



Kootenay Rockies Tourism is pleased to provide you with this interactive CD-ROM entitled 'The ABC's of International Inbound Tourism'. This educational resource has been designed as a supplementary tool to 'The ABC's of International Inbound Tourism' Manual. Together they will enhance your general understanding of this exciting segment of the tourism industry.

#### **CD-ROM INSTALLATION**

To begin exploring 'The ABC's of International Inbound Tourism', please insert the CD disc into your CD-ROM Drive.

- 1. If auto play is active, the CD-ROM will self launch.
- 2. If auto play is not active, double-click on the CD-ROM icon to launch.





The ABC's of International Inbound Tourism

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## THE ABC'S OF INTERNATIONAL INBOUND TOURISM





Dear Colleague,

The Kootenay Rockies region of British Columbia has the potential of becoming one of Canada's destinations of choice for travellers from around the world.

Our abundance of activities available year-round within a spectacular natural setting can provide the international visitor precisely what is desired by the majority of modern travellers - safe, active, experiential vacations.

The business of International Inbound Tourism, however, includes an array of marketing and customer service activities quite distinct from those suited to domestic markets.

Who are the international visitors to our region? Where do they come from? How do they get here? What do they like to do? And, how can I share in the business opportunities their visits to the region provide?

To help you answer these questions, Kootenay Rockies Tourism is pleased to introduce to you the ABC's of International Inbound Tourism through this informative Manual as well as the enclosed interactive educational CD.

These resource tools are designed to enhance your general understanding of this exciting segment of the tourism industry and the significant economic opportunities it holds for the communities and residents of the Kootenay Rockies region.

Please join us in welcoming these opportunities to the Kootenay Rockies region by familiarizing yourself with the ABC's of International Inbound Tourism.

Yours sincerely,

Chris Dadson

President, Kootenay Rockies Tourism Association







## **Table of Contents**









Chapter One The Kootenay Rockies Tourism Region	5-8
Chapter Two The International Visitor	9-18
Chapter Three International Sales and Marketing Partners	19-28
Chapter Four Delivering the Experience	29-36
Chapter Five Promoting the Destination	37-44
Chapter Six The Road Ahead	45-48
Glossary	49-54
Contacts	55-58
Tourism British Columbia Export Ready Criteria	59
Acknowledgements	60









# CHAPTER ONE: The Kootenay Rockies Tourism Region

## The Kootenay Rockies Tourism Region









Kootenay Rockies Tourism is one of British Columbia's six official regional Destination Marketing Organizations (DMO), which is contracted to the province's tourism marketing organization, Tourism British Columbia, to deliver cost-shared collaborative marketing and promotional programs.

The Kootenay Rockies boundaries extend to British Columbia's border with Alberta in the east, the U.S. border with Canada in the south, north to the centres of Revelstoke and Golden and west to the Thompson Okanagan region.

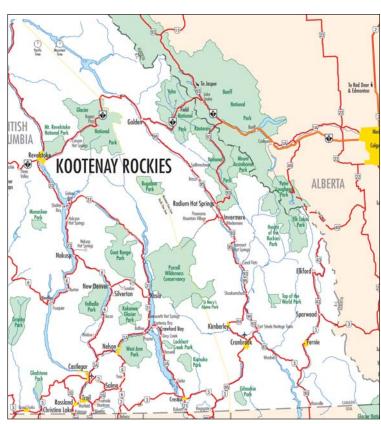
Kootenay Rockies Tourism is a membership-based organization, with a mandate to 'generate incremental tourism revenues for the region by developing, coordinating and delivering collaborative destination marketing programs in partnership with members of Kootenay Rockies Tourism and Tourism British Columbia.'

Structured as a user pay - user governed organization, Active Membership in Kootenay Rockies Tourism is for tourism businesses and organizations actively operating a business, facility or service which is a component of a destination vacation package and/or experience.



The Kootenay Rockies Tourism office is located in Kimberley, British Columbia. The Kootenay Rockies Tourism team is an energetic, passionate group of tourism professionals who are responsible for the day to day operation of the organization and developing and delivering marketing programs on behalf of its membership.

Kootenay Rockies Tourism is committed to building business for its members and assisting in the development of a strong, sustainable tourism industry for the region and for British Columbia.





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# CHAPTER TWO: The International Visitor

### The International Visitor









o understand the international visitor, it is first important to understand global market trends as they relate to travel. This information assists us in identifying the kinds of experiences the traveller is seeking, their travel traits and new business opportunities which cater to the interests of the visitor.

The international visitor to the Kootenay Rockies region comes from many destinations and cultures, and explores the region in a multitude of ways. Some travel as a group, others by rental car or motorhome; many visitors are here for the first time; others are repeat visitors or are visiting friends and relatives. They visit in all seasons and experience the wide array of recreational activities our region offers.

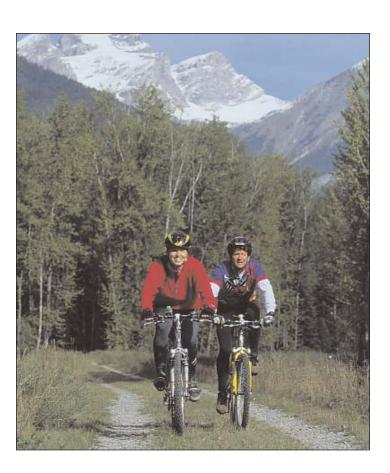
#### **TOURISM TRENDS**

Tourism is a major contributor to Canada's economy, expected to reach \$60 billion by 2005.¹ In British Columbia, tourism is now one of the province's largest industries, exceeding \$8.9 billion in 2003. Compared to other resource-based industries, the Tourism GDP was greater than that of Mining, Agriculture and Fishing.

Research shows that Consumers worldwide are increasingly seeking experiential, life-enriching vacations that involve education, the outdoors and nature. They want to touch and feel; to look behind the scenes; to penetrate beneath the surface. Additionally, the demand for authentic experiences which focus on local culture and wellness is on the rise, especially amongst aging baby boomers.

The Canadian Tourism Commission, Canada's tourism marketing organization, has identified learning and experience-based travel as a growing niche market in tourism and a platform from which Canada can differentiate itself from its competition.<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> Canadian Tourism Commission (2001). *Strategic plan 2002-2005*. Overview. Ottawa, ON, page 19.





## The World Tourism Organization has stated that:

- Cultural Tourism
- Eco-tourism
- Adventure Travel
- Special Interest Travel
- Sports Tourism
- Health & Wellness
- Cruising

are all growth trends in travel in the 21st century.

The Kootenay Rockies region offers world-class experiences in many of these tourism sectors, making our region well-positioned to capitalize on today's tourism trends.

#### ? DID YOU KNOW?

Accommodation revenues in the Kootenay Rockies region more than doubled in the last 10 years, to almost \$100 million annually. This makes our tourism region the fastest growing in British Columbia.

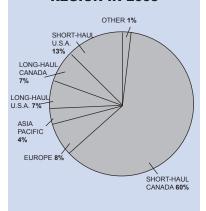
<sup>&</sup>lt;sup>1</sup> Canadian Tourism Commission (2001). *Strategic plan 2002-2005*. Overview. Ottawa, ON, page 16.



#### INTERNATIONAL VISITOR MARKETS -KOOTENAY ROCKIES REGION

- Europe: United Kingdom, Germany, Switzerland, Netherlands.
- Asia Pacific: Australia, New Zealand, Japan, South Korea, Taiwan, Hong Kong, China
- Long-Haul U.S.A.: (California, Texas, New York, Florida)
- Short-Haul U.S.A.: (Washington, Idaho, Montana)

#### OVERNIGHT VISITORS TO THE KOOTENAY ROCKIES REGION IN 2003



## The International Visitor









#### WHO IS THE INTERNATIONAL VISITOR?

The international visitor is defined as a visitor that is not residing in Canada. This means that a visitor can come from across the ocean or just across the border from the U.S.A. The distinction as to how far the visitor travels to get to the Kootenay Rockies region is important as both Kootenay Rockies Tourism and Tourism British Columbia segment their marketing activities by where the visitors come from.

#### WHERE DO THEY COME FROM?

In 2003, close to 2 million overnight stay visitors came to the Kootenay Rockies region. The breakdown of where they came from is as follows: 60% from short-haul Canada, 7% from long-haul Canada, 8% from Europe; 4% from Asia Pacific; 7% from long-haul U.S.A. and 13% from short-haul U.S.A. Other international destinations accounted for 1% of the visitors.

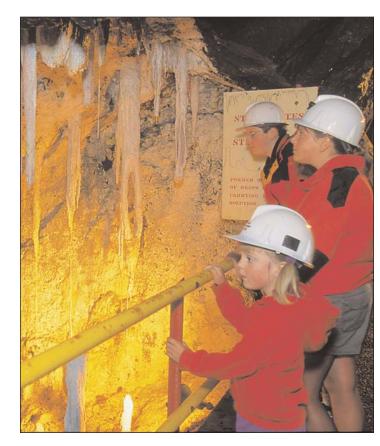
Travel to Canada from Asian countries was seriously impacted in 2003 by SARS. However, the market is recovering. Between January and May 2004, travel from Asian countries to British Columbia grew 30.6% over the same period in 2003.

#### LONG-HAUL V.S. SHORT-HAUL

**Long-haul** travellers are from a destination far enough away that the traveller generally arrives in Western Canada by air. In 2003, approximately 400,000 visitors to the Kootenay Rockies region were considered international long-haul visitors. This represented 19% of all visitors to the region that year.

This market generally pays for all or a portion of their vacation in advance and thus is less likely to alter their vacation at the last minute due to inclement weather or other factors. We consider these 'committed' travellers.

**Short-haul** travellers come from regional markets. In 2003 approximately 180,000 visitors came from short-haul U.S.A. They often drive to the destination, do not commonly pre-pay for their vacation and weather and other issues can cause them to cancel their travel plans at the last minute. We consider these 'un-committed' travellers as there is less of a guarantee that they will carry through with their vacation plans.



## The International Visitor









#### **HOW DO THEY PLAN THEIR VACATION?**

The international long-haul visitor is likely to book part or all of their vacation to the Kootenay Rockies region through a Travel Agent and/or Tour Operator. The closer to the Kootenay Rockies region the visitor lives, the more likely it is that they will make their bookings directly with the Suppliers in the destination.

Researching travel via the internet is a growing trend globally, thus the international visitor will often research destinations and experiences first online, then contact their Travel Agent or Tour Operator to book their vacation.

#### WHERE DO THEY STAY?

National and provincial campgrounds and motels are used by a large percentage of international travellers. They also stay in small inns, bed & breakfasts, resorts, guest ranches, cottages, motels and hotels. They often do not pre-book all of their accommodation, preferring to be flexible with their travel plans.

Many international visitors booked by Tour Operators on group and independent vacations will stay in moderate, superior or deluxe, full-service hotels, lodges, guest ranches and resorts that are along the main touring routes. There is also a growing trend in some markets for small inns. They will pre-book their stay, sometimes months in advance.

A significant number of international visitors have friends and family in the region with whom they stay. We call this sector, 'Visiting Friends and Relatives', or 'VFR'. Though they do not spend money on accommodation, they still purchase goods and services in the region and are an important sector of the international visitor market.

#### WHAT DO THEY SPEND?

The international visitor is an important economic generator for the Kootenay Rockies region:

- Tourism British Columbia has estimated that each visitor leaves approximately \$36 in the Kootenay Rockies region per day that they stay and \$116 for each night that they stay.
- In 2003, tourism revenues in the Kootenay Rockies region were \$800 million, representing 9% of the province's overall tourism revenues.

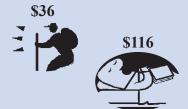




#### **INTERNET RESEARCH**

- 64 million Americans now research their travel options online
- 70% of American Travel Agents use the internet as a tool to plan their clients' vacations
- And, 42% of these Travel Agents do all or most of their trip planning online

## INTERNATIONAL VISITOR EXPENDITURES



Each visitor leaves approximately \$36 in the Kootenay Rockies region per day they stay and \$116 for each night that they stay.



#### TRAVEL SEASONS

#### **High Season:**

May - September; Christmas Holidays; February, March and Easter

#### Shoulder Season:

April and October

#### Low Season:

November to December (Pre-Christmas); and January



#### **DID YOU KNOW?**

Between the months of May and September there are approximately 100 special events, festivals and fairs happening in the Kootenay Rockies region!

## The International Visitor









#### **HOW LONG DO THEY STAY?**

The duration and type of vacation the international visitor takes in Canada is often determined by where the visitor comes from. The traveller from the United Kingdom tends to take vacations that are 7-14 days in length; however, other Europeans and visitors from Australia and New Zealand take 14-21 day vacations. The U.S. visitor takes vacations that are 4-10 days in length, while the Asian market tends to take 6-8 day vacations.

Traditionally, a visitor on a touring or motorhome vacation will stay 1-3 nights in the Kootenay Rockies region, whereas a visitor that has booked a golf, ski or adventure vacation will typically stay 4-8 days.

#### **SEASONALITY**

Businesses in the tourism industry need to plan for the peaks and valleys in cash flow so that they can sustain their business year-round. If they are seasonal, they will need to make their entire year's revenue during the months they are open.

May through September are the busiest months for international travel to the region. Late April and October are considered the Shoulder Season and November to mid-December and January are considered the Low Season. Special prices at these times of year lure many visitors that are looking for lower priced vacations.

The international market also travels to the region for snowsports. Christmas holidays, February, March and Easter are the busiest winter periods from the international markets for skiing vacations. The Asian and U.S. markets also visit Vancouver and Victoria on city vacations during the winter but generally these are short visits and do not include other destinations in the province. The price-sensitive segment of the Asian market often travels on group motorcoach tours through Western Canada during the winter months. A highlight of their tour in the Kootenay Rockies region is a soak in the mineral hot springs.



## The International Visitor



#### FLYING INTO THE REGION

Some international visitors fly directly to the Kootenay Rockies region to experience our world-class golfing, skiing, hiking, guest ranch and resort vacations. However, flying into the region is not always a good option.

Currently, the size of aircraft capable of landing at the Cranbrook and Castlegar airports, weather related issues, and the expense of connecting flights from Calgary and Vancouver impacts the volume of visitors capable of flying directly into the region. As well, the lack of international clearing facilities is an impediment for bringing in charters and scheduled flights from international markets.

Future expansion plans for the Cranbrook Airport would allow larger aircraft to fly directly into the region from long-haul markets, which will positively impact the international visitor market and bring new tourism opportunities to the region.

## region. INTERNATIONAL GATEWAY AIRPORTS

The Calgary International Airport is the closest international gateway airport to the Kootenay Rockies region. Many international visitors are able to fly to Calgary directly from their country. Once in Calgary, they either take a connecting flight into the region, or pick-up a rental car, motorhome or travel by motorcoach.

For international visitors that are travelling through the Kootenay Rockies region as part of a touring vacation of Western Canada, they often fly into Edmonton, Calgary or Vancouver and then travel through the region as they explore Alberta and British Columbia. Some international visitors also fly into Seattle, San Francisco or Los Angeles as part of a 'Two Nation Vacation'.











#### **TYPES OF TRAVELLERS**

#### Leisure:

- **FIT** = Independent Traveller
- VFR = Visiting Friends and Relatives
- Group = Travelling on an organized group tour

#### **Business:**

- Conferences & Meetings
- Incentives



#### HINT!

The Kootenay Rockies region also positions itself as accessible from Spokane, Seattle, San Francisco and Los Angeles for 'Two Nation Vacations' for the international visitor. Businesses and communities may want to highlight these gateways in their promotional materials.

### The International Visitor









#### **TYPES OF TRAVELLERS**

When visitors come to the Kootenay Rockies region, some are on holidays and others are on business trips. This seems pretty straightforward. However, one of the most confusing things for a Supplier that is new to working with the international Tour Operator is understanding the 'tourism lingo' that is used to describe different types of travellers in both of these categories.

#### LEISURE TRAVELLERS

Let's start with the person on a holiday. We call these Leisure Travellers and they are on a Leisure Vacation. International Leisure Travellers often pre-book their travel arrangements with a Travel Agent or Tour Operator. However, there are many types of Leisure Travellers.

**FIT** = Foreign Independent Traveller, Fully Individual Tour, Fully Independent Traveller - there are many translations depending on who you speak to, but all mean the same thing - a person that is travelling independently and is not part of an organized group tour. A visitor that travels independently but for a portion of their vacation books onto a sightseeing tour or activity that is operated as a group departure is also considered an FIT.

**FIT travel** is a growing trend, providing the visitor with the flexibility and freedom to do what interests them rather than being confined to a group itinerary. FIT travel includes motorhome vacations, rental cars, hotel bookings and multi-day packages. The following are two common FIT package types in the Kootenay Rockies region:

- Fly-Drives = a pre-planned driving itinerary including a rental car and accommodation and sometimes admissions, activities, meals and airfare.
- Vacation Packages = a multi-day ski, golf, adventure or resort vacation.

#### **GROUP TRAVELLERS**

**Group Traveller** = a visitor that is travelling on an organized group tour that has a tour leader/guide, and where their transportation, accommodation, admissions and meals are generally included. Under the Group Travel sector, there can be different kinds of groups a tourist may travel with:

- Student/School Groups: all levels from Primary through University. The focus of these tours is to create hands-on learning experiences where students experience places and activities which enhance their in-school learning. They also enjoy meeting and interacting with the locals and being immersed in the local culture.
- Learning/Educational Travel Groups: best described as adult, hands-on field trips, the traveller experiences and learns about a specific topic they are interested in such as geology, farming, history, archaeology or art. Tours feature lectures and interpretation provided by resource experts.
- Special Interest Groups: travellers with similar interests travel together on tours with a themed focus. This includes themes such as birding, gardening, adventure, golf and ski, to name just a few. Depending on the depth of the interpretation, these groups can also be called Learning Travel Groups.

## The International Visitor











#### **VFR=VISITING FRIENDS AND RELATIVES**

This sector makes up a large percentage of travellers into British Columbia. They are FIT travellers who generally stay with friends for a portion of their visit, but they also explore the region by rental car or motorhome, stay in hotels, visit attractions and eat in restaurants.

#### **BUSINESS TRAVELLERS**

The international business traveller visits the region for meetings, conferences and incentive trips. Though this is a smaller segment of the visitor market to the Kootenay Rockies region, it is an important one, as they tend to spend more dollars per day than the leisure visitor.

- Meetings & Conferences: International meetings and conferences are generally held in full-service hotels and lodges over a period of several days and include meals and often activities such as golfing and skiing.
- Incentive Trips: Incentive trips are 'gifts' that businesses provide to their best clients or best employees as a 'thank-you'. They often feature skiing, heli-skiing, spa treatments, adventures, golfing and resort stays with the trip 100% paid for by the business organizing the incentive.

Incentive trips for most markets tend to utilize the best accommodation available in a destination and entertain their guests with fine dining, receptions and gifts such as spa treatments, rounds of golf, golf clubs, ski equipment, lift passes, helicopter flightseeing, rafting trips, etc. However, some markets such as Taiwan offer lower-end incentive tours that operate similar to their group tours. This provides the opportunity for moderate category hotels in the region to be included in an incentive program.

#### **VISITOR EXPERIENCES**

Now that you have a better understanding of the types of travellers that come into the Kootenay Rockies region, what do they do in the region?

Nature exploring, wildlife viewing, golfing, adventures, skiing, sightseeing, hot springs, eco-tourism, history and culture are all experiences that bring international visitors to the Kootenay Rockies region.

For marketing purposes, Kootenay Rockies Tourism has combined these experiences into four distinct product sectors, which allows Kootenay Rockies Tourism to take a more focused approach to marketing the right experience to the right Customer. These product segments are:

- Touring & Getaway Vacations
- Snowsports Vacations
- Golf Vacations
- Adventure Vacations







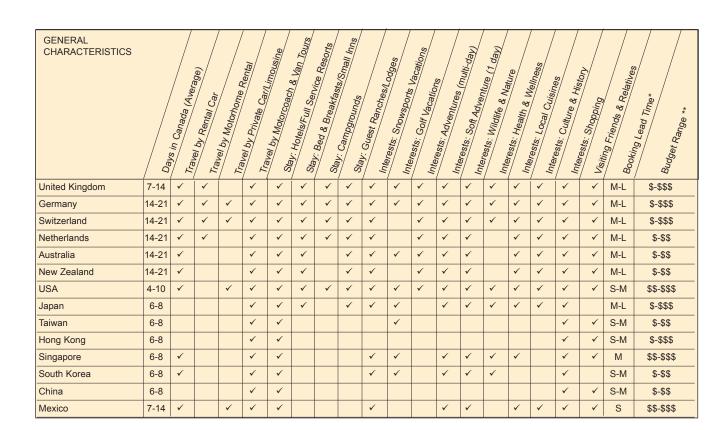


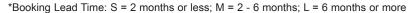






#### TRAVEL PREFERENCES OF KEY AND GROWTH MARKETS





<sup>\*\*</sup>Budget Range: \$ = very price sensitive; \$\$ = moderately price sensitive; \$\$\$ = big spender















# CHAPTER THREE: International Sales and Marketing Partners









#### MARKETING PARTNERS

In order to effectively and affordably market the Kootenay Rockies region to the international visitor, Kootenay Rockies Tourism works with a variety of travel partners, both in Canada and internationally. Like a puzzle, there are many business sectors that must work together to complete the picture, or in our case, to bring the visitor to the Kootenay Rockies region.

Kootenay Rockies Tourism marketing partners includes Tourism Suppliers, Tourism British Columbia, the Canadian Tourism Commission, Tour Operators, Travel Agents and Media. Each has an important role to play in bringing the region's experiences to the market.

#### PARTNERS IN BRITISH COLUMBIA

Tourism Suppliers are one of the most important partners in the marketing of the region as they are the providers of the experiences for which the visitor comes. Suppliers exist in every corner of the region, in the hospitality sector (restaurants, hotels and other customer services) as well as in tourism businesses (adventure Suppliers, attractions, transportation, Tour Operators, etc). Additionally, many businesses are not directly in tourism, however, they provide important support services to the hospitality and tourism sector, such as gas stations, grocery stores, etc.

A Supplier's ability to deliver exceptional experiences to the international visitor encourages a positive word-of-mouth for their services as well as the destination. Positive word-of-mouth is an invaluable form of marketing.

Suppliers who are members of Kootenay Rockies Tourism can promote their products to the international visitor through co-operative advertising and promotions coordinated by Kootenay Rockies Tourism. Chambers of Commerce and Visitor Info Centres provide information and assistance to the visitor once they are in the region. They also work with Kootenay Rockies Tourism on co-operative marketing and advertising promotions.

**Educational Institutions** such as the College of the Rockies, Selkirk College and high schools with tourism programs also play an important role. They educate future tourism employees as well as develop learning-focused experiences for the international visitor. Additionally, the growth in English-language schools in the province has spurred an increase in visits by families of foreign students.

Other Tourism Regions such as the Thompson Okanagan work with the Kootenay Rockies region on multi-region marketing and promotional initiatives focused on luring the visitor to spend their vacation in both regions. Activities include sharing booths at travel shows, familiarization tours and itinerary promotion.





#### HINT!

Even if your business does not work directly with Tour Operators or other international partners, be sure to keep Kootenay Rockies Tourism informed of any products, services or experiences you are providing to Kootenay Rockies members, such as resorts, hotels and attractions. In this way, your business will indirectly benefit from the wide range of international marketing activities of Kootenay Rockies Tourism.







## ? DID YOU KNOW?

#### No wood...

In the early 1900's wood was banned as a building material in Fernie after a fire levelled all but 23 of the town's buildings. Today, Fernie's architecture is a feast of 19th century brick and stonework.

## **International Sales and Marketing Partners**









#### **DESTINATION MARKETING ORGANIZATIONS**

Kootenay Rockies Tourism, Tourism British Columbia and the Canadian Tourism Commission are all Destination Marketing Organizations. One is regional, one is provincial and one is national. It is essential that we all work together to gain a strong market presence as we each have an important role to play in developing new international business to our region, the province and the country.

Kootenay Rockies Tourism promotes regional experiences and services together under the marketing brand 'Kootenay Rockies, British Columbia's Mountain Playground'. Marketing activities include the production of a variety of travel guides which members advertise in, an informational website, Media relations, attendance at international marketplaces and Consumer shows and the creation of co-operative advertising programs for members to participate in.

Tourism British Columbia promotes the British Columbia experience as well as the six tourism regions under the brand 'Super, Natural British Columbia®'. They have offices in Vancouver and Victoria as well as in international markets and have staff focused on Travel Trade, Media and Consumer direct marketing. They produce travel guides as well as provide travel booking services for the Consumer through their call centre.

The Canadian Tourism Commission is Canada's national tourism marketing organization. They generally take the lead in international markets, promoting the country first. Then, in partnership with the provinces, cities and regions they deliver joint marketing initiatives in the international markets. Based in Ottawa, they also have offices in international markets and have staff focused on Travel Trade, Media, Meetings & Incentive and Consumers.







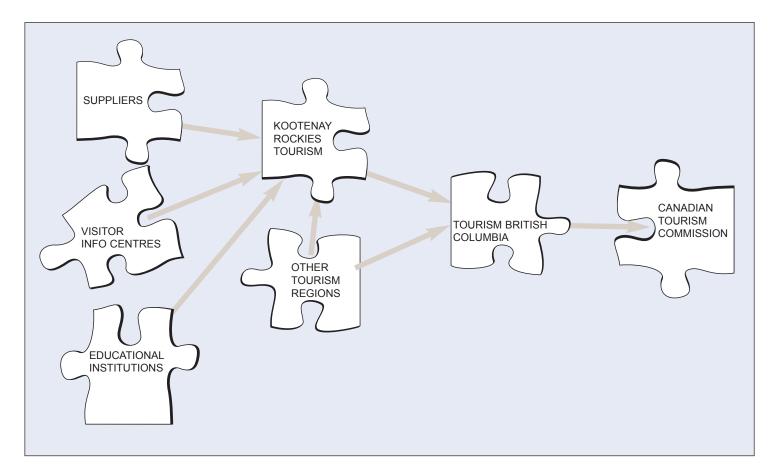






#### THE TEAM IN CANADA

On the previous pages we have introduced you to the local, regional, provincial and national partners involved in the promotion of the Kootenay Rockies region to the international market. Each partner has a distinct and important role to play in the process. Just as puzzle pieces must fit together to complete the picture, each partner must understand where they fit into the process and work together with the appropriate partners to complete the overall international marketing and sales 'picture'.











## TOURISM BRITISH COLUMBIA OFFICES

- Vancouver
- Victoria
- Frankfurt
- London
- Taipei
- Tokyo
- Sydney

## CANADIAN TOURISM COMMISSION OFFICES

- Ottawa
- Chicago
- Boston
- New York
- Washington DC
- Atlanta
- Seattle
- · Los Angeles
- Mexico City
- London
- Dusseldorf
- Paris
- Beijing
- Seoul
- Tokyo
- Sydney

## **International Sales and Marketing Partners**





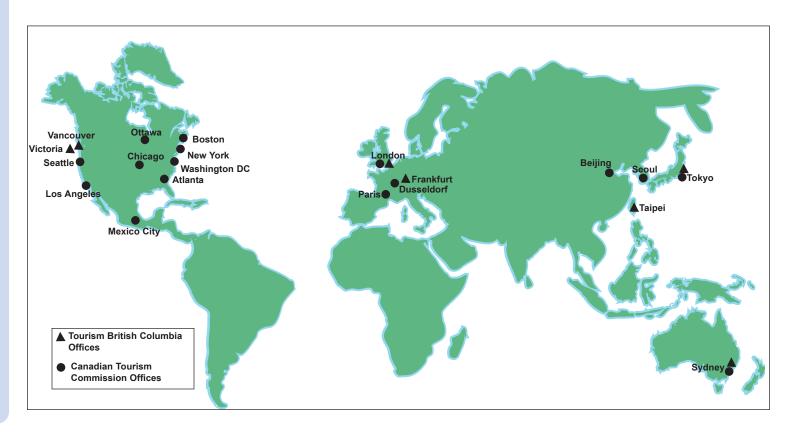




#### INTERNATIONAL SALES OFFICES

To support their international sales and marketing activities, both Tourism British Columbia and the Canadian Tourism Commission have sales offices in key international markets. These offices work closely with each other as well as with Tour Operators, Travel Agencies and Media to create new business opportunities for Canada and British Columbia.

The in-country sales staff are extremely important partners for Kootenay Rockies Tourism. They have direct contacts with the travel partners around the world, providing Kootenay Rockies Tourism with an effective and affordable sales channel in each of these markets. These offices also distribute Canada and British Columbia travel information to the Consumer and initiate familiarization tours for Tour Operators, Travel Agents and Media.











#### THE INTERNATIONAL PARTNERS

Within the international markets there are four very important partners in the Sales Process: Tour Operators, Travel Agents, Airlines and Media. In different ways, they each help to put the destination and experiences into the hands of the potential visitor.

#### **TOUR OPERATORS**

**Tour Operators** are an essential partner for the tourism industry. Their in-market sales activities and access to the market provide an effective and affordable 'pipeline' to the international Consumer.

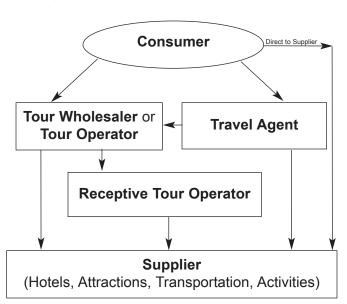


The term 'Tour Operator' actually represents three different business models for the international markets:

- Tour Operators either contract products, ground and air services from a Receptive Tour Operator or a Tour Wholesaler or they may contract directly with the Supplier. They then package these products and resell to the Consumer. They market these products through brochures, websites, advertising and promotions. They often work through Travel Agents to sell their products, but there are also many Tour Operators that sell directly to the public, bypassing the Travel Agent.
- Tour Wholesalers may contract products and services from either Receptive Tour Operators or Suppliers and then resell these products and services to other Tour Operators or Travel Agents. They do not traditionally sell directly to the public.
- Receptive Tour Operators are 'business to business' Canadian-based Tour Operators who contract products and services with Canadian Suppliers.

Receptive Tour Operators resell these services to an international Tour Operator, who then resells these services to the Consumer, sometimes via a Travel Agent. Traditionally, they package individual services into multiday packages for individuals and groups but they also sell stand-alone products and services.

#### **Booking Channels:**





## **? DID YOU KNOW?** The word 'Kootenay'

may be derived from the Ktunaxa word 'Quthni', which means to 'travel by water'. The 'Ktunaxa' is the ancient Aboriginal name of the First Nations tribe from this area, and known today as the Ktunaxa Nation. Visitors can learn the fascinating history of this Nation at the Ktunaxa Kinbasket Interpretive Centre at the Delta St. Eugene Mission Resort.



#### HINT!

Receptive Tour Operators are one of the strongest partners a DMO or Supplier can have. They work with hundreds of Tour Operators around the world, providing ground services for thousands of international visitors annually. Many Consumers never even know that a Receptive Tour Operator is involved in delivering their holiday.

















#### SPECIALIZED TRAVEL COMPANIES

Some travel companies are not called Tour Operators, however they provide services that are similar to that of a Tour Operator.

- On-line Travel Companies sell individual travel services or complete packages on their website. They generally contract products and services directly from the Supplier or Tour Operator. Very few on-line travel companies provide Travel Agent commissions, therefore they generally resell these products directly to the Consumer and usually have real-time bookings. They promote their website through advertising, promotions and e-marketing. Depending on the market, they may also provide a call-centre to book vacations by phone.
- Destination Management Companies are companies that arrange ground services and events for business groups and conferences. They generally only service the region in which they are located.
- General Sales Agent (GSA) is an appointed sales representative of a company or tourism organization, usually located in an international market. They are responsible for marketing their client to the Travel Trade and Consumer within their sales territory.
- Consolidators are companies that buy large volumes of travel services in order to secure a preferred rate and override commissions. They then re-sell their preferred rate services to Tour Operators, Travel Agents and Consumers.
   Consolidators usually focus on airline ticket sales however, there are some that sell other services.

#### **AIRLINES**

Airlines are an essential partner for the long-haul market. They are the transportation mode that brings most long-haul international visitors to British Columbia. If their airfares are too expensive or they cancel a route to Western Canada it can have a direct impact on tourism to our region. Additionally, the more times a passenger needs to stop or change planes enroute to the Kootenay Rockies region, the harder it is to attract business from the international markets.













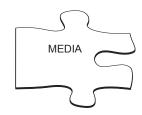




#### TRAVEL AGENTS

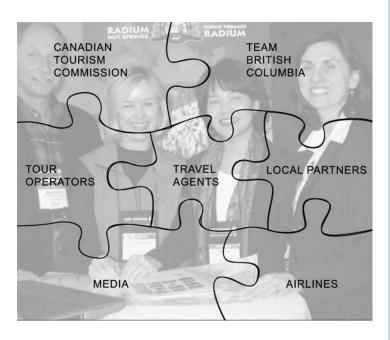
Travel Agents sell or arrange trips or tours for Customers. They are differentiated from a Tour Operator as they generally do not produce their own tour brochures. Rather, they are a 'storefront' for Tour Operators to have their programs promoted from. They often have a website which promotes offers from hotels, Tour Operators and Airlines. They book services directly with Suppliers of travel products, such as hotels, cruise lines, railways and Airlines as well as with Tour Operators. Travel Agents make their money by receiving a commission from the Suppliers and Tour Operators for bookings made. In recent years, Travel Agents have also started charging the traveller a service fee for issuing airline tickets since the Airlines have reduced the commissions they pay to Travel Agencies.





#### **MEDIA**

Media are considered one of the most reliable means for a visitor to find truthful information on a travel destination. Through print articles in newspapers and magazines, television and radio shows, travel guides, travel websites and books, potential visitors can be sold on a destination or product.



#### **TEAM WORK**

By working together as a team, we are all able to stretch our marketing dollars and bring more visitors to Canada. And, through this team effort, the Kootenay Rockies Tourism region is able to compete with other destinations on the global tourism stage.















# CHAPTER FOUR: Delivering the Experience

## **Delivering the Experience**









#### THE INTERNATIONAL MARKET - OPPORTUNITIES FOR EVERYONE!

As you learned in the previous chapter, international visitors arrive in our region via various modes of transportation and book their vacation through a variety of sales channels. Depending on the type of business you operate and the amount of investment you wish to make to market and service the international visitor, you can choose to work with the market through various channels.

#### **WORKING WITH TOUR OPERATORS**

Tour Operators strive to develop long-term relationships with their Suppliers. This ensures that there is a better understanding of their needs and how to best service their clients. Long-term relationships require a contractual commitment on prices and services.

If you are planning on working with Tour Operators you need to ensure that you have priced enough margin into your product's retail price so that you can pay a Tour Operator at least 15-20% commission. Or, a Tour Operator may ask for a net rate, which is the equivalent of your retail price less the commission.

Tour Operators will occasionally book attractions, activities and meals that do not pay commissions or pay a lesser commission. If a product or service is unique, Tour Operators may be more flexible with their rate requirements. However, usually Tour Operators will want a commission or reduced price if they start to send a Supplier consistent business.

#### Example:

If a Tour Operator wishes to book a <u>round of golf</u> for a group and the golf course cannot offer a commission, the Tour Operator may decide to include the golf course in their tour because it is a one-off experience. However, if a round of golf is included in all of their tours, they may request a reduced rate for each round.

#### **REFERRAL BUSINESS**

If your business provides a service that would be of value to the international visitor, however you prefer not to work directly with Tour Operators, you may still benefit from the international market. By aligning your product with businesses that service the international visitor, such as hotels, bed & breakfasts, rental car companies and campgrounds, you can have business referred to you.

#### **Examples:**

If you operate a <u>bicycle rental business</u> that works with a hotel that services the international visitor, the hotel front desk or activity desk may promote your product to their guests.

If you are a <u>restaurant</u> that serves food that would suit the international visitor, a hotel or attraction may refer the visitor to you if they know about your restaurant.

To assist in the sales process you may want to produce brochures or information flyers in the various languages of the markets you wish to promote to. You may also distribute your information through the Visitor Info Centres in the region. They provide an important information source for the international visitor in the region.



PRICING FOR TOUR OPERATORS

#### **Basic Pricing Formula**

Identify your costs:

(expenses & services, less tax) \$100

Add in your profit

(e.g. 15%) \$15

Subtotal

(Also known as your net rate)

\$115

To make your retail price commissionable @ 20%, divide by 0.80 (\$115/0.80) **\$143.75** 

Round this retail price up to next dollar, making your retail price \$144.00. Taxes are additional.

Now you have a retail price which is commissionable @ 20% to Tour Operators & 10% to Travel Agents.



#### HINT!

Hotels may package your product with their accommodation and sell this to the visitor or to Tour Operators. You would enter into a contractual relationship with the hotel and provide them with a commissionable or net rate.





#### HINT!

Suppliers that are able to anticipate and meet the needs of international visitors, have a greater chance of succeeding in doing business with the international market.





#### HINT!

When not working with Tour Operators, it is more likely that your bookings will be of a last minute nature. Visitors will pick-up your brochure and either want to book that same day or the following day. Or they may just show up at your place of business! This does dictate that you must have the mechanism in place to quickly confirm bookings back to the visitor.

## **Delivering the Experience**









#### **UNDERSTANDING THE INTERNATIONAL VISITORS' NEEDS**

When servicing international visitors it is important to understand their needs. Understanding the foods they enjoy, the bedding configurations they prefer, how they communicate, activity interests and modes and duration of travel are all important factors to ensuring they enjoy their visit. Suppliers that are able to anticipate and meet the needs of international visitors have a greater chance of succeeding in doing business with the international market.

Please refer to the market overview on page 18 of this Manual to learn about the characteristics and preferences of the key tourism markets for British Columbia.

#### **CONSUMER PROTECTION LAWS**

Package Travel Regulations were first established in the European Union countries to help standardize agreements that travellers and the Travel Trade enter into to ensure that the travel arrangements made on behalf of the traveller are delivered as sold.

Many more countries in the world are now implementing similar regulations, therefore it is important for Suppliers to understand these regulations.

Though Suppliers are not necessarily legally liable, the international Tour Operators that handle a Consumer's booking are. They expect that their Suppliers will assume the liability if their services or those that the Supplier arranged for their clients, were the cause of a complaint.

If a Consumer believes that an international Tour Operator has not delivered what was promised when they made their booking, the international Tour Operator may be legally required to provide financial restitution to the Consumer. Suppliers may then be asked by the international Tour Operator to either provide the refund or to share in the cost of the refund.

# KEY ELEMENTS OF CONSUMER PROTECTION LAWS

- Descriptive and photos in brochures, websites and advertising must not mislead;
- Prices and inclusions must be presented legibly and accurately;
- A Tour Operator must deliver a vacation as sold otherwise the customer could demand compensation per a formula that has been set out by the law;
- Consumers must be made aware of documents required for their travel (visa regulations, health formalities, etc.);
- Consumers must be made aware of any renovations, closures or other issues that may negatively impact their vacation. This information must be provided before they depart on their vacation:
- Price revisions are void if any prior agreement with the Consumer has been made (exception: tax or transportation fees).

## **Delivering the Experience**









#### **HOW DO TOUR OPERATORS SELECT PRODUCTS?**

Tour Operators sell products and services which they believe are in demand by their clients, thus much of their buying decision is based on market demand. A Supplier may have a wonderful product but it may not necessarily suit their market. Generally, it is a Product Manager or Product Buyer within the tour company that will conduct the research and contract new destinations, services and products.

## WHAT DO TOUR OPERATORS LOOK FOR WHEN SELECTING PRODUCT?

When researching new products, Tour Operators look for those Suppliers that have acceptable pricing and standards for their market, offer consistent quality and are located within the region that their tours operate in. The duration of the product or service is also taken into account as it must fit into the timing of the Tour Operator's itineraries. As well, some products and services are better suited to groups, others to FIT and some are suitable to both sectors.

Tour Operators will also want to know whether this same product is offered by their competition. In some cases this will dictate that the Tour Operator must include the product, and in other cases it will dictate that they select another product to differentiate their program from their competition.

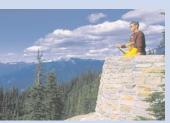
And lastly, Tour Operators look for Suppliers who are fully licensed and insured, understand how to work with Tour Operators and how to service the international visitor.

## WHEN DO TOUR OPERATORS PLAN THEIR TOURS?

Tour Operators begin planning their following year's programs 9-12 months in advance. Receptive Tour Operators may start planning 18 months in advance. This means that Suppliers wishing to work with international Tour Operators must be able to provide rates and information at least 12 months in advance.

Some markets do have shorter planning cycles - in fact many of the Asian Tour Operators no longer print brochures. Due to price sensitivities and other issues in their market, they wait until the last moment to finalize their tour programs. They then promote their packages on their website or advertise attractive prices in their local newspapers.

Once a Tour Operator decides to feature a product or destination, it will often take several years before the product begins to sell. Or, the product may never sell. A Tour Operator usually keeps a new product in their brochure for several years to give it a chance to sell but they make no guarantees. Therefore, you must be patient when working with Tour Operators.



## CONTRACTING SCHEDULE FOR SUMMER PRODUCT

Month	Activity
Jan-Mar	Tour Operators are planning for the next year's summer season.
Apr-Jun	Supplier's rates for the next year's summer season must be ready.
Apr-Jul	Tour Operators are contracting next year's summer season products and services.
Jul-Sep	Receptive Tour Operator tariff distributed for next year's summer season.
Sep-Dec	Tour Operator's brochures distributed for upcoming summer season.

## CONTRACTING SCHEDULE FOR WINTER PRODUCT

Month	Activity
Oct-Jan	Tour Operators are planning for the next year's winter season.
Jan-Mar	Supplier's rates for the next year's winter season must be ready.
Feb-Apr	Tour Operators are contracting next year's winter products and services.
May-Jul	Receptive Tour Operator tariff distributed for upcoming winter season.
Jul-Oct	Tour Operator's brochures distributed for upcoming winter season.



# **? DID YOU KNOW?** Oldest Passenger Sternwheeler

Kaslo is home to the world's oldest passenger sternwheeler, the SS Moyie, an international treasure. Berthed at the edge of Kootenay Lake, the sternwheeler rests permanently in her former port of call at 324 Front St.





#### HINT!

Regardless of whether you work with a Tour Operator or handle bookings directly from the visitor, you must consistently deliver the following to be successful in the international market:

- · Value for money
- Exceptional service
- Safe & clean operation
- Service different cultures

## **Delivering the Experience**









#### **PRODUCT OPERATIONS & DELIVERY**

As important as it is to have your product promoted by Tour Operators, it is even more important that you ensure that the Tour Operators' clients have an exceptional experience with your product or service.

Additionally, the international Tour Operator prefers to either have real-time access to a supplier's inventory via an online booking website or have their own inventory so they can immediately confirm the booking to their client. If this is not possible, then a 24 hour response to a booking request is the maximum a Tour Operator will wait. Technology has created impatience - the Consumer is no longer willing to wait for answers, thus the Tour Operator is also impatient.

Overseas bookings require that you communicate via email or fax. From the U.S. market, toll-free phone numbers are also extremely important.



#### **TERMINOLOGY**

The following terminology is related to Product Operations and Delivery:

Vouchers are documents which Tour Operators provide to their FIT clients, which they in turn exchange with Suppliers for services that have been pre-booked by the Tour Operator. The client has generally pre-paid for these services, however in most cases the Tour Operator has a billing account with the Supplier. The Supplier's accounting department then invoices the Tour Operator for the service(s) and generally includes the voucher as back-up to the invoice.

**Block Space** means that a Supplier provides an allocation of inventory (generally hotel rooms or transportation, but can be anything with an inventory) to a Tour Operator. The Tour Operator will be able to confirm bookings immediately to the clients. If they do not sell the inventory by the date that the Supplier has set (generally 14-30 days prior to arrival), they must release any unbooked inventory back to the Supplier.

Free Sell means that a Tour Operator can confirm a service or product immediately and then report the sale to the Supplier rather than having to request the booking in advance of confirming the booking to the client. Free Sell generally works when a product has a large inventory base which rarely sells out.

**Direct Billing** allows a Tour Operator to pay for services they have booked, after the client has travelled. It is the same as a credit account or billing account.

### **Delivering the Experience**









# PREPARING FOR THE INTERNATIONAL TOUR OPERATOR

#### You will need:

- Trade agreements
- Insurance coverage
- Product inventory or service
- · Billing processes
- Reservation processes
- · Commissionable pricing
- Marketing materials
- Quality standards
- Familiarization tours
- Understand Consumer Protection Laws



#### WHEN AM I MARKET READY?

Before deciding to work with international Tour Operators, it is important for Suppliers to ensure they are market ready. Questions you will need to ask yourself are:

- How am I going to handle international bookings when the Tour Operator needs either an immediate confirmation or confirmation within 24 hours?
- What liability insurance do I need to carry?
- Am I able to pay at least 20% commission to Tour Operators?
- Can I have my rates ready a year in advance?
- Can I be flexible with certain policies?
- Do I understand the roles of the different Tour Operator models?
- Am I patient enough to wait 1-3 years to see the results?

Before approaching a Tour Operator with your product, it is important that you identify the type of client or market that is best suited to your product and then focus on promoting your product to the Tour Operators that market to them.

### **EXPORT READY CRITERIA**

Tourism British Columbia has established Export Ready Criteria for Suppliers. This criteria provides guidelines, which if followed, will ensure that you are able to work with the international Tour Operators. A copy of their Export Ready Criteria can be found on page 59 of this Manual.

### **BENEFITS OF TOUR OPERATORS**

Tour Operators market your product to their clients in their currency and their language. They also handle all in-market sales and booking expenses. Tour Operators are also helpful in overcoming language and cultural barriers.

Most importantly, you receive all of their promotional activities for free until you receive a booking. You do not have to pay a commission until a booking is made and paid for and the client has travelled.

Tour Operator promotional activities may include attendance at trade or Consumer shows, sales calls, advertising, promotions and more!

It is worthwhile working with Tour Operators and paying a commission if the international market is a priority for your business. Consider this investment of time and dollars as part of a broader marketing mix.

Tourism British Columbia has developed a Tourism Packaging & Product Distribution manual which includes information on how to develop a plan, how to price your product, how to get included in tour catalogues or itineraries and how to develop marketing and promotion strategies for both domestic and international markets. To order this manual visit the Industry Development Section on Tourism British Columbia's website at www.tourismbc.com.



### **Delivering the Experience**









### **DID YOU KNOW?**

### A long history is brewing...

Built in 1959, the Columbia Brewery is located in picturesque Creston and is part of the rich brewing tradition of the region. The brewery traces its heritage to the Fort Steele Brewery, established in 1898. Today, visitors can enjoy free tours that include a historical chronicle of brewing, samples at the end and a chance to visit the Kokanee Beer Gear Store.



# HOW DO I DETERMINE WHICH TOUR OPERATORS TO WORK WITH?

The strength of any partnership relies on both parties understanding each others needs. The following are steps you can take to identify the right Tour Operator partner for your business:

- Determine the type of clients you wish to have.
- · Identify which markets you want to work in.
- Determine which segment of the Tour Operator distribution channel you want to work with.
- Research Tour Operators online by searching for Tour Operators who promote the type of experiences you offer.
- Contact Tourism British Columbia, Kootenay Rockies Tourism and the in-market offices of the Canadian Tourism Commission to provide you with lists of Tour Operators in the markets or sectors you may wish to focus on.
- Qualify Tour Operators by reviewing their company information on their website and in their brochures.
- If a Tour Operator approaches you first, you can ask them to provide names of other Suppliers with whom they've worked. You can then follow-up with these Suppliers to gain more information on the Tour Operator in order to determine if they are right for you.
- And finally, take the time to build a relationship with your Tour Operator partners, as this will assist you to develop a positive, long-term partnership!

## REVIEW OF KEY POINTS IN THIS CHAPTER

- Tour Operators package activities, transportation, meals and accommodation components to create vacations which they sell to the FIT and group travellers:
- Tour Operators select Suppliers based on market demand, trends, suitability of services and Supplier reputations;
- Suppliers generally offer a net or commissionable rate in order to be included in Tour Operators packages and marketing materials;
- Packages are put together anywhere from 6 months to 18 months prior to the season starting;
- A Supplier should be able to fulfill most of the requirements outlined in the 'Export Ready Criteria' guidelines established by Tourism British Columbia;
- Tour Operators provide you with the ability to reach distant markets with minimal upfront investment;
- Tour Operators assist you with overcoming language and cultural barriers;
- Tour Operators provide a trusted distribution channel for your products to Travel Agents and Consumers;
- You do not have to work directly with Tour Operators to service the international visitor.









# CHAPTER FIVE: Promoting the Destination

### Notes









You have been introduced to our partners in the international tourism marketplace, to the visitor, what they do in the region and how the product is delivered to the visitor. This next section explains how Kootenay Rockies Tourism promotes the region and what activities we participate in with our partners to entice the visitor to our region.

### **BRANDING**



A brand should provide an emotional attachment to the product, differentiate the product from the competition

and communicate a promise to the customer.

The KOOTENAY ROCKIES brand and the positioning theme 'British Columbia's Mountain Playground' was created to represent the visitor experiences and tourism products available in the region. This brand is used in our marketing activities to assist in the fulfillment of our destination's marketing objectives.

However, when working in partnership programs with Tourism British Columbia in international markets, we also use their marketing material design, logo and positioning brand 'Super, Natural British Columbia®'.

We do this as international markets do not necessarily know what and where the Kootenay Rockies region is. They do have a better knowledge of what and where British Columbia is. Thus, it is more effective to come under their umbrella brand and to be associated as part of the 'family' of regions in the province.



### **MARKETING**

Kootenay Rockies Tourism markets the region through a variety of mediums which create a general awareness of the region and provide direct business to members. The core components of Kootenay Rockies Tourism marketing activities are:

- Vacation Guides
- Co-operative Marketing Programs
- · Advertising/Promotions
- Media Relations
- Travel Agent/Consumer Shows
- · International Marketplaces
- Familiarization Tours



















### **?** DID YOU KNOW?

### Lost Treasure in the Kootenays

From 1898 to 1903 Gunpowder Gertie, the Pirate Queen of the Kootenays. steamed up and down the rivers in her gunboat, attacking and robbing steamboats of their cargos, gold and silver from local mines and payrolls. Rumour has it she buried her bounty somewhere along the river and left a hidden map that would lead to the treasure. She took her secret to the grave and to this day no one has yet discovered the resting place of Gunpowder Gertie's gold.



### **VACATION GUIDES**

Kootenay Rockies Tourism publishes a series of vacation guides which promote the destination as well as its members. These publications are distributed to the visitor that is already in the region and in the province, through British Columbia's Visitor Info Centres. These guides are also distributed to Consumers, Tour Operators, Travel Agents and Media at international marketplaces,

trade shows, on familiarization tours and through paid rackage, mailings and distribution by Kootenay Rockies Tourism and Tourism British Columbia's in-market sales offices.

# CO-OPERATIVE MARKETING PROGRAMS

Kootenay Rockies Tourism works with the Touring, Ski, Adventure and Golf sectors to develop co-operative marketing programs directed at the international visitor. In partnership with Tourism British Columbia, Kootenay Rockies Tourism is able to provide cost-shared, collaborative marketing and promotional programs to their members. These programs are integrated with the overall provincial tourism strategy and are supported financially by Tourism British Columbia.

### **ADVERTISING & PROMOTIONS**

In addition to working with our members, Kootenay Rockies Tourism works with Tourism British Columbia on advertising and promotional initiatives. Tourism British Columbia also includes the Kootenay Rockies region in their vacation guides, distributes these guides through their marketing activities and promotes the region on their website, www.hellobc.com. By working together as a team, we are able to stretch our marketing dollars, compete with other destinations on the global tourism stage and bring more visitors to the Kootenay Rockies region.

### **MEDIA RELATIONS**

Working with Media is one of the most important activities Kootenay Rockies Tourism undertakes. We could never afford to pay for the coverage the region and our members have received in newspaper, magazine, television and radio around the globe. Kootenay Rockies Tourism regularly sends out press releases, arranges Media visits to the region and has developed an extensive collection of images that can be used by Media. We attend conferences where we have face to face meetings with international Media and work closely with all of our partners on their Media-related initiatives.

Tourism British Columbia has developed a Travel Media Relations manual which describes how to maximize your promotional efforts and your tourism business' exposure by effectively using the local and international Media. To order this manual, visit the Industry Development section of Tourism British Columbia's website at www.tourismbc.com.



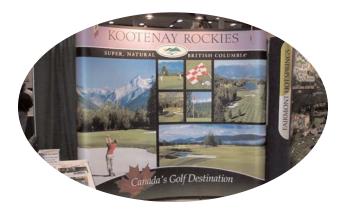






## TRAVEL AGENT & CONSUMER SHOWS

Within North America, Kootenay Rockies Tourism participates in Travel Agent & Consumer Shows. These shows target Travel Agents as well as Consumers interested in touring vacations, adventure, ski, and golf, both individuals and groups.



The show's set-up generally includes an 8 x 10 or 8 x 8 foot booth with a table and chairs. Kootenay Rockies Tourism brings a stand-up display that portrays images of the region. At the booth, Kootenay Rockies Tourism distributes vacation guides as well as materials from members which have contributed to the cost of the booth. In many cases, Kootenay Rockies Tourism also provides cost-sharing to individual members to attend primary market consumer shows. Members' booths are grouped in a regional section and, collectively, provide the regional representation.

### **MARKETPLACES**

Kootenay Rockies Tourism and many of its members annually attend international travel marketplaces as either a member of the Canada or British Columbia delegation. These marketplaces are business to business forums where Suppliers of tourism products and DMOs meet face to face with international Tour Operators, Airlines and Media for the purpose of general destination awareness, new business development and maintaining current business.

Some international marketplaces take place overseas in Europe, Mexico and Asia. Others are located in Canada and the U.S.A.

Marketplaces provide the opportunity to introduce new tourism products, design new touring itineraries, keep current on market trends and negotiate business. Many marketplaces have pre-set appointment schedules which allow one-on-one meetings with Tour Operators and Media.

Marketplaces are also important venues for networking. Most marketplaces incorporate events which allow delegates to socialize and develop new business relationships and nurture existing relationships.





### INTERNATIONAL MARKETPLACES

MARKETPLACES		
Marketplace	Location	Month
Overseas		
Spotlight Canada	London	Mar
ITB	Berlin	Mar
Conozca	Mexico	Mar
Invierno	Mexico	Sep
Showcase Canada	Seoul	Oct
Kanata	Japan	Oct
WTM	London	Nov
North Americ	a	
National Tour Association (NTA)	USA/ Canada	Nov
U.S. Tour Operator Association (USTOA)	USA/ Canada	Dec
Canada's West Marketplace <sup>®</sup> (CWM™)	Alberta/BC	Dec
American Bus Association (ABA)	USA	Jan
Bank Travel	USA	Feb
Educational Travel Conference (ETC)	USA	Feb
	USA	i eb
Media Marketplace	USA	Apr
Rendezvous Canada (RVC)	Canada	May
Go Media	Canada	May











### **?** DID YOU KNOW?

There's curative powers in hot springs...

The geological nature of the Kootenay Rockies lends itself to extensive geothermal activity and many people value the spring water for therapeutic use. Visitors to the region can sooth and relax their travel weary bodies in at least 6 local hot springs pools!



### **FAMILIARIZATION TOURS**

Familiarization Tours (Fam Tours) provide Kootenay Rockies Tourism with the opportunity to introduce Tour Operators and Media to the region first-hand, for the purpose of developing new tours or Media coverage.

Familiarization tours require that ground Suppliers and the Airlines provide either complimentary or reduced-cost services in order to promote their business to the participants. Tour Operators and Media are invited as guests of the destination and are not usually expected to pay for the tour, or if they do have to pay, it is at a minimal cost.

# HOW DO FAMILIARIZATION TOURS WORK?

A tiered effort is undertaken to make international familiarization tours a reality. The international offices of Tourism British Columbia or the Canadian Tourism Commission generally initiate the tour.

The Vancouver-based Tourism British Columbia office coordinates the tour and contacts Kootenay Rockies Tourism to arrange our regional portion of the tour. Kootenay Rockies Tourism in turn coordinates the travel arrangements in the region with our members.

Many familiarization tours have a specific focus such as ski, golf, adventure or touring and are usually condensed into less than a week. Some operate as a pre & post tour after a tourism marketplace such as Rendezvous Canada or Canada's West Marketplace®. Most tours operate on a group basis, though individual familiarization tours that operate as an FIT tour are growing in demand.

Kootenay Rockies Tourism will, on occasion, partner with adjacent regions such as the Thompson Okanagan region and Southwestern Alberta to offer joint familiarization tours.

Whether organized through the Canadian Tourism Commission, Tourism British Columbia or Kootenay Rockies Tourism, it is important to note that participants are carefully selected for each tour, and therefore when a request comes through from Kootenay Rockies Tourism asking for your participation you can be confident that the participants are qualified Tour Operators or Media.





THE INTERNET

**WEBSITES** 

offerings to suit each market.



The internet is a marketing tool which can be extremely effective in positioning your product in front of the right

international Consumer. It allows you to affordably promote your product in multiple languages and customize your

According to the Travel Industry Association of America, 64 million Americans now research their travel options

online. International travellers are also increasingly using the internet to research their vacations.





### **ELEMENTS OF**

- Websites
- Search Engine Marketing
- Link Strategy
- E-Advertising
- Viral Marketing
- · Email Marketing
- Newsletters

### E-MARKETING

- Discussion Groups/Chat Rooms

An effective way of promoting your product to the international visitor while maintaining the integrity of your relationship with the international Tour Operator is to have a link on your website to the Tour Operators in each country that sell your product. They will appreciate your efforts to send business to them and will consider you a partner rather than a competitor.

**WORKING WITH TOUR OPERATORS** 

### SEARCH ENGINE MARKETING

An informative and accurate website is extremely

important for Suppliers wishing to promote their product

to the international market. Neither the Consumer nor

you to mail them a brochure. They want to visit your

see, quickly find out how to book the experience.

Travel Agents and Tour Operators have time to wait for

website, obtain all of the information they need to know

about your product or service and if they like what they

Other than your website, Search Engine Marketing (SEM) is one of the most important elements of emarketing for any business. If your website ranks high with search engines, this will mean that it is easier for people that don't know you, to find you. When the potential traveller is searching for products using key words you have defined for your product, they will find you. This 'perfect match' may result in a new Customer for you, at minimal cost.

Tourism British Columbia has developed an Internet Marketing manual which provides valuable information to assist you with your internet marketing. To order this manual, visit the Industry Development section of Tourism British Columbia's website at www.tourismbc.com.

### WWW.KOOTENAYROCKIES.COM

The Kootenay Rockies website is also an excellent way to get your website in front of the international visitor and Tour Operators.

KootenayRockies.com articulates the complete regional tourism experience while providing a portal to members

and community websites. Kootenay Rockies Tourism features the regional web address in all of its promotional activities, resulting in an average of over 700 unique visitors to the site everyday, from all over the world.





### HINT!

Destinations and businesses without an online presence will not even be considered by travellers who now rely almost exclusively on the web.

The Travel Industry Association of America (TIAA), 2002

### Notes









# CHAPTER SIX: The Road Ahead

### Notes

### The Road Ahead











### **TOURISM GROWTH**

Tourism had its challenges in the early years of the new millennium with the events of 9/11, the Iraq war, SARS, the Mad Cow Disease and the devastating forest fires.

Despite these challenges, British Columbia hosted nearly 21.9 million overnight visitors in 2003 and had industry revenues of \$8.95 billion. For 2004, a 2.8% increase in overnight visitors is forecasted, which accounts for 22.5 million overnight visitors and \$9.4 billion in revenue.

Overseas and long-haul North American markets are expected to grow more than short-haul markets. As well, business travel is expected to grow.



### **ACCOMMODATION GROWTH**

Good news for the accommodation sector in the Kootenay Rockies region. According to Tourism British Columbia, our region's accommodation revenues grew the fastest amongst all tourism regions in the province, increasing 43.4% in 2003 over the previous five years. Room revenues accounted for 6.5% of the province's \$1.5 billion in accommodation revenue in 2003.

As more hotel and resort developments are announced, the region's ability to market to the international visitor improves, which means increased tourism revenues for businesses and communities in the region.



### CRANBROOK AIRPORT EXPANSION

With larger aircraft likely able to fly into Cranbrook in the future, long-haul visitors will be able to fly directly into the Kootenay Rockies region. Rather than the visitor spending a portion of their valuable vacation time travelling between Calgary, Spokane or Vancouver to the region, they will be able to fly directly into the Kootenay Rockies.

The expansion of the Cranbrook Airport will open the door to international golf and ski groups, corporate gatherings, multi-day adventures and resort vacations.

The proposed expansion and international designation of the Cranbrook Airport will also bring new non-tourism opportunities to the region.









### The Road Ahead









### **?** DID YOU KNOW?

### 1.6 Billion year old Mountains

The Selkirk and Purcell Mountain ranges are 1.6 billion years old, while the Rocky Mountains are relatively young, 60 million years old. Now that's something to brag about to visitors!

The 515 million year old remains of more than 120 species of marine animals have been found in the Burgess Shale in Yoho National Park.



### THE COLLECTIVE OPPORTUNITY

Opportunities for tourism success for the Kootenay Rockies region of British Columbia are second to none. But, they are not a given.

The global tourism industry is extremely competitive, with hundreds of beautiful and exotic destinations vying for the attention of the Tour Operators and the vacation dollars of the Consumers.

Our regional tourism industry is inherently characterized by fragmentation due to the diversity of tourism businesses. However, by approaching our opportunities in a collective fashion, together we can develop top-of-mind awareness, carve out market share, increase visitation and generate incremental tourism revenues.

By speaking with one voice, we can promote the region through consistent and powerful brand images and messages which articulate the experiences and benefits of a vacation in our beautiful corner of the world. This allows us to clearly define the characteristics of our tourism products and effectively present our region to the global market, with an eye to uniqueness and differentiation.

One Region, One Message - Tourism Success!

### **2010 & BEYOND**

The Kootenay Rockies Spirit of 2010 Committee is working with the province to ensure that tourism opportunities for the region are maximized before, during and after the 2010 Olympic and Paralympic Games.

Additionally, significant efforts will be made by Tourism British Columbia to include 2010 information in travel Media activities as well as overseas marketing materials and events targeting the international visitor.

With the visitor infrastructure of the Kootenay Rockies region growing at an unprecedented rate, the expansion plans for the Cranbrook Airport moving ever closer to reality, and British Columbia poised to attract the attention of the entire world through the 2010 Winter Olympic Games, the opportunities through International Inbound Tourism are knocking on the door of the Kootenay Rockies region.

Working together, businesses, organizations, individuals and local governments will transform the Kootenay Rockies region of British Columbia into one of the great tourism destinations of the world. We encourage you to get involved, starting right now. Get ready to 'Welcome the World'!











### Notes



**All-inclusive:** This implies that the tour package includes all activities, transportation, accommodation, meals, taxes and gratuities for the duration of the tour. Be careful about using this term if your package does not include everything.

**Basic Pricing:** Adds 20% commission to your cost of sales and services to make your retail price commissionable to Travel Agents at 10% and Tour Operators at 20%.

**Blended Pricing:** Blended pricing allows you to determine a retail rate based on mixing commissions and anticipated business from various sales channels. Requires forecasts of anticipated business from each sales channel - direct Consumer, Tour Operators and Travel Agents.

**Block Space:** Means that a Supplier must provide a set allocation of inventory (generally hotel rooms or transportation, but can be anything with an inventory) to a Tour Operator so that they can convert bookings immediately. The Tour Operator is provided with inventory which they then sell into. If they do not sell all of the inventory by the date that the supplier has set (generally 14-30 days prior to arrival), they must release any unbooked inventory back to the Supplier.

**Buyer:** This term refers to a Tour Operator that 'buys' travel services from Suppliers.

Canada's West Marketplace® (CWM™): Canada's West Marketplace® occurs every December in a location in either British Columbia or Alberta (rotates between provinces on a yearly basis). International Tour Operators are invited to meet with Suppliers from Alberta and British Columbia in prescheduled appointments.

**Commissionable Rate:** This refers to a rate provided to a Travel Agent or Tour Operator and implies that they will be provided with a 10-20% commission on bookings.

**Consortium:** A collection of independently owned and managed companies that partner together to increase their buying power in various areas of business. In the tourism industry, most consortiums are created to support marketing activities.

**Consumer Show:** Consumer shows provide Suppliers and DMOs with the opportunity to target and connect with a Consumer audience who may eventually buy their product or service. At Consumer Shows there are no prescheduled appointments.

**Co-operative Advertising:** An agreement between two or more Suppliers and/or DMOs to cost-share advertising campaigns.

**Co-operative Marketing:** An agreement between two or more Suppliers and/or DMOs to cost-share marketing programs to maximize their marketing reach.

Canadian Tourism Commission (CTC): This is Crown Corporation of the federal government, which works in partnership with the country's tourism industries to increase the awareness of and interest in Canada as a premiere four-season tourism destination. Together with its public and private sector partners, the Commission undertakes market and industry research, product and industry development and advertising and promotional activities in markets across the globe.

**Charter:** Pre-formed group (organization, association, church, school, Tour Operator etc.) that hires a motorcoach, train, boat or plane for its exclusive use.

**Demographics:** These are characteristics such as age, gender, income, education, race/ethnicity, religion, marital status, household size and occupation, used to identify markets.

**Direct Billing:** It is the same as a credit account or billing account. This allows Tour Operators to pay for services they have booked, after the client has travelled.

**Destination Management Company (DMC):** Destination Management Companies handle arrangements for meetings, business groups, conferences and incentive programs in their destination and region. They also may offer pre and post packages for the participants to other regions.

**Destination Marketing Organization (DMO):** Kootenay Rockies Tourism, Tourism British Columbia and the Canadian Tourism Commission are all Destination Marketing Organizations. These organizations promote destination experiences and services under their marketing brands. They play an important role in developing new business to the region, province or country.

51



**Export Ready:** Implies that the Supplier is ready to work with the international market. Their product should meet the criteria outlined by Tourism British Columbia for working with international markets and the Travel Trade, found on page 59 of this Manual.

**Familiarization Tour (FAM):** This is a tour, be it several days or an afternoon only, that introduces Tour Operators, Travel Agents and Media to the region first-hand for the purpose of developing new tours or Media coverage for the region. Tour Operators and Media are invited as guests of the destination and often are not expected to pay for the tour.

**FIT:** An FIT traveller is a person that is travelling independently and is not part of an organized group tour. They commonly pre-book their travel services with a Travel Agent or Tour Operator.

**Fly-Drive Package:** A common term that refers to a pre-planned driving itinerary designed for Fully Independent Travellers (FIT) which includes a car rental and accommodation for the duration of the package and sometimes activities, meals and airfare.

**Free Sell:** A Tour Operator may confirm a service or product immediately to their clients and then report the sale to the Supplier, rather than having to request the booking in advance of confirming the booking to the client. Free Sell works best when a product has a large inventory base which rarely sells out.

**General Sales Agent (GSA):** An appointed sales representative of a company or tourism organization, usually located in an international market. The GSA is responsible for marketing their client to the Travel Trade and Consumer within its sales territory.

**Ground Operator:** Same as a Receptive Tour Operator. Refer to the description on page 53 of this Manual.

**Group Traveller:** This is a tourist that is travelling on an organized group tour that has a tour leader/guide, and where their transportation, accommodation, admissions and meals are generally included.

**Guaranteed Departure:** A tour or sightseeing activity that operates regardless of passenger numbers (ie. no minimum numbers required to operate the tour).

**Hello BC:** This is Tourism British Columbia's reservation and information service, where consumers can call toll-free to 1-800-Hello-BC to book accommodation and activities in British Columbia, as well as speak to travel counsellors to obtain travel information. Additionally, their website, www.hellobc.com provides detailed information on the regions and activities in the province and promotes special packages.

**Inbound Tour Operator:** Same as a Receptive Tour Operator. Refer to the description on page 53 of this Manual.

**Incentive Trips:** These are 'gifts' that businesses provide to their best clients or best employees as a 'thank-you'. They often feature skiing, heli-skiing, spa treatments, adventures, golfing and resort stays with the trip paid for entirely by the business organizing the incentive.

International Tourism Exchange (ITB): ITB is the largest Tourism Travel Trade Show in Europe and one of the largest in the world. It takes place once a year in Berlin, Germany during the first or second week in March. Countries showcase their products to the worldwide Travel Trade and German-based Consumers. ITB schedules 2 days for the Travel Trade sector and opens to the public for 3 days.

**Itinerary:** A detailed outline of a tour or sightseeing activity, including timing, attractions or activities planned and destinations visited.

**Kanata:** Kanata is a travel marketplace organized by the Canadian Tourism Commission and held in Tokyo and Osaka annually. Kanata offers Canadian Sellers (Suppliers and DMOs) an opportunity to meet with Tour Operators in Japan.

Kootenay Rockies Tourism (KRT): Kootenay Rockies Tourism is one of the six official tourism regions in British Columbia. The principal mandate of Kootenay Rockies Tourism is to generate incremental tourism revenues by developing, coordinating and delivering collaborative destination marketing programs in partnership with members of Kootenay Rockies Tourism and Tourism British Columbia.



**Leisure Traveller:** Refers to tourists on group tours, visiting friends & relatives and independent vacations - any type of travel not related to travel for business.

**Marketplace:** Marketplaces offer the opportunity for Suppliers and Buyers to meet one on one during pre-scheduled business appointments. Appointments are usually scheduled and confirmed before the marketplace.

**Media:** Members of the communication sector such as broadcast (radio & TV), print (newspapers/magazines/direct mail) and multi-media (internet).

National Tour Association (NTA): NTA is a membership-based organization which actively promotes partnering and networking amongst Tourism Suppliers, DMOs and Tour Operators. NTA organizes a yearly convention in North America (location varies) allowing its members the opportunity to engage in 'The Tour & Travel Exchange' where they conduct one on one business appointments that are 7 minutes in length.

**Net Rate:** A rate that represents the retail price less the commission.

**Niche Market:** This term refers to visitors with unique or specialized interests.

**Press Release:** A written announcement which highlights an event, new business opportunity, new product development or other newsworthy items. Press releases provide media with key facts that can be incorporated into a story, or prompts an inquiry for more details.

**Pre-Tour or Post-Tour:** These terms refer to packages that are offered before and/or after a conference, gathering, group tour or cruise; the visitor stays additional days to explore on their own or as a group. (Sometimes referred to as an 'extension').

**Product Development:** This term refers to both the creation of new tourism facilities and attractions, as well as the development of new packages and itineraries offered by Tour Operators.

**Product Manager:** The individual within a Tour Company that is responsible for researching new product and destinations, and then responsible for contracting and negotiating rates. They are generally the primary decision maker when it comes to selecting new product, but usually do so in consultation with their sales and marketing teams.

**Promotion Mix:** This term refers to the variety of promotional tools such as advertising, sales promotions, Media relations, direct and Travel Trade marketing that companies may incorporate.

**Rack Rate:** Another term used to refer to a Suppliers retail rate (ie. the rate shown on your brochure or 'rack' card).

Receptive Tour Operator (RTO): Receptive Tour Operators, also known as Inbound Tour Operators or Ground Operators, provide and specialize in ground services within a destination and sell these services to Tour Operators, Wholesale Tour Operators and in some cases Travel Agencies. They do not sell directly to Consumers. Ground services may include transfers, accommodation, rental cars, activities, attractions and prepackaged itineraries. They service both group and FIT travellers. Some Receptive Tour Operators specialize in a particular region within the country whereas others offer services for the entire country; some even specialize in a particular experience sector (ie. adventure travel, luxury travel and learning travel).

**Relationship Marketing:** Refers to the process of developing and nurturing long-term relationships with Customers and in the case of international Travel Trade, is a key strategy to creating success. Direct mail and e-newsletters are tools used in this process.

Rendezvous Canada (RVC): Rendezvous Canada is the largest and most important tourism marketplace in Canada, attracting hundreds of national and international Buyers and Canadian Sellers. The show is held in Canada every year in May (location varies each year), just before the Buyers make their product selection for the following year. This marketplace is based on prescheduled appointments. In order to attend Rendezvous Canada, British Columbia Suppliers must have previously attended Canada's West Marketplace®.

**Scheduled Departure:** Pre-scheduled departures of a tour or sightseeing activity.

**Seasonal:** This term implies that the business operates only at certain times of the year. For instance, a heli-ski operation is a seasonal business, operating only during the winter months.

**Seller:** Operator of travel services which they 'sell' to Tour Operators.



**Sightseeing Tour:** A tour which introduces the visitor to view points of interest within a specified area.

**Showcase Canada:** Showcase Canada is a marketplace organized by the Canadian Tourism Commission in South Korea. Showcase Canada provides Canadian Suppliers and DMOs with a great opportunity to introduce their business and products to the Korean Tour Operators.

**Spotlight Canada:** Spotlight Canada is an appointment-based marketplace in the United Kingdom, held every February or March. Here, Canadian Suppliers and DMOs meet with British Tour Operators and the Media over a 2-day period.

**Supplier:** Refers to the company or individual providing the actual travel product, such as accommodation, activities, attractions or transportation to the visitor or Tour Operator.

**Supply:** Tourism product (accommodation, attractions, meals, transportation) that is marketable and ready to sell.

**Tariff:** Receptive Tour Operators produce a tariff book where they showcase their FIT or group products. The tariff is provided to Tour Wholesalers and Tour Operators, who then select the product they wish to promote to their markets. A tariff is published with net rates and is equivalent to a catalogue for the Travel Trade. These tariffs are not intended for Consumers and are generally kept confidential.

**Tourism British Columbia (TBC):** This is a Crown Corporation of the provincial government. They have a mandate to promote development and growth of the province's tourism industry; to increase revenues and employment throughout British Columbia; and to increase the economic benefits for all British Columbians. Tourism British Columbia markets British Columbia to Consumers and the Travel Industry through a variety of joint marketing and promotional campaigns in countries around the world under the brand 'Super, Natural British Columbia®. They also work closely with British Columbia's tourism industry to promote and develop tourism throughout the province.

**Tour Operators:** Tour Operators purchase and package ground services from Suppliers, Receptive Tour Operators or Wholesale Tour Operators. They also produce brochures or other promotional materials and sell to the Consumer and Travel Agency community.

**Travel Agencies:** Travel Agencies sell travel services including ground services and airline tickets to the Consumer at a retail price. The retail price is provided by the Tour Operator or Supplier and includes the Travel Agency's commission.

**Trade Show:** Trade shows offer the opportunity for interested Travel Trade to visit each seller's booth at their leisure. Sellers exhibit at trade shows to generate business leads, to network and to expose a new service or product to the market.

**Tour or Travel Package:** Planned or pre-arranged vacations offered for sale by a Tour Operator at a fixed price to travellers. Tours may include lodging, meals, sightseeing and transportation components.

Visiting Friends & Relatives (VFR): These are FIT travellers who generally stay with friends or family for a portion of their visit; however they also spend time visiting the region's attractions, participating in various activities, eating in restaurants, and at times stay in hotels and explore on their own via rental car or motorhome.

**Visitor Info Centres (VIC):** Visitor Info Centres provide information and assistance to the visitor once they are in the province. Counsellors help visitors find suitable attractions, activities, recreation, accommodation and transportation. These counsellors act as ambassadors for the province.

**Vouchers:** Documents which Tour Operators provide to their FIT clients, which they in turn exchange with Suppliers for services that have been pre-booked by the Tour Operator. The Supplier then invoices the Tour Operator for the service(s) and generally includes the voucher with the invoice as back-up.

Wholesale Tour Operators: Wholesale Tour Operators purchase and package ground services from Suppliers or Receptive Tour Operators. They can individually offer hotels, rental cars or other components or package them all together. Wholesale Tour Operators usually sell to Tour Operators or Travel Agents.

World Travel Market (WTM): WTM is the leading Travel Trade and Consumer show in the United Kingdom and one of the largest in the world. This 4 day event is held in London every November. Here, Canadian Suppliers and DMOs promote their businesses or destinations to Tour Operators, Travel Agents, Media and Consumers.









# Contacts

### Notes

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### Tourism British Columbia Export Ready Criteria



The following criteria is used by Tourism British Columbia to determine if a tourism Supplier is ready to work with international markets:

### Suppliers Must:

- Be in business at least one year, with a proven track record of a safe and professional operation.
- Demonstrate an adequate budget and marketing plan that includes international Tour Operators.
- Understand the roles played by Receptive Tour Operators (RTO), Tour Operators/Tour Wholesalers and Travel Agents. This includes an understanding of rack or retail pricing, agent commissions and wholesale net rates and client relationships at each level.
- Be willing to include Receptive Tour Operators in your marketing and sales plan, and implement a regular sales call program directed toward these Tour Operators.
- Be willing to provide contracted wholesale net rates to Receptive Tour Operators. As a general guideline, requirements are: 15% off the retail price for day activities and transportation and 20-30% off retail pricing for accommodations (higher discounts are common for volume production).
- Honour the contracted net rates, no price changes before the expiry of the contracted agreement.
- Provide detailed pricing and program information to Tour Operators and Receptive Tour Operators at least one year in advance of selling season.
- Be prepared to communicate and accept reservations by telephone, fax and/or email. Provide same day confirmation of booking arrangements.
- Set-up billing arrangements with the Tour Operator, Travel Agency or Receptive Tour Operator. Accept Tour Operator vouchers as confirmation of payment for reservations.

- Determine business priorities in terms of group or FIT business. If you plan to pursue group business, consider access to your business by tour buses, parking/turnaround areas, washroom facilities etc.
   Determine your maximum group size.
- Carry adequate insurance (minimum \$3 million liability insurance for adventure product Suppliers is recommended). Discuss this with the Receptive Tour Operators (sometimes they can add Suppliers to their existing policies at a nominal cost).
- Provide support (free or reduced rates) for international Media and Travel Trade familiarization tours.

In addition to the above, the following should be considered 'next steps' for consideration as business and market presence expands:

- Consider attending Travel Trade shows involving international Buyers, either in North America or overseas.
- Expand your sales call program to include overseas contacts as well as Canada-based Receptive Tour Operators.
- Be prepared to provide Tour Operators and Media with 35mm slides, CD-ROM or digital images of your product or operation, for use in Tour Operator brochures, promotions, website and editorial.
- Consider producing video footage of your product or operation for promotional and training purposes.
- Develop a website offering information on your product.
- Be prepared to adapt to the uniqueness of overseas markets. Flexibility may be required with regards to last minute bookings and changes.
- Consider hiring service staff that speak the language of the markets you are interested in pursuing.

### Acknowledgements



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Diversification de l'économie



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### KootenayRockies.com

### A RICH REGIONAL RESOURCE!

The rich natural resources of the southeast corner of British Columbia have been legendary for over 100 years. Forestry, mining and agriculture industries have flourished and continue to provide our communities with economic benefits and an enviable lifestyle. They have also helped to build the thriving cultural heritage found in our region.

The addition of the tourism industry to our region's principal economic engines and the advent of the information age have provided the catalyst for the development of a new regional resource – KootenayRockies.com.

The world's window to our region, KootenayRockies.com presents our spectacular nature, history, culture, amenities and the incomparable experiences offered by the tourism industry.

And, KootenayRockies.com enhances the promotional messages of our communities and member businesses by articulating the complete regional experience.

Through dedicated content management, exciting imagery and leading-edge technology, British Columbia's Mountain Playground comes to life!

KootenayRockies.com - A Resource for Business!

