

NEWS

Hotels, restaurants lure locals as tourism slows

BY EMON REISER
reiser@bizjournals.com

The probable return of the Zika virus, a busy hurricane season and an anticipated slowdown in tourism nationwide are lining up as a triple threat to South Florida's hospitality industry this summer.

Together, they threaten to batter one of region's most powerful economic engines at an already vulnerable time — when the "snowbird" tourists from the Northeast U.S. and Canada have gone home.

Danielle Rosse, the longtime owner of Oceans 234 in Deerfield Beach, said she always prepares for more empty tables in the summer. But this year, she is feeling particularly uneasy.

"The future is a little more uncertain," Rosse said.

Like many business owners, she's amping up marketing to locals to prevent a difficult season from becoming a disastrous one.

Clouds on the Horizon

The National Oceanic and Atmospheric Administration this year predicts an "above average" Atlantic hurricane season, which runs through Nov. 30. Forecasters are predicting five to nine hurricanes.

The same warm, wet weather that stirs up strong storms will make South Florida an ideal breeding ground for mosquitoes. Locally transmitted cases of Zika, a mosquito-borne virus that causes microcephaly in newborns, brought businesses in Miami's Wynwood neighborhood to a halt last year. On June 2, the Centers for Disease Control and Prevention removed its warning for pregnant women to stay away from the area, but health officials continue to recommend that residents protect themselves from mosquito bites to stave off future outbreaks.

Besides bugs and rain, global forces that normally help the hospitality industry are headed in the wrong direction. Latin American markets that typically boost visitor growth, such as Venezuela and Brazil, remain politically and economically embattled. The strengthening dollar continues to push away Canadian tourists, who used to flock more frequently to Rosse's Ocean 234 during the high season.

To soften the challenges this summer will bring, Rosse will double down on a loyalty program that's worked well for her business in the past. She's offering Beach Club loyalty cards that reward customers for repeated visits. The cards offer deals like all-day happy hour and discounted wine.

When she started the program about four years ago, she gave out about 300 Beach Club cards. Now, she's upped the



JOCK FISTICK

Danielle Rosse, owner of Deerfield Beach's Oceans 234, amped up local marketing.

number to 700.

"Last year, we were out of them in an hour and 20 minutes," Rosse said.

Locals could soften blow

Data from STR Inc. show that average daily rates at resorts drop as much as \$90 a night, and occupancy falls as much as 10 percent, in the sleepy summer months compared to the booming winter months.

As hotels have more vacancies, steep resident discounts on lodging and food make South Florida's pricey attractions accessible to locals when these businesses need their dollars the most.



Heidi Dennis

Her hotel is offering Florida residents 20 percent off nightly rates. And the spa and Ocean2000 restaurant are expected to continue to attract patrons, even if the hotel's rooms aren't full.

"We're being proactive and watching our expenses," Dennis said. "[And] we're making sure we can do everything we can to generate revenue in other ways."

The Loews Miami Beach Hotel is offering Florida residents breakfast for two and valet for one car per night. Because of its recent renovations, the hotel is also offering a 20 percent discount on rooms. Group business, meetings and conventions will also help bolster the hotel's revenue through the summer months, Man-



Alex Tonarelli

Sweetening the deal

Miami Spice, a months-long restaurant promotion now in its 16th year, started out with about 40 eateries. This year, nearly 300 restaurants are expected to participate Aug. 1-Sept. 30, said William Talbert III, CEO of the Greater Miami Convention & Visitors Bureau and chair of Visit Florida.

Aside from offering discounts at some of Miami's priciest restaurants, the promotion generated 175 million media impressions for its participants last year, up 40 percent from the year before.

"That shows you how successful the program was and how much of a need it meets in the restaurant industry in the summer months," Talbert said.

Broward and Palm Beach counties also serve up their own restaurant months. Crave GFL (formerly Dine Out Lauderdale) and Flavor Palm Beach will run Sept. 1-30. And the discounts don't stop at the dining table. Miami Spa Month runs July 1-31, offering luxury treatments starting at \$109.

But Talbert stresses to hospitality companies that discounts can only go so far.

"Provide the best customer service you can," Talbert said. "People remember good customer service, and they remember bad customer service. We can't say that enough." ❧

► HOT DEALS FOR LOCALS

BROWARD COUNTY

► Pelican Grand Beach Resort:

Through March 31, 2018, Florida residents receive 20 percent off rates, starting at \$149 a night.

► Plunge Beach Hotel:

Florida residents receive a 20 percent discount on rooms through mid-August.

► Crowne Plaza Hollywood Beach Resort:

Through Dec. 31, 2017, Florida residents can receive a 20 percent discount on rooms, two complimentary drink vouchers and a \$50 coupon for the nearby Mardi Gras Casino's French Quarter Restaurant.

MIAMI-DADE COUNTY

► Eden Roc Miami Beach Resort/Nobu Hotel Miami Beach:

Florida residents receive 30 percent off the best available rate at Eden Roc, starting at \$259 a night, and 25 percent off the best available rate at Nobu Hotel, starting at \$329 a night. Complimentary valet parking is included.

► The Gates Hotel South Beach:

Florida residents get two cocktails and complimentary parking for one vehicle per night through Dec. 31.

► Loews Miami Beach Hotel:

Nightly rates are discounted 20 percent, June 14-20, and Florida residents can book a stay that includes daily breakfast for two and valet parking for one car.

► Nautilus South Beach:

Miami Beach vacationers can take 25 percent off a stay with a website-exclusive offer.

PALM BEACH COUNTY

► The Brazilian Court Palm Beach:

Florida residents receive 15 percent off the best available rate, starting at \$195 a night, through Sept. 30, 2017.

► PGA National Resort & Spa:

Florida residents can book at a special rate, starting at \$119 a night.

► Eau Palm Beach Resort & Spa:

Florida residents can book rooms from \$229 through Oct. 1, 2017.