

May News Brief 2011

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2011 Destination Symposium



The 18th annual Destination Symposium is a little more than a month away. This year's event is scheduled for June 13-17. The event will begin on St. John at host hotel the Westin St. John, with trips to St. Thomas, and culminating on St. Croix. Some exciting networking activities are planned around our theme "Fantasy Islands."

The Destination Symposium is our opportunity to showcase our hotels, activities and product updates to our travel partners in addition to discussing promotional opportunities for the year ahead. Registration materials and sponsorship opportunities are available at usvihta.com or by calling the association office at 774-6835.

Education & Training News

May is National Electrical Safety Month

Since this month is National Electrical Safety Month it would be a good time to take a look through your facility for possible electrical hazards. You won't have to look far – the electrical standards are the most frequent source of citations and fines when the OSHA inspector visits hotels! Following are some things to watch for.

- Flexible cords improperly used
 - strung through doorways, windows or holes in the wall
 - used as replacement for permanent wiring circuit
 - grounding prong removed from 3-prong plugs
- Wiring insulation damaged or pulled out of plugs or boxes
- Switches, receptacles or junction boxes without a face plate
- Holes in switch and junction boxes where knockouts have not been covered over
- Electrical circuits in wet locations not supplied with ground fault protection

Make sure that only qualified electricians do your electrical work, and that they always de-energize a circuit before beginning work on it.

Summer Employment

The Education & Training Committee has begun preparing for the 2011 Summer Employment Program. We are hoping we can count on your support again this year. Let us know how many students you can accommodate and the departments they might be placed in. Contact the association office with any questions.

Membership Corner

New Member

Welcome to our newest member, **Eco Serendib Villa and Spa**, a luxurious, eco-friendly villa situated atop Point Rendezvous Estate set to open in June, 2011. With eight individually-designed suites, a full-service spa, professional chef's kitchen, spacious pool terrace and all the amenities one would expect at an elegant private residence, Eco Serendib offers an idyllic home-away-from home. The villa features energy-saving, green elements with the goal of reducing its carbon footprint, striking a thoughtful balance between indulgence and sustainability. Guests are attended to by the dedicated concierge and receive daily maid service. Private butler and chef service are also available. Guests book the entire villa for their exclusive use except during certain weeks of the year when themed experiential retreats are offered. The villa can accommodate special events, such as weddings, for up to 50 people. The website is

www.ecoserendib.com

Member Kudos

Jennifer Sibilly and Rita Jones, owners of Media Marketing of St. Thomas, were recently named the U.S. Small Business Administration (SBA) award winners for the 2011 Virgin Islands Small Business Person of the Year. They will represent the territory at the National Small Business Week to be held in Washington, DC May 18-20 at the Mandarin Oriental Hotel. This is a special occasion as it is the first time that the Virgin Islands will be represented at the National level. Jennifer and Rita founded Media Marketing in 2003. They publish PLACES TO EXPLORE, the official digest publication of the USVI Hotel & Tourism Association, the Marine Guide, Places to Eat Maps for St. Thomas and St. Croix, along with specialty products. Media Marketing also represents HCP/Aboard Custom Publishing in Miami with the DISCOVER magazine, the hard cover in-room guide for the Hotel & Tourism Association. Way to go Jennifer and Rita!

Sea Trek at Coral World has been recognized as Most Outstanding Sea Trek Operation Worldwide in 2010. With over 40 Sea Trek operations throughout the world, this is definitely an honor for park. Sea Trek operations were evaluated based on performance, quality of customer service, guest comments, safety, strength of Sea Trek branding and promotion, operations innovations, and overall commitment to the Sea Trek program. Congratulations!

Maho Bay Camps was recently named one of the highest-ranking properties for value in *Travel + Leisure's* list of the World's Best Hotel Values this year. Honorees were selected by T+L's influential readers in our annual World's Best Awards survey. As a World's Best Hotel Values honoree Maho Bay was featured in *Travel + Leisure's* March 2011 issue, and listed on TravelandLeisure.com.





After two years and a multi-million dollar renovation, the historic **Bluebeard's Castle** resort recently re-opened. Renovations included an overhaul of the lobby complete with new furniture, fixtures, fresh paint and check-in pods. The renovated rooms received new kitchens, bathrooms, furniture, accessories, flat panel televisions, bedding and more. All rooms received state-of-the-art RFID Ving Card door locks and in-room safes to further enhance guest security. The courtyard areas have been newly landscaped and new outdoor furniture installed.

SAVE THE DATE

May 11	Tourism Week Career Fair, Charlotte Amalie High School, 9:00am
May 20	General Membership Meeting, Wyndham Sugar Bay Resort
May 21	Aspen Santa Fe Ballet, Reichhold Center for the Arts, www.reichholdcenter.com
June 13-17	17th Destination Symposium
September	Travel Agent Month
November 5	10th Annual Tommy Star Awards Gala—Frenchman's Reef Marriott Award of Excellence Recipient—Mr. Edward Thomas



The new layout and added features of our Facebook page is working to engage new fans. For the month of April "new likes" were up past the 1500 mark, and post views spiked to over 28,000. More than 600 fans entered the recent sweepstakes courtesy of Windward Passage Hotel. The current sweepstakes is being offered by Maho Bay Camps. Statistics for the week of April 25, 2011:

- 2048 active users  458 since last week
- 3758 people like this  93 since last week
- 55 wall posts or comments this week  39 since last week
- 605 visits this week  186 since last week



*The airport booth is being revamped to capitalize on the current social media phenomenon. To enhance the experience at the booth, the association is installing touch screen monitors which will display our "Tommy Star Social Media Runway." The monitors will allow travelers to play games, win prizes, connect with Facebook and let Foursquare following their adventures. The gaming option is available through a partnership with Match 3 Win. The newly installed system will also provide information on hotels, locations, 2-digit numbers to contact hotels, images and descriptive text. Opportunities still exist to participate. For the gaming feature contact Javier Morales at 954-828-0614. All other booth inquiries can be directed to the association office.



What's Cooking with the Culinary Team

*Congratulations to **Al Boston** (pictured with Paul McDonnell, VP and Partner, Premier Wine & Spirits) on being selected as the new bartender on VI Culinary Team. Boston's "Lucky Me" cocktail, made with sponsor Cruzan Rum's newest flavor Strawberry, beat out 7 others competing for the coveted position on the team. Boston is the bartender at Coconut Grove Restaurant at the Ritz Carlton. He will join the team at the Taste of the Caribbean Competition in Miami this June.

*The team picked up Third Place in the Local Fare category at last month's **Taste of St. Croix event**. The tasty sampling created included a twisted Johnny cake slider filled with jerk smoked chipotle roasted brisket topped with caramelized red onion and a Guinness banana demi glace. The team also served up a dark chocolate rum cake. Sounds delicious!

*Don't forget to visit the team booth at the **Carnival Food Fair on Wednesday, May 3** at Emancipation Garden. The team is excited to show off their talents at this annual cultural event. It is also a fundraising opportunity for the team so come out and show your support.

**Celebrate National Tourism Week
May 9-13, 2011**



The Caribbean Comeback?

So what's happening in The Caribbean? Well it depends if you're an operator or developer

The Caribbean hotel market is making a comeback, but to what degree is up to individual owners and operators. (Sounds to us a lot like what is going on here in the United States.) In many cases the bottom line of properties will be determined by exactly how much hoteliers can get those rates up. And as we've been preaching here at Hotel Interactive, a negative psychological mindset that has led to rampant discounting is still a pervasive problem in places such as the Caribbean.

We're at the Caribbean Hotel & Resort Investment Summit where this issue seems to be front and center, and hoteliers that don't push their rates could be holding back the entire region from higher profitability. It's a problem that can only get magnified as Latin America continues to chip away at demand since many countries have built great resorts that are luring American travelers.

"The question is: Are you discounting to get new people to come to the region or would those be people coming anyway? In that case you are leaving money on the table. That is up to you to decide," said Jan D. Freitag, VP with STR.

According to STR supply in the region crept up 0.9 percent during the first two months of 2011 but room demand is up 5.1 percent. Occupancy too is climbing high to 70.4 percent, a 4.2 percent increase so far this year.

But what's troubling is that ADR is on the decline, dropping 1.8 percent to \$186. RevPAR has moved up 2.3 percent, however, to \$131. What makes this issues more concerning is that ADR actually rose 3.8 percent in 2010. It's a problem that may take three years to get ADR back to the \$200 a night mark, last seen in mind 2008.

But when split out from the other segments, luxury seems to be the true darling, a segment that has been leading this recovery for the last year. According to STR the 262 luxury hotels in the Caribbean through February 2011 have seen room demand soar a massive 7.2 percent while occupancy rose 4.4 percent to 57 percent as supply grew 2.6 percent. ADR moved up 4 percent to \$338 while RevPAR hit \$193, an 8.6 percent increase. When taken together these numbers ass up to a 11.4 percent increase in revenue to \$2.2 billion.

"The recovery is on but not taking us back to where the recession began," said Warren Jestin, Senior Vice President & Chief Economist with Scotiabank. "New growth from emerging markets will have an effect on our businesses during the next 10 years."

That effect may already be present as many projects that were in the pipeline halted during the recession continue to languish. And the longer they sit idle, the less chance they have of starting. Now that's a real good thing for hotel operators that are not interested in adding new properties as a lack of new projects will help lift occupancy in existing hotels and theoretically convince operators to raise rates. But of course the wild card is still hoteliers pulling the trigger on increasing their room rates. And that is yet to be seen.

"New projects announcements have dropped significantly and many projects are stalled," said Simon Townend, Partner with KPMG Corporate Finance. "What we are hearing and seeing on the ground in the Caribbean is that like many other places, this region has been through a financial catastrophe category 5 hurricane. There was a frantic increase in development activity followed by a financial storm."

Townend is seeing a moderate uptick in new projects, however, they are very select projects that have the right fundamentals and would be well positioned for this just starting upturn.

One big trend to look to in the Caribbean and beyond is the expansion of all-inclusive resorts, said David F. Larone, Director with PKF Consulting. That includes converting tradition hotels to this pricing strategy. "We have clients looking to covert to all-inclusive and we are seeing major chains thinking about this too," said Larone.