



Aruba Tourism  
Authority



# CORPORATE PLAN

*Tourism Recovery Marketing Plan*

# 2021

# From The CEO

COVID-19 completely changed the global landscape, severely impacting the island’s economy, and bringing the destination back to the late 80’s/ early 90’s in terms of visitor arrivals.

A.T.A.’s Corporate Plan for 2021, forms an integral part of the Tourism Recovery Marketing Plan that was developed in the months following the closure of the borders. It addresses the impact of the COVID-19 crisis and includes our strategic direction and the adjustments made to our marketing efforts as well as budgets for 2020 and 2021.

Our revised marketing and communications strategies are agile and take into account the frame of mind of the audience to ensure the connection is not lost with the potential or past visitor. At all times the underlying brand anchor will remain ‘happiness’ and how the destination contributes towards this.

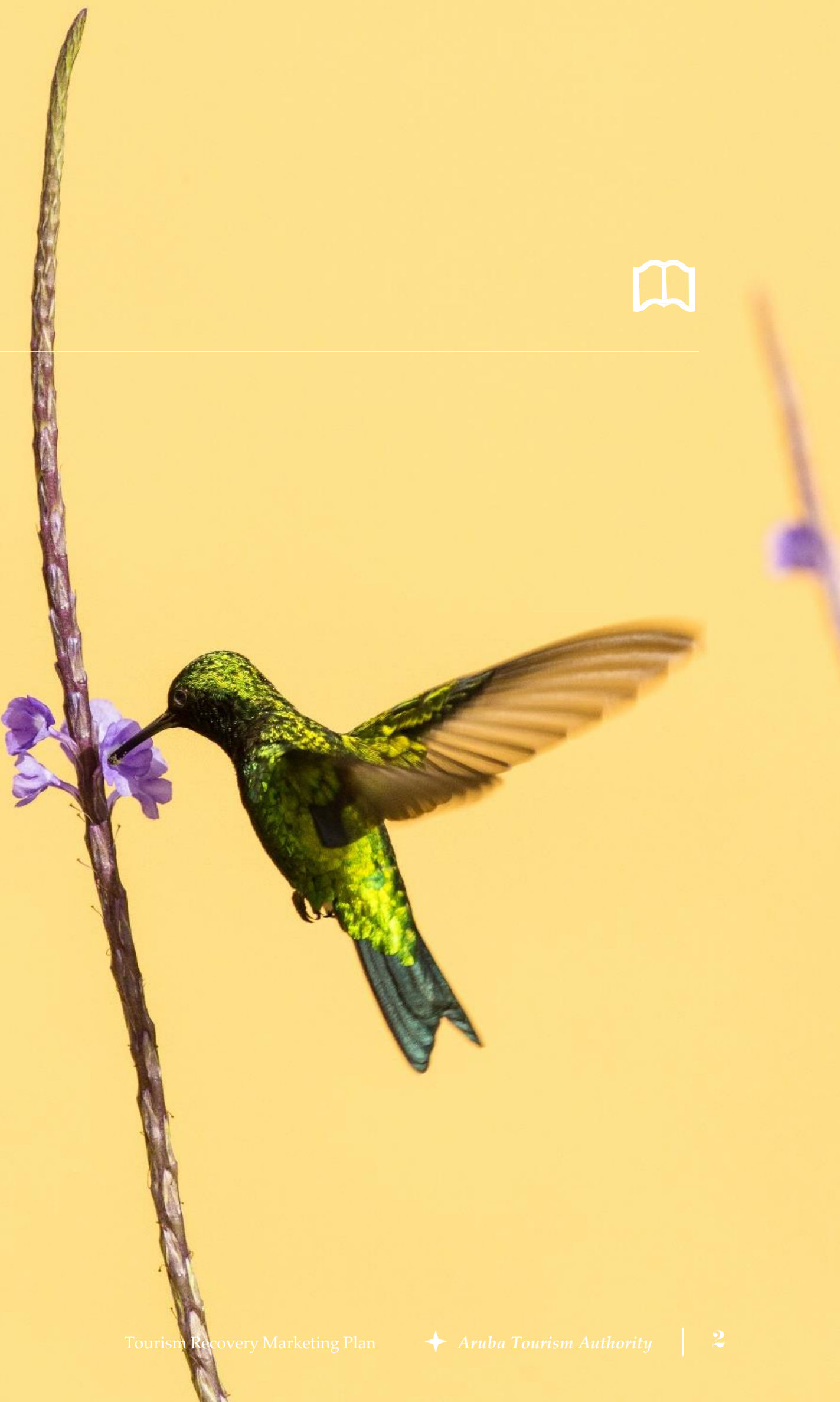
As part of our destination management role, our destination development efforts include an increased focus on health, sanitation and hygiene.

Our primary focus is to secure airlift and to support marketing investment in Aruba’s largest source market, North America. In addition, we will maintain Aruba’s diversification strategy, through our efforts in the European and LATAM markets. Imperative is the additional financial support that will be essential for us to execute the necessary marketing activities in 2021.

The A.T.A. has demonstrated time and time again its ability to lead Aruba’s branding and positioning allowing us to benefit from tourism demand and visitation. This also while navigating through rough seas. We will continue to work vigorously on rebuilding our tourism industry.



**Ronella Tjin Asjoe-Croes**  
*CEO, Aruba Tourism Authority*





# Introduction

The Aruba tourism industry has been able to maintain a stable GDP for the island. It has – together with international stakeholders – ensured that the development was strong enough to counter three significant moments of crises over the past ten years:

- 1) The global financial crisis in 2008;
- 2) The closure of the oil refinery in 2009 and;
- 3) The collapse of the Venezuelan market which, saw an 86% decrease between 2015 and 2018 when it was at its peak with regards to stay-over visitor arrivals.

This year the world faces an unprecedented pandemic, referred to as the 2019 Novel Coronavirus (COVID-19). COVID-19 is severely impacting the travel and tourism industry and significantly disrupting healthcare sectors and economies. According to Oxford Economics Company, fallout from COVID-19 will be seven times worse for the travel industry than the terrorist attacks of 9/11. Simply there is no precedent for the current situation we find ourselves in.

With the Aruban economy utterly dependent upon the tourism industry, the increasingly stringent containment measures, such as travel restrictions, will lead to a 33% decline in GDP and significant increase in the unemployment rate on island.

In response to the COVID-19 pandemic, the Aruba Tourism Authority (A.T.A.) has taken the responsibility to lead the production of the Tourism Recovery Marketing Plan (TRMP). Although there is no way to predict the future and the exact effects this pandemic will have on our island, let alone the world, it is crucial that we stimulate demand and once again attract high value visitors. It is therefore to be emphasized that this remains a Recovery Goal document. As such it represents an optimistic view of what could be achieved based on reopening of borders and activation of this plan.

The TRMP aims to support Aruba’s tourism industry in mitigating the impact of the COVID-19 crisis. It provides the travel and tourism industry a path to recovery and revitalization and primarily focuses on the attraction of high-value visitors, through a tailor-made marketing and communications approach. Key destination services initiatives as it pertains to the revitalization of our tourism products are also presented in this plan.

It must be acknowledged that this TRMP only includes matters and scenarios concerning the tourism industry. It does not address all matters that are critical to the tourism industry, it addresses the attraction of demand to the destination and the required marketing approach. Other critical recovery matters, such as the Economy, Social, and Health Care sectors, will be further outlined and discussed as part of the nation’s overall recovery approach.

We believe that Aruba’s tourism development approach for the future cannot be based upon its past success. Whilst pursuing economic diversification for the island is critical, it is important to address that tourism is the economic pillar that will allow our destination to recover, reinvent and revitalize itself at a faster pace. Imperative in the immediate future is the consistent implementation of a tourism model based on a High Value-Low Impact paradigm, with benefits for the community, the visitors and the environment.

This plan has been developed in collaboration with key leading partners – Aruba Airport Authority (AAA), Aruba Hotel and Tourism Association (AHATA), and Aruba Timeshare Association (ATSA). We are determined now, more than ever, to enhance the shared value of tourism. Together we will overcome this adversity.

## Reading Guide



### CHAPTER 1: ARUBA’S EVOLUTION OF TOURISM & PAST CRISES EVENTS

Historical data of past crises moments were analyzed. However, travel industry losses impacted by the COVID-19 pandemic will far exceed that of any other sector.

### Chapter 2: TOURISM RECOVERY SCENARIOS

This section provides insights regarding the effects of the Covid-19 pandemic on the global tourism sector, the different scenarios, as well as the projected economic impact.

### CHAPTER 3: OUR STRATEGIC DIRECTION

A.T.A.’s Priority Areas for 2020, form an integral part of its Multi Annual Corporate Strategy 2018-2021, and of the approach moving forward

### CHAPTER 4: MARKETING & PROMOTIONS

Specific marketing interventions and actions that shall be undertaken to recover and revitalize.

### CHAPTER 5: DESTINATION DEVELOPMENT

Key destination development initiatives in line with the High Value-Low Impact Tourism Model, are outlined.



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*We are determined now, more than ever, to build on our strengths and core assets to foster the sustainable development of the destination, based on the High Value, Low Impact Tourism Model. Together we will overcome this adversity.*  
- Aruba Tourism Authority



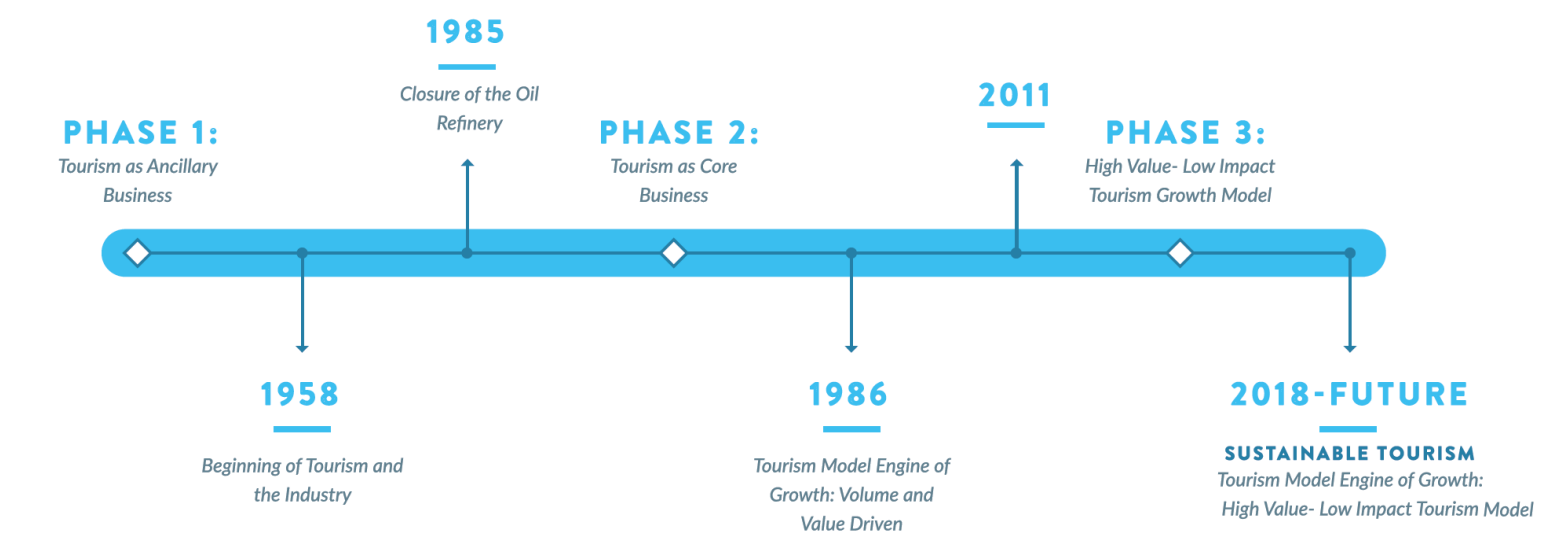
# *Aruba's Evolution of Tourism & Past Crises Events*





# 1.1 Aruba's Evolution of Tourism

Figure: The Evolution of Tourism in Aruba over the past 60 years



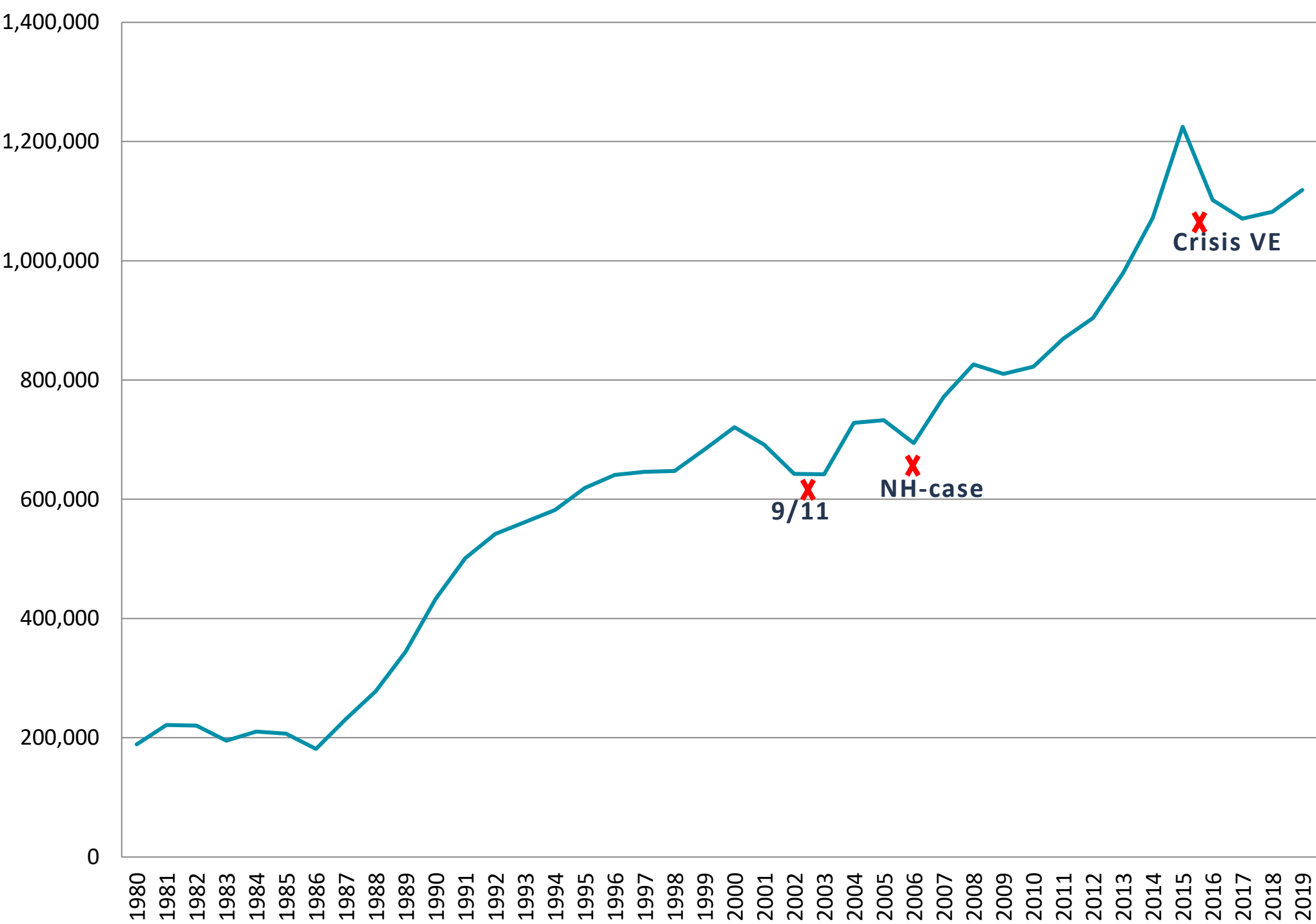
Source: Winning the future (2011) & Carrying capacity (2018)

## A Brief History

Aruba developed and positioned its tourism product as one of the premier destinations in the Caribbean. The tourism sector has experienced two distinct phases. The first phase is characterized by the inauguration of the Aruba Caribbean Hotel in 1958 until the closure of the oil refinery in 1985. During this 27-year time span, tourism played a secondary role to the oil industry. The second phase was propelled by the closure of the oil refinery and the transition of Aruba from an industry based to service based economy. Tourism became the engine of growth for employment and income. The strategy primarily focused on volume (more tourists, more expansion, more migrant workers). However, soon it became apparent that in addition to the aforementioned the new tourism model should also foster sustainable tourism development.

Stay-over visitor arrivals grew from 200,000 back in 1985 to over 1.1 million in 2019. GDP grew to AFL 6 billion in 2019. Whilst the refinery was reopened in 1990 by Coastal, tourism remained the mainstay of the island's export earning. Today Aruba counts with 11 thousand accommodation rooms, consisting of hotel, timeshare and other types of accommodations.

## Visitor Arrivals 1980-2019



\*The crises moments depicted in the above graph are the 9/11 terrorist attacks, the Nathalie Holloway (NH) case and the crises in Venezuela (VE). The crisis in VE led to an influx of visitor arrivals out of VE in 2015, followed by an immediate collapse of the VE tourism market.



## 1.2 Aruba's Past Crises Events

*The two types of crisis moments, which had the highest impact on the U.S. monthly average percentage growth, including recovery time needed after the event were the 9/11 Terrorist Attack in the US and the Nathalie Holloway case in Aruba.*

1

*The 9/11 terrorist attack, in combination with War, which led to an average monthly decrease of 13% in U.S. stay-over arrivals. Recuperation time: 12 months.*

2

*Nathalie Holloway (NH) case, which led to average monthly decreases of 9.4% in U.S. stay-over arrivals. Recuperation time: 18 months.*

*This is by far the worst crisis that international tourism has faced since records began (1950). Simply there is no precedent for the current situation we find ourselves in.*

- World Tourism Organization



# *Tourism Recovery Scenarios*





## 2.1 The Global Tourism Impact

Prospects for the year have been downgraded several times since the outbreak and uncertainty continues to dominate in these initial stages of the COVID-19 Crisis.

The **World Health Organization (WHO)** advised against travel restrictions, however agreed that in certain circumstances, measures involving restrictions on the movement of people may prove temporarily useful but should be reconsidered on a regular-basis as the situation unfolds (source: WHO, February 29, 2020).

Statistics from the **World Travel and Tourism Council (WTTC)** implied that approximately 75 million jobs are at immediate risk due to the COVID-19 pandemic and advised that if urgent action is not taken immediately, the travel and tourism sector will face an inevitable meltdown and plunge millions of people into debt (source: WTTC, March 25, 2020).

The latest data from the **World Tourism Organization (UNWTO)** shows that the COVID-19 pandemic has caused a **22% fall in international tourist arrivals during the first quarter of 2020**. This translates into a loss of 67 million international arrivals and about US\$80 billion in receipts (exports from tourism).

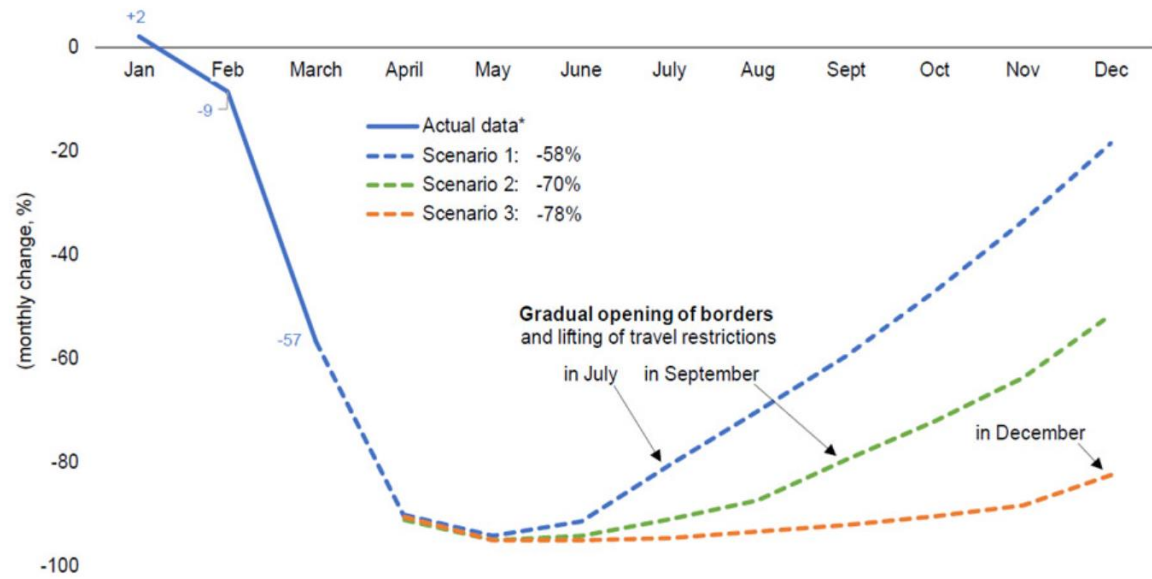
UNWTO scenarios point to **possible declines in arrivals of 58% to 78% for the year**. These depend on the speed of containment and the duration of travel restrictions and shutdown of borders.

Under these scenarios, the impact of the loss of demand in international travel could translate into:

- Loss of 850 million to 1.1 billion international **tourists**
- Loss of US\$910 billion to US\$1.2 trillion in **export revenues** from tourism
- 100 to 120 million direct tourism **jobs** at risk

### International tourist arrivals in 2020

Three scenarios (YOYO monthly change, %)



\* Actual data through March includes estimates for countries which have not yet reported data.  
Source: UNWTO

Note: The scenarios presented in this graph are not forecasts. They represent alternative monthly change in arrivals based on the gradual opening of national borders and lifting of travel restrictions on different dates, still subject to high uncertainty.

### Experts see recovery in 2021

Domestic demand is expected to recover faster than international demand according to the UNWTO Panel of Experts survey. **The majority expects to see signs of recovery by the final quarter of 2020** but mostly in 2021. Based on previous crises, **leisure travel is expected to recover quicker**, particularly travel for visiting friends and relatives, than business travel.

UNWTO | 7 MAY 2020

2.2 The Impact on Aruba

In the first quarter of 2020, Aruba received a total of 228,602 visitor arrivals which is equivalent to a decrease of 22% in visitor arrivals when compared to Q1 2019. The Revenue per Available Room (RevPAR) within the first 3 months of the year was \$256, which is a decline of 19%, when compared to the same period in 2019.

On March 26, 2020 Aruba for the first time in history closed its borders for all incoming visitors. Borders remained closed for a period of 3 months. On the 15<sup>th</sup> of June a gradual re-opening schedule commenced with the allowance of visitors out of Curacao and Bonaire and on the 1<sup>st</sup> of July the borders officially reopened for international flights out of Europe, followed by the opening of borders for North America on the 10<sup>th</sup> of July.

TIMELINE







# In response to the COVID-19 crisis

As part of the island’s **Economic Recovery Track** and in addition to the production of this **Tourism Recovery Marketing Plan**, the A.T.A. undertook a vital role in key projects throughout the COVID-19 crises.

1. The A.T.A. is a member of the National Crisis Team and the Committee of Recovery and Innovation of Aruba.
  2. The A.T.A. lead the committee responsible for the repatriation of residents as soon as the borders closed.
  3. The A.T.A. leads the destination’s international crisis communication approach as well as the overall international marketing for the destination.
  4. The A.T.A. developed the Aruba Health and Happiness Code in partnership with the Department of Public Health (DVG) and tourism partners.
  5. The A.T.A. lead the revamp of the online Embarkation/ Disembarkation card, which now consists of five components.
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# Tourism Recovery Scenarios

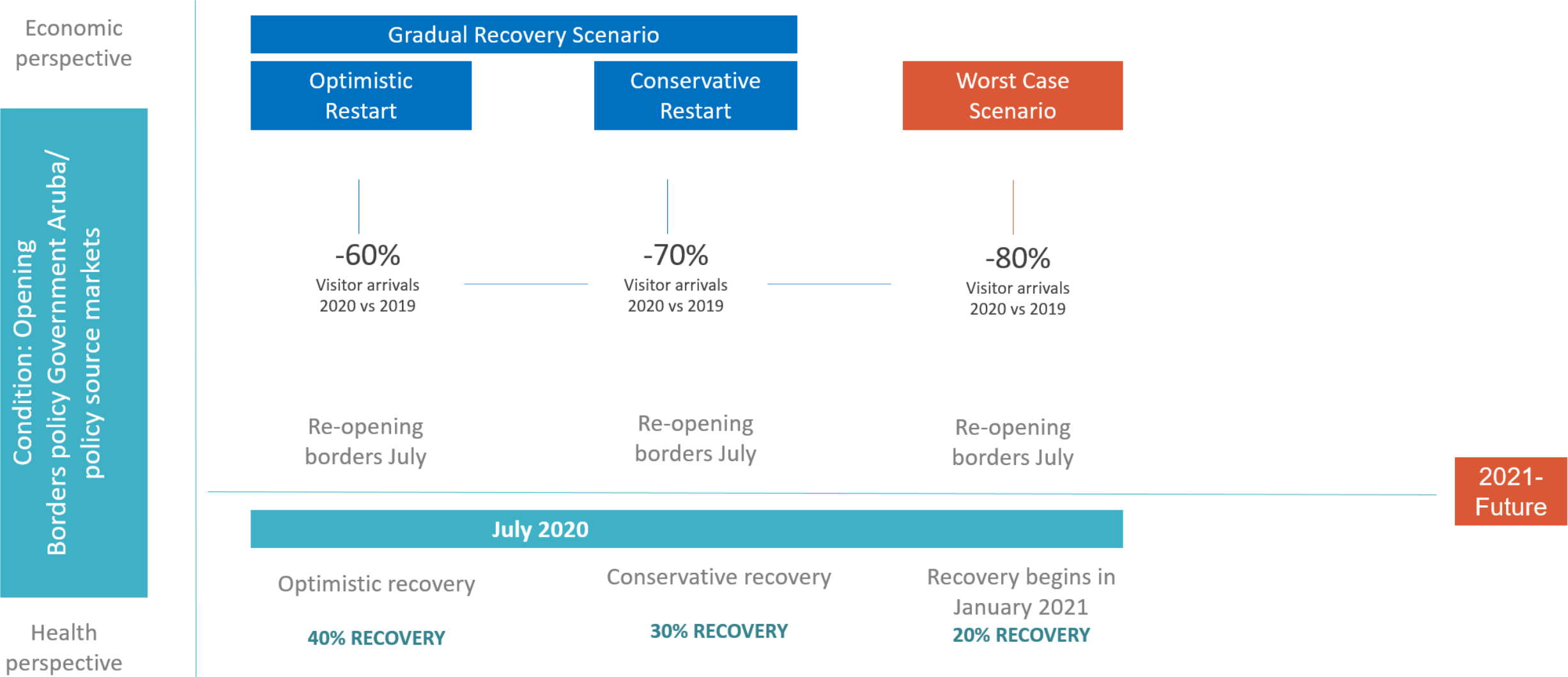
## 2.3a Gradual Recovery Scenario 2020

After thorough analysis, we identified a Recovery Goal scenario, with two possible declines in arrivals of 60% and 70% for the year and one worst case scenario with a decline in arrivals of 80%.

The **Recovery Goal Scenario** focuses on an **Optimistic Restart** with the re-opening of borders as per July 1<sup>st</sup> and a decline of 60% for full year 2020. As part of the Recovery Goal Scenario, a more **Conservative Restart Scenario** is included which still assumes re-opening of borders as per July 1<sup>st</sup> but with a more gradual recovery. Point of departure used for these scenarios is the airline schedules and the respective seat capacity with adjusted load factors per scenario (source: AAA, June 19, 2020).

The **Worst Case Scenario** assumes recovery to begin in January 2021.

The vast amount of insights and feedback that we received from industry partners such as airline partners, tour operators, the MICE industry, travel and tourism experts, forms an integral component in the creation of these scenarios.





# Tourism Recovery Scenarios

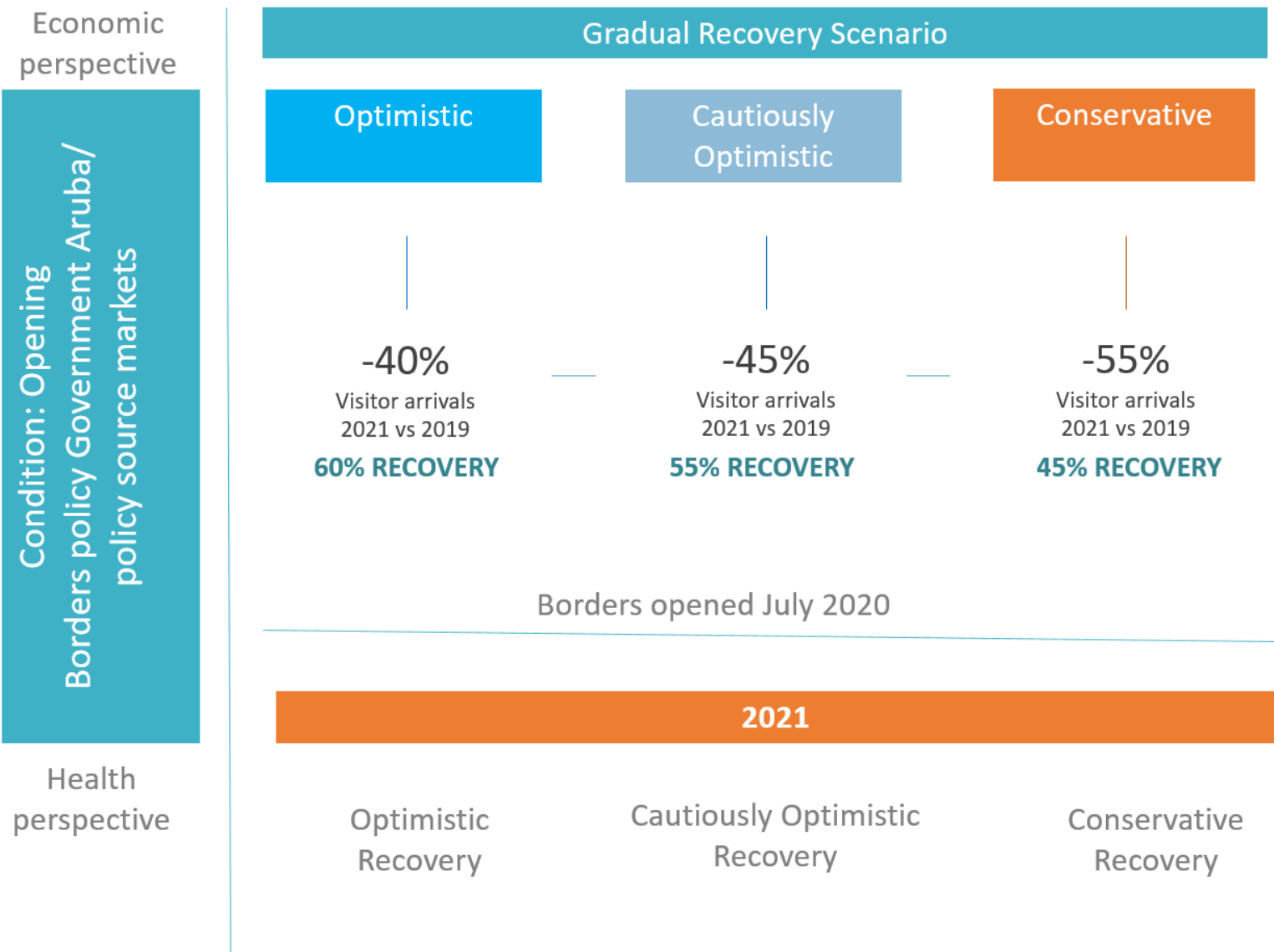
## 2.3b Gradual Recovery Scenario 2021

The projections for 2021 are an extension of the thorough analysis conducted for 2020.

As part of the Gradual Recovery Scenario for 2021, a **Cautiously Optimistic Scenario**, an **Optimistic Scenario** and a **Conservative Scenario** are included.

Point of departure used for the first two scenarios are the airline schedules and the respective seat capacity (source: AAA, July 29, 2020 - Traffic flow Projection 13.0 with adjusted load factors per scenario applied by the A.T.A and with a 90% utilization of seats by visitors. Furthermore, these projections take into account that the requested additional financial marketing support will be provided, which will be essential for the A.T.A. to execute the necessary marketing activities in 2021.

The Conservative Scenario assumes that no additional financial aid for marketing will be provided and subsequently assumes lower load factors/ utilization of the seat capacity.



# Tourism Recovery Scenarios

## 2.4a Projected Visitor Arrivals by Month 2020

The total stay-over arrivals for 2019 is 1,118,944. The Gradual Recovery approach includes two possible outcomes: a) An Optimistic Restart Scenario and b) a Conservative Restart Scenario. Both scenarios assume a restart as per July 2020, with a gradual increase in visitor arrivals for the remainder of the months. The Conservative Restart Scenario accounts for lower capacity utilization of the airline seats.

### OPTIMISTIC RESTART

For July 2020 a recovery of 10% of the 2019 visitor arrivals is projected and for August a 18% recovery is projected. Subsequently a gradual recovery between 25% to 67% is projected for the last four months of the year. The total estimated arrivals for 2020 is 434K. This is a decrease of 61% when compared to 2019. For the months of July through December 205K arrivals are projected which is a 63% decline when compared to the same period in 2019.

### CONSERVATIVE RESTART

For July 2020 a recovery of 10% of the 2019 visitor arrivals is projected and for August a 13% recovery is projected. Subsequently a gradual recovery between 19% to 44% is projected for the last four months of the year. The total estimated arrivals for 2020 is 374K. This is a decrease of 67% when compared to 2019. For the months of July through December, 146K arrivals are projected which is a 73% decline when compared to the same period in 2019.

Stayover Arrivals by Month	January	February	March	April	May	June	July	August	September	October	November	December	Total	Jan-Mar	Jul-Dec
2019	94,244	93,209	106,730	93,953	88,543	98,970	103,464	96,100	73,628	79,389	90,001	100,713	1,118,944	294,183	548,272
2020 Optimistic Restart	90,623	95,287	42,842	0	0	0	10,093	17,224	18,650	32,914	60,459	65,835	433,928	228,752	205,176
2020 Conservative Restart	90,623	95,287	42,842	0	0	0	10,093	12,918	13,625	24,637	39,895	44,382	374,301	228,752	145,549
<b>% Change 2020 vs 2019</b>															
2020 Optimistic Re-start	-4%	2%	-60%	-100%	-100%	-100%	-90%	-82%	-75%	-59%	-33%	-35%	-61%	-22%	-63%
2020 Conservative Restart	-4%	2%	-60%	-100%	-100%	-100%	-90%	-87%	-81%	-69%	-56%	-56%	-67%	-22%	-73%
<b>% Recovery 2020 vs 2019</b>															
2020 Optimistic Re-start							10%	18%	25%	41%	67%	65%	39%		37%
2020 Conservative Restart							10%	13%	19%	31%	44%	44%	33%		27%

Source: AAA, August 21, 2020 - Air Seat Capacity and Traffic flow Projection 13.0



# Tourism Recovery Scenarios

## 2.4b Projected Visitor Arrivals by Month 2021

The total stay-over arrivals for 2019 is 1,118,944. The recovery approach for 2021 is an extension of the gradual recovery approach for 2020 and includes three possible outcomes: a) an Optimistic Scenario, b) a Cautiously Optimistic Scenario and c) a Conservative Scenario.

### OPTIMISTIC SCENARIO

The total estimated arrivals for 2021 is 658K. This is a decrease of 41% when compared to 2019.

### CAUTIOUSLY OPTIMISTIC SCENARIO

The total estimated arrivals for 2021 is 611K. This is a decrease of 45% when compared to 2019.

### CONSERVATIVE SCENARIO

The total estimated arrivals for 2021 is 515K. This is a decrease of 54% when compared to 2019.

Stayover Arrivals by Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>2019</b>	94,244	93,209	106,730	93,953	88,543	98,970	103,464	96,100	73,628	79,389	90,001	100,713	1,118,944
2021 – Optimistic	63,207	57,907	58,496	38,709	37,822	42,587	49,685	50,079	62,294	62,885	65,088	69,427	658,184
2021 – Cautiously Optimistic	59,117	54,162	54,433	38,709	34,754	42,587	46,221	50,079	37,364	59,616	65,088	69,427	611,555
2021 – Conservative Scenario	45,961	42,489	46,322	32,258	28,366	31,940	39,038	39,348	34,108	49,942	60,362	65,056	515,190
<b>% CHG</b>													
2021 – Optimistic	-33%	-38%	-45%	-59%	-57%	-57%	-52%	-48%	-15%	-21%	-28%	-31%	-41%
2021 – Cautiously Optimistic	-37%	-42%	-49%	-59%	-61%	-57%	-55%	-48%	-49%	-25%	-28%	-31%	-45%
2021 – Conservative Scenario	-51%	-54%	-57%	-66%	-68%	-68%	-62%	-59%	-54%	-37%	-33%	-35%	-54%
<b>% Recovery 2021 vs 2019</b>													
2021 – Optimistic	67%	62%	55%	41%	43%	43%	48%	52%	85%	79%	72%	69%	59%
2021 – Cautiously Optimistic	63%	58%	51%	41%	39%	43%	45%	52%	51%	75%	72%	69%	55%
2021 – Conservative Scenario	49%	46%	43%	34%	32%	32%	38%	41%	46%	63%	67%	65%	46%

Source: AAA, August 21, 2020 - Air Seat Capacity and Traffic flow Projection 13.0 – with adjusted load factors applied by the A.T.A. and with a 90% utilization of seats by visitors



## 2.4c Projected Visitor Arrivals by region 2021

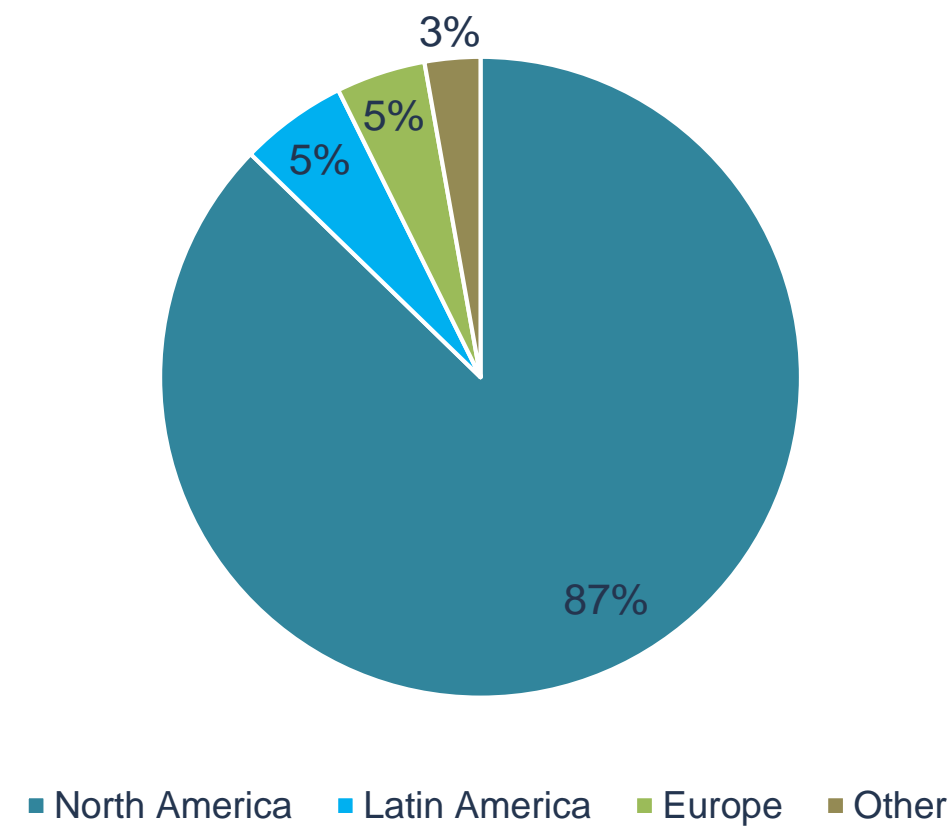
The below table depicts the projected stay-over arrivals for region. Point of departure used for these scenarios is also the airline schedules and the respective seat capacity with adjusted load factors per scenario. Subsequently the passenger traffic is adjusted with a 90% utilization of seats by visitors.

Stay-over Visitor Arrivals by region 2021

Region	2019	Optimistic	Cautiously Optimistic	Conservative
North America	890,503	574,354	534,100	450,476
Latin America	106,679	35,649	32,946	27,712
Europe	93,304	29,703	28,378	23,875
Other	28,458	18,477	16,131	13,127
Total	1,118,944	658,184	611,555	515,190

Source: A.T.A.

## Market share by region



Source: A.T.A.



## 2.5 The Aruba Timeshare Industry

Aruba’s resilience during moments of crises and ability to bounce back faster than other destinations, is a principal benefit that comes with the timeshare industry and forms a crucial part of the Recovery Goal Scenario. On average 27% of our visitors stay in timeshare resorts. Over the period of 2013-2017, 57% of the US affluent visitors stayed at a timeshare property.

In addition, the fact that Aruba has one of the highest repeaters percentage - if not the highest in the Caribbean - is mainly attributable to the timeshare industry. Over 90% of our repeaters are timeshare visitors.

The economic contribution of timeshare to the GDP represented a total of up to 20% in 2017.

The Timeshare Industry could lead to an additional 7.5% growth in the initial two months of recovery. For the remainder of the year, it could provide a stable 26% share of total stay-over arrivals. This analysis excludes 5% of first time- visitors staying in a timeshare and who are 70 years of age and up as well as repeaters staying in a timeshare and who are 60 years of age and up.



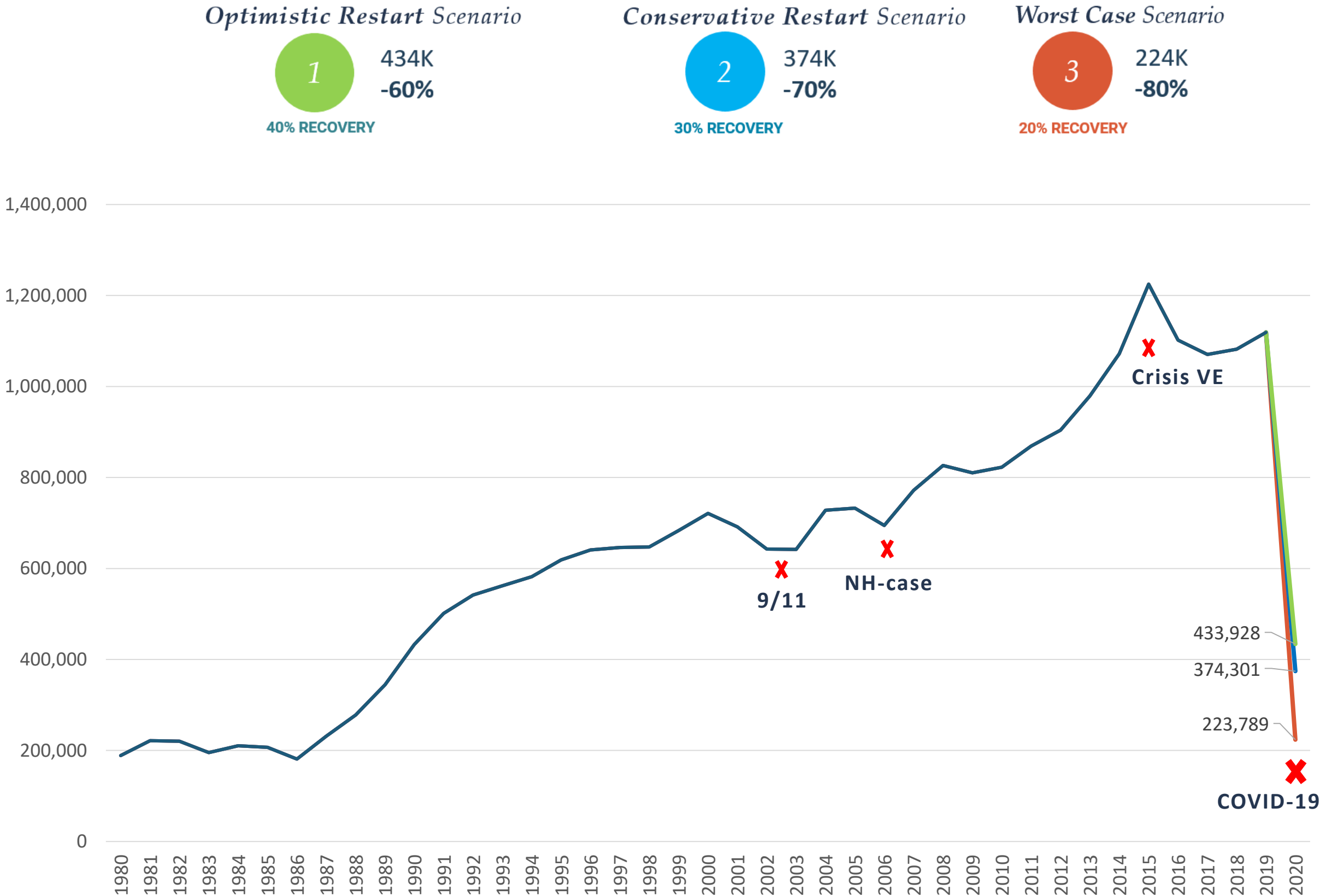
Note: the analysis excludes 5% of first time- visitors staying in a timeshare and who are 70 years of age and up as well as repeaters staying in a timeshare and who are 60 years of age and up.



# Tourism Recovery Scenarios

## 2.6a Visitor Arrivals 1980-2020

Based on aforementioned data which takes into account the many uncertainties that continue to exist, the impact of the COVID-19 crisis will bring the destination back to the late 80's/ early 90's in terms of visitor arrivals.



Source: A.T.A.



## 2.6b Visitor Arrivals 2011-2021

### 2020

**1. Optimistic Restart Scenario** - The total estimated arrivals is 434K, -61% when compared to 2019.

**2. Conservative Restart Scenario** - The total estimated arrivals is 374K, -67% when compared to 2019.

**3. Worst-case Scenario** - The total estimated arrivals is 224K, -80% when compared to 2019.

### 2021

**1. Optimistic Scenario** - The total estimated arrivals is 658K, -41% when compared to 2019.

**2. Cautiously Optimistic Scenario** - The total estimated arrivals is 611K, -45% when compared to 2019.

**3. Conservative Scenario** - The total estimated arrivals is 515K, -54% when compared to 2019.



Source: A.T.A.



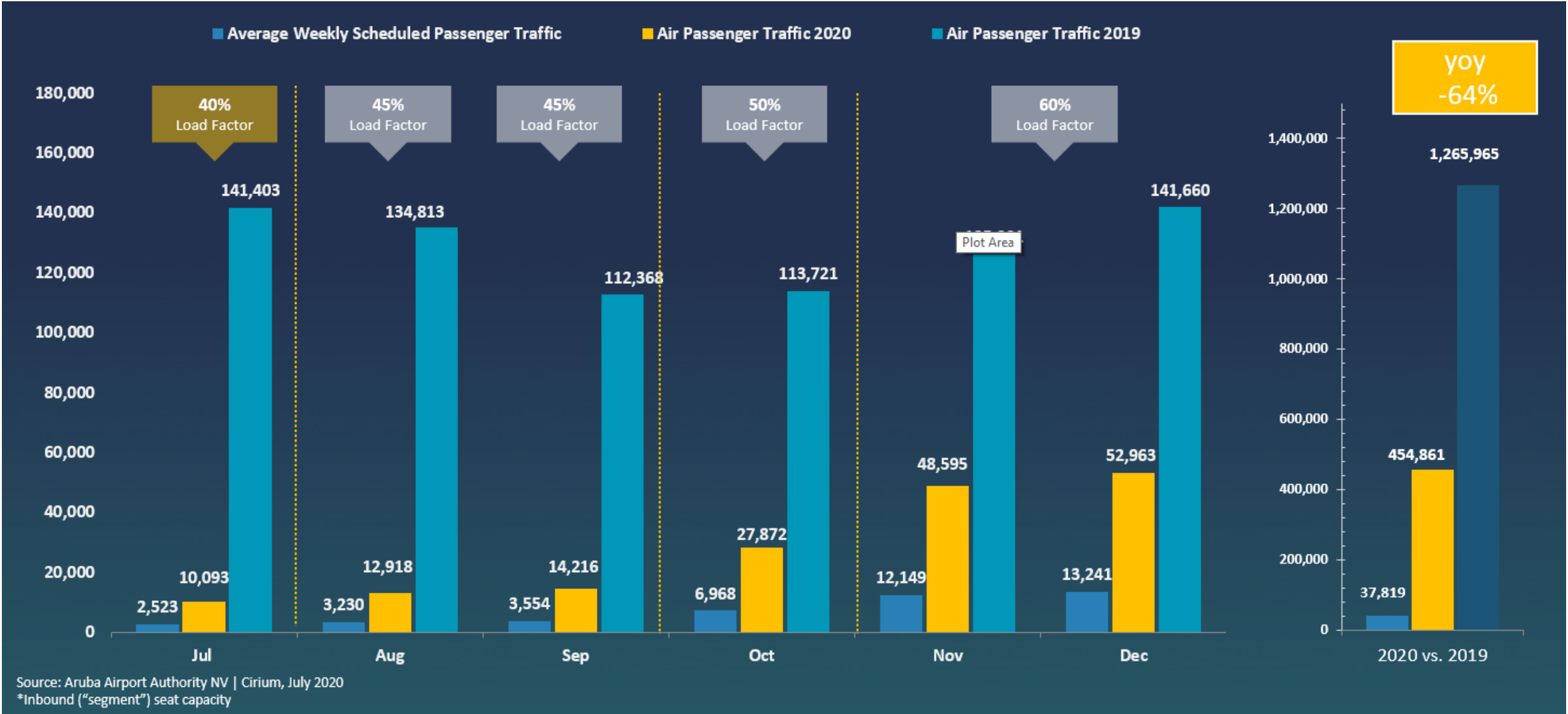
# Tourism Recovery Scenarios

## 2.7 Air Passenger Forecast

By Aruba Airport Authority N.V.

The Aruba Airport Authority N.V. (AAA) has been tracking and analyzing the effect of the current covid-19 epidemic on destination aviation capacity since the first coronavirus case was identified on March 13, 2020. Both of the aforementioned **Recovery Goal Scenarios** are based on the scheduled **passenger traffic projections** as reported by AAA. Note that AAA’s air passenger totals can differentiate from A.T.A’s stay-over arrivals, as the airport bases their projections on outbound passengers which includes all departing passengers and the A.T.A. bases their projections on arriving stay-over visitors which excludes amongst other local and transit passengers.

### Optimistic Restart Scenario 2020



Source: AAA, August 20, 2020 - Traffic flow Projection 13.0



# Tourism Recovery Scenarios

## 2.8 Destinations and Flights

By Aruba Airport Authority N.V.

Reopening dates by region and country:

- June 15, 2020 – Bonaire & Curacao
- July 1, 2020 - Canada
- July 1, 2020 - Europe
- July 1, 2020 - The Caribbean (Excluding the Dominican Republic & Haiti)
- July 10, 2020 – The United States of America

Official opening dates for other markets, including South America and Central America, have yet to be determined. Aruba’s health and safety protocols will be revisited and reevaluated on an ongoing basis.

Summary | Aug – Dec 2020

The Summer capacity is more a reflection of current crisis and travel restrictions than airline strategies. A total of 78 weekly services are scheduled in July with an additional 13 weekly service in August.

Winter 2020 capacity suggests most North American carriers desire to return AUA capacity to at least pre-crisis levels of service.

Destinations & Flights From June 15 to December 31, 2020

DESTINATION	AIRLINE	WEEKLY FLIGHTS	DATE
CUR CURACAO	DWDMAR	1 2	JUN 15, 2020
	EZAF	2	JUN 19, 2020
CUR CURACAO	Aruba	2	JUL 01, 2020
AMS AMSTERDAM	KLM	7	JUL 04, 2020
JFK NEW YORK	JetBlue	8	JUL 10, 2020
MIA MIAMI	American Airlines	7	JUL 10, 2020
EWK NEWARK	UNITED	7	JUL 10, 2020
CLT CHARLOTTE	American Airlines	5	JUL 10, 2020
ATL ATLANTA	DELTA	4	JUL 11, 2020
FLL FT LAUDERDALE	spirit	1	JUL 11, 2020
AMS AMSTERDAM	TUI	2	JUL 11, 2020
BOS BOSTON	JetBlue	5	AUG 01, 2020
JFK NEW YORK	DELTA	5	AUG 01, 2020
YYZ TORONTO	AIR CANADA	1	AUG 01, 2020
IAH HOUSTON	UNITED	1	AUG 08, 2020
AMS AMSTERDAM	KLM	5	Starting AUG 30, 2020 <small>*Temporary – Return to 7 flights in October</small>
AMS AMSTERDAM	TUI	3	Starting AUG 31, 2020

BOG BOGOTA	Avianca	3	SEP 01, 2020
YYZ TORONTO	WESTJET	1	SEP 05, 2020
MIA MIAMI	American Airlines	7	Starting SEP 09, 2020 <small>*2nd daily flight</small>
PTY PANAMA	Capa Airlines	2	SEP 18, 2020
BOG BOGOTA	Avianca	4	Starting OCT 03, 2020
PHL PHILADELPHIA	American Airlines	1	OCT 07, 2020
BWI BALTIMORE	Southwest	7	NOV 01, 2020
PHL PHILADELPHIA	American Airlines	7	NOV 19, 2020
DFW DALLAS	American Airlines	1	Starting NOV 19, 2020 <small>*Until Nov 30 and resuming back starting Dec 17</small>
ORD CHICAGO	American Airlines	1	Starting NOV 19, 2020 <small>*Until Nov 30 and resuming back starting Dec 17</small>
PHL PHILADELPHIA	American Airlines	1 7	DEC 01, 2020 DEC 17, 2020
LGA NEW YORK	American Airlines	1	DEC 17, 2020
MSP MINNEAPOLIS	suncountry at tux	1	DEC 26, 2020
YYZ TORONTO	sunwing	1	PENDING *
BOG BOGOTA	wingo	2	PENDING *
CUR CURACAO	winwin	4	PENDING *

SOURCE: AAA, AIRLINE SCHEDULES  
Last updated: August 4, 2020



# Tourism Recovery Scenarios

## 2.9 The Economic Impact 2020

Under the **Optimistic Recovery Goal Scenario**, the impact of the loss of demand in visitor arrivals could translate into:

- A decline in Nominal GDP of 29% from AFL. 5,982 million in 2019 to 4,233 million in 2020.
- A decline in Tourism Credits of 58% from AFL. 3,725 in 2019 to AFL. 1,578 million in 2020.

Under the **Conservative Recovery Goal Scenario**, the impact of the loss of demand in visitor arrivals could translate into:

- A decline in Nominal GDP of 33% from AFL. 5,982 million in 2019 to 4,027 million in 2020.
- A decline in Tourism Credits of 66% from AFL. 3,725 in 2019 to AFL. 1,267 million in 2020.

### Assumptions

1. Stay-over visitor Arrivals to decline by 60%-70%
2. Cruise visitors to decline by 70%.
3. Average Daily Rate (ADR) to decline by 15% based on AHATA's assumptions mid-March 2020.

Note: the 2020 results include government's economic support plan consisting of wage subsidies for employees, compensations for ZZp'ers (self-employed without personnel), flex-workers and COVID-19 unemployed, and SME's support.

**Table 1: Output 2020 "MARUBA" scenario -60% Visitor Arrivals, -15% ADR and -70% Cruise Arrivals**

Macroeconomic indicators	Unit	2019	2020
<b>Nominal GDP in million Afl.</b>	<b>M Afl.</b>	<b>5982</b>	<b>4233</b>
<b>Tourism</b>			
Total Stayover Visitors	number*1000	1126	451
Total Cruise visitors	number*1000	832	250
Tourism Credits	MAfl	3725	1578

**Table 2: Output 2020 "MARUBA" scenario -70% Visitor Arrivals, -15% ADR and -70% Cruise Arrivals**

Macroeconomic indicators	Unit	2019	2020
<b>Nominal GDP in million Afl.</b>	<b>M Afl.</b>	<b>5982</b>	<b>4027</b>
<b>Tourism</b>			
Total Stayover Visitors	number*1000	1126	338
Total Cruise visitors	number*1000	832	250
Tourism Credits	MAfl	3725	1267

Source: DEACI using data derived from the MARUBA model using DEACI's Risk Management Calculations

DISCLAIMER: Estimates are based on the latest data d.d. May 11, 2020 in combination with A.T.A.'s arrivals percentage scenario adjustment d.d. July 2nd, 2020. Given the severity and uncertainties associated with the COVID-19 crisis, projection results may change dramatically from day to day.





## 2.10 Summary of the Recovery Goal Measures for 2021

The below overview summarizes the recovery goals of the Key Performance Indicators (KPIs) of the Aruba tourism industry.

### Recovery Goal Measures

- 1 Recover Stay-over Visitors Arrivals between 45% -60% when compared to 2019
- 2 Recover Tourism Credits between 45%-60% when compared to 2019
- 3 Recover the Average Daily Rates\* with 75% when compared to 2019
- 4 Recover Cruise Visitor Arrivals between 45%- 67% when compared to 2019

*\*The average daily rate (ADR) is a performance indicator used in the hospitality sector to measure the strength of revenues generated by the hotels*



# *Our Strategic Direction*

*Priority Areas for 2020*





# Our Strategic Direction

## 3.1 Our Aspiration

**Core Purpose**

We drive prosperity for Aruba through sustainable tourism

**Vision**

To lead the positioning and development of Aruba as a desirable and sustainable destination, by being an innovative and agile Destination Marketing and Management Organization.

**Core Values**

Passion, Excellence, Unity & Forward Thinking

**Roles**

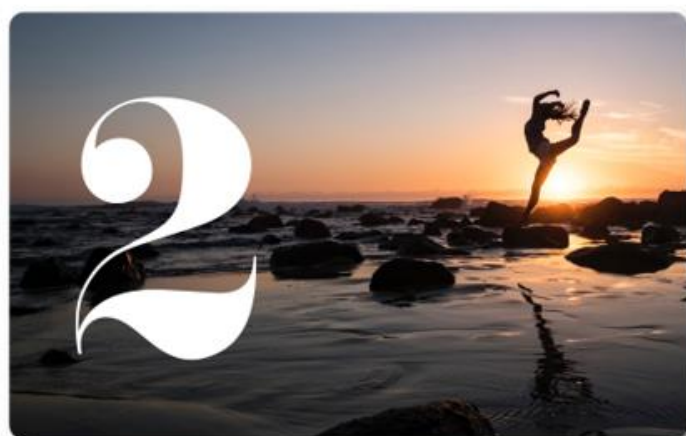
Marketeer, Co-Creator, Connector, Authority

Three key themes guide ‘Our Tourism 2025 Aspiration’



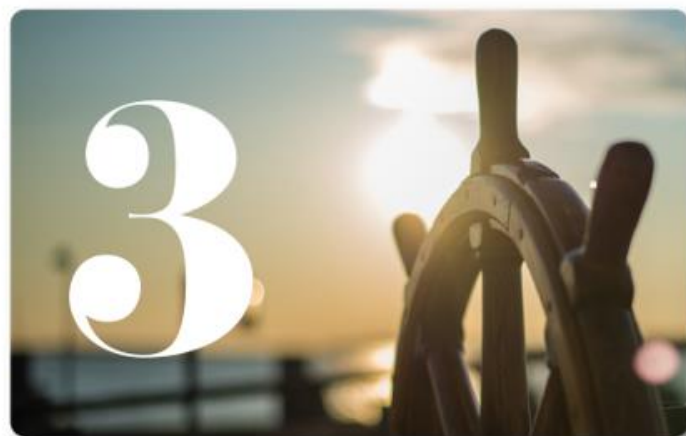
**Innovation**

Ensure tourism’s substantial economic benefits by growing the value of the visitor economy at a faster pace than volume and drive innovation to enhance attractiveness and international competitiveness.



**Sustainability**

Promoting controlled growth in ways that will contribute to our community’s economic, social and environmental wellbeing, with a balance between the needs of the visitors, community and industry.



**Leadership**

Strengthening the A.T.A.’s capabilities as a forward-thinking tourism authority that leads Aruba’s tourism industry and serves as a valuable resource for all stakeholders.



Chapter 3

# Our Strategic Direction

## 3.2 Our Goals & Strategic Objectives

The three overarching goals and ten strategic objectives, as defined in our Multi-Annual Corporate Strategy for the period 2018-2021, will remain applicable.

To ensure preparedness for effective response to emergencies, is one of our strategic objectives (Objective 1.4). With a strong Tourism Emergency Marketing Plan in place, we seek to safeguard continuity of visitation through periods of crisis by ensuring that we know when and how to respond to our markets when in adversity.

Goal 1	Goal 2	Goal 1
INCREASE ECONOMIC VALUE OF TOURISM	POSITION ARUBA AS A DESIRABLE AND SUSTAINABLE DESTINATION	LEAD POSITIONING AND DEVELOPMENT OF ARUBA AS DESTINATION
Objective 1.1	Objective 2.1	Objective 3.1
Drive Consistent High Value Visitor Arrivals	Safeguard Sustainable Tourism, balancing the needs of community, visitors and destination	Drive Innovation and Agility of the A.T.A.
Objective 1.2	Objective 2.2	Objective 3.2
Grow Visitor Spending	Drive Preference for Aruba as a Sustainable Destination	Influence Decision Making in the Aruban Tourism Industry
Objective 1.3	Objective 2.3	
Increase Engagement of Aruban Community with Tourism	Enhance Visitor On-Island Experience and Engagement	
Objective 1.4	Objective 2.4	
Ensure Preparedness for Effective Response to Emergencies	Stimulate Innovation and Efficiencies in the Aruban Tourism Industry	



# Our Strategic Direction

## 3.3 Post Covid-19 adjustments in Priority Areas

Slight adjustments are made in our key priority areas moving forward, as these continue to form an integral part of our strategic direction.

### As per Corporate Plan & Budget 2020



1) Shift from VOLUME to VALUE



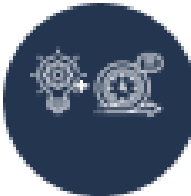
2) Drive preference for visiting amongst the affluent and high value visitors



3) Drive place product upgrade around authentic, personalized and hassle-free experiences, and enhanced spending opportunities



4) Enhance awareness on the value of sustainable tourism



5) Improve A.T.A.'s way of working for enhanced innovation and agility



6) Improve contingency planning for response to and mitigation of hazards and emergencies in the tourism sector

### Post Covid-19 adjustments in Priority Areas

1) Sustainably recover visitor arrivals balancing safety and economic growth

2) Drive preference for visiting amongst high value visitors

3) Drive place product upgrade around authentic, personalized and hassle-free experiences, and enhanced spending opportunities with an increased focus on health, sanitation and hygiene

4) Enhance awareness on the value of sustainable tourism with an increased focus on health, sanitation and hygiene

5) Improve A.T.A.'s way of working for enhanced innovation and agility

6) “Prepare for Tomorrow”: Contribute towards a sustainable development agenda and building resilience learning from the COVID-19 crisis



# *Marketing & Promotions*

# 4



# A new Dawn....

The Coronavirus has challenged us as marketers to scramble and reinvent ourselves. This being a crisis of unimaginable scale has brought about a serious shift in how we go about our daily lives and behave as a consumer.

As the DMMO for destination Aruba, multiple questions continue to pop-up such as “is our messaging still relevant? How about our tone? When do we dial up our communications again? Are we being insensitive? What is the impact of this crisis on consumer behavior? How have our current segments altered? When will the borders open? Will we regain the air service we had prior to the crisis? Will these still connect to our feeder markets? Will there be another wave which will force us to close the borders? How will the travel industry evolve in 2021?”

The aforementioned are just a sample of all that we have been asking ourselves in the attempt to come forward with a ‘recovery marketing plan’ that will allow us to chart the way to better times. Experts from the airline and travel & tourism industries indicate that we are in for a long and bumpy ride with performance reaching pre-Covid numbers only in 2024.

Even though the exact timeline of recovery remains uncertain, the destination has opened up back for business making headway, while at times needing to retract due to flair up in cases. While we are ready to ‘hit the ground running’ in our best effort to rebuild our visitor base and ensure tourism dollars once again start flowing through our economy, we remain fluid and agile in our international marketing and communications strategies.

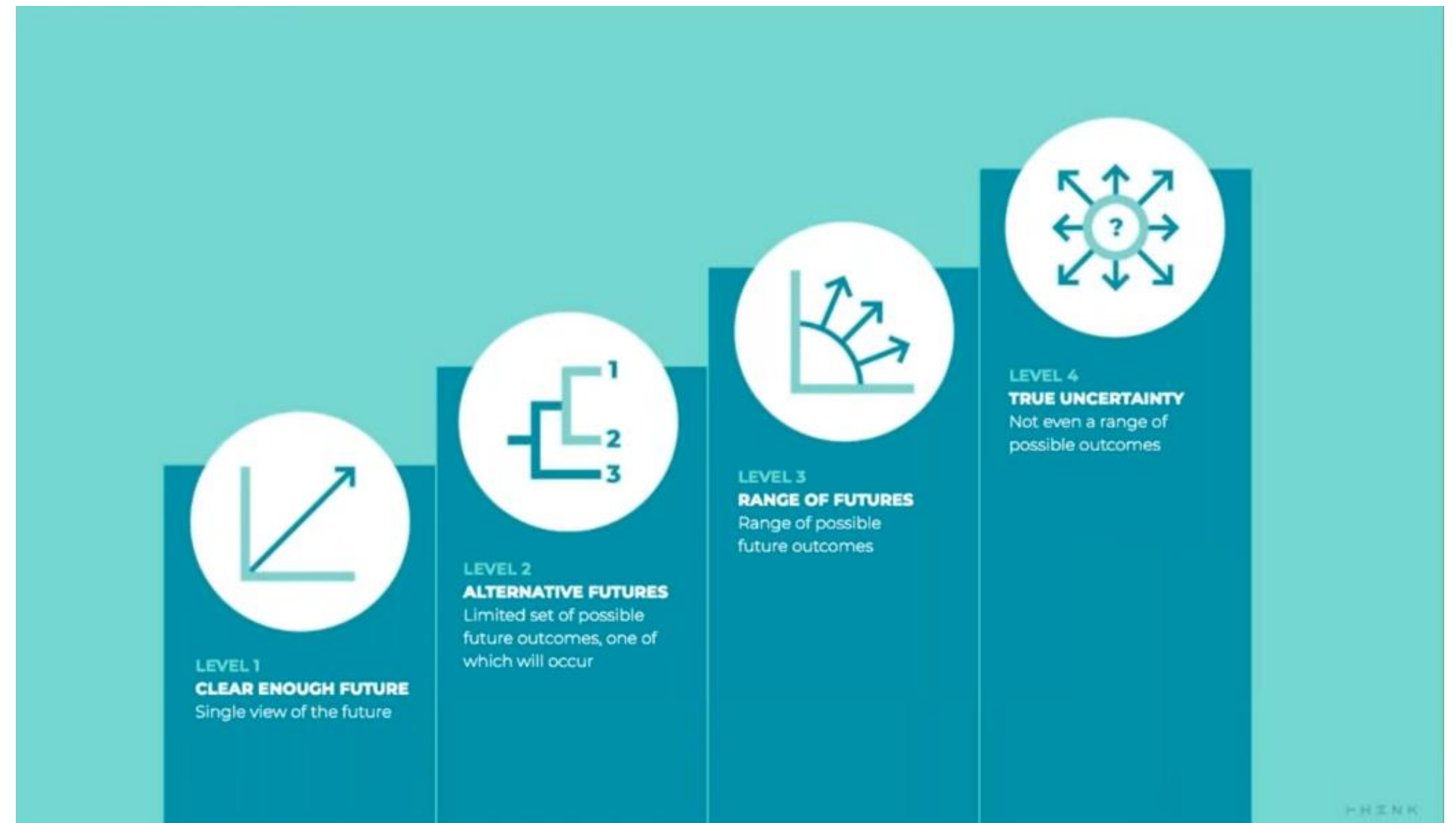


## 4.1 Strategy under Uncertainty

### The framework...

With the future being uncertain with yet many unknowns – we have shifted towards being ready to operate under a range of multiple scenarios which are fluid as time goes by.

The current situation is best depicted under Level 3 of McKinsey’s model of “Strategy under Uncertainty”.



Source: DestinationThink – McKinsey “Strategy under Uncertainty”



# Strategy under Uncertainty

With the McKinsey model as our point of departure, the A.T.A., in conjunction with our marketing partners, has developed a communications framework that is agile, as it is not necessarily bound to a specific timeframe. Rather it focuses on a number of phases characterized by specific elements as we transition out of the crisis. In each of the below phases, it is critical to take into account the frame of mind of the audience to ensure the connection is not lost with the potential or past visitor. At all times the underlying brand anchor remains ‘happiness’ and how the destination contributes towards this.





# Marketing & Promotions

## 4.2 Phase I “Bai Poco Poco”

BAI POCO POCO

AT HOME

HOPE

ENTERTAINMENT

E-EDUCATION

This is the stage in which countries are giving their all to mitigate the crisis in the attempt to ‘flatten the curve’. Citizens, to a great extent, are confined to their homes and in a mindset of seeking safety, security and stability. Changes are rapid and almost impossible to keep up with at this time. People are reinventing how and what they consume and are finding innovative ways to work from home, entertain and socialize with friends and family, as well as educate themselves. A new reality starts to sink in and people readjust their daily routines. Crisis communications is at the forefront during this stage, ensuring existing visitors as well as those with travel plans for the near future are informed of the developments on island as this relates to the crisis.

Content required for Aruba.com was created along with a number of communication pieces meant to keep the tourism industry partners, locally and abroad, informed of measures being taken in the fight against COVID as well as key information required for travelers. With the assistance of the regional PR agencies, news outlets are continuously monitored and any questions coming in from journalists are vetted and responded to in a timely fashion. A ‘though Q&A’ has been designed in order to address difficult questions in a timely manner.

### How have we adjusted our marketing?

With the pandemic at a heightened stage in our core markets as well as on island, it has required us to shift gears from a full-blown marketing campaign across channels to limiting our messaging to only social, PR and e-mail marketing. At the inception of this phase, when the outbreak occurred on island, this quickly led to an escalation of events with the closure of the borders. Causing a ripple effect with visitors departing, hotels and other tourism related businesses shutting one by one and commercial airlines eventually temporarily seizing operations to the island. The core messaging at the beginning was one of informing visitors and prospective travelers of the on-island occurrences.

The message was highly focused on keeping interested parties abreast of developments and how Aruba, as a destination, was dealing with the global pandemic, which had reached our shores.

Almost simultaneously, the destination started switching out messaging from its usual inspirational messaging encouraging travelers to choose Aruba, to words of hope, compassion and empathy.

The A.T.A. in this phase utilized Aruba’s “owned channels (Social, ECRM, YouTube, Aruba.com and the Forum) to serve up engaging content and “moments of happiness” to keep us connected to our returners and fans, and to keep Aruba top of mind and to add some joy to the world in these trying times, when many people are sequestered in their homes, lacking human connection.

### “Hug and Hold” Engagement with Aruba Loyal visitors and fans through Social Media

There is a COVID-19 global social strategy in place, allowing for an overall strategy, tone and approach while still providing space for local messaging within the respective markets. The objective of the social strategy is to transform Aruba’s social channels from a place that inspires bookings to a place that uplifts people’s spirits and shows how we are #TogetherWhileApart. This is achieved through sharing content that uplifts, provides value and offers a healthy distraction. As well as, fostering a sense of community and belonging, which people are longing for during this time of being confined to their homes. Moreover, the social strategy is to provide hope for the future and ultimately to keep Aruba top of mind for when visitors can return. Key channels used are Facebook & Instagram.



# Marketing & Promotions

## 4.2 Phase I

### “Bai Poco Poco”

#### “Power-Up” the ECRM program

Aruba, having a loyal past visitor base, now counts on this group throughout each phase of recovery. While many of our past visitors are active on social platforms, there are many others whom we communicate with through our email marketing campaign. The overall messaging across platforms in essence is the same at the core however, adapted appropriately for each channel.

The Aruba database is an invaluable and low cost channel for us to communicate on a personal level with our past visitors, who will be an important group to help bring Aruba out of the downturn. By employing a strategy with targeted, segmented groups, we tailor our messaging, offers, etc. directly to their needs, desires and concerns. Importantly it also allows us to nurture new leads. Emails that deploy while the travel suspension is in place, have not been promotional but rather use nurturing concepts like Papiamento lessons, beauty shots of the beach etc. The messaging in these emails are not overtly “sell-y”, but have some customized messaging to the target. (i.e.: Middle Burbs - “Aruba has so many activities for families and we look forward to welcoming your happy family back to Aruba soon.”)

#### Providing a hand to the travel advisors

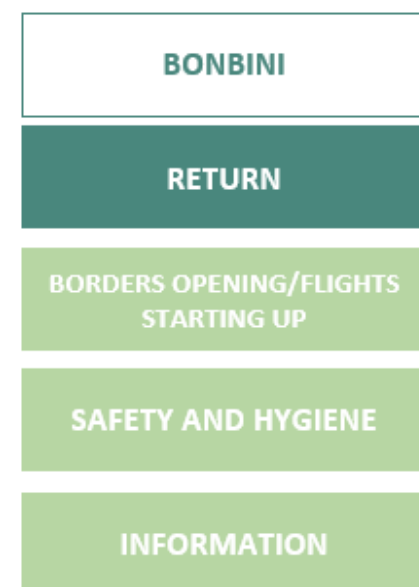
In these times of uncertainty, we have seen the travel advisors play an important role as facilitator for many clients who have had to alter their travel plans either to get home prior to the closure of the borders or to change future travel plans. With this in mind, the sales team and representatives have been the key lifeline for the agents providing them with any pertinent information on new developments. Further, during this phase, the A.T.A. has moved to online webinars to continue educating the agents and preparing them for future business once travel resumes.

As for the COOPS, Media buys, press trips, ‘Big Plays’, and PR activations – these have been suspended until the ‘Bonbini’ and ‘Un Brasa’ phase. As for Familiarization (fam) trips for the travel agents, these have for the majority been cancelled for the remainder of the year due to the slow recovery expected as well as the prioritization of marketing activities based on available budgets moving forward. However these will be revisited from time to time to identify opportunities. On a tour operator level, the A.T.A. has also cancelled ATCA for this year. This is the second time within the last 5 years that we have found ourselves cancelling this conference. The last time was in 2017 when the Caribbean was struck by Hurricanes Irma and Maria, causing much disruption in travel for the region. Considering the strength in our relationship with the operators, the A.T.A. believes this to be the best decision at this time.



# Marketing & Promotions

## 4.3 Phase II “Bonbini”



While this is a transitional phase, it is still a crucial one. It is the early stages of the opening up of borders at home and respective markets. The airlines slowly initiate their service. While the service will be limited, this will provide us with guidance as to how and when we dial up our marketing activities. Our building blocks, as depicted on this page, outline how the A.T.A. shall prioritize its investments. At the foundation level, we have identified the airlines as the most important partner to stimulate in getting the business revived.

This phase is highly characterized by simultaneously firming up the marketing plans with the airlines and tour operator partners. The travel advisors shall remain a priority as a core channel in helping travelers understand the new protocols and requirements and ultimately selecting Aruba for their next vacation. As such, the A.T.A. continues to communicate one-on-one with agents as well as through themed webinars ensuring they remain engaged with the destination and are well versed on the new traveler health requirements. A.T.A. North America is further working on an incentive for those ACE agents within our portfolio at this time.

On the MICE side, we continue to nurture our relationships with meeting planners as well as the clients to ensure retention of existing business and bookings for future groups.

As part of the new normal and as a destination highly dependent on tourism, we are required to revisit all traveler protocols along with the customer journey (pre-and during) to ensure the safety of both our citizens and visitors. Ultimately, it will come down to the level of risk a traveler is willing to take when deciding on their next vacation and as a small island destination we want to make sure we take every precaution necessary allowing for ease of mind.



The A.T.A., along with key partners, worked in tandem on multiple projects from the Aruba Health & Happiness Code (HH Code), to confirm tourism related businesses are hygiene and safety certified, to the new entry requirements minimizing the risks brought about by the COVID-19. In turn, the communications strategy quickly shifted from hope, entertainment, and e-education to informing the customers who were already lower in the purchase funnel or have a trip planned in the upcoming months.

Moving away from inspiration to information was highly necessary in order to address the concerns and many questions in the minds of the travelers, considering each destination has their specific requirements.



# Marketing & Promotions

## 4.3 Phase II “Bonbini”

During this phase, the A.T.A. continues to depend on its owned channels – especially Aruba.com as the focal point for updates including health and traveler requirements. The home page of the website was completely revamped to reflect Aruba being “Open for Happiness” and linking out to multiple pages where consumers can find relevant information including: the Aruba Health & Happiness Code (HH Code) page listing all those businesses already certified; the “Traveler Safety Journey” page providing the consumer a complete overview of their travel to Aruba as part of the new normal and what they can expect; the “Traveler Health Requirements” page providing the latest updates and statements on the reopening as well as detailed information on the Embarkation/ Disembarkation card and arrival health procedures.

While the aforementioned pages are highly functional, the need to continue inspiring future travelers remains. To address this, the A.T.A. created a page on “Why Aruba is a smart, safe, rejuvenating escape”. The purpose of this page is to allow the consumer to feel confident when choosing Aruba by providing them with eight reassuring reasons why One happy island is an ideal vacation right now.



[www.aruba.com](http://www.aruba.com)



# Marketing & Promotions

## 4.3 Phase II “Bonbini”

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### Email marketing strategy

The new web pages will further be leveraged as part of A.T.A.’s email marketing campaign to communicate with those past visitors having opted in to receive information from the destination. This channel allows us to continue to communicate on a personal level with our past visitors, whose loyalty has proven to be invaluable. In the early stages, as Aruba emerges out of the crisis, this group will be essential in building back the visitor base as well as communicating their experience to other potential visitors out there.

Following up on the previous deployments made during the earlier stages of COVID-19 the A.T.A. has continued to communicate in the months of July, August and September to the entire data base as was done in the “Bai Poco Poco” phase.

### The social strategy

The social strategy has needed to be fluid with content calendars being developed for periods of 2-4 weeks following an overarching strategy. The bonbini social strategy objective is to welcome our followers back to Aruba through social media posts that foster a sense of excitement and confidence in booking. In this phase, the messaging will focus on the re-opening announcement of the borders with a tone, which is uplifting, informative on safety measures taken, and looking forward.

The content pillars shall focus on: Doses of happy – Aruba owning the One happy island messaging, Health & Safety – instilling confidence in booking, Romance – highlighting honeymoon, weddings and romance offerings, Inspiration – enticing followers to book, and Island experiences – spotlighting partners, locals and weather messaging.

Social channels, owned and third party community pages, have also served as a means to communicate statements on reopening, changes in protocols, and to clarify any comments or questions brought forward. As we neared the opening dates, the customer care team (CCT) increasingly became active across platforms including interacting and providing information to the community managers as needed.



# Marketing & Promotions

## 4.3 Phase II “Bonbini”

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### Paid media

On a paid media front, we have continued to hold off during this transition phase, however planning and strategizing continues on the back end. For the US market, we proceed with the development of a multi-phased, integrated communications plan that sparks a renewed interest in Aruba to increase destination consideration and inspire 2020 and 2021 bookings.

On a targeting front, the geographic areas to be focused on remain the current gateways and key feeder markets, all in alignment with the build in air service. Additionally, our paid media up to now has been activated based upon attributes within the segmentation of our existing database. The target audience strategy shall now focus on those consumers who are more likely to book an international trip in the near future.

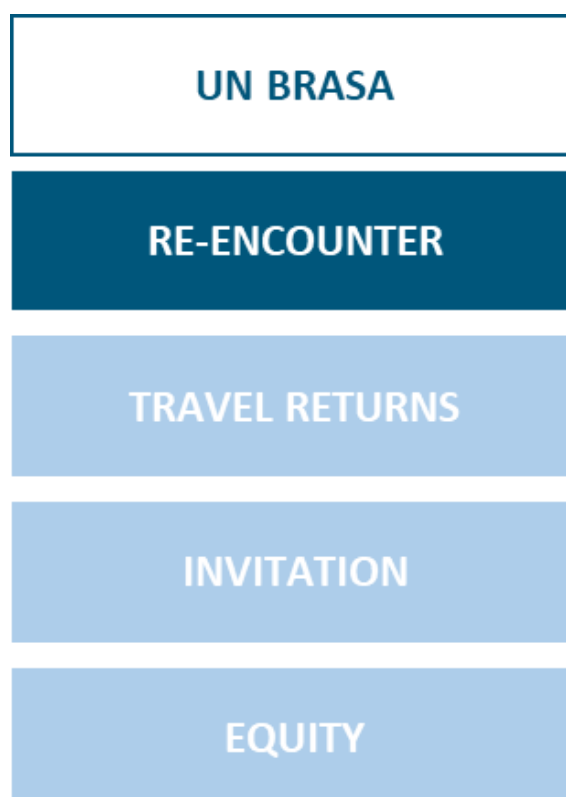
Moreover, the primary focus shall remain the affluent first time travelers, specifically the Millennials and Gen X’ers. Our future strategy will evolve leveraging (as much as we possibly can) our CRM data, but also determining other segments that are great prospects based upon online behaviors, survey data, etc. This will allow us to broaden greatly our prospecting efforts across channels such as paid social, display banners, connected TV, and mobile.

As for timing, the paid media strategy shall focus initially on paid search and paid social then quickly integrating online tour operators followed by display and video as the latter provide better opportunities that will inspire and persuade consumers to book longer term.



# Marketing & Promotions

## 4.4 Phase III “Un Brasa”



In the initial months after the travel stoppage is lifted, the messaging will get more promotional, highlighting updated flight schedules, special deals and offers, vacation packages, etc. contextually relevant to the audience as we will need to aggressively drive bookings.

As paid media is re-activated, the messaging angles will need to be in lock-step with the media tactics and the immediate, medium and long term goals. Messaging levels in this stage will need to build upon the awareness that Aruba is “open again” and the fact that safety is our number one priority to include more inspirational messaging and lower funnel activity to drive bookings.

1. Promote Aruba as a destination with safety as its number one priority
2. Drive bookings and lower funnel activity
3. Functional and inspirational messaging (8 reasons Why Aruba is Smart, Safe Escape)
4. Weather messaging
5. Continue to push Aruba’s brand message.

Each of the tiers of messaging will be employed in different proportions and weights depending on timing, media outlet, audience, goals, volume/value, etc.

### Tier 1 Messaging: “Open for Happiness!”

With the reopening, a portion of our messaging shall focus upon informing people that Aruba is “Open for Happiness” with stringent safety, health, cleanliness and travel protocols put in place to help ensure the well-being of both visitors and locals.

Ideally, the clicks would drive to our re-imagined digital eco-system. Aruba’s hotels are back up, the beaches are waiting, our people are excited...AND very clear clicks to our best deals, packages, incentives etc.

### Tier 2 Messaging: “You deserve happiness!”

It is clear we will need to get more “retail and promotional” oriented to aggressively drive bookings. The messaging in this tier needs to not only highlight the best deals or added value promotions packages that we can curate from our partners, but to do it in a way that breaks through the clutter as there will be a lot of competitive discounts/deals in the market. We will need to be very creative in our packages/specials and how we promote them.

Again, these would need to drive to a much more robust deals and offers landing page than was necessary in recent years.

### Tier 3 Messaging : “Authentic Aruba – Come share happiness with us!”

In tandem with Tier 1 and 2 messaging, we will want to determine how to best continue the push of our inspiration, authenticity and the premise and promise of One happy island, maintaining authenticity and a strong local connection.

When the visitation/occupancy numbers begin to climb back up, messaging will also help drive experiences, activities, cultural events, dining etc. to drive on-island spend.

At this point, our marketing activities and channels should to the most part be turned back on depending on the needs of the individual market needs, airlift etc.



# Marketing & Promotions

## 4.4 Phase III “Un Brasa”

### Paid media

On a paid media front, paid search and paid social were launched in August 2020 for the US market. The plan will deliver against the goal of increasing destination consideration and inspire future bookings. This communications plan rolled out in Q3 will be enhanced with further tactics in Q4 of 2020 to include display, online video and connected TV across all viewing platforms.

We will be closely monitoring the 2020 performance from all marketing areas and apply those learnings to 2021 plans. This research and learnings will guide our overall market, targeting and message prioritization and will remain agile in our overall approach.

We will begin 2021 with a strong focus on those geographic areas supported by airline capacity from the key gateways and feeder markets, and expanded as other gateways and routes are added. Additionally, the most successful geographies from our 2020 marketing efforts will be prioritized.

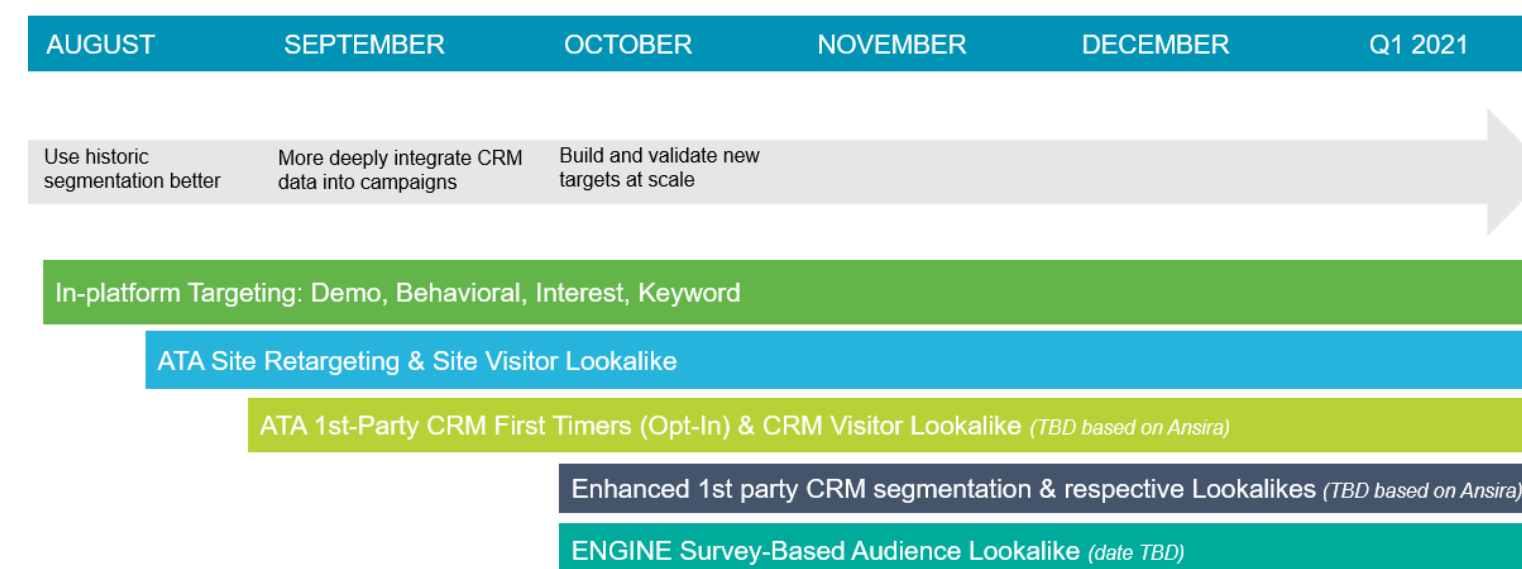
Throughout 2021, there will be a continued focus on ‘Efficient Media Buy’ equation of prioritized geographies, consumer intent signals, and top HHI levels.

Our primary focus for paid media will be demand generated channels, such as paid search and paid social. These two channels will act as the baseline for all that we do and will be fully funded based upon consumer interest.

A presence on key online travel agent & metasearch sites will also play an integral role in reaching interested consumers. Awareness forms of media (ie online video & connected TV) will be planned based upon key consumer demand times, Q1 & Q4. We are viewing 2021 as a “need” year and not necessarily defining need and peak periods.

**Prioritized Geographies X Intent To Travel X Top 25% HHI = Efficient Media Buy**

### Digital Targeting Evolution



### Segmentation and Targeting

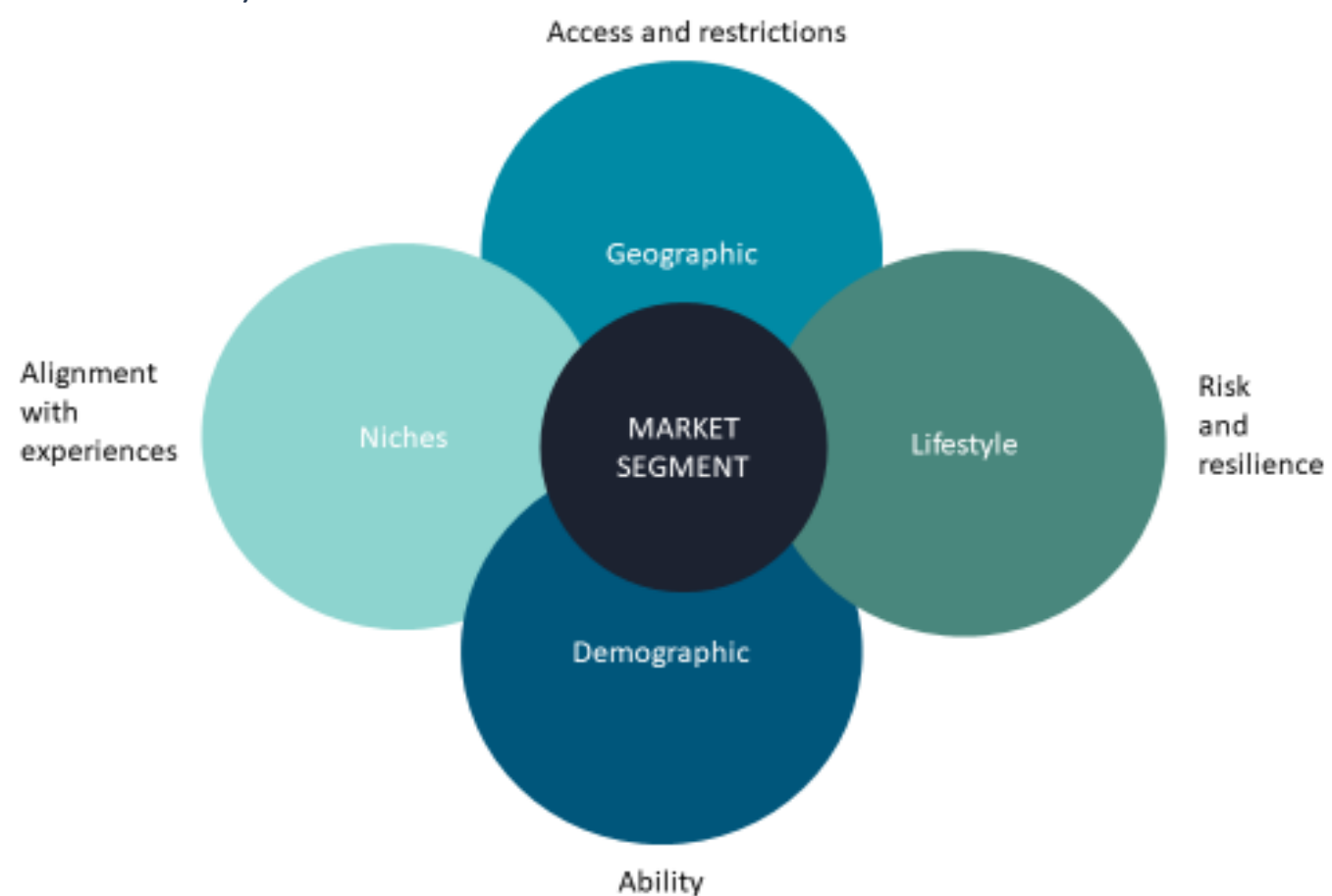
Our paid media up to now has been activated based upon attributes within the segmentation of our existing database. The target audience strategy shall now focus on those consumers who are more likely to book an international trip in the near future. This means that all our paid media efforts will focus on intent based audiences.

Moreover, a primary focus shall remain the affluent first time travelers, defined as the top 25% HHI within our prioritized markets. Research has shown that this audience is the least likely to have been affected by the US economic crisis; therefore having more discretionary income.



## 4.5 Source Markets and Segments

As the impact of the COVID-19 crisis continues to unfold so will consumer behavior. This will require us to keep a close eye on how this influences their decision making when it comes to travel. Several areas need to be taken into account when looking at the markets as well as segments (Geographic, Lifestyle, Demographic, and Niches) .



Source: DestinationThink

### Geographic

The choices of geographic markets for Aruba will be highly dependent on air access and opening of the borders, which in turn is further dependent on the stage of the virus within the respective area or region. Irrespectively, looking at the early developments of the airline schedules, it is expected that the top DMAs within the US to be the first ones to return and specifically the North-east region considering the amount of loyal past visitors Aruba receives from this area, the brand positioning, as well as the share of visitation this region represents. In addition to the US, the market of The Netherlands was targeted in the early stages in 2020 while other secondary markets continued to remain in a holding pattern.

For 2021, the A.T.A. will focus on the core markets of the US and Canada, while for Europe and Latin America a more tiered approach shall be implemented.

For Europe, the tier I markets have been identified as: The Netherlands, Germany, UK (with charter), and Italy. The Tier 2 markets include: Sweden, Switzerland, Belgium, and UK (without charter) and are heavily dependent on the KLM network as well as level of A.T.A. budgets. All other EU markets previously targeted (i.e. Nordics) fall into a tier 3 and will not be targeted at this time.

Latin America, up to the date of this document did not have a clear opening date. With the assumption that this region will slowly open up in Q4, the A.T.A. for 2021 will target the main cities of Bogota, Santiago de Chile, Buenos Aires and Lima. Activating Sao Paulo shall be highly dependent on the level of funding available. Activating Sao Paulo shall be highly dependent on the level of funding available

### Psychographic

Which segments are resilient and willing to take the risk to travel in the early phases? Will there be fear of travel amongst specific segments? Aruba currently enjoys the benefit of a large group of loyal visitors who further consider Aruba their home away from home. Home equaling the feeling of safety, which is even more relevant in today's environment. Repeaters have proven to be critical as a base of visitors for the destination during times of crises and as such will most definitely form the base upon which we will rebuild. Additionally, through behavioral targeting, A.T.A. will be able to determine those who are ready to travel and actively searching for this.



## 4.5 Source Markets and Segments

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### Demographics

There are many who will be impacted financially by this crisis and as such will fall off our radar as potential visitors in the coming future. It is recommended the destination remain on target as to the affluent segment (Baby Boomers, Premium Travelers and Super Affluent) considering their disposable income and propensity to continue traveling. However, considering the severity of the crisis, A.T.A. recommends widening the target to include the middle-burbs as well considering we will account heavily on volume in the early phases. As for the Latin American and European regions, we shall follow a targeting strategy focused on the high spenders. Further for Latin America, the main focus will be on the late millennials and Gen X-ers who are prepared to travel and are currently looking to enjoy the beaches, wellness and with biosecurity measures in place.

### Niches and Specialty Segments

Corporate groups, mainly meeting and incentive groups, remain a high value segment for the destination in 2020, as MICE groups offer the destination value through their guaranteed spending (see MICE section). On the leisure side, we shall re-evaluate how our product aligns with the experiences being desired post- COVID. With the entire crisis, consumer behavior shall evolve based on their greater desire for health and wellness, their longing to reconnect and spend time with family and friends, and their wish to continue with their wedding after having postponed this.









## 4.6 US Segmentation Model

A.T.A.'s US Segmentation Model consists of 6 segments, with each segment having its own unique set of preferences and behaviors.

Increasing the share of affluent visitors to the destination continues to be one of A.T.A.'s objectives. With the COVID-19 crisis, however, we shall have to widen our target audience to grow volume in the short term while at the same time continue growing the value. On the marketing front, we shall remain aspirational in our messaging however reaching a larger audience and not being as selective to only the higher end of the spectrum of the HHI.

In addition, we will strengthen the segmentation model of the LATAM and EU markets, to better define the high spender segments in these markets. For LATAM markets we will continue to enhance the acquisition strategy 'Class A & B'.

### High Value Segments (Affluents)

BLUE-COLLAR ELITE	MIDDLE BURBS	SINGLE PARENTS	EMPTY NESTERS	PREMIUM TRAVELERS	SUPER AFFLUENT
					
HHI \$66K	HHI \$75K	HHI \$74K	HHI \$88K	HHI \$105K	HHI \$150K
Targeted focus on Middle Burbs			Hyper Focus: HHI > US\$200K		
SPEND BY HHI US\$358 NPS 78	SPEND BY HHI US\$386 NPS 81	SPEND BY HHI US\$387 NPS 80	SPEND BY HHI US\$388 NPS 82	SPEND BY HHI US\$422 NPS 83	SPEND BY HHI US\$416 NPS 81
Key Demographic Variables: HHI - AGE - EDUCATION - HOME VALUE					

Source: A.T.A.

Note: NPS refers to the Net Promoter Score, which is an index ranging from -100 to 100 that measures the satisfaction, the intent to recommend, and intent to visit of our stay-over visitors.



# 4.7 MICE as a High Value Segment

*Corporate groups, mainly meeting and incentive groups, remain a high value segment for the destination in 2020, as MICE groups offer the destination value through their guaranteed spending.*

Just as with leisure travel, the MICE industry has seen notable postponements and cancellation of groups in 2020. There is however reason for optimism, as a large percentage of groups have rebooked for 2021, providing the destination with a foundation of group business for the year.

As such, the core strategy is to retain as many groups as possible while reaching out to existing leads and converting those to ‘definites’ in the quickest timeframe possible for 2021 (in the year for the year) and 2022. With the crisis, there are many destinations and resorts going after the same leads and as such, it is critical to maintain an attractive proposition out there through the application of the incentive program, considering extra promotions to push for these need periods.

For existing and future groups, the ACB has been working with the local industry partners to adapt to the new requirements Post Covid. These will be highly guided by the need for enhanced sanitation requirements, social distancing, health facilities and other health requirements. The destination, which is able to provide the assurance and confidence that it is on top of its game as to these ‘new rules of engagement’ will be the one with the added edge to secure business for the future. Throughout the year, the travel and entry requirements need to be closely managed to ensure group retention, focusing on more flexibility to offer for groups.

## AREAS OF FOCUS

### 1. Client relationships

With a strong client base, one key area of focus for ACB is to continue to nurture client relationships throughout the year.

The MICE industry is characterized by a community of buyers and suppliers who support each other, therefore our team will focus on being in close contact with clients, to assist wherever possible and communicating that we care – in line with the strategies of our hotel partners. The ‘hug and hold’ approach is even more essential at this point considering the numerous questions existing groups may have with regards to rebooking of their groups, hotel policies, airlift availability, and sanitation regulations being considered by the destination.

### 2. MICE tradeshow and events

A key strategy to drive conversion of existing leads, and further push new leads into the sales funnel is to attend MICE industry tradeshow and events to meet with potential clients sell the destination. In line with hotel partner recommendations, ACB will focus on attending select tradeshow, industry events and sales calls to reach established objectives. Attending these events remain a high priority in 2021, however the events will be carefully selected based on potential for short-term conversion and ROI.

### 3. On-island events

ACB will continue with its strategy to host on island events such as Familiarization trips and partner events. Displaying the destination first hand to clients has proven to be a very successful approach to drive conversion, making it a key area of focus to ensure business continuation for the destination. Adhering to the new norms for events will be a priority, while carefully vetting the attendees for the potential to bring groups on a short-term.



# Marketing & Promotions

## Markets MICE

### NORTH AMERICA

North-America remains ACB's strongest market for existing MICE business but also for future opportunities representing approximately 90% of the lead volume, therefore ACB continues to focus on nurturing its main source market.

The strategy for North America is to attend MICE tradeshows and events, and invite clients who are in the later stages of the sales funnel to experience the destination, while using the cash incentive as an added-value tool to drive conversion. For 2021 and beyond, the ACB will work the existing and new leads to push these to convert with the help of the incentive, introducing special offers to drive conversion for specific need periods, defined together with hotel and DMC partners.

### LATIN AMERICA

The MICE segment in Latin American markets continues to represent a possibility to fill need periods in 2021, in addition to the opportunity to diversify the geographical portfolio of the destination. Depending on the recovery of the source markets, the appetite for incentive travel from the region, the ACB will consider individual on a case-to-case basis.

### EUROPE

Considering the COVID-19 crisis, establishing and executing a base strategy for the European market has been put on hold until further notice.

### MARKETING SUPPORT

The current relationship based approach requires a sales driven workflow, however marketing activities are essential to support the efforts. For 2021, ACB will focus on the following marketing activities:

- Continue with our presence and top placement on CVENT, our RFP sourcing platform accounting for 70% of incoming leads for North America. This will be done through preferred ranking (Diamond listing), and digital ad placements throughout their platform.
- Communicate with potential and existing clients through an eCRM approach, by creating content to be deployed through partner eCRM opportunities, and to ACB's own database of clients.
- Continue to promote ACB's website through digital retargeting campaigns through industry platforms.



# 4.8 Revised Budget

## Marketing & Promotions

### Marketing & Promotions Expenses

To ensure A.T.A.’s viability to comply with its financial commitments, while at the same time being able to execute the necessary marketing activities, the marketing & promotions budget for financial year 2020 (FY2020) has been reduced by 42% when compared to the initial marketing budget 2020 and with 43% when compared to actual marketing and promotions investment in 2019.

A.T.A.’s fixed Marketing expenses, including contracts, were adjusted down to reflect cuts, across the board. All contracts with representation offices, advertising and PR agencies have been adjusted and in some cases terminated to reflect months of non- to lowered activities as well as challenging months ahead for 2020. At the same time, the adjustments account for a gradual recovery of business.

As for the working budget, it was deemed necessary to scale back the investments in marketing activities in Latin America for Q2 and Q3 due to the fact that Aruba’s borders are still closed for this region while they continue to battle against the COVID-19 pandemic in the attempt to stabilize the situation. For the European region, A.T.A.’s focal point remains the Netherlands while activities in markets such as Germany, Italy and the UK are limited to online support to the travel trade, social media, ECRM and the provision of information on the entry protocols, the HH Code and other relevant travel information post Covid to the consumers. It must be noted that Italy is still not allowing for travel to Aruba and the UK is requiring a 14 day quarantine upon return from a vacation from Aruba at the time of writing this report.

On the other hand, the US being the largest source market for Aruba, A.T.A. has made all attempts to secure and protect the majority of the budget for 2020 allowing for a build back in communications through advertising, PR and influencer marketing, social, ECRM and sales for the remainder of 2020.

All attempts to secure and protect the airlift budget has been part of the consideration.

To support marketing investment in 2021 in Aruba’s primary source market of North America, as well as maintain Aruba’s diversification strategy, in the European and LATAM markets, additional financial support will be essential for the A.T.A. to execute the necessary marketing activities in 2021. With the additional funding, the North American market is projected to recover by 60% when compared to YE 2019 visitor arrivals. Without the funding, the recovery would only reach a recovery of 51% for the region.

In the event additional funding is not made available for 2021, the budgets for the Latin American and the European markets will be further reduced to a bare minimum, so as to safeguard funding for North America, and for airlift endeavors.

For the aforementioned regions, the recovery will be between the 26% and 31% considering the A.T.A. will not be able to stretch the funds across markets - limiting the marketing efforts to only the tier I markets as delineated earlier in the document.

Along with the restrictions in funding comes the need to reorganize and re-evaluate how we operate in market. As such, several of the sales & marketing tasks will be brought in-house in Europe and Latin America as representation offices will either be kept on a project basis or at a minimum.

Ultimately, the continuity of A.T.A.’s marketing activities is imperative for the rebuilding of the Aruba brand, the stimulation of demand and attraction of high value visitors.



# Destination Development





## 5.1 High Value, Low Impact Tourism Model

The implementation of the High Value-Low Impact Tourism Model with benefits for the community, the visitors and the environment, will remain essential.

As part of our destination management role we lead, partner and advocate in the case of product development, and seek to influence the development and enforcement of plans, legislation and policies concerning various key endeavors. Key actions that we carefully planned for this period of crisis are outlined on the following pages.

### High Value, Low Impact Tourism Model





## 5.2 Aruba Health & Happiness Code (HH Code)

The unprecedented events around the world concerning the COVID-19 outbreak called for the need for an additional program focusing on sanitation, hygiene, and health as an instrumental model moving forward.

The A.T.A. has, in close cooperation with the Department of Health, created the Aruba Health & Happiness Code (HH Code), through which Aruba aims to guarantee being a hygienic and clean destination by implementing standards/ protocols to ensure safe interaction and limit the chance of transmitting (any) disease.

The primary objective is for all businesses to implement the procedures and protocols and adhere to ‘Social Distancing’ and ‘Personal Hygiene’ of employees.

Participants of the HH Code program are the different (service) providers that visitors may encounter during their visit, and as such covers the entire supply chain (visitor journey) of possible touchpoints.

Businesses in the following categories/ sectors can apply for the HH Code: Food & Beverage (including food trucks), Accommodations, Casinos, Tour Operators & Activities (terrestrial, aquatic), Transport (including taxis), Retail (including supermarkets) and Events.

### Phase 1:

The first phase includes the application of the HH Code through an online checklists. These checklists consist of mandatory items regarding ‘Social Distancing’ and ‘Personal Hygiene’ of employees, as stipulated by the Department of Health.

Approximately 2,500 businesses complied with the HH Code registration and as such earned their color seal, which may also be used for marketing purposes. The A.T.A. will list HH Code compliant businesses on Aruba.com.

### Phase 2:

After revision, verification for accuracy and compliance of the checklists presented in phase 1, the Department of Health (DVG) will indicate the ‘go-ahead’ to the Department of Inspection and Hygiene (DWH) for an *on-site assessment* visit. This visit validates whether mandatory items are in compliance.

If the business complies with all points of attention required from the Department of Inspection and Hygiene, a gold HH Code seal is awarded; the A.T.A. will update its list on Aruba.com to reflect businesses with their accomplishments.

### Phase 3:

Moving forward the HH Code hygiene protocols will be incorporated in the original Aruba Quality Seal (AQS) program.

The AQS is a business development tool designed to establish and continually enhance the level of professionalism and standards within the tourism industry.

The A.T.A. will focus on promoting establishments that maintain the desired level of processes and protocols throughout their operation.





## 5.3 Key tactics during and post the COVID-19 Crisis

### Foster Learning

To help our tourism industry and community through this challenging time, a series of webinars were organized by the A.T.A. in the months of March – June, 2020:

- Tourism Recovery Marketing Plan
- North America: PR and Marketing Update on Aruba's COVID-19 Journey
- Latin America PR and Marketing Update on Aruba's COVID-19 Journey
- Flight Path Unknown, presented by the Aruba Airport Authority
- Europe - PR, Marketing and Trade update on Aruba's Covid-19 journey
- Aruba Health & Happiness Code, an introduction
- A Peek Into The U.S. Traveler's Mind
- Aruba Entry Requirements
- North America Tour Operator Update: Navigating Aruba's Covid-19 Journey
- ACE Webinar as well as a series of virtual sales calls were organized incl. Authentic Aloe Tuesday, Wellness Wednesday, Thirsty Thursday

### Visitor Flow Management

In line with the new reality, the 'low touch economy', the A.T.A. will collaborate with the necessary authorities to define and better organize the movement of people through visitor flow management at key tourist locations as identified in the carrying capacity study.

The carrying capacity study identified the following 8 sites with a heavy flow of visitors, and which require a proper visitor flow management system:

- California Lighthouse
- Alto Vista Chapel
- Bushiribana
- Conchi (Arikok)
- Baby Beach
- Eagle Beach
- Palm Beach
- Arashi Beach.

### Beach Focus

In the effort to maintain our beaches in pristine condition, routine upkeep is necessary. As part of the endeavor, A.T.A. has coordinated and will continue to increase the number of available trashcans along the shorelines. Adding signage depicting the rules of beach usage, as a means to convey our sustainable dedication will remain a priority.

### On-Island Communication

On-island communication will be expanded with Health & Sanitation, as well as visitor flow information, taking the new 'low touch economy' protocols into account.

The content on sustainable practices will be incorporated into our communications strategy throughout the customer journey. The goal in this regard is for our visitors to get a deeper understanding of people and place, and to actively behave in a more sustainable manner, whilst at the same time adhere to the new health and sanitation regulations.

Communication efforts will also be geared towards the 'My Promise to Aruba', which is the awareness campaign that strives to engage visitors as well as activity operators to comply with sustainable behavior and with health and safety protocols. In addition to have visitors virtually pledge on Aruba.com and share this on social media, the objective is to repeat the message at several locations on island (such as interactive murals, sand sculptures, mapping) in order to further boost awareness using unique experiences and activities.

As a direct branch/extension from A.T.A., the Visitor Information Center (VIC) will be a proactive element in our on island communication mechanism. New content will continue to be produced to promote San Nicolas as a key product.



# Destination Development

## 5.4 Sustainably rebuild cruise business

The cruise industry has been paralyzed since March of 2020 and operations might only come back online in early 2021, depending on recommendations by the CDC or the cruise lines individually.

From a cruise perspective, the strategy is aligned with the overall objectives of the destination i.e. recover and grow sustainably. The focus remains on value vs. volume, however certain volume is needed to reach the critical mass for the cruise industry, for which recovery will continue beyond 2021.

In order to further drive on-island spend, the A.T.A. will enhance the diversification of the cruise industry and focus on increasing the share of luxury cruise ships visiting our island.

Early indications show that repeat cruisers are willing to rebook their vacations and do not opt for refunds; nonetheless, the prospect of effective treatment for COVID-19 and the eventual introduction of a vaccine will continue to assist the market in overcoming fear of traveling and cruising.

Additionally, recovery will depend on a) how well the cruise industry will be able to overcome its image stigma, and b) how cruise lines will be able to engage their brand loyalists.

### Industry Partners

During 2021, the A.T.A. will seek to leverage the relationship with the partner cruise lines even more. It is imperative to have a strong presence/ acknowledgement with key cruise line executives to maximize opportunities and anticipate on future developments both on the industry side as well as from a destination perspective.

Efforts through trade associations (FCCA and CLIA) will continue as these provide premium access to cruise line executives. The A.T.A. will continue to work with regional ports and destinations, and will also engage with local partners (a.o. Aruba Ports Authority (APA), ship agencies, tour operators, KPA, DTP), including the following activities:

Work closely with Aruba Ports Authority N.V. in the process of the development of Port City Oranjestad to provide the necessary input from the DMMO perspective and tourism in general.

Continue to leverage existing platforms to foster communication and cooperation. These platforms include amongst other the Cruise Committee, Cruise Action Task Force, FCCA, CLIA, as well as visitation/direct contact to relevant industry conferences.

Continue working with regional destinations and port in stimulating Southern Caribbean cruising.

### Education

Educational programs continue to be a part of A.T.A. activities for 2021, to enhance the experience of our cruise visitors, by driving the upgrade of local tour guides and tour operators, as well as front line personnel, improving the service excellence of the industry. Educational programs will also be leveraged to strengthen the importance of safety and sanitation.

Activities include:

Continuing to work with training organizations such as Aruba Excellence Foundation and Aquila Center for Cruise Excellence to see further opportunities to continue to develop the service excellence on Aruba.

Re-engaging contact with the local industry to educate and inform of trends in the industry, keeping stakeholders abreast of necessary information and emphasize the importance of the measures to combat COVID-19 spread, such as the Aruba Health & Happiness Code.



## 5.4 Revised Budget Destination Development

### Destination Development Expenses

Considering the impact of the COVID-19 crisis, the total 2020 budget for the Destination Services Unit has been reduced with 63% when compared to the initial budget for 2020 and with 58% when compared to the actual spend for 2019.

The budget for Destination Development is divided over three (3) main components, namely Marketing and Promotions (DSU), Destination Services and the contribution to the Aruba Hospitality and Security Foundation (AHSF).

**Marketing and Promotions (DSU)** consists of reported expenses related to Destination Support, Cruise Development and Events. The 2020 expenses have been reduced with 49% when compared to the initial budget for 2020 and with 55% when compared to the actual spend for 2019.

The 2021 Marketing and Promotions (DSU) budget shows a decrease of 64% versus the 2019 actual spend.

The expenses related to **Destination Development, Product Development and the Aruba Certification Program**, have been reduced in 2020 with 77% when compared to the initial budget for 2020 and with 68% when compared to the actual spend for 2019. For 2021, these expenses have been reduced with 69% when compared to the 2019 actual spend.

The contribution to Aruba Hospitality & Security Foundation (AHSF) for 2021 shows an increase of 3% when compared to the estimated final for 2020.

The total 2021 budget for the Destination Services Unit has been reduced with 14% when compared to the estimated final for 2020 and with 64% when compared to the actual spend for 2019.



***Aruba Tourism Industry***  
Corporate Plan & Budget 2021  
*Tourism Recovery Marketing Plan*

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