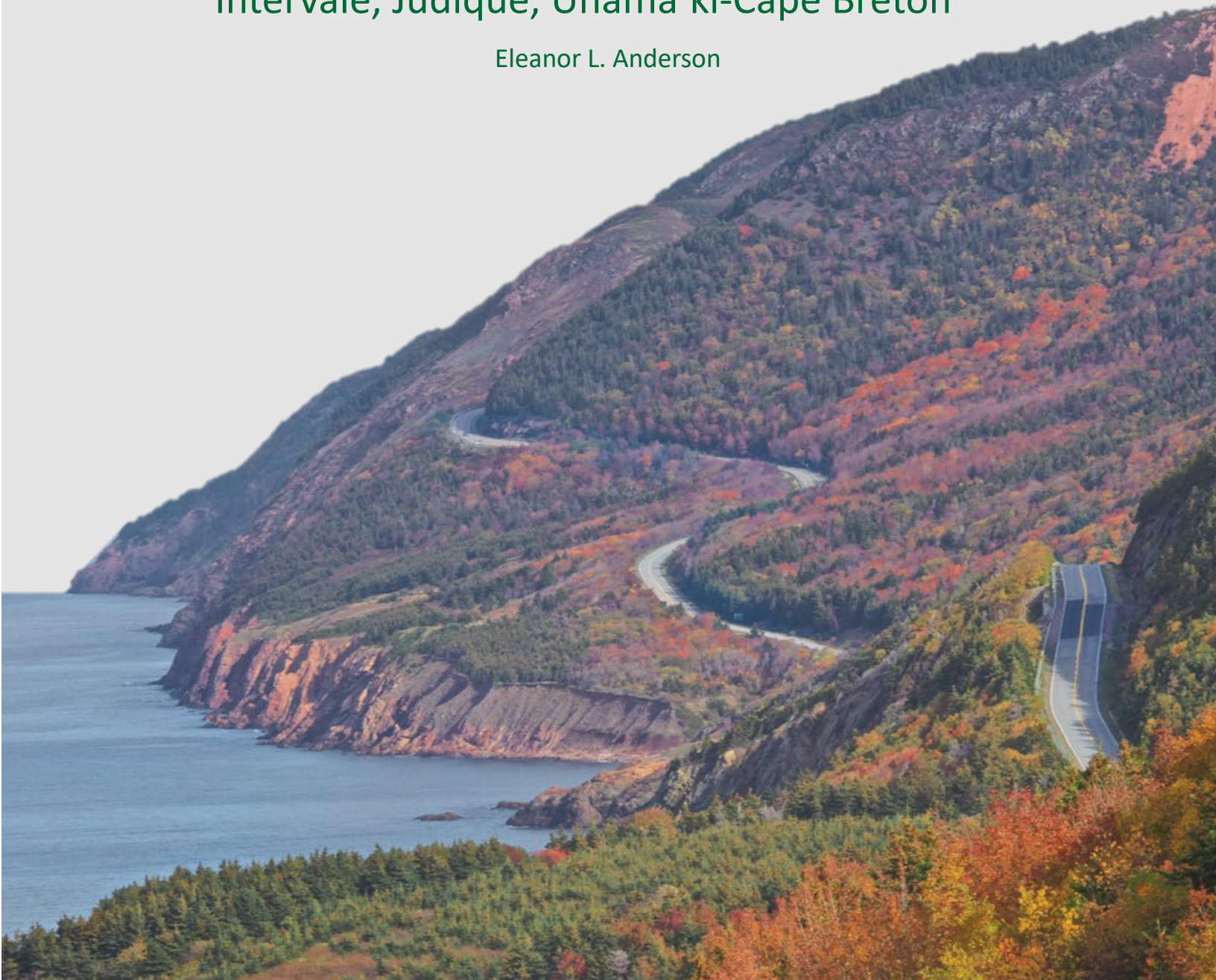




Unama'ki - Cape Breton Island Tourism Case Studies

Innovative Business Model for The Inn on the Intervale, Judique, Unama'ki-Cape Breton

Eleanor L. Anderson



Cape Breton Island has long been lauded as one of the most beautiful Islands in the world. Cape Breton University has delivered well-established tourism and hospitality training for decades and is a leader in the field of such undergraduate training in Canada. The World Tourism Institute (WTI) at CBU is perfectly positioned and timed to leverage, support, and enhance, a growing tourism industry at home and globally.

The World Tourism Institute (WTI) was founded at Cape Breton University (CBU) in 2019 with a strong foundation rooted in the depth and diversity of the Cape Breton Island Tourism Sector, the long history of Tourism and Hospitality programming at CBU and the established industry and community relationships.

In 2022, the WTI secured \$2.24 million, 3 year project running February 2022 to 2025, for training and research funding from the Canadian government to stimulate post-pandemic recovery, build capacity and grow opportunities for Cape Breton Island's Tourism Sector. This project is called the **Cape Breton Island Tourism Training Network (CBITTN)**.

CBITTN Objectives:

- Ensure inclusivity in all development activities.
- Work with Mi'kmaw partners to explore, design and implement community-based credit programs in Indigenous tourism.
- Develop a foundation of accessible, timely and credible research which will support decision-making by the industry and act as a catalyst in innovation and entrepreneurialism in tourism.
- Identify training gaps and needs associated with labour shortages.
- Promote education and professional certifications for the tourism industry, including the development of micro-credentials and customized training programs.

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Please note that the accuracy of these case studies is subject to change since the publication date. The individuals interviewed may no longer be affiliated with the respective tourism operations or businesses. Changes in business practices, ownership, and other relevant details may have occurred since the time of writing.



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BACKGROUND

In Nova Scotia, Canada, half an hour from the Canso Causeway, on the western side of Unama'ki Cape Breton Island, is the Inn on the Intervale. Purchased by Cameron, this picturesque 14-bedroom bed and breakfast is in the town of Judique in Inverness County. The lodge utilizes a rustic log cabin décor bringing the natural beauty of the area inside. The Intervale River runs behind the lodge, adding to the picturesque quality of the property.

The location of the Inn on the western coast of Cape Breton is appealing to visitors. Referred to as Canada's Musical Coast, this region has many interesting and artistic options to explore and discover. In addition to the natural outdoor beauty of the area, the Inn is just five minutes from the Celtic Music Interpretive Centre and within minutes of the attractive beaches and wharf of Port Hood. The Inn has often been used as a homebase for exploring the western side of Cape Breton.

Cameron is keen on being a contributing part of a thriving entrepreneurial community. Local relationships, vendors, partners, and staff are important for rural tourism operations to succeed. Collaborations with local tour operators allows for new ideas, expanded products and services, and the opportunity for partnerships. Bringing people together for a common purpose is a goal which centers around creating an ecosystem of local businesses supporting one another.

For Cameron along with a family partner, owning and operating the Inn on the Intervale is a passion project. They consider the vast property a blank canvas and they have lots of plans to expand and enhance the experiences available at the Inn. Their long-term plans include diversifying their products and services to include event hosting such as ceilidhs (local musical performances), lobster boils, and weddings.

BUSINESS PLANNING

Key to the operation's business plan is a shift from selling individual room nights which was the approach of the previous owner. Instead, Cameron is positioning the Inn as a group retreat which is easier to manage and easier to meet the guest's expectations. This strategy is intended to appeal to a niche but lucrative market. Cameron believes this model will maximize revenues and control costs. The Inn will still be accepting bookings direct from guests, although currently they are not accepting online bookings.

According to Cameron, purchasing the business and developing the initial business plan was an enlightening experience. "I learned a lot during the business plan development and acquiring the business." While being well prepared and having chosen a direction for the Inn, Cameron is still open to new opportunities and is ready to adjust his business plan based on results. "It is

important that we determine what works and doesn't work which will lead us to our next steps."

To promote the Inn, which can accommodate 30 people, Cameron has chosen to utilize Airbnb. Their Airbnb listing describes the Inn at the Intervale as, *"...meticulously curated to host large groups & private events; providing an idyllic private backdrop for a range of memorable gatherings: weddings, reunions, bachelor(ette) parties, corporate and wellness retreats, team-building events, concerts, tours and more."*

Cameron chose the Airbnb listing for several reasons. First, Cameron utilized Airbnb data in his business planning. As a result, there was a familiarity with the available support systems offered by Airbnb and a low barrier to entry for Cameron. Second, it is a leading booking platform with positive brand recognition making it an attractive partner. Third, Airbnb has insurance built into their contracts and Aircover which is insurance for hosts. This simplifies the insurance process for the Inn allowing management to focus on other issues such as planned facility upgrades including the addition of a sauna and hot tubs.

Producing and hosting events are a big part of the future of Inn on the Intervale. As mentioned previously, group business is key in the promotion of the operation, but the intent is to diversify the product offering and maximize revenues by creating an event space to accommodate 75-150 people. There is a barn on the premises that could be renovated for this purpose. There is also more than an acre of meadow/open field which could be utilized for outdoor recreation activities. A dedicated wedding or event planner has been considered. Lobster boils, ceilidhs, or festivals could be hosted on site and Cameron wants to grow in that direction. The first full season for the Inn at the Intervale will be 2024 with the business plan developing it into a unique four-season tourism offering.

CONCLUSION

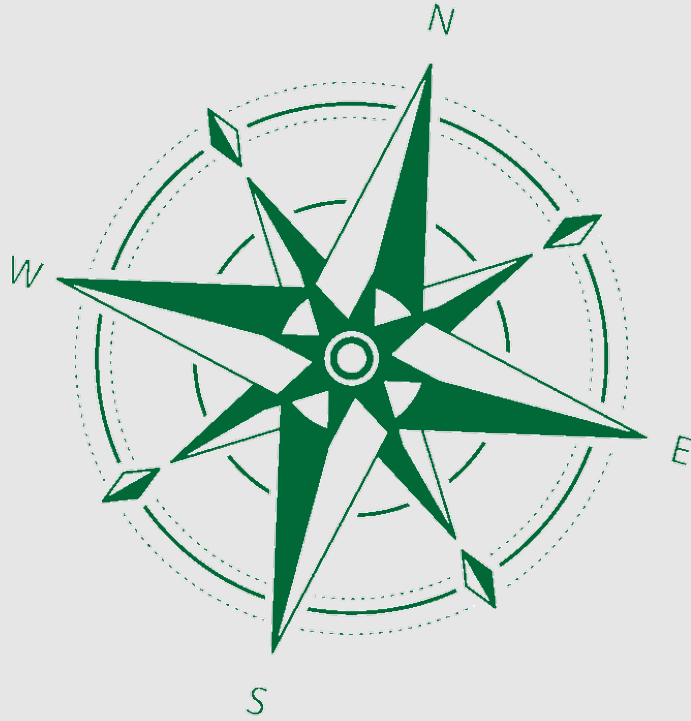
Cameron and his team have ambitious long-term plans for the Inn at the Intervale. The Inn at the Intervale has been injected with new ideas, facility upgrades, new positioning, and new sales channels. While there has been lots of business planning and capital improvements, there is still work to be done and opportunities to be realized. Strengthening the local entrepreneurial community and building mutually beneficial partnerships with other local tourism operators is one area that will take time to develop. Furthermore, monitoring and evaluating the impacts of current business decisions will influence future strategic plans. Time will tell if these efforts deliver a prosperous return on investment.

ALTERNATIVE DECISIONS

1. The Innkeeper could have not chosen the Airbnb route, instead developing an online booking system through their own corporate website while still focusing on groups and events.
2. Instead of transitioning their target customers from individuals and families to groups of 20-30 people, the Inn at the Intervale could instead focus on providing activities and options to better support the Inn's historically established model of individual room bookings.
3. The new owners could have taken a more ambitious approach, sought investors to launch an expanded list of amenities for guests from opening day.
4. Greater focus and priority could have been given to developing community partnerships instead of focusing on group and event bookings. This would provide guests with a more community integrated experience.

INSTRUCTOR GUIDE: STUDY CASE QUESTIONS FOR STUDENTS

1. How would you evaluate the business plan for the Inn at the Intervale? Are there any additional considerations you would add to the stated business plan?
2. What are the risks associated with transitioning away from individual bookings to large groups and events?
3. What on-site expansion plans is the Inn at the Intervale considering? How do you think the Inn should decide where to focus its on-site expansion plans?
4. How can the Inn develop and grow as a four-seasons product?
5. How would building relationships within the local tourism community benefit the Inn at the Intervale? What opportunities might a greater network of local partnerships provide?



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