



Keeping INN Touch

Innkeepers Guild Newsletter - Over 50 years of Professional Innkeepers and Quality Properties

June 10, 2008

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Our Innkeeper's Editorial

It's now June and hopefully everyone is looking forward to a successful season. We understand many of you are on pins and needles because you worry the rising gas prices will hurt business.

High gas prices have made many look at the "transportation" factor and how it can affect tourism and your room sales. Tourists will travel worldwide, but you still need a good transportation system that facilitates their travel. We can have excellent product in the Atlantic, but if the cost of travelling here is too high, then we have a challenge.

Look carefully at what you can do to improve your marketing and send the message, "The trip is part of the experience.". Our transportation links, especially the ferry links, do not seem to be treated as part of the tourism economy to the point where we market ferries as part of the experience, and also that we invest in ferries as though it is one of our products. We get excited about the numbers who come on cruises. The question we ask is: "Are we really marketing our ferry connections as a similar "cruise" experience and working to increase those numbers?". The ferry system to Alaska has TEN ferries, can carry 3500 people per run, 600 vehicles and has 400 berths. These ferries compete with the cruise ships.

There are two prime routes you take to market your property. One is what you do by yourself for your business. Look at your website, every place you list, rack cards etc. The other is what you do where you rely on others, it may be a tourist association, a local website for your town, your municipality or your provincial tourism website and guidebook.

Check to see what is happening in your immediate "market area". Make sure your prices are competitive; offer discounts and packages to try to gain that extra day. The gain of having people stay a second or third night is becoming much more valuable.

The statistics show that travel in the Atlantic depends on a clientele that lives in the Atlantic. This clientele is critical to some products, especially cottages and campgrounds but also all products in certain locations. The effect of gas prices may mean these clients are now even more important. This is why the Innkeepers Guild is trying to help with our "Atlantic Inns" concept with our exclusive arrangement on www.canadianbedbreakfast.com. This is one way to help market the group and help us fly the flag!!

Peter Sheehan
President

Nova Scotia's Tourism Act Repeal

The Minister of Tourism, Culture and Heritage, Mr. Bill Dooks, tabled his Bill to repeal the existing Tourism Accommodations Act a few weeks ago. The Bill is now "on hold" because the legislature has recessed.

The Innkeepers Guild and the Nova Scotia Bed and Breakfast Association have both written the Premier and the Opposition parties asking that this bill to repeal the Act be withdrawn. It just does not solve the unlicensed property problem and removes any impediment if some one wants to operate an unlicensed/illegal property. It gives these unlicensed /illegal properties an economic advantage. It also means the standards that were "regulations" under the authority of government will disappear and be replaced by a yet to be developed "industry" system. It is not yet clear whether these new standards have any real authority. Some say, it also means the liability of an "Innkeeper" is now up in the air.

Our two associations are comprised of 100% accommodations owners, representing over 450-500 properties, a major share of the independently owned accommodations business and certainly the highest percentage of properties located in the rural and coastal locations.

We wish we could explain the confusion and frustration many of you feel. Innkeepers Guild

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will continue to try to make the case that licensing is a small price to pay to help ensure there are no illegal and below standard operations competing and potentially hurting the reputation of our Nova Scotia product.

The discussion around this issue has raised another issue in that this tourism “industry” may not function the way the Government seems to think it does when it comes to who speaks for the industry. For example, the Government takes the position that the RTIA’s speak for “the industry”, but in a way they do and in a way they do not. There is no “one” association that speaks for the industry, for the simple reason there are several RTIA’s and at least six associations. We suggest that an association can really only speak for their membership, subject to their by-laws.

In reality, as an owner, it is you who have to make sure your opinion is heard. If you belong to an association, then when that association “speaks”, it can only really represent you if the majority agree.

As recently as June 6, we have had discussions with the folks at the DTCH, but we have yet to find a compromise. We would rather be a part of the solution that helps you see your bottom line not impacted by an underground economy.

You should know that the leaders of the Liberal party, Stephen McNeil, and the NDP party, Darrell Dexter have been very interested to hear that tourism accommodations owners are worried about the economic impact a repeal of the Act may have.

Innkeeper’s Guild wrote the Premier on April 24, to ask that the repeal not proceed.

The government, well the Minister of the day, likes to take credit every month for the number of visitors that come to Nova Scotia, but then seems to forget it is you the owners who provide the product, the investment, and the hard work, that really attracts the clients and sends them the revenue. The uniqueness of the Nova Scotia product is what you the owners have created, and the taxes we collect are what we give back.



New Brunswick Tourism Development Act

On May 27, an amendment to this Act was tabled for first reading in New Brunswick. This amendment seems to significantly change the role of the Department of Tourism and Parks. It also seems to eliminate any licensing of tourism accommodations and any role for government in setting standards.

<http://www.gnb.ca/legis/bill/FILE/56/2/Bill-72-e.htm>

Provincial Happenings Marketing and Research

Prince Edward Island

PEI has conducted several in-depth analyses of their exit surveys so they are showing PEI owners a very good snapshot of their market:

<http://trc.upei.ca/files/Maritime-Visitors.pdf>

This link shows the numbers of clients who travel to PEI from other maritime provinces, this is a real eye-opener. Nova Scotia provides PEI with 30% of the traffic. NB provides PEI 21%, so 50% of the PEI traffic is basically “local”.

Prince Edward Island has launched a new idea. The first part of the idea is that in PEI, they have organized a “Tourism Research Institute” at the University of PEI. The next part of the idea is that they are using the Internet to form a “Tourism Operator Panel”. What a novel idea, to include the owners. Excellent. We encourage every owner on PEI to join this panel.

Tourism Research Institute: <http://trc.upei.ca/>

Nova Scotia

We have just discovered that the NS tourism research and marketing data website called “Tourism Insights” has been changed. They have decreased the extent of the historic statistics on this site. They now only show, 2004, 2005, 2006, 2007. Apparently it is for technical reasons.

Industry Economics & Your Property

One of the reasons we talk about the economics of the industry so much is because the economic factors will really decide your long-term future.

Our position on the unlicensed proprietries was taken mainly because it has a negative economic impact on your ability to increase room sales should you have many such illegal properties in your area.

When the day arrives that you want to retire from the business, your numbers will play a significant role. Selling a property involves two sets of financial numbers. One set is your cash flow; the next set is the capital value of the property. A potential buyer will expect to see the last 2-3 years of your financials. After all, they are making a business decision too.

This is why it is so important that you watch what is happening in the marketplace and just how your financials, both the capital value and the income, are trending.

So, how does the Innkeepers Guild connect to your plan? Many members are in the rural and coastal areas, so that means it is critical that we find ways to help attract business to these areas. This is

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why we are trying the “Atlantic Inns” concept. Many are seasonally operated properties, so that restricts the time frame to attract business. Many were relying on selling the property eventually as a means to fund a retirement plan, and that means the capital and income values are a real concern. “We would prefer that the Nova Scotia Tourism Insights web pages show the trends back to the year 2000 for Nova Scotia, and also for all the Atlantic provinces. The Supply and Demand trends alone show that certain products and certain locations are facing lowered occupancy rates. This also suggests why an underground economy of illegal properties may just be having a long term impact.”

Money, Money - 2007-2008

ACOA invests \$1 million
in the Town of Riverview, New Brunswick
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?4034>

ACOA invests \$290,000 in Yarmouth, NS
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?4002>

ACOA and Newfoundland invest \$1.1 million in the Cultural Tourism Program at College of North Atlantic, Bonavista, NL.
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?3994>

ACOA & New Brunswick invest \$3.5 million in Saint John, N.B. Cruise Ship Center
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?3938>

ACOA invests \$200,000
in Hospitality Newfoundland
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?3915>

ACOA invests \$660,000 in tourism - Signature Attractions and Canada Select
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?3909>

ACOA invests \$430,000 - Tall Ships,
\$20,000 Pictou ,N.S.
<http://www.acoa-apeca.gc.ca/e/media/press/press.shtml?3906>

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Organizations

Destination Cape Breton

(an RTIA in Nova Scotia is a
Regional Tourism Industry Association)
<http://www.destinationcbmembers.com/>

Democracy 250

Nova Scotia is marketing our province as a historic center of Democracy in 2008, and even has a Democracy Cup it will present to the winner of a sailboat race in June. Ironic.
<http://democracy250.ca/index.aspx>

Atlantic Canada Tourism Partnership

Who are your Provincial Representatives?
<http://www.actp-ptca.ca>

Membership News

Our renewals will be issued in the near future. We are still looking into ways to improve marketing and our membership dues will be directed to marketing. Our administrative costs will be kept to a bare minimum, hopefully 25% of our revenue, so 75% can be spent on marketing. If you have any ideas on what we should do to market your property, then by all means tell us at: admin@innkeeperguild.com

Check the Name - Check the Company

Only we are the “Innkeepers Guild”.
CAUTION: There are many other organizations and web sites that use the name “innkeeper”, or may refer to “innkeeper” in their name. The Innkeepers Guild does not have association with any other web site unless you see that website listed as a “benefit” to our members.

BUYERS BEWARE

We have had some members purchase goods, purchase advertising from a web site that only operates through Pay Pal. There is no assurance that you are paying money to a technically legitimate business. Some members have found that the HST numbers on invoices they receive turn out to be bogus. Well then, guess what, a bogus HST number may mean a problem with Revenue Canada. If ever in doubt, please feel free to email us at: admin@innkeeperguild.com

Our Privacy Policy

The names, addresses, emails of members of the Innkeepers Guild are not sold or released, except to those companies who offer a benefit to members of the Guild.