

SPEECH TO THE  
ANNUAL STAFF AWARDS  
SUNSET BEACH RESORT – MONTEGO BAY  
MARCH 10, 2009

Master of Ceremonies  
Chairman Sunset Beach Resort, Mr. Ian Kerr and Mrs. Kerr  
General Manager, Mr. Franklyn Eaton,  
Awardees  
Valued Guests of this resorts and to Jamaica  
Ladies and Gentlemen,

Good Evening,

I am particularly glad to be here this afternoon to participate in congratulating the hardworking team members of this resort.

Even in these trying times every opportunity I get to share my views on this industry is nothing short of a pleasure for me.

Like most in the business I remember in September of last year being very focused on what was shaping up to be a bumper Winter Tourist Season. This was as expected only tempered by the expectations of the traditional Fall months of September through early December which without doubt would be somewhat soft. So many of us busied ourselves with preparations for the “Season”

I like many others are addicted to the US television networks and was hearing for a few weeks of the now popular “Sub Prime Mortgage” situation, which related to the ballooning interest rates on mortgage payments across the USA, resulting in people not being able to pay their home loans. While it was somewhat concerning, not too many of us had a clue that this situation would result in the bottom falling out of many of the Banks in the USA, which started a frightening domino effect of mega banks the world over falling under the pressure due to their inter-connectivity with each other. As those banks shook the important financing they provided to other types of businesses all but dried up and the rest as we know is now well document history.

Since October the economic news has become progressively worse with major job losses across the world, while governments grapple with the various recipes to stop the virtual free fall without much success. With every announcement from

the large industrial governments, everyone hopes that one of patches would stick – but to date none have worked, but particularly for the developing world, of which Jamaica is an anxious part, this roller-coaster ride without a seat belt has been very frightening. Every day's news and every Analyst describe the situation as being worse than all previous Recessions of the last century. I know you didn't need me to come here and tell you that the world is in trouble, so let's look at what the likely outlook is for Jamaica but more specifically for you and I.

With our likely clients loosing their homes, jobs and financial confidence, we are faced with a challenge of developing a message tailored to our potential vacationers to convince them of the need to travel. A tough task as making a decision about a trip away, when their employer has or may announce job cuts is hard to fathom. So some have decided to hold off on that decision, while others who may not be directly affected have chosen to be far more cautious about how much they spend. This has resulted in many hotels and destinations implementing

deep discounts in room rates in the hope to drive occupancies even though settling for a lesser operating income and in some cases not making a profit. What is worse is no day is the same in the marketplace when you are looking for business - as the pattern of bookings by those who indicate they want to travel changes constantly. In the past bookings for hotels like yours would be done weeks if not months ahead. Now its price driven and confirmed bookings are made many times days out – as travellers are shopping around for the lowest prices they can find and marrying that with the cheapest last minute airfares they can get.

This type of pattern makes doing business very unpredictable to the typical hotelier, who has to buy food, plan activities, schedule their staff etc., all in the realm of efficiency, while trying to maintain a sense of how the market will respond to ensure that they are not busy running their own businesses into the ground.

If you look at the basic numbers of arrivals to Jamaica, one could be lulled into the belief that we are doing well as in fact we closed 2008 a few percentage points ahead of 2007 and January 2009 was also ahead of the January before. But I am always reminded that while we must not be ungrateful for our share of a tough market, in truth we really have not done as well as the raw numbers indicate. In 2008 we added or returned to the country's room inventory nearly 3000 or 10% of the just under 30,000 rooms in the country. No matter our positions in the hotel business we understand the importance of occupancies, so let me explain it this way: Hotels in Jamaica in 2007 had an average occupancy of 62% and instead of growing by at least 10% to have the same occupancy in the additional 10% of room added to the island, our arrivals only grew by around 2%. That means that the average occupancy fell into 62% into the 50's, with most of those rooms concentrated in the established chains and newer Resorts in the country. This is not an argument against one or the other hotel, but an important note that the hotels that are facing the brunt of this decline are the smaller,

independent operators who are losing market share at rapid rates.

The viability for all companies in Jamaica like elsewhere in the world has to be the redefining the very fibre of their business model to ensure basic survival. That includes raising the bar on the level of customer service delivered to every single person that chooses to spend their hard earned money with them. Every guest that is here with you today and those that are set to arrive within these walls must not be taken for granted, as they possess the power of our survival. Their expectation for satisfaction is not only driven by our promise of tropical bliss, but is more centred today on them taking back home with them a sense that whomever they trusted to spend their hard earned income with, appreciated, that they the clients, made a decision to spend when every published advise said they should not. That they took a chance to invest in us when they or their friend and neighbour were declaring a loss of wealth that has never before been seen in our time.

Today's 'recession trained' clients expect exceptionally trained service providers, who not only provided for them because someone told them to, but when they looked into your eyes and spoke to you, they saw a natural desire to welcome them with warmth and appreciation. Because ladies and gentlemen, travel to many of our current and future visitors is no longer considered a luxury but a right. They have committed themselves to seeing what the rest of the world has to offer, even if they are challenged to spend less time or less money, many will continue to get on planes and push the 'envelop' of experience. If we play our cards right, the renown spirit of the Jamaica people, tied with the popularity of our music, athletes and legendary service will be appealing to many. We must not squander these natural traits as too many destinations are jockeying for greater numbers of visitors here in the region and further away. Never forget that "Cash is Kings" right now. Anyone prepared to spend it can do so wherever they wish and each of us plays a role in deciding that product or vacation when

it is bought. Gone are the days when it took weeks and months for good or bad comments to circulate the customer chat lines. This information age puts either comment in front of the world in seconds with a Blackberry or some other Personal Data Device. No service business can afford the luxury of a bad service culture as immediately that will start eating away at the credibility of the business.

So that brings me right back to the reason we are here. The individuals being recognized here today represent the most Recession proof way of doing business. They are the example of leadership and service that the tourism sector is built on. Please know that I am not only speaking of the few who will actually get awards, because while they deserve all they receive they are aware that they are only the pinnacle of the great personalities that abound here. So when they receive their prizes and recognition, they receive them on behalf of many of you. Likewise when you cheer on their success, know that it too

is your success as you had a role in pushing them forward to that success.

If this crisis teaches us anything, I hope that a part of the lesson will be a sense of respect for self and others that humbles us sufficiently to see the opportunities that may rise from the declines.

In keeping with that sense of hope – I am confident that just as these unusual economic days have come upon us without warning, they will in time disappear as well. So bunker down to reduce the damage for your company and yourselves, but be prepared to rise with the return of better days. And be confident with me that although all sectors of business including tourism are now shaken, the resilience of this sector will prove, as it has in the past, to be able to rebound and retake its place of providing a meaningful way of life for so many who depend on it.

All the best to each of and thank you for being a part of an industry built on service not only to self but to others.

Wayne Cummings

President

Jamaica Hotel & Tourist Association