



Keeping INN Touch

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

August 15, 2008

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Our Innkeeper's Editorial

It is now August, and with July behind us, most owners are trying to predict just what the rest of the season will be like. We have looked at the room sales up to June, and see some increases but also see a trend that shows why the rural and coastal locations may not benefit from the overall increase.

This year the increase in gas prices has made the cost of the trip to the Atlantic Provinces a more significant factor than maybe in other years. This "trip cost" will have a bearing, we believe, especially on the "tourist" who travels to our many rural and coastal locations, more so than the general "visitor".

If we use Nova Scotia as a barometer, we are seeing an increased dependency on the "non-resident" clients who visit from other Atlantic provinces. Is that our "core" market now? How dependable is that for the rural and seasonal operators? Ontario and Alberta visitation has increased in the last three years but all other markets seem to have decreased.

Of approximately 2 million non-residents who visited NS in 2007, 1,147,000 were from other Atlantic provinces. In 2007, Nova Scotia sold 2,592,000 room nights of which 1,374,700 were "hotel" room night sales as compared to 1,305,500 in 2004. This is why we believe those "unlicensed" properties do impact the rural and coastal tourism revenues.

Since our last newsletter in June, we have heard more about the "ferry" situation. Many owners in the Atlantic are now recognizing a higher degree of dependency on the ferry systems. We have been told that even a schedule change to the arrival time of the CAT in Yarmouth has caused room sales to decline. This is solid proof that the ferry, the cost and scheduling has an economic impact. The Yarmouth and Digby port arrivals are potential traffic for NS, PEI, NFLD and even a portion for NB.

President's Message

I'll keep it short. We want you to know we are already working on boosting our ability to market your property even more in 2009. We have a new website under construction that will have features no other association will be able to offer.

We need some volunteers. If you have some time to spare, especially time to help with a few tasks and membership, we want to hear from you. Also, anyone who has "computer skills". We prefer that we not have to hire a contractor.

A few reminders:

You can increase the visibility of your property as an "Atlantic" inn through our exclusive arrangement with www.canadianbedbreakfast.com

Please try to renew your membership by August 31st, 2008. You can pay by cheque, even post-dated or credit card.

Please make sure you have your Innkeeper's website password and that you update your listings. You can request a username and password at: www.info@innkeeperguild.com

Peter Sheehan, President

Congratulations! - Hotel Paulin - Inns Magazine

Hotel Paulin (www.hotelpaulin.com) in Caraquet, New Brunswick has been featured on the cover of "Inns," North America's B&B magazine published by Harworth Publishing of Guelph, Ontario. (www.innsmagazine.com) .

The headline is "Atlantic Canada" Culinary Adventure" and "French Love Affair." This is an annual Canadian "gourmet" edition. Hotel Paulin is owned by Karen Mersereau, (our New Brunswick Board member) and partner Gerard Paulin. This is just one example of the fine properties that we have in our "brand." Three inns from the Unique Country Inn group were also featured: Thistle Down Inn, Digby; HarbourView Inn, Smith's Cove, NS; and Hillsdale House, Annapolis Royal.

Keeping INN Touch

The Ferry Systems Discussion The Innkeepers Guild suggests we treat this as our “Atlantic Marine Highway”

The Innkeepers Guild is talking to owners about ferries. Many, not only in NS have “ferry tales” .The CAT ferry from Portland/Bar Harbour to Yarmouth and the PRINCESS ferry that travels Digby-Saint John recently received additional government funding but there needs to be a business solution.

It is time for all four Atlantic governments to make the decision to treat all the Atlantic ferry routes as an “Atlantic Marine Highway”. Accommodations owners in every Atlantic province recognize a high dependence on every ferry, not just the one that might be closest.

The Innkeepers Guild sees this “marine highway” as a very critical factor affecting the tourism economy for the long term, especially since high gas prices are now a reality.

If we want to bring visitors to the Atlantic, we need a quality, reliable, and reasonably priced ferry system. A ferry trip should really be as inviting as would be a “cruise.”

If these ferry business owners cannot operate without government subsidy, then it is time government made a business decision. Invest as a shareholder, lease, or own. At least, please do the math. The Innkeepers Guild believes the time has come for a whole new approach.

First of all, the four provincial tourism departments should appoint a “tourism transportation” person who has the task to basically become an expert in the air, land, and sea transportation systems.

Second, this group should form an “Atlantic tourism transportation committee.”

Third, each province should then add their Economic development or Business development expertise.

Fourth, the tourism industry is added to the group, but the representatives are to be first selected from owners of accommodations. Any and all tourism associations would be in a secondary role.

When we asked accommodations owners who have had a historical relationship with ferries, here is what we heard:

Owner 1: “I continue to say that we are sitting alongside one of the most affluent megalopolis in the world, the majority of whom perceive Nova Scotia as a very attractive destination. Between Bangor and Miami, there are 75 million people. Maine receives 42 million out-of-state-visitors per year. Nova Scotia receives less than 2 million out-of-province visitors per year. What is wrong with this picture? Does it take a rocket scientist to see that we are missing the boat? The Gulf of Maine is only 90 to 120 miles wide and that is all that is separating us from millions of potential visitors.”

Owner 2: “The Province of Nova Scotia should



issue a request for proposals (RFP) from any party interested in providing sea transport for leisure and commercial traffic from the US Eastern Seaboard to Nova Scotia. Preference would be given to those carriers who would not only benefit the economy of Nova Scotia, but also the economies of the Nova Scotia ports they sailed into and out of, i.e., Yarmouth, Digby, and perhaps even Shelburne.

The existing service run by the CAT appears to be in jeopardy according to Premier MacDonald as a \$ 4.5 million cash injection was required in order to keep the service operating this year.

Let’s find a solution to this critical transportation issue before we are faced with the loss of yet another important transportation link to Nova Scotia.”

Owner 3: “Ten years ago (by actual survey) Yarmouth County accommodations reported up to 85% U.S. visitors. Digby and Shelburne Counties reported approximately 60%. This has certainly changed significantly during the past two seasons. We need to recognize the fact that in excess of three million people visit Mount Desert Island in the Bar Harbor area of Maine each season and they are only 100 miles away by water.

A proper transportation link is essential in order to sustain our remaining tourism infrastructure in Southwestern Nova Scotia. The tourism industry in Southwestern Nova Scotia is presently in a crisis situation, seemingly not recognized by Minister of Tourism, Culture and Heritage, Bill Dooks. Action needs to be taken now.”

The recent government announcements to fund the Saint John-Digby ferry include a reference to a “viability study.” Innkeepers Guild suggests the whole system, all Atlantic ferries, be examined independently and also as a group. These ferries are a “product.” This product needs to sell. Owners and the average taxpayer need to better understand just where the government investment is going and how that investment will boost traffic and hopefully lower fares.

It is interesting to note that Newfoundland is upgrading some provincial coastal ferries and Marine Atlantic is due to add a new ferry this fall that will be similar to the Joey and Clara Smallwood to replace the Leif Erikson.

Keeping INN Touch

Nova Scotia Tourism Accommodations Act: The Argument Continues

In June we told you that the Innkeepers Guild and the NS Bed and Breakfast Association wrote Premier MacDonald to again stress that our organizations (a combined membership of over 500 owners) were not in favour of the proposed Bill to "repeal" the existing Tourism Accommodations Act.

We regret to advise the response was very disappointing. You will see that the letter both organizations received was basically identical, word for word. There was no indication that either the Premier or the Minister of Tourism Culture and Heritage are prepared to reconsider.

Download the letter www.innkeeperguild.com

We say this repeal has economic risks that have not been assessed, that was one question that was not answered. We see licensing as protection for the small business. We suggest the unlicensed properties are now eroding the economics of many rural and coastal locations.

We base our position on the numbers. In the last 3 years, the room sales and occupancy for every property type has fallen, except hotels and universities. B&B room sales fell from 83,000 to 73,400, a cumulative 18,000 room nights. Cottage room sales have fallen from 129,800 to 126,100, a cumulative 3,600 room nights. Here is a comparison of 2004 to 2007:

<http://www.gov.ns.ca/tch/pubs/insights/AbsPage.aspx?ID=1255&siteid=1&lang=1>

When you consider where the B&Bs and cottages are usually located and the season when they operate, it is clear this loss of room sales has a negative economic effect on the owners and the rural communities. Innkeepers Guild will be contacting members with information on the various options, including legal, to deal with the pending repeal of the NS Tourism Accommodations Act.

Marketing How do we know it is effective?

Many owners are starting to ask, "Where are the millions spent by each province on marketing producing results?" This also includes asking about the involvement of ACOA funds that subsidize the Atlantic Canada Tourism Partnership and Atlantic Tourism Grading Authority (Canada Select). All provinces also fund ACTP and ATGA to some degree.

Recently the Atlantic Business magazine had an article by Jack McAndrew where he questioned why there is no real "Atlantic" region promotion. He feels each province operates too independently and that the "Atlantic" should be marketed as a destination. Good point. Every owner has a view on what should be done to market their province and their area and their product. They have the face-to-face

conversations with our tourists, so you expect every owner has some good "market intelligence."

Here is one example of what a PEI owner thinks that is very worth reading: <http://peicanada.com/blogs/spinfree/archive/2008/07/02/what-s-really-wrong-with-tourism.aspx> This owner is also questioning why there is a continued decrease of visitors from what would appear to be our largest market, the Eastern USA.

Prince Edward Island Tourism Research Institute

<http://trc.upei.ca/>

Membership News The renewals are out.

We thank those of you who have been so prompt to send in your dues for 2008, which were due by July 31. To those of you who have yet to renew, we ask that you try to renew no later than August 31.

If everyone renews as expected, this will provide funds to start a marketing campaign for 2009. The Board intends to limit our administrative costs to 25% or less of our revenue.

To those members who are receiving exclusive benefits from Moneris, Superior Propane, and Zive Insurance - your membership is validated as of January and July each year. If you are not "current" by August 31, your benefit may be cancelled by the benefit provider, and may not be renewed.

The Innkeepers Guild was incorporated in 1939 as the Innkeepers Guild of Nova Scotia under an Act of the Nova Scotia legislature. There are various companies and web sites that use the word "innkeeper." Do not assume these are associated with the Innkeepers Guild. Feel free to contact us at admin@innkeeperguild.com.

CAUTION

Check the NAME, Check the Company - Only we are the "Innkeepers Guild." You may see other organizations and web sites with the term or name "innkeeper." This Innkeepers Guild does not have association with any other website unless you see that website listed as a "benefit" to our members.

BUYERS BEWARE

When dealing with suppliers that you may not be totally familiar with, ask for their company name and HST account number. This can be verified with Revenue Canada.

Privacy Policy

The names, addresses, emails of members of the Innkeepers Guild are not sold or released, other than what may appear in our electronic property guide on our website.