The Business of Tourism
By David Jessop

Realism required about new source markets

Until relatively recently almost all Caribbean tourism destinations remained relatively complacent about their feeder markets for visitors, spending virtually all of their time and marketing money in the United States, Canada and on the United Kingdom and continental Europe.

This was understandable as up to the 1980s economic globalisation had not taken hold, competition was limited, almost all travellers sought sun and sea, and there was good reason to believe that an economic decline in a feeder market on one side of the Atlantic could be offset by growth in the other.

However, all of this has now changed. The countries in the world that are growing fastest and whose citizens have the most disposable income are nations like Brazil, China, India, Russia, the Philippines and Indonesia; while those in relative decline are to be found in Europe. Competition for visitors has become global, the tourism product has diversified, and the Caribbean has ceased to have the monopoly on being seen as the warm weather destination of choice as new markets and properties have emerged to compete in locations as diverse as Dubai, Thailand, the Maldives and Mauritius.

Caribbean nations have also been relatively slow to recognise that a structural change has occurred in relation to way tourism is seen, with Governments across the world recognising that the industry can bring rapid economic growth and should become a development priority.

As a consequence, only recently have Caribbean governments, tourist boards and the industry begun to look elsewhere in an attempt to be less reliant on traditional feeder markets, and have politicians come to recognise that they are, to a significant extent, now dependent on tourism for economic growth.

Although for the foreseeable future traditional source markets such as the US, the UK, Canada and Europe will remain the primary focus, much more attention has begun to be paid to finding ways to attract high spending visitors from China, Russia, Japan, Brazil and other parts of Latin America.

In recent months a number of Caribbean nations have begun to explore the opportunities for increasing the number of visitors from China. Russia has become of growing importance to Jamaica, the Dominican Republic and Cuba, and a number of nations are looking closely at the possibility of developing the Brazilian market either through incentivising direct flights or by using Panama's Toucumen Airport as a hub.

Creating sustainable new markets for Caribbean tourism will not be easy and much that is being said, particularly about China, is unrealistic.

Warm weather markets worldwide are in competition with the Caribbean for tourism; Chinese visitors, now the world's highest spending, are likely to be more attracted to flying to nearer destinations in the Pacific or the Philippines which even then are eight hours flying time away; and the size of marketing budget required to position a country in the minds of visitors from nations as large as, or larger than the US, is beyond any single Caribbean nation's ability to find.

What this therefore seems to mean is that any new feeder market over ten to thirteen hours flying time away is unlikely to be anything other than a niche market producing only a small number of wealthy individual travellers.

What seems little understood is that Beijing , for instance, is 17.5 hours flying time away from Montego Bay and that Tokyo just under seventeen hours, assuming one could fly directly between the two points. To put this in perspective, the longest scheduled flight in the world up to the end of last year was between New York and Singapore and took 18.5 hours, and the longest now takes around 16.5 hours to fly between the US and points in India, Australia and South Africa where demand and traffic levels are high.

In comparison, Moscow is just under thirteen hours away, Rio seven hours and twenty five minutes and Bogota, just two hours distant from Jamaica.

In practical terms, this suggests that China as a market will remain a dream for the Caribbean, driven more by political interest than by commercial reality until the first Chinese cruise ships enter the Caribbean.

Flying times, however, do make the point strongly that cold climate points of origin in the Eastern part of Europe and those parts of Latin America where there is rapidly growing disposable income, offer real possibility as feeder markets for the Caribbean if airlift can be incentivised.

Jamaica, Cuba and the Dominican Republic's emphasis on Russia is therefore well placed. What is needed now is a greater focus in Europe on Scandinavia, and nations like Poland and the Czech Republic, a fresh look at South America, and a serious investigation of how to encourage visitors from rapidly growing neighbour nations like Colombia and the nations of Central America.

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