The Virgin Islands Consortium

# Dept. Of Tourism Generates More Than $1.3 Billion Directly To VI Economy In 2015, Nicholson-Doty Says

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The Department of Tourism (D.O.T.) says it saw an increase of more than 38,000 stay-over arrivals year-over-year from 2014 to 2015, according to a press release D.O.T. issued on Thursday. The increase came as a direct result of a carefully managed strategic marketing plan to target areas with the highest potential for return on investment, the release further stated.

D.O.T. Commissioner Beverly Nicholson-Doty came under fire in two recent VI Daily News reports, which criticized the department she leads for failing to properly advertise the territory while spend millions of taxpayers dollars.

One report, for example, claims that D.O.T. had paid a consultant firm over $250,000 for one year beginning October 2016, to promote the territory via social media, and millions more in advertising. Yet, searches such as "Caribbean Destinations" provided little results that would benefit the territory, according to the report. (To be fair, the "Caribbean Destinations" search yielded a "top ten" article that listed the territory as the eighth best destination).

Addressing the reports, Mrs. Nicholson-Doty stated that stay-over arrivals to the U.S. Virgin Islands in 2015 were 769,185 compared to 730,367 in 2014 -- an increase of 5.3 percent.

The release also provided the following Bureau of Economic Research (B.E.R.) stats:

- Hotel occupancy taxes totaled $25,037,919 in 2015, representing 10.9 percent growth over 2014 occupancy taxes of $22,578,511
- Room nights occupied were 818,535 in 2015 compared to 785,949 in 2014.
- Stay-over visitors generated $922 million in direct expenditures and cruise passengers generated $467 million in direct expenditures for a total of $1.389 billion.
- Tourism contributes more than $200 million in tax revenue and accounts for 8,000 jobs, representing 30 percent of the Territory's Gross Domestic Product.

Mrs. Nicholson-Doty said that air capacity to the territory is supported by 27,000 seats per week with capacity increasing at Henry E. Rohlsen Airport on St. Croix to more than 6,000 seats per week for the first time in many years. She also disclosed that recent long-term agreements by the West Indian Company and the Virgin Islands Port Authority will strengthen year-round cruise calls.

And the commissioner refuted any suggestion that the combined value of D.O.T.'s marketing efforts yields a negative return on investment.

"The value of media coverage we earned from just our public relations activities alone in fiscal year 2015 represented a return on investment of more than 7:1," she said, adding that this "solid performance supports the tourism expenditures."

Mrs. Nicholson-Doty then revealed the amount of funds expended versus the return on investment in various categories:

- The $2.5 million public relations spend resulted in more than $18 million in earned media.
- The $6 million advertising spend (digital, TV, print, radio, billboards and airport advertising) reached 383,554,105 consumers. USVI advertising drove 1,542,569 visitors to the destination's website, an increase of 111,489 or an eight percent increase over FY 2014.
- The Department's paid search budget of $200,000 reached 21,495,625 consumers.
- The $249,000 social media spend resulted in the Department increasing followers on social media by 52 percent, generated 10 million direct impressions, and drove

more than 25,000 potential visitors to bookable offers directly from the Department's social media posts on Facebook, Twitter and Instagram.
- The Department's sales teams made a combined total of 7,029 calls to travel agents and tour operators across the United States in 2015.
- The $19.5 million in marketing resources spent by the Department in FY 2015 positioned the U.S. Virgin Islands as a top-of-mind destination which generated a combined direct and indirect economic impact of $2.2 billion.

"We never lose sight that the marketing dollars spent on tourism must provide the highest return on investment. This is the focus for all of us," Mrs. Nicholson-Doty stated. "We also know our community, our tourism partners, our government and many others rely heavily on our performance.

"The struggle for every tourism dollar is real and we consider it a threat to our territory's economic security when grossly inaccurate and misleading information is shared in our community. We may not always get everything right, but we certainly compete head to head with larger destinations with significantly more resources than we do, and win," the Tourism commissioner concluded.