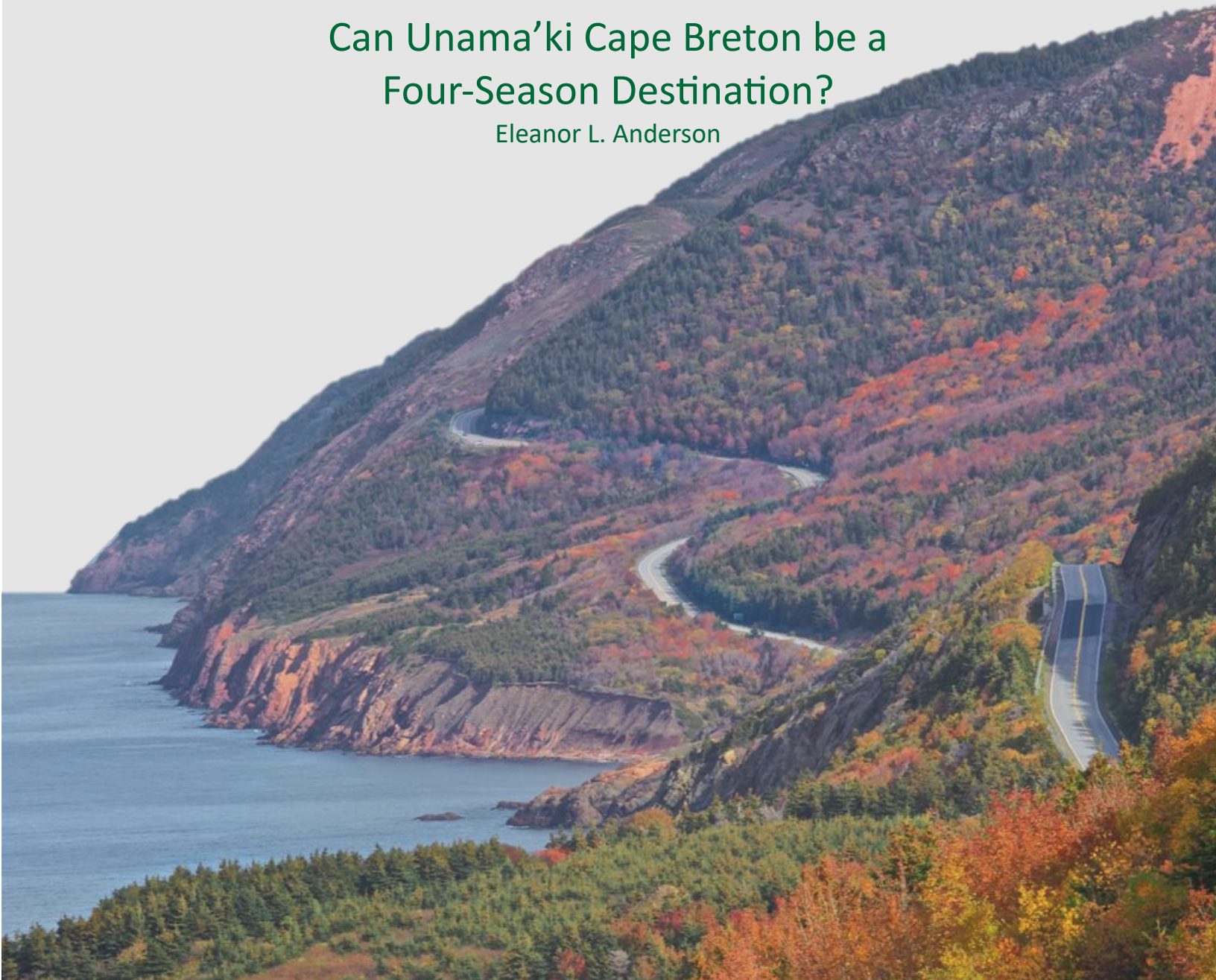




Unama'ki - Cape Breton Island Tourism Case Studies

Can Unama'ki Cape Breton be a Four-Season Destination?

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 2018 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

Located on Canada's east coast, Cape Breton Island has long attracted visitors interested in outdoor adventure, recreation, touring, fresh seafood, heritage, music, culture and most recently, some of the best quality golf in the world. Cape Breton was originally known as Unama'ki, and is a part of Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq people. Home to five First Nation Communities, the Mi'kmaq people represent important aspects of the Island's tourism and cultural experience. Cape Breton Island tourism sector is served by a well-established Destination Marketing Organization (DMO) called Destination Cape Breton. Formed in 2010, this non-profit group transitioned from its predecessor organizations which were membership based, to a group which is now supported for the most part, by an accommodation tax, or levy. Additionally project funding and in-kind support from four levels of government involvement – Federal, Provincial, Municipal, and Indigenous.

Cape Breton Island is renowned as one of the most beautiful islands in the world and has been rated the #1 Island in North America in Condé Nast Traveler's Readers' Choice Awards for the past two years and #1 Island in Canada in Travel + Leisure's World's Best for three years running (DCB, 2023).

CAPE BRETON ISLAND TOURISM INDUSTRY PROFILE

The tourism sector on Cape Breton Island is comprised of approximately 740 businesses, mostly small and medium sized operations located in rural communities, employing 5,600 people (Canadian Census, 2016). While significant growth had been recorded up to 2019, the Covid-19 pandemic has impacted growth for Cape Breton Island's tourism sector, just as it has in every tourism destination in the world. Province of Nova Scotia estimates the pre-pandemic value of the sector on Cape Breton Island at \$330,000,000 (DCB, 2017).

The Covid-19 pandemic recovery is well underway in the Cape Breton tourism sector. However, numerous challenges persist– some old, some new. There continues to be a shortage of workers in the Cape Breton tourism industry that impacts available services and operational times. Tourism operators faced further short and long-term business disruptions when Hurricane Fiona hit the Island in September 2022, causing additional damage and delays to some of the businesses which constitute the sector.

In 2021, Destination Cape Breton released a ten-year destination development strategy called #RiseAgain2030. The vision outlined in the ambitious plan was toward a four-season destination for the tourism sector. Developing Cape Breton into a year-around tourist destination would attract new visitors, provide a longer and more profitable tourist season, and increase the number of non-seasonal jobs in the Island's tourism sector.

This case study explores the opportunities and challenges facing the tourism sector as a whole and the DMO's approach towards developing a thriving, year-round industry across Cape Breton-Unama'ki.

THE OPPORTUNITY

Jo-Lanna Murray has been the Director of Industry Development at Destination Cape Breton for six years. Her role is to support tourism sector growth across Cape Breton Island - Unama'ki. Growth could be via the creation or expansion of tourism products, experiences, and/or packages. Her work, and the work of the DMO, is rooted in a continuum of research driving product development and shaping marketing campaigns.

Prior to joining DCB, Murray had decades of economic development experience on Cape Breton Island which is helpful in her role working with tourism operators. She is aware of the many supports small businesses need to survive and thrive in rural communities and is enthusiastically working to match entrepreneurs with those supports.

While the impact of the pandemic was still being felt across Cape Breton-Unama'ki, DCB launched an ambitious ten-year strategy to transition Cape Breton into a four-seasons destination. DCB's strategy needs numerous partnerships to achieve the vision of a world-class year-around destination with dynamic tourism clusters.

Murray recognizes that the visitor is the root of the expansion of the tourism sector. Murray and DCB have noticed that the demographics of the Cape Breton – Unama'ki target visitor are changing. Today's visitor to Cape Breton is looking for authentic experiences – outdoor adventure activities in particular. Fortunately, in this category, Cape Breton Island has lots to offer.

Cape Breton Island Licensed Room Nights Inventory, tracked by Month (2019) by Nova Scotia Tourism demonstrate the seasonal nature of the Cape Breton Island tourism industry. Many accommodation operators, and other rural tourism operations, only open from May to October. From an inventory standpoint, there is room to grow in every month of the year although this is likely hampered by workforce capacity in peak months in some communities.

Not only is the profile of the Cape Breton Island visitor changing but the profile of the owners and operators in the local tourism industry are changing as well. The traditional tourism operators on Island did not necessarily want to provide a four-season offering. The challenges were too many, and the return too little, so they chose to close instead. In the past decade, the sector has seen the entry of numerous younger entrepreneurs. These businesspeople see opportunities in year-round operations and demonstrate an interest in developing four-season

destinations. Murray has noted that the changing tourism climate, visitor demand, and Cape Breton- Unama'ki's strong outdoor adventure offerings, all combine to present opportunities for sector growth.

THE CHALLENGE

Pre-pandemic, the Cape Breton-Unama'ki tourism Industry witnessed unprecedented growth. Even so, the sector was not without its challenges. Operators across the Island in the 2018 season reported chronic labour shortages, forcing some operations to close one day a week to provide respite for employees. The Tourism Industry Association of Canada (TIAC) notes it is particularly challenging for rural businesses to strengthen their shoulder seasons when students are not readily available.

The growing issue of seasonality in the sector was most recently explored in a 2018 study commissioned by Tourism HR Canada entitled "Seasonality and Labour Challenges in Rural Cape Breton – Meeting the Needs of the Tourism Sector". While undisputedly the Census figures prove the importance of tourism to the Cape Breton economy, the Tourism HR Canada study clearly drew the connections between the labour challenges associated with seasonal business cycles, the impact that labour shortages create in meeting the demands of the customer, and of the effects on immigration. The report stated that "Between 2012 and 2019 there were an estimated 2,096 unfilled tourism jobs in Nova Scotia as a whole. If current labour market conditions remain unchanged, 5,132 tourism jobs could go unfilled by the year 2035."

Simply put, there is an economic necessity for the Cape Breton tourism sector to thrive. Pent-up pandemic demand has exacerbated the challenge. The Nova Scotia Tourism Human Resource Council (NSTHRC) considers this an HR crisis in Nova Scotia.

Destination Cape Breton understands that a stable and qualified potential employee pool is critical to long term industry sustenance and growth. The CEO of Destination Cape Breton, Terry Smith, emphasized the importance of partnerships and a collaborative approach in the #2030RiseAgain destination development strategy.

Murray agrees that one of the most significant challenges is a ready and able workforce and identifies related co-existing challenges. For example, lack of affordable housing in rural communities and lack of transportation to rural tourism operators are contributing factors to the labour shortage. Through public and private sector partnerships, DCB is making an effort to address these challenges, but they realize more work is needed.

If research drives product development which drives marketing, as is the foundational approach of DCB's strategy and actions, current and reliable research is required. Numerous research partnerships are available including with regional, national, and international partners such as:

The World Tourism Institute

Tourism Nova Scotia

Destination Canada

Destinations International

Tourism HR Canada

TIANS

Smith has prioritized industry research as a critical tool for the sector's success and continues to work with these partners, tourism operators, community groups, municipalities and more, to ensure the bedrock of their operational continuum remains solid.

STRATEGIC ACTIONS/CONSIDERATIONS

Recognizing that the labour issues are compounded by a lack of available and affordable housing and transportation in most communities across the Island, DCB has initiated, and is leading, an exciting new initiative in Ingonish. With partners that include the Municipality of Victoria County and others, a co-operative housing pilot project is underway with expected opening in early 2025.

Murray shared that the DCB website designed to attract visitors has such high traffic, that they are considering using it to also attract workers. A campaign is being considered which would share all the wonderful attributes Cape Breton – Unama'ki has to offer as a place to live and work. Similarly, a campaign targeted at attracting tourism entrepreneurs has been discussed as a creative approach to both succession planning for some of the more traditional business operators and as an infusion of energy, enthusiasm, and talent that newcomers may contribute to the sector.

Murray emphasizes that funding programs are being explored which would encourage restaurants, accommodations, and other tourism-related businesses to winterize their offerings.

While DCB's winter visitor campaigns did start pre-pandemic, they have been enhanced due to popular demand and operator's request for marketing support during winter months. Winter campaigns run from January – March, targeting domestic visitors who have always been key but have emerged with a renewed importance post-pandemic.

Cape Breton Island has lots to offer and room for growth and creative collaborations in the tourism industry. Murray notes that DCB is supporting the Collaborative Environmental Planning Initiative (CEPI) on a sport fishing project and has supported the Village of Baddeck and its businesses. DCB has partnered in a Winter Market Readiness Project for the Cabot Trail in 2022 and is supporting an economic impact study led by the Cape Breton Partnership in 2023 to help

serve as a framework for future tourism sector investment. Development and support of niche markets such as culinary, golf and cruise continue to shape their efforts.

CONCLUSION

Both Terry Smith and Jo-Lanna Murray recognize that change takes time and should be rooted in sound research and solid relationships. There are many opportunities facing the sector, but the challenges are also significant. The DMO has a well-developed strategic destination development plan to guide their team. The #RiseAgain2030 development strategy prioritizes the role and importance of culture in their collaborations for long-term sustainability and growth. DCB is well on its way to leading wealth creation and sustainable economic growth for the Island's tourism economy and its residents.

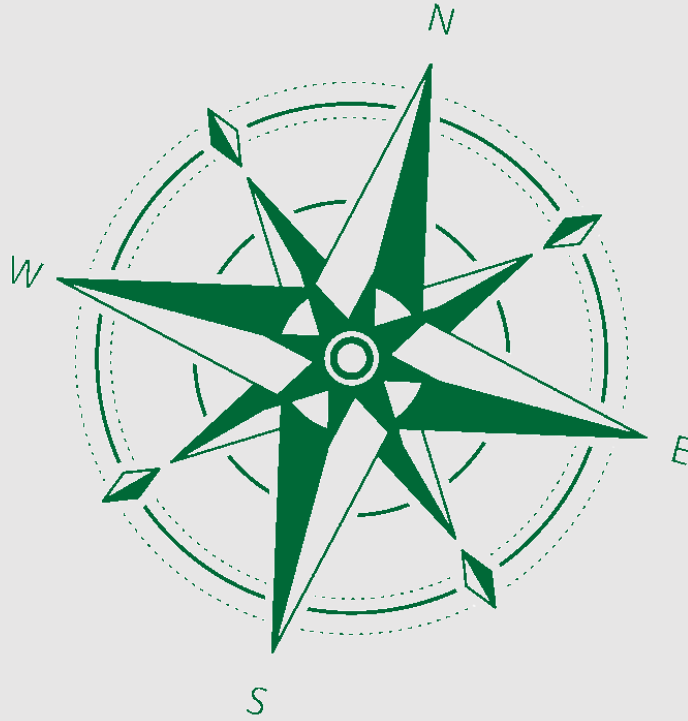
ALTERNATIVE DECISIONS

1. Prioritizing the labour shortage challenge could be a game-changer for the sector, considering the lack of a qualified, available workforce has been a perennial problem for the tourism sector across Cape Breton Island, and is restricting operators from realizing their maximum revenue potential and meeting visitor demands.
2. Investing in a research platform to be shared with tourism operators, potential entrepreneurs and investors could deliver quicker and more sound decision-making that would fast-track results.
3. Enhancing industry engagement in DCB or partner initiatives could be considered. The tourism sector is fragmented and since DCB is not a membership organization, there lacks a peer-to-peer support network that might encourage dialogue, sharing of ideas and solutions which could help move the sector forward.
4. Proactively develop and mobilize enhanced programming and innovative partnerships to accelerate destination development.

INSTRUCTOR GUIDE: STUDY CASE QUESTIONS FOR STUDENTS

1. The tourism sector exists in a complex and dynamic environment, complicated by the post-pandemic recovery impacts make the future difficult to predict. How can Destination Cape Breton support or advocate for enhanced infrastructure and transportation in support of the sector?

2. What are the product development needs of the Cape Breton tourism sector? How can Destination Cape Breton meet those needs?
3. What do you see as the biggest challenge in developing Cape Breton into a four-season destination? How would you address that challenge?
4. What steps should Destination Cape Breton prioritize to build a four-season destination?



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