/ Puerto Rico Tourism Co./ Puerto Rico

Cruise companies/ Puerto Rico Tourism Co./ Puerto Rico

Travel industry/ Puerto Rico Tourism Co./ Puerto Rico

Subject: accidents and disasters
industry profiles

Article Text:

Puerto Rico weathered the wraths of hurricanes Marilyn and Luis with minimal damage, except to Culebra, Vieques and the eastern coast, but tourism officials have a publicity problem more damaging than non-destruction - counteracting negative national press.

But industry executives say despite inaccuracy of media reports about damage here, Puerto Rico may see an increase over projected visits resulting from the damage on other Caribbean islands.

"I believe Puerto Rico will receive a lot of business from the other islands," Bob Thorne, of Inter-Island Tours, Ltd. in New York said. "When people look to the Caribbean, we focus first on Puerto Rico. Price-wise it's good, flight-wise it's excellent and it has the beaches."

Thorne, Inter-Island's sales chief, said many people already are inquiring about booking trips to Puerto Rico "later in the season" - December through mid April. He said Puerto Rico is a "much more durable island" with greater talent for rebounding from bad publicity than other Caribbean destinations.

"A person who likes the Caribbean likes the Caribbean," Thorne said. "All a guy is going to do is hold off a bit. It's something that is going to take its time. It just takes a little while for people to forget."

By the time both storms passed - Luis with 140-mph winds and Marilyn with 115 mph - St. Martin, Antigua and St. Thomas were flattened.

CRUISE SHIPS IN PONCE

Puerto Rico already experiences an increase in its \$350-million annual cruise industry in the form of either longer stays by the vessels or new visits by ships which normally travel to St. Thomas, St. Martin or Antigua.

Once Port Director Jose Buitrago said the Monarch of the Seas, which can carry 2,600 passengers, began a series of Saturday visits to Ponce

alling everybody there is absolutely no damage, nothing wrong, in Puerto Rico."

at Thorne, whose agency is a principal booking agent for the Commonwealth's \$1.85-billion, tourism industry, said tourism would rebound later once the season starts in mid December.

"I believe it will come back," Thorne said. "The minute the first frost strikes on the east coast people will begin to think about where they can go where it's warm."

Air travel follows along the lines of hotel bookings, with postponed trips until later in the season.

"I don't see any cancellations for Puerto Rico," American Airlines marketing chief Armando Castro said. "After the hurricanes we did a lot of rebooking for later in the season. Cancellations in the Caribbean are very, very few. Most people postpone or are changing their travel dates.

"We concentrate now on what we must do for the future to prepare Puerto Rico and the Caribbean for the winter season," Castro explained. "We have to promote Puerto Rico and the Caribbean in the United States and keep them informed about Puerto Rico."

Industry executives agree that allaying concerns of stateside travelers is a major job facing the Commonwealth.

"Obviously any hurricane certainly leaves some concern in the minds of travel agents and the consumer," Claire Lockley explained. Lockley is Caribbean product director for Travel Impressions - another New York-based wholesaler.

Lockley said the impact would be "minimal" if tourism officials here strategically market the island. She also said the Tourism Co. and the RHTA were doing a "very good job" to provide wholesalers with up-to-the-minute information.

SHIFT IN HOTEL BOOKINGS

Hoteliers say they will breathe easier once word that Puerto Rico is conducting business as usual surfaces in the form of more bookings. To a large extent, they report a shift of bookings from now to coming weeks.

"We expect more and more calls (for reservations) once this erroneous impression of Puerto Rico as a disaster area is eliminated," Williams Hospitality's Paredo explained. "No question about it, the industry will weather the storm. It will take a few more days or weeks, but the bottom line is we are going to come out ahead from now until December and probably improve the business."

September occupancy will come in about 20% below projections at El Conquistador, 12% at El San Juan but will remain normal at about 82% at Condado Plaza.

Occupancy at the three government-owned Hilton hotels is expected to fall slightly below projections, according to Raul Bustamante, director of Hilton International here and general manager of the 733-room Caribe Hilton & Casino.

Bustamante said the Hiltons in Mayaguez and Ponce were essentially

affected by adverse publicity because the facilities do not rely heavily on the leisure market.

But he did say the Caribe Hilton will post an occupancy of 65-67% for September, down about 5% from the norm. Bustamante echoed statements made by other executives that losses could be counteracted during the upcoming season.

"If we conduct promotion properly, we will survive," Bustamante explained. "Bad news in the states is more damaging than the hurricanes themselves." He added that joint efforts of the Tourism Co., the PRHTA, the Convention Bureau and hotels individually should be able to speed the industry's recovery. "The only question mark is going to be what happens in October," he said.

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Record Number: 00766*19951005*00626

Although some nations of the Caribbean have hurt tremendously since Hurricane Luis + Marilyn slammed ~~it~~ into the Islands with winds of 125 + 140 mph. ~~Other~~ Other Islands that were spared such as Puerto Rico have doubled and tripled their reservations ~~and~~ and have also ~~been~~ been contacted by major cruise lines.

Headline: South Florida Tourism Dips for First Time in Decade

Source: The Miami Herald
Date: February 8, 1995
Length: 739 words

Author: Anne Moncreiff Arrarte

Cityline: MIAMI

INDEX TERMS

Industry/Company/Location:
Travel industry/ Dade County, Florida

Subject: industry profiles

Article Text:

Tourism, Dade County's No. 1 industry, dropped for the first time in a decade during 1994, sending tourism officials scrambling to rebuild the county's ailing European and domestic markets.

The sobering news will be released Wednesday morning when the Greater Miami Convention & Visitors Bureau presents its annual report to Dade County's tourism community.

"The numbers show we have a continuing image problem, and we need to build back both our domestic and European markets," said bureau resident Merrett Stierheim. "The growth in our visitors over the last five years has been fueled primarily by the Latin American market, but counting on one market alone can be dangerous."

Overall, tourism fell only 1.1 percent, thanks to a continuing Latin American boom. The Latin market, which makes up near half of Dade County's total tourism business, grew by 4.5 percent.

In neighboring Broward County (Fort Lauderdale and Hollywood), which counts heavily on Canadian and European visitors, international tourism dropped about 10 percent during 1994.

"Our Canadian and European business definitely is down," said Dean Hofmeister, president of the Greater Fort Lauderdale Convention & Visitors Bureau. "But our domestic business has done relatively well. I honestly think one thing that has helped us has been our increase in domestic flights."

Dade County also was hard hit in its international markets. Total international visitors fell 6.9 percent during 1994, the first drop since 1985.

The biggest decline came in European visitors, which dropped a total of 5 percent. Germany and The United Kingdom, Greater Miami's two largest European markets, fell 57.3 percent and 23.1 percent respectively, largely because of negative publicity surrounding a series of Florida tourist shootings in 1993.

Canadian visitation also dropped dramatically, falling 31.9 percent. Domestic tourism, which makes up 42.6 percent of Dade County's total visitor business, was up 8 percent, the first increase since 1989. But

*Population
make up
of In + 10 visit*

Tourism officials said the growth was due to an exceptionally stormy winter and unusually cheap air fares.

"I'm not sure it's a turnaround in our domestic market," said Margaret Gegee, vice president of marketing and tourism for the bureau. "I see it as a blip."

Still, the bureau has been working hard to target U.S. cities along the Northeastern corridor, particularly New York, Washington and Philadelphia. Plans to continue that effort will be announced Wednesday, Gegee said.

Annually, the bureau spends \$1.5 million in advertising, a fraction of what major competitors like Mexico and the Caribbean spend.

The message here is, 'Let's not wait until the streets are empty to do something about this,' said Miami Beach Commissioner David Pearlson, who co-chairs Dade's Visitor Industry Plan committee, which has spent eight months studying Dade County tourism. "When tourism went into the hole eight years ago, it took us six years to rebound it."

Pearlson, along with other Visitor Industry Plan members, will release a summary of their findings and recommendations at Wednesday's meeting. One of the plan's major recommendations is that Dade find more money for tourism advertising.

Without more money, the study says, Dade will not be able to offset its bad image.

Tourism executives throughout Dade report that Miami has become such a hard sell that many travel agents in other parts of the country are actively encouraging travelers to go to the Caribbean and Mexico. Competitive destinations are easier to sell and often offer bigger agent commissions.

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Record Number: 00704*19950208*00076

South Florida has collectively suffered over the last few years from severe ^{negative} exposure from ~~the~~ ^{the} international media focusing on ~~the~~ the killings of several European tourists asking for directions in ~~the~~ inner city-crime ridden areas while lost asking for directions to ^{miami Intl} and from ~~the~~ ^{air port} airport.

Overall, in 1985 European visitors ~~dropped~~ dropped a total of 25%. Germany and the United Kingdom (greater miami's two largest European markets) fell 57.30% and 23.1% respectively.

Canadian visitors also dropped dramatically, falling 31.9%. ~~On~~ On the positive side for Caribbean nations who have their own dollar system. The ^{value of} Canadian dollar has fallen dramatically compared ~~to~~ to the value of US dollar, thus driving some Canadians to the Caribbean ~~idv~~ ^{where their} ~~dollars to~~ ^{dollars to} stretch further.

ISLAND TOURISM AND THE PRICE-VALUE RELATIONSHIP: A GLOBAL PERSPECTIVE

JEAN S. HOLDER
(Caribbean Tourism Organization)

This paper discusses the topic of island tourism and price-value relationships from a global perspective. It should be noted for clarity sake that the term "Caribbean" will be assumed to also include Bermuda.

I wish to note first of all that the price-value debate which has raged for ever is unlikely to be resolved in this paper. It is a topic which involves a great deal of subjectivity and where many concepts are confused. It needs, up front, to be pointed out that "expensive" is not to be confused with "over-priced," or "cheap" with "good value." There is a significant market for expensive goods such as the Mercedes-Benz and BMW automobiles or a house in Beverley Hills. The demand and the market need to be brought together and satisfaction is achieved by a complex array of circumstances only some of which have to do with performance. Many others have to do with the psychological reactions of the purchasers which only a professional psychologist can unravel.

A second and often overlooked factor is that we must compare like with like. In tourism we often speak, for example, of Florida and other States of the U.S.A. as the Caribbean's competition. That is true in the sense that they are targeting the same customers as we are.

But in a real and important product sense, their ambience and geographical arrangements are nothing like that of the Caribbean, with its myriad small tropical islands set in near perfect idyllic surroundings in the Caribbean sea. Closer comparisons are to be found in the Indian Ocean or Pacific Islands. However, there are considerable cultural differences between the Caribbean and the Pacific which produce very different experiences. In many important ways, there really is no place like the Caribbean. The successes of many of our present competitors, whose natural product has less of the image appeal and fantasy appeal than ours, is related to their ability to blur the differences in the minds of the consumers, through aggressive marketing. The Caribbean, on the other hand, has often been unable to exploit the real differences through appropriate marketing. Instead, it has been tempted to follow the massive super-structural

developments on larger land masses (which are more suited to those peculiar circumstances) simply because for many reasons, not possible in the Caribbean, they can offer their product at a cheaper price.

This paper therefore makes the assumption that there really is no vacation destination in the world like the Caribbean. The challenge for us is to exploit the differences through our marketing strategy while ensuring that the product we offer lives up to the image we project. This paper is therefore about whether we are meeting this challenge, and if not, how we can.

THE IMPORTANCE OF CARIBBEAN TOURISM IN ECONOMIC DEVELOPMENT

Tourism has been good to the Caribbean. Generally speaking, the resource endowment of this region cannot be said to be bountiful in conventional terms, although I have made the point elsewhere that the Caribbean's clean air and crystal clear water may soon be the world's most precious possessions. However, the Caribbean contains small land masses with small populations. Mineral resources are few and possibilities for large-scale agricultural and manufacturing development are not considerable. Some of the islands have been able to develop services other than tourism, particularly in banking and finance; others have in the past also relied on primary products such as sugar and bananas, or on extractive industries such as oil and bauxite; some had hoped to emulate Operation Bootstrap in Puerto Rico and seek to develop manufacturing sectors by invitation and incentives. The reality is that prices in the non-tourism sectors have repeatedly fallen, markets have disappeared or are in danger, preference regimes are under threat, employment opportunities have diminished and consequently, government revenues and foreign exchange earnings from those sectors are at an all-time low.

Tourism, on the other hand, has been resilient in the face of enormous difficulties. We are a long way from the double digit compound growth rates of the

normal part of its lifestyle. It is important, however, to realize the characteristics of tourism in the 1990s.

- ◆ Intensive competition from a growing number of destinations. These competitors will include highly developed countries like the United States of America which have finally understood the economic importance of the tourism industry.
- ◆ Increased awareness by consumers of the socio-cultural and environmental impacts of tourism.
- ◆ A more demanding consumer who has easier access to information about tourism destinations, and travel options, more demanding about tourism products and services, and has clear ideas about the price-value relationship of the product he is purchasing.
- ◆ A technology-driven marketplace, particularly in respect of information and reservation systems which is revolutionizing the tourism distribution system.

CARIBBEAN TOURISM PERFORMANCE— THE PRESENT DIFFICULTIES

If the Caribbean is to compete in this kind of environment, it has to face up to the realities of its present performance. The fact is that other countries and regions are stealing Caribbean tourism revenues. This is particularly true of the U.S., the single largest source of visitors to our region. While in absolute numbers arrivals have marginally increased, U.S. arrivals as a percentage of total arrivals in the Caribbean have dropped from 63% in 1986 to 55% in 1990 and this trend cannot be blamed entirely on the U.S. economy. People are still traveling to other places. The Caribbean share of overseas U.S. travelers has decreased from 29% in 1986 to 23% in 1990. In 1990 alone our competition spent U.S.\$1.2 billion in measured media to increase their share of business; Europe, Hawaii, Asia, Mexico, Florida and Canada are utilizing umbrella marketing campaigns to wage a tourism war against the Caribbean and they are winning.

In Europe the Caribbean is doing somewhat better. The Caribbean share of European tourists has grown from 9.7% in 1986 to 13.3% in 1990. This reflects the extremely strong growth from this market since 1986, the number of arrivals having more than doubled in the period 1986–90. But even in Europe, particularly in the United Kingdom, the Caribbean has been losing marketshare to the United States, especially Florida, reflecting both the continuance of a relatively weak dollar and the great success that Florida has achieved in recent years in combining its climatic advantages with a range of attractions. These again have been served by very competitive air fares and supported by affordable accommodation, car hire and ancillary items.

THE TOURISM MARKET ENVIRONMENT

Whatever the Caribbean's tourism strategy is to be, short-term and/or long-term, it must take note of the market environment in which we are currently operating. Dr. Suzanne Cook of the U. S. Travel Data Center feels that consumers will continue to exhibit changing travel habits this summer and may stay closer to home and look at price and value more closely than ever before. Travel industry companies will feel the pressure to increase the level of discounts to generate business. This view is strongly supported by Doug Shifflet of D.K. Shifflet and Associates who holds that we will see everyone trying to stimulate travel through creative discounts and other price-related measures as the summer approaches—at best it will continue to be a buyers market with discounts to lure price-conscious consumers and to generate cash flow for severely ailing businesses. The predictions are that general travel levels should return to the strength of the 1989–90 traffic levels in 1993 with some improvement starting to show in the fall of 1992; that the recession has heightened awareness of travel costs teaching the traveling public how to economize on travel costs; that a further change in North American travel habits to the Caribbean will see a shift from the North East towards the midwest, southwest and far west coast; that this shift will intensify the development of Miami as a hub, opening up the west coast, South America and the Far East to the Caribbean as more direct air services fly to the Caribbean out of Miami with backward, common rated air connections into those areas identified.

Belize City, and at Xunantunich, some 80 miles (129 kilometers) southwest. Belize City is the gateway, with most foreign tourists arriving through Belize International Airport located about 10 miles (16 kilometers) north of the city and 60 miles (97 kilometers) from Belmopan, a planned city that is the seat of the national government.

The United States and Canada are the largest tourist market countries. The recent growth in tourism stems in part from U.S. citizens who have become permanent residents and have invested in hotels, seaside resorts, marinas, and commercial fishing boats. Their contacts and knowledge of the U.S. tourism market has helped to expand the marketing of the country's tourism resources.

THE CARIBBEAN REGION

Included in the Caribbean region are the Greater and Lesser Antilles, the Virgin Islands, and the outlying islands of the Bahamas and Bermuda, as well as Aruba and the Dutch islands of Bonaire and Curaçao, and the other more scattered islands in the Caribbean Sea (Figure 7-8). All these countries derive great economic benefits from tourism and hold hope for expansion in the future. In recent years tourism has grown steadily. The World Tourism Organization estimated that 7.1 million foreign visitor arrivals in the region in 1982, a 40 percent increase over the level of 1972. By 1989 the number of tourists had grown to 10.6 million (see Figure 7-9). When compared to tourism statistics for Europe and North America, Caribbean tourism growth rates are not re-

markable, but among the developing countries, the Caribbean is a prominent tourism destination.

Approximately two-thirds of all arrivals in the region are by citizens of the United States or Canada. If intra-Caribbean tourist travel is excluded, North America accounts for 70 percent of all foreign visitors to the Caribbean. Visitors from Europe, the world's largest tourist market region, amounts to about 12 to 15 percent of total arrivals. The United Kingdom, which has many historical ties and good air connections with the Caribbean, is the leading European tourism market.

Tourism is by far the largest single industry in the Caribbean, but the revenues from tourism vary greatly from country to country. The Caribbean Tourism Research and Development Center (CTRC) estimated in 1981 that almost one-fourth of expenditures in the region were in the U.S. Virgin Islands and Puerto Rico and a similar amount going to the "Americanized" resorts in Bermuda and the Bahamas. Data reported by the World Tourism Organization show that situation was about the same in 1988 (see Figure 7-10). The remaining expenditures went mainly to the Dutch and French territories, the British and former British islands in the Organization of East Caribbean States, and to Spanish-speaking countries such as the Dominican Republic.

For some Caribbean countries tourism is almost entirely dominant. Tourism income comprises 80 percent of the gross national product of the Bahamas, 50 percent of the U.S. Virgin Islands, 44 percent of Antigua and Barbuda, 44 percent of Bermuda, 35 percent of Barbados, 28 percent of Montserrat, and 26 percent of St. Lucia. On the other hand, tourism is by comparison

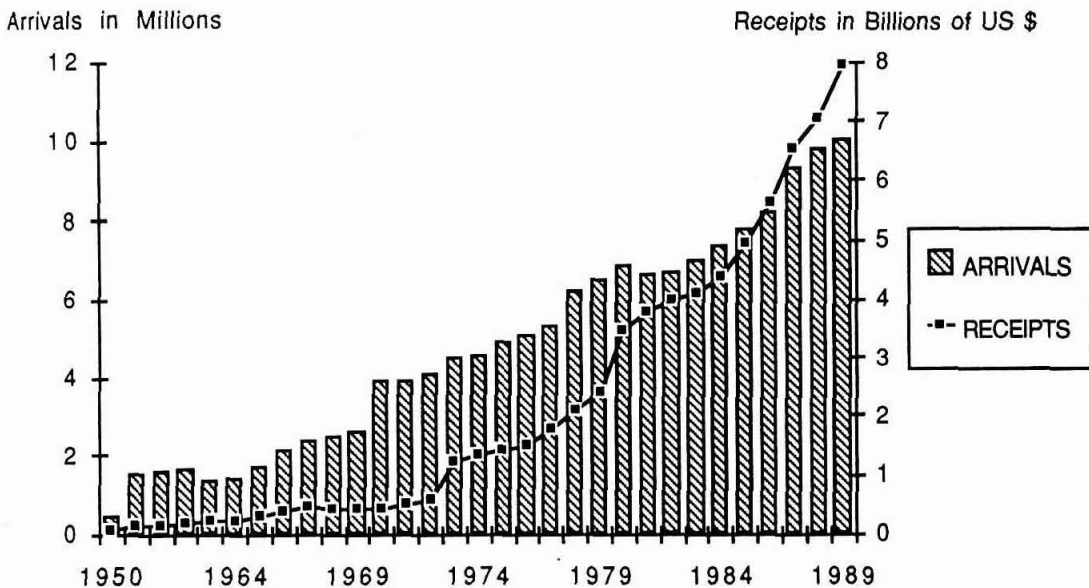
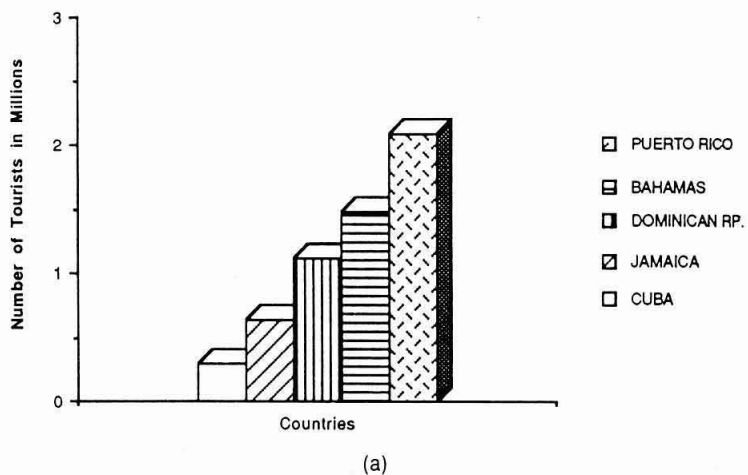
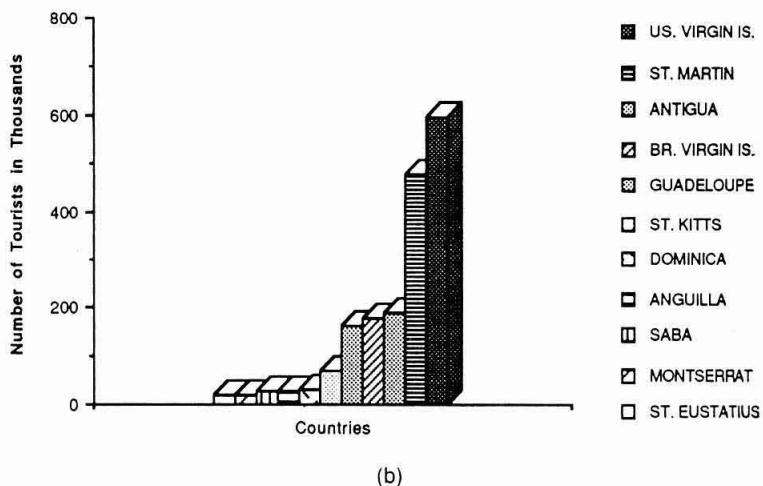


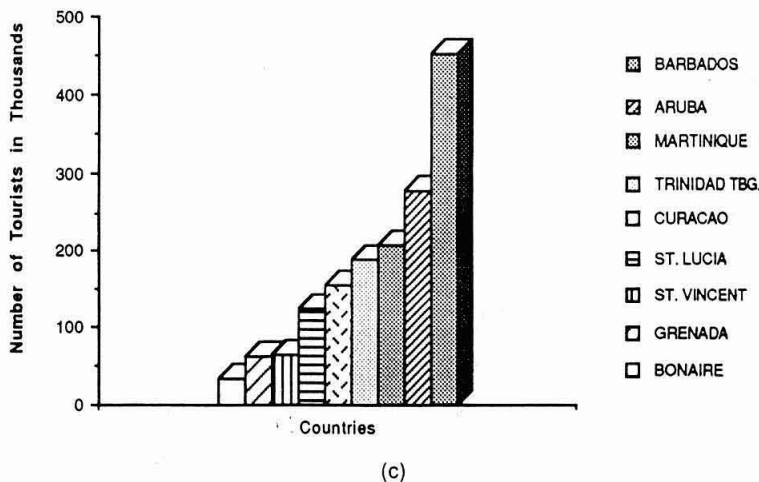
FIGURE 7-9 International tourism in the Caribbean, 1950-1989. World Tourism Organization, *Yearbook of Tourism Statistics, 1989, Vol. 1, 42nd ed.* (Madrid: WTO, 1990) p. 28.



(a)



(b)



(c)

FIGURE 7-10 International tourism in (a) the Greater Antilles, 1988; (b) the Lesser Antilles, 1988; (c) the Windward Islands, 1988. World Tourism Organization, Yearbook of Tourism Statistics, 1989, Vol. 1, 42nd ed. (Madrid: WTO, 1990), p. 28.

THE CARIBBEAN ACTUAL AND POTENTIAL CONSUMERS AND HOW THEY PERCEIVE OUR PRODUCT

When one is undergoing difficulties, as Caribbean Tourism currently is, the natural tendency is to lose confidence in oneself and to question the value of one's product. This sometimes leads to quick and hasty action and an attempt to introduce fundamental changes which ultimately lead to few major improvements. It would be instructive in this context to look at a recent comment made about Hawaii, one of our major competitors.

Larry Pimental, former President of Classic Hawaii and now President of Seabourne Cruise Line since March 30, 1992, is quoted in *Travel Weekly* of May 4 as launching a bitter attack on Hawaii for deviating from Hawaii's former successful strategy of promoting the wonderful things to see and do in Hawaii. New mega-resorts promoted fantasy and who had the largest pool. Along with this publicity came the image of a high-priced Hawaii. Then with the over supply of rooms, worsening economic conditions and a decline in mainland visitors, the market became deal-oriented. Panic price-cutting and special deals resulted in confusion and misconceptions in the market and at the same time "cut off the legs of the wholesale partners." Hawaii, he said, is good value. "If you focus on the experience, you do not have to focus on price. Hawaii doesn't have to compete on price. It is within reach of most Americans." The real solution he said was "leadership."

Is the Caribbean good value? First, we must define value. According to Crandall, 'value' has multiple components. One of them is quality—which is delivering what our customers expect, pleasantly, courteously, and professionally—every time. Only our customers can tell us. In our present circumstances it is important to know who our customers are and what they think of us.

A recent survey by CTO's advertising company McCaffrey and McCall (1992) came up with fascinating data, some of which I wish to share with you.

- ◆ That the potential U.S. market for a Caribbean vacation is big: 28.3 million adults as opposed to the current 6.5 million—with annual incomes beginning at U.S. \$30,000.
- ◆ Caribbean vacations generate repeat visits—48% of present visitors have made

two plus trips to the Caribbean and 58% are already predisposed to take another Caribbean vacation.

- ◆ The Caribbean, by and large, delivers an excellent product. The biggest barrier to a repeat visit is interest in other destinations rather than dissatisfaction with the vacation experience in the Caribbean.
- ◆ The Caribbean is seen largely as a vacation for couples.
- ◆ Only 15% of those who had already been to the Caribbean thought of the Caribbean as too expensive. This rose to 34% among people who had not been, indicating that there is a perception to be corrected if we are to entice new visitors.
- ◆ The Caribbean's best prospects are:
 - age 25–54, with the 45's to 54's the most attractive prospects;
 - mostly married but with a sizeable segment of singles;
 - college educated;
 - from households of total incomes of U.S.\$30,000 to U.S.\$75,000; and
 - currently residing in the North East, Midwest and South with greatly increased business from the West, given airlift and more effective packages.

IS THE CARIBBEAN OVERPRICED?

Our market research, undertaken as recently as April 1992, says that there is nothing fundamentally wrong with the Caribbean tourism product. Generally speaking, those who take a Caribbean holiday are satisfied and expect to pay the price charged for accommodation. Complaints about costs are often about the price of peripheral items such as beer or soft drinks or fast foods and they are normally from those accustomed to cheap holidays elsewhere, who are trading up to the Caribbean, lured by cheap charter fares. I suggested earlier that people who buy a Mercedes-Benz expect to pay the price charged. Dissatisfaction arises when things go unexpectedly wrong. These often have nothing to do with price or costs. It is this aspect of Caribbean tourism to

which we must return. But first we must deal with the perception among those who have not been to the Caribbean that they cannot afford us.

Cost of accommodation is by far the most important component—and most variable element—in the total price of a Caribbean holiday. In recent years, there has been a marked improvement in

the competitive position of the Caribbean as far as the cost of accommodation is concerned. In 1986 the average daily achieved rate per occupied room in a sample of large international standard hotels was \$100.81 for hotels in the Caribbean sample compared with \$64.53 for the international sample. By 1989 these figures had changed to \$88.03 for the Caribbean sample and \$81.54 for the international sample (see Table 1).

Table 1
Average Daily Rate (\$)
Per Occupied Room

Region	1985	1986	1987	1988	1989
United States	62.60	66.56	70.52	72.67	73.24
All International	59.57	64.53	71.70	79.50	81.54
Canada	48.56	53.97	60.84	65.88	73.07
Mexico	42.55	40.96	45.77	57.38	59.66
Latin America	44.35	34.07	57.80	66.78	61.75
Caribbean Region	86.46	100.81	94.00	96.58	88.03
Europe	60.48	73.61	81.69	93.99	93.52
Africa	41.70	51.22	59.15	56.84	57.69
Middle East	72.69	79.19	77.84	66.77	74.97
Pacific Basin	66.06	69.81	73.27	81.10	87.91

Note: Given the constraints of the sample, this data should be used cautiously.

Source: Pannell Kerr Forster 1991.

When measured in terms of local currencies, the fall in the cost of hotel accommodation in the Caribbean would have been even greater for European currencies against the dollar over this period.

The truth is, even these samples taken from Pannell Kerr Forster, *Trends in the Hotel Industry, 1990*, are misleading. Average figures conceal the great range in the price of tourist accommodation in the Caribbean, sometimes perceived as a uniformly expensive destination. It may come as something of a surprise to learn that in the summer 1988 over 70% of the total available rooms cost less than \$100. The average rate (based on the advertised rack rate per person for double occupancy, without meals) was \$85.00. This makes no allowance for the discounting of advertised room rates to tour operators, which could reduce the average by 30% or more. Admittedly, in winter the rates tend to be somewhat higher with only 37% of the rooms costing less than \$100 in the winter of 1987–88.

Mature destinations like Barbados, Jamaica,

Puerto Rico and The Bahamas can offer a range of accommodation to suit every pocket. The more expensive properties are to be found in a limited number of destinations, such as Antigua, Barbados, Bermuda, Cayman Islands, Guadeloupe, St. Barts and St. Martin/St. Maarten and U.S. Virgin Islands, with isolated pockets in some other destinations (e.g., Anguilla, British Virgin Islands, the Grenadines). The question of value for money has very little to do with the price charged for the accommodation. Indeed, repeatedly throughout the Caribbean it is the more expensive properties that generally enjoy the highest occupancy levels and the highest levels of repeat visitation, indicating a high level of customer satisfaction. The important thing is to give real value, whatever the price. In short, the price must be fair.

The above analysis suggests that there are clear misconceptions about costs in the Caribbean which have implications for our present and future marketing strategy if we are to actualize the real potential we have for winning new customers and increasing market share.

AREAS OF DISSATISFACTION

I will now return to those areas of dissatisfaction which reduce the value of the Caribbean tourism product. In the case of Hawaii, Pimentel suggested that Hawaii's problem was that its marketing strategy had lost its way and that the real problem lay with leadership (Bartlett 1992). In the case of the Caribbean, problems can often be traced to inadequate marketing and poor management. Poor management begins in those cases where the structure and choice of personnel of tourism agencies are dictated by political rather than technical considerations. It is poor management whenever the tourism directorate's experience of the airport is limited to their own departures and arrivals and in circumstances which shield them from any inefficiencies and rudeness of airline counter-personnel or customs and immigration personnel. It is poor management which is not aware of the poor service in the dining room, or of the bathrooms which are not properly cleaned. It is poor management which seems blissfully unaware of the inadequacies of the check-in system or the inability of staff to deal with the psychology of a passenger who has a genuine problem or thinks he has. Each of us can cite his own examples and it is the staff that often gets the blame. People who are often in Caribbean hotels and pass and re-pass through Caribbean airports keep thinking, if only the Minister, if only the Airline General Manager, if only the Hotel Manager could see this—he would have to do something about it. He should and he can. Management has to be visible, even ubiquitous. It must move as it were, on the factory floor. It must experience at first hand, what the customer experiences.

With respect to marketing of the Caribbean, I will shortly return to this critical area of operation. It is enough here to state that the Caribbean story has not to date been adequately told. We are neither Florida, Hawaii, nor the Pacific. Those who wish the traditional Caribbean experience do not knowingly go to those places. It is to their credit that these states have, through their marketing strategies, been able to persuade the market, that they offer what we have. It is to our discredit that we have been unable to articulate and publicize the differences.

CRUISE AND ALL-INCLUSIVE TOURISM

In determining the way forward, I believe we should look briefly at two success stories in the Caribbean—the all-inclusives and the cruise lines.

All-Inclusives

All-inclusive properties have succeeded in operating at occupancy rates far in excess of the industry's norm, with little difference in the summer "low" and winter "high" season.

In the Caribbean, Jamaica currently has the largest number of all-inclusive rooms. Out of a total of 14,037 tourist rooms in 1987, it is estimated that 2780 rooms (or 19.8%) belonged to all-inclusive properties, but, as a percentage of total rooms, all-inclusives are proportionally more important in St. Lucia (35%).

With the success of the all-inclusive formula and the proliferation of this type of property throughout the Caribbean, some concern has been expressed in host countries about the exclusive nature of the all-inclusive concept and there has been the suggestion that there is not enough contact between these resorts and the economies of the host countries. Perhaps the time has come to refine and further develop this concept. But what they have in their favor is a high level of visitor satisfaction which they share with the cruise line product.

Cruise Vacation

In recent years the cruise vacation has generally outperformed the average land based vacation. Among people who have taken both a cruise vacation and a resort vacation in the Caribbean in the past five years, cruising rates exceptionally well for all key vacation characteristics—except as regards the degree of comfort of the accommodation. I am sure, however, that the new ships will address this aspect.

In a recent Cruise Line International Association (CLIA) survey of cruise vs. destination holiday, it is very interesting to note where the cruise lines won points (1992).

I believe that the factors that surfaced in the CLIA survey say it all (see Table 2, page 229). In short, the natural Caribbean product, delivered with a large helping of loving tender care, by a well organized operation, free of hassles, and in a safe environment, is seen by our customers as unbeatable value. This view is reinforced by the fact that the perceptions for the all-inclusive hotels and those for the cruise lines are very similar. Where we have lost value is in the delivery of the project. We have failed to deliver it, pleasantly, courteously and professionally—everytime...everytime.

Table 2
Cruise Versus Resort Destination
(Percentage of Respondents Indicating Destination Displayed Attribute)

Attribute	Cruises (%)	Resorts Vacations (%)	Net Difference (+/-)
Pampered by staff	67	16	+51
Well organized	75	28	+47
Relaxing	64	27	+37
Able to have pleasurable experiences	64	27	+37
Romantic	58	25	+33
Fun	65	34	+31
Able to meet interesting people	48	19	+29
Hassle free	52	23	+29
Exotic	41	19	+22
Active	46	31	+15
Festive	65	51	+14
Extravagant	37	24	+13
Safe	65	53	+12
Lodged in comfortable accommodations	35	44	-9

Source: Cruise Line International Association (CLIA) 1992.

I would like in conclusion to sum up where we are and where the way forward might be.

- ◆ 1991 and the first quarter of 1992 have been difficult periods for tourism almost everywhere in the world. There are, however, clear signs of recovery, though not everywhere.
- ◆ The Caribbean's traditional competitors are stealing its market share, particularly in the U.S. market. Moreover, at a worldwide level, new threats are appearing as other regions of the world mount aggressive marketing campaigns in the Caribbean's traditional marketplaces.
- ◆ Research shows that the traditional Caribbean customer—upscale and college educated—continues to think that our product is affordable and in a fundamental way corresponds to what he is seeking. There are things he would like to see put right and which are in our own power to correct.

The Caribbean is, however, failing to win new customers who either have false perceptions of its product or are being enticed by the far louder noise being made in the marketplace by its competition, which is more often than not, capitalizing on the traditional Caribbean image.

- ◆ Within the Caribbean region, those whose product suggests that they are well organized, pamper their customers, offer fun, romance, and relaxation in safety, are doing particularly well. They are the same destinations which also have large marketing budgets (the cruise lines and the all-inclusives) and are getting the message out about what they have to offer.
- ◆ For the short-term and certainly in 1992 we are in a buyers market. Even that will change as the recession recedes in 1993 and beyond, and the pent-up demand for travel is released.

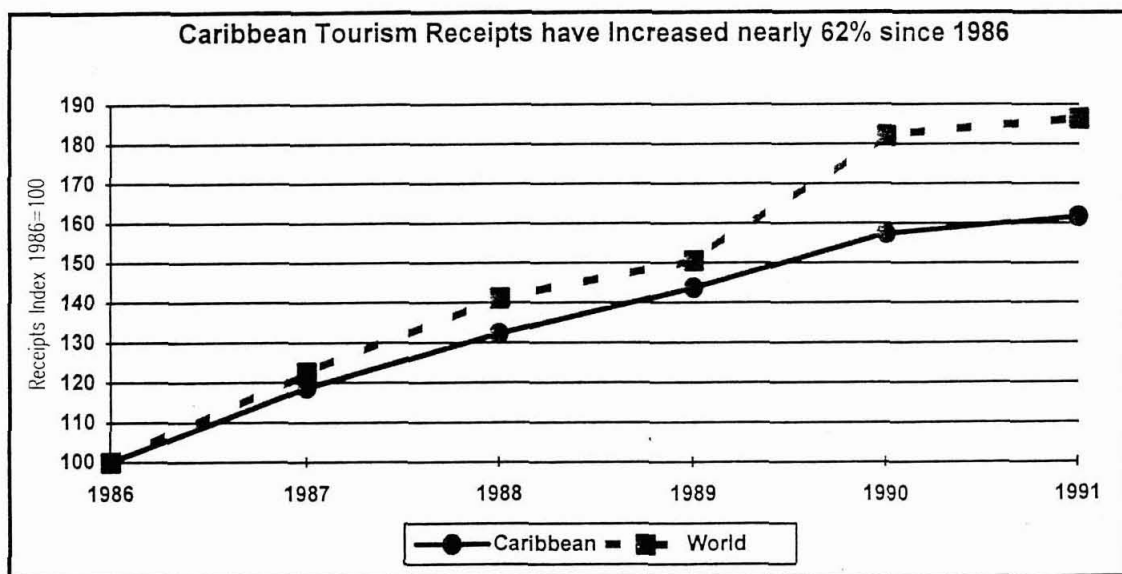
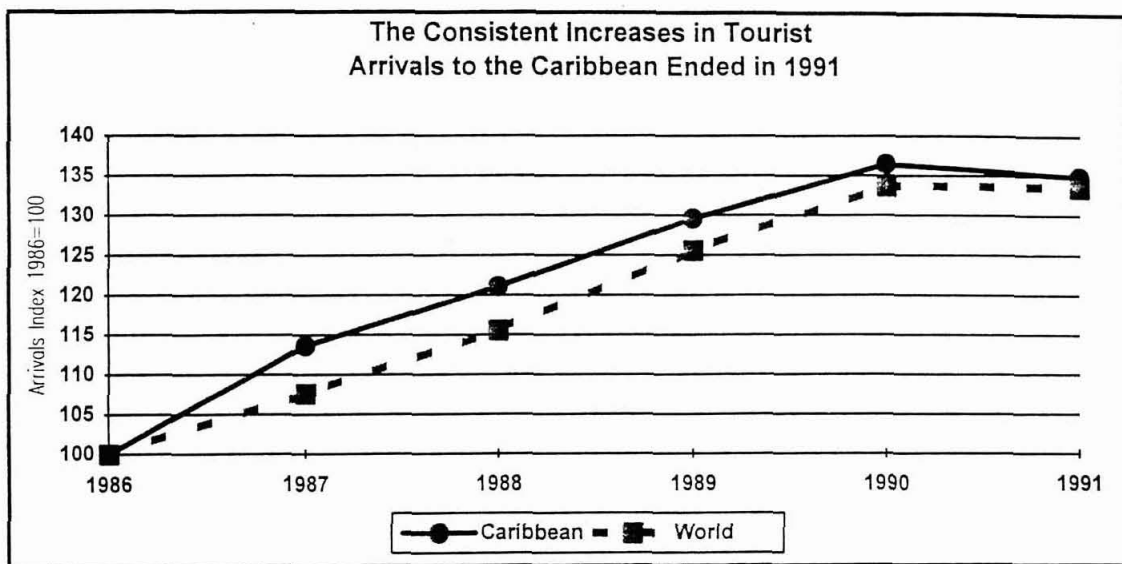
THE WAY FORWARD

Nothing in the above scenario suggests that the price-value relationship of the Caribbean's present product is totally out of sync and that the Caribbean should panic and seek to dump its rooms on the market at prices which some of our competitors are offering. Moreover, if these prices happen to be below the cost of operations, such a policy would be suicidal. The high costs of the inputs into the Caribbean tourism offer make it impossible for the region to be a low cost destination. A few of us who are selling simply on price will, in the not too distant future, pay a high price of low repeat business and hotel bankruptcies, as services,

CARIBBEAN



The recession affecting the World, and in particular, North America, had a negative impact on Caribbean tourist arrivals and receipts in 1992. Arrivals were up 3.0% which is much lower than the 6.2% annual increases experienced during the 1986–1991 period. Similarly, tourism receipts were up 3.1% in 1992 over 1991, compared with annual increases of 10.1% during the 1986–91 time period.



INTERNATIONAL TOURISM INDICATORS									
INDICATOR	1986	1987	1988	1989	1990	1991	Annual Change 1991/86	1992 Projected	Annual Change 1992/91
Tourist Arrivals (Millions)	8.417	9.563	10.191	10.904	11.483	11.350	6.2%	11.688	3.0%
Tourism Receipts (US\$Mn)	5,639	6,695	7,455	8,101	8,872	9,116	10.1%	9,395	3.1%
Tourism Expenditures (US\$Mn)	999	1,158	1,295	1,345	1,481	1,622	10.2%	NA	NA
Tourism Account Balance (US\$Mn)	4,640	5,537	6,160	6,756	7,391	7,494	—	NA	NA
Region Arrivals/World Arrivals	2.5%	2.6%	2.6%	2.5%	2.5%	2.5%	—	2.5%	NA
Region Receipts/World Receipts	4.0%	3.9%	3.8%	3.8%	3.5%	3.5%	—	3.4%	NA