

# TOURISM

CANADA'S TOURISM MONTHLY

October 2002

Marc Rosenberg to head CTC's research committee

Developing a travel and tourism Web site

Feature – Airports: gateways to tourism



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# Editorial

by Peter Kingsmill



**On the cover:** Airports are more than pavement, concrete, and glass. Tranquil scenes like this northern Manitoba lake are, in fact, gateways to some of our country's most desirable attractions. Photo: Canadian Tourism Commission.

## Getting involved

The story of the Canadian Tourism Commission (CTC) is the story of industry volunteers who want to make a difference, and an organization that listens when a community of common interest comes together with a vision and mission for common benefit.

The last decade has seen dramatic changes to how we do business in the business of tourism, at least when it comes to spending tax dollars through federal initiatives. There was a time when there were no committees, no advisory boards. There were tourism programs, and tax dollars were distributed through these programs to the regions and provinces of Canada. Some money went to industry enhancement, some to marketing initiatives, some to research, and some to maintaining a bureaucratic infrastructure. A lot of money was trickled down through programs for provincial and territorial governments to spend for their own departmental priorities.

On the surface, a person could ask, "so what has changed?" Well, a great deal has changed, to the industry's great benefit. The CTC is now a Crown corporation, answering through a board of directors to a minister of the Crown and Parliament, instead of through a departmental structure. This fundamental governance change has led to a sea change in operational methodology.

Over nearly a decade, people in the CTC and on the board have developed a framework for doing business, along with a vision and mission statement to provide over-arching guidance. The core of the framework is the committee structure.

Committees are made up of industry experts. There is a sincere effort to ensure that committees include a cross-section of interests, including destination marketing organizations, industry sector organizations, and managers and owners of tourism businesses. The predominance of small and medium sized enterprises (SMEs) in tourism is always reflected on committees, notwithstanding that the "big players" work shoulder to shoulder with their small-business colleagues.

The CTC is making an appeal this month for people who have an interest in playing a leadership role in Canada's tourism industry to step forward. Make yourself, and your talents, known to the CTC and the current committee chairs. The CTC needs people to be involved at the decision-making tables: get involved! 🍁

Peter Kingsmill, Editor-in-Chief

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## Partner investment key to success

There is no question the tourism industry in Canada and globally is going through a period of rapid change. The emergence of the Internet as a tool of primary importance for product marketing and sales, consolidation in air, hotel and travel agency businesses, and cautious consumers are all putting pressures on an industry still reeling from the effects of the events of September 11th.

With fewer people travelling long haul or trans-continental, the business environment in tourism marketing has become that much more competitive. More and more destinations are competing for an ever-shrinking "slice of the pie" and have more resources to dedicate to their efforts.

Although there is no national equivalent to the Canadian Tourism Commission (CTC) in the U.S., some individual states have higher tourism budgets than the CTC. The State of Illinois, for example, has a tourism promotion budget of \$91 million and the city of Las Vegas, a remarkable \$195 million.

To put that into perspective, the CTC's total budget including partner investment is approximately \$160 million. Not a lot of money to market a whole country!

A key to our success will be to increase partner investment in CTC programs, both from

traditional and non-traditional tourism businesses. It's with this in mind that the CTC recently created the position of executive director, business development, and assigned Pierre Gauthier to this task. Beginning this fall, we will be undertaking an aggressive campaign to bring new partners into CTC programs. By joining well-established, well-defined campaigns, CTC partners maximize the power of each investment, benefiting from broad exposure through fully integrated campaigns, promotions and events.

Annual expenditures by tourists in Canada exceed \$50 billion. CTC partners gain access to this lucrative, growing market through three distinctive strategic approaches:

- Participation in CTC campaigns designed to increase awareness, attract new travellers and grow the Canadian tourism business;
- CTC publications in partner-led marketing campaigns;
- Public/private strategic alliances exploiting new marketing opportunities for mutual benefit.

Organizations seeking broader market exposure in critical geographic markets can link their brands to CTC programs and to Canada in private-public partnerships. Here follow some examples of successful marketing partnerships recently undertaken with the CTC:



**Samsonite**

*Samsonite Luggage*

- Joint promotion with U.S. marketing program partners;
- Featured in 5,000 U.S. Ford car dealerships and 200 Samsonite stores in the U.S.;
- Offer to win one of six getaways to Canada.



*Canada Post*

- 6.5 million households in Canada received a brochure offering coupons for a variety of Canada Post products and an entry form for a chance to win a trip for four to one of ten Canadian destinations, based on the recently released tourism travel stamps.



*Baskin Robbins*

*Ice Cream Company*

- Public relations partnership in Korea, promoting a new flavour of ice cream "Rocky Mountain Mousse";
- The slogan "Buy Rocky Mountain Mousse and Go to Canada's Rocky Mountains", was listed on posters also displaying the CTC logo and website in 500 shops throughout Korea.



*Visa*

- Direct mail insert placed in monthly invoices of 500,000 Visa Gold members in Mexico;
- Offered a special package to Canada for these select Visa Gold card holders.



*Canada Dry*

- Promotion listing CTC logo and website on 10 million packs of Canada Dry in France;
- Coincided with supermarket promotions and TV advertising using images of Canada.

By working in cooperation with industry, traditional and non-traditional tourism businesses, the CTC will be able to continue to offer innovative marketing programs to ensure sustained tourism growth in Canada. If you have any ideas about how the CTC can target new traditional and/or non-traditional partners, don't hesitate to contact us. Your insight is always appreciated. 🍁

*Jim Watson, President & CEO  
Canadian Tourism Commission*

## Building partnerships

Alyre Jomphe of the Paris CTC office has spent four years knocking on doors of companies whose main activity is not tourism. Banks, insurers, financial companies, outdoor clothing manufacturers such as Columbia Sportswear Company, luggage manufacturers, restaurant chains, cable companies, mail order specialists, Weight Watchers. The list is long and impressive. "We explain to our partners all

the benefits they can draw from being associated with the country that French tourists dream of visiting the most. We also provide promotional trips."

Non-traditional partners provide access to client lists and even cover mailing costs on print materials that include Canadian content. "We feel this is worth at least \$1 per valid name and address,"

says Jomphe. "For example, a bank that attaches a document on tourism in Canada to 500,000 account statements is worth \$500,000 to us. Promotional trips we provide to the bank have a market value of \$25,000: Canadian money that is ultimately spent in Canada to promote the country in France!" 🍁

### Letters to the editor

This month's letter relates to our feature and appears on page 7. We encourage our readers to submit letters on any topic or issue covered in *TOURISM* magazine. Please include your full name, address, and telephone number. The editorial board reserves the right to select and edit letters for publication. 🍁

## Marc Rosenberg to head CTC's research committee



Marc Rosenberg.

Marc Rosenberg has been appointed chair of the research committee of the Canadian Tourism Commission (CTC). He is vice president for sales and product distribution for Air Canada and is also the current chairman and CEO of Air Canada Vacations. Rosenberg's career with the airline company began when he worked while a summer student as a reservations agent back in 1967.

Rosenberg has been actively involved with the CTC on previous occasions, as chair of both the Europe committee and the technology committee. He talked with TOURISM magazine in early September:

**TOURISM:** *Mr. Rosenberg, we know that CTC is perceived first and foremost as a marketing agency, with only about 4.5 percent of the budget going to research. Your predecessor, Simon Cooper, has worked hard to increase its profile within the CTC and the business community. How is the level of awareness of research among the CTC staff, committee chairs, board members, and the business community... does it still require work?*

**ROSENBERG:** Research plays such a vital role in any of the other committees and any of the work that is being done relative to tourism. It really is the foundation for making business decisions and testing concepts; I think it will always be assessed for whether it is satisfying the needs of the industry, however they are defined. As research continues to grow, (elevating the profile) will be an ongoing process. From

my discussions with people in the CTC and the industry, the understanding of research clearly varies according to need. The challenge for the researchers themselves, though, is this whole dynamic of change, and being flexible enough to work within that environment.

**TOURISM:** *The Research Committee's partners are mostly from other federal departments, provincial governments and from within the academic community. There has been a drive to increase partnership from the private sector. Will this remain one of your goals?*

**ROSENBERG:** There are some legitimate issues around private sector participation. You will find that, for those companies with research capabilities, (research) is an expensive overhead cost and one designed to satisfy very strategic commercial needs. As a consequence, a lot of the research done by private industry is related to competitive activity, and how the company benchmarks itself against its competitors. They want to know what the customers have to say that would help them design and respond with products in the future. So, the reluctance of the private sector to participate is understandable, but on the other hand, there is an opportunity to build what I call "the radar screen" or what the CTC refers to as the "business outlook". We need to work with the private sector, providing them with the safety valves they need for obvious competitive reasons, to build this radar screen as a future-looking tool that can tell us what is happening to our business – our bookings base.

**TOURISM:** *An industry person who is NOT a researcher brings a special energy to a research committee. What is your vision of the committee and the program in three years from now?*

**ROSENBERG:** I am in the "infancy" of my relationship with this committee, and have only just met the director, Scott Meis, and had an initial look at what they've been doing and where they are going.

Research is very good at telling you what you did and didn't do in the past; unfortunately, in this environment (and especially since 9/11), we need to focus on looking forward. We need to understand what is happening to the business and what the industry needs to do to remain competitive, and to optimize resources to respond to the market. I want to bring to tourism in Canada a forward-looking research group that presents the understanding of what is happening to our business in this country, so that everyone in the industry can prepare himself or herself accordingly. I hope that, over time, we can bring industry players into the process to help build the radar screen. The other part of this is key information for product design: we need to know that if we are going to create something different, or do something new, we have taken the time to test it so we know the marketplace wants it!

**TOURISM:** *Has the impact of Sept. 11 been as massive as we are led to believe?*

**ROSENBERG:** What was, is no longer. The patterns and behaviours of the past are not valid anymore. Consumer behaviours have changed; so have their shopping patterns and their value proposition needs. They are looking at travel very differently, and we at the CTC and everyone who participates in the industry have to be prepared to change the way we think,

conduct research, and respond if we are to remain competitive. This is a "must-do", not just a "need-to-do".

**TOURISM:** *Let's talk about packaging and presenting the information to make it more user-friendly? How useful is the Internet, and what is the role for our magazine?*

**ROSENBERG:** There are two parts to this. First, does everyone have Internet access and understand the need to have access? I am still amazed at how many people in business, no matter how small or large, do not understand what the Internet is and what it can do for them. Once we get past that, yes the Internet is very useful. It is fast, it is dynamic, and it allows us to respond with information accordingly. A magazine, on the other hand, can be the editorial interpreter of what the research says. Researchers do not necessarily have the commercial insight to be able to translate all those numbers into a business decision-making tool. It is the role of a magazine – making the numbers meaningful. And, of course, people in the industry need to understand that all the research information they receive will only really give them a sense of what is going on at a larger level. They need help to assimilate the information and use it to the advantage of their own particular businesses.

**TOURISM:** *Thank you for this, Mr. Rosenberg!* 🍁



Photo: Courtesy of Aéroports de Montréal.



## Small airports feel the pinch by Ramon J. Kaduck

Air Canada Jazz recently announced the cancellation of service to several small community airports. In the undertakings that paved the way for Air Canada's merger, it had agreed to maintain service levels to small communities until January, 2003. Airlines must give notice if they plan to abandon routes leaving a community without service, so Air Canada Jazz was simply sending a message that the frozen economic environment has come to an end.

Local tourism operators will feel some immediate effects from the loss of scheduled service to these communities. It is possible that this may provide an opportunity for another small carrier, but local operators may have to investigate the use of other modes to provide transportation to the tourism destination.

The larger issue is that some small community airports may not be viable without the revenue from a scheduled carrier. That would mean a permanent change in opportunities for the tourism interests in the area. Community interests were quick to insist that Ottawa "do something about it." The recommended solutions were not specified, but historically these have amounted to little more than demands for money with no strings attached. That won't fly in the world of federal politics.

Small airports have been under pressure for some time. The regulatory burden has increased considerably since Transport Canada started to withdraw from the business. The transfer of the airports to local authorities has sometimes been characterized as an offer that could not be refused. In most cases, however, communities entered the airports game with great enthusiasm. Reality has been less kind than many had hoped.

Whatever the circumstances of the deal, airport operators are starting to feel unaccustomed pressures. New regulations relating to airside access, wildlife control plans and

the still-controversial CAR 308 firefighting regulations have raised the cost of operating small airports. The \$15 million added to the Airports Capital Assistance Program (ACAP) does not cover more than a fraction of the regulatory costs. The effect is not limited to the capital cost of the equipment and changes to the airport layout. These regs will permanently increase operating costs.

This comes at a time when airlines are increasingly sensitive to costs, such as landing fees. This was a feature of the airline-operating environment in this country long before September 11th ratcheted up security costs and flattened demand. A low-fare business model increasingly drives the industry.

Airline economics work against some of the smaller airports. Unless there is enough traffic to support scheduled services, airlines no longer have the luxury of carrying them. With the loss of scheduled services, airports will also lose access to ACAP funding. In some cases, there may be room to lower costs or provide offsets that make service viable, but in others it is only politics that has kept the airport in operation until now. So it is no surprise that communities are in search of a political solution.

Some stakeholders seem to believe that Ottawa can't afford to see an airport close, and that blackmail will work. This is a dangerous gamble. Ottawa does not own Air Canada and it has no right, morally or in law, to force it to serve non-viable routes. And while the closure of a small airport may be big news locally, the harsh reality is that it does not threaten the election prospects of the incumbent government.

Could Ottawa subsidize airports directly? Certainly, but stakeholders should ask themselves at what cost. It is a bit naïve to think that the feds would agree to pay the piper without calling the tune. And it was Ottawa's poor track

record that started the country on the deregulation path two decades ago.

Could some of the money currently squeezed out of the industry through fuel taxes and airport lease payments be returned, instead of being diverted to other spending? Certainly, but that would require a coordinated attempt to make this an issue at the national level. This should be done, but it requires alignment of stakeholders with very different views. And it competes with more emotive issues like health care and education.

Where, then, does the solution lie? In some cases, there is no solution.

As an aviation professional, it pains me to see an airport close, but there are cases where it is very likely. If there is a solution, I believe it lies in a development approach, which falls more under provincial/territorial jurisdiction. While Ottawa has exclusive regulatory jurisdiction over aviation, nothing prevents provinces, regional municipalities or local business groups from protecting vital aviation infrastructure. 🍁

*Raymon J. Kaduck is an air transport economist and president of Policyshop.com, an independent aviation-consulting firm.*

## Airstrips boost incentive travel by Brenda MacPhee

Imagine soaring above the fall colors in Muskoka when out of the Ontario wilderness appears a 3,000-foot asphalt-surface runway. It may appear too good to be true, but it's not. Deerhurst Resort in Huntsville, Ontario is one of Canada's few resorts to have its own private landing strip. The registered, unmanned and unlit airstrip is operational from early May until the end of October and is used by both individual vacationers and corporate groups from Canadian and American departure points.

An example of the corporate functions hosted annually is the *Canadian International Auto Show (CAIS)*. Each of the last six years CAIS has flown some 45 associates to Deerhurst Resort for an annual golf tournament and awards dinner. CAIS selects the longest day of the year, spends the day golfing at Deerhurst Highlands Course, and returns the group to Toronto that same evening. Dongi Pranaitis of CAIS says, "the convenience of the airstrip allows us to reward and entertain our staff in a truly unique fashion".  
*For information: [www.deerhurstresort.com](http://www.deerhurstresort.com). 🍁*



Photo: Courtesy of Deerhurst Resort.

Both individual vacationers and corporate groups use private landing strips.

# Air services: quick fixes never work by Ian Robertson

*Ian Robertson is the principal of Inukshuk Planning and Development, a tourism-consulting firm based in Whitehorse. He writes in response to an article by Raymon J. Kaduck published in the June, 2002 issue of TOURISM. It is our goal to encourage among readers an exchange of views on important topics so we all may be enriched by the opinions and debate. The editor.*

Raymon J. Kaduck provides an interesting perspective on the air services issue for smaller communities. While he correctly points out that “well-considered economic policies with a clear understanding of the long-run effects” are needed, he shies away from defining an appropriate role for government. The European *Public Service Obligation (PSO)* and American *Essential Air Services (EAS)* models both fail because of the amount of political meddling and a lack of national transportation policy.

Quick fixes never work. What communities need in roadless northern Canada is not the same as what is required in Bathurst, New Brunswick, Sarnia, Ontario or Terrace, B.C. The federal government does not yet appear to have a clear understanding of air transportation needs across the country, although the independent transition observer for airline restructuring, Debra Ward, has

done an admirable job of communicating both community and industry concerns to the minister of transportation.

In an ideal world, Mr. Kaduck is correct: the marketplace should be able to determine the type of service, frequency and price. Although the decision to deregulate the Canadian air industry was made by a government that clearly had not carefully weighed the long term consequences, in all fairness the problems of the air industry are not unique to Canada, and didn't mysteriously appear as a result of September 11th! Countries as diverse as Switzerland and Australia were already in trouble and even the American airline industry was bleeding red ink.

The transportation minister has pointed to the number of new start-up airlines (all operating on the Southwest Airlines model adopted by WestJet) as an indication of the changing health of the airline industry. However, this may be all smoke and mirrors: not every business can operate in this fashion and survive. Air Canada also wants a piece of this action, so we now have an industry headed towards the lowest common denominator with costs off-loaded, disguised or transferred to the consumer.

All communities big and small want the same thing – a fair, competitive level of air service appropriate to their needs at a reasonable price. In this continuing war of attrition, small communities will be the “collateral damage”. Mr. Kaduck suggests deregulation has created winners and losers. The winners to date (from a service and price perspective) have been the large southern cities and not the smaller communities.

The Northwest Territories has a healthy air industry for three reasons: a strong economy, airline competition and a lack of transportation choice. In parts of rural Canada where the local population is fed up with poor service and unreasonably high airfares, local solutions have been found. Companies such as Hawkair in Terrace and Whitehorse-based Air North are focusing on the fundamentals. They use innovative strategies to raise financing and achieve local support. Unlike Air Canada, they are not trying to be all things to all people.

It is also worth noting, in the case of the Yukon, the government was initially a reluctant supporter and had to be convinced to get behind the local carrier. The Vuntut Gwitchin First Nation took the initial plunge by investing a portion of their land claim settlement

money into the company, following the pattern of their counterparts in Québec, Nunavut and the Northwest Territories.

Finally, no discussion on air service to smaller communities would be complete without mentioning the impact of the numerous aviation taxes. “Sticker shock” and claims of misleading advertising abound when the consumer realizes that the advertised price is before taxes which, when added in, can be as much as 25 percent of the price. This constant downloading of costs, be they travel agency commissions, Nav Canada fees or the new security charge, bears no relationship to the cost of service or risk. This hurts smaller communities disproportionately and therefore, the tourism industry as a whole.

Consumers are becoming increasingly frustrated. While most Canadians understand a user pay policy, they wonder why the government does not invest back the taxes it collects into improving aviation infrastructure. We are suffering from the absence of a well conceived national transportation vision that balances the public and private interest and recognizes the very different aviation needs of all parts of this magnificent country. ✳

*Ian D. Robertson may be contacted through [www.inukshukplanning.ca](http://www.inukshukplanning.ca)*

## Meeting at the airport by Donna Owens

The 2002 *Meetings Market Report* recently released by *M&C Magazine* ([www.meetings-conventions.com](http://www.meetings-conventions.com)) picked up some interesting results on the use of airport hotels by U.S. meeting planners. When corporate meeting planners were asked what types of hotels they used, airport hotels ranked fifth out of eleven types of facilities:

- Downtown Hotels – 74 percent
- Suburban Hotels – 54 percent
- Resort Hotels – 50 percent
- Convention Centers – 47 percent
- Airport Hotels – 39 percent

Here are some of the other findings:

- Roughly 7 percent of corporate meetings are held near the runway

- 29 percent of association meeting planners chose an airport
- 10 percent of convention planners held an event portside in 2001
- 6 percent of association/convention business was conducted at an airport.

Just how are Canadian airport hotels doing? Tony Pollard with the Hotel Association of Canada notes that for the month of June, Toronto airport hotels had a 67.4 percent occupancy rate (down 3.7 percent), Vancouver airport hotels were at 74.8 percent (no change), and Calgary was up 15.3 percent at 84.9 percent.

Fred Bannon, regional vice president of Hilton Canada reports Hilton



hotels at the Vancouver, Montreal and Toronto airports have been very busy with small meetings. “They are convenient to get in and out of for short duration and smaller meetings,” says Bannon, adding “but pressure is beginning

to come from downtown hotels as transportation rates are getting competitive.” ✳

*Donna Owens can be reached at [owens.donna@ctc-cct.ca](mailto:owens.donna@ctc-cct.ca)*

# Airports: the first destination

Touching down at an airport in Canada has been a long tradition. This vast country embraced civil aviation with enthusiasm, and we have somehow adapted ourselves to the pattern of takeoff and landing as naturally as the wild goose – that symbol of Canadian freedom – and flight.

Airports were once just acres of tarmac and a few dusty shacks on the outskirts of town. In recent decades, city and international airports grew monolithic, carving their presence on the landscape with bold straight lines and a special sort of intense loud energy. Over the years, Canadians' passion for flying and airports gave way to dread: the more people began to love flying, the more they began to hate their airports.

No longer. Airports across the nation are undergoing renovations

that will result not just in increased efficiency and capacity, but in changes to the whole airport experience. Take a look at Edmonton, for instance, where authorities are investing \$600,000 in a golf course and business park. The course, on 234 acres of Edmonton International Airport land, is expected to be a moneymaker for the authority and perhaps even help reduce airport user fees in the future. The \$6 million course is part of the authority's business plan and the money will be recovered through lease payments by the course developers.

The Sheraton Gateway Hotel at Toronto International Airport has introduced "StopOver" and "LayOver" packages and a "Boarding Pass" special. These packages are aimed at travellers faced with long waits for connections who would not otherwise check in at

the hotel, or go there for food and lounge services. This "civilizing" of the airport experience will be welcome to travellers weary of connection delays, enhanced security, and overworked airport staff. The hotel is connected to Terminal Three by an air-conditioned corridor, and has its sights set on the meetings market as well with 26 meeting room options.

*The Montreal Gazette's* Peter Hadekel calls that city's Dorval airport "a sleepy place, a cramped little airport with narrow hallways and a few baggage carousels that seem to be begging for business." But things are changing there too, and the closing down of ill-fated Mirabel as a passenger terminal will only enhance the opportunity for Dorval to better establish itself as a modern destination airport.

Saskatoon Airport Authority president and CEO Bill Restall makes a strong tie between airport as destination and airport as service. With Phase II renovations almost complete at Saskatoon's John Diefenbaker Airport, Restall says, "When you go upstairs into a nice holdroom, enjoy airside viewing, restaurants and giftshops, you will be able to reflect and say 'Gee,

what a nice place Saskatoon is. I enjoyed myself here.' That is your last impression, the one you're going to tell others about."

All this costs money, of course, and Ottawa's airport authority has recently joined four other big airports in Canada – Vancouver, Edmonton, Toronto and Montréal in a search for debt capital to finance expansions. The airport is planning to raise \$270 million privately placed debt to help construct a new terminal at the airport.

As the Canadian Tourism Commission's Donna Owens points out in "Meeting at the airport" in this issue, airports themselves are often becoming the destination of choice for business meetings. Meeting convenors cite efficiency and costs savings as reasons to host meetings right at an airport within easy reach and travelling time of the participants.

Whether the destination is a metropolitan airport with full convention services, or a quiet northern lake served by a small floatplane, airports and their partners are defining the destination experience for so many travellers in Canada, in so many different and innovative ways. 🍁



Photo: Courtesy of Aéroports de Montréal.

The closing of Mirabel as a passenger terminal will enhance the opportunity for Dorval to establish itself as a modern destination airport.

## Airport screening to change

The Government of Canada created the *Canadian Air Transport Security Authority (CATSA)* as part of a comprehensive, \$2.2 billion package of air security initiatives contained in the December 2001 Budget. CATSA came into force on April 1, 2002, through Bill C-49 and began operations shortly thereafter.

Between Sept. and December 2002, CATSA will begin screener training, and will take over all screening at all Canadian airports beginning in 2003. There will be consistency across Canada in how screeners are trained, screening methodology, and even the uniforms they will wear. A new focus will be placed on creating career opportunities for screeners, with benefits, to help improve safety and security for travellers.

CATSA is responsible for several essential aviation security services and works closely with Transport Canada and its aviation industry stakeholders to provide a secure travelling environment for people flying in Canada. The authority has responsibility for high-tech as well as for all conventional screening equipment at airports, and works with the RCMP on the *Air Carrier Protective Program*. CATSA is a not-for-profit Crown corporation based in the national capital Region and reports to Parliament through the minister of transport. 🍁





## Developing a travel and tourism Web site by Greg Klassen

When building a travel and tourism Web site, it is essential to keep in mind the target customer and his or her surfing habits. The value North American customers place on the Internet for travel information has exploded, and users are becoming increasingly sophisticated surfers. (See accompanying article )

E-Savvy Travellers (ETs) have increased their expectations of the Web sites they visit. As the top e-commerce category on the Internet today, there are thousands of Web sites dedicated to various aspects of travel. A search on hotels or museums for Calgary alone yields thousands of Web sites claiming they've got just what a customer is looking for, but all of varying degrees of quality and value. Clearly, it is more important than ever to ensure your Web site meets the requirements of today's ETs and stands out from the clutter.

Recent Canadian Tourism Commission research on the travel intentions of North American travellers and their use of the Internet has confirmed that ETs

visit more than 10 Web sites to help them make their travel decisions. They go to different types of Web sites for varying purposes and during different stages of the travel decision process. The type of Web site a travel and tourism business should build will depend on the decision stage and the overall objectives of the site.

There are generally three stages a customer will go through to make a travel decision. The first choice is destination. Research indicates 50 percent of all customers visiting a travel Web site have either no destination or between 2 and 4 destinations in mind. A DMO will want its Web site to inspire visitors to choose their destination, with visuals and editorial presenting a cross section of what the destination offers. Research also indicates that a destination Web site is visited by over 70 percent of ETs and is highly valued by consumers as an objective overview of the destination.

After choosing a destination, an ET will enter the "planning" stage, seeking Web sites for things

to see and do at a destination, where to stay, where to eat, how to get around. Customers also want to get a good idea of how much things cost and the availability of discounts or packages. During this stage, ETs will save information in electronic notebooks, print it, or email it to friends. A Web site should include detailed content focused on the value proposition that makes their destination, event, hotel or attraction particularly compelling.

In the final stage, ETs have decided on a destination, know what they want to see and do, and perhaps where they would like to stay. They have a pretty good idea of the cost and what represents reasonable value in this destination, and are ready to book the bigger ticket items of their vacation including transportation, hotel, and rental car. While more than 50 percent of all ETs have actually booked some aspect of travel online, many will continue to book directly through toll-free numbers and travel agents. Some may visit popular booking sites such as Travelocity, Expedia, or Air Canada. Even if

ETs are not booking their trip online, they certainly are better informed when booking directly themselves or through a travel agent. For many activities at the destination, customers will download pages from the Web site to bring with them on their trip.

When building a Web site, it is important to keep in mind that customers place more value on the Internet as a medium to research, plan and book travel than any other media. The Web site is often the first opportunity a prospective customer may have with a product or destination. In addition to the well-documented do's and don'ts of building a Web site, it is very important the site be reflective of the quality of the product and the type of experience a customer will have. 🍁

*For more information, contact [klassen.greg@ctc-cct.ca](mailto:klassen.greg@ctc-cct.ca)*

*Next month: Marketing a travel and tourism Web site.*

## The Internet and vacation travel

One quarter of Canadian and 35 percent of American households recently used the Internet to research and/or book travel. They are therefore classified as *iTravellers* according to a recently released study commissioned by the Canadian Tourism Commission (CTC) and its partners.

U.S. travellers are more active users of the Internet for planning, booking and purchasing both travel and non-travel items. They have been online for more years and spend more time online every week. Canadian *iTravellers* use the Internet predominantly for research and planning purposes. While Americans also use the Internet first for research,

they have been more welcoming of its e-commerce capabilities. Internet research is a much more important determinant of destination in getaway trips, and long touring trips.

When *iTravellers* go online for travel purposes, approximately half have a specific destination in mind, less than 10 percent have no specific destination in mind and 35-40 percent have more than one destination in mind. Those who do not have one single destination in mind are seen as prime *iTravel* targets. Search engines, airline and accommodation sites play an extremely important role in *iTravellers'* research process, particularly in the early stages.

### Recommendations:

- Prominently display Web site on all marketing materials.
- Maximize value of link and search strategies. Collaborate with airlines to capture *iTravellers* in the early phase of their research.
- Provide online information that is printer-friendly for use on vacations.
- Include options to book offline, provide online security reassurance.
- Majority of *iTravellers* belongs to travel reward programs – collaborate with one, or purchase lists.
- Provide information and packages online for touring and getaway trips.
- Take advantage of *iTravellers'* willingness to provide their



name and e-mail address online – for contests, newsletters, discount notifications.

The study was conducted by Secor in the spring of 2002, for the CTC in partnership with Tourism Toronto, Montréal, Québec, Whistler, Victoria, and Vancouver, Travel Alberta, and the Ontario Tourism Marketing Partnership. 🍁

# Toronto hosts meeting professionals by Martha Plaine

The meetings industry – which includes meetings, conventions, trade shows and incentive travel – is a lucrative sector, worth an estimated \$96.4 billion each year. A major event in this sector – the *World Education Congress (WEC)* – took place in Toronto over three days, July 21-23. By every measure, the event was a success – not only for Toronto where more than \$6.75 million worth of business was generated for the local economy – but also for destinations and tourism businesses in Canada as a whole.

Gino Giancola is senior vice president, sales, for Tourism Toronto. His office has received a steady stream of e-mails, telephone calls, and letters of congratulations from meeting planners and industry peers since July. “Everything we have heard from planners and the industry is superlative... we’re very proud. Even other convention and visitors bureaus have been full of praise for Toronto.”

Barry Smith, president and CEO of the Metro Toronto Convention Centre, was co-chair of the host committee. “Not just Toronto, but Montréal, Québec, London, Ottawa and Canada as a whole – we all received accolades as a community,” Smith says. “And our client – MPI – was very pleased. The success of this event sets us up for future business.”

WEC-Toronto attracted a record attendance – more than 2,900 professional planners from the United States, Canada, and some 28 other countries. Only one other MPI event, held in Las Vegas, attracted a slightly larger attendance (by just 30 people)! The trade show component was sold out, where 570 exhibitors racked up more than 12,000 sales leads.

The 70 professional development sessions were filled to capacity, and the closing night gala presented by Toronto’s MPI-WEC

host committee was a hit. “The Meeting Producers, A Canadian Musical” featured Canadian talent – from professionals such as Colm Wilkinson, the original star of *Phantom of the Opera*, to amateurs including the CTC’s own Donna Owens, director of Meetings, Conventions, and Incentive Travel.

Familiarization trips held before and after the Congress – to the Muskokas, Niagara Falls, Ontario resorts, Ottawa and Thunder Bay – were fully subscribed. For example, the Ottawa trip was sold out with 42 participants who represent more than 26 organizations.

Andrée Steel, vice president of the Ottawa Tourism and Convention Authority, says the participants loved Ottawa. “According to our own survey more than half, or 56 percent, of the participants said they would most likely book a meeting, convention or event

in Ottawa as a direct result of the fam tour.” The Ottawa booth at the trade show during WEC attracted 100 qualified leads.

Niagara Falls hosted a fam tour for 17 meeting planners prior to WEC. Their enthusiasm has already translated into business with several hotels, wineries and golf destinations, according to Joyce Morocco, marketing manager with Niagara Falls Tourism.

In the months to come, Toronto, Niagara Falls, Ottawa, and other destinations will continue to build on the relationships they began with planners who attended the *World Education Congress*. Then the full measure of the success of WEC can be taken. 🍁

*Martha Plaine is a frequent contributor to TOURISM. Email: [mplaine@trytel.com](mailto:mplaine@trytel.com)*

## Tourism P.E.I. welcomes the best

The Canadian Tourism Commission (CTC), together with a variety of regional and industry sponsors, have hosted the Ambassador Invitational executive sales meeting for a number of years in a variety of locations across Canada. The event presents an opportunity for senior international partners, the CTC, and national and regional hosts to get together in an informal setting. The event was last held in the Muskokas in Ontario in 2000.

After a year’s absence from the scene, the Ambassador Invitational made its return this summer as a signature sales and networking event for the Canadian tourism industry. At the end of August, in partnership with Tourism Prince Edward Island and with the support of a number of Canadian hosts, the CTC brought key players in the industry together in informal business sessions as well as socially to learn more about Canada and the opportunities that exist in today’s marketplace.

This year, guests came from not only the U.S., but from China, Japan and Mexico, representing



Photo: Canadian Tourism Commission.

With its tranquil setting overlooking Prince Edward Island’s panoramic North Shore and wide variety of activities offered on-site, Rodd Crowbush Golf & Beach Resort is Atlantic Canada’s newest and most luxurious resort.

tourism industry sectors ranging from touring companies to meeting and incentive travel businesses. “Events like these yield large dividends in both the immediate and long-term future,” says Patrick Gedge, CTC’s senior vice-

president Marketing & Sales. “Anytime you can bring industry leaders together they forge relationships and share knowledge that benefits the industry as a whole.” 🍁

## Boosting German travel to Canada

Thomas Cook, Europe’s second largest tour operator with more than 14 million clients per year, will substantially extend its charter flight connections to Canada as of May 2003. On top of the current weekly connection to Whitehorse, new weekly connections will include Hanover to Moncton and Toronto, Frankfurt to Whitehorse and Anchorage, Frankfurt to Halifax, and Frankfurt to Vancouver.

These additions will bring Thomas Cook’s total air capacity to Canada to some 25,000 seats. The company’s charters from Germany currently operate under the name CONDOR. 🍁

# Reach New Heights with CTC Working Committees

The Canadian Tourism Commission (CTC) is looking for dynamic industry leaders interested in getting involved in its working committees.

The CTC is a public-private partnership whose mandate is to plan, direct, manage and implement programs to promote tourism to and within Canada and provide timely and accurate information to the industry that assists in its decision-making. The CTC's Board of Directors relies on strategic direction and recommendations from the working committees to assist in the elaboration of research, marketing and product development programs.

Help steer Canada's tourism industry along the road to success and promote our country as the world's premier four-season destination to connect with nature and to experience diverse cultures and communities!

If you are an industry leader, a recognized decision maker and want to get more involved in shaping the future of your industry, send your résumé or contact information and areas of interest to:

Joanne Richard  
Canadian Tourism Commission  
55 Metcalfe Street, Suite 600  
Ottawa, Ontario K1P 6L5  
by fax @ 613-941-0523  
or to richard.joanne@ctc-cct.ca

For further information on the CTC's committees and their guidelines consult [canadatourism.com](http://canadatourism.com) (About CTC).

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## Canoe operators in rough water

New legislation intended to establish uniform liability insurance regulations for all passenger-carrying boats came into effect in August 2001. The *Marine Liability Act* has adventure tourism operators across Canada in a frenzy of concern and confusion as they grapple with a law that apparently lumps a fleet of canoes, kayaks, or river rafts into the same category as a Great Lakes passenger cruise ship. There are reports that some smaller operators have already gone under because they can't afford insurance under the new scheme. Others are wondering why Ottawa is wading into this growing industry in the first place.

Quoted by the *Canadian Press* from Edmonton on August 27, Canadian Tourism Commission outdoor adventure sub-committee chair Neil Hartling calls the new Act "an ill-conceived initiative". Hartling's company, Nahanni River Adventures operates commercial canoe trips in the Yukon and Northwest Territories, British Columbia and Alberta. "The bureaucrats in charge did not

even realize that in trying to envelop all commercial marine activities under one act, they are capturing activities they don't understand," said Hartling.

One component of the Act that has adventure operators deeply concerned will prevent the use of liability waivers. Operators have successfully used waivers for many years to prevent or defend against lawsuits in case of accident. The fear is that insurance companies, which have in the past supported or even demanded the use of waivers, will simply refuse to insure water-based adventure businesses or make insurance prohibitively expensive.

The Mariport Group Limited has been charged with producing a report regarding the compulsory insurance regulatory regime contemplated by Section 39 of the Act. The report is expected to be finalized and in Transport Canada's hands by the middle of September, 2002 and should be released to the public after translation in mid to late October.



Photo: www.robsimpson.com.

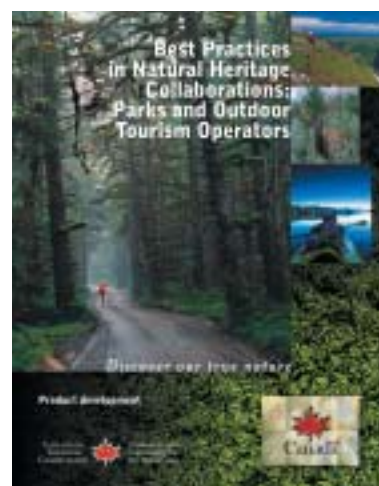
Looking for serenity in the wilderness of Northern Ontario.

Transport Canada is then expected to begin public consultations with stakeholders until approximately mid-January, 2003. Following review of the consultations and written material received, draft regulations will be developed which will also be subject to additional comment by the public.

Changes to Section 39 are not expected to be implemented before next fall. In addition, officials are currently reviewing the definitions of pleasure and commercial vessels in an effort to clarify anomalies raised by adventure tourism groups. There is no target date for completion of this review. 🍁

## Parks issues addressed

The working relationships between Canada's government-operated parks, and operators offering outdoor experiences using those parks, come under the magnifying glass in the latest publication from the Canadian Tourism Commission's Outdoor Tourism Product Development Program. Entitled *Best Practices in Natural Heritage Collaboration: Parks Agencies and Outdoor Tourism Operators*, the document outlines the issues, concerns, and opportunities for a good agency/operator relationship.



The publication received positive attention from delegates from over 130 countries who attended the *World Ecotourism Summit* in Québec City last May. Its findings were also presented to the Federal/Provincial Parks Council at its annual general meeting

in Halifax in September 2002. The publication is currently enjoying widespread distribution to a variety of outdoor tourism stakeholders in Canada and internationally. Copies are available from [distribution@ctc-cct.ca](mailto:distribution@ctc-cct.ca), or on the Internet at [www.canadatourism.com](http://www.canadatourism.com). 🍁

## Americans going green?

A study by *Small Luxury Hotels of the World (SLH)* shows that approximately 80 percent of American travellers believe it is important that hotels take steps to preserve and protect the environment. According to the study, 70 percent of Americans are willing to pay as much as \$150 more for a two-week stay in a hotel with a "responsible environmental attitude" and 55 percent are more likely to book a hotel that purports to be environmentally friendly.

*SLH* is a consortium of more than 270 small, upscale properties. The study, which involved interviews of some 300 travellers at airports in the U.S., U.K. and Australia, found that hotels that care for wildlife, share natural resources, and hire local employees are popular with at least 50 percent of Americans. 🍁



# Enriching Canadian experiences

Canada is a stage for some of the best learning and enrichment travel experiences in the world. Authentic, hands-on and interactive themed experiences – including cuisine and wine, gardens, arts and culture, natural phenomena, nature viewing, heritage and history – can be found throughout Canada. The visitor is rewarded with a greater insight, increased understanding and a personal connection to the people and places visited.

Virtually every corner of Canada, from its snow-capped peaks to its distinctive shores molded by wind and saltwater, holds an enriching and uniquely Canadian experience. View whales and icebergs, marvel at stories shared by native elders and sea captains, indulge in a native feast; there are many ways to gain an appreciation for this great country.

Canada's abundance of national parks, wildlife sanctuaries and vast marine ecosystems make this country an ideal destination for learning and enriching travel

vacations. Take a guided canoe trip in the arctic wilderness. Learn the art of animal tracking. Participate in conservation activities. Be at one with nature as caribou migrate and eagles soar overhead. Share the history and spirituality of the landscape.

Visitors can wine and dine Canadian style. Learn trade secrets from the best chefs and wine fanciers in the land. Put their cooking skills to the test. Feast on lobster or a traditional sugaring-off meal. Canada's diverse cultures and age-old traditions result in a delectable array of learning and enrichment travel experiences.

Canada offers diverse horticultural attractions from coast to coast and enriching travel packages are offered that focus on the fine art of gardening. Discover extraordinary public and private gardens. Learn from knowledgeable guides, interpretative tours and hands-on experiences.

Tour operators and travel agents can learn more about the experiences available by visiting

[www.letacanada.com](http://www.letacanada.com), the primary resource for the vast range of learning and enrichment travel experiences in Canada. This business-to-business website has been developed by the *Learning and Enrichment Travel Alliance*, a member-led national tourism alliance dedicated to the development and marketing of learning and enrichment vacations in Canada. The Alliance represents Canadian suppliers and destinations from coast to coast that offer enriching travel packages and experiences. 🍁

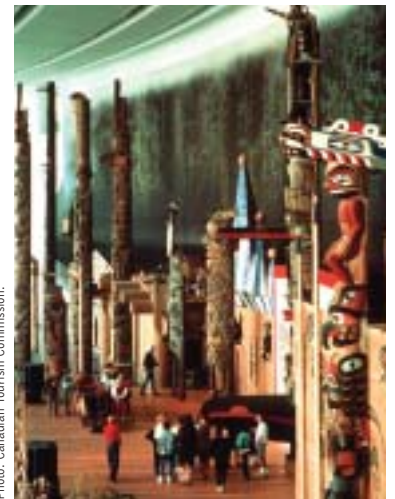


Photo: Canadian Tourism Commission.  
Museum of Civilization, Hull, Québec

## CTC EVENT HIGHLIGHTS DECEMBER 2002

DATE	EVENT	LOCATION	CONTACT
Dec. 4-6	CTC annual staff meeting	Ottawa	cardiff.sharon@ctc-cct.ca
Dec. 10-12	Holiday Teas with BC CVB's	San Francisco	thompson.robin@ctc-cct.ca
Dec. 12-14	HelmsBriscoe Annual Business Conference	Open to MC&IT partners	galloway.sandi@ctc-cct.ca

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# Towards a “smart border”

Prime Minister Jean Chrétien is quoted as saying at the recent *Canada-U.S. Border Summit* in Detroit, “(We need) a border that is open for business, but closed to terrorists.” The Canadian Tourism Commission’s (CTC) industry development division recently collaborated with the *Perimeter Clearance Coalition (PCC)* to study how the U.S. and Canada could best work together to ensure their joint security while smoothing out border crossings for low-risk travellers – all without sacrificing either country’s sovereignty over its own laws and practices.

The final report, *Perimeter Clearance Strategy: To Realize a Smart Border for the 21st Century*, is already available. In October, the CTC will publish a much shorter version of that report, outlining how such a “smart border” might work and particularly how it might help low-risk tourists enter, and move back and forth inside, a Canada-U.S. perimeter.

The *PCC* is a bi-national group of industry and public sector representatives keen to resolve the dilemma of enhancing border safety and security and border-crossing efficiency for goods and travellers, the vast majority of whom pose no risk to either country. The *PCC* recommends that high-risk goods and travellers be screened out long before they enter the Canada-U.S. perimeter, thereby increasing safety and decreasing border waits for all.

Key to the proposed system would be smart cards encoded with unique biometric characteristics, such as iris scans. Cards would be obligatory for travellers requiring visas to enter either Canada or the U.S.; they would be optional for others. Both countries would be free to apply their own rules before issuing cards; but they would alert one another when a smart-card traveller crossed the perimeter or exited either country.

As the *PCC* moves into the post-report stage and focuses more on advocacy, both countries are introducing some of the ideas in the strategy report. For instance,

certain Canadian airports now offer international travellers fast-track lanes if they hold pre-issued smart cards with encrypted iris scans. 

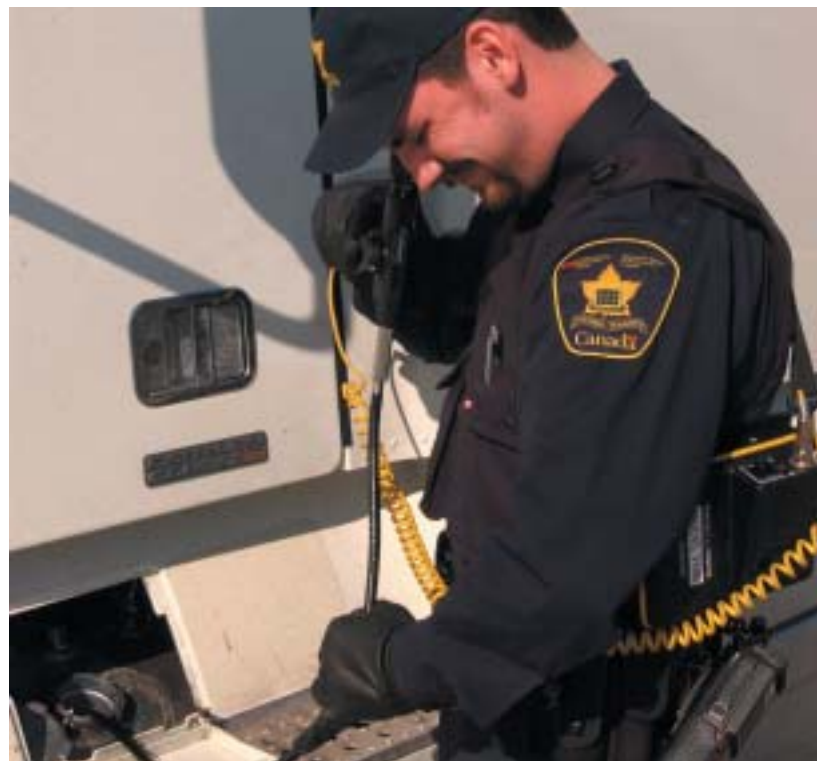


Photo: Courtesy of Canada Customs and Revenue Agency.


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# TOURISM

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# TOURISM

Coast to coast. Cover to cover.



## The Research Viewpoint

New era in research by Scott Meis

You may not have noticed at the time, but at the end of August we released the latest numbers from the *International Travel Survey (ITS)*, measuring tourist traffic across Canada's borders during the first quarter of 2002. (Oh yes – you did notice, right?)

For us in research, these numbers are a big deal. They inaugurate a new era in tourism research. The *ITS*, for those who don't know, measures traffic flows across Canada's borders and paints a portrait of these visitors' characteristics, travel habits and spending while they are in this country. In this way, trends can be spotted for international tourism traffic, predictions can be made for forecasting, and information can be produced for decision-making. Conducted by Statistics Canada in partnership with the Canadian Tourism Commission (CTC), the *ITS* produces numbers that are

released on a monthly, quarterly and annual basis.

The reason we are so excited is that the new numbers come from a new way of gathering the information. The *ITS* is an ongoing study and has been around since the 1920s. It was initially a simple form, requiring very little time to complete. As travel and tourism grew over the decades, so did the form length – and number of forms – required to keep track of visitors to Canada. But for many reasons, the survey had begun to yield data whose quality was eroding – partly because a smaller and smaller percentage of travellers' questionnaires were returned.

So we had to rebuild the machine. Beginning in the late 1990s, the CTC research committee began to address the whole logic and design

of the *ITS*, and developed a new vision more suitable to the needs of the tourism industry, notably rationalizing it to focus on Canada's major ports of entry and key international markets. Among the changes made is the supplement of paper questionnaires, handed out by custom officers to overseas residents as they enter Canada, with personal interviews of some of these visitors as they leave. Also, language capabilities have expanded to 10 languages rather than just two, and sampling has been concentrated into the major and medium-sized Canadian airports. In addition to changing the way data are collected, the methods used to derive the estimates have been improved to better reflect the different characteristics of business and leisure travellers from some key overseas markets.

It has not been an easy task. Traditional surveys involve a

stable population, but the *ITS* involves millions of moving targets. The field work for the *ITS* involves an enormous amount of effort and more than 3,700 people to complete it each month.

We are on the right track. Users of these new *ITS* numbers include the federal and all provincial governments, the CTC, most large Canadian cities and the U.S. government.

As I mentioned last month when describing a similarly massive overhaul of the related survey to the *ITS*, the *Canadian Travel Survey*, for us in research it means a fundamental rebuilding of the machine. Research is one of the cornerstones of the CTC, and with updates such as these, we ensure that the cornerstone is laid on the foundation of solid data collection. 🍁

## Foreign spending drops

According to the international travel account preliminary estimates released by Statistics Canada in late August, Canada's international deficit more than doubled in the second quarter of 2002.

On a seasonally adjusted basis, Canada's international travel deficit reached \$418 million in the second quarter, the highest since the first quarter of 2001. This result is mainly due to a drop in spending in Canada by visiting foreign residents.

Canada's travel deficit with the United States reached a surplus of \$18 million, down however, from \$46 million in the first quarter. Canada's travel deficit

with the overseas countries almost doubled, reaching \$435 million.

Canadians spent almost \$1.9 billion overseas (up 5.5 percent from the previous quarter), while overseas travellers spent \$1.4 billion (down 6.8 percent). However, Canada's international travel deficit in the same period registered a 28 percent increase over the same quarter of 2001, reaching \$331 million on a seasonally unadjusted basis. 🍁

*See next page for a current snapshot of the tourism situation in Canada.*

## Consumer confidence sags

In the U.S., *The Conference Board's Consumer Confidence Index* has declined this summer and now stands at 93.5 (1985=100). The *Present Situation Index* declined from 99.4 in July to 92.0 in August and the *Expectations Index* dropped from 96.1 to 94.5. The *Consumer Confidence Survey* is based on a representative sample of 5,000 U.S. households.

"The index is now at its lowest level since November 2001," says Lynn Franco, Director of The Conference Board's consumer research centre. "The month-to-month decline in the *Present Situation Index* is a strong signal that business conditions have yet to turn around. It also suggests that consumer spending is not likely to gain momentum

any time soon. While consumer expectations are also down, they remain at levels that historically point to a continued, but slow, economic expansion."

There is no evidence for a direct parallel to consumer confidence in Canada, but one can expect there will be a reflection of consumer attitudes on both sides of the border. Moreover, it is very likely that sagging U.S. consumer confidence will adversely affect U.S. tourism to Canada in the short and medium term. 🍁

*Source: The Conference Board, Consumer Confidence Index – August 2002.*  
[www.conference-board.org/economics/consumerconfidence/index.cfm](http://www.conference-board.org/economics/consumerconfidence/index.cfm)

# The tourism situation in Canada

The Canadian Tourism Commission has prepared a statistical snapshot of the Canadian tourism industry almost a year after terrorists attacked the World Trade Centre and the Pentagon in the U.S. The attacks, which shattered the travelling public's confidence for at least a short time, came on the heels of a period of worldwide economic decline. Recovery from the impacts of these two factors has been mixed, as the snapshot shows.

## ■ Tourism Revenues

Tourism demand in Canada reached \$54.6 billion in 2001, up 0.9 percent compared to 2000. In the fourth quarter of 2001, revenues had decreased 6.3 percent compared to one year earlier. Foreign revenues had decreased 10.8 percent while domestic revenues fell 4.9 percent. In the first quarter of 2002, revenues decreased 3.6 percent.

## ■ Jobs

Tourism employment grew 3.1 percent to 563,000 jobs in 2001 compared to 2000. In the first quarter of 2002 tourism employment slipped 0.3 percent or a loss of almost 33,000 jobs. Air transportation was the hardest hit with a decrease of 18.7 percent in the first quarter, following a drop of 16.4 percent in the fourth quarter.

Source: National Tourism Indicators, Statistics Canada

## ■ Domestic Travel

Domestic travel showed signs of recovery in the last quarter of 2001, with increases of 7.7 percent over 2000. Nonetheless, the declines in travel during the first nine months of the year resulted in an 11.5 percent decrease overall in overnight domestic travel in 2001.

Source: Canadian Travel Survey, Statistics Canada.

## ■ International Travel

### Year 2001

International travel to Canada rose just 0.1 percent in 2001 compared to 2000. American overnight trips to Canada increased 2.5 percent compared to an 8.1 percent decline in travel from other countries. Most of Canada's key overseas markets witnessed declines:

U.K.	-4.2 percent
Japan	-16.8 percent
France	-11.2 percent
Germany	-13.2 percent
Australia	-8.7 percent
Mexico	+5.7 percent
South Korea	+7.8 percent
Hong Kong	-9.4 percent
Taiwan	-27.6 percent
Netherlands	-13.0 percent

### Year to date – January to June 2001

International overnight entries to Canada for the first six months of 2002 were down 3.0 percent in comparison to one year earlier. U.S. entries were down 0.2 percent while traffic from other countries fell 13.0 percent.

The continuing bright spot is the number of American tourists entering Canada by automobile, up 6.3 percent for the January to June period. Travel by all other modes declined 10.2 percent over the same period.

Overnight travel from other countries was down 13.0 percent in the first six months of 2002 versus 2001. With the exception of South Korea, the remaining top overseas markets to Canada decreased over the period:

U.K.	-13.5 percent
Japan	-16.4 percent
France	-18.2 percent
Germany	-18.2 percent
Australia	-16.4 percent
Mexico	-3.2 percent
South Korea	+3.7 percent
Hong Kong	-15.0 percent
Taiwan	-24.2 percent
Netherlands	-10.8 percent

Source: Statistics Canada, International Travel Survey.

## A MONTHLY GUIDE TO TRAVEL AND TOURISM DATA

TOURISM ACTIVITY	REFERENCE PERIOD	QUANTITY	% CHANGE FROM PREVIOUS YEAR
<b>TOURISTS TO CANADA</b>			
From the U.S.	January - July 2002	9,142,953	1.0
By Auto	January - July 2002	5,979,321	6.1
By Non-auto	January - July 2002	3,163,632	-7.4
From Overseas - Total	January - July 2002	2,179,151	-10.9
United Kingdom	January - July 2002	422,911	-14.1
Japan	January - July 2002	210,407	-17.8
France	January - July 2002	169,047	-15.6
Germany	January - July 2002	158,122	-17.3
Hong Kong	January - July 2002	72,547	-12.5
Australia	January - July 2002	88,168	-12.8
Taiwan	January - July 2002	61,511	-22.0
Mexico	January - July 2002	98,593	+2.0
Korea (South)	January - July 2002	90,212	+3.0
<b>OUTBOUND CANADIAN TOURISTS</b>			
To the U.S.	January - July 2002	7,524,992	-10.6
By Auto	January - July 2002	4,361,223	-2.4
By Non-Auto	January - July 2002	3,163,769	-19.9
To Overseas - Total	January - July 2002	2,908,350	-8.4
<b>EMPLOYMENT IN TOURISM</b>			
Total Activities	First Quarter, 2002	540,500	-0.3
Accommodation	First Quarter, 2002	154,700	2.8
Food and Beverage	First Quarter, 2002	147,100	0.7
Transportation	First Quarter, 2002	90,800	-7.4
<b>SELECTED ECONOMIC INDICATORS</b>			
Personal Disposable Income per person	First Quarter, 2002	\$21,854	1.0
GDP at market prices (current, \$ billion)	First Quarter, 2002	1,106.4	2.3
GDP chained (1997, \$ billion)	First Quarter, 2002	1,047.7	1.5
CPI (1992=100)	July 2002	119.6	2.1
<b>EXCHANGE RATES (IN CDNS)</b>			
American dollar	August 2002	1.5679	1.8
British pound	August 2002	2.4078	8.7
Japanese yen	August 2002	0.0132	3.9
EURO	August 2002	1.5331	10.3

Note: All tourist estimates deal with trips of one or more nights. All data on this table is not seasonally adjusted.

Sources: Statistics Canada and the Bank of Canada.

## Travel Industry Forecast for 2002 to 2005

- Forecast of travel receipts from the U.S.:
 

2001	+6.2 percent
2002	+4.4 percent
2003	+5.6 percent
2004	+5.7 percent
2005	+4.8 percent
- Forecast of travel receipts from other countries:
 

2001	+0.0
2002	+4.1 percent
2003	+8.8 percent
2004	+7.6 percent
2005	+7.2 percent

Source: International Travel Forecasts, 2002 Second Quarter Update, Canadian Tourism Research Institute, Conference Board of Canada.

## Trends in Travel Behaviour Post 9/11

- Increased preference for travelling by auto versus air
- Willingness to drive longer distances to a destination rather than fly
- Increased interest in reconnecting – getting back to nature, family-related trips
- Increased importance of price and flexibility
- More late bookings
- Increasing Internet usage for travel research and deals
- Increased popularity of rural and back-to-basics travel
- American top-of-mind awareness of Canada at an all time high; 'safe' image. 🌸

Report prepared by the Canadian Tourism Commission, September 5, 2002.





One analyst has recently suggested that **Air Canada** is holding up better than its U.S. counterparts, partly because it has created discount brands Tango and Zip to compete with low-cost rivals. "Air Canada's long-term strategy of geographically diversifying its transportation revenue by offering new products for the price-conscious traveller and accelerating the expansion of its ancillary services is paying off," said analyst Kevin Murphy of the firm Morgan Stanley in the *Globe and Mail*.



Western Canadian resort icon **Harrison Hot Springs Resort and Spa** has been purchased by U.S. based multinational hospitality conglomerate Delaware North Companies Inc. through its subsidiary Delaware North Parks Service. This is the conglomerate's first foray into the Canadian marketplace.



Some 400 delegates will attend the International **Gay and Lesbian Travel Association** annual convention in Vancouver in May 2004. Previous editions of the convention have been held in Cape Town, Wellington, Lima, Rio de Janeiro, Munich, London, and Palm Springs. Organizers felt that Vancouver "has a gay friendly attitude and magnificent scenery."



The final reports on the **World Ecotourism Summit** in Québec City are posted on the Internet at [www.ecotourism2002.org](http://www.ecotourism2002.org). The Web site was set up for the summit's Conference Secretariat and is now owned by Tourisme Québec.



**Kicking Horse Mountain Resort** has been recognized as North America's "Small Resort of the Year" and its Eagle's Eye restaurant as "Mountain Restaurant of the Year" by *The Good Skiing & Snowboarding Guide*. The magazine's editors and contributors made their selection from over

600 resorts worldwide based on the 2001/2002 season, the resort's second winter season of operation.



**Cross Canada Travel** is Canada's latest entry into the receptive tour operator business at the national level. Cross Canada is a wholly owned Canadian company with offices in Toronto and Vancouver. Principal Lorenzo D'Urso says "the ever-changing environment of global travel and recent changes in Canada have created opportunities for a new aggressive, committed inbound receptive operator serving the Canadian market on a national basis." The company will offer a full range of Canadian product offerings including FIT hotels, fly drives, rail tours, city vacations and specialized promotional programs.



The American Bus Association (ABA) has named the **Niagara Grape and Wine Festival** to its list of the Top 100 Events in North America. Since 1982, the ABA has annually selected 100 events in the United States and Canada for this diverse list that contains festivals, exhibitions, fairs, sports events and more. The Niagara festival has been named five times in the 20-year history of the list.



The Canadian Tourism Commission is in the process of developing **a national database of insurance providers** for the outdoor tourism sector. Operators are invited to assist by providing the name and phone/fax numbers of insurance providers (brokers, agents, associations, etc.) that cater to adventure and ecotourism businesses. Please forward your information to Gilles Valade at the University College of the Cariboo in Kamloops, B.C. who will contact the insurance providers directly to obtain the necessary information. Valade can be reached by e-mail at [gvalade@cariboo.bc.ca](mailto:gvalade@cariboo.bc.ca), by fax at 250-371-5845 or by telephone at 250-371-5843. This national database is part of an overall research

initiative, which will also include a group insurance purchasing programs guide and a series of insurance tutorials for outdoor tourism operators.



Canada's ski and snowboard industry now has its own "**Canadian Model for Growth.**" The plan, spearheaded by the Canadian Futures Committee of the Canadian Ski Council (CSC), details the size of Canada's skier/rider market. It predicts where the market will be in the future if the industry does not intervene with initiatives to attract or retain new participants, and where the market could be if the industry responds immediately with positive interventions.

Last spring, the CSC charged the futures committee to oversee development of the new model. Chair Gord Canning, president of Blue Mountain Resorts, was joined by leading members of Canada's ski/snowboard industry to identify actions needed to increase the size and financial viability of Canada's ski and ride industry.



The **Tourism Industry Association of Canada** has formed a partnership with the Air Transport Association of Canada and the Canadian Airports Council to address specific issues introduced at the air travel issues forum in Ottawa last spring. Six key issues were identified: federal government air policy, air access and service to communities, competition, Canadian carriers' economic viability, pricing, and the importance of communication between stakeholders, air carriers and government. A steering committee and three task forces are being set up by the three associations to look for possible remedies.



Tale of two cities: despite the impact of the terrorist attacks a year ago, the past year has been difficult – but far from a disaster –

for airport authorities at two Canadian cities where expansion and renovation continue apace. Passenger volumes at **Saskatoon's John G. Diefenbaker International Airport** are off eight percent so far this year, but Airport Authority CEO Bill Restall considers that loss of business to be comparatively modest. In Newfoundland, **St. John's International Airport** was even able to record a modest increase in profit in 2001 despite a downturn in traffic. In both cities, airport terminal renovations are reportedly on track to be officially opened this fall.



Visitors to **Trois-Rivières, Québec** can get in a little jail time. A new exhibit at the Old Prison will let visitors experience for themselves what life was like in jail in the 1960's and 70's. "Doing time" in a cell for even a short visit offers a realistic feel of life behind bars, especially when ex-convicts are the museum interpreters! The prison, which dates back to 1822, is complete with a dungeon that exposes prison conditions of another era in Canada: a dirt floor, chains, damp stone walls, with neither light nor heat.



New Brunswick's Capital, **Fredericton**, will be the host venue for an international conference of Level II airports in June 2003. Organizers expect some 100 representatives from 30 airports in the eastern region to take part in the conference which will address issues relating to airports like Fredericton's with regularly scheduled passenger service but handling less than one million passengers each year. Topics will include airport security, insurance, financing and changing regulations. 🍁



Photo: Canadian Tourism Commission.

Kingsland Historical Settlement. N.-B.



The Hon. **Jeff Lantz** has been appointed Minister of Tourism for Prince Edward Island. The former tourism minister, The Hon. Greg Deighan, is now Minister of Fisheries.

**Norman Kreutz** is the new director of skiing for Silver Star Ski Resort Ltd. at Vernon, B.C. Originally from Thunder Bay, Kreutz has a notable history in Canada's ski industry as a ski racer and coach and has been Silver Star's assistant ski school director since 1988.

**Terry Ohman** has left the product development team at the Canadian Tourism Commission to pursue personal business interests in the tourism industry. He has managed the Product Club program at the CTC for three years.

At Big White Ski Resort Ltd. near Kelowna, B.C., **Ted Morgan** has been appointed to the position of director of skiing. Since 1996, he had been with the ski and snowboard school at Whistler/Blackcomb.

Head of the Canadian Sport Tourism Alliance **Rick Traer** was re-elected as President of FIBA America – COPABA at its General Assembly this past weekend in San Juan, Puerto Rico. His term of office will run until 2006.

**Bruce Keats** is leaving the Manitoba Tourism Education Council after nine years to take on the role of Vice President of Worldwide Tourism Training and Consulting.

**Mike Hagan** has joined Signature Vacations as its business development manager for B.C. and Yukon.

Transat A.T. Inc. has announced the appointment of **Louise Piché** as corporate vice-president for human resources. Since 1998, she has been vice-president, human resources at the Business Development Bank of Canada.

Former Air Transat Holidays manager of advertising and creative services **Thom Klos** has taken his talents to Tourism

Victoria, where he is now manager of destination advertising.

Westin Grand Hotel general manager **Stephen Darling** has been appointed chair of Tourism Vancouver.

**John Gravel** has returned to Trafalgar Tours where he is now sales executive for eastern Ontario, Québec and the Atlantic provinces.

The Greater Vancouver Convention and Visitors Bureau has appointed **Richard Yore** as manager, sales and market development international, to focus on the meetings and events business. Yore has moved over from the Sheraton Suites Le Soleil Hotel.

Alberta Economic Development has appointed **Louise McGillivray** as executive director for the tourism development and tourism services branch. McGillivray replaces **Bruce Wilson** who has been seconded to the Edmonton Region River Valley Alliance.

**Dennis Zimmermann** has been appointed marketing manager at the Wilderness Tourism Association of the Yukon. He brings over ten years of tourism and hospitality experience, including the last five years developing and marketing adventure and wilderness tour products in the Northwest Territories.

**Jenny Dunbar**, sales development director for the Americas at Travel Alberta International, has been appointed a member of the CTC's U.S. Cities/Resorts and Touring Sub-Committee.

**Daniel Mason** has been appointed district sales manager for Alberta, Saskatchewan and Manitoba at Encore Cruises. Mason has 17 years experience in the travel industry and most recently the national cruise co-ordinator for Carlson Wagonlit Travel – Canada Cruise Centre in Vancouver. 🍁



Photo: Canadian Tourism Commission.

Maligne Lake, Jasper National Park, Alberta.



David G. Morrison

## Tourism Profile

To keep our readers informed about key decision-makers in Canada's tourism industry, *TOURISM* is introducing the members of the Canadian Tourism Commission (CTC) board of directors. Each profile highlights the personal vision of these industry leaders as they voice their opinions on important issues facing the tourism sector.



**David G. Morrison**, along with Chairman Judd Buchanan, is the longest-serving member of the CTC board of directors. As the regional private sector representative for Alberta, the Northwest Territories and Nunavut, Morrison has been sitting on the board since 1995. He is the chair of the corporate governance committee, and a member of both the executive committee and the nominating committee.

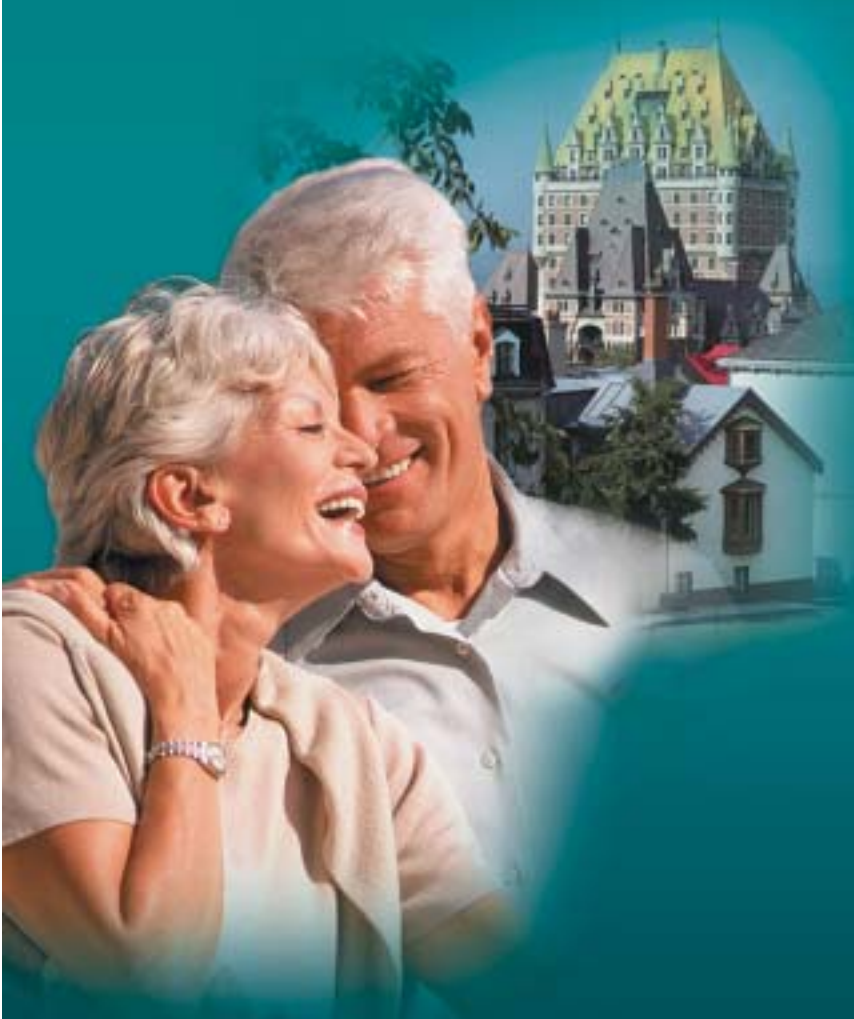
Morrison is President and Chief Executive Officer of Brewster Transport Company Limited and is an officer of its parent company, Viad Corp, a publicly traded corporation. Morrison is an active member of several business organizations, the Banff/Lake Louise Chamber of Commerce. He graduated from Dalhousie University in 1969 with a Bachelor of Commerce degree.

Speaking with *TOURISM*, Morrison said he is pleased to see that, although most regions of Canada are currently having a difficult time, there is a growing awareness of the external competition we face and the resulting loss of market share. This is leading to more opportunities to work together to the benefit of all regions of Canada, throughout our four seasons.

Morrison supports the CTC goal of evolving into the best full-service national tourism organization in the world, through creating more innovative marketing partnerships with all stakeholders. As the CTC follows its mandate to be research based and market driven, a clear vision based upon forward-looking research will attract new partners to address market share loss in some of our primary markets. 🍁



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