

Nanaimo Hospitality Association

2021 Activity Update and Performance Report

Presented to: The City of Nanaimo

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April 2022

NHA Mission & Vision

NHA:

Visions and Goals

The Nanaimo Hospitality Association (NHA) is made up of the 30 fixed roof accommodation properties within the City of Nanaimo representing over 1300 rooms

Our vision is that Nanaimo & the Central Island Region is Vancouver Island's gathering place, the destination of choice for visitors to enjoy a uniquely Canadian West Coast experience year-round. Our goals are as follows:

- Goal 1 – **Increase overnight visitations to Nanaimo:**
- Goal 2 – **Support Product Development:** To support festivals and events as well as thoughtfully developed new visitor services products, attractions and transportation links.
- Goal 3 – **Developing Industry Partnerships:** To be the catalyst for collaboration between industry stakeholders and other community organizations and to foster new partnerships and leverage investment into the tourism sector.
- Goal 4 – **Marketing & Public Relations:** To increase awareness of Nanaimo & Region's tourism assets and increase the contribution of tourism to the region's economy.
- Goal 5 – **Community Pride:** To increase community pride in the region and its tourism assets.
- Goal 6 – **Accountability:** To monitor key tourism indicators and communicate indicator information to industry stakeholders, our community and the Province of BC.

2021 Performance: Accommodation Inventory, Occupancy and Revenue

Nanaimo Room Inventory

Source:

Smith Travel Research (STR); *Monthly Multi-Segment Reports*

AirDNA; *Monthly Market Summary Reports*

Note: "Entire Place" Listings are those most comparative to hotel rooms

FIXED ROOF ACCOMMODATIONS (FRAPs)

Property Census at Dec 2021 = 19 Fixed Roof (Hotels/Motels/Inns)
Room census at Dec 2021 = 976 Rooms

FRAPs consistently submitting data = 7 of 19 (37%), representing 605 of 976 rooms (62%)

SHORT TERM VACATION RENTALS

(AirDNA & HomeAway platforms)

Total "Entire Place" Listings at Dec 2021 = **306**

Hotel Comparable Listings:

2018 Average	= 292
2019 Average	= 319
2020 Average	= 275
2021 Average	= 270

Properties consistently submitting data = 100% (automated via booking platforms)

Rate & Revenue Data Sources

Municipal and Regional District Tax:

Collected at all traditional FRAPs

STRs began contributing as of Oct 2018

2% Tax rate Jan 2015 – March 31 2020

3% Tax rate effective April 1 2020

Occupancy: Hotel V. Short Term Rentals (Multi-room and Hotel Comps)



Hotel Vs. Short Term Rentals:

Occupancy Insight

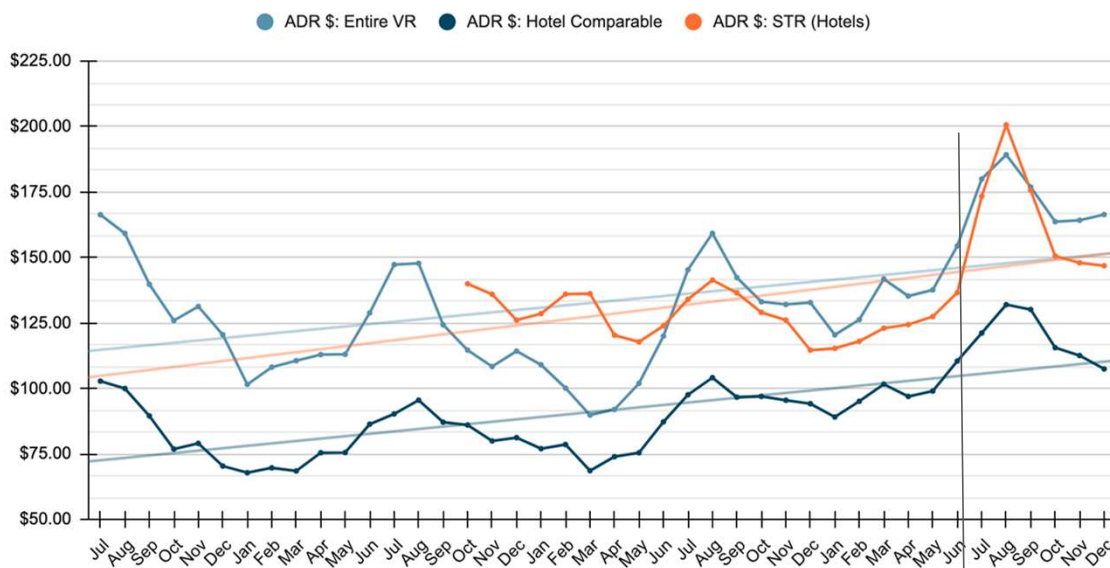
Source:
Smith Travel Research (STR);
Monthly Multi-Segment Reports

AirDNA; Monthly Market Summary
Reports

The chart on the prior slide indicates:

- Traditional hotel occupancy suffered much more significantly than STRs as a direct result of the pandemic
- Most STRs in Nanaimo are considered hotel comparable, that is, studios or 1 bedroom units
- Recovery of hotels rebounded to match demand of STRs in summer 2021 when restrictions eased, but when travel demand fell across all room types to typical off-season levels in fall 2021, this impacted hotels more significantly than STRs

Nanaimo, BC: Average Daily Rate (ADR) - Hotel Vs Short Term Rentals (2018 - 2021)



Hotel Vs. Short Term Rentals:

Revenue/ Average Daily Rate (ADR) Insight

Source:
Smith Travel Research (STR):
Monthly Multi-Segment Reports

AirDNA; Monthly Market Summary
Reports

The chart on the prior slide indicates:

- The Average Daily Rate charged is per booked “entire place” listing for STRs. ADR includes cleaning fees but not other Airbnb or HomeAway service fees or taxes.
- While the rate appears higher for STRs in relation to hotels, a combination of lower advertised rates (value) STRs and the pandemic appeal of ‘bubble-friendly’ accommodation, are both likely contributors to the increase in popularity of STRs in relation to traditional hotels in 2021

Visitor Facing Campaigns

The consumer Call to Action for all of the following campaigns was

Tourismnanaimo.com

2021 Spring Campaign Recap



Open for Fun

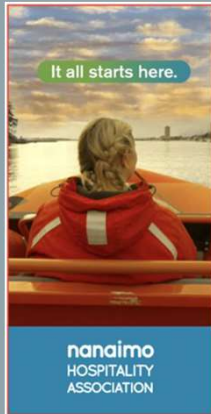
June 7 - August 31

Multi-Media Campaign that included: Digital, Newspaper Sponsored Stories, Radio & Radio Contesting, Outdoor and BC Ferries Posters

Digital Achievements:

Impressions	
2,528,174	
Clicks	18,172
Verified Visits	1,712

2021 Fall Campaign Recap



It all starts here

September 20 - December 26

Multi-Media Campaign: Digital and Television

TV Achievements: 3.2MM Impressions in BC

+ 26,370 National Airings

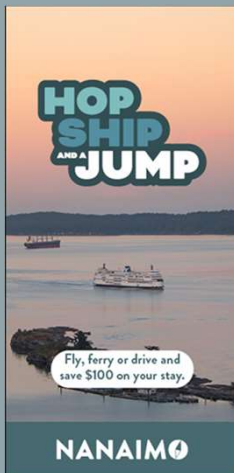
Digital Achievements:

Impressions 1,580,989

Clicks 10,392

Verified Visits 1,023

Spring 2022 Campaign



Hop, Ship and a Jump

January 31 - March 13

Multi-Media Campaign: Digital and Radio

Digital Achievements:

Impressions 1,808,939

Clicks 8,408

Verified Visits 1,315

Tourism Nanaimo Extended this campaign in Feb/Mar/Apr by added more Digital plus Outdoor and Radio in Calgary/Edmonton/Seattle

Meetings & Convention Campaign

2021/2022 Meetings Campaign



Meetings Campaign

October 7, 2021 - April 31, 2022

Digital campaign targeting meeting and convention planners and decision makers. Tourism Nanaimo complemented this with targeted social media ads.

Digital Achievements (up to March 31):

Impressions 306,240

Clicks 1,373

The big news in the Meetings and Conference sector is that the NHA has entered into an MOU with Tourism Nanaimo and the VICC on the hiring of a Destinations Sales Director. This NEW position, which will be funded with MRDT funds will focus on both Meetings and Conventions Sales as well as Sports Tourism Sales. This position should be filled in the upcoming weeks.

Market Research:

Investing in data to highlight Nanaimo's best potential visitors

Where is the information coming from?

Nanaimo's target audience sets are currently being evaluated for determining marketing opportunities. These ideal 'target' visitors were identified through point of origin data derived from the Environics Mobilescapes platform:

- uses anonymous cell phone data on app-enabled devices
- Is subsidized by Destination Canada to provide additional travel-related database access and evaluation criteria

How are we applying it?

- Consumer behaviour and social value themes based on past visitor behaviours, will continue to help guide targeted, financially responsible digital marketing activities
- Over time this is also an opportunity to analyze changes in transportation, volume and source of origin, to determine benchmarks for future key performance indicator tracking.

MRDT Funds

- Accommodators collect a 3% Tax from their customers as part of the Provincial Sales Tax Program
- The over total % of taxes now applied to a guests accommodation bill in Nanaimo is 16% which is standard in most MRDT communities.
- The 3% MRDT on Online Accommodation Platforms (OAP's) is collected separately and used by the city as part of the Affordable Housing Strategy
- Despite the pandemic Hospitality Grant applications of just over \$60,000 were approved and awarded in 2021.
- The remainder of MRDT funds collected have been expended on a wide range of marketing campaigns and product development initiatives that the NHA has partnered with Tourism Nanaimo on. These initiatives are all inline with the NHA's 2020-2025 MRDT Business Plan.

What's Next

We will continue to explore ways that we can support and/or partner with Snuneymuxw First Nations on helping them to deliver their different indigenous tourism projects.

We will present to city staff and industry stakeholders the finalized Sports Tourism Strategy.

We will continue to work and collaborate with Tourism Nanaimo, the Vancouver Island Conference Centre and all industry partners on developing a Business Meetings Sales and Marketing Strategy for the City of Nanaimo.

We will continue to develop and foster a close working relationship with Tourism Nanaimo and all Tourism Stakeholders.

Questions ?