



# Converting crisis into opportunity

Hugh Riley, Secretary General and Director of Marketing for the Americas, Caribbean Tourism Organisation (CTO)

All elements of our tourism product must exceed expectations. Current and future visitors will stretch our creativity and innovativeness

A -H1N1, APD, WHTI, climate change, recession, crisis – an increasingly familiar alphabet soup of buzz words – has encapsulated and dominated the current Caribbean tourism industry landscape and language within the recent past and some even currently. Whilst these words have been driving the ‘not-business-as-usual’ atmosphere, our ability to navigate the combined impact of them will determine the future direction of Caribbean tourism. Whether they are viewed as crises or potential opportunities, half-empty or half-full glasses, perhaps this is an opportune time for our leadership to make some bold decisions to ensure tourism sustainability.

Are we in crisis mode? Faulkner (2001) identifies the following characteristics of a crisis situation:

- A significant triggering event that challenges the existing structure, routine operations or survival of an organisation;
- “Fluid, unstable, dynamic” situations (Fink, 1986: p. 20);
- A managerial environment that has high threat, short decision time and an element of surprise and urgency;
- A perception of an inability to cope among those directly affected;
- A turning point, when decisive change is imminent.

The answer to this question may not be as important as the Caribbean’s preparedness for resilience. Global tourism industry resilience has long been touted by the United Nations World Tourism Organisation (UNWTO). In our own region, we have in the past successfully weathered the impacts of economic downturns, political and social strife, trails of devastation left behind by natural disasters and the effects of other exogenous factors. But it still leaves in our minds the need to answer another question on how successfully we can not only overcome these short-term perils, but also devise strategies to enhance the long-term competitiveness and sustainability of the regional tourism industry. Now more than ever, there is an even more urgent need to harness support for a collaborative

approach to securing the industry’s future.

The Caribbean Tourism Organisation (CTO) has been at the core of the Caribbean tourism industry’s efforts to create awareness of the potential impacts of these developments; to corral the best minds to fashion solutions to them; and to intensify coordinated and necessary lobbying efforts. The CTO has been disseminating information on issues that threaten the Caribbean tourism sector and actively participating in fora to develop and discuss possible solutions to be implemented. The position taken is that it is better to execute an agreed action plan than to risk adversely impacting the viability and image of the Caribbean as a premier tourist destination through inaction or slow reaction.

There is little doubt that our region’s tourism resilience strategies will be tested yet again with this Pandora’s Box of challenges. This latest test gives new impetus to the need to fortify a regional approach to not only marketing the Caribbean, but also to ensure that when the latent demand for travel emerges, all elements of our tourism product do exceed expectations. Current and future visitors will stretch our creativity and innovativeness to new boundaries in their quest for high quality and diverse experiences. Their power of choice in making travel decisions in an extremely competitive marketplace will reinforce this.

Beyond this, the UNWTO is advocating that:

“Travel and tourism can support short-term stimulus actions, namely those aimed at creating and sustaining jobs, as well as the long-term transformation to a green economy...Actions are needed to boost trade promotion, simplify regulation, build infrastructure and rationalise taxes, which in turn incite companies to invest, innovate and stimulate demand. This kind of public-private sector collaboration should be strongly advanced within and between all states – it will help build resilience and recovery across economies.”<sup>1</sup>

With the reported impacts of various factors on Caribbean economies, the region would be well-placed



to support UNWTO's call to unite in our effort to refuel many of our destinations' economic engines. For various reasons, we are witnessing dramatic changes in the modus operandi of airlines, cruise lines, tour operators, hotels, airports and competing destinations and the need for adjusting to this new playing field is not lost on the other public and private tourism sector operators. Add to this the growing pressure on the travelling public (our customers) to bear part of the burden of the increasing operational costs of such entities. Simultaneously, there is a trend towards more experiential tourism and some movement away from traditional mass tourism product offerings.

Environmental issues can be added to this scenario. A recent study by researchers attached to the Simon Fraser University in Canada and the University of East Anglia in England that was published in the Royal Society's Journal "Biology Letters" has just confirmed what we have suspected for many years. A team of international researchers examined approximately 40 years of data based on 500 surveys of 200 reefs in the Caribbean. According to Dr Nicholas Dulvy of the Department of Biological Sciences, Simon Fraser University:

"Probably, the most stark finding of our result is that... the whole Caribbean has been flattened in the past decade, mainly as a result of climate change. There are no detectable complex reefs [left]. We've lost 80 per cent of the living coral cover in the Caribbean over the last four decades. So that's a rate of loss that's far greater than the loss of deforestation of the Amazon rain forest. In fact, we're losing coral twice as fast as we're chopping down the Amazon rain forest."

Dr Dulvy added that it was known that many of our individual reefs were dying from disease outbreaks, the impact of hurricanes and climate change, resulting in warmer shallow waters and coral bleaching. However, it was believed that the process was slow enough to allow reef regeneration before reef collapse could occur. In his words: "We thought it would take five to ten years for it to collapse, which gave us to some degree a message of hope because, if the corals can recover and recast the skeleton, then reef growing can begin again. What this study is showing is that reefs are collapsing pretty much as the coral is dying."

Dr Dulvy also emphasised that in addition to losing biodiversity, the process is diminishing natural sea breaks in the Caribbean which could prove to be devastating once sea level rise and increasingly strong hurricanes combine. As such, failure to urgently

develop and implement a concerted strategy to address the impacts of climate change will also expose us to: the threat of more intense hurricanes; the impacts of sea level rise in coastal areas; seasonal demand changes due to warmer temperatures; salt water intrusion into fresh water aquifers; and possibly a reduced water supply or drought due to changing precipitation patterns. These possible consequences therefore represent a direct threat to the Caribbean tourism product and destination competitiveness.

Another hindrance to tourism competitiveness – high operational costs – are in part due to the high energy cost in the accommodation sub-sector in light of the region's dependence on imported fuels for electricity generation. The cost of electricity has increased dramatically over the last few years with the surge in oil prices and even with the volatility of those prices, their general trend is expected to be upwards. That is, unless major investment in alternative sources of renewable energy, micro-generation and energy efficiency practices is expedited. The CTO is involved in initiatives to address the issues of climate change and disaster risk management as well as energy efficiency in the regional tourism sector. The anticipated results of these initiatives will hopefully make a significant contribution to increasing the overall economic competitiveness and sustainability of the

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Exploring the mangrove swamps of the Bahamas





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Community-based tourism in the Dominican Republic

Caribbean tourism industry.

Moreover, there can be no denial of the need to develop and utilise short-term tactics to address current challenges, including air access, the increasing cost of long-haul travel, immigration, health, safety and security, disaster management, human resource development, investment, destination marketing and product development issues. However, in seeking solutions we must not lose sight of the need to also implement creative strategies that address the potential impacts of climate change which already threaten the basis of the Caribbean's tourism product.

This two-pronged approach is necessary to ensure tourism sustainability and the economic survival of our region and should give new impetus to our regional sustainable tourism vision that is underpinned by the following key words:

- Viable and resilient
- High quality
- Empowerment
- Ownership; and
- Regional integration.

This vision for Caribbean tourism will now be set within the context of this new and shifting global paradigm. Some of the leading economists are of the view that recovery from the global recession will not necessarily see a return to pre-recession conditions. Travel and tourism supply and demand patterns are

likely to adjust to this yet undefined paradigm. The timing is therefore ideal for the region to strengthen cooperation and to pool ideas, best practices and experience to craft an innovative strategy that is geared towards creating a new strategic blueprint for Caribbean tourism that will position the region as:

- The world's first sustainable tourism zone
- The world's first carbon-neutral region
- The safest destination in the world
- A high service quality destination where customer expectations are exceeded
- A place where the unique and genuine warmth and hospitality of the Caribbean pervades; and
- An authentic and unforgettable experience.

The regional tourism industry is a major contributor to the Caribbean's GDP and foreign exchange earnings and provides many employment and business opportunities. Despite this reality, today we are still faced with the need to continuously and rigorously educate the regional public about Caribbean tourism. Not only is it our collective responsibility to help our various constituents to better understand consumers' perceptions of our product, but we must instill in our people the realisation that it is within our grasp to alter those perceptions. We are at the delivery end of the Caribbean tourism experience: this is where the reality occurs. Besides, the more we as Caribbean people are encouraged to take ownership of our livelihood – whether through a choice to work in the industry or whether as engaged citizens in our own destiny – the more we invest in our overall survival.

Ultimately, the Caribbean tourism industry must be defined not just in terms of tourist arrivals and foreign exchange earnings, but also in terms of its success in nurturing entrepreneurship; maximising cross-industry links and dispersing the benefits of tourism more equitably. The Caribbean should also take advantage of the opportunity of transforming into green economies and developing a cutting-edge tourism industry through more concerted research and development efforts. In so doing, the tourism industry can take its rightful place in efforts to alleviate poverty and to meet the established Millennium Development Goals.

By forging a new spirit of cooperation and commitment, Caribbean tourism will not only attain these goals, but it will help us to indeed turn our present crisis into the opportunity of retrofitting the industry to be more globally competitive and sustainable. ■

*1 Source: Testing Times for International Tourism - Madrid, Spain - 2 July, 2009.*

