

ISSUE 162
JUNE 2015

The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



REPORT

SUPERYACHT INDUSTRIALIST

A conversation with Peter Lürssen, the fourth-generation co-owner of German shipyard Lürssen.

THE PRICE OF PRIVILEGE

After several delays, the 127m motoryacht has resumed built at the Privilege Yard in Italy.

INVITING INVESTMENT

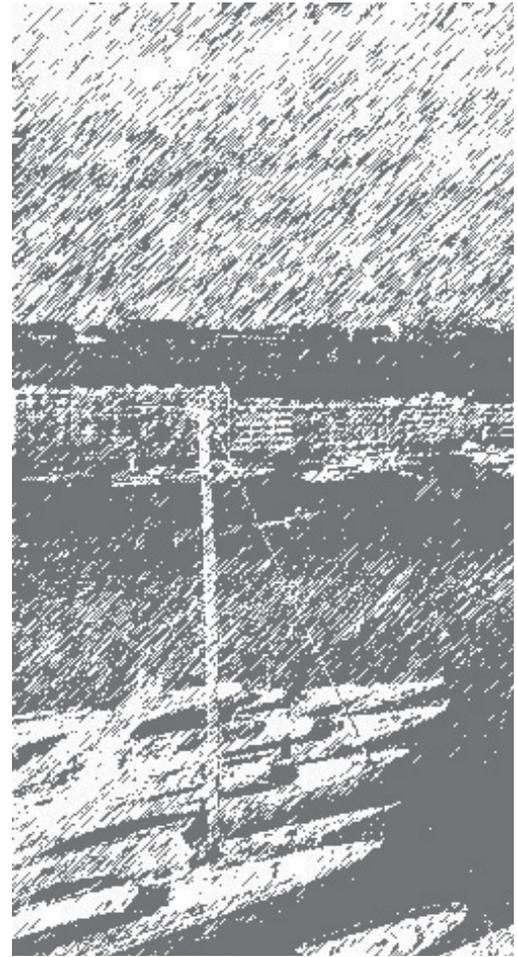
Why the marina model is seen as an increasingly encouraging investment in the superyacht industry.

FAR DISTANT SHORES

The challenges encountered by agents operating in territories less accustomed to superyacht traffic.

HARBOURING POTENTIAL

The current fleet of 5,008 yachts on the water is predicted to grow to to 6,044 by 2020, according to *The Superyacht Intelligence Annual Report 2015*. With more yachts on the market and a growing demand for up-to-date facilities and services in destinations worldwide, marinas will need to improve and expand upon their infrastructure to keep demand for yachting tourism high in popular cruising grounds. **Al Maiorino**, president of public affairs firm Public Strategy Group, reports on how to garner local support for these developments.



Infrastructure development is about a great deal more than just securing investors and property for a new marina. Local communities must understand the benefits of expanding upon a country's existing infrastructure to help maintain a steady flow of tourists to their shores. This need to educate and engage communities in response to a development proposal in the industry is especially relevant in the Caribbean, where tourism is often the largest contributor to countries' gross domestic product (GDP). With revenue and employment opportunities up for grabs, destinations must be strategic about informing local residents of what is at stake economically if others expand and upgrade their infrastructure and they do not. These advancements play an important part in attracting visitors and maintaining a healthy economy.

A United Nations (UN) report published in February 2014 analysed the recreational demand for yachting and marina services as one sector of the Caribbean tourism industry. As part of his research, the report's author, Willard Phillips, economic affairs officer for the UN Economic Commission for Latin America and the Caribbean, compiled a table detailing the distribution of marinas in the Caribbean (right), showing that yachting destinations vary greatly in their infrastructure capacity. St Maarten has grown to accommodate the highest number of marinas and berths with 13 and 1,020 of each, respectively, catering to varying lengths. As a rapidly growing destination in terms of passenger arrivals and cruise ship port infrastructure, this island has a structure that many destinations may look to emulate.

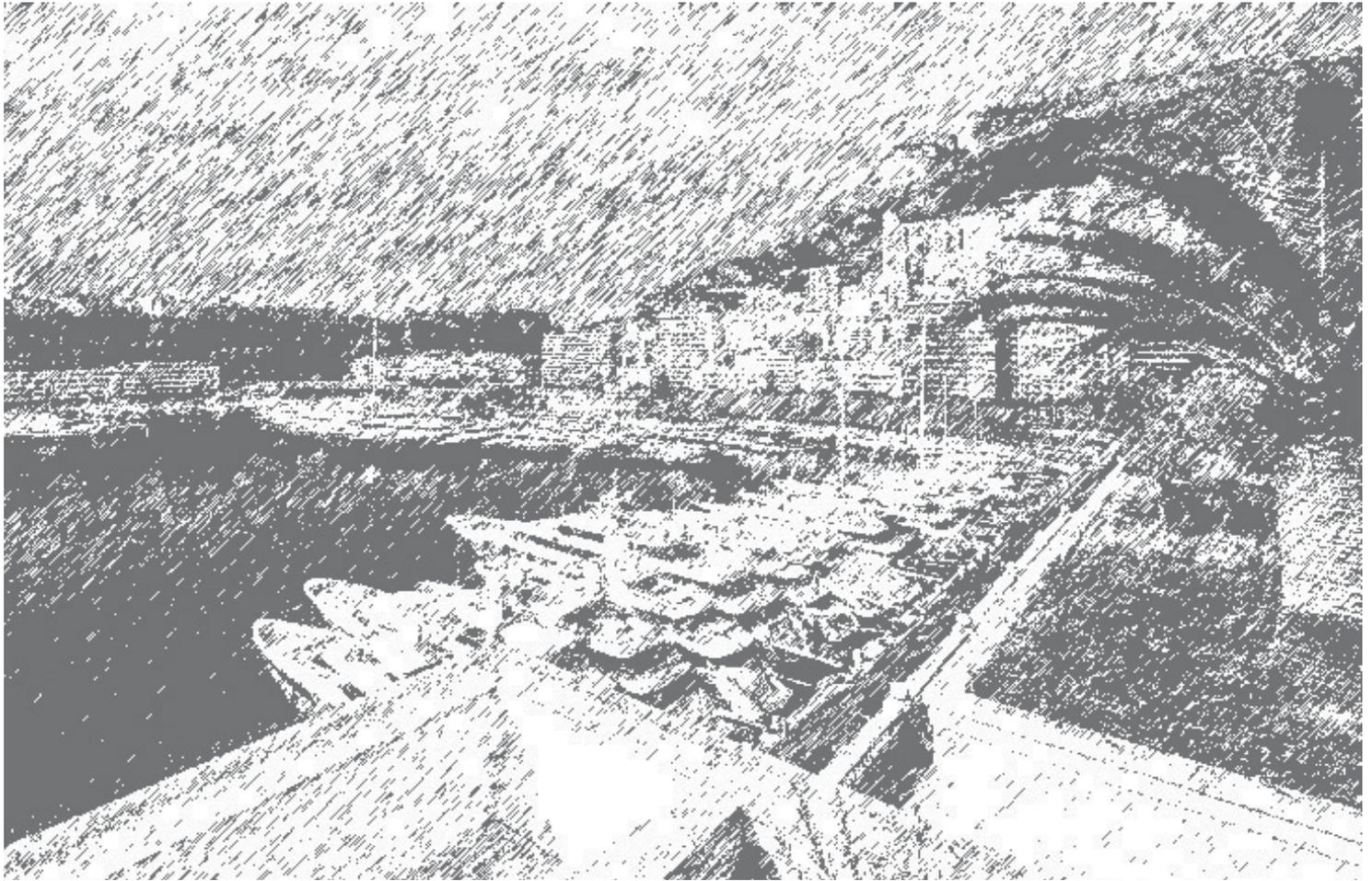
What the UN report ultimately finds is that "income in the source market, airline ticket cost and frequency of hurricanes [are] the three variables most likely to influence a consumer's decision

to yacht in the Caribbean". As a result, the study recommends targeting an even higher income bracket. However, such an approach may be perceived by community members to only be of benefit to this demographic and not to local inhabitants, despite the positive outcomes a new marina development could bring. Hence, when a luxury megayacht proposal comes to town, local residents feel their natural surroundings and way of life are threatened, rather than secured by the increase in revenue and economic security for tourism as a whole. As a result, careful attention must be given to educating the masses for proposals that cater to the select clientele in the yachting industry.

DISTRIBUTION OF MARINAS IN THE CARIBBEAN

Country	No. of marinas	No. of berths
Anguilla	11	113
Antigua and Barbuda	9	340
Aruba	3	125
Bahamas	10	845
Barbados	2	100
Bonaire	3	100
British Virgin Islands	5	462
Cayman Islands	2	85
Cuba	9	786
Curaçao	1	128
Dominican Republic	7	878
Grenada	11	407
Jamaica	7	182
Puerto Rico	4	458
Saints Kitts and Nevis	1	36
Saint Lucia	2	293
Sant Maarten	13	1,020
Saint Vincent and the Grenadines	7	30
Trinidad and Tobago	2	108
Turks and Caicos Islands	2	–
United States Virgin Islands	11	842
TOTAL	122	7,338

Source: Author's compilation based on data from World Marine Guide (www.worldmarineguide.com) and port booker.com (www.portbooker.com).



As Caribbean destinations become more competitive due to tourists' desires to explore more remote and exotic destinations, infrastructure and tourism products must be upgraded in order for these locations to remain relevant. These upgrades are often accompanied by projects to refresh shore excursions, tours, shopping and dining experiences, roadways, walkways and more. However, the extent and culmination of upgrades can disrupt the status quo – of both yachting infrastructure directly and tourism as a whole indirectly – and communities need to be well informed of the long-term benefits of a new development so that public support can be demonstrated as the project makes its way through the local and federal approval processes. Otherwise, public opposition to projects in the yachting industry, from yacht clubs to marinas, can sink projects before construction even begins.

INITIATE OUTREACH TO THE COMMUNITY

Communities must be well informed of the project details for any proposal from the start to prevent the spread of misinformation and to dispel any preconceived notions of dredging or construction as a threat to the environment. A variety of outreach methods should be used, including both direct mailing and open-house information sessions.

Targeted direct mail allows for the opportunity to highlight the project's benefits with regards to jobs, revenue and bolstering the tourism industry; direct mail still makes an effective first introduction of the project to the community. When followed by an open-house information session, residents will be able to gain an in-depth understanding of the proposal and any questions or concerns can be addressed directly by the company itself. These events open channels of communication between project experts and residents and allow supporters to sign up to write letters or attend advocacy meetings later on. The key point is to not wait until opposition arises to begin building public support.

WAYS TO ENHANCE USE OF SOCIAL MEDIA

- Analyse social media followers of political officials in support of the project; these followers may have engaged following an endorsement by the official and can be captured for follow-up in other ways depending on the contact information available.
- Schedule posts effectively. Engage new people by posting light content with broad appeal in the morning, followed by the more detailed information in afternoon or evening posts. Scheduled posts ensure timely content even during lulls in the campaign.
- Frame your issue as avoiding a loss rather than obtaining a gain. This strategy makes consumption more likely amidst the endless amounts of information crossing social network users' screens.
- 'Fill in the blank' posts are more likely to increase engagement. For example, "I took action in support of the new marina proposal by_____."

IDENTIFY AND MAINTAIN A DATABASE

It is important to create a database of supportive residents and stakeholders in order to be able to quickly mobilise support when needed. Any email addresses obtained at the open house should be added to an email list database that can provide supporters with rapid updates. Additionally, telephone identification of all households in a target community is an efficient way to identify support. This quick phone call to every household is not intended to be a scientific poll to gauge support, but rather it is an attempt to make an introduction, gauge opinion on an individual level and lay the foundation for a follow-up about advocacy efforts. By coding all households as supportive, undecided or against the proposal, the database becomes a source of information that can be organised in a variety of ways.

GO DIGITAL

Social media is an important tool that promotes campaign messaging and creative content. In the same way that opponents can quickly mobilise an advocacy base through social media, so too can project supporters. When supporters create their own social media page in favour of the project, it allows an organic growth of the supporter network. Sharing the stories behind why each citizen supports the proposal is an important part of the process because, in the social sphere, people are often more willing to share or believe something a friend shares or posts over top-down messaging from a company. Content that highlights easily digestible sound bites about project facts or reasons of support from community members can spread quickly to gain new support and even generate earned media coverage. Social media sites that are updated

Communities must be well informed on the project details of any proposal from the start to prevent the spread of misinformation and to dispel any preconceived notions of dredging or construction as a threat to the environment.

An immense amount of data is available and should be harnessed for campaigns to identify and target the most likely demographic of support. Communications can be targeted to specific political districts, voting households, income levels or a variety of other demographics most likely to help your cause. To further illustrate the magnitude of useful data available, projects in this industry can often benefit from targeting households that have donated to environmental groups, for example, filtering mitigation messaging through the most effective channels. As a whole, this database allows for outreach to be structured like a political-style campaign.

regularly allow supporters instant access to information about hearings or new project endorsements.

Advertising on social media is also an effective way to reach potential supporters. Geo-targeting ads and highlighting particular interests that would be relevant to likely supporters, such as Facebook ads, is a way to target a custom audience. This venue for advertising will help add 'likes' to a social media page or generate clicks for new impressions on a project website. In general, web ads are a more cost-effective way to drive traffic to a project website or landing page than print ads and are a useful tool to help educate the public.

An immense amount of data is available and should be harnessed for campaigns to identify and target the most likely demographic of support.

CASE STUDY

Coral Bay Marina

One such project that has encountered crippling public opposition is the proposed Coral Bay Marina in St John, US Virgin Islands. This megayacht marina, proposed by the Summer's End Group, is opposed by a highly active and connected group composed of residents, vacationers and even celebrities. What makes their international call to action so effective in part is the appeal to those who have emigrated from the area, furthering the spread of information, as well as the effort to engage repeat tourists who find refuge in the quiet oasis of St John. While most often political officials respond to the will of their constituents, this opposition group has the advantage of its fundraising network as well as experts willing to submit technical analyses on behalf of their cause from different parts of the world.

Among their many arguments against the project, the 'Save Coral Bay' group seeks to protect the pristine and unspoiled natural surroundings that make up natural habitats for many species and provide a quiet oasis. Pollution and destruction of coral species and seabeds are also prominent in the argument. In addition, despite the US\$8 million economic gain developers estimate this marina will bring, opponents' analyses estimate a US\$115 million economic loss during the marina's first five years of operation. These negative messages have effectively spread through a variety of media, social networking and in-person venues to effectively build a difficult road of opposition for developers.

To put these efforts into perspective, the US Virgin Islands Coastal Zone Management (CZM) approved the project locally, but the Summer's End Group faces an uphill battle for federal permits from the Army Corps of Engineers. In addition to a highly organised and regular flow of letters to the editor of local newspapers, members of 'Save Coral Bay' claim to have also submitted over 1,000 pages of reports, a 20-page legal analysis, five independent expert reports, two DVDs, 13,000 letters and a petition with over 5,000 signatures against the project. Through GoFundMe, an online fundraising platform, the group has raised over US\$90,000 in preparation for legal pursuit. To many developers this would seem like an insurmountable obstruction to the final goal of constructing a new marina.

HOST GRASSROOTS SUPPORTER MEETINGS

At the core of any public affairs campaign is the cultivation of relationships with advocates. Some of the best advocates are identified through cold calls made during the telephone identification process and the key here is in the follow-up. All supporters must be invited to small group meetings and should be provided with project fact sheets, letter writing guides and general information about engaging with their public officials in support of the project. This initial meeting should be followed by regular social media engagement among supporters as well as additional meetings immediately prior to hearings to review important messaging.

The community contains a wealth of suitable advocates, each of whom arrives at their supportive opinion from a different perspective. One enthusiastic supporter may be an engineer or environmental expert while another may have been a former regulator. It takes meetings with these people to get to know their own narrative of support to be able to bring all advocates together as a cohesive whole. Once this task is well on its way, the strategic letters to the editor sent, and public officials prepare the decision makers for hearings, the line of opponents waiting to speak will be matched by an eager and informed base of support.

CONCLUSION

The question all investors and developers in the industry should ask themselves is how to prevent an opposition campaign against their future projects (see side bar on Coral Bay Marina). In a matter of hours or days pages on social media can arise in opposition to a project, so companies must be prepared to launch public outreach to educate before the first application is even submitted. Supportive letters and hearing testimony can make all the difference in the public perception and the reception of a proposal by public officials. Opponents of projects typically remain steadfast in their beliefs, but with their vocal campaigns, supporters' opinions fall by the wayside, overshadowed by sheer volume. However, by identifying core advocates early on and with a proactive approach, yachting proposals can maintain support throughout the duration of the permitting process for successful project approval. ■



TO COMMENT ON THIS ARTICLE,
EMAIL: TSR162@SUPERYACHTREPORT.COM
WITH SUBJECT: HARBOURING POTENTIAL