

The Virgin Islands Consortium

Quoting Cruise Industry Leaders, Hansen Says USVI Has Become Complacent With Its Tourism Product

Business / **Published On March 29, 2017 01:59 PM /**

Ernice Gilbert **March 29, 2017**



Update: Carnival Cruise Line President Christine Duffy said her comments were [grossly mischaracterized](#) by Sen. Hansen. Ms. Duffy said while she has not traveled to St. Croix, she knows of its existence, and sees the island as a growth area for the cruise line industry. See story through the link above.

Original Story: ST. THOMAS -- Senator Alicia Hansen said during a Senate Committee on Economic Development and Agriculture hearing on Tuesday, that leaders of the cruise line industry told her at Seatrade Global in Florida, the Virgin Islands had become

complacent with its tourism product, causing the territory to lose ground to the likes of St. Martin and neighboring Tortola.

Mrs. Hansen lamented the territory's lost ground, stating that tourism remains dear to her, and urged Department of Tourism Commissioner Beverly Nicholson-Doty to do more in the way of promoting the territory -- especially at Seatrade, where the movers and shakers of the industry gather. The veteran senator, [who accompanied three other senators to Seatrade](#), said she hadn't issued a statement on her trip because she was angry, and wanted to gather her thoughts before commenting.

Mrs. Hansen, who noted that legislation she sponsored has provided more funds to D.O.T. for advertising purposes, said she wanted to know for herself why cruise ships were abandoning the territory for elsewhere, and so she queried cruise line executives -- relationships with whom she said had been nurtured over the years -- for information.

"The simple issue here is the Virgin Islands has gotten complacent," Mrs. Hansen said. "That's the only thing they say is our problem." She said while dredging, additional space and all the other efforts to make the territory's ports more accommodating to cruise ships were commendable -- especially the mega ships that are trending -- the real issue was a lack of deliberate effort by Virgin Islands officials to effectively market the islands, Mrs. Hansen said cruise line officials told her.

The senator said she believed the officials' complaint, stating that it was evident in the territory's presence at Seatrade. "We have to get people up there not just for the trip, but to really work the crowd and sell the Virgin Islands. In other words people are not just up in a set, but people who are aggressive and."



Christine Duffy, President, Carnival Cruise

Line

The senator's ire was further aggravated when she was told by the president of Carnival Cruise Line, Christine Duffy -- who has traveled to St. Thomas -- that she had never traveled to St. Croix and did not know about the island.

"You imagine that?" Mrs. Hansen asked rhetorically. She said although Ms. Duffy has not been president of Carnival Cruise Line for too long, not knowing that St. Croix even existed was unacceptable.

"I had to ask her again, 'Maybe you have not come to St. Croix, but you know about St. Croix?' She said no," Mr. Hansen said. "That's the president; I have a serious problem with that."

Mrs. Hansen then complained that the territory's placement at Seatrade "was so far away from everything," while noting that to be closer to the action would cost a lot more. Mrs. Nicholson-Doty revealed that all things considered, the territory had spent well over \$100,000 for its Seatrade placement. Mrs. Nicholson-Doty also said that positions are rotated on an annual basis.

The senator, suggesting that D.O.T. officials become upset and "take things personal" when criticized, said she abstained from noting an observation she made at the event, saving her comments instead for yesterday's hearing. She said Virgin Islands dancers at Seatrade with D.O.T were performing while standing behind a Puerto Rico background -- and while pictures were being taken.

"There should be somebody monitoring this thing," Mrs. Hansen said she told Senator Dwayne Degraff at Seatrade, who then transmitted the message to D.O.T. officials.

"To sell the Virgin Islands you've got to be on top of the game every second. Every second. Somebody has to be at it that knows what they're doing -- it's simple."

Mrs. Hansen said no one paid any mind to Mr. DeGraff, forcing the senator to speak to the entertainers himself -- who then corrected the issue.

"But then it was too late; it was the end of the presentation," Mrs. Hansen said.

Speaking at the hearing on Tuesday, Mrs. Nicholson-Doty said visitor cruise line arrivals is estimated to drop 11 percent through 2018. She said that although there was an increase in calls on St. Croix, the overall arrivals on St. Thomas had been declining.

"Unfortunately, cruise traffic has not registered the same growth as overnight visitors. The USVI has had a significant reduction in calls in 2016 and this trend is projected to continue through 2018," said Mrs. Nicholson-Doty. Cruise traffic in St. Thomas is projected to decline by 11 percent through 2018, while St. Croix is expected to see an increase of 48 percent over the same period. But the overall drop will still be about 11 percent, as St. Thomas registers the lion's share of cruise traffic.

According to the commissioner, St. Thomas received 535 calls in 2016; is expected to receive 489 calls in 2017, and 478 calls in 2018. There were 25 calls on St. Croix in 2016, which will increase to 37 in 2017, and by 7 more to 44 in 2018.

Senator Tregenza Roach, displeased with the numbers, questioned why St. Thomas was losing cruise volume while St. Croix is experiencing growth.

"Forget the fact that the St. Thomas numbers are very different, still we have to then asks ourselves the question, if St. Thomas is your primary port in the Virgin Islands in regards

to drawing cruise ship visitors here, are we doing enough to specifically market St. Thomas?” Mr. Roach stressed that his remarks were not to be construed as a St. Thomas vs St. Croix issue, but rather a sincere attempt to understand what was the cause of the decline, and what could be done to rectify it.

Considering comparisons to St. Martin and the British Virgin Islands cruise traffic, Mrs. Nicholson-Doty said the islands had recently signed new deals with cruise lines, ensuring additional traffic to their ports — many times, at the expense of the territory. Even so, she said, while the USVI’s drop in numbers was more substantial than St. Martin, that island had experienced a decline in 2016.

She went on to state the department’s plans to move forward without negating the requirements for continued assertive efforts in cornering the cruise market. These plans were initiations meant to move the cruise market forward on St. Thomas, while building the market share on St. Croix. Some of these initiatives are:

- Implementing a long requested harbor transportation on St Thomas;
- The establishment of a separate marketing plan for the cruise segment under the umbrella of the Ports of the Virgin Islands;
- Improving the Gallows Bay facility, targeting smaller luxury cruise ships to St Croix.

Mrs. Nicholson-Doty—giving more details on the different distributions—briefed stay-over visitor percentages. She says the U.S. Virgin Islands Bureau of Economic Research (BER) reports stay-over visitor arrivals to the territory were up 4.3 percent in 2016 as compared to 2015. When speaking about airlift numbers, she reported a fluctuation.

Also discussed was D.O.T.’s plans to improve marketing efforts. These efforts included a \$3 million investment in advertising, and a collaboration with the local band Fusion to develop a new “catchy” jingle to update the “Tourism is all of Us” campaign. “We will continue using Pressure’s popular song ‘Virgin Islands Nice’ [and] he will work with the D.O.T. on an updated line for the new slogan “Virgin Islands Real Nice”, said Mrs. Doty. D.O.T. will also develop new and creative television, print and digital media products, 80 percent of which will be sourced by local companies and talented by local residents.

Mrs. Nicholson-Doty also provided testimony on the successful impact advertising the Centennial has had on the tourism product. According to her, the investment of almost a million dollars dedicated to the marketing of the Centennial has yielded almost \$4 million in revenues, with 1,513 packages sold to date, and a total of 6,355 room nights.