The Virgin Islands Consortium

Editorial: As It Expands, WICO Sees Benefits In Attracting Smaller Ships With Affluent Travelers

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This editorial was submitted to The Consortium on Monday for a scheduled release today. It was submitted on behalf of West Indian Company President and C.E.O. Joseph Boschulte, who also wrote the piece.

On April 6, the West Indian Company, Ltd. welcomed the passengers and crew of the MS Riviera. The ship was on the first leg of two chartered cruises from Miami. Although we held our traditional plaque ceremony, the event marked an occasion far more significant than the ship's inaugural call on the Virgin Islands.

As the territory's premier cruise ship port, WICO has a broad clientele; however, we have been diligently working to attract more luxury, upscale and premium ships with a high-end clientele. While we regularly host smaller ships with Seabourn, Silversea and Azamara Cruises, MS Riviera is the first boutique ship to visit our port since we launched our effort.

This in no way means that the company has abandoned our support for increased port capacity, especially with the increased number of new and larger cruise ships expected to set sail during the 2019/2020 season. The Virgin Islands still needs to be able to accommodate increasingly larger ships. However, we are committed to creatively maximizing our capacity.

MS Riviera is one of five ships under Oceania Cruises which was co-founded by Frank Del Rio in 2002. Today Oceania Cruises along with Regent Seven Seas Cruises is a subsidiary of Norwegian Cruise Lines Holdings, Ltd. with Frank Del Rio as Norwegian's president and CEO.

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Joseph B. Boschulte, WICO President and CEO

WICO is extremely proud of its new relationship with Oceania Cruises. Our association with Norwegian goes back decades to the era of the SS Norway, once the largest ship to cruise the Caribbean.

Both lines are highly selective when it comes to ship deployment. Mr. Del Rio is insistent on “having the right ship in the right place at the right time”, and being in high-demand areas. China and Cuba are two of the lines’ priority emerging markets.

That the Virgin Islands is still considered one of the right places to be is a testament to our enduring profile in the cruise industry. To the territory’s benefit, WICO is currently implementing measures to ensure more ships visit our ports regularly.

WICO’s plan to attract smaller ships is in step with Commissioner Beverly Nicholson-Doty’s strategy outlined during testimony at her 2015 confirmation hearing; that of positioning the territory as a destination for travelers “seeking unique, authentic experiences for which they are willing to pay a premium.”

Our plan is yet in the beginning stages, and must be nurtured if it must be successful. However, it has immediate, short and long-term economic benefits to the territory.

The average cruise ship can accommodate 3,000 guests; however, MS Riviera and its four sister ships in the Oceania Cruises fleet, are designed to host between 490 and 1,250 affluent travelers and their crew.

The cruise industry has four categories of cruise passengers. Contemporary cruisers spend an average of $1,690, while premium cruisers spend about $2,080. Luxury cruisers spend roughly $2,840 during their trips, and destination cruisers, the highest category of passengers, spending about $3,220.

The boom to our retail industry while a small, luxury ship is in port is one of the immediate benefits. While smaller ships bring fewer passengers, Luxury and Destination cruisers are likely to spend almost twice as much as contemporary cruisers. These are cruisers who may already have it all but may be interested in a second Rolex or Patek Philippe as a gift. They can be persuaded to purchase a diamond to celebrate a major milestone, landmark accomplishment or even indulge a whim.

The most recent Florida-Caribbean Cruise Association (F-CCA) Business Research and Economic Advisors passenger survey revealed 68 percent of cruise passengers who visited the Virgin Islands said they would return for a land-based or resort vacation during the next three years.

According to recent figures from the Department of Tourism, cruise guests spend between $138 and $158 per day, while overnight guests spend between $200 and $250 per day.

With overnight guests staying an average of 4.5 days, the territory could easily realize more than $900,000 per year from top tier cruisers introduced to the islands on a small ship since affluent visitors spend more. The figure does not include lodging, but focuses on discretionary spending on items such as jewelry, perfume, liquor, transportation and meals.

No matter their spending level, many cruise and overnight visitors are looking for something more than relaxing by the pool, strolling the beach or snagging great deals on duty-free items. Veteran cruise visitors are interested in intimate, memorable, culture-based, one-on-one experiences. What would a guided hike on St. John to Ram’s Head for a picnic lunch while learning about the history and folklore of the island and the sites along the way be worth?

Traditional, service-based professionals such as tour operators, restauranteurs and taxi drivers always will see their fair share of business. However, the experience-seeking visitor also will create unlimited opportunities for non-traditional entrepreneurs. Expert bakers, cooks, event planners, historians, musicians, dancers, artisans, fruit drink makers, doll makers, storytellers and others, can share the unique culture of our islands with visitors while building successful businesses.

Theme cruises for writers, brewers, foodies, fitness buffs, pet lovers and an increasing variety of hobbyists are becoming more popular. Opportunities to reach clients in these specialty areas abound, especially as the Virgin Islands centennial approaches. A diverse, successful, small-enterprise community building viable businesses that contribute to our tax base is a long-term benefit.

Notwithstanding firm relationships with several other lines, the territory must remain relevant in an industry with burgeoning destinations. Until we are able to accommodate large capacity ships and even thereafter, we must utilize innovative approaches to attract and keep our islands as a favorite repeat destination for visitors of every economic class.

While mainstream, large cruise lines and traditional guests remain the staple of the industry, there is a niche market for wealthy travelers who prefer the intimacy, exclusivity, service and luxury of a small cruise ship.

WICO will continue to bring cruise ships that cater to these affluent visitors to the territory. We encourage the community to give these travelers reasons to return on future cruises and for overnight stays.