

PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Competitiveness of Small Hotels

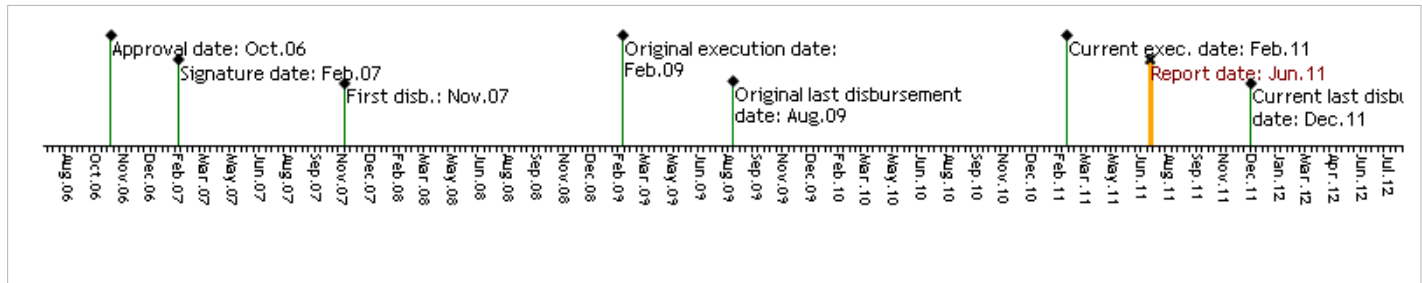
Project Number: JA-M1008 - Operation Number: ATN/ME-10069-JA

Purpose: Develop a network of small hotels (Hotels with 10 to 100 rooms), holding a valid license issued by the Jamaica Tourist Board) that comply with internationally recognized standards to provide services to a specific niche tourism market

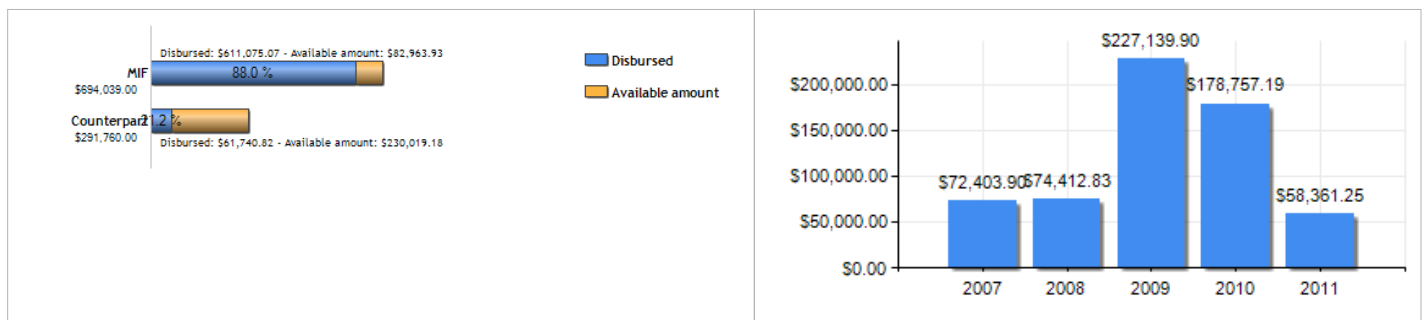
Country Administrator JAMAICA	Beneficiary Country JAMAICA	Group ENV - Environment	Subgroup TOUR - Sustainable Tourism
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Executing Agency: JAMAICA HOTEL AND TOURISM ASSOCIATION	Design Team Leader: Vela, Maritza
	Supervision Team Leader: Beecher, Wayne

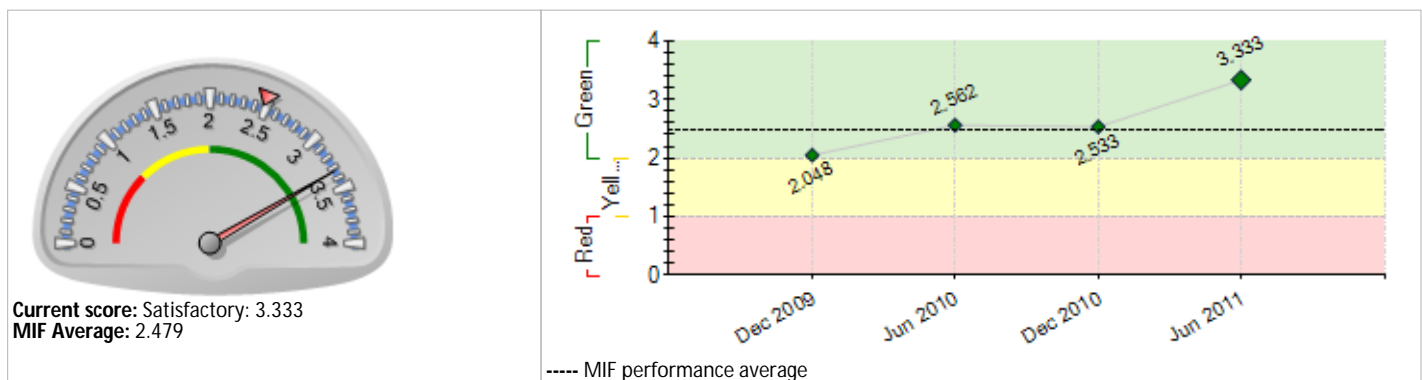
TIMELINE



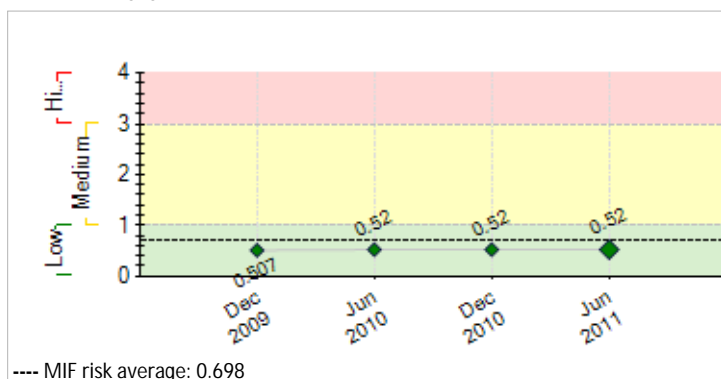
FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

	Risk
Financial Management:	0
Procurement:	0
Technical Capacity:	0

SECTION 2: PERFORMANCE

Summary of project performance since inception

In component # 1, awareness amongst the small hotel subsector was achieved through 25 awareness seminars which were conducted across the island. As a result, forty-three hotels, Villas and guest houses joined the network.

In component # 2, the products and services available in the network were defined. Nine cluster brands emerged based on hotels' location, service offering and delivery.

One, two or three brands were identified for each entity.

Quality Standards were defined in Component # 3, through research and designing of a grading system commensurate with the local agency responsible for hotel standards. Three assessors were trained and started a six-month assessment, analysis, grading and classification system for members in the network.

The system adapted the bronze, silver, gold and imperial gold concept aligned to the star system of hotel grading. 27 hotels received the bronze category, 9 - silver, three - gold and one imperial gold. Three hotels did not qualify for the lowest bronze grade.

The fourth component saw the marketing of the network with assistance from the JTB.

The main difficulty arose from the development of the web site compounded by the addition of the e-commerce platform.

The project will definitely achieve its final objective, as all stakeholders inside and out of the network is supportive of the concept including Public Sector entities involved with tourism.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The commitment of the JTB has been critical in the execution of Component 4. The success of the marketing activities being implemented by the JTB will impact the overall success of the project.

Summary of project performance in the last six months

During the Semester, the marketing strategy was put in place. Following are the achievements:

> Promotional items were developed including brochures, posters, stickers and banners

> These promotional items were delivered to JTB offices in the USA and Canada

> Sales Representatives were brought down from Canada, Europe and the USA to be familiarized with the network

> Completion of the project's website

> The e-commerce completion and addition to the website.

> The signing up of 14 hotels with Expedia for booking these hotels on the internet - other hotels will be signed during the course of the month.

> The development of the website created significant delays in the project process, as the developers encountered technical problems with its development. The e-commerce platform also created delays in its implementation due to difficulties in locating a suitable banking system.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The completion of the website is a notable achievement after significant delays.

The initiative of engaging the services of Expedia to generate bookings for the small hotels should result in significant improvement in revenue if the opportunity is leveraged properly.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Develop a network of small hotels (Hotels with 10 to 100 rooms), holding a valid license issued by the Jamaica Tourist Board) that comply with internationally recognized standards to provide services to a specific niche tourism market	P.I.1 No less than 40 small hotels are members of network	0				40	43	
		Feb 2007				Aug 2011	May 2010	
	P.I.2 Number of International wholesalers which have contracts to commercialize hotels in network.	0				10	14	
		Feb 2007				Aug 2011	Jul 2011	
	P.I.3 Wholesalers catering to the niche market segment will have information about the Network. (yes-1, no-0)	0				1	1	
		Feb 2007				Aug 2011	May 2011	
Component 1: Awareness Campaign and Network Creation. Weight: 5% Classification: Satisfactory	C1.I.1 Number of Seminars completed	0				27	27	Finished
		Feb 2007				Dec 2009	Oct 2009	
	C1.I.2 Small hotel managers or owners aware of the project	0				150	150	Finished
		Feb 2007				Dec 2009	May 2010	
	C1.I.3 Network created	0				1	1	Finished
Component 2: Development of Products and Services Weight: 12% Classification: High Satisfactory		Feb 2007				Dec 2009	Mar 2010	
	C1.I.4 Number of hotels adhering to the project's concept	0				40	43	Finished
		Feb 2007				Dec 2009	Feb 2010	
	C2.I.1 6 products and services defined and branded within the Network	0				6	9	Finished
		Feb 2007				Dec 2009	Dec 2009	
Component 3: Definition of Quality Standards Weight: 33% Classification: High Satisfactory	C3.I.1 Hotel classification system designed	0				1	1	Finished
		Feb 2007				Dec 2009	Dec 2009	
	C3.I.2 Number of targeted hotels graded	0				40	-2	Finished
		Feb 2007				Dec 2010	Nov 2010	
	C3.I.3 Number of inspectors trained to evaluate hotels' compliance based on grading system	0				3	3	Finished
Component 4: Branding, Positioning and Marketing undertaken.		Feb 2007				Jun 2010	Jan 2010	
	C4.I.1 Marketing plan designed and implemented	0				1	0	Finished
		Feb 2007				Jun 2010	Sep 2010	

Weight: 50% Classification: Unsatisfactory	C4.12	E-commerce platform of website designed and operational	0				1	0	Finished
			Feb 2007				Dec 2010	Mar 2011	
	C4.13	Number of signed contracts with international wholesalers	0				10	0	Finished
			Feb 2007				Aug 2011	Mar 2011	
	C4.14	Brand system is in full use.	0				1	1	Finished
							Aug 2011	Jun 2011	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 [*] Previous Conditions	6	Sep 2007	6	Sep 2007	Achieved

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE*[None reported in this period]***SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. JTB does not embrace the network and does not include it in international trade shows attended.	Low	The Project Coordinator and the JHTA has approached the new Board of Directors of the Jamaica Tourist Board and have secured their agreement to comply with the written agreement given by the former board to include the Small Hotel Network on their marketing promotion trips to the more popular trade shows.	Project Coordinator
2. Small hotels do not respond to the invitation of joining the Network or do not maintain the level of interest required for the success of the project.	Low	Small hotels in Jamaica, not yet members of the network will be approached on an individual basis and the network achievements to date explained in an effort to increase network membership. Although a couple small hotels and villas have not been able to maintain the standard required to remain in the network, other properties have been encouraged to joined the network, which increased the original membership from 40 to 42	Project Coordinator

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 1**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

Issue	Comments
[X] A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	A market is generated; however, at this stage it is uncertain if the members will be able to afford such services

Actions related to sustainability which will be or have been implemented:

Several meeting were held with the Director of Tourism/Chairman - Jamaica Tourist Board (JTB), regarding the marketing assistance promised at the start-up of the project. Five JTB sales representatives from the United States, Canada and Europe were brought to Jamaica by the JTB, specifically to be introduced to the small hotels network and to learn more about the project in an effort to include the network in several promotional campaigns slated for 2011. A list of trade shows, blitzes and special product launches were presented to the network indicating when and where representation of the network will be made. Some sixty-two such blitzes, trade shows and product launches were identified on the list.

The project coordinator was invited to join the JTB marketing team on one trade show and one blitz in the United States and one blitz in Canada.

The JTB has also indicated that promotion of the small hotel network will continue beyond 2011.

The Jamaica Hotel & Tourist Association (The project implementation agent) recently appointed a new President, who sees the project as an excellent tool for the future en-bloc marketing of the small hotels in Jamaica.

SECTION 6: PRACTICAL LESSONS

	Relative to Sustainability	Author
1. The small hotels in Jamaica have over the years indulged in marketing practices similar to the larger properties and at times even compete with these hotels for market share. The clustering of properties as was done through this project, provides a new and unique way of directing the small hotel products to specific nich markets. Also, the uniqueness of the small properties participating in the network was clearly identified in the branding and strategic marketing process.		Hall, Anthony