
Mastering Caribbean tourism

Chandana Jayawardena

Visiting Professor, School of Hospitality and Tourism Management, Ryerson University, Toronto, Canada

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Abstract

This paper attempts to capture the essence of the key elements needed to master tourism in the Caribbean. The author uses his eight years (1994-2001) hospitality and tourism management and research experience in the Caribbean in writing this paper. He also uses information gathered by participating in ten major hospitality and tourism regional conferences and some 175 elite interviews he conducted with stakeholders of Caribbean tourism during the last three years. The paper analyses the importance of tourism to the Caribbean, key tourist destinations, challenges, sustainable development and community involvement. In conclusion, the author recommends product diversification and well-planned community participation in tourism development for the Caribbean. The paper also calls for well-coordinated efforts by all stakeholders to ensure sustainability of tourism development in the Caribbean.

Growth of tourism

Travel and tourism encompassing transport, accommodations, catering, recreation and services for travellers – is the world's largest industry. The growth of international tourist arrivals has been phenomenal as indicated below:

- 25 million in 1950;
- 69 million in 1960;
- 160 million in 1970;
- 286 million in 1980;
- 459 million in 1990; and
- 673 million in 2000 (estimate).

During the last 50 years, annual tourist arrivals have increased by 27 fold (Jayawardena, 2001a). The recent terrorist attacks on the USA will result in a decline of tourism arrival figures worldwide until the war against terrorism ends. However, as experienced after the World War II and the Gulf War in 1990, the growth of tourism in the long term will continue.

A properly planned, developed and controlled tourism industry will positively affect the society and the economy. Enrichment of the tourism industry with national characteristics is vital for a healthy development of tourism (Jayawardena, 1993).

The Caribbean

The Caribbean, as a single destination, usually ranks sixth in the world in terms of tourist receipts. In 1999, the Caribbean attracted 3.1 per cent of tourist arrivals in the world. An archipelago of sunny, tropical islands naturally decorated with exotic flora and fauna, surrounded by blue seawater and gentle breezes, is the general impression of the Caribbean region in the minds of most visitors. This is true in most areas within the

region. In fact, it is the main reason for the image it has enjoyed for more than 50 years and continues to enjoy, in spite of the increasing competition from similar regions. This image made the Caribbean the most sought-after region for romantic holidays and honeymoons in the world. But the Caribbean has much more to offer to the millions of tourists and cruise passengers who visit the region year after year.

For convenience, the term "Caribbean" is used in this paper to identify 34 destinations that are members of the umbrella organisation of the region's tourism industry, the Caribbean Tourism Organisation (CTO). In this definition, the Caribbean region includes a few countries/regions on the mainland in South America and Central America. The area between the south of Florida, in the USA; Cancun, in Mexico; Belize, in Central America; Venezuela, and Surinam, in South America; is now referred to as the Caribbean, although in the Atlantic Ocean, the islands of Bahamas and Bermuda are treated as Caribbean countries by the CTO for statistical purposes. The population of the Caribbean is approximately 60.4 million with the five largest jurisdictions (Venezuela, Cuba, Dominican Republic, Haiti and Puerto Rico) accounting for approximately 86 per cent of the total population (KPMG Management Consultants, 2000). These countries vary tremendously in terrain, size, population, culture and economic prosperity. It is noteworthy that four of these are Spanish-speaking countries and Haiti is a French-speaking country. In other words, the English-speaking West Indies is a significantly small part of the Caribbean.

In the Caribbean region, the benefits of the tourism industry continue to increase faster than all other regions in terms of revenue and employment. This success, however, was not a planned strategic option in most Caribbean countries. The tourism sector in the Caribbean has assumed prominence as a



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result of consistent stagnation in the traditional economic sectors. As such, the Caribbean is often referred to as the most tourism dependent region in the world. Tourism earnings account for approximately 25 percent of the region's gross domestic product (GDP). In 1999, the Caribbean region recorded US\$17,733 million tourism receipts, with 20.32 million tourist arrivals and 12.1 million cruise passenger arrivals (CTO, 2001). Based on the latest arrival figures issued by most of the Caribbean countries and reasonable estimates, the total arrivals for the year 2000, too, should be around 20 million.

Key Caribbean destinations

The benefits of tourism are not, however, evenly distributed among the 34 countries and destinations in the Caribbean. Success of tourism of a country cannot be judged by the number of tourists it attracts, the number of nights guest spent there or by the total amount of dollars spent by tourists. A more meaningful measurement will be to look at the net tourism receipts (gross profit calculated by deducting all expenditure directly related to tourism and foreign exchange leakage) and then analysing the *per capita* net tourism receipts. Unfortunately, this is not possible at the present time. As is seen in many other countries in the world, the Caribbean countries have not yet developed a system to quantify the actual foreign exchange leakage from tourism. In the absence of this data, the author has used the total tourism receipts to rank the top ten tourist destinations in the Caribbean.

In 1999, the top ten destinations in the Caribbean accounted for over 81 per cent of the tourism receipts in the region. Four years ago, these ten countries accounted for 77 per cent of total tourism receipts in the region (Jayawardena, 2001b). Phenomenal growth in tourism receipts over the last four years in Cuba (75 per cent), Dominican Republic (58 per cent), Cancun (56 per cent) and Aruba (48 per cent) have contributed to the increase of the market share of the top ten Caribbean destinations, as shown in Table I.

An important aspect, shown in Table I, is that 34 destinations in total have grown its tourist receipts by 28 per cent during last four years. The top ten destinations in total grew by 36 per cent and have significantly influenced the overall increase percentage to be impressive. But, what is not reflected in regional statistical analysis, is that the overall picture is quite bleak for most of the other 24 countries. The overall increase

recorded by these countries during the last four years has been less than 2 per cent and far behind the world average. This is bad news for a majority of Caribbean countries. The same ten destinations have remained in the top ten list over the last four years.

Future challenges

The industry is at times faced with challenges such as crime and tourist harassment. This is mainly arising from the lack of community involvement and the low levels of benefits to the communities living closer to the resort tourist areas. The need for planned sustainable development is, therefore, essential for the future of tourism in the Caribbean. Efforts have been made by countries such as Belize, Dominica, Guyana, Suriname and Trinidad and Tobago to develop alternative forms of tourism such as eco-tourism, agro-tourism and community tourism, to address concerns that have arisen as a result of conventional mass tourism activities. Such countries entering the tourism arena in the Caribbean relatively late has a great advantage of learning from the strengths as well as the mistakes made by the main tourist destinations in the Caribbean now reaching the mature stage of the destination life-cycle. In many parts of the Caribbean, tourism education and training by both the public and private sector has never been adequate. In addition to national programmes, the CTO and the Caribbean Hotel Association (CHA) have delivered programmes in tourism education and training. Both have had their successes and the CTO has benefited from significant European Union (EU) funding in this area over the years. Both the CTO and the CHA continue, however, to suffer from lack of human and financial resources to establish a sustained and affordable programme covering the many areas needed (Holder, 2001).

The need for partnership, co-operation and collaboration between the main stakeholders in the industry, such as local communities, universities and the academic community, the private sector CHA, the public sector CTO has never been greater (Jayawardena, 2000). The local community must be the main focus of tourism development to ensure sustainability. Critical areas such as destination marketing, product promotion, customer service and guest safety and security are also areas that should be addressed. Nevertheless, the successful future of Caribbean tourism lies ultimately in teamwork, communication and a united effort by all main stakeholders. A solid

foundation of social partnership and a clear understanding of the needs of the main segments of visitors to the Caribbean are urgently required.

CTO's predictions for the future, shown in Table II, appear to be optimistic, especially in the context of recent terrorist attacks in the major feeder market for Caribbean tourism, the USA.

The future of tourism in the Caribbean will depend largely on the ability of the region to deliver a high quality product that corresponds to the changing tastes, needs, wants and demands of the international traveller. Careful segmentation and niche marketing strategies may result in total market growth. This will contribute towards the optimisation of income from tourism and, thereby, economic growth. Greater attention will be required in the planning of overall infrastructure and logistics for resort cities and villages chosen for hotel development projects. This has to be adequate for expanding local communities, additional tourists, as well as increasing the number of direct and indirect tourism employees.

Sustainability

The sustainability of the tourism industry depends largely on the region's ability to maintain product quality, ensure profitability, promote effectively, provide air access, ensure safety, ensure acceptance of the local population, strengthen linkages between tourism and other economic sectors, and combine regional efforts to create a competitive force (Holder, 1996). Public sector authorities also have to be fully focused on assessing the carrying capacity for each tourist attraction near these expanding and new resort areas. More importantly, they must take appropriate action to ensure the

sustainability of such attractions for the benefit of current and future generations of local populations, as external factors will have a significant influence on the future of the tourism industry in the Caribbean. Sound environmental management systems, globally accepted quality assurance systems, growing customer expectations and demands for better value for money will be some of the major challenges for the future.

There is also the need to reduce the continued over dependency on North American feeder markets. The negative impacts on the whole world resulting from the terrorist attacks in New York City and Washington DC on 11 September 2001, will be unprecedented. The fear of travel, increasing air fares and vastly reduced air traffic without doubt will create the greatest threat to the Caribbean tourism and economies since World War II. Many Caribbean destinations will, therefore, have to urgently find creative ways to increase arrivals mainly from Europe, Latin America, as well as the Caribbean intra-regional market. More importantly, they will have to devise creative and innovative ways of getting local communities involved within the sector and to increase domestic tourism.

The future economic survival of the Caribbean region seems to largely depend on the development of a sustainable tourism industry, a concept that marries two conflicting ideas: development and sustainability. Achieving a balance is therefore an important strategic goal, which requires moderation, control and co-ordination. Sustainability is often addressed from an environmental perspective. Less frequently this is coupled with socio-cultural and community concerns. The preservation of the environment, though a necessary condition, is not sufficient for the

Table I

Visitor expenditure of top ten Caribbean destinations in US\$ millions

Destination	1995 tourism receipts	1999 tourism receipts	% increase	1995 rank	1999 rank
Dominican Republic	1,568	2,483	58.35	2	1
Puerto Rico	1,842	2,326	26.28	1	2
Cancun	1,371	2,144	56.38	3	3
Cuba	977	1,714	75.43	6	4
The Bahamas	1,346	1,583	17.61	4	5
Jamaica	1,068	1,279	19.76	5	6
US Virgin Islands	822	955	16.18	7	7
Aruba	521	773	48.37	9	8
Barbados	612	677	10.62	8	9
Bermuda	488	479	1.84	10	10
Total of top ten destinations	10,615	14,413	35.78	-	-
Total of other 24 destinations	3,258	3,320	1.90	-	-
Total of all 34 destinations	13,873	17,733	27.82	-	-
% of top ten destinations	76.52	81.29	-	-	-

Table II

World and Caribbean tourist arrivals 1997-2010 (in millions)

	1997	2000	2010	Average annual growth (%)
World tourist arrivals	612.0	763.0	1,045.0	4.2
Caribbean tourist arrivals	18.9	22.5	37.9	5.5
Caribbean cruise passengers	11.9	13.9	26.3	6.6
Total Caribbean visitors	30.8	36.4	64.2	5.8
% Caribbean share (tourists only)	3.1	3.3	3.6	

sustainability of tourism (Jayawardena, 2000). In achieving sustainability the needs and hopes of local communities need to be considered. It is imperative that they be integrated within the tourism industry.

Key visitor segments

The total market for future Caribbean tourism can be broadly grouped into five segments, with the first three segments usually branded as “mass” tourism. The five segments are:

- 1 *Cruise ship passengers*. The first segment is the cruise line passengers, who spend the least (*per capita*) but is a large market segment. This sector is frequently criticised by others involved in tourism for creating lower than potential income for host destinations. On the other hand, it is viewed alternatively as a captive audience, which can produce future stay-over tourists. This sector represents 37 per cent of total visitor arrivals and 10 per cent of visitor expenditure in the Caribbean. Of the total cruise ship berths out of the USA, 45 per cent are for Caribbean cruises. Ten years ago this share was 57 per cent.
- 2 *All-inclusive tourists*. Not all Caribbean destinations have seen investment in developing this category of hotels products to attract this segment. Although there may be exceptions, a typical all-inclusive hotel guest may spend very little time visiting attractions, meeting local people, taking tours and experiencing the local culture. Often all-inclusive hotels will package the “tasting of local elements” in their products within the limits, or within the walls of these hotels. According to Paris and Zona-Paris (1999), 48 of the best 100 all-inclusive hotels are in the Caribbean. Out of these, 17 are in Jamaica, which is not surprising (Issa and Jayawardena, 2002). The original concept of the French company “Club Med” was borrowed, refined and introduced to the Caribbean by the Jamaican hotelier, John Issa, in 1976, and the world-renowned, all-

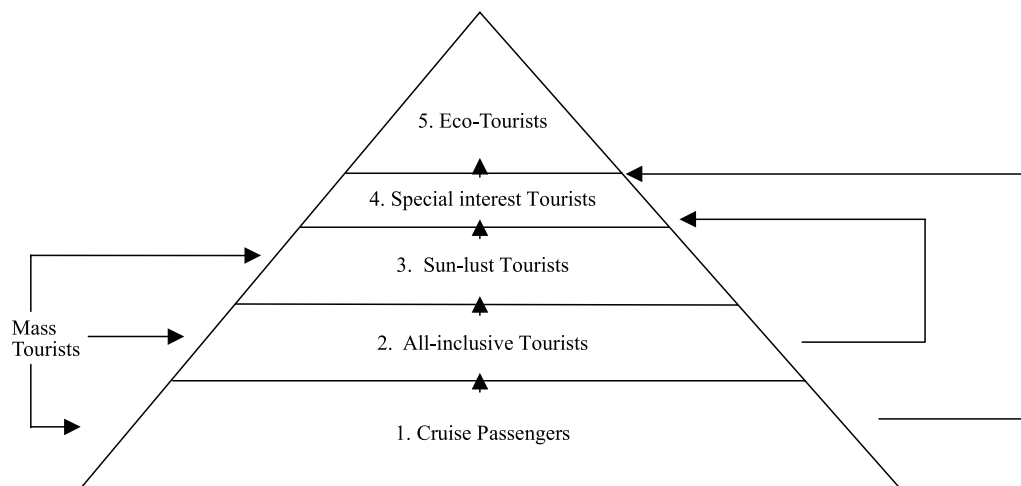
inclusive hotel company, Sandals, was launched by Jamaican entrepreneur, Gordon “Butch” Stewart, in 1982.

- 3 *“Sun-lust” tourists*. The third segment is tourists attracted to other beach resorts and inns in the Caribbean. A new wave of tourism in the Caribbean started with this segment after World War II with the leaders being Cuba, Jamaica, Bermuda, Puerto Rico and the Bahamas.
- 4 *Special interest tourists*. While research on this type of travel is comparatively limited, international trends are signalling that more people want action and the opportunity to experience new activities with a sense of personal adventure in a safe environment. As travellers mature in age and gain experience in travelling, they are more likely to become interested in special interests travel. Mass-market tourism will continue to be important to the Caribbean and is expected to grow when it is considered that most North Americans are yet to travel to another country. At the same time, special interest tourism is increasingly capturing more attention of more seasoned travellers.
- 5 *Eco-tourists*. This segment is still very small in comparison to the other segments and is often seen as a niche market. In general, hard-core eco-tourists are more educated, well read and often have more disposable income than the other segments. Eco-tourism is often described as “responsible travel to natural areas that concerns the environment and improves the welfare of the local people”. Eco-tourism has the potential of receiving greater support from local people even in countries where institutions geared towards developing tourism often face hostility, cultural barriers, challenges and objections.

These segments can be grouped in a pyramid with lines indicating the graduation to higher, but smaller segments (Jayawardena and McDavid, 2000). This new (POTS) model is summed up in Figure 1.

It is not essential that all visitors must graduate from Level 1 to Level 2 and so on. Some will remain on their respective levels

Figure 1
 Pyramid of tourism segmentation (POTS)



throughout, as they will not be attracted to the products designed for tourists at other levels. Some may by-pass a level or two in the graduating process. At the same time, it is unlikely that a mass tourist who overnights will develop a desire to become a hard-core eco-tourist. Some tourists of Level 5 may eventually graduate to Level 1. Special interest tourists are similar to the middle class of a country. It is the backbone of the future of tourism. On reaching this level, it is unlikely that a majority of special interest tourists return to become mass tourists. Countries such as Belize, Dominica, Guyana, Suriname, and Trinidad and Tobago, are attempting to attract more eco-tourists. These countries should look at the potential increase of special interest tourists as an initial strategic step. Having that segment of special interest tourists will strengthen the structure and lay a good foundation for the growth of eco-tourism in a strategic sense.

Special interest tourism

Special interest tourism is a fast-growing sub-sector which can be divided into five main sections as:

- 1 cultural/heritage tourism;
- 2 adventure tourism;
- 3 community-based tourism;
- 4 health tourism; and
- 5 agro- (or agri-) tourism.

In some cases, overlapping areas can be identified. It is also possible to combine two or more of these sub-sections in tourism development. As such, a community-based approach to tourism development is becoming increasingly popular, especially in developing countries where local citizenry have often been left out of the planning and development process. The promotion of small-

scale tourism is intuitively perceived as a suitable form of economic development in rural areas. However, its impact is controversial and not always obvious (Fleischer and Felsenstein, 2000). This form of tourism should ideally serve as a catalyst for the sustainable development of the tourism industry. It also ensures that locals maximise the benefits received from tourism, since community decisions should ultimately decide the type of tourism development within the community. In agricultural communities, for example, a community-based approach to agro-tourism provides excellent opportunities for locals to bring about a marriage between the agricultural industry and the tourism industry. It provides a unique experience for tourists who may be desirous of experiencing rural life and meeting and interacting with the local people. Agro-tourism also emphasises and encourages respect for local cultures through education and organised encounters. In addition, effort is placed on the preservation and protection of the resource base, which is fundamental to tourism itself (KPMG Management Consultants, 1996). Agro-tourism activities usually result in tangible benefits to the local communities.

Special interest tourism can be used as a main tool to ensure those local communities:

- benefit from tourism;
- appreciate the importance of tourism;
- support initiatives for tourism development; and
- play important roles in future tourism development.

It is important to understand the concept of community and the dynamics of communities; especially those that are

directly or indirectly involved in all tourism sub-sectors.

Conclusion

While community participation in tourism development is very desirable there seems to be formidable operational, structural and cultural limitations to this approach to tourism development in many countries. Some of these are as a result of centralised decision-making and administration for the tourism industry; lack of co-operation and co-ordination between agencies and sectors; inadequate financial and human resources and the domination of community ventures by the elite members of the said community (Tosun, 2000). Boxill (2000) states that the success of community tourism ventures is dependent on primary features, such as empowerment, protection of the stakeholder (within the community and from outside) interest, accountability and continuous assessment of the product, correcting negative impacts in the community and the product.

For too long, tourism as a viable industry received less than its fair share of attention from politicians, public sector policy makers, planners, managers, researchers and academics in most of the Caribbean countries. There is a lack of a consistent definition of tourism as an economic sector. There is also a lack of appreciation by some of the region's governments of the need for an overall strategic plan and a well-co-ordinated approach to ensure the sustainability of tourism.

Communities, villagers living near hotels, and employees of tourist establishments should be educated about the benefits of tourism as well as the different cultures from which the tourist comes. Without the support of employees and the local community, it is difficult to ensure the satisfaction of the needs of tourism in keeping with their expectations. In addition to mass tourism, which primarily depends on sun, sea and sand elements of the tourism product, the Caribbean needs to develop and market other types of tourism in a strategic manner. Eco-tourism and special interest tourism, which includes sub-sectors such as agro-tourism, adventure tourism, sports tourism, heritage tourism, health tourism and community tourism may have a key role to play in this strategic approach. To achieve sustainable tourism all stakeholders need to meet on a common platform and plan the future of the Caribbean tourism.

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