Heritage Tourism in the Caribbean: Sustainable Strategic Business Management Models

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Director
Outline of Presentation

- Rationale for Study
- Defining Heritage Tourism
- The Heritage Tourism Case Studies
- Key Findings from Heritage Tourism Study
- Opportunities & Challenges in Heritage Tourism
- Key strategies for heritage tourism
- Critical Success Factors & Pearl Chain Model
Caribbean Tourism Context
In 2005 the Caribbean received:
- 22.5 million stay-over arrivals
- 19.8 million cruise-ship passengers visits
- 21.5 billion in expenditures
Tourist Receipts as a Share of Total Export Earnings, 2003
CARICOM Balance on Travel Services, 1993-2003 (US$mn)
Caribbean Share (%) of Global Travel Services Exports, 1993-2003
Why Sustainable Heritage Tourism?

Making the linkages

- Pro-Poor Tourism
- Eco-Friendly Tourism
- Marginalized Communities
- Vulnerable Environments
# Political Economy of Tourism Economy in the Caribbean

<table>
<thead>
<tr>
<th>Competitiveness Issues</th>
<th>Large Enterprises</th>
<th>Small/Medium/Micro Enterprises</th>
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</thead>
<tbody>
<tr>
<td>Vertically integrated</td>
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<td>Fragmented</td>
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<td>Globally connected</td>
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<td>Globally disconnected</td>
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<td>Knowledge driven</td>
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<td>Limited ICT capabilities</td>
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<td>Marketing intelligence</td>
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<td>Poor marketing</td>
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<td>Development Impact</td>
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<td>Foreign ownership</td>
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<td>Local ownership</td>
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<td>Expatriate mgt</td>
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<td>Foreign brand/image</td>
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<td>Local brand/image</td>
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<td>Low local value-added</td>
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<td>Domestic content</td>
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Figure 1: Principal Interactions Characterizing Sustainable Development of Tourism

- Increase in tourist frequentation and activity
- Destinations attractiveness, awareness-raising
- Environmental protection and valorisation.
- Social and economic progress, poverty reduction
- Wealth distribution and job creation, good awareness of the interest to develop tourism
- Increase in local tourist demand
- Financing of infrastructures and enrichment of natural heritage

Specific fiscal financial and Better environment living for local
Defining Heritage Tourism
Typology of Heritage Tourism

Heritage Tourism

Tangible Heritage
- Natural Heritage
  - Nature Reserve
  - Marine Parks
  - Caves & Dive Sites
- Built Heritage
  - Historic Bldgs
  - Museums
  - Monuments

Intangible Heritage
- Indigenous & Trad Oral & Sacred Trad
  - Indigenous practice
  - Maroon Practice
- Popular Culture
  - Festivals & Carnivals
  - Cultural Events
  - Performing & Visual
Heritage Tourism in the Caribbean
# The Heritage Tourism Case Studies

<table>
<thead>
<tr>
<th>Natural Heritage</th>
<th>Built Heritage</th>
<th>Traditional Knowledge</th>
<th>Popular Culture</th>
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</thead>
<tbody>
<tr>
<td>Green Grotto (J’ca)</td>
<td>Brimstone Hill (SKN)</td>
<td>Santigron Maroon Tour (Sur)</td>
<td>Trinidad &amp; Tobago Carnival (T&amp;T)</td>
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<tr>
<td>Asa Wright (T&amp;T)</td>
<td>B’dos Mus &amp; Hist. Soc (B’dos)</td>
<td></td>
<td>Dominica World Creole Music Festival (Dom)</td>
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<tr>
<td>Harrison’s Cave (B’dos)</td>
<td>Bob Marley Museum (J’ca)</td>
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<td>Rose Hall (J’ca)</td>
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Key Stakeholders in Heritage Tourism

Heritage Suppliers:
- Private Enterprises
- Gov’t Agencies
- Heritage trusts
- Communities
- Tour operators
- Industry assoc.
- NGOs

Facilitators & Intermediaries:
- Hoteliers
- Tour operators
- Tourism Agencies
- Cultural Agencies
- Airlines
- Cruiseships
- Ferry services
- Travel Agencies

Heritage Tourists:
- Stayover
- Cruise
- Cultural
- Eco
- Diasporic
- Regional
- Short-break
Micro Level - Financial Management

- Revenue generation
- Expenditures
- Capital expenditure
- User fees
- Employee turnover
- Internal rate of return
Macro-economic & Environmental Impact

- Number and type of visitors
- Tourism impact (e.g. share of tourism)
- Number of employees
- Employment impact (direct & indirect)
- Economic rate of return (i.e. macro-economic impact)
- Environmental impact assessment
Customer trust
Stakeholder value
Brand recognition & reputation
Destination branding
Media value
Intellectual property value
Key Attributes of Heritage Tourism

- Sites and experiences must be known beyond the local community.
- Attractions should provide experiences that can be consumed.
- Attractions should offer interesting and unique sites and experiences.
- Attractions need to be robust and manage carrying capacity. (Mc Kercher & Du Cros 2002)
Key Attributes of Heritage Tourism

Attractions must be able to absorb visitation:

- They need to be accessible.
- They should provide the tourist with a compelling reason to visit.
- They must conserve and sustain the tangible and intangible heritage assets.
Heritage Tourism trades on Identity

- Authenticity
- Nostalgia
- Difference
Rationale for Investing in Heritage Tourism

- Bolsters cultural confidence in society
- Strengthens the indigenous component of the tourism product
- Enhances destination image and branding.
Key Findings
Global Trends and Prospects

Heritage tourists are one of the highest yield tourism groups:

- Heritage tourists spend 38% more per day than traditional tourists.
- Heritage tourists stay 34% longer than traditional tourists.
- Heritage tourists spend 20% more and stay 22% longer than arts oriented tourists.

(Heritage Council of Western Australia 2006: 15).
Many countries and cities are using heritage to market the destination.
The Key Challenge facing Heritage Tourism

It is sad to see the honest mistakes that well-meaning people have made by over-inflating the perceived tourism value of an asset when, indeed, it has limited appeal.

Valuable resources have been wasted developing infrastructure and services to cater for anticipated tourist use that has not eventuated.

(McKercher & Du Cros 2002: 32)
Tourism - Need for a Marketing Focus

“Tourism is fundamentally a demand-driven activity that is influenced more by market forces rather than governments that try to control or manage it.”

(Mc Kercher & Du Cros: 2002: 30).
Caribbean Heritage Tourists

- **Stayovers** - 75% of adults that visited the Caribbean went to a cultural activity or event.
- **Cruiseship passengers** - this group of visitors is the largest market for heritage tourism but is not documented.
- **Diasporic tourists** - this group is large and rising share of cultural and festival tourism.
- **Regional tourists** - this group is large and rising share of cultural and festival tourism.
Opportunities & Benefits of Heritage Tourism

- Heritage attractions increase local value-added through expanding visitor expenditures (entrance fees, tours, local transport, merchandising, etc).
- Diversification of the tourism experience beyond “sun, sea, sand, sex”.
- Differentiation of tourism product.
- Spreading tourism geographically beyond the hotel and the beach.
Opportunities & Benefits of Heritage Tourism

- Catalyst for urban & rural development and renewal.
- Promotes conservation of natural, built & traditional heritage.
- Destination imaging, intellectual property branding and media value.
- Breaks with “commodity tourism”.
- Builds society’s cultural confidence and image of self-worth.
Challenges & Drawbacks of Heritage Tourism

- Low returns on high cost investments.
- Declining share of local value-added for heritage sites/experiences.
- Cruiseship and tour operators are the main beneficiaries from heritage tourism.
- Cruiseships and tour operators have excessive market power relative to attractions.
Challenges & Drawbacks of Heritage Tourism

- Free rider problem with key stakeholders, especially for festivals.
- Representations of heritage make some histories invisible (e.g. plantation houses, forts).
- Marginalized communities can be further exploited (e.g. Maroons, Caribs).
- Over-investment in tangible heritage and under-investment in intangible heritage.
Key Tactics for Branding Heritage Tourism

- Mythologize the asset
- Build a story around the asset
- Emphasize its otherness
- Show a direct link from the past to the present
Key Tactics for Branding Heritage Tourism

- Make it triumphant
- Make it a spectacle
- Make it a fantasy
- Make it fun, light and entertaining
Key Tactics for Branding Heritage Tourism

- Certification and standards (e.g. Green Globe, UNESCO World Heritage listing).
- Build visitor and stakeholder value.
- Build brand recognition (e.g. destination branding, media value).
Critical Success Factors

- Market leadership
- Operational excellence
- Stakeholder relations
Critical Success Factors

Operational Excellence
- Earned income
- IP protection & promotion
- Negotiating leverage
- Econ & mkt intelligence

Market Leadership
- Aesthetic differentiation
- Heritage development
- Audience development
- Cultural industries
- Destination branding

Stakeholder Interest
- Gov’t buy-in
- ICTs Mgt System
- Community tourism
- Decent work
Carrying capacity
Recommendations for future directions
Adjustments to strategy, business plan etc

Visitor satisfaction
Employee satisfaction
Impact on local economy
Impact on environment
Invite comments from visitors
Measure visitor numbers, record age, origin, sex etc

Division of roles, finalisation of ownership issues/lease
Tendering of concessions in transparent way
Building relationships with local community and at national level to for example incoming tour operators
Agreement on finances, capital investments, and treatment of profits generated
Identification of national and international sources of finance

Situation analysis
Market analysis
Vision & strategy
Objectives
Marketing plan
Branding plan
Media strategy
Business plan
Identification of national and international quality seals
Identification of likely visitor expectations

Develop product/site
HR training
Compliance with national regulations (fire, hygiene, disaster etc)
Signage
Investment

Dynamics of Evaluation & Adjustment
Dynamics of Partnership
Dynamics of Design
Dynamics of Implementation
Processes
Business Results
Leadership
Caribbean Regional Creative Industries Exchange

- International Organizations: UNESCO, CISAC, WIPO, IFPI, IPA

- Tourism Agencies
- Copyright Organizations
- Industry Assoc

- CSOs
- CRNM

- RCC
- Caribbean Export

Creative industries exchange