

# State of the Industry Conference 2015

## General Session IV: "The Age of Innovation – Increasing ROI"

---

**Date:** October 23, 2015

**Time:** 11:35 a.m. – 12:34 p.m.

**Place:** Exhibition Hall, World Trade Center, Curaçao

**Conference Anchor:** Anita Mendiratta

**Rapporteur:** Mike Samson

**MODERATOR:** Rosa Harris, Director, Cayman Islands Department of Tourism

**PANELISTS:**

1. Karolin Troubetzkoy, Owner and Manager, Anse Chastanet/Jade Mountain, Saint Lucia;
2. Maurice Jenkins, Director of Information Systems, Miami/Dade International Airport.

**Key Summary:**

- I. **Innovation in business concepts: in harmony with nature, commitment to the environment, reducing the carbon footprint, explore/tap into niche markets.**
- II. **Keep revenues locally: using local labor and buying local products.**
- III. **Marketing & PR are instrumental as well as understanding the challenges and opportunities.**
- IV. **Our industry warrants change which is possible through evolving technology.**
- V. **Use of innovative technology (apps) for improving the personal passenger experience and receiving payment.**

**Presentation by Karolin Troubetzkoy: Anse Chastanet/Jade Mountain, Saint Lucia.**

The venues were built in harmony with nature. Key words to describe the ambience:

- Romance
- Tranquility
- Adventure (scuba, mountain biking, kayaking)
- Health & Wellness (yoga, spa, fitness)
- Bird Watching (as business to attract bird watching groups from the UK)

**Engagement since 1974:**

- Buying local since then and keeping the economic benefit in the country
- Founding members of the Soufriere Regional Development Foundation
- Instrumental in developing the Soufriere Marine Management Area to protect the coast

**Growth:**

- Grown from a few rooms to over 100 rooms
- 80% average occupancy rate year round
- Grown from 9 to 350 team members from opening in 1974 to 2015

**Concept:**

- Rooms are not called suites but sanctuaries
- Infinity open walled pool sanctuaries
- No air-conditioning
- Structure and design in harmony with nature
- Property was built with local labor
- Use of recycled materials
- Catering to heterosexuals and same-sex couples (niche market)
- One of the properties is adult-only
- Offering upscale great food including vegetarian and vegan restaurant
- Offering excellent service completely independent from brand hotel names
- Grew own plants for resort and green house was later converted to organic farm
- Giving cooking class to guests
- Making our own chocolate from our own cocoa trees
- Chocolate lab established
- Giving guests chocolate making courses
- Environmentally conscious use of water resources and solar energy

**Marketing & PR:**

- Following the 5 C's (Company, Customers, Competitors, Collaborators, and Climate)
- Storytelling at the resort
- Introduced discover chocolate, mango madness, photography event
- Brought a lot of publicity to the island with the opening of these new hotels.
- High level of occupancy
- Over 500 staff with 78 rooms
- Average ADR US\$ 400 – US\$ 1,200
- Originating markets: USA, UK, Canada, Germany, rest of EUR
- New markets: South America, Dubai, India

- Many rewards and awards in hospitality
- In 2009 the resorts made it to the top 3 of world hotels for the first time
- In 2013 the resorts slipped down to #9 and in 2015 even lower in rank. This means that everyone wants to outshine the other property. We need to reinvent our property all the time.

**Challenges & opportunities:**

- Lack of capital
- High cost of operation
- Operating sustainability
- Energy efficiency
- Water management
- Waste water management
- Waste management

**Overall standard of destination guest experience:**

- Caribbean Treasure: The Caribbean people
- Airlift
- Quality of airlift
- More international competition
- Cuba
- New sharing economy: Airbnb
- Visa facilitation and ease of travel
- Product development is key
- Creation of authentic experiences
- More effective regional marketing campaigns
- Letting Caribbean Tourism Development company play the role it was created for in marketing

Plans for the future: A new resort completely enclosed with pools in bedrooms.

**Presentation by Maurice Jenkins: Miami Airport.**

Miami Airport by the Numbers:

- #1 ranking among US airports for international freight
- #2 ranking among US airports for international passengers; we are a hub to the Americas
- 5.8 annual passenger growth rate through Q2 2015
- 21.9 million annual passenger total through Q2 2015 (of which most are transit passengers)
- 33.5 billion US\$ economic impact
- 37,500 direct jobs

- 40% of Florida's total international trade goes through us
- 70% of international visitors to Florida travel via us
- 96% of Miami visitors who arrive by air
- 101 air carriers serving Miami airport, more than any other US airport
- 282,000 direct and indirect jobs supported by Miami airport

**Innovation:**

- How we do it? By Innovation!
- To attract the masses one cannot be effective without being a change leader
- That allowed us to grow from being a regional network to a global route network
- 153 passenger destinations
- 99 freight destinations
- Added new air services: new international passenger destinations, new international carriers
- Added technology: automated passport control kiosks
- Our industry warrants change which is possible through evolving technology

**Technology innovations:**

- Technology is about improving the passenger experience
- People would rather lose their wallet than their smart phone
- Proximity (7 billion global passengers)
- Seamless end-to-end service
- Apps present the same experience anywhere you are
- With proximity, digital experiences can now be tailored to where you physically are.
- Personalization and customer service (e.g. pop-up when room is not ready offering apologies and free drink)
- Schedule and actual flight info
- Airport info, shops, restaurants, services, descriptions, walk times, wait times, terminal maps, product (offers discounts) and service search
- Eddystone™ provides cross-platform support (Android and iOS)
- Payments can also be made online on mobile devices via Apple Pay, Google Wallet, etc. instead of currency

**Moderator:** *How does the operations team of Miami airport react to innovation as being disruptive for regular business?*

- Mr. Jenkins: Change is necessary to keep going on in business. There is a lot of competition from other airports. Within that we look at where we are now and where we want to be. We increase personnel service training. E.g. processing passengers via an automated passport check kiosk takes between 15 and 58 seconds. This translates to passenger satisfaction for not having to wait in long lines.

**Moderator:** *Purpose is the reason you journey. Passion is the fire that lights your way. How much passion you need to drive innovative outcomes?*

- Mrs. Troubetzkoy: Passion is very important and a big fear is that our product development is focused on too many keys such as rentability and profitability while losing an eye for what the destination really has to offer. Investors need the passion of doing something for the destination and bringing something novel to the marketplace.

The moderator summarizes that we need to be open for change and take risks. That is the bottom line from these presentations.

**Questions From The Audience:**

**Shivam de Kok (Development Bank of Curaçao):** *How does Miami airport handle with large flows of visitors? E.g. there are many travelers coming in from Venezuela to Curacao which presents a situation for the immigration. He also requests free Wi-Fi at Miami airport.*

- Mr. Jenkins: As for free Wi-Fi, innovation is good but it also costs money. Complementary Wi-Fi would mean walking away from millions in revenue. Wi-Fi is being paid for in aircraft and some hotels (added as a fee to the room rate). Why not pay in the airport? When you pay for it you know what you can expect. As for the Venezuelan situation, the USA has ESTA in place and self-service passport scan kiosks to simplify the passenger processing flow to ensure we have happy guests.

*\*\* The moderator thanks the panelists and adjourns the session at 12:34 p.m. \*\**