

An Exploratory Study of Global Issues Impacting the Future of Tourism in Aruba

Kevin S. Murphy

Rosen College of Hospitality Management
University of Central Florida
Orlando, Florida, USA

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Abstract

■ Worldwide competition, international foreign policy, changing demographics and the global environment emerged as primary concerns by participants in the think tanks on Visioning the Future of Aruba. The general goal of these forums was to identify and describe the forces driving change, competitive methods and core competencies that will impact the Aruban tourism industry in the next ten years. To achieve these objectives, thirty-five leaders of the Aruban tourism industry gathered for a series of think tank forums over a two year period. The results of the forums demonstrated that there is a distinct link between environmental forces and the impact that those forces have on tourism businesses located in Aruba. The tourism industry in Aruba is facing major challenges in a rapidly changing environment. Participants acknowledged the increasing difficulty associated with maintaining a competitive advantage in the tourism industry and asserted that it will be necessary to engage in creative new competitive methods as an investment in the future of Aruba. Specifically, the group agreed four future competitive methods were in need of development: ecologically responsible destination, sustainable development, safety & security, and sustainable growth & competitiveness.

Key Words:

Aruba, tourism, trends, competitive methods, core competencies

Resumen

■ La competitividad mundial, la política exterior internacional, los datos demográficos en cambio constante y el medio ambiente surgieron como preocupación principal en los grupos de expertos de Visioning the Future of Aruba. El objetivo general de estos grupos era identificar y describir las fuerzas que impulsan cambios, métodos competitivos y las principales capacidades que afectan a la industria de turismo de Aruba en los próximos diez años. Para conseguir estos objetivos, 35 líderes de la industria de turismo de Aruba se juntaron para formar los mencionados grupos durante un período de dos años. Los resultados del Foro demostraron que hay un eslabón claro entre las fuerzas ambientales y el impacto que éstas tienen en los negocios de turismo instalados en Aruba. La industria de turismo en Aruba afronta grandes desafíos en un ambiente que cambia rápidamente. Los participantes reconocieron la creciente dificultad asociada al mantenimiento de una ventaja competitiva en la industria de turismo y afirmaron que será necesario posicionarse en nuevos métodos creativos competitivos como una inversión en el futuro de Aruba. El grupo estuvo de acuerdo en que se necesitan en un futuro cuatro métodos competitivos para su desarrollo: destino ecológicamente responsable, desarrollo sostenible, seguridad, crecimiento y competitividad sostenible.

Palabras clave:

Aruba, turismo, tendencias, métodos de competitividad, competencias esenciales

Introduction

■ Leading strategists suggest that in order to gain a competitive advantage and succeed in the future, an organization needs to develop industry foresight and to stake their business claim before anyone else (Porter, 1985; Prahalad & Hamel, 1990; Connolly & Olsen, 2000). Implementing this advice is not easy, as one can imagine, in an era of increased competition and rapid technology change. However, by using a disciplined approach to scanning the external environment, the seeds of change can be spotted early and action can be taken. With this in mind the leaders of the Aruban tourism industry set out to conduct a *Forum for the Future of Tourism in Aruba* by holding a series of think tank forums over a two year period, sponsored by the Aruba Timeshare Association (ATSA). The objectives of the forums for the future of tourism in Aruba were to develop insight into the macro forces/trends driving change in the Aruban hospitality and tourism industry over the next ten years; then describe the associated competitive methods and core competencies that will impact these trends driving change for Aruba.

The first think tank *Forum for the Future of Tourism in Aruba* focused on the five major forces driving change in the tourism industry as identified in the International Hotel and Restaurant Association's publication, "Forces driving change in the foodservice industry and competitive methods of multinational foodservice firms" (Olsen, & Zhao, 2002). The forum included thirty-five representatives from private sector organizations, government ministries and educational institutions. These leaders of the Aruba tourism industry were asked to consider the future in the context of five remote business environmental forces: socio-cultural, technological, ecological, economic and political. A number of critical issues for the Aruban tourism industry were identified and disseminated to the group. The participants were instructed to use the hospitality co-alignment strategic planning model, developed by Olsen, West and Tse, (1998; 2008), as a framework for the think tank. The co-alignment hypothesis: "if an organization is able to identify the opportunities that exist in the forces driving change, invest in competitive methods that take advantage of these opportunities, and allocate resources (core competencies) to those that create the greatest value, the financial results desired by the owners and investors have a much better chance of being achieved" (Olsen, et al., 1998, p. 2).

The goal of the second think tank *Forum for the Future of Tourism in Aruba* was to identify and describe the competitive methods and core competencies that will impact the Aruban tourism industry in the next decade. The underlying premise was to build on the first think tank forum ses-

sion results; therefore, the same hospitality co-alignment strategic planning model was used for the second forum. Previous studies have shown that those organizations that match their core competencies and competitive methods to the impacts generated by environmental forces are in alignment and thus perform better than those that are not (Olsen et al., 2008). While discussion and debate was robust with many divergent views, all participants agreed that the international market place will continue to drive and reshape the products and services that make up what has become known as Aruba's number one industry, tourism; and this will change Aruba's competitive landscape more than most realize.

Literature Review

Global Issues Impacting Tourism

■ Tourism, as an economic and cultural activity, does not occur arbitrarily in the Caribbean. Some island-state destinations appear to be more successful than others in offering tourism services and activities, and in attracting travelers. Since the recent global economic crisis, the struggle for tourism dollars is forcing national, state, and local governments to re-evaluate their existing tourism assets and to make the most of them in order to draw more tourists (Sheldon & Dwyer, 2010). Tourism spending has experienced greater declines than other consumer discretionary spending and is impacting the economic contribution of tourism to destinations worldwide. The numerous stakeholders, NGO's, governments, businesses, communities, etc., involved in determining the growth of an area define different interests and goals, which ultimately must converge to sustain the marketed image of that area as a tourism destination (King, McVey & Simmons, 2000).

In recent years, tourism destination organizations have been disparaged for their difficulty in reinventing themselves in the face of radical changes in the way that business is now conducted in the new technological era. War, terrorism, political upheaval, the spread of infectious diseases, airline restructuring and the advancement and use of technology are just a few of the environmental events that are providing an intense shock for tourism destinations' outcomes around the globe. For example, political, socio-cultural, economic and ecological instability are compelling many tourism destinations to hire experts in specialized areas, such as disaster management planning to respond to increasing human calamities and natural disasters (Ritchie, Dorrell, Miller & Miller, 2004). The damage to the British tourism industry caused by the bovine foot and mouth outbreak in Great Britain could have been

contained with the availability of a disaster plan and appropriate implementation. However, the supreme change agent in destination marketing is technology. Recent studies have confirmed that tourist managers have not fully embraced and incorporated technology in their operations and strategies (Yu-Lan, Gretzel & Fesenmaier, 2003).

Tourism in Aruba

Successful tourist destinations perform activities that are more strategic in nature and which quickly adjust to the continuous changes that are occurring in the external environment (Jurowski & Olsen, 1995; Olsen, 1995; Olsen & Zhao, 2002). Poon (1993) urges tourism destinations to reframe their goals and actions because tourism is a volatile, highly competitive, and unforgiving industry. Poon also emphasizes that: “the industry is undergoing rapid and radical transformation; the rules of the game are changing for everyone” (p. 291). Caribbean nations dependent on tourism often try to diversify their economy with other sources of revenue. Aruba at different intervals has expressed a desire to diversify the economy with a financial center, free trade zone and as of late a knowledge economy. However, since the 1980s tourism has been the mainstay of the economy and has served the country quite well (See figure 1). Aruba’s tourism base is well established with currently almost 7000 rooms available and another 4600 units in various phases of development (Van Neys, 2007).

Tourism is the foundation of the small open Aruban economy with about three quarters of the Aruban GDP earned through tourism or related activities according to the Aruba Tourism Authority (2010). It lies 25 kilometers (15.5 miles) off the coast of Venezuela and 68 kilometers (42 miles) west of Curaçao. The capital is Oranjestad. Originally part of the Netherlands Antilles, Aruba achieved

separate self governing status within the Kingdom of the Netherlands in 1986. Aruba is about 33 km long (21 miles) and encompasses 193 sq km (74.5 sq miles) with a population of just over 104,589 (Central Intelligence Agency, 2011). There is some cultivation of aloes and a small petrochemicals industry based around St Nicholas oil refinery, but financial services and tourism are the major economic activities. Aruba enjoys one of the highest standards of living in the Caribbean region and an estimated unemployment rate of 5.7%. The rapid growth of the tourism sector over the last several decades has resulted in a substantial expansion of other activities. In 2008 tourist visits to Aruba that stayed overnight were 826,774, with 65% of those from the USA; this does not include visitors from cruise ships (Central Bureau of Statistics, 2011). Construction continues to boom, with hotel capacity five times the 1985 level. Tourist arrivals rebounded strongly following a dip after the September 11, 2001 attack on New York City. Hotel occupancy in 2004 averaged 81%, Aruba’s best year ever for hotel occupancy, compared to 68% throughout the rest of the Caribbean. However, in 2008 the hotel occupancy rate had slid to 73% for the year, largely because of the global economic downturn and additional capacity.

Co-Alignment Framework for the Forum

The goal of the think tank Forum for the Future of Tourism in Aruba is to identify and describe future trends and events that are likely to affect the Aruba tourism industry in the next five to ten years. To this end, the co-alignment hospitality strategic planning

Figure 1: Map of Aruba in the Caribbean



Table 1 Aruba Lodging Trends 1975-2010

Year	Rooms	Overnight Arrivals	Occupancy Rates %
1975	1,700	128,900	74.2
1980	2,300	199,200	82.5
1985	2,400	206,700	80.5
1990	5,000	425,000	68.5
1995	6,000	618,900	70.8
2000	6,500	721,200	76.1
2005	7,569	732,514	81.7
2006	7,689	736,177	78.7
2007	9,249	846,603	79.8
2008	10,970	922,797	73.3
2009	11,002	1,015,077	80.4
2010	12,102	1,096,283	79.1

Source: Central Bureau of Statistics & Aruba Tourism Authority

model developed by Olsen, West and Tse, (1998) is used as a framework for the forum (figure 2). The co-alignment theory states: “if an organization is able to identify the opportunities that exist in the forces driving change, invest in competitive methods that take advantage of these opportunities, and allocate resources to those that create the greatest value, the financial results desired by the owners and investors have a much better chance of being achieved” (Olsen, et al., 1998, p.2). However, this is not always the case and thus organizations suffer from missed opportunities in the implementation stage of their strategy. Environmental scanning is the first of the four constructs of the co-alignment principle. Pinto and Olsen (1987) defined environmental scanning “as the process of probing an organization’s external environment for information which may be directly or indirectly relevant to top management in making decisions of a long term strategic nature” (p. 183). Environmental scanning is performed at multiple levels such as remote, task, functional and firm (Kim & Olsen, 1993).

Strategy choice is the organization’s purposeful choice of the competitive methods (the second construct of the co-alignment theory) that are used to compete in the market place and which should be reflective of the organization’s intended strategy. Competitive methods are bundles of products and services combined in unique ways so as to produce a sustainable competitive advantage (Murphy & DiPietro, 2005). The entire set of an organization’s competitive methods is their strategic portfolio of goods and services which should set an organization apart from its competitors. Slattery and Olsen (1984) analyzed the environment of hospitality organizations and identified patterns in the relationships between the environment and the organization.

Firm structure is how the organization organizes itself so as to efficiently, consistently and effectively allocate its scarce resources to the implementation of its competitive methods. To do this the organization must develop or already possess the core competencies needed to carry this out (Prahalad & Hamel, 1990). Core competencies are the resources and capabilities that an organization possesses; those things which an organization does well and ideally better than anyone else (Murphy, 2008). The

combination of competitive methods and core competencies should produce a competitive advantage that cannot be easily copied or substituted and is sustainable (Barney, 1991). The essence of good strategy is to be able to position the organization to achieve a sustainable competitive advantage in one or more areas, which will enable the organization to produce above average returns (Porter, 1985). To do this the organization must not only be successful in crafting a good strategy, competitive methods and core competencies, but the organization must be highly successful in the implementation phase of the plan.

The think tank Forum for the Future of Tourism in Aruba occurred over a two year period starting in November 2006 with the final report issued in January 2009.

Three research questions were posed to the groups:

- 1) What are the emerging patterns of change over the next five to ten years?
- 2) What are the current competitive methods (products and services) of Aruba’s tourism industry?
- 3) What are the current core competencies (resources and capabilities) of Aruba’s tourism industry that support the competitive methods?

Methodology

■ The goal of the forum was consensus development with a broad representation of constituents on the environmental trends, competitive methods, and core competencies that will impact the Aruban tourism industry in the next five to ten years; therefore, the methodology employed was a qualitative case study approach that used a modified nominal group technique for broad consensus building. Additionally, a modified Delphi technique was used for plenary sessions to rank and prioritize the top issues identified across all groups and secondary data was collected to verify facts. Hence, the information amassed was from a representative group of experts from independently owned businesses,

Figure 2: The Co-Alignment Principle



Source: Olsen et al. (2008)

NGOs, government officials, industry consultants and academics.

A case study is an “empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003, p. 13). It is appropriate when no experimental control can be used in the data collection process and when a researcher seeks an answer to “what”, “how”, and “why” questions (Adler & Ziglio, 1996; Yin, 2003). This study has characteristics of an exploratory case study that is focused on contemporary events and seeks to answer “what” questions (Benbasat, Goldstein, & Mead, 1987). Since this study was exploratory in nature and seeks to answer “what” questions, the case study research methodology was deemed to be appropriate.

The minimum number of Delphi participants to ensure a good group performance is somewhat dependent on the study design. Experiments by Brockhoff (1975) suggest that under ideal circumstances, groups as small as four can perform well. The forum used a cross section of experts from Aruba to achieve the greatest breadth of opinions and dialogue. This technique is designed to take advantage of participants’ creativity as well as the facilitating effects of group involvement and interaction. Even though there are no definitive guidelines for determining the optimal number of participants, a panel of 10 to 15 members is sufficient for producing effective results if the group is homogeneous (Brady, 1988; Tersine & Riggs, 1976). However, if the panel members are heterogeneous (with wide representation), a larger number is required to achieve realistic quality (Taylor & Judd, 1989). Though there is no specific procedure for determining the optimal number of group members to use, more group members should be used to compensate for those group members who drop out between rounds (Maxwell, 1996). The Delphi technique is a labor-intensive research method and the larger the number of group members, the greater the information load, for both the participants and the investigator (Murphy & Murrmann, 2009; Limestone & Turtoff, 1979). Therefore, it is critical to seriously apprise the number of participants; specifics on the group for this study are provided in Table 2.

To achieve the stated objectives, leaders of the Aruban tourism industry met on four separate days between November 2006 and December 2008 as part the think tank forum sponsored by the Aruba Timeshare Association (ASTA). This selection method was used intentionally to help insure a wide range of participant perspectives and that all participants were fully versed in the relevant subject topic. Organizations of all sizes, both public and private were selected to participate in the

Delphi (Creswell, 1994). Out of 50 people who were invited to participate in the Delphi, 35 accepted (see Table 2). The participants were from all areas of the country, ranging from NGO executive directors, business leaders to government ministries. Additionally, consultants, academics and industry managers at all levels from small business owners to Presidents whom are involved in the tourism field were chosen to participate to top out the field of experts to provide opportunities for a cross-pollination of ideas and to stimulate creative (i.e., out-of-the-box) thinking. Since each participant was told that their answers would only be reported in the aggregate and without affiliation, no data is linked to any specific company or person. The participant’s association is listed to demonstrate the breadth of experience and knowledge represented.

Participants first gathered for a plenary session, which consisted of a brief welcoming address, overview of the think tank forum process, research questions and the workshop’s agenda. The large group was divided into five, predetermined break out groups of approximately seven participants each. The groups were deliberately chosen to ensure representation was spread among the various groups to prevent domination and conflict by some participants, while ensuring an atmosphere conducive to open discussion, information sharing and provocative debate (Delbecq, Ven & Gustafson, 1975).

Each break out group was moderated by a facilitator and conducted using a modified focus group format. Sessions lasted approximately 60-90 minutes each, spread over the course of the day. There were four separate days over a two year period that the research was conducted. Each facilitator was assisted by a public recorder for each of the groups, documenting all the discussion. Flip charts for reference, on-going dialogue, and later consolidation of common themes and ranking were used by the facilitators. The purpose of the facilitator was to encourage as much discussion and debate as possible while keeping the group on target.

At the conclusion of each session, a modified nominal group technique was applied to build consensus and collapse each of the discussion into common themes and prioritize the outcomes in terms of importance and impact to the Aruban hospitality industry (Delbecq, Ven & Gustafson, 1975). Each participant was asked to rank the top three ideas they felt will have the biggest impact on the tourism industry in the next five to ten years and were of highest import. This was done by point ranking their top three choices. Upon completion of this exercise, the points were tallied and reported to the break out group session for final discussion.

Finally, participants were then reassembled in a plenary session so that the highlights of each group could be shared, discussed, synthesized, and validated. A modified Delphi approach was used with the closing plenary session to rank and prioritize the top issues identified across all groups which will impact Aruba over the next 5-10 years. A final large group vote/ranking was conducted and the top three items were recorded for each topic area. The result is the collapsing and ranking of group priorities for each of the research goals.

By using multiple breakout sessions from multiple forums, the researchers were able to triangulate their findings to build higher validity and reliability (Zikmund, 2003). This process reduced any bias introduced by any one facilitator or facilitation style, since the results were collated in the final plenary session. The rest of this paper is devoted to presenting the themes that emerged as the result of this two year study.

Results

■ The findings from the *Forum for the Future of Tourism in Aruba* that attempt to answer the research questions are presented in three parts: macro environmental forces/trends, competitive methods, and core competencies (Table 3). The findings from the first think tank forum identified and describe future trends and events that are likely to affect the Aruban tourism industry in the next five to ten years based on the five major forces driving change in the tourism industry. Further, the participants estimated the timing and the impact the future trends could have upon the Aruban tourism industry. The second think tank forum answered research questions two and three; which identified and describe the competitive methods and core competencies that will impact the Aruban tourism industry in the next decade.

Macro Environmental Forces Driving Change

Economic Issues

■ The dominant economic topic discussed at the forum was competition from other Caribbean destinations and how to guarantee a stable flow of funding to direct the appropriate budgeting of marketing and planning money. The common concern about inadequate funding was based on the assumption that public authorities rec-

ognize tourism as a leading economic engine, but have other public concerns, and spending priorities.

Local, national, and global markets are becoming more competitive and will exert more financial pressure on business and public organizations. Participants acknowledged the increasing challenges associated with providing adequate returns on invested capital in the tourism industry and asserted that it will be necessary to engage in creative forms of funding and investment in the future. Public and private partnerships involving tourism and non-tourism organization ventures in projects such as tourism marketing, infrastructure and transportation will help maximize revenue. Higher tourism taxes will lead to travelers' discontent since; ultimately, travelers will carry the burden of increased economic costs.

International destinations (competition) of high quality are being developed and have a lower cost base that is more affordable than Aruba. The island could potentially lose tourists to these new markets, because consumers may go somewhere else that is more reasonably priced. This impact could become substantial over the next decade. New markets may offer new opportunities for inbound travel to Aruba but they also generate more competition. Currently, there are no new markets discovering Aruba (e.g. China). Aruba needs new market development over the next decade to increase diversification in the tourist economy.

Over the next 10-15 years Aruba will continue to depend on the U.S. as its major source of visitors. Currently, upwards of 75% of the island's tourists' departure originate in the US. Aruba must expand its tourist economic base over the next ten years to augment diversification in the tourist sector. Additional devaluation in the U.S. currency causes tourists to hold back on international travel. Also the current devaluation of the currency in some Latin American countries makes travel unaffordable to their residents. It has already started in Argentina and most probably will continue to increase.

The economic challenges that lie ahead are of utmost concern to the Forum participants. One group specified that "we can't wait to act" to highlight its belief that tourism organizations will face more threats than opportunities. A number of additional global and domestic challenges were identified in this section such as: the upward trend in energy prices, increasing taxation for tourism services, the changing structure of the labor market, increasing competition, insufficient funding and the hope to form new public/private partnerships within Aruba to combat the slide in visits.

Political Forces

Tourism is a highly fragmented global industry and it is unavoidably dependent on the political environment because of its reliance upon governmental policies, stability and funding. Tourism encompasses issues of freedom of mobility, the politics of safety and security and the compromise of risk; thus, it challenges the very notion that tourism can exist apart from the policy-making arena. Considering the significant impact that politics has on this business, Forum experts identified the political environment to be one of the most important among all the environments discussed during the think tank.

The governments search for new sources of revenue is recognized as an important force within the political environment by the think tank forum members. Most participants believe that a number of the policies and regulations, such as visa restrictions and arrival taxes, imposed upon tourists and tourism businesses will create a negative image of Aruba as a tourist destination to new and existing markets. This negative image, of

course, will then result in decreasing numbers of visits. The participants suggested that adequate representation by tourism industry experts during policy formulation and decision making processes can result in more 'tourist friendly' regulations as opposed to the current 'tax the tourist' regulations.

The political problems in Venezuela and the impact that this is having on the relationship with the United States of America are not good for tourism. Hugo Chavez, Venezuelan President, is moving towards socialism in concert with Cuba and other socialist governments in South America creating a destabilizing effect in some parts of the world. In Cuba, the assumption of the presidency by Raul Castro presents a lot of uncertainty in the region. What will happen when Fidel dies? What will be the response of the new leaders of Cuba? Will they continue with the socialist movement or will the country become more open? Will the U.S. lift its trade ban? If Havana returns as a U.S. tourist destination it would impact Aruba's tourism and economy negatively. The way tourists travel has changed with the introduction of new

Table 2: Aruban Major Forces, Competitive Methods & Core Competencies

Major Forces Driving Change	Competitive Methods
<i>Socio-cultural</i>	Aruba brand
Changing Demographics	E- brands
Social Conscience & Awareness	Aruba Destination marketing
Worldwide Terrorism	Global Orientation
<i>Technological</i>	Attractive Friendly Investor Climate
Internet & E-business	Guest Experience Management
Alternative Energy	Cultural Diversity
Knowledge Factor	
<i>Economic</i>	
Energy	
Competition	
US Economy	
<i>Ecological</i>	
Global Environment	
Sustainable Development	
Waste Management	
<i>Political</i>	
US Foreign Policy/Politics	
Global Foreign Policy	
Chavez/ Cuba Effect	
	Core Competencies
	Institutional Infrastructure
	Human Capital & Educational Productivity
	Technology & Knowledge
	Absorptive Capacity
	Financial Capital
	Imagination/will/commitment

policies and more restrictions. Tourists are experiencing a greater feeling of uncertainty when it comes to their security and safety which is impacting the amount of tourists that visit annually.

Socio-cultural Issues

The socio-cultural environment includes factors such as demographics, diversity, immigration and migration, religion, culture, generational gaps, and others. Participants identified the role of multicultural fragmentation of the tourism market as having a considerable impact on the travel industry. Additionally, the changing demographics of Aruba's population are placing a significant strain on the country's infrastructure, culture and identity. This, combined with the graying of the population and increasing rate of leisure time, will strongly influence how and with whom business will be conducted.

Changes in migration patterns of the workforce could disproportionately affect Aruba because of its small size and an increase in immigration by those seeking improved economic circumstances. Aruba's population has soared to over 104,000 in 2011 largely due to immigration and this has changed the demographics of the population dramatically. Shifts in global demographics will also challenge the tourism industry in ways that will have far reaching implications. These shifts include the aging of populations in developed countries as compared to the burgeoning youthful populations of developing countries.

Unchecked immigration has strained the infrastructure, changed the demographics of the population and in some cases damaged the tourist product that Aruba is offering. The native Aruban people that traditionally worked in the tourist industry are aging and the labor force willing to work in the tourism industry is very different from the labor force of the past. As one expert phrased it "many Arubans do not care for certain jobs in the hotel industry anymore, think of housemen, roomkeepers, beach and pool boys; consequently there will be a need for additional immigration" to fill these vacancies. The Global movement of people and foreign cultural influences impact the essence of Aruba's native culture and as a consequence will eventually change the Aruba tourism product. For example, Aruba promotes a multilingual island that has been a source of strength to the major tourist markets. Currently most workers are Latin and not all of them speak English, Dutch or any other language apart from Spanish. Native Arubans need to get re-involved with tourism and hospitality to try to maintain the traditional identity.

Aging tourists have more time and money to travel than ever before. The trend is to travel to different countries globally to learn different cultures and gain new experiences. Tourists want to experience more spirit/soul of a destination. This will mean less return visits for the Aruban tourism industry. The loss of return visitors is commencing now and more resources will need to be devoted to the development of new customers.

There is strong pressure to satisfy the demands of travelers who define themselves and their needs in countless different ways. These differences will place a greater demand on the type of product offered to the customer and will require a greater menu of services at destination. In the service industry, with today's consumers becoming more demanding and more diverse, the concepts of mass customization and catering to a segment-of-one become important. Consumers have become more self-focused, emphasizing their needs for pampering as well as spiritual enlightenment. This requires the service provider to become increasingly focused upon giving personal attention to each client.

Technological Forces

Without a doubt, the internet, social media and e-commerce has reshaped most aspects of business. It is through these technologies that the concept of real-time becomes a necessity in the mind of the consumer. Consumers have instantaneous access to information about organizations and their product offerings without having to use an intermediary. Customers have the tools to easily and effortlessly shop for tourism products and substitutes at their convenience and pay for them electronically. Hospitality enterprises need to focus on providing customers with real-time to product information, availability, and rates. The Internet also provides the hospitality industry with opportunities to rethink how they interface with their employees, suppliers, and affiliates. Participants noted how the increase use of technology for travel and internet booking changes their distribution channels. The access that the tourist has to the information from other travelers' opinion and experiences can work in either a positive or negative way of promotion. Internet "blogs" and travel rating sites have increasing impact on the travel decision making.

The panel of experts identified some advantages that people are getting through the internet such as destination education and increased vendor options. Additionally, work is more systematic and easier for employees with rapid reaction and more efficiency. There is greater consumer demand for instant gratification

from services especially for a tourist island like Aruba. There is increased control of the interaction between the suppliers and wholesalers and recognition of the products that we are buying. "We have more control over our distributors, more accessibility to promote and sell our island."

Another technology impact at all levels is that employees will be expected to become greater content consultants. This implies a much higher level of knowledge about their hospitality enterprise and its products. It also requires an elevated level of awareness about the surrounding domain in order to achieve better matches for the guest to the experience desired. Like any consultant the employee's understanding of the business is expected to be substantial. In addition, they are also expected to be able to understand the guest's problems or needs at higher levels, or at least be capable of probing these needs effectively. Once this is accomplished employees will be expected to not only provide for customers' wants but also be able to conduct the search for the solutions needed and do so efficiently and effectively. This is truly the definition of the knowledge worker.

This is different than the creative experiences found at a place like Disneyland where in reality, the guest experiences are carefully scripted and coordinated. Increasingly, the guest will want to achieve a customized set of experiences timed to their needs and not those of the organization. This will perhaps be the greatest challenge for not only the employee of tomorrow but also the technology. The matching process, no matter what, will become more complicated.

Alternative energy development is an ongoing effort to provide sustainable, accessible energy resources through knowledge, skills, and construction. Technologically advanced societies have become increasingly vulnerable in their dependence on external energy sources for the production of many manufactured goods and the delivery of a myriad of services.

Ecological Environments Forces

Aruban tourism leaders will need to pay more attention to the actual and potential impact of ecological forces on both the local residents and the visiting traveler. Tourism represents a significant part of Aruba's economy. Island-wide, nearly one job in four is directly or indirectly dependent upon tourism. Increasing development activities and an overabundance of tourists are endangering the integrity of the destinations. Pristine natural settings, the uniqueness of the

regional culture and the hospitality of the local population are in peril of losing those attributes that draw tourists. From a business standpoint, the greatest justification for being environmentally friendly and supporting sustainable development is economic, which relate to the very existence of tourism.

Global ecological changes are impacting Aruba in many ways, some positive and some negative. There has been an increase of jelly fish affecting the pristine beaches, which is an indication of warming sea. Global warming is occurring according to many scientists and the Arctic ice cap is melting according to the U.S. Environmental Protection Agency (2011). Ecological imbalance in weather may mean changes to Aruba's weather, which could translate into less travel to Aruba in the coming decades. Oil spills, like the 2010 one in the Gulf of Mexico, are damaging coastal areas and destroying marine life, coral reefs and other eco systems around the world. With an oil refinery on the island, this is of elevated concern. The key to success of the Aruban tourism industry in the future will be a sustainable rate of growth on the island.

The government is introducing some policies in order to maintain the quality of the environment, but more needs to be done. Much of the pollution is a result of Aruba's growth, from a sleepy Caribbean island in the 1960s to a major tourist destination of over 104,000 residents in 2011. As a result, services such as water treatment, sewage treatment and sanitation have struggled to keep up. Tourists complain about the litter all over the island and developers go unchecked and are accused of spoiling the environment, while illegal dumps appear on parts of the island and go unmonitored.

Current Competitive Methods

The seven current competitive methods that the think tank forum participants agreed that Aruba currently possess and executes well are listed in Table 2. The following sections discuss each competitive method in detail.

Aruba Brand

Many tourists that return year after year to Aruba do not in fact consider themselves tourist. They view Aruba as a home away from home, a second or shared home. This was the consensus for Aruba's number one tourism competitive method, the Aruba Brand. The Aruba brand competitive method is comprised of several product and service components: high quality sun, sea & sand, friendly people, infrastructure, spa salons,

water sports, safety & security, timeshares & hotel, and restaurants & retail.

In spite of its small size compared to other major islands of the region, the Aruba brand has been a strong contender in the tourism industry. Several factors demonstrate this; first and foremost, tourism is the main contributor to the island's economy according to the Aruba Tourism Authority. It is the premier vacation spot in the Caribbean with 40% of loyal visitors returning year after year, which is the highest repeat visitor rate of any Caribbean island.

E-Marketing

Without a doubt, the internet and e-commerce has reshaped all aspects of business. It is through these technologies that the concept of real-time becomes a necessity in the mind of the consumer. Consumers have instantaneous access to information about organizations and their product offerings without having to use an intermediary. They have the tools to easily and effortlessly shop for products and substitutes at their convenience and pay for them electronically. Therefore, hospitality enterprises need to focus on providing customers with real-time to product information, availability, and rates. The Internet also provides the hospitality industry with opportunities to rethink how they interface with their employees, their suppliers, and their affiliates. To this end, in 2008 Aruba Hotel & Tourism Association (AHTA) launched a web based meta-search engine on Aruba.com, similar to Kayak.com and Sidestep.com. Further down the road, an expansion into a social networking site with video placement and a message board will supplement this competitive method.

Aruba Destination marketing

Aruba has an effective destination marketing cooperative which over the years has been a major contributor to the island's success. The two principal players in the marketing effort for Aruba are the Aruba Tourism Authority (ATA) and the Aruba Hotel & Tourism Association (AHTA).

The Aruba Tourism Authority is a government agency and its scope of responsibilities is the continuous successful development of Aruba's tourism industry. The main purpose of ATA is to function as a leader in all forms of marketing, and promotion, online and offline, tourist information and customer service, sponsorship and organization of special events and hosting of part-

ners, media, agents and special guests. The AHTA is the recognized private sector voice and representative organization for the private sector hospitality and tourism industry. Its strength is derived from the combined energies of its 101 members representing hotels, vacation ownership resorts, casinos, restaurants, attractions, car rental companies, special events experts. AHTA is one of the most unique and progressive hotel and tourism entities.

Global Orientation

Tourism is a highly fragmented international industry and it is unavoidably dependent on the global business environment. Tourism encompasses issues of freedom of mobility, safety and security and trade; thus, it challenges the very notion that tourism can exist apart from the international arena. Considering the significant impact that globalization has on this tourism, Forum experts identified this to be one of the most important competitive methods discussed during the think tank. To this end Aruba has U.S. customs on the island (only one of two locations outside the U.S.), a tax exchange act and a friendship treaty with the U.S. Its exchange rate is pegged to the U.S. dollar.

Attractive & Friendly Investor Climate

According to CIA's The World Fact Book (2011) the main economic activities in Aruba are tourism, banking and transportation. New business development is one of the most vital and often controversial aspects of tourism development. Aruba seeks to provide an attractive and friendly investor environment, while at the same time weighing the associated economic and environmental impacts to the island's residents. Aruba has managed to maintain a stable government that is friendly to foreign investment, residents and tourists. This is demonstrated in the new Free Trade Zone, hotel renovation, the improvements in the linear park and several new attractions including a water park and Palm Beach shopping areas.

Guest Experience Management

The ATA interviewed tourists and asked what they liked most about Aruba. Aruba enjoys a very high rate of repeat visitors (40%) that keep coming back year after year (2007). They tell their friends Aruba is "their home away from home". To honor these loyal tourists' dedication to Aruba as their holiday destination, the ATA has implemented a Distinguished Guest award

designated for those who have visited the island for 10 consecutive years. Testimonials such as these from loyal visitors are common place.

Cultural Diversity

The native Aruban people that traditionally worked in the tourist industry are aging and tourism industry workforce will be increasingly more diverse. The Global movement of people and foreign cultural influences will change the Aruba tourism product. Aruba markets a multilingual product that has been a source of strength to the major tourist markets. This includes language, customs, cuisine, festivals and events. Aging tourists have more time to travel and they will require such accommodations as easy accessibility to travel destinations, larger print promotional material and other acknowledgements of their particular concerns for safety and comfort. Niche markets will develop to accommodate the specific needs of emerging travel segments such as gay and lesbian tourists to the financial benefit of those businesses which accurately identify them. These markets are comprised of loyal customers and big spenders who respond particularly well to quality service.

Current Core Competencies

The Visioning the Future of Aruba think tank forum process proceeded from scanning of the business environment for opportunity and threats to the selection of competitive methods. The next step in the strategic process is to ensure that core competencies, resources and capabilities, are consistently allocated to those competitive methods that are determined to add the greatest value to the tourist customer and, by extension, to Aruba. The forum participants identified Aruba's current core competencies as: Institutional Infrastructure, Human Capital & Educational Productivity, Technology & Knowledge, Absorptive Capacity, Financial Capital and Imagination/will/commitment (Table 2).

Aruba's institutional infrastructure is well developed and in good repair. The institutions that provide water, electricity, fuel and food remain strong. The basic physical and organizational structures needed for the operation of Aruba's hospitality and tourist industry have long been in place. The services and facilities necessary for the tourism economy to function are maintained at the level of a developed country. Aruba has a strong educational system that is patterned after the Dutch system, and provides for education at all levels. The Government finances the national education sys-

tem and the percentage of money earmarked for education is higher than the average for the Caribbean/Latin American region. Arubans benefit from a strong primary and secondary school education. Higher education goals can be pursued through the University of Aruba (UA) which offers bachelors and masters programs in law, finance and economics and hospitality and tourism management, as well as other schools.

Aruba's institutional infrastructure has become strained, but remains strong. The legal system is well intact, the government has formed private/public partnerships and the governing system is sound. The imagination, will, commitment and resilience of the Aruban people remains strong. While Aruba is facing many challenges to its resources, there is much resolve to meet the challenges.

Conclusion

■ Undoubtedly, Aruba faces many challenges in a rapidly changing and uncertain environment, both in the short and long term, like many other island-states that rely heavily on tourism. The goal of the Aruba Timeshare Association (ATSA) sponsored think tanks on Visioning the Future of Aruba was to generate awareness of Aruba's strength and weakness as well as the opportunities and threats and take proactive action based on their meaning and consequences. Hospitality and Tourism professionals in Aruba are encouraged to think through each of the key points presented to better understand an increasingly turbulent business environment. After generating awareness of future forces, industry leaders must make business decisions today based on what will happen tomorrow. Participants acknowledged the increasing challenges associated with maintaining a competitive advantage in the tourism industry and asserted that it will be necessary to engage in creative new competitive methods as an investment in the future of Aruba. Specifically, four future competitive methods the group agreed were in need of development: Ecologically Responsible Destination, Sustainable Development, Safety & Security, and Sustainable Growth & Competitiveness.

All the development on the island and the impact it is having on the environment is not going unnoticed. In a 2007 ranking of the world's islands by National Geographic Traveler magazine, Aruba scored 48 out of 100 versus 54 in 2004 (Tourtellot, 2007). Aruba is in the category 'in serious trouble'. The need to sustain the earth's resources is an overwhelming task. Tourism leaders will need to pay more attention to the actual and

potential impact of ecological forces on both the local residents and the visiting traveler. Tourism represents a significant part of Aruba's economy. Island-wide, nearly one job in four is directly or indirectly dependent upon tourism. Increasing development activities and an overabundance of tourists in traditional areas of tourism are endangering the integrity of the destinations. Pristine natural settings, the uniqueness of the regional culture and the hospitality of the local population are in peril of losing those attributes that drew tourists to those settings in the first place. The greatest justifications for being environmentally friendly and supporting sustainable development are economic and monetary that relate to the very existence of businesses. "Sustainable" and "green" are no longer just marketing buzz words, the ecology if not protected can be a public relations nightmare.

The forum consensus recognized that there is a link between environmental forces and the impact that those forces have on tourism businesses located in Aruba. The global economy will offer more opportunities, threats, new market segments, generate more challenges, and new competitors. Seeking new sources of revenue will be paramount to survive and prosper in an increasingly challenging environment. These emerging trends will require a strong lobbying network and innovative partnerships to sustain Aruba's growth rate.

Additionally, a multicultural fragmentation of the tourism market, older travelers and more leisure time will have a significant impact on the Aruban hospitality industry (Hahm, Lasten, Upchurch & Peterson, 2007). More differentiated services at destinations will be offered to satisfy an increasingly self-centered and diverse traveler. Technology will play a critical role in quicker response to the requests of clients and in the delivery of quality services. However, it will increase the pressure on tourism companies as they will be required to invest more in technology goods and services. Public and private partnerships involving tourism and non-tourism organizations ventures in projects such as tourism marketing, infrastructure and transportation will help maximize revenue. Higher tourism taxes will lead to travelers' discontent since; ultimately, travelers will carry the burden of increased economic costs. Creativity will be a core competence in such a competitive environment because it will be increasingly difficult to generate additional cash flow. Creative alliances with community organizations, business representatives and developers will become a popular strategy for survival and success.

Limitations

This was an exploratory study and is strictly a qualitative assessment of Aruba's hospitality and tourism industry and was not intended to present any analysis of the forum's results. One of the key objectives of the Delphi method is to obtain a reliable consensus from a group of specialists in their particular field. Using this method, a group of experts is asked to evaluate research problem initially identified in prior research and add to the components using their knowledge of the industry. The Delphi technique also has drawbacks. Sackman (1975) suggests that anonymity may lead to a lack of credibility and accountability since responses may not be traced back to the source. In addition, Delphi is time consuming and the best opinions may be diluted through a consensus approach (Powell, 2003). It goes without saying, that the growth of the tourist industry has yielded much research surrounding social impacts. Experts will undoubtedly design studies focusing on types of tourists, relationship upon native cultures, influence upon local lifestyles, and belief systems, changing family structure, safety and security as well as local crime for Aruba (Hahm et al., 2007). One of the most critical and often controversial aspects of tourism development that was not explored is economic impact. In Aruba's case various detailed studies are required to outline present and projected employment impacts, gross product index, return on investment to the national and local economies, required investments, ancillary revenue generation, influence upon import / export ratios and inflation rates. Lastly, a whole assortment of environmental impacts is yet to be addressed concerning management of resources, conservation of Aruba's heritage, ecological disruptions, pollution impacts, infrastructure strain, and erosion of soil and flora.

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Biographical Note

■ Kevin S. Murphy Ph.D., C.E.C. is an Associate Professor of restaurant management and a Certified Executive Chef (C.E.C.). He holds a Ph.D. in Hospitality Tourism Management from Virginia Tech, Pamplin College of Business. Kevin Murphy began teaching at the Rosen College of Hospitality Management in 2003. He has also served on the faculty of The University of Aruba, James Madison University and Virginia Tech's Hospitality and Tourism Management departments. Kevin Murphy worked in foodservice and the hotel industry for over 20 years and has owned or managed a variety of hospitality establishments including hotels, restaurants and catering operations.

Contact details

Kevin S. Murphy, Ph.D.
Assistant Professor
Rosen College of Hospitality Management
University of Central Florida
9907 Universal Blvd.
Orlando, FL 32819, USA
Email: ksmurphy@mail.ucf.edu