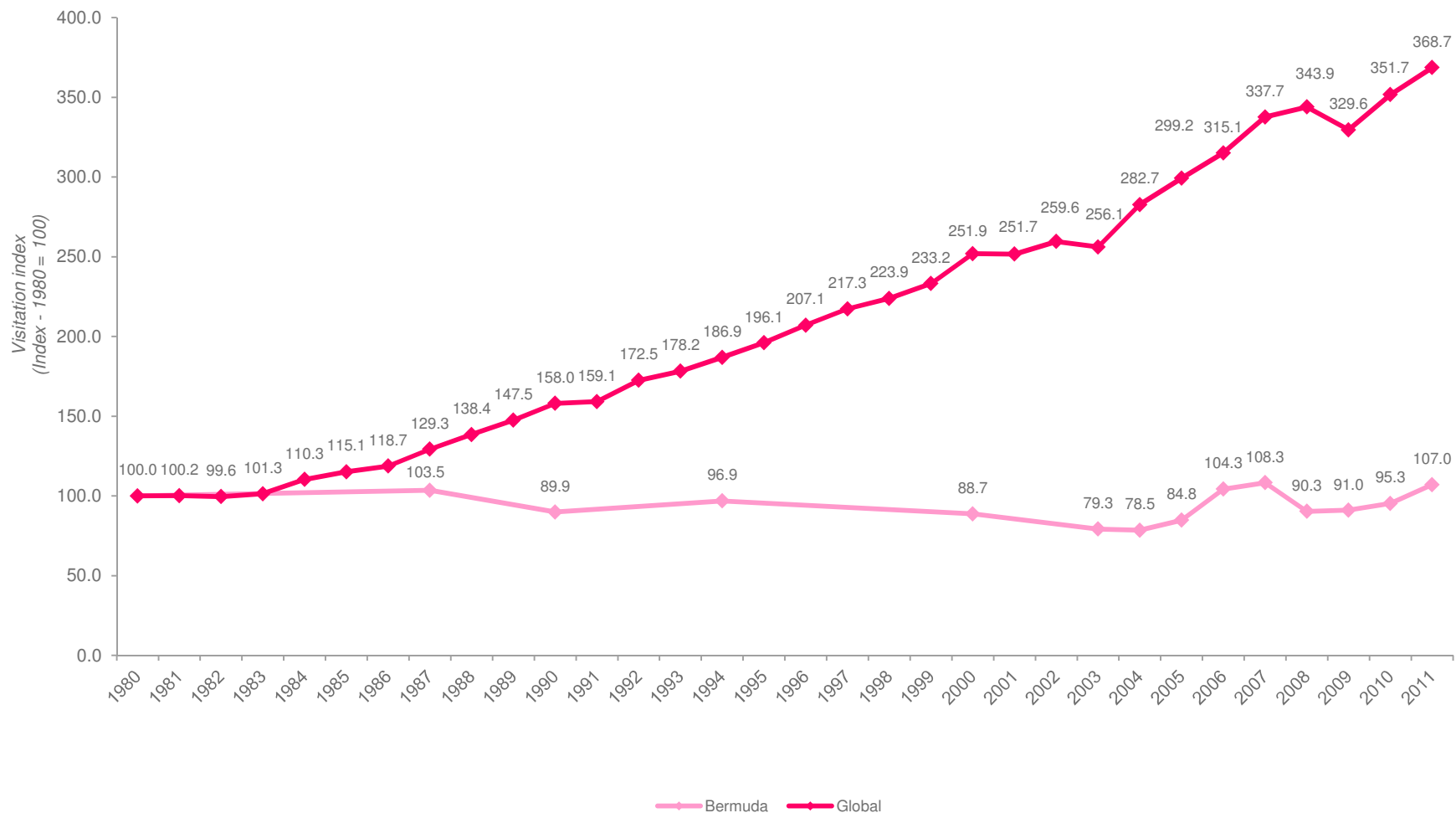




# Bermuda's Tourism Revival

6 January 2015

# Bermuda Tourism vs International Tourism: 1980 to 2011



## Bermuda Tourism

From 1990 to 2013, most tourism related metrics have dramatically declined.

Air Arrivals



46%

Spending



53%

Tax Revenue



51%

Employment



58%

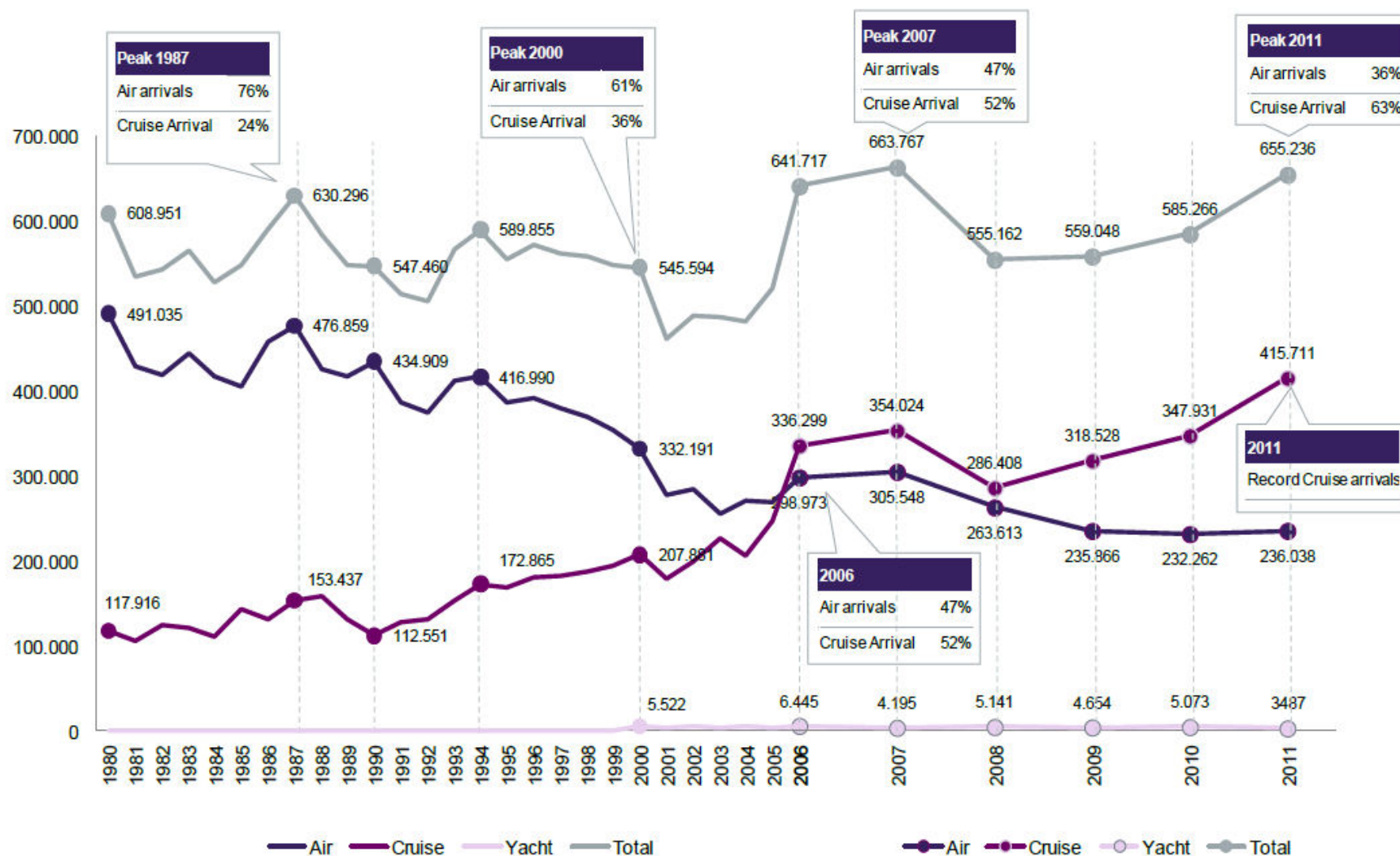
## Finding the Right Balance

The right balance between cruise and air visitors is required for an equitable and thriving tourism industry. However, we receive the vast majority of our income from air arrivals.

- In 2013, for each \$1 spent by cruise visitors, air visitors spent \$11
- Cruise visitors comprise 62% of total travelers in 2012, however they only spent \$45m of \$415m in total visitor spending
- In 2012, 53% of all those directly employed in tourism worked in hotels or similar establishments

BTA submits it's necessary to increase cruise passenger expenditures and simultaneously increase air arrivals...the organization's top priority.

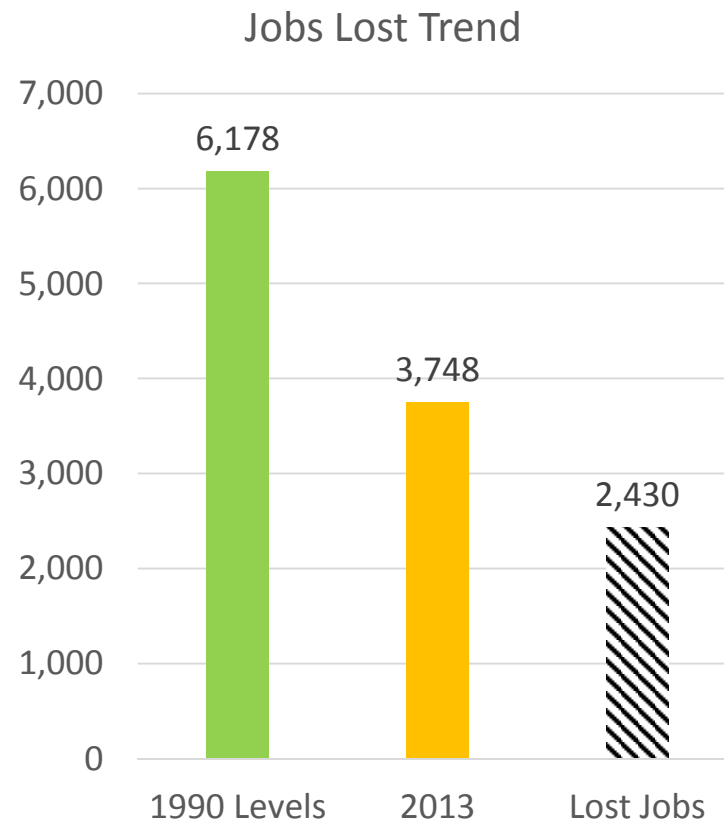
## Arrivals 1980 -2011 Graph



# Employment

- Employment (particularly at the entry level ...where we need it the most) is a key economic benefit from tourism
- Only Civil Service and Wholesale/Retail trades employ more people.
- As visitor spending has decreased over time so has the number of employment opportunities.
- The employment decline was dramatic, with a decrease of almost 50% since 1990.
- Its negative effects were masked by job growth within the IB sector which more than compensated for the tourism job loss.

# Employment



## Recent Performance

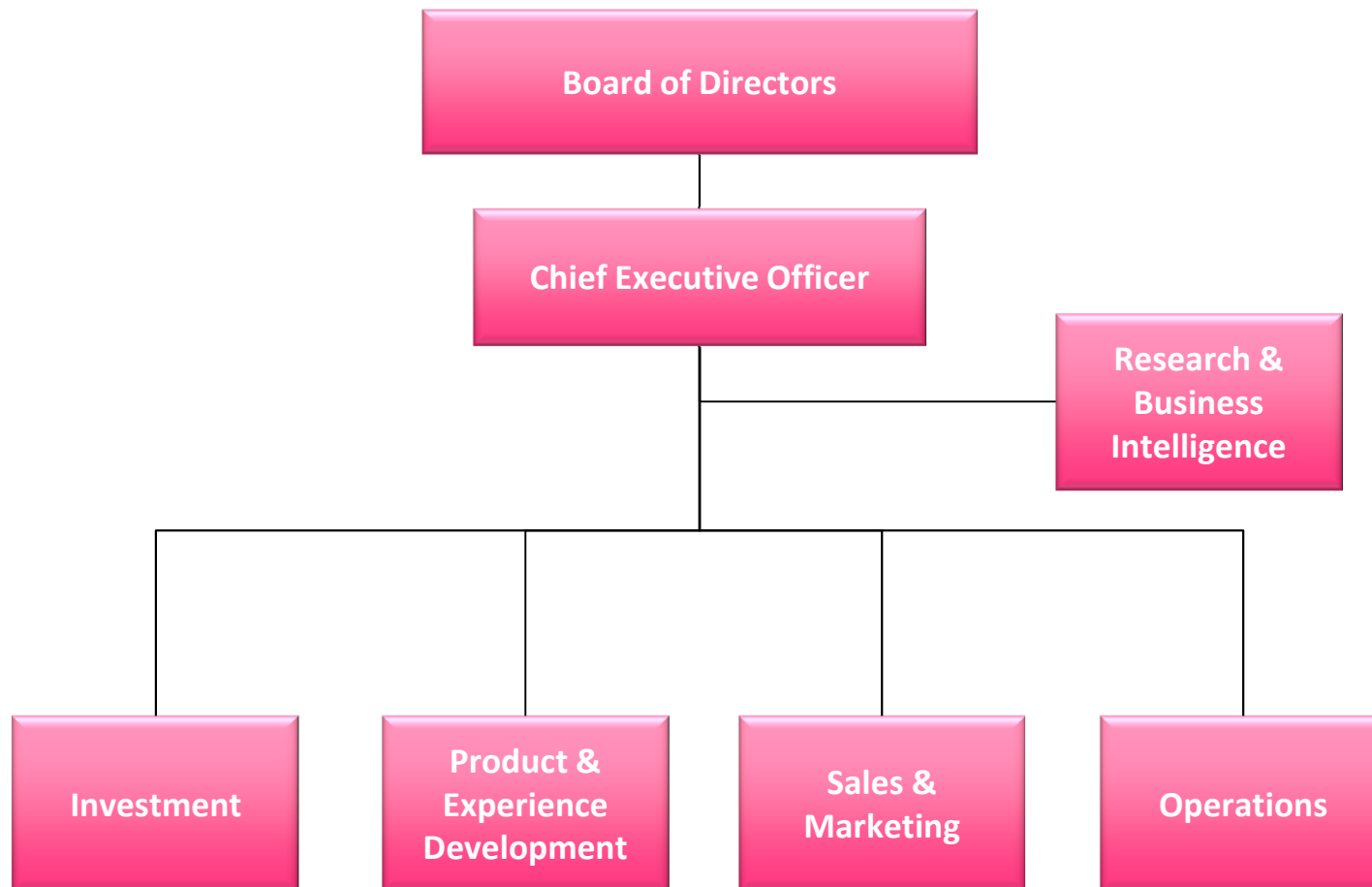
- 2013 Year-Over-Year Changes
  - 1.8% increase in air arrivals
  - 2% increase in hotel occupancy
  - 5% increase in hotel Average Daily Rate
- 2014 Year-to-Date (as of September 30<sup>th</sup>)
  - 1% increase in overall arrivals
  - 5% decrease in air arrivals
  - 2.6% increase in hotel occupancy (due to reduced inventory)
  - 4.8% increase in hotel Average Daily Rate



# The Bermuda Tourism Authority

- Started April 1, 2014
- First year funding of \$26.5 million
- Staff of 37 – 90% Bermudian
- No Government interference
- Building a world-class destination marketing organization
- Significant changes: PR firm, social media, ad agency and partner agreements
- Improving Bermuda's tourism product and experience

# BTA Organization Structure





## 7 Habits of a Highly Effective BTA

### 1. Move from “Seasonal” to “Year Round” Destination

- No more talk of “off-season”
- More marketing resources allocated to shoulder seasons
- Our “winter” weather is delightful compared to the US, CA and UK
- Jan. average temp. for Syracuse, NY is 24F (34” of snow); for BER 63F

# 7 Habits of a Highly Effective BTA

## 2. Geographically identify Bermuda as an “Atlantic” vs. “Caribbean” Destination

- No longer identify Bermuda as a Caribbean destination
  - Different seasons
  - More moderate climate
  - Less severe weather...usually
  - Shorter flight times from all key markets
  - Different consumer experience

# 7 Habits of a Highly Effective BTA

## 3. Don't Boil the Ocean

- Market to the upper-end of the personas
- Position BER as a quality destination for discriminating consumers
- Waste no marketing assets selling to audiences that won't buy BER
- Geographic focus on the NE US and CA, then the UK, and finally Europe



## 7 Habits of a Highly Effective BTA

### 4. Embrace 21<sup>st</sup> Century Marketing

- Invest in building brand over the long-term
- No more “one-off” sales that only solve to the short-term
- Embrace social media
- Maximize the value of public relations
- Using technology... “connect the dots” for visitors on-island
- Integrate all marketing and sales partners (OTAs, TOs, airlines, travel agents)



## 7 Habits of a Highly Effective BTA

### 5. Emphasis on British and Island Soul - “Proper Fun”

- Visitors love our British and island influences
- Bermuda historic antiquities should be better promoted
- Celebrate connection to Caribbean art, culture & cuisine
- Consumers are interested in Bermuda’s British traditions (tea time, cricket, focus on service)

## 7 Habits of a Highly Effective BTA

### 6. Celebrate the Real Bermuda and its People

- No more “invented” events not reflecting Bermuda’s true heritage
- Invest-in and nurture Bermuda arts, culture, history and cuisine
- More focus on Bermuda’s marine and nautical legacy
- Embrace extraordinary natural and ecological resources





## 7 Habits of a Highly Effective BTA

### **7. Global visitors desire sports and recreational experiences**

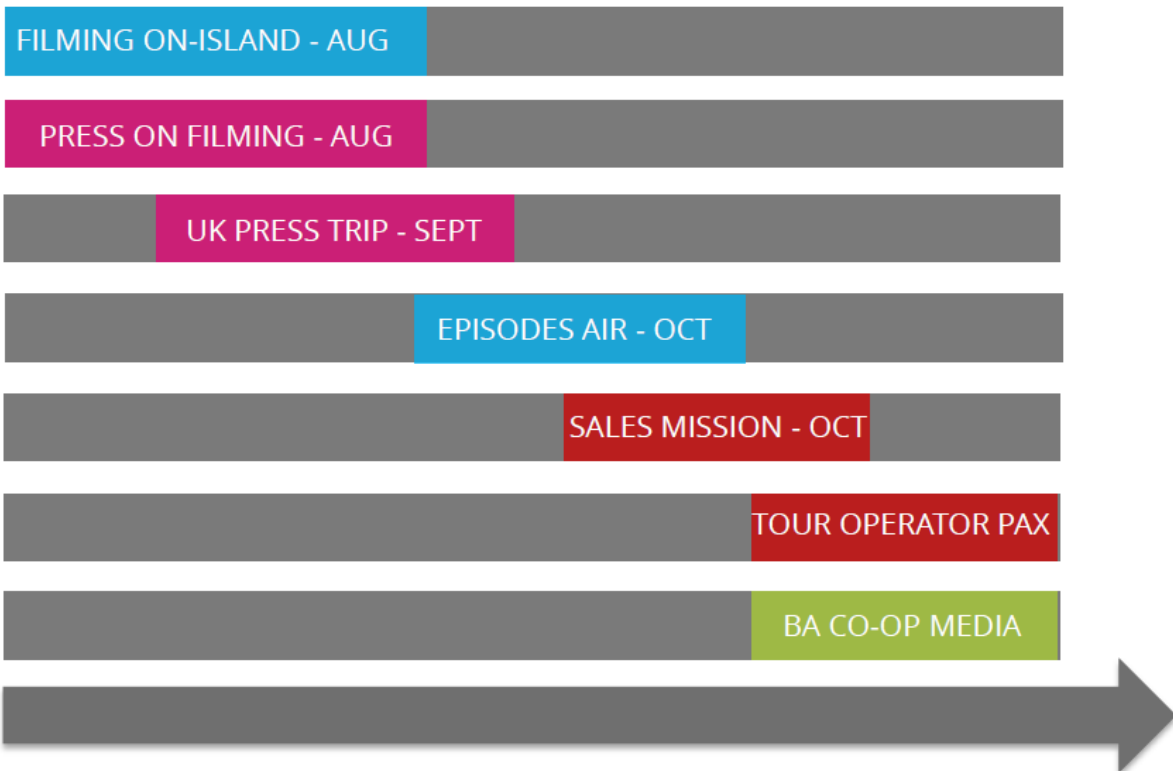
- New golf direction: Advisory Board, on-island concierge, selective sponsorships generating room nights
- Scuba diving is an important niche market
- From Rugby and Football to Field Hockey and Swimming, there's a place for athletic teams in the shoulder season
- Fishing, sailing and boating go to our product core
- Running, cycling and triathlons play an important role



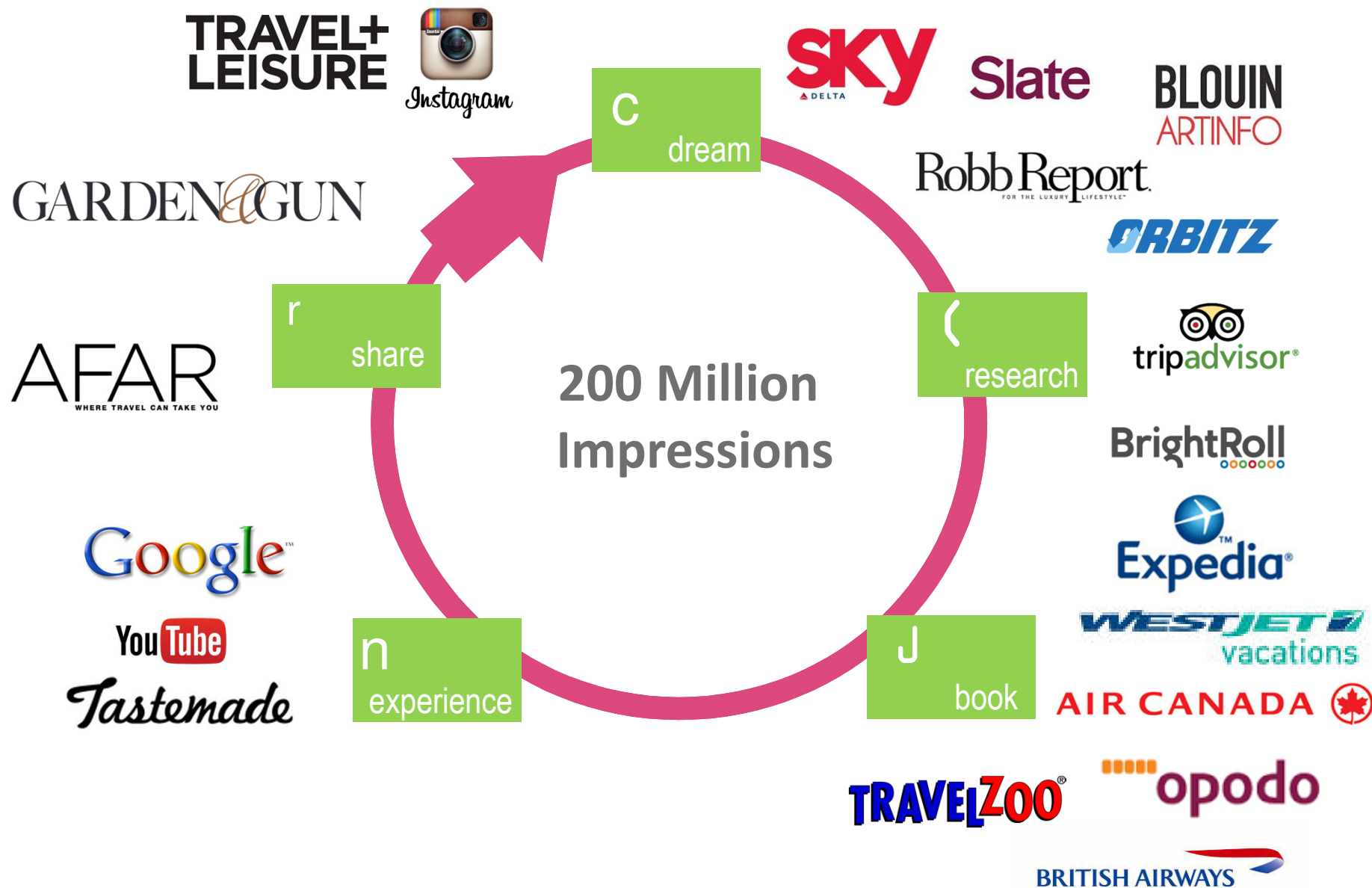
## Sales & Marketing Strategy

- Arrest decline in visitor #'s by focusing on fewer key markets
- Increase air arrivals to impact across the entire tourism value chain – hotels, restaurants, attractions, transportation
- Build differentiation through deeper integrated marketing and sales
- Match Bermuda's authentic experiences with consumers' desire
- Build year-round demand by layering group and leisure markets
- Create and aggregate new visual and inspirational marketing assets

# Integrated Marketing Strategy & Activation X Factor UK



BERMUDA  
so much more®



## Creative Concepts





## Creative Concepts



## Creative Concepts



## Bermuda Forecast

### What does this mean for Bermuda Tourism?

Air Arrivals  
increase from  
236k to 307k  
by 2024

Direct  
Employment  
increases  
from 3,558 to  
3,916 by  
2024

Visitor Spend  
increases  
from \$412m  
to \$664m by  
2024

Not including additional hotel development or America's Cup Events





## Current Initiatives – Hotel Development

### **Anticipated supply additions:**

- Pink Beach (2016)
  - 40 hotel rooms and 20 additional rooms in condo units
- Ariel Sands Beach Club (2017)
  - 5-star 80 room cottage colony
- Coral Beach Club & Horizons (2016)
  - Plans to convert into a condominium hotel
- Elbow Beach (2016)
  - Capital renovation with plans to reopen 90 guestrooms



## Current Initiatives – Hotel Development

- Hamilton Princess (2015)
  - Undergoing \$90 million renovation
- Fairmont Southampton (2015)
  - Phase 2 of renovation has started
- Bermudiana, formerly Grand Atlantic (2016)
  - 78 units planned to be converted into all-suite condominium hotel
- Morgan's Point (2017)
  - 84 room boutique hotel – phase 1
  - 416 luxury room hotel – phase 2
  - Mega-yacht marina
- St. George's Redevelopment Site (2018)
  - Approximately 150 room hotel, golf villas and redeveloped golf course

## Current Initiatives – Airport Redevelopment

- An absolute necessity from a competitive perspective
- The first and last “experience” a tourist has must be positive
- BTA will assist Government as it searches for a solution



## Current Initiatives – America's Cup

- BTA closely collaborating with ACEA on operational details
- Leveraging marketing messages, brand identity and global public relations efforts for renewed attention on Bermuda Tourism





Love My Bermuda



America's Cup



Thank you!