

Start-up targeting digital media push

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companies, including the preparation of business plans and reviewing the viability of proposed acquisitions.

Mr Hohnstein, who has a Master's degree in finance, worked in the financial services sector in the US, holding key positions at Bank One (now Chase Bank) and Wells Fargo.

He got a taste for digital marketing when it came under his portfolio while serving as a member

of the Economic Council to the Christian Democratic Union (CDU) Party of German Chancellor, Angela Merkel. The Economic Council represents the interests of thousands of small and medium-sized firms from all sectors of the German economy.

In 2013, Mr Hohnstein co-founded an international consulting company, LCA Global Consulting, specialising in public relations campaigns for international brands, digital marketing

and creating digital advertising platforms throughout seven cities in Germany.

He also served as the vice-president of German development for EVO Payments International, a company which processes ATM, mail order, telephone and point of sale transactions, according to its website. Mr Hohnstein built up five teams in Dresden, Köln, Hamburg, Munich and Berlin, providing training on how to use multiple formulas and tactics to achieve success in the sales industry.

Upon discovering his friend's interest in returning to the Bahamas to take up residency, Mr Thompson broached the idea of a

business partnership with Mr Hohnstein.

"With my managing experience and his marketing experience we felt the integration into a consulting firm would be perfect," said Mr Thompson.

Earlier this year TAHM rolled out its transit advertising platform on 30 buses that collectively cover New Providence. Expansion plans to bring more buses on stream are in the works.

The buses are equipped with 18-inch TV monitors. Daily looping on the bus monitors allows for continuous advertisement streaming for TAHM's clients.

According to the company, the average bus oper-

ates from 6am to 7pm. Each bus accommodates up to 28 riders at a time, making anywhere from seven to 10 trips per day.

Each ad is slotted to run every four minutes in the present six-minute loop. Most ads are 35 seconds. Each advertisement runs 15 times an hour or 195 times per bus. That is 5,850 times per day for the 30 buses.

The transit advertisement platforms are currently on buses servicing South Beach, Cable Beach, Carmichael, Palmdale, Fox Hill, Blair and Montagu.

The company is also in talks with a few MPs who view the technology as a means of keeping their con-

stituents abreast of their work, relevant community news and national emergency alerts in real time.

"It's all about being competitive in your niche market, whatever that market may be," said Mr Thompson. "We want to ultimately digitise the entire archipelago from Grand Bahama in the north to Inagua in the south."

For Mr Hohnstein, it all boils down to where an enterprise wants to be in a year's time with their business. "You want to be known everywhere," he said. "Standing still and complacency is the enemy of prosperity."

'Don't cut off nose to spite face' over vacation rentals

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to developing plans for its development.

"It's a sector that needs to be evaluated fully, not just from a taxation and regulatory standpoint, but its potential in the marketplace, so that we don't cut off our nose to spite our face," he told this newspaper.

"If we want to look at this thing in a more holistic and comprehensive way, we can understand things more from a development standpoint. There are so many opportunities that we're looking at with limited data or with limited objectives."

Mr Aubry was responding after Dionisio D'Aguilar, minister of tourism, told Tribune Business last week that the Government had

entered into a Memorandum of Understanding (MoU) with Airbnb, the largest and fastest-growing vacation rental website.

Airbnb will collect all due taxes and fees associated with Bahamas-based vacation rentals listed on its website, and ensure those landlords are in full compliance with local rules and regulations.

The website, though, will not collect Value-Added Tax (VAT) on the Government's behalf due to difficulties in determining whether a vacation rental has met the \$100,000 turnover per annum registration threshold.

As a result, Mr D'Aguilar suggested the Bahamas will have to introduce some kind

of room/occupancy tax for the vacation rental market, and give landlords a choice between paying this or VAT. Once it does this, the MoU with Airbnb will become a full agreement.

The Minister acknowledged that the Bahamas needed to achieve a delicate balance when it came to vacation rental regulation/taxation, and suggested he favoured a 'light touch' approach to ensure there was no market 'shock' that drove business elsewhere.

For an ORG-commissioned study by Oxford Economics, the research consultancy, recently identified the vacation rental market as a potential growth opportunity that could boost Bahamian ownership and entrepreneurship in the tourism industry, plus aid economic diversification.

However, it found that the Bahamas' ability to make

further inroads into this market was already being impeded by old, impractical laws and regulations that treated vacation rentals like mega resorts.

Apart from the International Persons Landholding Act imposing "especially strict rules" on foreign home owners, the study said all vacation-based properties have to be approved by the Bahamas Investment Authority (BIA).

"While vacation home owners and foreign owners can overcome these hurdles, this comes at a cost in terms of time and money," the report's author, the Oxford Economics consultancy, said.

"In the view of interviewees, most of the complexity reflects laws that are designed with mega-resorts in mind. For example, if the owner is not the primary occupant, then the applicant must present detailed business plans that addresses issues such as how many people will be employed, traffic issues, etc. For the vacation home rental market, this is not a practical approach."

Mr Aubry told Tribune Business he backed 'light touch' approach indicated by Mr D'Aguilar, saying: "Particularly with this kind of business model, it's critical.

"There needs to be an understanding of two things: What is going to be regulated, and the economic impact to this industry, and how does that relate to taxation and collection? What is the long-term impact?"

"When you look at making policy for the second home vacation rental market, I don't think we have quite understood this model and its applicability."

Mr Aubry said that between Airbnb and Home

Away, another popular vacation rental website, there were 1,200 Bahamas-based listings. He questioned, though, whether there had been "any follow-up" by the Bahamian authorities to "understand the scope and business" of these rentals.

Suggesting that this would inhibit the crafting of long-term strategy to aid the Government's dual regulation and economic growth objectives, Mr Aubry said there was no 'one-size fits all' business model for the sector.

He used as an example his two neighbours, one of whom rented out their property one-two times per month, and another who did the same - but on a yearly basis.

"We have to define what it means and, more importantly, ensure we don't put obstacles in the way of this," Mr Aubry said, referring to ORG's study. "We're putting in something that changes their level of obligation and not thinking about the long-term processes."

"We're putting in regulation for the short-term, but we need to be looking long-term. That's where we have to look. What is the long-term strategic vision with this product, as we want to facilitate Bahamian ownership and entrepreneurship."

Mr Aubry added that Airbnb already employed a form of self-regulation, where it vetted landlords and ensured they were removed from the site if their properties received consistent bad reviews.

Besides fostering Bahamian tourism industry ownership, the vacation rental market allows this nation to attract a different visitor niche that does not want to stay in mega resorts.

These are the tourists seeking the authentic experiences described by Dr Hubert Minnis when the Prime Minister addressed the Bahamas Hotel and Tourism Association (BHTA) last week, calling for an infusion of cultural and heritage-based activities into this nation's product.

Vacation rental tourists also inject visitor spending directly into Bahamian-owned businesses that otherwise would not receive it. Tribune Business has this year seen a notable upsurge in tourists shopping at, or walking to, Super Value's Winton store - indicating a likely rise in business for nearby vacation rentals.

This market is also a potential tool for developing, and spreading the tourism wealth, to Family Island economies as vacation rentals require less infrastructure than major resorts.

Mr Aubry suggested vacation rentals held potential

for revitalising run-down areas and communities with the benefits extending beyond just landlords.

"These kinds of industries that facilitate the ownership and participation in the tourism industry also create supply chains for local manufacturers and agriculture," he told Tribune Business.

Such businesses would be better able to supply product to vacation rental homes than larger resorts, and Mr Aubry added: "The scale fosters a lot more local development if done right."

Oxford Economics' study, which analysed the impact of a 50 per cent increase upon current vacation rental activity, found this would grow stopover tourists by 8,350 annually, and generate \$13 million in additional visitor spending.

Excluding 50 per cent of that \$13 million from its analysis, as that represented lease costs, the ORG study said: "The full economic impact - direct, indirect, and induced - of additional spending by these new tourists is estimated at \$9.8 million of additional GDP and 225 new jobs."

"The sectors most affected are community, social and personal services, which receives 35 per cent of the GDP impact and 50 per cent of the jobs impact, and hotels and restaurants, which receive 23 per cent of the GDP and 18 per cent of the jobs impact."

Data obtained by Oxford Economics showed that the Bahamas had 1,878 properties registered with Airbnb, of which 908 - just under half - were deemed to be active.

Highlighting the vacation rental market's growth and economic potential for the Bahamas, the ORG report showed these numbers were between eight to three times' higher than comparable Airbnb data for Bermuda, the Cayman Islands and Turks & Caicos.

The Bahamas' mean occupancy rate was lower than Bermuda's and Cayman's, at 38 per cent and 22 per cent, respectively, but higher than Turks & Caicos's 16 per cent.

When it came to yield, the Bahamas' mean Airbnb nightly rate of \$306 was higher than Bermuda and Cayman's, but lower than Turks & Caicos's. This nation's guest ratings were also in line with its regional rivals.

Mr Aubry said the research had been shared with the BHTA and Ministry of Tourism, and suggested that it could be "furthered" as part of future conversations on the vacation rental market.

PUBLIC NOTICE

TOWN HALL MEETING

June 20, 2017

6:30 pm

Garden of Eden

Eastwood Subdivision

Cable Bahamas Limited will be holding a public town hall meeting for the residents of Eastwood Estates, to discuss the erection of an electronic communications monopalm at Petra and Gibben Road. All interested residents are invited to attend.



Grand Bahama Career Fair

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PLACE: PELICAN BAY HOTEL

Tuesday June 20th, 2017 - 11AM - 6PM

Wednesday June 21th, 2017 - 9AM - 5PM

We are currently looking for enthusiastic and customer service driven SuperStars to join our Super Team!

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Stewards

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Servers

Bussers

Room Attendants

Bellmen

Chefs de Partie

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Engineers

Barbacks

Housemen

Front Desk Agents

Cooks

Public Space Cleaners

Laundry Technicians

Bartenders

Security Officers

Laundry Attendants

Beach Attendants

Team Members enjoy the following benefits:

Fully Furnished Living Accommodations / Laundry Facilities
Meals / Recreation Area / Gym / On Property Transportation

To be interviewed, attendees must: present an updated resume, valid Bahamian passport, clean police certificate, must be professionally dressed, and be willing to relocate.

Share your news

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BAHAMAS AIR SEA RESCUE ASSOCIATION

ANNUAL GENERAL MEETING

BASRA Headquarters,
June 22nd, 2017

7:30pm
All members are urged to attend.
Refreshments will be served.