



Luxury Cruise Market Study For Aruba

March 2024

Who we are

1
firm

as the only fully integrated global hospitality advisory firm, we ensure strict quality standards on all assignments

4
sectors

we provide consulting and other services for the hotel, (serviced) living, tourism & leisure sectors

- feasibility studies
- valuations + appraisals
- operator search
- concepts + brands
- project development
- financing + investment
- asset management
- strategic advice
- sustainability solutions

- destination development
- due diligence
- education + training
- executive search
- mergers + acquisitions
- data analytics
- trends + innovation
- events + networking
- news + publications

18
services lines

- Argentina (Buenos Aires)
- Austria (Vienna)
- China (Hong Kong, Shanghai)
- Croatia (Zagreb)
- France (Paris)
- Germany (Berlin, Munich)
- Italy (Milan, Rome)
- South Africa (Cape Town)

- Spain (Madrid)
- Switzerland (Zurich)
- Turkey (Istanbul)
- Ukraine (Kyiv)
- United Arab Emirates (Dubai)
- United Kingdom (London)
- USA (Austin, Los Angeles, Miami, New York)

21
locations

96
years

PKF's significant track record goes back to the launch of USALI, the global hospitality accounting standard, in 1927

100+
experts

our team of experienced consultants is based in offices on all continents and works seamlessly across borders

Where we are



About this Luxury cruise market study

Methodology

This Luxury cruise market study has been prepared by PKF hospitality GmbH between December 2023 and March 2024.

The final content is based on a combination of

- impressions from the field trip to destination
- personal interviews with key tourism stakeholders in the destination
- existing documents and reports
- comprehensive desktop research
- Engagement of relevant global experts and feedback collection through questionnaires via email and a dedicated LinkedIn group
- internal PKF hospitality reports and databases on tourism destination development
- internal PKF hospitality strategy meetings

Disclaimer

Any future decisions are in the sole responsibility of the acting institutions – PKF Hospitality GmbH cannot be made liable for any decisions, based on this study.

The Luxury cruise market study displays all the information available at the time of conducting the study.

Submission date

31. March 2024

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Foreword

This tourism market study should act as a basis for a professional and successful development of luxury cruise tourism in Aruba and enable the responsible public body to take the right decisions regarding its development.

We hope for a successful implementation over the next couple of years.

Florian Van der Bellen
Director & Global head of destination development



Foreword

This comprehensive study represents a significant step forward in understanding the complex dynamics and potential of Aruba's tourism industry, particularly within the luxury cruise sector. Our journey through this analysis was guided by a unique blend of methodologies, carefully chosen to ensure a deep and multifaceted exploration of the subject at hand.

At the heart of our approach was a destination assessment that delved into every aspect of Aruba's offering to the luxury cruise market—from its natural beauty and cultural richness to its infrastructural capabilities and service excellence. This foundational element of our study was enriched by extensive interviews with key stakeholders, whose insights and experiences brought invaluable perspectives to our findings.

A pivotal component of our methodology was the deployment of a comprehensive questionnaire, distributed through a strategically curated LinkedIn group, individual messages and emails. This allowed us to reach a wide and diverse audience of industry professionals, whose feedback was instrumental in shaping our conclusions and recommendations. The process involved initial invitations, followed by thoughtful reminders, and direct messaging to ensure a high level of engagement and response rate. This effort was mirrored in our email communications, where individual contacts were carefully approached and reminded to contribute their views.

The resulting wealth of data and insights has been meticulously analyzed and compiled, offering a clear picture of the current state of luxury cruising in Aruba, as well as the challenges and opportunities that lie ahead. As part of our commitment to transparency and accessibility, we have included a detailed addendum that houses our list of contacts, the questionnaires used, and the feedback received. It is worth noting that the contact list has undergone thorough revision and organization to ensure its utility and relevance.

This study is more than just a collection of data and opinions, it is a roadmap for the future of luxury cruising in Aruba. By blending rigorous analysis with stakeholder engagement, we have laid the groundwork for strategic development that aligns with the aspirations of the local community, the ambitions of the tourism industry, and the evolving demands of the luxury cruise market. Our hope is that this report serves as a catalyst for informed decision-making and innovative strategies that will elevate Aruba's position as a premier destination in the global luxury cruising landscape.

The background of the page is a scenic photograph of a beach. In the foreground, there is a large, gnarled piece of driftwood on the sand. To the right, a large, leafy tree stands on the beach. In the middle ground, a white sailboat with a tall mast is on the water. The sky is blue with scattered white clouds. The overall scene is bright and sunny.

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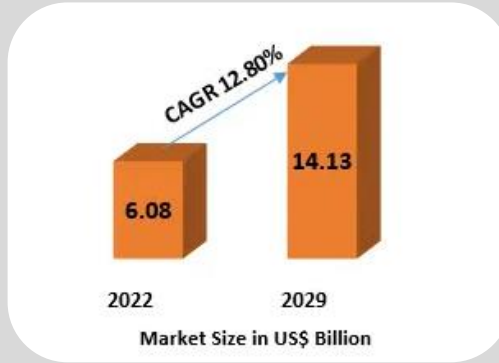
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Module 1

Understanding the Market

The luxury cruise industry is witnessing a significant growth trajectory, fueled by a demand for bespoke experiences.

Market Size



The luxury cruise industry is on a remarkable growth trajectory, with revenue expected to soar from \$6.08 billion in 2022 to an estimated \$14.13 billion by 2029. This impressive expansion, characterized by a compound annual growth rate (CAGR) of 12.8%, underscores a rising demand for personalized, high-end travel experiences, signaling a pivotal shift within the industry towards luxury and exclusivity.

This growth trend aligns with broader economic indicators, such as rising global wealth and the expansion of the affluent consumer base, which have fueled the demand for luxury goods and experiences worldwide. The luxury travel sector, with cruising as a key component, is increasingly catering to these affluent travelers who seek unique, exclusive experiences that transcend traditional vacations.

These travelers are drawn to the promise of exploring remote destinations in unparalleled comfort and style, emphasizing the need for destinations and service providers to offer exceptional quality and unique experiences to attract this lucrative market segment.

Key Players



The luxury cruise market is evolving with key players setting new standards for opulent experiences. The trend is towards smaller, more luxurious ships, as established cruise companies shift focus to offer intimate, personalized voyages. This reflects the industry's move towards quality, underscoring the growing preference for exclusivity in cruise travel.

Meanwhile, companies like Compagnie du Ponant and Silversea Cruises are pushing the boundaries of luxury with their focus on bespoke expeditions and unparalleled onboard services. These players, along with others like Regent Seven Seas Cruises and Crystal Cruises, are not only expanding their fleets with custom-built luxury ships but are also innovating the very concept of cruising—turning it into a curated journey of discovery and indulgence.

The luxury cruise market is dynamically evolving, driven by increased competition and the entry of distinguished brands like The Ritz-Carlton Yacht Collection and the Four Seasons Yachts. This influx of renowned hospitality leaders into the cruising world promises a future of enhanced diversity and luxury, redefining high-end maritime travel to surpass the expectations of modern luxury travelers.

Luxury cruising evolves with a focus on intimacy, personalization, and sustainability.

Growth Trends



The evolution of luxury cruising towards offering more intimate and personalized experiences reflects a broader trend in the luxury market, where exclusivity and customization are paramount.

The industry's pivot to smaller luxury vessels allows for access to less-traveled ports, providing seasoned travelers with the unique, off-the-beaten-path experiences they desire. This trend is further exemplified by the industry's investment in luxury expedition cruising, where ships equipped with advanced navigational technology can venture into remote areas like the Arctic and Antarctic, offering guests the thrill of discovery without sacrificing comfort.

Moreover, the emphasis on unique, culturally rich experiences over standard tourist attractions highlights a shift in luxury consumer values towards more meaningful, transformative travel. Luxury cruise lines are responding by curating itineraries that offer deep dives into the history, culture, and natural beauty of each destination, ensuring that guests return home with stories of unforgettable experiences.

Competitive Landscape



In the luxury cruise market's competitive landscape, differentiation hinges on offering an all-encompassing, seamless luxury experience that addresses every aspect of the guest's journey. Beyond the exquisite accommodations and gourmet dining, luxury cruise lines are distinguishing themselves through comprehensive service offerings that include everything from private transfers and expedited check-ins to exclusive tours and onboard amenities.

This holistic approach to luxury, where every detail is meticulously curated to ensure guest satisfaction, sets the benchmark for luxury cruising. Moreover, the industry's focus on sustainability and eco-friendly practices reflects a growing awareness among affluent travelers of their environmental impact, adding another layer of complexity to the competitive dynamics.

Cruise lines that successfully integrate luxury with sustainability are likely to gain a competitive edge, appealing to the modern luxury traveler's desire for experiences that are not only exclusive and personalized but also responsible and mindful of the planet's future.

Aruba's potential to become a luxury cruise hub offers a unique opportunity for strategic growth in the ultra-luxury cruise segment.

Aruba's Position in the Luxury Cruise Market



Aruba's current standing in the luxury cruise market presents a unique opportunity for strategic development, particularly in positioning the island not just as a luxury destination port but as a pivotal home base for turnaround operations. This strategic shift could significantly elevate Aruba's appeal within the ultra-luxury cruise segment, catering to an exclusive clientele seeking unparalleled experiences. However, realizing this potential necessitates a series of targeted enhancements and developments.



Infrastructure and Accessibility Enhancements

To attract ultra-luxury ships and facilitate seamless turnaround operations, the development of a specialized port is critical. This port must be equipped to accommodate the specific needs of luxury vessels, offering streamlined customs and immigration processes to ensure a smooth transition for travelers. Leveraging Aruba's existing advantage, where U.S. customs can be cleared at the island's airport, could provide a unique selling point, allowing passengers to enter the U.S. as domestic travelers post-cruise. This streamlined process could significantly enhance the attractiveness of Aruba as a base for luxury cruises.

Environmental Considerations and Amenities

In the era of sustainable travel, the provision of shore power at the new port would address environmental concerns, aligning with the values of the luxury travel segment. Additionally, designing the port to accommodate not only luxury cruise ships but also privately owned yachts could create a multifaceted maritime hub, appealing to a broader spectrum of high-end travelers. The amenities and services offered at this port should mirror the expectations of luxury consumers, focusing on exclusivity and privacy.

Rethinking Luxury Traveler Expectations

Understanding the desires of high-luxury consumers is paramount. This segment seeks to escape the crowds, favoring privacy and exclusivity over the conventional cruise experience. They prioritize unique experiences over generic tourist attractions. Catering to these preferences means reimagining Aruba's offering to include tailored experiences that allow for intimate exploration of the island's natural and cultural treasures.

Diverse demographics and changing preferences define the luxury cruise market's evolving landscape.

Demographic Profiling of the Luxury Cruise Market



Age

The luxury cruise market spans several age groups, with distinct preferences and expectations. While traditionally skewed towards an older demographic, including baby boomers (aged 57-75) who prioritize comfort, luxury, and cultural experiences, there is a noticeable shift towards attracting younger generations. Gen X (aged 41-56) and older Millennials (aged 25-40) are emerging as significant segments, drawn by the promise of unique, immersive travel experiences. These younger travelers often seek adventure and exploration, alongside luxury and exclusivity.

Income Level

Luxury cruisers typically fall into the higher income brackets, with disposable income that allows for discretionary spending on high-end travel experiences. This segment includes affluent professionals, business owners, and retirees with significant savings. The luxury cruise industry caters to this group by offering an array of premium services and exclusive experiences that justify the higher price point associated with luxury cruising.

Preferences

Preferences among luxury cruise travelers vary, with some seeking relaxation and rejuvenation in a lavish setting, while others look for adventure and cultural immersion. High-luxury consumers demand personalized services, from bespoke excursions to tailored dining experiences. There is a growing trend towards experiences that are not only exclusive but also meaningful and transformative, blending luxury with authenticity and sustainability, for example, high-end adventure experiences like private yacht charters, or guided scuba diving excursions in pristine reefs.

Travel Behavior

Travel behavior in the luxury cruise segment highlights a penchant for longer, more immersive itineraries that offer in-depth exploration of destinations, like private cultural performances or exclusive access to remote natural wonders. Luxury cruisers value exclusivity and privacy, preferring smaller ships that can access unique, less-traveled ports. This group tends to plan and book their trips well in advance, often seeking the assistance of luxury travel advisors to curate their travel experiences. Repeat business is common within this segment, with satisfied cruisers loyal to brands that have successfully met or exceeded their high expectations.

Psychographics

Luxury cruise value experiences over material goods, seeking travel that enriches their lives and broadens their perspectives. They prioritize wellness and well-being, often choosing cruises that offer spa services, fitness activities, and health-conscious dining options. Sustainability and responsible travel are increasingly important to this demographic, influencing their choice of cruise lines that demonstrate environmental stewardship and community engagement.

Market profiles reveal the varied lifestyles and interests of luxury cruisers, each with unique travel behaviors and preferences.

Affluent Retirees



John (68), a retired corporate executive, and Margaret (65), a former school principal, have been looking forward to exploring the world in their retirement years. With a significant nest egg saved up, they prioritize comfort, wellness, and cultural enrichment in their travels.

interests

opera, historical sites, gourmet food and wine.

Lifestyle & Behaviour

They prefer leisurely, extended cruises with luxurious accommodations and attentive service. They value all-inclusive packages for a hassle-free experience and often book their cruises through a trusted luxury travel advisor.

Exploratory Affluent Professional



Sophia (45) is a successful tech startup director who blends her adventurous spirit with her love for travel. Amid her bustling career, she finds solace and adventure in unique, off-the-beaten-path destinations that offer a mix of luxury and discovery.

interests

hiking, authentic experiences, the latest travel technology.

Lifestyle & Behaviour

Sophia seeks out luxury cruises that with personalized experiences and access to less-traveled ports. Flexibility and customization are key for her, as she looks for options that can adapt to her dynamic lifestyle. Staying technologically connected is non-negotiable for her.

Luxury-seeking Millennials



Alex (29) and Jordan (32), a millennial couple working in digital marketing and graphic design, respectively, are always on the lookout for travel experiences that strike the perfect balance between luxury, authenticity and shareability.

interests

Eco-conscious travel, immersive cultural experiences, wellness retreats.

Lifestyle & Behaviour

Preferring shorter, immersive cruises to unique destinations, they emphasize sustainability and authentic experiences. They rely on social media and online reviews to guide their travel choices, seeking out experiences that are as luxurious as they are Instagrammable.

High-End Family Travelers



The Harrisons are a family who treasures their vacation time, seeking out enriching experiences that cater to both the kids and adults. David (42) and Michelle (39), and their two kids (14 & 12), look for travel that allows the family to bond, learn, and relax in a luxury.

interests

Family-friendly excursions, activities for the kids, relaxation and spa days for the adults.

Lifestyle & Behaviour

The Harrison family opts for luxury cruises designed to accommodate families, prioritizing safety, diverse dining options, and engaging kids' programs. They choose all-inclusive packages to ensure a seamless, worry-free holiday experience.

Luxury cruisers favor exclusive, culturally rich, and sustainable destinations for unique, authentic experiences.

Sought-after Destinations

Luxury cruise travelers typically seek destinations that offer a blend of natural beauty, exclusivity, and rich cultural experiences. While the allure of iconic cities like Venice, Barcelona, and Santorini remains strong, there is a growing interest in off-the-beaten-path destinations that promise unique and immersive experiences. These include:

- **Polar Regions and Alaska:** The Arctic and Antarctic continue to enthrall luxury cruisers with their otherworldly landscapes, wildlife encounters, and the allure of remote exploration, making them a top choice for adventure-seekers. Alaska offers rugged beauty and encounters with majestic wildlife, both drawing luxury cruisers with their unique appeals.
- **Caribbean :** A perennial favorite, the Caribbean is renowned for its warm hospitality, stunning beaches, and rich and diverse cultures.
- **Southeast Asia:** With vibrant cultures, breathtaking scenery, and rich culinary traditions, destinations like Bali and Ha Long Bay remain alluring to those seeking a blend of relaxation and sensory experiences.
- **South Pacific Islands:** The idyllic settings of Bora Bora, Fiji, and the Cook Islands offer luxury travelers the ultimate escape with their untouched beaches and tranquil, crystal-clear waters.
- **Northern Europe and the Baltics:** Steeped in history and culture, this region promises luxury cruisers a journey through time, with treasures ranging from the architectural wonders of St. Petersburg to the natural beauty of the Norwegian Fjords and Scottish Highlands.
- **South America:** The Amazon River, Galapagos Islands, and the dramatic landscapes of Patagonia attract those looking for biodiversity and immersive adventure experiences.

Factors Influencing Destination Choice

Several key factors influence the destination preferences of luxury cruise travelers, including:

- **Exclusivity and Privacy:** Luxury travelers prefer destinations that offer a sense of exclusivity and privacy, away from the crowds typically associated with popular cruise stops.
- **Natural Beauty and Wildlife:** Destinations that offer stunning natural landscapes and opportunities for safe wildlife encounters are particularly appealing, providing a backdrop for relaxation and adventure.
- **Unique and Authentic Experiences:** There is a strong desire for authentic cultural encounters, whether it is participating in local traditions, exploring hidden gems, or enjoying cuisine prepared by local chefs.
- **Cultural Richness:** Places with a deep cultural heritage and a wealth of historical sites attract those looking to enrich their travel experiences with educational and cultural exploration.
- **Sustainability:** An increasing concern for environmental impact influences the choice of destinations, with a preference for locations and experiences that prioritize sustainability and conservation of nature and culture.

The destination preferences of luxury cruise travelers are shaped by a combination of the quest for exclusivity, the pursuit of unique and authentic experiences, and a deep appreciation for natural beauty and cultural richness. To meet these needs, **a dedicated luxury port** for smaller, upscale ships, especially in combination with shore power, can provide the intimate experience these travelers prefer, underscoring the destination's commitment to personalized service and eco-friendliness. As preferences evolve, destinations with such bespoke facilities are poised to lead in attracting the luxury cruise market.

Ultra-luxury cruisers prioritize exclusive ports and natural, cultural richness, valuing personalization and avoiding the mainstream.

Exclusivity in Port Experience and Natural Appeal

First of all, all respondents emphasized the importance of a separate luxury cruise port. The much smaller (ultra) luxury cruise ships (or yachts, as some prefer to call themselves) and their passengers do not want to be docked next to any of the ocean giants.

Their preferred destinations are rich in natural beauty and cultural sites, safe, with friendly people, and great food. Aruba's sparse vegetation was mentioned in the questionnaires as an interesting "plus" which sets it apart from other Caribbean destinations.

These travelers prioritize efficient organization to avoid queues or delays, ensuring their time and money are well spent. They like to deal with knowledgeable, friendly and professional people, therefore well-trained guides are very important (one of the complaint points about Aruba!). They want to see and learn something interesting, preferably from genuine locals.

They don't like masses, so ways must be found to show them places of interest in a different way, "backstage" and exclusive. The lack of cultural sites in Aruba was another point of criticism. However, this may be a great opportunity to create more cultural experiences with local Aruban artists, craftsmen, and storytellers.



Local Warmth and Destination Satisfaction Factors

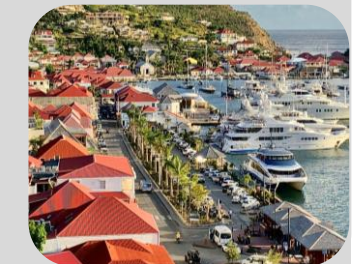
Confirming previous studies and reports, supplied by ATA, feedback from (ultra) luxury cruise stakeholders repeatedly mentioned the friendliness of local people and the high perception of safety. Aruba's beaches (including the ones on the rougher east coast), the crystal-clear water, and the food are highly appreciated. The central docking location close to shops and attractions was also mentioned. Overall satisfaction seems to be high.

On the negative side, few historical sites, poor equipment, and unfriendly/uninterested tour guides were mentioned, also Aruba's focus on the mass market (indicating that insufficient personalized experiences are available or at least not communicated enough).

(Ultra) luxury travelers are generally highly educated and have visited many parts of the world. They don't seem to be over-critical if a destination has certain limitations, as long as they can still enjoy themselves away from the crowds and have interesting and meaningful experiences.

Their strong cultural interest explains why ports like Kusadasi (Turkey), and Aqaba (Jordan) are becoming very popular and were named by one stakeholder as the best for luxury cruises.

In the Caribbean, St. Barts was mentioned top, due to its focus on luxury yachts, not mass cruises.



Aruba must innovate private, exclusive experiences amidst its natural beauty to satisfy the luxury travelers.

Exclusivity and Privacy

Aruba is at a crossroads where its popular spots still offer a respite from overcrowding, but signs suggest this might not last. While the island's main attractions are beginning to feel the pressure of increasing tourist numbers, there is a silver lining. Less-visited areas present a ripe opportunity for creating special, exclusive experiences for luxury travelers seeking privacy and uniqueness.

The success of offerings like chef's tables demonstrates the potential of Aruba to cater to the luxury market's desire for personalized and secluded experiences. Moreover, services that streamline the travel experience, from expedited airport services to private transport, have shown that high-end travelers value a seamless, hassle-free journey.

To maintain its allure amidst growing visitor numbers, Aruba needs to apply this understanding across all aspects of luxury travel. Ensuring every experience is marked by exclusivity and ease can help Aruba continue to attract luxury cruisers in a competitive market, preventing potential overcrowding from tarnishing its reputation as a premier luxury destination.



Natural Beauty and Wildlife



Aruba's natural beauty and wildlife offerings, while appealing, face stiff competition within the Caribbean, which is renowned for its stunning beaches and clear waters. Aruba's beaches are undeniably pristine, but they don't necessarily stand out from other Caribbean destinations that offer similar landscapes. The wildlife encounters on Renaissance Island, particularly with iguanas and flamingos, while charming, are curated experiences that will not fulfill luxury travelers' desires for authentic wildlife interactions.

Aruba's Arikok National Park showcases the island's varied landscape, featuring distinct vegetation, caves, dunes, and remote beaches. While the visitor center provides informative content, the lack of a souvenir shop, cafe or restaurant is a notable omission. The park offers a glimpse into the island's diverse environment with its caves and rare vegetation, but it is not unique enough to be a sole draw for visitors.

For luxury travelers interested in natural beauty and wildlife, Aruba could enhance its offerings. More personalized experiences like private tours of Arikok's less-traveled paths, wildlife expeditions, or conservation-focused activities could better align with the expectations of this market. Developing these unique opportunities would position Aruba as a destination for authentic natural experiences within the luxury travel sector.

While some of Aruba's offerings already resonate with upscale preferences, there remains significant potential for improvement.

Unique Authentic Experiences

Aruba's luxury travel scene, though still growing, already showcases a variety of unique and authentic experiences that align well with the desires of luxury cruise travelers. Key experiences such as chef's tables, artist-led tours of San Nicolas, wine tasting at Alto Vista Winery, and dining at The Old Man and the Sea exemplify the high-quality, distinctive experiences that resonate with this segment. To further enhance Aruba's appeal, focusing on developing and upgrading specific experiences could significantly elevate its status:

- Aruba Aloe:** Enhancing visits with exclusive tours, expert talks by medical professionals, and aloe-infused dining appeals to luxury travelers, connecting them to Aruba's wellness culture. Its rich history and international reach make Aruba Aloe an excellent ambassador for Aruba, continuing to market the island through its global distribution long after visitors return home.
- Pepe Margo Distillery:** This distillery's ambiance, professionalism, and unique product offer an exceptional experience suitable for luxury travelers. Tailoring experiences such as exclusive dinners paired with local spirits and cocktails can further solidify its appeal. The distillery's focus on authentic products, available only on-site, offers an exclusivity that luxury travelers often seek.
- Archaeological Museum:** Hosting private, after-hours events at the museum provides an opportunity to blend education, culture, and luxury dining. With its interactive displays and engaging storytelling, the museum offers a backdrop for events that cater to luxury travelers' interests in history, culture, and gastronomy. Such events can create a memorable experience that enriches visitors' understanding of Aruba.

In addition to these existing opportunities, developing workshops directly with locals could offer hands-on, authentic experiences across various themes. Potential areas for development include:

- Gourmet Cooking and Mixology Sessions:** Culinary workshops with top local chefs and mixologists, where travelers craft dishes and cocktails with local flavors, gaining unique insights into Aruba's cuisine.
- Artisanal Craftsmanship Workshops:** Hands-on sessions with artisans teaching traditional crafts like pottery and jewelry making, leading to bespoke souvenirs.
- Private Music and Dance Workshops:** Immersive lessons in Aruba's music and dance, from playing local instruments to understanding dance traditions and songwriting with musicians.
- Fishing and Maritime Culture:** Experiences delving into Aruba's fishing traditions and maritime heritage, from catching to cooking local seafood.
- Private Sailing and Navigation Classes:** Exclusive sailing lessons on luxury vessels, teaching navigation and sailing techniques along Aruba's picturesque coast.
- Wellness and Spirituality Retreats:** Custom retreats in tranquil settings, focusing on yoga, meditation, and holistic practices, enriched by Aruba's spiritual traditions.



Aruba's cultural offerings, while rich and diverse, could be further tailored to meet luxury travelers' expectations.

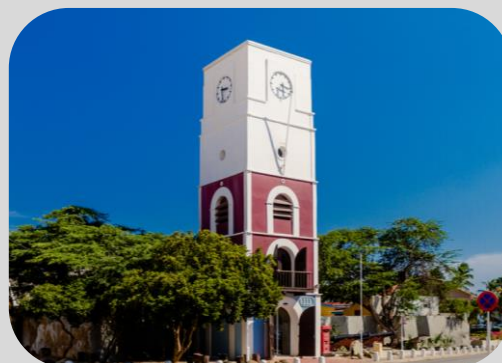
Cultural Richness

Aruba's cultural richness presents a unique blend influenced by its indigenous heritage, Dutch colonial history, and the various other cultures that have shaped its current identity. While the island has made strides in showcasing its culture through festivals, music, and dance, there are areas where it may not fully meet the high expectations of luxury cruise travelers looking for deep cultural immersion.

The capital, Oranjestad, with its brightly colored Dutch architecture and museums, offers a snapshot of Aruba's historical narrative. However, compared to other destinations with extensive historical sites and cultural offerings, Aruba's attractions might seem limited. The National Archaeological Museum of Aruba and Fort Zoutman offer insights into the island's past, but they are relatively small and lack the depth and scale found in larger, more historically renowned locations.

In terms of local arts, while there are initiatives like the San Nicolas art scene, which provides a contemporary cultural touch, and the local music scene that is vibrant and accessible, there may be room for more structured and elevated cultural experiences that cater specifically to the luxury market. This could include private viewings of historical sites, interactive workshops with local artisans, and exclusive performances that showcase traditional and modern expressions of Aruban culture.

Aruba does possess a rich cultural tapestry, but to truly captivate the luxury cruiser who might be accustomed to the cultural opulence of destinations in Europe or Asia, it will be important to curate more exclusive, immersive and comprehensive cultural experiences. These could be designed to tell Aruba's unique story in a more compelling way that resonates with a clientele that values cultural richness as a significant aspect of their travel experience.



Aruba is progressing towards sustainability, but further efforts are needed to fully meet luxury travelers' expectations.

Sustainability



Aruba's approach to sustainability is crucial, particularly as luxury travelers increasingly seek destinations that demonstrate environmental, cultural, and social responsibility. The island's initiatives, like the transition towards renewable energy and the protection of its unique ecosystems, are steps in the right direction. However, sustainability as a luxury travel expectation encompasses not just environmental actions but also how these actions are integrated into the visitor experience.

For Aruba to meet and exceed these expectations, it is essential to offer sustainable experiences that don't compromise on luxury. This means creating opportunities for travelers to participate in conservation efforts, such as coral reef restoration or wildlife protection, in ways that are both educational and meaningful. Luxury accommodations and tours that are eco-certified and reduce the carbon footprint can also be a draw for environmentally conscious travelers.

Social Sustainability

Aruba's greatest asset in its tourism sector is undoubtedly its people. The warmth, hospitality, and cultural pride of Arubans are indispensable in creating authentic and memorable experiences for visitors. The importance of social sustainability in this context cannot be overstated—it is crucial to conserve and retain the local community within the tourism workforce.

The emphasis on social sustainability serves several critical functions:

- **Cultural Preservation:** The involvement of locals in tourism ensures that Aruba's rich cultural heritage is authentically represented and preserved for future generations.
- **Quality of Service:** The unique hospitality offered by Arubans is fundamental to creating memorable experiences for visitors, setting Aruba apart from other destinations.
- **Economic Stability:** Given tourism's substantial contribution to Aruba's GDP, the economic well-being of local employees is crucial for the island's overall prosperity.
- **Societal Well-being:** Fair tourism practices ensure that the benefits of the industry are equitably shared, enhancing the quality of life for the entire community.
- **Authenticity in Experiences:** Travelers value genuine interactions that reflect the local way of life. This authenticity depends on the active participation of the local community in the tourism industry.
- **Avoiding Dependency on External Workforce:** Maintaining a local workforce helps preserve Aruba's unique cultural identity and avoids the pitfalls of relying on external workforce, which could lead to a loss of the island's distinct charm.

The catastrophic consequences of neglecting social sustainability are clear. Without the local workforce, Aruba could face not only a loss of cultural identity but also economic downturns and a compromised tourism product. Thus, it is vital for Aruba to implement sustainable tourism practices that support and empower its local community, ensuring that the island's prosperity is shared and that its cultural charm remains intact for future generations of travelers.

Aruba's upgrades to port infrastructure, aim to enhance its appeal to the luxury cruise market and improve passenger experience.

Port Infrastructure and Facilities



In assessing Aruba's port infrastructure and facilities within the luxury cruise market, it is evident that strategic development is paramount for enhancing the island's appeal to a discerning clientele. The ongoing renovations at the cruise port, including upgrades to terminals and the exploration of a specialized luxury cruise terminal, highlight Aruba's commitment to improving its cruise infrastructure. However, the success of these initiatives hinges on careful planning to avoid conflicts with larger cruise vessels and to ensure a seamless experience for luxury cruise passengers.

The potential development of the Port City area and the consideration of alternative docking locations for ultra-luxury cruise ships indicate a forward-looking approach to port expansion and diversification. Such developments are essential in positioning Aruba as a leading turn-around port for luxury cruises, leveraging its excellent air connectivity and reputation for safety, cleanliness, and hospitality.

Furthermore, the discussion around building an iconic port facility underscores the importance of creating a distinct and memorable experience for passengers and crew. This involves not only physical infrastructure improvements but also integrating environmental sustainability measures, such as shore power, to align with the values of luxury travelers.

To truly capitalize on its position, Aruba must also consider the synergies between the ABC islands (Aruba, Bonaire, Curacao), utilizing their unique selling points to create a compelling regional offering. This collaborative approach could significantly enhance marketing efforts and attract a more diverse array of luxury cruisers and other visitors, especially from Europe.

Aruba's strategic enhancements to port infrastructure and facilities, coupled with a keen focus on sustainability and regional collaboration, are critical for attracting the (ultra) luxury cruise segment. By addressing current barriers and harnessing its unique strengths, Aruba has the potential to redefine its luxury cruise offering and secure a competitive edge in the Caribbean cruise market.



Aruba must enhance luxury accommodations and culinary diversity to satisfy the demands for exclusivity and authenticity.

Luxury Accommodation and Services

Aruba's appeal in the luxury cruise market is significantly shaped by the availability and quality of its high-end accommodations, spas, and personalized services. The island's emphasis on safety and luxury caters to affluent travelers who often assess and compare the levels of luxury offered by various destinations. Typically, luxury cruise guests, primarily aged between 45 and 60 and often first-time cruisers, show a preference for onshore dining and upscale shopping, underscoring the need for a luxury atmosphere and high-quality services.

To enhance Aruba's allure as a luxury destination, the development of exclusive experiences and services is paramount. This includes seamless arrival and departure experiences, luxury transportation, and private shopping options, alongside unique offerings like small luxury yacht cruises and exclusive nature events. The exploration of synergies, particularly in catering to the ultra-luxury segment, presents an opportunity to refine Aruba's luxury tourism model.

Despite its advantages in airlift, safety, and existing luxury experience providers, there is a recognition of the need for creativity and a shift from volume-focused tourism to quality-driven offerings. The challenge of maintaining an authentic Aruban experience amidst labor shortages and the need for more luxury accommodations is evident. The hospitality sector, including select hotels, has shown potential yet requires further enhancement to meet the expectations of ultra-luxury travelers fully.

In summary, Aruba possesses the foundational elements to attract the luxury cruise market but must focus on elevating its luxury accommodation standards and diversifying its service offerings. By prioritizing exclusivity, personalized experiences, and leveraging its cultural and natural assets, Aruba can solidify its position as a premier luxury cruise destination.

Restaurants, Nightlife, and Entertainment

Aruba's dining scene, with an impressive diversity of 1,200 restaurants, plays a crucial role in its appeal to luxury travelers, including those from hotels seeking varied culinary experiences. However, the sector faces challenges such as staffing shortages and the extensive training needed for new employees, compounded by bureaucratic hurdles in obtaining working permits. This issue is critical as 75% of restaurants are located near hotels, indicating a symbiotic relationship between the dining and hospitality sectors.

The sentiment that no additional hotels are needed reflects concerns over further straining service staff resources and the potential loss of Aruban culture amidst increasing tourism.

For Aruba's dining, nightlife, and entertainment offerings to truly cater to luxury travelers, there is a need for enhanced maintenance of the current product and a strategic approach to service quality. Restaurants featuring Chef's Tables demonstrate readiness to cater to the high-end market, suggesting that Aruba has the potential to attract more cruise passengers ashore by emphasizing a combination of exquisite food and cultural experiences. This strategy could enrich the luxury traveler's experience, encouraging them to explore beyond the confines of their cruise ship and engage more deeply with Aruba's culinary scene and cultural offerings.



Aruba's luxury retail lacks local integration, while immersive experiences and cultural engagement are still developing.

Shopping and Brand Availability



Aruba's retail landscape is rich with a wide selection of brands, particularly in jewelry and clothing, catering well to the luxury market with some companies already offering private shopping experiences.

However, there is an opportunity for Aruba to enhance its luxury retail proposition, especially in the main street, by integrating its local arts and crafts into the shopping experience. This could involve setting up exclusive opportunities for guests to visit local artisans, participate in workshops, and purchase authentic local art. Such initiatives would not only support Aruba's local artisans by showcasing their work to an international audience but also offer luxury travelers a more meaningful souvenir of their visit. Instead of acquiring another piece of jewelry, guests could take home a selfmade piece of Aruba's cultural heritage, creating a lasting connection with the island.

Developing this aspect of the shopping experience could significantly bolster Aruba's appeal as a luxury destination, offering unique, culturally enriching experiences that align with the desires of today's discerning travelers.

Natural and Cultural Attractions

Natural Attractions

Aruba's natural attractions captivate with their unique beauty, from pristine beaches to the diverse ecosystems within Arikok National Park. The island's distinct geological formations and relatively arid environment offer visitors a different perspective on Caribbean natural beauty. However, to fully leverage these natural assets, enhancing visitor infrastructure and engagement at these sites emerges as a key opportunity. Improving access and conservation efforts can make these natural wonders more immersive and sustainable, aligning with the desires of luxury travelers seeking exclusive and environmentally conscious experiences.

Cultural Attractions

On the cultural front, Aruba's heritage is a rich mosaic influenced by Indigenous, African, South American, and European histories, visible in its architecture, museums, and festivals. Despite these vibrant offerings, there is room to deepen the cultural experience for visitors. Creating opportunities for luxury travelers to directly engage with local artisans, participate in hands-on workshops, and acquire meaningful products would provide a deeper, more authentic immersion into Aruba's cultural landscape. This approach not only enriches the visitor experience but also supports local crafts and traditions, offering a compelling blend of luxury and cultural exploration.



Barbados offers lush landscapes and rich cultural experiences yet faces challenges with limited air connectivity from certain market.

Barbados

Barbados distinguishes itself in the luxury cruise market with its lush, vibrant landscapes and rich, distinct cultural heritage. The island's acclaimed rum distilleries and historic plantations offer unique tastes of Barbadian heritage, appealing to luxury travelers seeking deep cultural immersion. Furthermore, Barbados boasts some of the Caribbean's most renowned culinary experiences, elevating it as a foodie's paradise with flavors and dishes that reflect its complex history.

However, Barbados faces challenges such as limited direct air connectivity from certain markets, which could affect its accessibility for turn-around cruises. Additionally, while offering stunning natural beauty, it does not have the advantage of being outside the hurricane belt, which can be a crucial factor for travelers and cruise lines planning in the hurricane season. It also lacks immersive experiences for the affluent traveler to partake in.



Port Facilities and Guest Services

Bridgetown Port, a key entry for luxury cruises, offers modern amenities and efficient services. While capable of accommodating luxury vessels, the port reflects the broader challenge Barbados faces: adapting to the luxury market's changing needs. The current infrastructure and service offerings, though adequate, highlight the necessity for ongoing updates to keep up with the global standards expected by luxury travelers.

Accommodation and Gastronomic Offering:

Barbados boasts a variety of luxury accommodations and a renowned culinary scene, essential in attracting luxury cruise visitors. The accommodations and dining experiences, while noteworthy, suggest room for broader diversity in the island's luxury offerings. The gastronomic landscape, celebrated for its quality, could benefit from an expanded range of distinctive dining experiences to meet the sophisticated tastes of luxury travelers.

Cultural and Leisure Experiences:

The island offers a wealth of cultural sites and leisure activities, yet there is an observable shortfall in exclusive, culturally immersive experiences catered to the luxury segment. This shortfall points to a potential area for development in enriching the cultural and leisure offerings. The current array of activities, though commendable, indicates the need for more personalized and unique cultural engagements that could further enhance the appeal of Barbados as a luxury cruise destination.



St. Maarten impresses with its vibrant culture and modern port facilities but struggles with masses and immersive experiences.

St. Maarten

St. Maarten, known for its dual French and Dutch cultural charm, is a vibrant destination within the luxury cruise market. Its stunning beaches and lively ports offer an engaging experience for travelers. Philipsburg Port, equipped with modern facilities, welcomes luxury travelers, showcasing the island's commitment to high-quality service. St. Maarten's varied culinary landscape and a plethora of activities extend beyond typical beach leisure, making it an attractive option for luxury cruisers seeking diverse experiences.

However, St. Maarten faces certain challenges that impact its appeal in the luxury cruise market. Notably, the island is experiencing issues with overcrowding, affecting the exclusivity and tranquility often sought by luxury travelers. Additionally, while the island offers a range of leisure and cultural activities, there is an observed lack of deeply immersive and unique experiences tailored specifically to the luxury segment.



Port Facilities and Guest Services

Philipsburg Port is a crucial asset for St. Maarten in accommodating luxury cruises, providing essential services that facilitate a comfortable experience for visitors. The port's ability to handle various luxury vessels is a testament to the island's readiness to cater to upscale tourists. Despite these strengths, there is a noted need for further enhancements in port facilities and guest services to align with the evolving standards of the luxury travel market.

Accommodation and Gastronomic Offering:

The island boasts several luxury accommodations and a rich gastronomic scene that appeals to those with refined tastes. Despite this, there is a recognized need for a broader range of high-end dining options and accommodations that consistently meet the high standards expected by luxury cruisers. The current offerings, while commendable, highlight the opportunity for growth in diversifying St. Maarten's luxury hospitality landscape.

Cultural and Leisure Experiences:

St. Maarten's vibrant nightlife and water sports activities provide a glimpse into the island's leisure offerings. However, the luxury travel market looks for unique and culturally rich experiences, which are currently underrepresented. The relative scarcity of bespoke cultural tours and engagements with local heritage points to an area where St. Maarten could expand its offerings to better meet the desires of luxury travelers seeking meaningful experiences.



The Bahamas boasts stunning natural beauty and efficient port facilities but lacks tailored cultural experiences for luxury travelers.

The Bahamas

The Bahamas are renowned for their crystal-clear waters, pristine beaches, and a relaxed vibe, attracting luxury cruise travelers seeking a tropical getaway. The allure of the Bahamas lies in its natural beauty, with islands like Exuma and Harbor Island offering secluded escapes. The country's ports, particularly in Nassau, serve as welcoming gateways to these paradisiacal settings, equipped to handle the influx of visitors with their efficient services and amenities.

However, the Bahamas encounter challenges in fully meeting the luxury cruise market's demands. The islands face the task of preserving their natural beauty while accommodating an increasing number of visitors looking for high-end experiences. There is also an observed lack of depth in the cultural and leisure activities specifically tailored for the luxury segment, indicating a potential area for growth.



Port Facilities and Guest Services

The port facilities in the Bahamas, notably in Nassau, are key entry points for luxury cruisers, offering access to the islands' stunning beaches and luxury experiences. While these ports provide essential services for a comfortable arrival, the need for continuous enhancement in infrastructure and service offerings is apparent to match the evolving expectations of the luxury travel market.

Accommodation and Gastronomic Offering

The Bahamas boast an array of luxury accommodations and a culinary scene celebrated for its freshness and flavor, key attractions for luxury cruisers. However, the diversity in high-end dining experiences and accommodations, while notable, suggests room for expanding the scope of luxury offerings to cater more effectively to the tastes and preferences of affluent travelers.

Cultural and Leisure Experiences:

The cultural and leisure activities available in the Bahamas, including water sports and local market exploration, offer glimpses into the islands' offerings. Nonetheless, the relative scarcity of exclusive, culturally enriching experiences tailored to luxury travelers points to an area where the Bahamas could further develop their appeal, enriching the overall experience for visitors seeking unique and immersive engagements with the destination's heritage and natural landscapes.



St. Barts' luxury allure comes with high costs and peak-season crowding, posing challenges for visitors seeking tranquility.

St. Barts

St. Barts distinguishes itself within the luxury cruise market through its exclusive allure and high-end offerings that make it a magnet for the world's elite, particularly those with an affinity for luxury yachts. Its reputation is further bolstered by events like the St. Barts Bucket and Les Voiles de St. Barts regattas. The blend of natural beauty with the sophistication of its amenities and social scene mirrors the charm of the French Riviera, set against the backdrop of the Caribbean's turquoise waters.

However, St. Barts' focus on high-end brings its own set of challenges. The exclusivity that defines the island also translates into high costs for visitors, and residents, from dining and shopping to basic services like transportation. While the luxurious lifestyle and social events are a draw, they can contribute to a sense of overcrowding during peak seasons, detracting from the island's appeal to those seeking a more secluded or authentic Caribbean experience.



Port Facilities and Guest Services

The port in Gustavia is a central hub for the arrival of luxury yachts and cruise passengers, upscale amenities that reflect St. Barts' persona. Its pedestrian-friendly layout and proximity to high-end boutiques, restaurants, and beaches make it an ideal point of entry for visitors. However, the island's focus on luxury yachting means that facilities are tailored more towards private vessels than commercial cruise liners, which limits accessibility for a broader range of luxury cruise passengers seeking the same level of exclusivity and service.

Accommodation and Gastronomic Offering:

Accommodations in St. Barts cater to the highest standards of luxury, offering an array of exquisite resorts, villas, and private estates. The culinary scene is boasting a selection of restaurants that rank among the Caribbean's best for gourmet dining. Despite these strengths, the concentration of high-end options means that experiences can come at a premium, potentially excluding a segment of luxury travelers looking for value alongside opulence.

Cultural and Leisure Experiences:

St. Barts' cultural offerings and leisure activities are infused with its French heritage. The island provides a unique cultural blend that is both European and Caribbean. Nevertheless, the focus on luxury and exclusivity might overshadow the depth and diversity of local and cultural experiences available to visitors, with opportunities to further explore and integrate St. Barts' rich history and local artistry into the luxury travel itinerary.



Aruba's main strength lies in its warm, friendly, and welcoming people, contributing to its unique hospitality.

Strengths

- Aruba's people (warm, friendly, welcoming, polite – uniquely hospitable)
 - Geographical position outside the Hurricane Belt
 - Geographical position as one of the southernmost Caribbean islands adds to Aruba's exclusivity
 - Safety and security on the island (confirmed by international statistics)
 - Excellent air connectivity
 - Very good infrastructure on the island – airports (main airport and small one for private jets), ports (separate for passenger and cargo), roads, water supply, electricity
 - Beautiful beaches
 - Reliable weather (not much rain, stable temperatures, no extremes)
 - Most people on the island speak English, Spanish, Dutch, and Papiamentu
 - Food diversity
 - Long experience with cruises
 - Excellent cooperation between different government departments
 - VIP services already exist
 - Many luxury hotel brands operating in Aruba
 - Very high occupancy rate all year round (despite high prices)
 - Very strong inbound market from USA
 - US clearance already in Aruba (arrival in US like a domestic flight)
- Aruba's very different vegetation, compared to other Caribbean islands

Aruba's weaknesses include overcrowding, limited infrastructure, and challenges with quality employees in the hospitality sector.

Weaknesses

- Apart from the Aruban people and their incredible hospitality, there are no “landmarks” or USPs that make Aruba truly stick out
- Even Arubans find it difficult to explain what makes Aruba unique (except for the “Aruba Effect”, which is not tangible and difficult to market to people who have never been there)
- Overall appearance of Aruba does not reflect (ultra) luxury (one has to look for it), but a mass tourism destination
- No separate luxury cruise port
- Luxury cruise lines keep an itinerary that focusses on Europe in summer and the Caribbean in winter
- Little interest of tour operators to invest in luxury niche (reliance on mass tourism)
- Hotels are spoiled with very high occupancy rates at high prices (existing tourism works well enough for them, so no need to be ultra-special)
- Over-crowded in touristic hotspots, especially in Oranjestad (noise, traffic jams, long waiting times)
- Certain culture clash between US and other visitors
- Almost everything needs to be imported to Aruba, adding to the costs
- Limited space on the island drives speculation and prices at the cost of general local population
- Some “luxury offers” turn out to be lacking in quality or upkeep (Renaissance Island, rental cars, some hotels, smell on Eagle Beach etc.)
- Big differences in attractiveness between “first row” and adjacent backstreets, especially in Oranjestad
- Vegetation on Aruba is very sparse (not reflecting the lush vegetation images of a tropical paradise)
- Opening times of shops, cultural institutions and tourism facilities, such as Arikok National Park, are much too restrictive and hindering to further opportunities and revenue
- Infrastructure at nature sites is still poor and opportunities are being missed (for example, no souvenir shop at the National Park entrance, no bars, kiosks or restaurants in the park, lack of toilets etc.)
- Essential infrastructure on Aruba has not been adapted to the needs of today (especially sewage and wastewater system)
- Overreliance on tourism with very few other options
- Local hospitality staff is limited
- Little opportunities to attract foreign employees (additional living quarters are hardly available and would increase tension among local population)
- No healthy mix of cruise and air guests from different countries and with different interests, which would support a more sustainable form of tourism with higher benefits for local people outside existing tourism hotspots (the true asset of Aruba – its people and culture – is not being “used” to attract new, appreciative target groups)
- increased complaints on crowds and trash especially on the beaches

Aruba has vast opportunities to enhance its appeal through initiatives like establishing a luxury cruise port.

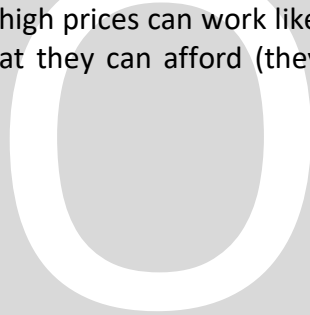
Opportunities

- A separate luxury cruise port would make the biggest difference to attract (ultra) luxury cruise lines (#1 on their “wish list”). This would boost Aruba’s potential to become a sought-after turn-around port, given the island’s excellent air connectivity and quantities of First and Business Class seats, number and variety of top brand hotels, Aruba’s great ratings on safety, cleanliness, hospitality etc.
- Creation of an iconic landmark, not to be found anywhere else in the world, to boost Aruba’s image to a must-see destination
- Creation and branding of “true” Aruban products, also in the cuisine, following the idea of the “Wiener (Vienna) Schnitzel” – you can eat it anywhere, but only in Vienna will you get the “real thing”
- The only existing winery in Aruba should consider to create cuvees of higher quality, rather than their single variety wines of limited quality, create strong brands and make them unique in a more positive way – for example, Aruba Amazing Red, instead of Tempranillo made in Aruba
- Attract private luxury yachts to Aruba (yacht and crew often stay for long periods of time) – perfect match with the interests of luxury cruise passengers
- Promote possibility of easy and hassle-free pre-clearance by Aruban customs to private yacht owners (no more difficult docking maneuvers and bureaucracy next to the Colombian banana boats)
- Further promote the existing airport for private jets/planes
- Cooperate with existing harbor for smaller yachts in Varadero to invest in upgrading of docking facilities and other infrastructure
- Promote natural and cultural attractions and personal experiences off the beaten track (storytelling by local people for very small groups)
- Cooperate with local artists for special tours or private exhibitions
- Organize/subsidize a showroom for the producers of unique Aruban handicraft
- Offer small and intimate Master Classes in traditional or unique cooking, artwork etc.
- Restage existing sites through illumination (buildings, rocks, even cacti) and other effects, and give them new value
- Create a catalogue of products which local people are already creating in their homes, ateliers, or back yards, and refine the customer experience around them - offer these local artists the opportunity of good additional income without having to leave home
- Coordinate regular exchange with existing providers of luxury services and inform them of new products and services available
- These tangible experiences will also be very attractive for the European market and add further income to local people
- Interconnectivity between the islands of Aruba, Bonaire, and Curacao would boost tourist numbers, especially of European travelers who like to visit more than one island, given the cost and effort to reach this part of the world
- More social and non-tourism economic projects for the local population

Opportunities also lie in promoting unique local products, attracting private yachts, and exploring new markets.

Opportunities

- Find a word for the incredible friendliness and hospitality of Aruban people and start marketing it – like the Austrian term “Gastfreundschaft”, a combination of “Guest” and “Friendship”
- Make shore power available – also a wish of luxury cruise lines
- Look for new source markets in Europe: countries who are used to high prices, like Switzerland, Luxembourg, and the Scandinavian countries (very interested in nature and culture), as well as post-communist countries in Europe and the former Soviet Union – they are strongly image-driven, meaning high prices can work like a magnet to attract them and let them show what they can afford (they will use Aruba’s existing mainstream offers)



SWOT Analysis

Threats

- Diminishing local sentiment could lead from “no more tourism development” to anti tourism and eventually to anti tourist behavior and actions – loss of Aruba’s reputation!
 - The measures to cap mass tourism from cruise ships and trying to attract more affluent visitors from smaller luxury cruise yachts may not be enough to appease the local population
 - Existing infrastructure cannot be adjusted to current and future demand fast enough
 - Leaving situations like the awful smell on Eagle Beach, coming from an old and much too small sewage plant, is damaging Aruba’s reputation
 - Betting on one booming trend (cruises) against other global trends (sustainability) can backfire very fast
 - Possible reports on the continuous damage of the reefs at Aruba’s Westcoast, caused by the giant cruise ships, could further radicalize anti-cruise and anti-tourism activists
 - Accident or sinking of a cruise ship would mean an ecological disaster
 - Luxury cruise lines create their itinerary according to their customers’ feedback and expressed wishes – if feedback is bad, they will not return
 - The number of (ultra) luxury cruise ships is growing, but at a much lower rate than “regular” ones, meaning numbers for Aruba could be not significant enough
- Working in the hospitality and tourism sector is becoming less and less attractive, especially for young people
 - More and more Arubans are leaving their island, some because they can no longer afford the high living costs, others to pursue an education or career outside the tourism industry
 - More business with less workforce will lead to even more discontent among existing employees
 - Aruba has no real alternatives to tourism, but business as usual is no longer possible
 - Without bold measures, Aruba could lose much more than “just” the revenue from the cruise ships

Luxury cruise passengers desire exceptional hospitality, valuing personalized experiences and authentic cultural immersion.

Sustainable innovations in the Luxury Cruise Industry

As sustainability shifted from a vague touristic attribute to a global trend, and from marketing to customer demand, the luxury cruise industry is especially challenged. Having a reputation of not only contributing to overtourism but also of causing significant environmental damage rather represents the lowest side on the sustainability scale.

However, the cruise industry has started to shift towards ideas and technologies which are quite remarkable. Focusing on recyclable materials even during construction, efficient waste management and waste to energy technologies, onboard recycling, exhaust and greywater filters all contribute to the new demand and changing regulations.

Like airplanes, the biggest challenge still lies in the carbon fuels being used. While there are simply not enough “greener” fuels available to cover the demand, other technologies may become a solution, especially Hydrogen fuel cell driven engines. In the meantime, available shore power (ideally from renewable sources) can contribute massively to reduce emissions while the ship is docked. Ultra luxury cruise lines are actively searching for cruise ports which offer shore power.

Meeting the High Expectations of Luxury Cruise Passengers

From a passenger’s point of view, luxury knows no limits. Immense suites, personal Butler service, a choice of onboard restaurants, and the ability to realize all and any wishes are the norm on ultra luxury cruise ships. For cruise destinations, this puts up the pressure to offer individual products and outstanding services.

It takes excellent understanding of this clientele’s expectations, a well-organized and reliable network, the right people to handle and manage requests, and to coordinate and triple-check all arrangements. In this respect, Aruba is well set up with highly experienced staff in all relevant areas and departments, from the Port Authority to the Cruise Director within Aruba Tourism Authority, Port Agents and special VIP service providers.

From meetings and discussions with representatives of luxury cruise lines, VIP service providers, tour and port agents, as well as from feedback on the questionnaire sent to more than 150 industry representatives, the following statements reflect the very essence of what (ultra) luxury cruise passengers are and expect:

- They want to see amazing destinations while experiencing wonderful hospitality.
- They want to learn but also be indulged.
- They want to travel with other interested people who have the same desire to know the world better.
- They want to experience the insiders' world of the places they visit and get to know the people of the places they visit
- **They are travelers, not tourists.**

This last statement cannot be repeated often enough. Only if it is understood, can tailor-made individual offers and packages be successful. These travelers are educated, interested, and experienced, and they do not mix with the masses. Their desire to meet “real” local people and to learn from them is a huge opportunity to let genuine Arubans profit who have interesting stories to tell and fascinating things to show or experience.



Module 2

Strategic Insights

Aruba must refine its luxury brand, upgrade ports sustainably, enhance accommodations, and adapt to luxury travel trends.

Summary of Key Findings



Market Positioning and Brand Identity

Aruba is recognized for its welcoming atmosphere, stunning landscapes, and cultural diversity, making it a compelling destination for luxury cruisers. This positive image is a solid foundation, yet there is a need to sharpen Aruba's luxury brand identity to more effectively appeal to the target market.

Infrastructure Readiness and Enhancement Needs

The evaluation underscored the necessity for Aruba to upgrade its port facilities specifically for luxury cruises. The development of a dedicated luxury terminal could significantly elevate the guest experience, aligning with the expectations of luxury travelers for exclusivity and seamless service.

Environmental Sustainability as a Priority

With the luxury market increasingly prioritizing sustainability, Aruba's strategy must include robust environmental initiatives. Adopting sustainable practices, from waste management to green energy solutions, not only aligns with global trends but also appeals to the eco-conscious luxury traveler.

Enhancing Luxury Accommodations and Culinary Offerings:

While Aruba offers a variety of high-end accommodations and dining experiences, there is a clear opportunity to further refine these offerings. Creating more exclusive, immersive, and personalized culinary and stay experiences could set Aruba apart in the competitive luxury cruise market.

Cultural Immersion and Exclusive Experiences

There is potential for Aruba to expand its luxury offerings by incorporating more authentic cultural experiences and exclusive leisure activities. Tailoring experiences that allow deep immersion into Aruba's rich heritage and natural beauty could significantly enhance its attractiveness to luxury cruisers.

Insights from Competitive Benchmarking:

Analyzing competitors revealed critical areas for differentiation and improvement. Emphasizing unique aspects of Aruba's offerings and addressing any gaps in luxury amenities and services are key to outperforming rivals in the luxury cruise sector.

Adapting to Emerging Market Trends

The luxury cruise market is rapidly evolving, with a shift towards highly personalized, sustainable, and unique travel experiences. Aruba's strategies must be dynamic and adaptable, leveraging current trends to meet and exceed the sophisticated demands of luxury travelers.



There is potential in untapped market segments that strategically align with the (ultra) luxury cruise segment.

Luxury Private Yachts



Aruba's venture into enhancing its marina to attract luxury private yachts promises substantial benefits. By upgrading facilities and integrating amenities that luxury yacht owners expect, such as exclusive docking and upscale services, Aruba can appeal to affluent maritime travelers. The potential for amenities to be shared with ultra-luxury cruise ships can elevate the visitor experience, blending exclusivity with Aruba's natural and cultural offerings. Additionally, the advantage of a very well-developed private airport for jet passengers complements the luxury maritime services, creating a seamless, high-quality travel experience. This approach not only positions Aruba as a preferred Caribbean destination for luxury yachts but also underscores its commitment to providing unparalleled hospitality and convenience for the high-end travel market.

Targeting the European market



Focusing on the European market presents Aruba with a valuable strategy to enrich its tourism mix and enhance local economic contributions. European travelers typically seek authentic experiences, immersing themselves in local cultures and communities, which tends to have a more positive impact on the local economy. This spending pattern, favoring local artisans, dining, and experiences, can help shift local perceptions of tourism towards a more favorable view. By tailoring marketing efforts to highlight Aruba's cultural depth, environmental efforts, and unique local experiences, the island can attract a segment of tourists known for their cultural and sustainable travel preferences. This approach not only broadens Aruba's appeal but also supports a model of tourism that encourages economic benefits for local businesses, aligning with the island's sustainable tourism objectives.

Turnaround Operations



Developing Aruba as a strategic hub for turnaround operations holds substantial promise, particularly given the island's upscale accommodation venues and excellent air-connectivity, which boasts sufficient numbers of first and business class seats on inbound and outbound flights. These strong aspects, essential for attracting the (ultra) luxury cruise market, is complemented by the added advantage of Aruba's facilities for private jets. This combination not only caters to the luxury segment's preference for exclusivity and convenience but can also position Aruba as a leading choice for luxury cruise lines and their discerning passengers. By capitalizing on these assets, Aruba can significantly enhance its appeal as an ideal location for luxury cruise operations, offering seamless transitions for travelers seeking the ultimate in luxury and convenience.

Aruba boasts geographic, infrastructural, cultural, and hospitality advantages, making it an enticing destination for luxury cruise lines.

Competitive Advantages

Aruba's competitive advantages in attracting luxury cruise lines and upscale tourism are numerous, grounded in both its natural attributes and strategic tourism developments. Here are key competitive advantages that Aruba holds:

- **Geographic Location and Climate:** Positioned outside the hurricane belt, Aruba offers year-round sunny weather, making it a reliable destination for tourists. This geographic advantage is particularly appealing to luxury cruise lines and private yachts looking for safe harbors.
- **Modern Infrastructure:** Aruba's airport facilitates direct flights from major US and international cities. The island's roads, most utilities, and communications technology also meet high standards, essential for luxury travelers.
- **Exceptional Hospitality:** Aruba's people are known for their warm, welcoming, and caring hospitality. This culture of friendliness and high-quality service is a significant draw for tourists seeking a luxury experience.
- **High Safety Standards:** Aruba is considered one of the safest destinations in the Caribbean, an essential factor for luxury travelers prioritizing security and peace of mind during their vacation.
- **Diverse Accommodation Options:** The island offers a range of high-end accommodations from luxury resorts to exclusive villas and condominiums, catering to the varying preferences of luxury travelers.
- **Rich Cultural Heritage and Experiences:** Despite criticisms of limited cultural sites, Aruba offers unique cultural and historical experiences, from its vibrant music and art scene in places like San Nicolas to its indigenous and colonial history. Enhancing and promoting these aspects can increase its appeal.
- **Natural Beauty and Recreational Activities:** Aruba's stunning beaches, national park, and marine life present ample opportunities for relaxation and adventure. Tailoring exclusive, eco-conscious experiences can attract luxury tourists looking for unique encounters with nature.
- **Food Scene:** The island's culinary landscape, featuring a mix of international and local cuisines, is a significant attraction. Elevating this further through gourmet experiences and chef's tables can appeal to the sophisticated palates of luxury cruisers.
- **US Pre-Clearance Facility:** The ability for passengers to clear US customs in Aruba is a unique convenience that adds to the island's attractiveness as a turnaround port for cruises.
- **Sustainability Initiatives:** As sustainability becomes increasingly important to luxury travelers, Aruba's efforts in renewable energy, water conservation, and eco-friendly policies help to position it as a responsible destination.
- **Potential for Exclusive Ports and Amenities:** The opportunity to develop a dedicated luxury cruise and yacht port with high-end amenities and services, including shore power and hassle-free customs procedures, can set Aruba apart in the luxury cruise market.

The study broadens its focus beyond luxury cruise tourism to address concerns about mass tourism's impact on local sentiment.

Overview of Recommended Strategies

The idea behind this study, as explained by Aruba's Minister of Tourism, is to find out whether mass cruise tourism can be capped at a certain level and the difference in revenue be recouped by the higher spending of (ultra) luxury cruise passengers.

Therefore, the original scope of this study was limited to Aruba's potential to attract the (ultra) luxury cruise market, but the field trip to the island and discussions with a broad spectrum of stakeholders showed that there is further untapped potential – and a looming threat. Aruba has experienced decades of tourism boom, but mass tourism is starting to take its toll, and certain limits have been reached, especially in the sentiment of the local population.

The following recommendations will therefore reach further than the original scope suggested. As consultants, we could take a blind eye and only consider the aspects we were asked to investigate. This, however, would be unprofessional from our side. Without considering the bigger picture – and most importantly the dwindling support of local Arubans for tourism – professional advice and recommendations cannot be given.

Therefore, we offer these additional thoughts, suggestions, and recommendations as a possible tool for the Aruban government and its institutions to adapt its current model of tourism in more areas than just cruise tourism.

There are two main issues: a social one (to determine which measures are most likely to appease the current sentiment in Aruba, which – if not taken seriously and counteracted in time – may lead to an even stronger anti-tourism attitude), and a mathematical one (to calculate how many luxury cruise tourists Aruba needs to compensate for less revenue from reduced mass cruise tourism).

The Social Challenge

Mass tourism is putting a strain on the local population of Aruba, especially when enormous amounts of people arrive and depart at the same time, as is the case with cruise ships of ever-growing capacities. The current sentiment in Aruba is somewhere between “no more tourism development” and “no more tourism”, which is already a very dangerous stage. If the situation worsens to an anti-tourist movement and becomes more radical, it could destroy the image of “One Happy Island” within days.

If Aruba had 100.000 cruise passengers less per year, and the missing revenue would be covered by more luxury cruise ships arriving, would the sentiment on the island change in a positive way? It must be doubted, since the effect would hardly be felt by Aruba's population.

Attracting more (ultra) luxury cruise ships to Aruba is definitely a viable idea, and the island has the right potential, which was widely confirmed by the representatives of this luxury travel segment. Considering the overall situation in Aruba, however, a wider view must be taken, and additional measures be considered.



Attract (ultra) luxury cruises, private yachts, and culturally inclined tourists to diversify Aruba's tourism and address local sentiment.

The Mathematical Challenge

The average cruise passenger spends 100 USD in Aruba. 800.000 cruise passengers per year equal a revenue of 80 Million USD.

(Ultra) luxury cruise passengers' spending ashore per day can range from a few hundred to a few thousand Dollars, depending on the offerings of the destination. There are no "safe" average figures to rely on.

Example:

The goal is to compensate the revenue of 100.000 mass cruise passengers by the one from luxury cruise passengers, totally 10 Million USD per annum.

Ultra luxury cruise ships or yachts have a capacity of 160 to 600 people (theoretical average: 380).

Based on this we can make the following assumptions:

Assumption	Avg. Spending/Day (USD)	Passengers Required	Luxury Cruises Required/Year
1	300	33,333	88
2	600	16,667	44
3	1,200	8,333	22

(Ultra) luxury cruise ships are still a niche market, growing strongly, but not in the numbers that would offer Aruba a real short-term alternative to mass cruises when it comes to revenue.

Recommended Strategies

Attract more (ultra) luxury cruise ships to Aruba



Aruba holds significant potential as a destination for (ultra) luxury cruise ships, particularly for turn-around cruises, highlighted by its excellent air connectivity and a plethora of luxury hotels. The idea of establishing a dedicated luxury cruise and yacht port, complete with shore power, emerged as a game-changer for enhancing Aruba's appeal. While such an initiative demands substantial investment, the anticipated market synergies and attraction of a wealthier clientele present a compelling case for its development.

Attract private (mega) yachts to Aruba



Positioned outside the Hurricane Belt and known for its safety, friendliness, and superb infrastructure, Aruba is uniquely positioned to attract private (mega) yacht owners seeking a secure and strategic docking location. This segment, often arriving via private jets, offers substantial economic benefits, as the affluent crew and guests contribute to the local economy during extended stays, underlining the mutual advantages of Aruba becoming a favored port for these luxurious vessels.

Attract more international visitors from countries which have a strong cultural interest and bring more benefits to Aruba's smaller businesses



Broadening Aruba's appeal beyond luxury cruise visitors to include international tourists with an interest in culture and supporting local businesses emerges as a strategic necessity. This approach aims to diversify the tourism portfolio, addressing the societal impacts of overtourism and fostering a more inclusive economic benefit. Cultivating this segment promises to enhance Aruba's cultural vibrancy while offering an antidote to the challenges posed by mass tourism, thereby reinvigorating local support for tourism.

Aruba should create a dedicated luxury port with advanced amenities, such as shore power, to attract (ultra) luxury cruise ships.

Attract More (ultra) Luxury Cruise Ships To Aruba

To bolster Aruba's allure for (ultra) luxury cruise ships, a comprehensive strategy is paramount. Insights from luxury cruise industry stakeholders underscore Aruba's potential as a desirable port of call and turn-around hub, thanks to its excellent air connectivity and a broad selection of luxury hotels.

A pivotal enhancement to Aruba's appeal would be the creation of a dedicated port for (ultra) luxury cruises and yachts, featuring advanced amenities including shore power. This initiative aligns with the growing demand for sustainable travel options and can position Aruba as a leader in environmental stewardship within the luxury cruise market. Implementing shore power, which allows docked ships to utilize local electric grids, thus reducing carbon emissions, mirrors the industry's shift toward greener, more sustainable cruising experiences.

The development of such a specialized port requires significant investment but offers the promise of attracting a high-value market niche that values exclusivity, superior service, and unique experiences. The shared amenities and services demanded by luxury cruise guests and yacht owners suggest potential operational synergies, presenting a strong case for this strategic direction. By upgrading its port facilities to cater specifically to the luxury sector, Aruba can elevate its status among elite travelers and establish a new benchmark for luxury maritime hospitality in the Caribbean.

Reflecting recommendations from industry experts, the plan for a luxury port highlights the necessity for Aruba to enhance its infrastructure to surpass the expectations of this discerning clientele. Additionally, equipping the port with its own X-ray machine for luggage would further expedite the customs process, offering an even smoother transition for guests and reinforcing the port's luxury credentials. With dedicated effort and strategic investments, Aruba can revamp its maritime offerings, securing a competitive advantage and affirming its position as a leading luxury cruise destination.



Aruba should streamline customs procedures and invest in docking facilities to attract private (mega) yachts.

Attract Private (Mega) Yachts To Aruba



The fact that Aruba is positioned outside the Hurricane Belt and considered a very safe and friendly island with excellent infrastructure is even a bigger asset for private (mega) yachts than it is for cruise ships. Private yacht owners look for safe, strategically well positioned locations to “park” their vessels – and their crews, often for months.

The owners of these yachts may well come to Aruba in their private jets – and the island is well equipped for that. Even if the owners themselves come to Aruba rarely, and rather call their yachts to a different location to meet them, their extremely well-paid crews will stay on the island until such notice – and keep returning to their preferred port.

Key benefits for Aruba:

- Image boosting
- High revenues from docking fees, maintenance and repairs, long-term luxury accommodation for crew with high spending power and available time to explore restaurants, sites, and activities
- Same wants, needs and requirements as the (ultra) luxury cruise ships and their clientele
- Few people per yacht, but with enormous spending power

Challenges for Aruba:

So far, Aruba did not manage to attract private (mega) yachts, rather the contrary has been the case for two reasons: a lack of attractive docking locations and too much hassle from Aruban customs department.

Yachts coming to Barcadera face a situation which is not acceptable for the owners or skippers: difficult maneuvers to reach a run-down dock where they must fit between even more desolate boats from Venezuela and Colombia.

The issue with customs was even more serious, as yacht owners and crew felt they were treated with disrespect and contempt by customs officials who disregarded basic yacht etiquette, looking around everywhere to count and register every single bottle of alcohol and other goods.

While it is clear and obvious that Customs have to pursue their legally required tasks, checks and controls, and charge fees according to Aruban legislation, the situation was simply not acceptable for many arriving yachts. Attempts by Aruba’s port and tourism authorities to mitigate were not fruitful.

However, during our conversation with a representative from the Aruban customs office, we mutually discovered a new possible customs method that would bring hassle-free service to the yacht owners or captains and more revenue to the customs department, all according to the law.

Luxury yacht owners, crew and guests want as little hassle and “sniffing around” as possible. We found a way to avoid that: if the yachts declared and cleared their respective goods in advance and paid the duty accordingly, customs would get maximum revenue from that and would not need in-depth inspections, since it wouldn’t matter if a bottle of champagne from the yacht was sold ashore or not.

Diversifying tourism and addressing local concerns are essential beyond attracting luxury cruises and yachts to offset revenue loss.

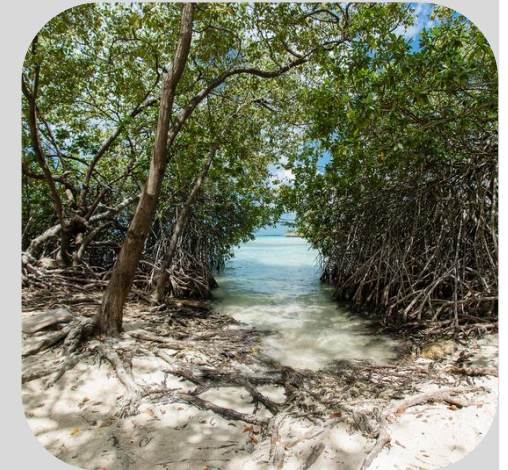
Attract Private (Mega) Yachts To Aruba

For the luxury yacht owners, these expenses would easily be compensated by the respectful and hassle-free procedure, therefore a real win-win situation was discovered. The Aruban customs representative saw the benefits of such procedure immediately and expressed the potential to hire more staff and train them to deal exclusively with the luxury yachts.

Aruba already has experts who understand the needs and wants of luxury yacht owners and skippers. Interviews with industry insiders revealed crucial obstacles and limitations. The currently existing marina is designed for smaller yachts only, but the willingness to invest and expand was expressed, especially if the situation with customs procedures could be solved.

A task force to attract (ultra) luxury cruise ships and private yachts to Aruba should be established and include customs and industry representatives from the beginning, since their knowledge and experience will help to plan according to this clientele's requirements and standards, and therefore to avoid grave mistakes in the conception phase.

Attract More International Visitors From Countries Which Have A Strong Cultural Interest And Bring More Benefits To Aruba's Smaller Businesses



While attracting (ultra) luxury cruises and private (mega) yachts to Aruba should definitely be pursued, it may not be solution enough to compensate the revenue loss from reducing mass cruises. The existing tensions between (over-) tourism and the public sentiment in Aruba cannot be limited to just the effects that massive cruise ships have, although they are highly visible. There are deeper concerns, like Arubans feel they are not being heard, that unsolved social issues have become more urgent, that living costs are no longer affordable, or that they feel less important than the tourists.

A good path to show local people more appreciation is certainly the Sustainable Niche Development with its slogan "Build it for the locals, the visitors will come". Especially culture and eco-conscious tourism carry huge potential for small businesses and individuals to profit from more individual, personal, gentle, and sustainable forms of tourist-local-relationships.

The US source market is very important for Aruba and has by far the largest market share with around 70%. However, the island would be well advised to additionally attract more culture-savvy visitors who are interested in the niches mentioned above and prefer a colorful mix of meaningful experiences with "real" local people – just like the interests of (ultra) luxury cruise passengers.

European tourists offer revenue potential for Aruba, offsetting losses from reduced mass cruise visitors, while benefiting locals.

Attract More International Visitors From Countries Which Have A Strong Cultural Interest And Bring More Benefits To Aruba's Smaller Businesses

Especially tourists from countries like Switzerland, Luxemburg, the UK, or the Scandinavian Countries would not be scared by the high prices of Aruba. The same is valid to some extent for Austrians and Germans. These tourists may not stay in luxury brand hotels but rather in smaller boutique hotels, guesthouses, villas or apartments. They also don't need locations in the tourism hotspots but prefer a more quiet and personal ambiance amidst local people. They will visit Oranjestad and all the famous beaches but prefer more secluded spots.

They know authenticity and where to find it, so they will mingle in the backstreets, small towns, and villages, interested in how "real Arubans" live, learn about their history and traditions, and look for those very unique things they cannot find anywhere else. They want to buy local – food, services, souvenirs, and other goods. The more personal, the better. They are not looking for perfection but for the "real thing", and they are highly appreciative of friendly, polite, warm, and interested people and their hospitality – Aruba's most outstanding USP.

Most of them are not luxury tourists in a traditional sense. They can or manage to afford such vacations, but many don't like the noisy, mainstream activities at poor value for money and cost-benefit ratios.

Since Aruba is a long and expensive way to get to from Europe, these tourists will stay for a minimum of five to six nights. They are very compatible in their interests with (ultra) luxury cruise passengers but do not compete for luxury hotel rooms or business class seats.

The earlier mathematical analysis of how many (ultra) luxury cruise passengers and their daily spending in Aruba are required to cover the financial shortfall by reducing the total number of mass cruise visitors by 100.000 can be applied to the segment of European tourists as well:

Assuming average accommodation costs of 200 USD per couple and day, plus the same amount in total for daily F&B, entertainment, activities, rental car, shopping and other costs, means expenditure of 400 USD per couple and day, or 200 USD per person and day.

This rather conservative example would mean that Aruba needs 50.000 European tourists more per year to cover 100.000 less cruise tourists. If their daily expenses go up to 300 USD, "only" 33.333 European tourists more are required, and so on.

Clarification: If the mentioned number of 800.000 mass cruise passengers per year is to be capped as a maximum, all additional arrivals and revenues from (ultra) luxury cruise passengers, private yachts, and increased European tourists will of course be in addition to current figures.

Average transatlantic flights have a capacity of 250 to 290 passengers. Taking the smaller example, it would need 200 additional flights per year to bring those 50.000 tourists to Aruba. Currently, Aruba has a capacity of 2,8 Million flight passengers per year, and there are plans to increase this number. Europe should be a special focus of these expansion plans.

Aruba faces some barriers in attracting the luxury cruise market, but they are not insurmountable.

Barrier Analysis

In Aruba's pursuit to attract the luxury cruise market, several potential barriers could impede progress. These challenges span infrastructural, regulatory, and perceptual dimensions:

- Infrastructure Limitations:** Currently, Aruba lacks a dedicated port facility for luxury cruise ships and private yachts, which could deter these segments. The absence of amenities like shore power, exclusive docking areas, and upscale provisioning services could be significant drawbacks.
- Customs and Immigration Procedures:** Cumbersome customs and immigration processes can detract from the seamless, luxury experience sought by affluent travelers. Any perceived disrespect or inconvenience caused by these procedures could negatively impact Aruba's reputation.
- Environmental Concerns:** The luxury cruise industry is increasingly focused on sustainability. Aruba's environmental policies and practices will be scrutinized by cruise lines and their passengers. Any gaps in sustainable infrastructure or practices could be a barrier.
- Perceptions of Over-Tourism:** The luxury market seeks exclusivity and privacy. Aruba's challenge is to manage the perception of over-tourism, especially given the island's popularity. Balancing visitor numbers while enhancing the luxury experience is crucial.
- Limited Cultural and Recreational Offerings:** Although Aruba has rich cultural elements and recreational activities, perceptions of limited offerings compared to other destinations could hinder its appeal. It is necessary to develop, expand, and promote unique, culturally immersive experiences.
- Competition from Other Destinations:** Aruba faces stiff competition from other Caribbean islands and global destinations that are also vying for the luxury cruise market. These competitors may offer more established luxury amenities or exclusive experiences.
- Regulatory Hurdles:** Developing new infrastructure or enhancing existing facilities to cater to the luxury market may require navigating complex regulatory landscapes. Delays or restrictions could impact the feasibility and timeline of such developments.
- High Costs:** The financial investment required to upgrade infrastructure, enhance services, and promote Aruba as a luxury destination is significant. Finding the budget for these improvements amid other economic pressures could be a challenge.
- Labor and Service Standards:** Delivering the high level of service expected by luxury travelers requires skilled, well-trained personnel. Aruba must ensure that its workforce can meet these standards, which may involve specialized training programs.
- Limited Direct Flights from Key Markets:** While air connectivity is generally good, there may be limitations in direct flights from certain key markets, especially Europe. Expanding these connections is critical for attracting luxury travelers who prioritize convenience.



For the strategic development of Aruba, we have identified four short-term and four long-term goals.

Short Term Goals (1-2 years)

1. Develop a Comprehensive Marketing Plan:

- Target the luxury cruise market and private yacht owners through specialized travel and maritime publications, luxury travel influencers, and direct partnerships with luxury cruise lines.
- Measure by tracking engagement, partnerships formed, and inquiries received.

2. Initiate Port Infrastructure Enhancements:

- Begin the planning and approval processes for upgrading port facilities to cater to luxury cruise ships, including amenities like exclusive lounges, efficient customs processing, and shore power connections.
- Measure by progress in planning approvals, funding secured, and preliminary construction work.

3. Launch Luxury Hospitality Training Programs:

- Partner with global luxury hospitality institutions to offer training for local tourism and service industry workers, focusing on high standards expected by luxury travelers.
- Measure by the number of certified personnel and improvements in service quality ratings.

4. Pilot Exclusive Cultural and Nature Experiences:

- Develop and test a series of unique, high-quality cultural and natural experiences tailored to luxury cruisers, such as private art viewings.
- Measure by participant feedback, repeat bookings, and interest from cruise lines.

Long Term Goals (3-5 years and beyond)

1. Complete Port Facility Upgrades:

- Finish all enhancements to the cruise port, establishing it as a state-of-the-art facility that offers a seamless and exclusive arrival experience for luxury cruise passengers and yacht owners.
- Measure by the increase in luxury cruise ships docking, higher passenger satisfaction scores, and recognition in the cruise industry.

2. Establish Aruba as a Turnaround Port for Luxury Cruises:

- Leverage the island's strategic location and upgraded facilities to become a key turnaround port for luxury cruises in the Caribbean, enhancing air connectivity with direct flights from key markets.
- Measure by the number of turnaround operations, increased arrivals of private jets, and economic impact on the local economy.

3. Lead in Sustainable Luxury Cruising:

- Innovate in environmental sustainability practices for the cruising sector, setting new standards for eco-friendly luxury travel and influencing broader industry changes.
- Measure by reductions in carbon footprint, advancements in sustainable technologies at the port, and accolades or certifications in environmental excellence.

4. Enhance Local Community Engagement and Benefits:

- Ensure that the luxury cruise sector's growth contributes positively to the local community, with increased employment opportunities, support for local artisans and businesses, and community tourism initiatives.
- Measure by improvements in local employment rates, community project investments, and positive sentiment towards tourism within the community.

We have identified nine key performance indicators (KPIs) to track Aruba's strategic development in luxury tourism

Key performance indicators

For Aruba's strategic shift towards attracting more luxury cruise lines and enhancing its luxury tourism sector, defining clear and actionable key performance indicators (KPIs) is crucial. These KPIs will help measure the effectiveness of the implemented strategies and ensure that Aruba can track progress towards its goals. Here are some essential success metrics:

1. Luxury Cruise Arrivals:

- Number of luxury cruise ships visiting Aruba annually.
- Percentage increase in luxury cruise ship arrivals compared to previous years.

2. Turnaround Operations:

- Number of turnaround operations conducted for luxury cruises at Aruba
- Year-over-year growth in turnaround operations.

3. Revenue from Luxury Cruise Passengers:

- Average spend per luxury cruise passenger while ashore in Aruba.
- Total annual revenue generated from luxury cruise passengers.

4. Luxury Yacht Visits:

- Number of private luxury yacht visits to Aruba's marinas and ports.
- Percentage increase in yacht visits year over year.

5. Tourism Sector Employment:

- Increase in employment opportunities within the luxury tourism and hospitality sector.
- Training and development programs initiated for enhancing service quality in luxury tourism.

6. Sustainability Initiatives:

- Reduction in carbon footprint due to the adoption of sustainable practices like shore power.
- Number of sustainability certifications awarded to Aruba's tourism and port facilities.

7. Tourist Satisfaction Scores:

- Ratings and feedback from luxury cruise passengers on their experience in Aruba.
- Improvement in Aruba's rankings in luxury travel and cruise industry awards.

8. Diversification of Tourism Offerings:

- Expansion in the number of luxury accommodations, dining, and unique experiences available.
- Increase in partnerships with luxury brands and services.

9. Cultural and Environmental Impact:

- Engagement of local communities and businesses in the luxury tourism value chain.
- Positive impact on the preservation of Aruba's cultural heritage and natural environment.

These KPIs will enable Aruba to systematically track its progress, identify areas needing improvement, and ensure the long-term success of its strategic pivot towards luxury tourism. Continuous monitoring and adaptation of strategies based on these indicators will be key to achieving sustainable growth in the luxury cruise market.

Module 3

Action Plan

The Action plan aims to boost Aruba's luxury cruise appeal while addressing local concerns, sustainability, and experiences.

About this Action Plan

Transitioning from strategic insights to actionable steps, this section outlines a roadmap for Aruba to elevate its status as a luxury cruise destination while simultaneously addressing the broader challenges within its tourism sector. Through the analysis conducted, we have identified pivotal strategies aimed at not only attracting a wealthier demographic of cruisers but also mitigating the growing local opposition to tourism and enhancing the island's sustainability measures.

The proposed actions outlined in subsequent sections aim to capitalize on Aruba's distinctive strengths and address its challenges head-on. These include initiatives to reverse the negative perceptions among locals towards the tourism industry, improve sustainable tourism practices, and enrich Aruba's cultural and infrastructural landscape. These efforts are designed to not only attract luxury cruise patrons but also to establish Aruba as a premier destination in the luxury cruise sector and a benchmark for sustainable tourism practices.

Moreover, this strategic direction seeks to ensure that Aruba's development as a luxury cruise destination is harmonious with the well-being and aspirations of its local community. By focusing on enhancing the quality of tourist experiences, promoting environmental sustainability, and fostering cultural richness, Aruba can pave the way for sustainable growth that benefits both its inhabitants and its visitors. This comprehensive approach is aimed at reinforcing Aruba's competitive edge in the luxury tourism market and setting a new standard for excellence in the industry.

Overview of the proposed Actions

1. Counteract the existing anti-growth/anti-tourism sentiment

Implement strategies to address local concerns and improve the sentiment towards tourism by emphasizing quality over quantity in tourist arrivals.

2. Start a new think tank group "Future of Aruba" without taboos

Assemble a diverse group to brainstorm and plan for a sustainable, successful, and harmonious future for Aruba, considering all possibilities without restrictions.

3. Start a working group for a new (ultra) luxury cruise and yacht harbor

Establish a task force to develop a high-end port facility catering to luxury cruises and private yachts, enhancing Aruba's appeal in the luxury market.

4. Luxury transport

Upgrade and expand transportation options to meet the expectations of luxury travelers, ensuring that transport services match their high standards.

5. Invest in sustainability today

Prioritize environmental sustainability in tourism practices, including the adoption of green technologies and sustainable infrastructures to reduce the ecological footprint.

6. Strengthen cultural components, offers and sites in Aruba

Enhance the visibility and accessibility of Aruba's unique culture and history through improved cultural attractions and experiences.

7. Create more Aruban products

Encourage the creation and marketing of authentic Aruban products, fostering local craftsmanship and providing tourists with unique, locally-made items to purchase.

8. Opening times and existing infrastructure in and around touristic attractions

Extend operating hours and improve facilities at key tourist sites, ensuring they meet the needs and expectations of visitors.

Aruba must address local concerns, involve the community, and transition to sustainability to counter the anti-tourism sentiment.

1. Counteract the existing anti-growth/anti-tourism sentiment



The unique, warm and friendly hospitality of Arubans is the island's biggest and most important asset. This trademark of Aruba is in danger as the anti-tourism sentiment grows. No other issue is more important than the local sentiment and how to improve it again.

How to start: List the points of criticism, disappointment, frustration, and anger, and find out their "hierarchy" or importance. General answers, like not enough social investments, are not good enough. No money for medicine, on the other hand, would be a precise answer.

Where are the biggest and most urgent hotspots that require the fastest action? What are the real problems? Which complaints have recently been growing rapidly? Which topics are becoming more "violent"?

From all those points, a ranking list must be created and then reconfirmed by the complaining parties or changed accordingly. This involvement will help to show that the government of Aruba is listening to its people and will set new priorities which will bring real relief and/or benefits.

Then those elements which can be influenced directly by appropriate measures must be analyzed. If over-tourism through mass cruises is a top ranked problem, capping the number will not be measure enough – rigorous reductions will be required. One of the key sentiments shared with us by the President and CEO of AHATA, was: "Lower volume would automatically attract the higher clientele."

The authors of this study agree and take this argument one step further. International examples of overtourism and exit of local people, like in Venice and Barcelona, but also in small towns and villages, like the picturesque and UNESCO listed Hallstatt in Austria, which gets overcrowded by predominantly Chinese bus tourists every day, show that there is no mid to long term alternative to quality tourism. In Aruba, the time to start this transition is now. Money spent on the wellbeing of the population is a wise investment, now more than ever.

It will take some time to transform from mass to quality tourism, but entrepreneurs would quickly adapt to the new situation if the population can hardly afford the high prices of utilities, like electricity, gas, or water, subsidies may be more important at this stage than the massive investments it takes to increase the airport's capacity. Even "just" fixing Aruba's problem with its old and much too small sewage system – and eliminating the disgusting smells caused by it – brings more "noticeable" and more immediate value to Arubans and tourists alike.



Aruba needs to harness collaborative working groups for strategic development.

2. Start a new think tank group “Future of Aruba” without taboos



This group should consist of a mix of analytical, creative, business, and community people, to create and discuss different visions how a sustainable, successful, and happy Aruba should look like in five years/ten years/twenty years from now. At the beginning, all ideas are allowed – no matter how utopian or farfetched - and will be collected, without criticism or internal discussion at this stage.

The next step is to find common areas of agreement on a broad scale – not in detail – about the “pictures” created, and to define categories, like tourism, social, nature, culture, wellbeing etc., in which to assign these visions or pictures.

Once these categories have been defined and the broad visions be correlated, a new round of thinking will go one step further and collect visions in more detail, related to each subcategory. For example, there will be subcategories of “tourism”, like cruise tourism, air tourism, cultural tourism etc.

The specific vision of cruise tourism in the next ten years could be that there will be only luxury and ultra luxury cruises and private yachts, and that Aruba will have a beautiful luxurious harbor with all amenities and services, incl. shore power from renewable sources.

Now the real work starts: How can this be realized? Which consequences must be considered and counteracted? How much would it cost? Which renewable energy? Which amounts of energy? Which options (wind, solar, solar to hydrogen etc.)? How much would they cost?

The current state of the local sentiment requires urgent rethinking of Aruba’s future, and it needs actions, short and long term, to make sure Aruba’s population can thrive and the harmony on “One Happy Island” will be restored.

3. Start a working group for a new (ultra) luxury cruise and yacht harbor

Include industry experts, APA, ATA, port agents, customs, immigration, and other relevant stakeholders in this working group. Check all options of possible locations but include the concept of shore power in all considerations, as this will be a major argument to attract luxury cruise ships and yachts. Aruba has very competent people in all required areas and vast experience in the cruise and smaller yacht market. A feasibility study should verify that such a concept and all required measures and investments are financially viable and sustainable.



Aruba should diversify its luxury transport options and prioritize sustainability investments.

4. Luxury Transport



The kind of personalized, meaningful experiences which all travelers seek, but the ultra-luxury ones especially, have been described, but another component is lacking in Aruba: luxury transport. There are only a handful of real luxury cars available for rent, one Maserati, ten Bentleys, but no Ferraris, or Mercedes Maybach.

The same goes for SUVs. De Palm Tours, the biggest tour operator in Aruba, offers luxury transport services and 4WD excursions, but their cars – Ford Explorer LXT – are not luxury. De Palm also expressed no interest in investing in more upmarket cars since their main market is mass tourism.

The above illustrates an existing conflict in Aruba: something is called luxury, but it is only luxury for the masses, if that, certainly not for affluent travelers who are used to very different standards. If Aruba wants to attract more rich luxury travelers, it has to deliver on more aspects and provide more adequate, top quality hard- and software.

5. Invest in sustainability today



The cruise industry and sustainability are two global trends which seem to be on opposite sides of the scale. However, cruise lines are investing enormously to prove their commitment toward sustainability. Their biggest limitation, like for airlines, is the non-availability of sufficient amounts of eco-fuels.

At least while being docked, they can – and desperately want to – use shore power, if available. The benefits are substantial, for the cruise ships and their passengers, for the environment, and for the local population: less exhaust fumes, less vibrations, less disturbance of maritime life. For Aruba, this means high investments, but the growing demand for shore power from cruise lines cannot be denied too much longer, or they will (have to) chose destinations which satisfy this demand – which may soon become a real requirement anyway.

If, of course, the medium-term goal of Aruba turns out to become independent from the strains of mass cruise tourism, and to abolish it gradually, such an investment should focus more on (ultra) luxury cruises and private (mega) yachts, and on other sustainable forms of tourism. A general re-thinking needs to take place, from quantitative growth to the direction of quality and sustainability, also in a social sense, for the benefit of all Arubans.

Aruba's cultural richness should enhance the visitor experience through immersive initiatives and authenticity.

6. Strengthen cultural components, offers and sites in Aruba

Aruba may be a sun, sand and sea destination, but this alone is no longer sufficient. Aruba is also home to possibly the nicest and friendliest people in the world, which makes it unique. Make this USP tangible, let travelers experience, try, touch, feel, taste, and buy it, and empower local people to be the shining stars of unique culture and hospitality. Foster local and regional initiatives to make Aruban culture more visible. Create Aruban brands for handicraft, food, drinks, cocktails, dishes, artwork etc. and raise their value and people's awareness.

Use abandoned buildings and empty shops and let local artists transform them with exhibitions, displays, performances, workshops, and masterclasses for travelers. Revive shabby neighborhoods and dilapidated buildings and sites through creating places of get-together, creativity, exchange, and friendship. Create a list of artists or producers of goods who may be locally known but who never had an opportunity to show or sell their unique creations to the world. Support community driven ideas which strengthen pride and identity of people who haven't been on the profiting side before. Arubans are very respectful to elderly people. Show and teach travelers the beauty and heartwarming side of this culture.

Aruba is faring well in the overall visitors' satisfaction but faces criticism for having a lack of cultural attractions. While this is true on the surface (there simply is a certain number of ancient rock paintings, no more and no less), these ancient symbols have stories that travelers love to listen to. Offers to visit those caves can be combined with good storytelling from an experienced guide who takes his group to other places of mystery or explains the relevance of ancient culture in today's life by showing examples. The tour could end with a traditionally cooked meal in a private courtyard, enjoying the warmth of true Aruban hospitality.

In Europe, there is a niche tourism trend of voluntary work for good and interesting causes. This niche should not be underrated since it was given an extra boost through the Covid pandemic which changed people's look at health, nature, values, and meaningfulness. Such projects in Aruba could include nature and wildlife protection, restoration of buildings, or social projects. These people seek real contacts, real life experiences, while lending a hand for a good cause. They will stay, live, and work with local people for a period of time, without payment, but for incredible cultural insights, lifetime memories, and a sense of inner pride.

Such programs can also be used to attract visitors who are willing to pay for activities like protecting the breeding areas of the Shoco, Aruba's endemic owl that builds nests in the sandy ground, or to help freshly hatched baby turtles to reach the water safely. These experiences give visitors a deep feeling of gratefulness, happiness, and pride – turning them into the best ambassadors of Aruba, free of charge.

The idea is to make Aruban culture tangible and valuable without selling its soul. Folklore events which were invented just for tourists are usually a sad sight – for locals and tourists alike. No selling out, no touristic "prostitution", no fake copies, but an opportunity for tourists to learn, experience, and value true Aruban culture. And for Arubans to be proud of their heritage, traditions, and culture, and to make money at the same time.



Promote locally-made Aruban products to meet travelers' demand for authenticity, boosting the island's image and economy.

7. Create more Aruban products



While in Aruba, travelers will spend more on “Made in Aruba” products than on things they can buy anywhere. They want to support local business and craftspeople! They know that all those hats, baseball caps, and towels in the souvenir shops of most countries in the world are made in China. Therefore, they are searching for useful, meaningful, or interesting, genuine Aruban products which are not available anywhere else – boosting also the image of the buyer who will quite likely post his unique purchase on social media and present it proudly to family and friends back home.

Even more meaningful are those products, which travelers create themselves with instructions and support from local Aruban producers, artists, or craftspeople. This combines personal experience, learning effects, contact with “real” Aruban people, creativity – and the production of something truly unique and self-made. Again, these are also the experiences (ultra) luxury cruise passengers are seeking.

Made in Aruba can be sold at higher prices. Aruban Gin or Vodka doesn't have to be the best in the world (although high quality will be very beneficial), it will sell because it is exotic. They are products which are easy to take home to enjoy or as gifts for family members, friends, work colleagues or superiors.

Natural products, like Aloe Vera and honey, are very trendy. Combined with the unique nature of Aruba, they are definite sellers. But there are more opportunities to increase Made in Aruba products. The wonderful Papaya, Habanero, and other hot sauces of Aruba may have certain imported ingredients, but the mix makes them truly Aruban.

Give existing products the extra visible or tastable Aruban touch, and brand them accordingly. If travelers can watch or take part in the production process, an additional, sustainable tourism attraction is created which is meaningful and supports local business.



Improve infrastructure and extend opening hours at key tourist attractions like to enhance visitor experience and satisfaction.

8. Opening times and existing infrastructure in and around touristic attractions



While the often-criticized opening times of shops will be difficult to expand, it is even harder for a tourist to understand why Arikok National Park, which covers half of Aruba, closes at 4 pm. It doesn't allow enough time to truly explore, enjoy, and relax at some of the most picturesque places on the island. What's more, there is no souvenir shop, no restaurant, apart from a small café at the entrance, not even kiosks in strategic places where hot and thirsty visitors could buy a bottle of water or anything else. This needs urgent improvement to cover basic visitors' needs, since without them, all the beautiful spots and sites will be forgotten, but disappointment will remain.

Another example are the Ayo Rock formations. Fascinating, huge, round boulders, from which there are nice views. There are paths to lead to and into the formations, but not only do they turn very narrow and cave-like without warning, but there are also large numbers of hornets' nests one can hardly evade if staying on the path. Instead of signs that say that climbing the boulders is not allowed, one safe stairway and a platform at the top should have been built, allowing visitors to enjoy the views.

Ayo has a mystical feeling and would be ideal for cultural activities and performances. Special illumination after dark could turn these rocks into a real tourist magnet, if it also offered additional infrastructure like a bar, restaurant, or at least temporary kiosks, and additional (and proper) toilets.



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