Review of the Hospitality and Tourism Sector in Jamaica

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Background information: Worldwide

- Notwithstanding several external shocks worldwide tourist arrivals exceeded 880 million and yielding approx. US$900 billion (WTO, 2009).
- These figures represent a worldwide decline of 4% over 2007.
- Majority of the international tourist arrivals were for the purpose of leisure, recreation and holidays.
Background information: Caribbean

- Caribbean Tourism increased by 3.6% in 2005 to reach 22.5 million (CTO, 2006).
- This translated into US$23 billion (estimated) (ibid).
- Arrivals from the US grew by 2%.
- Arrivals from Canada grew by 6%.
- Arrivals from Europe grew by 7%.
Background information: Jamaica

- Arrivals for 2010: 2,860,544.
- Yield: US$1.975 billion
- Major source markets: USA, Ca., UK, EU, LA, Japan, Other.
An Overview of Tourism Development in Jamaica

The London Trade Exhibition of 1851 was such a success that it encouraged the introduction of tourism to Jamaica. Consequently upon its stage, planning and preparation for the 1891 Exhibition in Kingston began.

The purpose of the Kingston Exhibition was to showcase its natural products and their manufacture, combined with an art Exhibition. To facilitate the Exhibition, Five large luxurious hotels were constructed.

The Exhibition was held at Quebec Lodge, today Wolmer’s High School for Girls.

Insanitary conditions and unsatisfactory service in Kingston, as well as the desire to create a hotel industry, led to the Jamaica Hotels Law of 1890 was passed on April 24.
Leading up to the event...

- 1888 – The Constants Spring Hotel, the first building in Jamaica to be lit by electricity. Purchased in 1940 by the Franciscan Sisters and became Immaculate Conception High School.
- 1890 – Mandeville Hotel was opened after the departure of the English troops who originally used the building as barracks.
- 1897 – Captain Baker Built the Titchfield Cottages as a backward link to his shipping business.
1949 – Tower Isle Hotel was opened by Abe Issa. First hotel in Jamaica to be opened all year round. Renamed Couples Ocho Rios in 1978. Modified the all-inclusive plan.

1960’s – Negril was made popular by the Hippies/Flower children. Accommodation was provided in private homes, cottages, and villas which were mainly on the West End. Early hotels include Charela Inn, Negril Beach Village (now Hedonism II).

Negril was advertised by Negril Beach Village in 1977.
<table>
<thead>
<tr>
<th>Hotel</th>
<th>Original Location</th>
<th>What now Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Queens</td>
<td>Princess Street</td>
<td>Empty lots</td>
</tr>
<tr>
<td>3. Constant Spring</td>
<td>Constant Spring Road, St. Andrew</td>
<td>Immaculate Conception High</td>
</tr>
<tr>
<td>4. Moneague</td>
<td>Moneague, St Ann</td>
<td>Teacher Training and Community College</td>
</tr>
<tr>
<td>5. Mandeville</td>
<td>Mandeville</td>
<td>Mandeville Hotel (rebuilt)</td>
</tr>
</tbody>
</table>
## Significance of strategic choice and structure using France as an example

| France | Ministere de l’Equipement du logement, des Transports et du Tourisme. | Several departments reporting to the Ministry of Public Works, Housing and Transport and Tourism respectively. Also responsible for policy, planning tourism infrastructure, investment, industry support and international relations. | AFIT entity with tourism expertise is affiliated to nine Ministries. **Its role is to access business opportunities for French firms.** Observatoire National du Tourisme – tracks and monitors the travel and tourism market. Maison de la France responsible for promotion and marketing of products/services abroad. |
Many developing countries of the world are engaged in tourism as a means of earning foreign exchange and to redress balance of payments ills. The economic and political implications of tourism development in developing countries have attracted the scrutiny of political scientists who have noted that tourism appears to reinforce traditional patterns of colonialism and dependency for developing countries.”

“Colonialism had distorted the underlying structure of Third World economies via the imposition of an externally oriented pattern of trade organized around specialised commodity export enclaves producing for the metropolitan market, otherwise known as the “plantation system.”

Source: Bianchi (p.269, 2002) cited in Beckford (1972)
Pre and Post Colonialism: the development of National Tourism Organisations (NTOs) in Jamaica

- **1922** – The Tourist Trade Development Board (TTDB) was established by the Government.
- **1955** – The Jamaica Tourist Board was established to replace TTDB.
- **1961** – The Jamaica Hotel and Tourist Association (JHTA) was established as a private sector organization.
- **1970s** TPDCo., JADCO, River Rafting, Recreation Development Company, JAMVAC, JAMRES.
- **1980** – Ministry of Tourism was created with responsibility for the development of the tourism industry, TAP (public/private partnership)
- **1990s** Tourism became an division of OPM, TAP closed
- **1996** – Tourism Product Development (TPDCo) was established to manage standards, provide training etc.
Legislative Framework

- The Tourist Board Act
- Tourism Enhancement Fund Act
- Hotel Incentive Act
- Resort Cottages (incentive) Act
- River Rafting Act
- Hotel Keeper’s Liability Act
- Bath and Spas Act
Regulations governing industry

- Jamaica Tourist Board Law and Regulation
- Tourist Shopping Regulation
- Travel Agency Law and Regulation
- River Rafting Regulations
- Short Term Incentives Programme (STIP)
- Emergency Incentives Scheme
- Small Hotel Incentive Grant
Institutional structures in Tourism in Jamaica: Public

Ministry of Tourism

- JTB
- TPDCo., TEF, JAMVAC, JAMRES
- Baths and Spas, RRA, Devon House
Institutional Structures in Tourism in Jamaica: private

Jamaica Hotel and Tourist Association

- Chapter - Kingston
  - Chapter – Ocho Rios
- Chapter - South Coast
  - Chapter - Falmouth
- Chapter - Negril
  - Chapter – Montego Bay
- Chapter- Portland
Why Tourism?

- Question Government must answer.
- Choice others must understand.
Sharpley and Telfer (2002) suggest that development is a western concept centred on consumerism.

Development is based on strategic choices made by a Government.

Development must be based on each countries’ unique circumstances and vision of the future.
Role of Government to EACH industry

- National Planning Strategy
- Regulatory Framework
- International Negotiations
“Vision 2030 Jamaica will realise a vision of an inclusive, world-class distinctly Jamaican tourism industry that is a major contributor to socio-economic and cultural development, with a well-educated, highly motivated workforce at all levels within a safe, secure, and sustainably managed environment. The Tourism Sector Plan will: widen participation in the tourism industry by local stakeholders; improve training and working conditions at all levels; promote investment and economic linkages; diversity our tourism product, source markets and market segments;...
Tourism Sector Plan

- ...improve standards and levels of customer service; increase the value earned and retained from each tourist; increase the use of the Jamaican input and culture in all areas of the industry; and strengthen the integration of tourism development with sustainable land use planning and environmental management.” (Notice though that is speaks to tourism industry!)
Sustainable OUTCOME

Application  Research

Policy
Doxey’s Index of Irritation – Levels of Host irritation

**EUPHORIA**
- Initial phase of development.
- Visitors and investor welcome.
- Little planning or control mechanism.

**ANNOYANCE**
- Saturation point approached, residents have misgivings about tourist industry, policy makers attempt solutions via increasing infrastructure rather than limiting growth.

**APATHY**
- Visitors taken for granted.
- Contacts between resident and outsider more formal (Commercial.) Planning concerned mostly with marketing

**ANTAGONISM**
- Irritations openly expressed, visitors seen as cause of all problems, planning now remedial but promotion increased to offset deteriorating reputation of destination.
Possible roles of the National Tourism Organisation

- **Economic**
  - Increase employment**
  - Stimulate investment**
  - Improve living standards for country residents**
  - Maximise foreign exchange earnings**
  - Develop a marketable image**
  - Increase off season or shoulder season travel
  - Focus on high yield market segments
  - Market economically depressed regions**
  - Enhance long-term economic development through diversification**
  - Sponsor marketing workshops

- **Environmental**
  - Promote sustainable tourism development activities**
  - Preserve natural areas by creating tourism demand for the resource**

- **Social**
  - Maxime social benefits for residents through increased expenditures
  - Protect and preserve cultural heritage**
  - Establish service personnel training programmes**
  - Develop social impact assessment models (Gartner (1996, 207)).**
Composition of the Tourism Industry (8 Sectors)

- Tourism Services
- Transportation
- Events and Conference
- Adventure Tourism
- Travel Trade
- Food and beverages
- Accommodations
- Attractions
Competitive Index

- Travel and Tourism Regulatory Framework
  - Policy rules and regulations
  - Environmental sustainability
  - Safety and Security
  - Health and Hygiene
  - Prioritization of Travel and Tourism
- Business Environment and Infrastructure
  - Air Transport
  - Ground Transport Infrastructure
  - Tourism Infrastructure
- ICT Infrastructure
- Price Competitiveness in the Travel and Tourism Industry
- Travel and Tourism Human, Cultural and Natural Resources
  - Human resources
  - Affinity for Travel and Tourism
  - Natural Resources
  - Cultural Resources
Creative Industries encompasses a Caribbean Lifestyle

Jamaica’s Cultural Industries

- Music
- Food & Cuisine
- Sports
- Fashion
- Heritage Tourism & Travel
- Events & Festival
- Audiovisual (Radio, Film & TV)
- Internet & (Digital) Tech Industries
- Amusement/Theme Parks
- Publishing
- The Visual & Performing Arts
- Gaming & Wagering

Created by Matthew Harvey 2007
HERITAGE
Effective strategic choices are determined through a shared vision, integrated assessment and strategic management.

Strategic choices address issues of ownership, equity, structures and systems.

They also involve establishing standards as a tool for global trade and as a means of deepening and broadening income.
“From an administrative perspective, in developing countries there has traditionally been a lack of coordinated efforts among producers and regulators of tourism. Sectoral planning, traditions, where in each agency, or service provider, is most interested in achieving its own goals without discussing actions with other agencies and stakeholders who may have related interests, are common. This sometimes results from the existence of too many levels of the governmental hierarchy or the competition between agencies for public funding. It is also a result of ill-defined roles among agencies, overlap of responsibilities of government departments and lack of accountability.”
Intersectoral Linkages

- Inter-sectoral linkages are essential for the economic development of countries like those in the Caribbean.
- Government must select strategic industries to drive development.
- To achieve success quickly there must be a common vision, shared goals and objectives for success across sectors. These are the essence of a strategic alliance.
Institutional Support

Core Agencies:
  Education and Environment

Secondary Support:
  All Others

Primary Support:
  Infrastructure
COMPETITIVE ADVANTAGE

A BLEND OF SIX CIVILISATIONS

PORTRAYED THROUGH

PEOPLE + FOOD + HERITAGE + CULTURE + NATURAL ENVIRONMENT

= UNIQUE CARIBBEAN TOURISM PRODUCTS
Table: TOURISM AS A TOOL FOR NATIONAL DEVELOPMENT

Attract Visitor to Island (EVENT STRATEGY)

by Providing:

Good Quality Product (LINKED to SUPPLY CHAIN in each of 8 Sectors) 
+ 
Good Quality Service (TRAINING PROVIDERS)

Results in:

Increased visitor spend (MULTIPLIER) 
= 
Increased Revenue for Country 
= 
Improved Expenditure on Basic Infrastructure 
= 
Improved Living Conditions (HUMAN DEVELOPMENT INDEX) 
= 
Raised Self-Esteem and Local Satisfaction Levels 
= 
Better Interaction between Visitor and Locals 
= 
Improved Visitor Experience 
= 
Increased Spend by Visitor and raised satisfaction level 
= 
Repeat Visitor + Friends.

Repeat Cycle

Source: C. Hayle: 9/18/02
Tourism’s hidden secrets

- There is a tourism system comprising: generating market, transit routes, destination, industry.
- It has a 6–7 year business cycle.
Planning for sustainable tourism

- Managing the multiplier effect, minimising leakages and increasing linkages by reshaping business techniques and strategies to capitalise on global opportunities.
- Strategically managing the micro-enterprise sector using the cluster approach.
- Establishing tourism satellite accounts, where absent.
- Using market intelligence to position the country to increase its total market share in a particular market segment.
<table>
<thead>
<tr>
<th>Event Type:</th>
<th>Festivals</th>
<th>Events</th>
<th>Craft</th>
<th>Hotels</th>
<th>Community Enterprise</th>
</tr>
</thead>
</table>

* Can be developed as stand alone businesses with export potential.
Likely outcome of such planning?

- Building trust between public/private sectors in order to have a competitive machine.
- Understanding new trade environments.
- Creating systems to manage simultaneously several industries focused on producing value added products for export.
- Using tourism information to create linked sectors supplying the needs in the generating markets.
In tourism these choice lead to..

- A management process which seeks to design, implement, monitor and evaluate all aspects of tourism to ensure inter and intra-generational equity and repeated customer experiences that are based on value propositions. This is can be defined as sustainable tourism.
Thank You!

Comments, questions, disagreements?