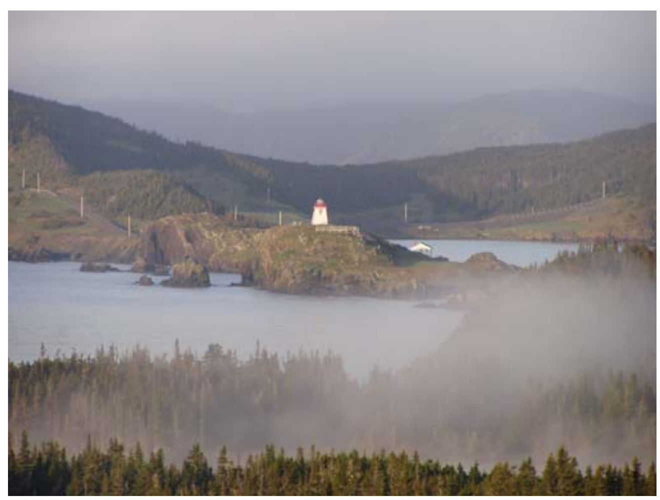
Atlantic Canada Showcase Research Project and Future Strategy



The Economic Planning Group of Canada
Tourism Consultants

Atlantic Canada Showcase Research Project and Future Strategy

Submitted by

The Economic Planning Group
in association with
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Section 1
Introduction

Background

Atlantic Canada Showcase (ACS) is the largest travel trade marketplace in the region. Held in October, every two years and in rotation around the four provinces, ACS provides Atlantic Canada's tourism businesses the opportunity to meet with travel trade operators in a trade show environment. The most recent Atlantic Canada Showcase was held in October 2008 in Moncton. An integral part of ACS is regional familiarization tours (FAMS) held in two provinces prior to the show and the other two provinces after the show, with a significant number of the buyers who attend the show participating in the FAMS.

Atlantic Canada Showcase is provided with financial and non-financial support by the Atlantic Canada Tourism Partnership (ACTP); additional support comes from the provinces, sponsors and registration fees.

Attendance at ACS from both buyers and sellers has declined over the past three shows. At the same time, ACTP has monitored downward trends in group, FIT and specialty travel arrivals into Atlantic Canada. These trends, attributed to a variety of factors, have caused ACTP to re-examine Atlantic Canada Showcase's role in connecting tourism businesses with trade and specialty travel professionals and to identify whether there are new, fresh approaches that could be used in connecting the region's tourism operators with trade professionals selling Atlantic Canadian travel experiences.

ACTP issued a request for proposals for this work and The Economic Planning Group in association with Minto Schneider was selected to undertake the project. The work was carried out during May and June, 2009.

The consultants would like to thank the members of the ACS Strategy Committee and the travel trade staff from the provincial tourism departments for their time and input to this process. As well, a special thank you to the sellers and the buyers who agreed to participate in the study and took time out of their busy schedules to talk with us.

Scope of Work

The scope of work for the project was outlined in the request for proposals and included the following:

- Initial conference meeting with the ACS Strategy Committee
- Review of background material on ACS and review of research on the travel trade sector from ACTP and CTC. A summary report documenting key findings was provided.
- Development of discussion outlines, approved by the Strategy Committee, for both buyer and seller interviews.

- Telephone interviews with 10 sellers from each province, drawing from a list provided by the provincial tourism industry associations. These interviews included the travel trade staff from all four provincial tourism departments.
- Telephone interviews with 36 buyers, 9 of whom either had never been to ACS or did not go in 2008.
- Interviews with the managers of several other North American travel trade shows/marketplaces.
- A summary report on key findings from the interviews with both sellers and buyers.
- Facilitation of a visioning session to agree on future directions for ACS. This session was with the ACS Strategy Committee and travel trade staff from the four provincial tourism departments.

This document presents the key findings from our research and the visioning session in the form of a strategic action plan for Atlantic Canada Showcase.

Section 2 summarizes key findings from the literature review provides and Section 3 provides some background information on ACS. Section 4 describes the findings from our research with both buyers and sellers while Section 5 provides information on the other travel trade shows interviewed. Section 6 explores a strategic action plan for the future of ACS incorporating the consulting team's conclusions and the discussion from the visioning session.

Key Findings and Conclusions

Key Findings

The Atlantic Canada Tourism Partnership (ACTP) is focused on promoting Atlantic Canada as a leading vacation destination in key American and European markets in support of its mission - to grow the tourism industry in Atlantic Canada. A significant thrust of ACTP's efforts involves working with the travel trade through partnerships and other initiatives. For many years a core initiative within ACTP's overall travel trade strategy has been support of Atlantic Canada Showcase. ACTP's support, both financial and non-financial support has been vital to the success of ACS.

The travel trade business, and in particular the group tour business, is undergoing some fundamental shifts, the most notable being a decline in demand for the traditional group tour. This factor, combined with the numerous external factors (exchange rates, border issues, gas prices, economic conditions, etc.), high prices, increasing competition and limited awareness of Atlantic Canada (in US and European markets), have created a 'perfect storm' for travel trade business, particularly group tour business, in the region.

However, there is still significant travel trade activity in Atlantic Canada and reportedly some growth in business with a number of sellers and destinations citing increases in activity over the past few years. As well, more than ½ of the industry suppliers interviewed reported that travel trade business was a 4 or 5 in importance to their business (with 5 being high).

Atlantic Canada Showcase is well-received by both buyers and sellers and, almost without exception, meets expectations by both groups. It is seen as a key piece of the travel trade marketing efforts by the provinces, DMOs and sellers, bringing buyers to Atlantic Canada and showcasing the region, and providing sellers with a cost-effective way to establish and maintain relationships with travel trade buyers.

The show itself, its format, management, key features and the FAMS are all very well-received, with only a few minor needs for change and improvements identified. In fact, none of the buyers identified any major weaknesses with the show and about 1/3 could not think of any weaknesses at all. Some concerns were expressed about the length of appointments (should be a bit longer) and appointment scheduling, and about some of the show logistics in Moncton.

The major concern expressed by sellers was a need for more, new, qualified buyers, and more different types of buyers such as more FIT buyers, specialty buyers and on-line buyers to reflect the changes happening in the marketplace. This shortage of quality buyers was the key reason that the show did not meet expectations in the few cases where this was the case, and was identified as the major weakness by many of the sellers.

Some buyers indicated the show was too group-oriented and identified a need for more product that was oriented to the FIT market and for sellers offering different types of products and experiences; several also indicated that the suppliers did not understand how to work with receptives and FIT tour operators and needed more education. More ‘forced’ networking at the show was suggested. Many of those interviewed also talked about the need to know the dates and location of the show much earlier, i.e. at the end of the preceding show, given the long advance planning time particularly for buyers.

The timing of the show, while problematic for a few buyers (particularly UK buyers) was seen to be ‘probably the best’ given all the factors. Rotation among the four provinces was popular as long as the location had good air access and an appropriate venue.

Although not specifically posed in the terms of reference for the research, the ability of Atlantic Canada Showcase to generate a positive ‘return on investment’ was raised by the project proponents after the draft report was delivered to the ACS Steering Committee. A measurable return-on-investment cannot be provided. Most (if not all) of the sellers interviewed were not able to track room nights sold nor associated revenues generated as a result of Atlantic Canada Showcase. Much of the sellers’ interactions with the travel trade relate to building new and maintaining existing relationships. It was impossible for them to indicate definitively which ACS activities, if any, led to sales.

Data on the overall value of travel trade-related business in Atlantic Canada would be valuable in this context but the statistics needed to develop this data are not available and collecting them would be extremely challenging.

ACS is clearly a critical event for many of the sellers in their efforts to develop travel trade relationships and do business; the show is obviously of substantial benefit to both buyers and sellers. The research indicated that ACS is a key strategic piece of overall travel trade marketing efforts in Atlantic Canada.

Future Strategy for ACS

In a visioning workshop held with representatives of the four provincial travel trade teams, the four tourism industry associations and ACOA, it was agreed that continuing ACS was an important part of the region's overall travel trade marketing effort and that the original goal, to provide an opportunity for smaller sellers to connect with travel trade buyers, remained valid. ACS's key role was identified as showcasing the culture and tourism products of the region to travel trade buyers with FAMS being an integral part of the show. The workshop discussed the findings and recommendations arising out of the research; however, there was no final resolution as to the format, show content or other potential changes.

The research findings and the implications for ACS explored at the workshop are presented in the form of a strategic framework with six overall strategies:

Strategy #1: Enhance Travel Trade Participation in Atlantic Canada Showcase

Strategy #2: Enhance Seller Participation in Atlantic Canada Showcase

Strategy #3: Develop an Educational Strategy for Sellers and Buyers

Strategy #4: Enhance the use of Web-based Technologies for Atlantic Canada Showcase

Strategy #5: Refine Show Format and Other Operational Details

Strategy #6: Enhance Show Planning and Management Resources

A key priority for ACS will be to attract new qualified buyers with the understanding that changes in the mix of buyers will necessitate careful attention to the mix of seller product that is represented at the show along with appropriate modifications to the FAMS.
In this context, a key need is for a much earlier decision about the dates and location of the next show. This should be announced at the end of each show, and Atlantic Canada's suppliers provided with the tools needed to promote ACS during the period between shows.

The research also indicated a need to 'refresh' the sellers at ACS and to encourage the offering of new products and experiences along with a broader mix of experiences, either from existing or new sellers. Strategies #1 and #2 address the issues around enhancing both travel trade participation and seller participation.

Ensuring that sellers attending ACS are educated on working with the travel trade and in particular with types of buyers other than the traditional group tour operator (e.g. receptives, FIT) is critical and is addressed in Strategy #3.

The ACS website is an important tool for keeping both buyers and sellers informed and there is an opportunity to make more extensive use of the website between shows, particularly with information on the upcoming show and a clearly identified point of contact for enquiries. The site could also be used for more broadly for pre and post show activity and information.

Strategy #5 explores issues around the show itself, its format and content. Based on the research, the timing and overall length of the show, the buyer-seated format and other key elements are recommended to continue as they are with potentially slightly longer appointments if this can be accommodated without increasing the length of the show. The round tables should continue, with some improvements. Provincial tourism presentations need to be updated and focus on new products and experiences.

The gala event needs to be carefully reviewed as to its role and format, given more limited resources than in the past.

The need for more effort between the ACS shows will necessitate additional human resources during this period perhaps in the form of an extended contract or a two show contract with the show managers and is addressed in Strategy #6. This will require financial support from ACS partners.

New Approaches to Connecting Buyers and Sellers

Interviewees had only a few suggestions about new or innovative approaches that could be used to connect buyers and sellers. With the increasing role of the Internet in the travel industry generally, it is likely that web-based interaction will increase although buyers do not think the Internet will replace the importance of face-to-face interaction at marketplaces and in sales calls.

OMCA and ABA are in the midst of a major new initiative called 'GroupConnect' and it would be worthwhile to explore whether there is an opportunity for Atlantic Canada and its suppliers to participate in this initiative in some way. Another opportunity may be for the region to build more profile at other major shows, such as RVC, ABA, OMCA, that attract buyers that do not attend ACS. Finally, another approach worthy of consideration is to host small, carefully designed and targeted FAMS, in combination with mini-workshops in the region to attract more significant travel trade buyers. This should be part of a package of initiatives aimed at these buyers including such things as marketing partnerships and in-market support.

Section 2
Atlantic Canada Showcase

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Section 2
Atlantic Canada Showcase

Introduction

Atlantic Canada Showcase is held every two years in October, with the location rotating between the four Atlantic provinces. Overall responsibility for the show is in the hands of the provincial Tourism Industry Association in the host province who works closely with their provincial travel trade staff and a committee in planning for the show. A show manager is contracted some 6 – 8 months prior to each show to handle the detailed planning and arrangements.

Originally held annually, ACS was moved to a biannual show about ten years ago. The timing of the show has always been problematic given the need to balance supplier concerns about it not being during their peak business periods with the schedules buyers and others shows, as well as a strong preference to keep it during a time of year that is appropriate for FAM tours. The current dates, before Thanksgiving, do pose somewhat of a challenge for participation in the post-show FAMS since they run into Canadian Thanksgiving Weekend.

The show is a 3 1/2 day event, starting at noon on Day 1 and ending with a final lunch on Day 4. The first half day is dedicated to orientation sessions primarily for sellers with the full program starting the morning of Day 2. Two evening events are held, a Welcome Event from the hosts on Day 2 and an Atlantic Canada Gala on Day 3. Two to three day FAMS of two provinces are held before and after the show.

Recent Performance

Attendance at ACS has been declining as illustrated in the statistics below:

	2004	2006	2008
Buyers (Companies)	43	42	38
Sellers (Companies)			
NB	23	25	28
PEI	19	26	14
NL	45	23	20
NS	24	25	26
Regional	18	17	17
Total Sellers	129	115	105

There have been a number of recent changes to ACS. These have included:

- 2008 was the first year with buyers from overseas, specifically the UK, introduced as a pilot project. Note that buyers that sell into overseas markets, such as Vision the Atlantic Canada Company, Canadvac and Jonview, have attended ACS on several occasions.

- 2006 introduced buyers who focus on website sales and FIT operators, which continued. However, based on the buyer profiles, there were only 2 buyers who indicated FIT under company type and no web wholesalers. (This appears to be due to wording of the question in the buyer profile which asks the buyer to select one company type that best describes their business, but does not ask tour operators/receptives if they sell FIT product as well as group tours. Our research with the buyers indicated that actually almost 50% of them sold FIT product)
- Exhibitors were added in 2006; this was well-received and continued in 2008
- Starting in 2006, ACS became a buyer-seated marketplace; this was very well-received by both buyers and sellers.
- For 2008, a buyer round table session was introduced; this was also very well-received although there were some logistical and management challenges with this feature in 2008.

The Buyers

For 2008, the buyers at Atlantic Canada Showcase were based in:

- Atlantic Canada (6)
- Other Canada (21)
- US (8)
- UK (3)

ACS asks each buyer to provide a profile of their business and their history in Atlantic Canada. However, these profiles do not indicate which markets these buyers are selling in so it is not possible to identify how many of them are active in ACTP's target market areas. (The research with buyers obtained this information and this is reported in the next section of the report)

A review of the buyer profiles from 2008 indicates the following about their activity in the region. Note that totals do not add to the number of buyers since not all buyers responded to every question. Percentages are based on total responses to the question.

Type of Company				
Tour Operator	Receptive	FIT	Wholesaler	Web Wholesaler
24 (63%)	12 (31%)	2 (6%)	0	0

Room Nights Sold per Year in Atlantic Canada				
50 or less	50 – 100	100 – 150	150 – 200	200 +
6 (16%)	3 (8%)	4 (10%)	1 (3%)	24 (63%)

Number of Tours in Atlantic Canada Since 2003				
Less than 5	5 – 10	10 – 15	15 – 25	25+
1 (3%)	6 (18%)	3 (9%)	3 (9%)	19 (61%)

Number of Tours Per Year in Atlantic Canada				
Less than 5	5 – 10	10 – 15	15 – 25	25+
3 (8%)	12 (34%)	2 (6%)	12 (34%)	6 (16%)

There is no information in the buyer profile specific to FIT activity in the region, though we assume it is included in the room nights sold.

The questions contained within the buyer profile need to be re-worked so as to provide information that more accurately reflects the character of the tour operator's business and, therefore, will be of more use to sellers. Recommendations as to the types of changes needed are provided in Section 6.

The Sellers

For 2008, the breakdown of sellers was as follows:

Type	Regional (More than 1 province)	NL	NB	NS	PEI	Total
Accommodations	9	10	7	17	4	46
Attractions	1	5	13	3	4	26
DMO/PMO	1	5	7	4	2	19
Receptive Operators	0	1	0	0	0	1
Tour Services	0	0	0	0	0	0
Transportation	5					5
Festival	0	0	0	1	1	2
Other	1	0	2	0	3	6

We have reviewed the list of sellers from 2008 and, based on our knowledge of the industry, grouped them into small, medium and large operators (on an Atlantic Canada scale). Out of 105 suppliers, we estimate approximately:

- 42 are 'large' (regional/national chains, major hotels, Parks Canada, transportation companies and PMOs or DMOs)
- 43 are medium (mid-sized hotels, resorts, provincial attractions)
- 20 are small (mostly seasonal, smaller accommodations and attractions). Note that there are no very small accommodations such as inns or B&Bs.

From the seller profiles, most are seeking group business (99%) or FIT business (93%). 75% are seeking convention business and 60% incentive business. This includes 53% of sellers who are looking for all types of business.

Response to Atlantic Canada Showcase

Attendees at Showcase are surveyed at the end of the show to explore their reaction to ACS. Key findings from the 2008 survey are reported below, taken from an Executive Summary of the survey results.

<u>Sellers</u>

- 58 respondents from a total of 105 individual sellers
- 96% indicated it met their expectations; 1 respondent indicated it did not

- Sellers were generally pleased with the appointment selection. They were asked about the impact on their business on a scale of 1 – 5 and the responses were very positive. Although only 17% rated sales volume on site a 4+ this is not unexpected since actual business/sales tend to be secured after the show, and may well take several years to materialize.

	Score less than 3	3	4 +
Sales Volume on Site	22%	61%	17%
Market Visibility	11%	23%	66%
Future Business	16%	29%	55%

- Respondents were asked about their sales volume at the Show but most not answer this question.
- Social events were well rated though there were some concerns about loud music hampering networking and overly long speeches at some events.
- Overall, respondents indicated this is the best time of year for ACS.
- Some operational/logistical concerns were expressed about the quality of food, the length of appointments and the organization of the buyer/seller round table (2008 was the first year for this feature).
- Respondents were asked what they liked most and what could be improved on:
    - Liked Most:
        - Networking
        - Qualified buyers already interested in Atlantic Canada
        - Buyer Seller round table
    - Improvement Needed:
        - Length of appointments
        - Entertainment at the gala

<u>Buyers</u>

- 22 respondents from a total of 51 individual buyers.
- The Executive Summary does not provide data on whether ACS met the expectations of buyers.
- All indicated they would expect to increase room nights in Atlantic Canada, with an average increase expected of 20%
- All indicated they would attend a FAM in the region in the non-showcase year
- When asked what could be done to improve their clients' experiences in Atlantic Canada:
    - Increase season
    - Educate smaller suppliers about commissions and rate scales
    - More advertising in Europe
- Some operational/logistical concerns were expressed about the quality of food and the entertainment at the Moncton event.
- Respondents were asked what they liked most and what could be improved on:
    - Liked Most:
        - FAMS
        - Quality of sellers, well prepared
    - Improvement Needed:
        - Shuttle
        - Entertainment at the gala

Strengths and Weaknesses

Based on the background material on ACS provided to us and our consulting team's insights, the following strengths and weaknesses were identified. They do not reflect results from the buyer and seller interviews conducted as part of this study but, in fact, most were confirmed in this research.

Strengths

- ACS is providing an excellent opportunity for small to medium size sellers from Atlantic Canada who may not qualify (or cannot afford) to attend larger shows like Rendez-vous Canada, NTA, ABA, etc. to meet with tour operators.
- ACS brings buyers to Atlantic Canada to see product first hand through their participation in the pre and post show FAMS. The FAMS are seen as a major strength of ACS.
- ACS provides an excellent opportunity for sellers to nurture and strengthen their relationships with existing and potential buyers.
- Buyers are qualified and have an interest in Atlantic Canada.
- Sellers see "tremendous value" in ACS.
- ACS helps generate (and maintain) sales to the travel trade but it is difficult for sellers to quantify the direct relationship since sales evolve over time and it is hard to link sales directly to ACS.
- The location and venues appear to be working well.

Weaknesses

- ACS is attracting fewer buyers with challenges reaching the initial targets of 60 buyers at the past two shows. Although the actual number of buyer companies has only declined by 5 since 2004 it appears that the quality of buyers may not be as good as it once was.
- The buyers attending may not be the right buyers to achieve objectives of increasing business to Atlantic Canada given trends occurring in the marketplace.
- The number of sellers attending has also been declining.
- The ACS website describes criteria that will be used to confirm both buyers and sellers for participation but it appears that not all of these are actively used as selection criteria.
- The information collected in the buyer profiles needs to be reviewed to provide more insights both to suppliers and to show organizers.
- The overall emphasis at ACS is still on group tour business despite a significant decline in group tour activity in the region. There appears to be relatively few buyers who are FIT focused or web-based tour operators, or in other group markets such as special interest travel.
- There is no information on which geographic markets the buyers sell in so it is impossible to evaluate this in the context of ACTP market priorities.
- A number of the major tour operators, including some who have partnerships with ACTP do not attend ACS. This includes Grand Circle Travel and Tauck (who had planned to attend in 2008 for the first time but cancelled for personal reasons).
- The market is changing, as discussed earlier, and ACS has not fundamentally changed in the past ten years.

- There are some concerns about elements of ACS, specifically:
    - The length of appointments (2008 appointments were 7 minutes compared to 9 in earlier shows)
    - The social events – quality of entertainment, events not appropriate for networking, too many/too long speeches
    - Timing of ACS -
- It appears from the material we have reviewed that there have been recommendations and suggestions made that have not been implemented. Two examples:
    - Attracting a different mix of buyers. The 2004 Wrap up report recommended "that the Buyer Criteria needs to be reviewed and needs to consider operators who focus on web site sales and FIT buyers" but there are only two buyers reporting FIT and none indicating that they were web wholesalers in 2008. (This appears to be due to the way buyer profile information is collected and compiled). This report also recommended a revision of seller criteria to consider FIT as well.
    - Hosting a 'super FAM' in the alternate year to ACS

Section 3
Key Findings: Review of Travel Trade Research

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Section 3
Key Findings: Review of Travel Trade Research

Introduction

This provides summary of findings from our review of the background material and literature, on the travel trade sector. It also reflects our team's insights into the travel trade sector, drawing from first-hand experience and recent work with this sector including interviews with travel trade representatives for several projects over the past couple of years and work for the TradeSmart program during winter 2008.

A bibliography of research material is provided at the end of the report. Numbers in ( ) in the text are references to specific items in the bibliography.

Trends in the Travel Trade Sector

North American Markets

- There has been a general, and significant, decline in group tour activity in North America. Reasons for this include:
    - Demographics – the traditional group tour market is aging beyond their active travel years and the new 'mature' adults are not behaving the same as the preceding generation. Their mindset is a lot younger, and their travel experiences and their travel choices are far more extensive. One result is that they are not choosing motorcoach travel.
    - Strong competition from the cruise sector which has cannibalized a lot of the group tour business.
    - Customer demand for flexibility, choice and more in-depth and meaningful experiences in their travel, features which are not seen as part of group tours.
    - The importance of time – "the currency of the new millennium" and travel by motorcoach is not seen as making the best use of vacation time.
    - Growing demand for shorter trips
    - Growth in the use of the Internet for travel planning, opening up a wide variety of destination choices and enabling the customer to explore options and prices.
    - Customer demand for quality and experiences
    - 9-11 and subsequent concerns about terrorism
    - Growing inter-generational travel, i.e. children accompanying their grandparents.

There are indications from some group tour operators that affinity group (pre-formed groups/special interest) travel has been more stable and may even be growing but we have no data to support this.

- Tour operators have responded to this decline by adapting their offer in a variety of ways. These include such things as:
    - New products such as shorter tours, cruise tours,
    - New destinations that offer something different and unique

  - New market segments, such as family travel, learning travel,
  - Smaller groups
  - Special interest tours
  - More experiential products
  - More focus on affinity (pre-formed group) travel (In 2006, it was reported as representing 30% of package travel in the US). The 2006 US Tour Operator Inventory Study (2) stated that “many companies have discontinued doing tour and now focus on charters (pre-formed groups) only.”
  - More FIT product

- Increase in the use of the Internet by tour operators to promote their tour products.

- Increase in tour operators offering FIT programs. In 2003 research, 6% offered FIT programs; in 2006, 23% offered FIT programs (2).

- Increase in special interest tours, from 11% of tour operators in 2003 to 34% in 2006. (2)

- Tour operators are working in consortiums more than they used to, with one or two partners in the consortium selling Atlantic Canada. Examples cited in the 2006 US Tour Operator Inventory Program were Travel Alliance LLC (consortium of 33 companies with Atlantic Canada sold by 2 of them) and Encompass Tours and Cruises (6 companies working together to be non-competitive, with one member selling tours to Atlantic Canada).

There has been a significant decline in travel trade activity in Atlantic Canada since 2000. As far back as 2005, when US travel generally was strong, 80% of tour operators reported their sales as “far below the levels of four to five years ago” (3). While direct motorcoach arrivals appear to have declined most significantly (down from 38,000 in 2002 to 12,500 in 2007, a decline of 67% (8)) the research suggests that FIT and fly-in motorcoach activity also declined. Unfortunately the way travel data is collected for Atlantic Canada there is no data on the volume of FIT and fly-in motorcoach activity.

The research literature also provides insight into the types of companies that bring group tours to Atlantic Canada and some shifts in this mix:

- The travel trade industry can be segmented into three groups according to the Atlantic Canada Travel Trade Outlook report (2006) (3):
  - Large, sophisticated companies – 10% of companies representing 50% - 60% of total trade sales in Atlantic Canada
  - Medium sized companies – 40% of companies generating 25% - 35% of total sales; a mix of smaller but sophisticated tour operators and large motorcoach companies
  - Small companies – 50% of companies supplying an estimated 15% - 25% of total sales in the region. These tend to be local or regional bus companies, often catering to charter groups or very small tour operators
- There has been significant changes in the companies that bring tours to the region. The 2006 US Tour Operator Inventory Program (2) reported that:
  - Of 99 tour companies who bought tours to Atlantic Canada in 2003, only 52 were planning to do so in 2006.

- o On the other hand, 30 companies that did not bring tours in 2003 were planning to do so in 2006. Many of these were reportedly smaller companies selling to pre-formed groups.
- o Only 81 of 288 US tour companies who indicated they were doing tours in Atlantic Canada actually did tours to the region

Interviews with buyers and sellers for this project and their reports on what is happening in the group tour business suggest further shifts in the past two to three years. A number of the larger companies (e.g. Collette Vacations, Tauck World Discovery, Grand Circle Tours) who traditionally bought significant numbers of tours to the region have cut back their number of departures, in some cases considerably. Concurrently, there has been growth in some 'value' tour operators, such as Caravan which offers Maritime Canada tours, 8 days starting at $995 and is reportedly bringing more than 50 tours to the region. There are also reports of growth in tours from central Canadian Chinese ethnic markets.

The recent economic downturn combined with border security issues has only compounded the challenges facing the travel trade business in the region. Along with the general decline in group tour activity, the decline in group travel to Atlantic Canada has been impacted by:

- ♦ A general decline in US travel to Canada since 2002
- ♦ High prices in Atlantic Canada – 62% of tour operators surveyed in 2006 indicated high prices was the main reason for the decline in their activity in the region (3). There are several factors at play here:
  - o The increased value of the CDN $ in the past few years has removed the significant cost advantage Canada enjoyed for many years.
  - o Atlantic Canada has HST, adding 13% (previously 15%) to costs.
  - o Tour operators indicate that prices in parts of the region, particularly Halifax are high, even higher than Toronto.
  - o Increased fuel costs.
  - o Reluctance on the part of tourism suppliers to offer the same level of net that tour operators can get elsewhere.
  - o The federal government's removal of the HST tax refund program. Although a significant portion of the program was re-instituted, recent CTC research (6) indicates it is hard to get reimbursed and is an 'accounting nightmare'

  The net result, according to the 2006 research, is that prices have increased 35% - 50% to American tour operators.

- ♦ Loss of the Scotia Prince cruise service and a challenging CAT schedule
- ♦ Declining awareness of Atlantic Canada (may be influenced more by increased competition)
- ♦ Increased competition from emerging global destinations at very competitive prices.
- ♦ Significant increase in cruise ship activity in the region, with a portion of the market choosing this option over motorcoach tours. The impact of cruise has been particularly strong in the eastern seaboard area which has easy access to embarkation ports such as New York.

- Border security issues and passport requirements.

Another issue is whether the nature and quality of the product and experiences in Atlantic Canada are responding to market expectations. Interviews we have completed with tour operators for other projects have suggested that this is an issue, particularly in combination with the high prices, consumer interest in emerging and unique destinations and the other challenges mentioned above. While the region has the underlying resources (natural, cultural, heritage, etc.) are they being packaged/facilitated in a way that creates easily accessible, unique and memorable experiences for visitors?

A more fundamental question is whether Atlantic Canada is offering the right experiences to the right travel trade markets. With the significant decline in the traditional travel trade market from the US, should future efforts be focused on other travel trade market segments such as FIT, special interest groups, affinity groups and/or overseas markets?

Atlantic Canada is by no means alone in the decline in US travel, with US travel to Canada reaching record lows. A recent CTC report (6) provides some insights into US market conditions.

Over the past 3 years, US outbound air travel to Asia, Central and South America has increased sharply, to Europe, Mexico and the Caribbean it has increased marginally, and to Canada it has declined. Auto travel to Canada has declined more dramatically. The report identifies a combination of short term and ongoing issues as the reasons, including:

<u>Short Term Issues</u>

- Devaluation of US dollar against CDN $
- Rising price of gas
- Perceived border crossing hassles
- Weakening economy

<u>Ongoing Issues</u>

- Airfare costs to Canada (higher than an equidistant domestic trip or trip to Europe)
- No sense of urgency to visit Canada
- Canada perceived more as a getaway not a primary vacation destination
- Limited vision of Canadian vacation product
- Lack of strong call to action

Travel trade (tour operators and travel agents) are a low source of inspiration for trips to Canada, only 4% compared to 42% for friends/relatives and 17% for the Internet. Only 18% book through a travel agent/package provider.

The report includes a section on perspectives of the travel trade (travel agents and tour operators) regarding trends. Their perspective was that Canada was more ‘flat than down’ primarily because there is an absence of a compelling reason to go, aggravated by economic and border issues. The travel trade respondents reported the following trends:

- o Growth in internet bookings
- o More multi-generational travel
- o More savvy travellers with their minds made up before they approach an agent
- o Increasingly younger travellers seeking a break
- o More active travellers looking for meaningful experiences with extreme adventures appealing to a larger niche
- o Group travellers want flexibility, a sense of freedom, the ability to have meals on their own and do separate activities

The report also made some specific suggestions about the travel trade and channelling support for the trade into specific areas. The suggestions relevant to tour operators include:

- ♦ Supporting tour operators in their own initiatives marketing Canadian packages
- ♦ Encouraging tour operators to create better product that addresses the need of target regions, niche markets such as multi-generational travel. A specific suggestion was to work with the trade to develop 4 +night packages, such as a Boston/Chicago package to Atlantic Canada for a sightseeing historic adventure; San Francisco journey to Atlantic Canada.
- ♦ Help facilitate the organization and marketing of group travel
- ♦ Host venues for operators/retailers who are pitching clients on Canada
- ♦ Use the major sources of influence for destinations – exposure (dinners, presentations, FAM trips) and commissions

European Markets

While Atlantic Canada has seen a decline in US travel, there has been growth in travel from European markets, specifically from the UK and France, with travel from Germany fluctuating, largely dependent on air lift capacity. And, Atlantic Canada's share of Canadian visits from these markets has been increasing. Much of the European travel activity to Canada is travel-trade related, through both tour operators (primarily FIT) and travel agents.

Major research initiatives in the UK, France and Germany were undertaken in 2007 (7) (by CTC with partners including ACTP). Each of these studies surveyed the travel trade and identified trends and opportunities such as:

UK

- Greater use of the Internet
- Consumers are approaching travel agents with their mind made up – based on Internet research
- More demanding of service and standards of accommodation
- Older travellers becoming more active
- More independent, self-drive travel
- More direct booking on-line
- Less reliance on tour operators
- Current packages offered by tour operators are not seen to be particularly inventive; would like to see more focus on unique experiences
- Need to focus on unique and interesting experiences and opportunities in Atlantic Canada because it is not seen as that different from parts of UK

- Suggestions for marketing included "Atlantic Canada should attend trade shows, get operators involved and approach specialty niche markets directly on the Internet"

France

- Expectations are for more 'real' trips, authenticity, closeness to locals and green tourism
- Increased need for safety
- Massive use of the Internet, for booking air and for gathering information on a destination
- Frequent use of travel agencies for longer haul trips and trips that are more complex to organize
- Growing popularity of 'customized, a la carte' tours to the detriment of organized tours
- Forecast included an increase in organized tours featuring more thematic trips in small groups
- Price is very important in destination selection
- Customized auto touring trip is the most popular

Germany

- More on-line activity to source information and for bookings, but Germans still rely on travel agencies for booking, particularly for long haul destinations
- More independence – desire to travel FIT with packaged modules (mini-tours) that could be strung together
- Clients more and more demanding
- Demand for customized tours
- Atlantic Canada often the region of choice after the initial west coast trip. Potential to promote it for first and second trips building on strengths:
    - Proximity
    - Doable in two weeks
    - Culturally unique
    - Icebergs, bird watching
- Suggest focus on authenticity of experiences, welcoming people, ability to get intimately involved with nature

ACTP Market Priorities

The Atlantic Canada Tourism Partnership brings together the Atlantic Canada Opportunities Agency (ACOA), the provincial departments responsible for tourism in the four provinces and the four provincial tourism industry associations to grow the tourism industry in Atlantic Canada.

ACTP operates under multi-year funding agreements which outline key priorities and strategies. The ACTP Agreement for 2006 – 2009 identified the following market priorities:

- United States, specifically:
    - New England (primary market)
    - Mid-Atlantic (secondary market)

- Overseas, specifically:
  - UK
  - German speaking countries of Germany, Switzerland and Austria
  - France
  - Japan

A new ACTP agreement has recently been signed. This 2009 – 2012 agreement will focus on markets in the US and overseas, specifically those listed below, with recognition that evolving market conditions may necessitate some shifts over the course of the agreement:

- United States
  - Mid-Atlantic (New Jersey, New York, Pennsylvania) - Primary Market
  - Pacific region (California, Oregon, Washington) – key developmental market
- Overseas:
  - United Kingdom

Given these shifts in market priorities, ACTP's efforts with respect to the travel trade sector may also shift.

Conclusions

Clearly the travel trade business, and in particular the group tour business, is undergoing some fundamental shifts, the most notable being a decline in demand for the traditional group tour. This factor, combined with the numerous external factors (exchange rates, border issues, gas prices, economic conditions, etc.), high prices, increasing competition and limited awareness of Atlantic Canada (in US and European markets), have created a 'perfect storm' for travel trade business, particularly group tour business, in the region.

However, most tour operators can be very flexible and they are adapting their offers and changing their products to meet changes in the marketplace. Tour operators are consolidating and working together; others are closing but there are also new models emerging such as on-line tour operators and more tour operators selling direct to the consumer over the Internet. Unlike most tourism industry suppliers, most tour operators are not locked into major capital assets so they have the opportunity to make significant shifts in their business models when warranted.

The travel trade will continue to be an important part of the travel industry distribution system, albeit in modified forms from what we have been used to. Working through the travel trade is one of the only affordable ways for a destination or business to generate sales in most international markets. Even in today's Internet age, it is evident that a considerable portion of consumers in international markets are continuing to use the travel trade for their bookings, even if they have done all of their research on-line.
The challenge will be to identify travel trade operators who have the potential to bring business to Atlantic Canada, and to work with them to generate sales from their markets.

Section 4
Key Findings: Interviews with Buyers and Sellers

The Economic Planning Group of Canada
Tourism Consultants

Section 4
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Introduction

The primary task of the Atlantic Canada Showcase (ACS) Research Project was interviews with sellers and buyers to obtain their insights and opinions on the future role, format and venue of ACS. This section provides a summary of the key findings from these interviews. In reporting the results, care has been taken not to report comments made by only a very few respondents, and to identify where significant numbers of buyers and/or sellers made a specific comment.

Interviews were completed with 36 buyers, 9 of whom had either never been to ACS or did not attend in 2008. The list of buyers interviewed is provided in Appendix I and includes many of the major tour operators serving Atlantic Canada.

Buyers were asked about the type of business they were, in revealing that a significant portion of the buyers were selling FIT business, as indicated:

Profile of Buyers Interviewed who Attended ACS in 2008

Type of Business	Scheduled Group	Pre-Formed Group	FIT *
Percentage of Buyers	67%	40%	47%
Percentage of Buyers in each category for whom this type of Business represented more than 60% of their business	72%	18%	69%

Note: Multiple responses possible so totals do not add to 100.

* FIT category includes one on-line tour operator

Profile of Buyers Interviewed who Did Not Attend ACS in 2008

Type of Business	Scheduled Group	Pre-Formed Group	FIT *
Percentage of Buyers	67%	78%	67%
Percentage of Buyers in each category for whom this type of Business represented more than 60% of their business	50%	14%	50%

Note: Multiple responses possible so totals do not add to 100.

Buyers were also asked which geographic markets they sold into, with the findings as illustrated below:.

Canada	All US	Mid - Atlantic	Pacific	US Other	UK	Europe & Overseas
44%	30%	11% (+ 30%)	4% (+30%)	18% (+30%)	18%	22%
Note that the percentage for all US has not been added to percentages for the specific regions so it is shown in brackets underneath. So, in total, 41% of the buyers sold to markets in the Mid-Atlantic region.						

Note: Multiple responses possible so totals do not add to 100.

This data does not reflect the portion of sales in each geographic market area but just the percentage of buyers that sell in each of these areas. In some cases, the proportion of sales coming from a particular market may be very low.

For sellers, interviews were completed with ten sellers from each province drawing from a list provided to the consultants by each of the provincial tourism industry associations. The sellers interviewed included travel trade staff from each provincial tourism department along with representatives of a sample of city DMOs from each province. A representative of ACTP was also interviewed. A list of sellers interviewed is also provided in Appendix I.

Topics Covered in the Interviews

The interviews with buyers and sellers generally covered the same topics, as follows:

- Trends in travel trade business (group and FIT); for buyers we also explored the type of business they were in and which geographic markets they were selling into.
- Trends in travel trade business to Atlantic Canada and future expectations.
- What they expected to get out of ACS and whether the show met expectations
- Strengths and weaknesses of ACS
- Comments on specific elements of ACS:
    - Timing
    - Format
    - Length
    - Key Features
    - Venue used
    - Location
- Suggestions for ACS to make it more effective and to 'refresh' the show
- Future intentions re attending the show
- Attendance at other shows and work with other destinations, and features or approaches that might be used at ACS
- Use of other sales and marketing approaches, particularly the Internet, in travel trade business
- Other approaches to connecting travel trade buyers and sellers and new/innovative initiatives that could be used by Atlantic Canada

Key Findings from Interviews with Buyers and Sellers

Key findings from our interviews are presented by topic, from sellers and buyers:

Trends in the Travel Trade Business

<u>Sellers</u>

- General decline in business particularly traditional motorcoach activity, with 2009 and US activity looking particularly weak.
- However, several businesses/destinations that are new to the sector, and/or have something unique to offer or offer very good value reported increases.
- Some growth in smaller/customized (pre-formed) special interest tours and FIT particularly from Europe (NL &NB).

- Several reported growth in business due to online tour operators
- Smaller loads
- Later bookings
- Higher cancellation rates
- Traditional groups are selling into cruise or buying into other tours
- More price conscious
- Fewer scheduled activities to cut costs
- Demand for customized, active, educational and experiential activities
- Several sellers/DMOs mentioned an increase in Chinese/Japanese groups out of Ontario

Relative Importance of Travel Trade Activity to their Business

- More than ½ of the suppliers (excluding PMO/DMO) indicated travel trade activity was a 4 or 5 in importance (with 5 being high).
- For most others it was a 2 – 3; several expected it to increase in importance; for the others it had declined in importance to them in the past few years.

Buyers

Profile:

- 18 of buyers offer FIT product; for 11 of them FIT represented over 70% of their business
- 23 offer scheduled group tours; for 15 of them it represented over 70% of their business
- 18 work with pre-formed/affinity groups; for 5, it represented over 70% of their business
- 11 buyers who had been to the show and 4 who had not sold into the US market; 8 sold in European markets; several sold product globally

Overall Trends

- Traditional group business is declining
- Shorter trips, and shorter trips are selling better
- Later bookings, and this year, much later
- Consolidating loads – fewer departures of scheduled groups
- Market is very price conscious
- Pre-formed and affinity is doing OK
- Retail sales/direct marketing/internet sales seem to be more stable with a broader geographic and demographic market
- More demand for special interest tours and customized groups which work better for younger markets
- Those that are in FIT see more future growth, particularly from overseas markets
- Operators are adapting product to respond to market realities – demographics, interests, price and length issues
- Consumers are doing more and more research online before booking

Canada and Atlantic Canada

- Canada generally is hurting due to the passport issue, prices, lack of awareness (in the US and UK) and motivation to buy now (US)

- Response to Atlantic Canada is mixed; some operators are reporting significant declines, others static demand or down slightly with tour operators responding by shortening trips, operating with lighter loads, cutting departures and changing their product mix.
- Buyers that do not come to ACS reported weak/low demand for Atlantic Canada as a major factor, due to lack of awareness, high costs, product that is not competitive
- There is concern about future business from Europe due to air access issues and ACTP change in priorities
- NL generally seems to be the strongest product right now for those tour operators that offer it; several commented that the "phone starts ringing" when the NL ads air in Ontario; NL unique product is appealing
- Some of the companies that have traditionally been larger producers of scheduled group travel trade business in Atlantic Canada (e.g. Collette, Tauck, Grand Circle, Globus/Cosmos) have had significant declines in their volume of tours in the region in the past few years.

Role of ACS and Expectations

<u>Sellers</u>

- More than half of the sellers (industry) expected to get new business as a result of ACS, either from new buyers or through solidifying relationships with existing buyers, and either directly or as a result of new contacts they made at the show. More than ½ indicated that it met expectations in this respect, although it may have taken several years for the business to materialize. The others indicated that their expectations are not being met, or only partially met, primarily due to a lack of new potential buyers at the show.
- Only a few could track sales from ACS, and reported 10 – 15% of their travel trade business (one reported 25% of their 2009 travel trade business), or 2 to 10 bookings resulting from ACS.
- Other roles identified:
    - To meet buyers face to face, particularly buyers that are pre-qualified re their interest in Atlantic Canada
    - To meet existing clients, strengthen relationships and talk about new product
    - To build awareness of their product and the destination
- The PMOs/DMOs indicated a variety of roles for ACS:
    - A vehicle to bring sellers together with buyers
    - The 'front line' and fundamental to their travel trade marketing efforts
    - An educational opportunity for sellers
    - Good way to get buyers to the region to participate in FAMS
    - A very cost effective way to reach buyers
- The PMOs/DMOs generally felt that ACS was effective, al though there were some reservations expressed given challenges getting buyers to attend, the quality of buyers and the need for new buyers.
- Almost all the sellers indicated they were definitely or very likely to attend ACS in 2010. A number of sellers said that they were cutting back on trade show attendance and going to some shows every other year (e.g. several DMOs indicated going to OMCA in the off-year to ACS) but the still intended to attend ACS.

Buyers
The buyers were generally in agreement about the role of ACS, as follows:

- Helps them/very important to finding new suppliers and products
- An opportunity to meet suppliers face to face and build relationships
- An opportunity to network with other buyers
- Provides insight into the region and a better understanding of what Atlantic Canada has to offer
- Provides an opportunity to meet smaller suppliers who do not attend other shows
- FAMS are an integral part of ACS, providing an opportunity to experience the product first hand.

Many of the buyers interviewed indicated that ACS was one of their favourite shows. Almost all indicated it met their expectations and having a smaller show was seen as a big plus, making it a more productive show.

All of the buyers interviewed who had been to ACS in 2008 indicated they were very likely to attend in 2010. Of those who had not been, 5 might attend in 2010. Their comments on attending the show are discussed a bit later in this section of the report.

Strengths and Weaknesses of ACS

Sellers

Strengths

- Opportunity to meet face to face with buyers and to build/strengthen their relationships
- A small show where they can get the attention of, and network with, buyers
- Buyers are pre-qualified re their interest in Atlantic Canada
- Close to home location – cost effective to attend
- ACS focus on Atlantic Canada
- Opportunity to network with other sellers, explore partnerships and cross-selling, share information
- FAMS – are seen as key
- ACS brings the buyers to our home turf, providing a better opportunity to educate and sell them

Weaknesses

- Lack of new buyers - need for more buyers, such as more from Europe, on-line operators, other overseas markets, FIT tour operators
- Some concerns about the quality of buyers (i.e. unlikely to bring much business to Atlantic Canada)
- Appointments are too short, particularly given that the 7 minutes includes travel time
- Venue in Moncton – would prefer walking distance from hotels
- Scheduling challenges in 2008, particularly long gaps between appointments
- Insufficient information on the buyers – profiles are outdated and not helpful
- Lack of communication in the interval between the shows

- The PMO/DMO interviews expressed some concern about sellers not being educated about the travel trade, particularly working with new markets such as FIT, receptives, online operators

Buyers

Strengths

- The friendliness and hospitality of the overall experience
- Its focus on Atlantic Canada
- The small size, giving good opportunities to network
- Well-managed and organized show
- The FAMS
- Qualified, knowledgeable suppliers
- The buyer-seated format
- The 'Round tables' introduced in 2008
- Ability to meet face to face and network with sellers as well as other buyers
- Being in Atlantic Canada and the chance to see the region
- Length of show – not too long
- A number of buyers identified ACS as their best show because of its small size and Atlantic Canada focus

Weaknesses

- None of the buyers identified any major weaknesses; in fact about 1/3 indicated there were no weaknesses
- Several buyers indicated there was too much focus on group business, and indicated a need for more sellers matched to FIT market needs; on a related matter, a few mentioned that sellers did not understand the FIT market or how on-line operators worked
- The few concerns expressed were:
    - Logistics and details about the Moncton show – particularly the fact that it was not walking distance from the hotels, quality of meals/breakfast
    - A need for more opportunities for socializing and networking
    - Scheduling – some gaps were too long, some appointments were not a good match (i.e; when two people from one company attend, if one is chosen for an appointment and the other selected the seller, it is not considered a perfect match).

Comments on Specific Elements of ACS

Sellers

Timing

- Several sellers indicated it was a bit early but acknowledged challenges with pushing it any later or doing it at other times of the year
- The timing means that the post-show FAMS run into Canadian Thanksgiving Weekend which limits participation

Format

- Buyer-seated format was strongly preferred
- Slightly longer appointments were suggested by a number of sellers
- The round tables were seen as very valuable although some improvements in implementation are needed
- A better scheduling/appointment process is needed, preferably allowing sellers and buyers to select appointments on-line

Length of the Show

- No issues identified

Key Features/Elements

- Need for new buyers, more buyers and buyers representing different segments of the travel trade
- More education/training sessions for sellers on trends, what is happening in the marketplace
- FAMS are seen as critical
- Concerns were expressed about the quality of the gala show in Moncton
- Local sightseeing tour a good idea
- Several positive comments about having European buyers

Venue

- Needs to be within walking distance of hotels – this also improves networking opportunities
- Important to have marketplace and meals in one place
- Use hotel or convention centre, with quality food
- Explore unique/memorable venue for one of show events (e.g. Like Fortress Louisbourg)

Location

- Rotation is great but:
    - Air access is critical
    - Don't compromise quality of experience
    - Walking distance to hotels

Other Suggestions/Ideas

The most common suggestions specific to the show were on three topics:

- Getting more new buyers and buyers representing different markets – online, FIT, broader geographic areas, etc.
- Need for more 'forced' networking and interaction such as interactive activities at social events. It was suggested that meals be used to promote interaction e.g. assigned seating at meals; table sponsorships so sellers can invite buyers; progressive meals.
- Decide on dates and location of show early (i.e. by the end of the previous show) and actively promote it, and encourage all sellers to do the same.

Other suggestions for ACS included (note: more general ideas about connecting buyers and sellers and selling Atlantic Canada to the travel trade are presented later on):

- More education for sellers, both pre-show and at the show

- Make sure buyer profiles are up-to-date and have the right kind of information
- Have dates/location for next show available much sooner and provide industry with the tools (postcards?) to promote the show to buyers
- Get more buyers to participate in FAMS
- Split the FAMS into two – one for group buyers and one for FIT, since they have different interests

<u>Buyers</u>

Timing
- Over half the buyers indicated the timing was good or OK, with several indicating that the earlier notice of dates the better (i.e. dates should be released by now for 2010)
- The October timing is more problematic for European buyers given their schedule – their brochures are done by October so any new product would not get in until the following year's planning cycle and fall is a busy time for them
- A couple of other buyers indicated October was a challenge due to it being a very busy time of year

Format
- Almost all were very positive and with a definite preference for the buyer-seated format.
- Several indicated that 7 minutes was too short; others thought the length was fine. A number indicated they would like the option of asking for double appointments with some sellers.
- Several mentioned the need for more new product, particularly product suitable for FIT business such as smaller accommodations.

Length
- Almost all buyers thought the length was good or perfect.
- A couple found it a bit long/dragged out particularly with the FAMS.

Venue
- Many indicated the venue needs to be walking distance to hotels – for this reason the Moncton show was seen as awkward.

Location
- All buyers like the rotation and the chance it gave them to see each region.
- Good air access was identified as being important.

Hosting Provided by ACS
- Buyers found ACS hosting policy very helpful; a number commented it was generous/very much appreciated and helped get quality buyers.

Other Suggestions/Ideas
- Approximately 1/3 thought the show was great and no suggestions for changes
- Improvements to the scheduling system
- Improvements to the round table logistics and details
- More new product is needed, e.g. educational, learning

- FAMS and sellers are too focused on group business – there needs to be more suppliers better oriented to FIT business
- More educational opportunities – particularly for sellers on working with receptives and FIT operators; several buyers offered to host round tables on these and other topics
- Several comments were made about the need for the provincial presentations to be updated and strengthened, and for fewer overlapping presentations
- Have computers at every station, like the Canada West show
- Have the PMOs provide an overview of their marketing strategy, the markets they were targeting (including online activity)

Perspectives from Buyers who Did Not Attend ACS in 2008

Buyers who did not attend ACS in 2008 were asked about their reasons. For a couple, they usually attended and had originally planned to attend but backed out due to work pressures or a shortage of staff.

For those who had never been, there were two main, and related, reasons. Essentially, these buyers reported that it was not worth the time out of their busy schedules. They had relatively little demand from their market for Atlantic Canada (and therefore offered little if any Atlantic Canada product) and it was much more effective for them to see suppliers at Rendez-vous Canada where there they could see representatives from all of Canada in a few days. For one buyer, the timing of ACS was a major problem and they reason they did not attend.

Some of the buyers interviewed who did not attend indicated a need for increased destination awareness in their markets (primarily US) and more competitive prices in the region if they were to have success in offering Atlantic Canadian product.

Other Suggestions for Connecting Buyers and Sellers and Strengthening Travel Trade Business in Atlantic Canada

The comments presented below came in response to several questions:

- Experience with other shows and destinations and what unique/innovative features were working
- Suggestions for other approaches Atlantic Canada could use to connect buyers and sellers or position and sell its products to the travel trade and to drive consumer demand for tour operator products
- Approaches used by buyers to choose and research new destinations

<u>Sellers</u>

- Ongoing communications with tour operators under the ACS banner. Many sellers identified the ACS website as an opportunity, keeping it up-to-date and make much more use of it between shows:
    - To promote the show
    - To connect buyers and sellers
    - To provide a forum for sellers to promote new products
    - Regular e-newsletter to buyers to encourage them to visit the site
    - Provide a central repository for sellers to identify buyers that could be invited to the next show

    - Use social media in connection with the website
    - Providing sellers the chance to buy-in to the website through communications, sponsorships, etc.
    - SYSTA, ABA and OMCA websites were identified as good examples
- FAMS were identified as very important and there were suggestions for more FAMS including one in the off-year to ACS; however others pointed out the challenges with getting buyers here
- FIT operators (including Europeans) needed different FAMS
- PMOs identified a strong message they were receiving from tour operators about the need to reach consumers and increase awareness of Atlantic Canada to help drive demand for tour operators' products
- Strengthen efforts to attract new buyers to ACS – ACS will continue to be an important part of the mix of travel trade marketing activities.
- Somehow piggy-back with OMCA or Bienvenue Quebec to open up new markets for Atlantic Canadian sellers.
- Look at the OMCA Group Connect program (described in the next section of the report), either participating in this initiative or developing a similar program for Atlantic Canada.

Buyers

- Almost all buyers agreed that marketplaces, together with FAMS, would continue to be important because they provided the opportunity for face to face connections between the buyer and the seller, a chance to experience the product first hand and to shop for new product.
- Buyers identified RVC, ABA and Canada West as effective shows for them, along with ACS. Primary reasons were the number and mix of sellers at these shows.
- Many identified the growing role of the Internet, particularly to research destinations and for communications but did not see it replacing the need for face to face time. The OMCA Group Connect program was identified by several (this initiative is discussed in the next section of the report) and one mentioned the Baxter Publications/Canadascope virtual trade show (www.canadatourismexpo.com)
- Increased use of the ACS website was identified as an opportunity, particularly for providing information about the upcoming show much earlier. A number of other suggestions were made about elements of an enhanced ACS website such as a directory of sellers, image bank, sample itineraries, new product, a regular newsletter to tour operators with 'what's new', etc.
- PMOs and DMOs were identified as being very important when developing new product, identifying suppliers, etc.
- Most of the tour operators identified the need for more destination awareness of Atlantic Canada to help drive demand for their products. European buyers talked about the importance of selling the region. A number of the US buyers expressed concern about the lack of a Canadian presence in their market area.
- More partnerships with tour operators and marketing support including inside sales training, presentations.
- FAMS – but ones that are carefully targeted to the right buyers and the right representatives from the buyers, and ensuring that the product visited matches the buyers needs/interests. A few buyers indicated individual FAMS were

preferred. The timing of FAMS and the time required for FAMS was identified as an issue that limits participation in these events.
- A couple of buyers suggested targeted mini-workshops or educational sessions focusing on different groups of buyers rather than one show.

Overall Conclusions from the Interviews with Buyers and Sellers

The response from both buyers and sellers to Atlantic Canada Showcase is very positive. Both buyers and sellers indicated that the show gives them a great opportunity to build relationships, network with their peers and the buyers/sellers, and experience Atlantic Canada hospitality. The FAMS associated with ACS are important to both groups.

For buyers, the show gives them a chance to meet with their suppliers face to face, to identify new products and experience different parts of Atlantic Canada.

For some sellers, ACS leads to increased sales, though this is usually over the course of several years. Other sellers find it hard to track a direct relationship to sales but ascertain that the show helps to cement relationships with their buyers. For those for whom the show did not meet expectations, the issue is the quality, quantity and type of the buyers.

The primary concern from the sellers' perspective is the need for new buyers - a mix of buyers that is a better match with what is happening in the marketplace and more buyers overall. Specific suggestions included more overseas buyers, online buyers as well as FIT, youth/student travel, affinity, golf and cruise buyers. PMOs commented that attracting a different mix of buyers has implications on the mix of sellers at the show, their understanding of the buyer needs and expectations, and the FAMS.

With respect to the show itself, there are some relatively minor items that have been identified as needing change or improvement. Very few of the sellers or buyers were able to provide suggestions for major enhancements to the show. There is a general consensus that marketplaces will continue to be important despite the growth in the use of the Internet, as it is impossible to replace the benefits of face-to-face interaction between buyers and sellers with web-based interaction.

The primary suggestions from sellers about the show were associated with more continuous activity related to ACS, specifically through the website to provide an opportunity for ongoing interaction with buyers. Both sellers and buyers spoke of the importance of much earlier decisions and promotion on dates/location and an ongoing effort to promote the show and encourage attendance.

The strong benefit of FAMS was acknowledged by both buyers and sellers but many buyers noted that their time was at a premium meaning little opportunity for them to participate in additional FAMS. Furthermore, for larger buyers with limited Atlantic Canada product or sales, the cost benefit of participating in FAMS or even attending ACS is not there.

From a buyer's perspective, their major challenge (beyond the current market downturn and responding to changing consumer travel patterns) is a lack of destination awareness of Atlantic Canada. For some, high prices, a product that is not seen as unique and/or competitive are compounded by a lack of awareness of Canada generally. The buyers acknowledged that the market is changing and they are scrambling to adjust their offer in response.

Section 5
Experience of Other Shows/ Marketplaces

The Economic Planning Group of Canada
Tourism Consultants

Section 5
Experience of Other Shows/Marketplaces

Through interviews with show managers and a review of show websites, we compiled key information on other shows/marketplaces to identify trends and ideas that might be useful in planning for ACS. The shows researched included:

- OMCA
- Bienvenue Quebec
- Canada's West
- Rendezvous Canada
- Discover New England
- Pow Wow Int'l (web only)
- Travel South (web only)
- NTA (web only)

Key Findings

Length of Show

All of the shows run between 3 and 4 days except for NTA which is 5 days. NTA has made adjustments to their schedule so that buyers and sellers are not required to stay for the entire 5 days and it seems that most of the shows are getting the message from attendees that the shorter the show is, the better.

Show Format

Several of the shows have had a seller seated format in the past and RVC continues with the set up. However, the other shows surveyed have now moved to a buyer-seated format.

Canada's West noted that this format does not work well for media, but they no longer invite media to their marketplace.

The length of appointments varies – NTA has moved from a 7 minute appointment to a 10 minute, and OMCA still has 7 minutes. Canada's West is 10 minutes with 2 minutes travel time, RVC is 12 minutes with 3 minutes travel time and Discover New England is 9 minutes.

Appointment Scheduling

All shows except for Discover New England have an online process for appointment scheduling that is interactive.

Discover New England transfers requests onto a spreadsheet and enters it into a computer program for matching.

Unique Features

Several shows have a ‘shopping session’ (shopping sessions are periods of time where either sellers or buyers are seated and the other group walks around the marketplace trying to get more appointments) offered more than once during the show to allow for sellers to attempt to make appointments with buyers that they do have a scheduled appointment with.

Discover New England has the most unique approach. It is called ‘Line and Card’ and works with all buyers seated at numbered tables and all sellers lined up outside the room. When a seller gets to the front of the line, they can either talk to the first buyer available or wait to see a specific buyer. Appointments are 9 minutes, but if the match is not good or the appointment doesn’t take that long, the seller leaves and joins the end of the line. It’s a little like speed dating. They offer this opportunity twice during the show – it used to be done 3 times, but replaced one session with prescheduled appointments at the request of attendees.

Discover New England changed their marketplace set up in 2009 because they had a space shortage. They developed a divider for 8ft. round tables so that each table could accommodate 2 appointments simultaneously. The same room was used for meal functions. According to the show manager, this worked very well.

One of the unique features that Canada’s West incorporates is providing a desktop computer to each buyer for the appointment sessions. The computers have internet access and are preloaded with seller profiles and links to both seller and buyer websites. Buyers can also check messages at the show through this computer.

During the marketplace appointment sessions, Canada’s West features virtual displays of all sellers at large screen on the marketplace floor – each seller gets 10-15 seconds x 400 times each session.

Canada’s West no longer prints appointment schedules for sellers – they can print them onsite at any of the 15 printer stations. Buyers’ appointment schedules are printed onsite.

OMCA tried a ‘virtual’ appointment set up as an experiment with Anderson Vacations. It was an expensive exercise (about $2,000) and can be challenging to set up because of time zone differences. Canada’s West was approached to do the same thing and declined because of the time zone challenge with their many overseas buyers.

Educational Sessions/Seminars

Canada’s West does not offer any educational sessions in the interest of keeping the show short.

Bienvenue Quebec offers a teambuilding activity on day one of the show – at a cost to sellers, but not to buyers. They also offer educational sessions and market trend/update sessions or panels where buyers from those regions share information on recent trends.

RVC has the CTC provide market updates on overseas markets and the USA. Discover New England offers market updates on their key markets (UK and Germany) given by their in market representatives.

Mix of Buyer Types

None of the shows seem to be concerned with the type of buyers attracted to their marketplaces. OMCA is the only show that does not invite buyers from overseas, but still attracts group, FIT, online and travel agent buyers (handling groups).

All shows have difficulty in getting buyers to update their profiles. Buyers are encouraged to update their profiles and in fact it is a requirement by most shows in order to qualify for rebates, however this is not strictly enforced and doesn't seem to work. OMCA hired a student last year who contacted all buyers and assisted them in completing the updates. This worked very well.

Canada's West has detailed buyer criteria, but most of the others do not as they rely on their in market representatives to recommend suitable buyers. OMCA has a 'Buyer Development" committee and work with their members to vet buyers prior to inviting them.

Interestingly, group leaders were at one time invited to Discover New England and Travel South and are no longer invited.

Attracting Buyers

NTA offers an incentive to suppliers if they invite a new (non-NTA member) buyer to the marketplace. For every new operator the supplier/DMO brings, he or she will get US$500 toward their convention registration, up to the total amount of registration.

At Canada's West, repeat buyers must be planning a new program or product in order to participate, or have an expansion of their program or product from last year. Priority attendance is given to new buyers/new programs (i.e. operators looking to start a program, and emerging markets). Tour Operators located abroad who wish to send a Canada-based representative are considered, but overseas buyers are given priority. RVC also gives priority to new buyers.

Attracting Sellers

None of the shows is concerned about attracting sellers, but they do have criteria or guidelines that must be met in order for sellers to participate.

For example, Canada's West requires sellers to be 'export ready' and '*must be able to demonstrate an adequate knowledge and understanding of the roles played by receptive tour operators, tour operators/travel wholesalers, and retail travel agents. This includes an understanding of rack and/or retail pricing, agent commissions and wholesale net rates; and client relationships at each level'.*

First Timers

Most shows do more or less the same thing for first timers. Delegates are identified by a ribbon or sticker on their name tag and asked to attend an orientation. Often veterans are matched with newcomers (buyer with buyers and sellers with sellers) for at least the first day of the show.

Discover New England offers a 'How to Summit' session on getting the most out of the show and OMCA has their board members and organizing committee tasked with ensuring newcomers are made to feel welcome.

Canada's West also offers tips for first time buyers and sellers on their website. Bienvenue Quebec also offers a 'How to be Sold, Sow and Reap', a session on event communication in which new sellers are paired with experienced who guide them through a simulated appointment.

OMCA also posts photos of their staff at the show so that first timers will recognize those present who can answer questions.

Due to the many concerns voiced by NTA members, reflected in falling registration figures, NTA has made a great number of changes to their marketplace for this year. At this point it is not clear how successful these changes will prove to be, but it is safe to say that changes were undertaken after a great deal of consultation with the membership.

Costs and Buyer:Seller Ratios

For comparison purposes, we compiled information on the costs of the other shows and hosting policies as well as the targeted buyer:seller ratio.

Costs

Buyers

Show	Registration Fee (early)	Reg. Fee (Regular)	Accomm-odations	Fam Cost	Air
Atlantic Canada Showcase Oct.6-9/08	$500 CAD	$550 CAD	included	included	Included (up to $800)
PowWow May 16-20/09	$695 USD (int'l buyers) $875 (Members - Domestic) $1275 (non-Members Domestic)	$995 USD (int'l buyers) $1275 (Members-Domestic) $1595 (Non-Members Domestic)	included	included	On own
RVC May 9-13/09	N/A	$735 CDN $395 (without accommodation)	included	included	On own

Show	Registration Fee (early)	Reg. Fee (Regular)	Accomm-odations	Fam Cost	Air
Travel South Apr 4-8/09	$250 US	$300 USD	included	$50 US	On own
OMCA Nov 8-11/09	$275 CDN	$375 CDN	Included (reimburs e-ed)	included	On own
Bienvenue Quebec Nov. 1-4/09	N/A	$99 CDN	$69/nt (prearrang e-ed)	included	On own
Discover New England Apr 19-21/10	No charge	No charge	included	included	On own
NTA Nov 14-18/09	$220 USD ($650 rebate if criteria is met)	$330 USD	On own	On own	On own
Canada's West Nov 29-Dec 2/09	$250 CDN	N/A	included	included	included

Sellers

Show	Reg. Fee (early)	Reg. Fee (Regular)	Accommodations
Atlantic Canada Showcase	$800	$850	On own
PowWow	N/A	$2695 Members (single shared booth) $3895 Non-Members	On own
RVC	N/A	$2085 CDN (single booth); $910 (seller)	On own
Travel South	N/A	$1265 USD	On own
OMCA	N/A	$835CDN	On own
Bienvenue Quebec	N/A	$1395 CDN	On own
Discover New England	N/A	$450 for attendee $795 for exhibitor	On own
NTA	$1090 USD	$1190 USD	
Canada's West	N/A	$1,100 CDN	On own

Buyer to Seller Ratio

The targeted buyer seller ratio for the other shows, along with the actual ratio for ACS in 2008 is presented below. ACS's target is 1:2. For other shows, the ratio ranged from 1:1.5 to 1:4.

Show	No. of Buyers (Target)	No. of Sellers (Target)	Buyer:Seller Ratio (Target)
Atlantic Canada Showcase (Actual companies) 2008)	38 companies 51 individuals (Actual)	105 companies 129 individuals (Actual)	1:3 companies 1:2.5 (individuals)
PowWow	1,000	1,500	1:1.5
RVC (3 year average)	372	514	1:1.5
OMCA	100	400	1:4
Bienvenue Quebec	85	310	1:4
Discover New England	60	280	1:4
Canada's West	125 - 135	285	1:2.2

What Makes The Shows Successful?

The ability to continue to attract buyers to shows ensures that sellers will attend! The earlier you can promote dates for upcoming shows, the better. All of the shows are currently featuring the dates for 2010 shows and some have the dates set as far ahead as 2013.

Both OMCA and Canada's West believe that because they are responsive to suggestions made by show attendees (acting on any improvements suggested or explaining why they have not) makes their show successful. They also believe that keeping the show small allows it to remain more intimate and welcoming to both buyers and sellers.

Innovations

According to their websites, both Bienvenue Québec and OMCA/ABA have recently introduced some innovations designed to make it easier for buyers and sellers to connect.

In 2005 Bienvenue Québec initiated a program (called PRIVELEGE) to encourage the creation and promotion of new products and services exclusive to groups; participants are invited to develop quality activities that in addition to being innovative and authentic are reserved exclusively for groups.

In 2008, APAQ (Quebec's association of bus owners and operator of Bienvenue Québec) piloted a North American portal dedicated to group travel and public transportation, known as '*espacebus.ca'.* This is described as a new tool enabling Quebec tourism suppliers, participants in Bienvenue Québec and group travel professionals "to establish contact, exchange business proposals, develop group travel packages and market these products on the Web". The website for the initiative describes *EspacePro* as "allows public transportation and tourism professionals to showcase all of their services on the Internet in a dynamic and mapped presentation, to receive requests for information and bookings from Internet users, to keep up with the new features on the portal and create their microsite" (www.espacebus.ca). The website appears to be designed for consumers as well as the travel trade, including group leaders, and offers a variety of group packages.

OMCA and ABA are working together on GroupConnect (also known as Project 2010 which is when it will be launched) which is a major on-line initiative designed for bus operators, tour operators, tourism suppliers and DMOs'CVBs.

> "*Project 2010 will be a new web portal that will become a one-stop shop for all your group travel needs. It is being developed specifically for the motorcoach, tour and travel industry to help you increase your opportunities to network with people and business in the group travel market, as well as provide access to continuing education programs and training. We anticipate that the web-based format of Project 2010 will further enhance both the ABA Marketplace and OMCA Marketplace experience by giving you an online location to do business that compliments the face-to-face environment of Marketplace, allowing for in-depth follow up and serving as a place where group travel can be easily planned and booked.(www.groupconnect.com).*

The website also presents benefits of this initiative for group tour operators and for suppliers, as follows:

Tour operators will be able to:

- *Research destinations*
- *Gather and compare product information by reviewing supplier's detailed profiles*
- *Have direct access to live inventory and pricing or receive timely quotes*
- *Book and confirm space and arrange payment*
- *Receive quotes, procure and pay for supplies that are necessary for your day to day operations*
- *Develop point to point routing, see en-route and destination attractions, calculate mileage and travel time*
- *Participate in peer to peer networking, ask questions, access blogs, statistics, reports and industry papers*
- *Access webinars, virtual fam tours, educational programs and seminars*
- *Offer your tours to other tour operators*
- *Sell distressed inventory*

Suppliers to the industry will be able to:

- *Put their detailed profile in front of hundreds of qualified buyers*
- *Promote their product or service through targeted advertising*
- *Research all buyers by reviewing their detailed profiles*
- *Offer specials and promote new products*
- *Present product seminars, virtual tours and training webinars*
- *(View detailed profiles on all buyers) delete*
- *Participate in peer to peer networking, ask questions, access blogs, statistics, reports and industry papers*
- *Access webinars, educational programs, seminars and third party training and certification*

According to the GroupConnect website, one of the features offered will be an e-tradeshow which will put some of the key features of a live show on-line in which each supplier will have the opportunity to design their own 'virtual booth' with an audio or video greeting that plays on entering. It is described *as an interactive electronic sales tool designed specifically to generate interest, exposure and traffic, as well as provide* *customer interaction with participating exhibitors and advertisers throughout the year – 24 hours a day, 7 days a week.*

GroupConnect is also intended to incorporate opportunities for training and education including such things as Webinars, virtual fam tours, e-learning, educational program seminars and 3rd party training and certification.

Section 6
The Future of Atlantic Canada Showcase

The Economic Planning Group of Canada
Tourism Consultants

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The Future of Atlantic Canada Showcase

A visioning workshop for Atlantic Canada Showcase was held in late June. Attendees included representatives of the four provincial trade sales teams (with New Brunswick participating by phone), the four tourism industry associations and ACOA. The main purpose of the workshop was to review the findings of the research and examine roles, format, and other implications for Atlantic Canada Showcase arising out of the research findings. However, there were no decisions or agreements made about future shows.

This section of the report presents the results of this workshop within an overall strategic framework.

Overall Roles and Goals

It was agreed that if Atlantic Canada is to continue to attract sales from the travel trade market, ACS is clearly a good mechanism to do so and therefore continues to be a very important event for the region's tourism industry. Even with the ongoing changes in the marketplace, there are seen to be opportunities for the region to attract business through the travel trade. The implications of the shift in ACTP priorities was discussed with the conclusion that ACS remained a legitimate tool for the priority markets identified.

The original goal for ACS, to provide an opportunity for smaller sellers to connect with travel trade buyers remains valid and the results of the research indicate that the show is achieving this objective. Holding the show every two years is the optimum model.

It was agreed that the roles of ACS were as follows:

- To showcase the culture and tourism products of Atlantic Canada to travel trade buyers, both at the show and on the FAMS.
- To bring travel trade buyers to Atlantic Canada to experience the region first-hand.
- To connect Atlantic Canadian tourism suppliers with travel trade buyers so as to establish and maintain relationships that lead to sales.
- To provide a networking opportunity – for buyers and sellers, for sellers with other sellers and provincial trade teams and for buyers and buyers as well.
- To provide education to all sellers and, particularly to sellers who are new to the travel trade sector.
- To generate sales for Atlantic Canadian tourism industry suppliers.

A Strategic Framework for the Future

The research findings and the implications for ACS explored at the workshop are presented below in the form of a strategic framework with six overall strategies:

Strategy #1: Enhance Travel Trade Participation in Atlantic Canada Showcase

Strategy #2: Enhance Seller Participation in Atlantic Canada Showcase

Strategy #3: Develop an Educational Strategy for Sellers and Buyers

Strategy #4: Enhance the use of Web-based Technologies for Atlantic Canada Showcase

Strategy #5: Refine Show Format and Other Operational Details

Strategy #6: Enhance Show Planning and Management Resources

Each of these objectives is explored below.

Strategy #1: Enhance Travel Trade Participation in Atlantic Canada Showcase

The main weakness, and challenge, for ACS is the number and type of buyers who attend the show and there was considerable discussion about this issue. ACS is not alone in having challenges attracting buyers and it is not expected to get any easier with tour operators going out of business, as well as consolidations, traditional scheduled tour operators changing their business mix and increasing competition from other destinations.

It was agreed that a major priority for 2010 needs to be working to attract new buyers to ACS with the recognition that this has implications for the types of sellers at the show (see Objective #2). At the same time, buyers need to be qualified and have some potential to bring business to the region.

ACS is still perceived as a group tour marketplace even though, as illustrated in our research, the show does attract a number of buyers of FIT product. Both the reality of ACS being primarily a group tour marketplace and the perception needs to be changed in light of evolving market conditions.

The 2008 pilot inviting UK buyers to ACS was deemed a success and should be continued, with possible expansion to other overseas markets that are showing some potential.

The ACS buyer profiles need to be revamped so that they provide more useful information to the sellers as well as to show organizers.

Key objectives within this strategy are, therefore:

- To attract more qualified buyers to ACS
- To attract more non-group buyers, such as FIT tour operators
- To increase the efforts of industry partners to encourage attendance at ACS by buyers
- To provide buyer profiles that are a more accurate representation of the buyers and their interests
- To implement a much more timely promotional effort

Specific actions identified were:

- Start work on updating, expanding and cleaning the buyer list as soon as possible (this has implications on the resources available for planning the show – see Objective #7). The target list should have more focus on FIT buyers and on-line tour operators as well as UK operators.

  Other potential targets for consideration include:
  - Other overseas buyers (Other Europe, Australia, CTC priority markets?)
  - Educational/student travel buyers
  - Specialty tour operators, such as golf, learning, cycling, hiking/walking
  - Cruise tour operators
  - Affinity/pre-formed group specialists
  - Recreational vehicle groups

- Increase collaborative efforts between partners and stakeholders to encourage more buyer attendance, such as:
  - Ask existing ACS buyers to recommend other buyers
  - Offer incentives for buyers and sellers who get new, qualified buyers to attend ACS

- Implement much earlier promotion of ACS dates and location, such as:
  - Announce the dates/location for the next show at the end of each show. (This has implications on the planning process and resources; see Strategy #6)
  - Notify all sellers of the dates/location and encourage them to pass the information on their travel trade clients. A regular email blast to sellers would remind them to do this.
  - Re-instate the small business cards with the dates/location of ACS and distribute them via PMOs, DMOs, and sellers, at other shows, sales calls, etc.

- Increase the use of the ACS website and web-based technologies to promote the show (see Strategy #4)

- Revise the buyer profile forms, with consideration given to including:

  - The types of business the company does with an opportunity for multiple responses (e.g. group tour, FIT, special interest, etc.) and the relative importance of each type of business.
  - The geographic markets the buyers sell into
  - A profile of FIT activity, provinces included, volumes, etc. (the current profile is very oriented to group tours)
  - Recent and anticipated trends in demand
  - Specific interests/types of sellers they would like to meet

  Getting the buyers to update their profiles is a challenge and additional resources need to be targeted to encouraging the buyers to do this, and to encouraging the sellers to review the profiles prior to their appointments.

- ACS usually sets a target for the total number of buyer attendees; in the past it has been 60 (individuals) though this was reduced for 2008. Consideration should be given to setting a realistic target for 2010 along with targets for different types of buyers.

Strategy #2: Enhance Seller Participation in Atlantic Canada Showcase

It is critical that changes in the mix of buyers be accompanied by changes in the mix of sellers so that the show continues to meet the expectations of buyers. For example, attracting more FIT buyers means ensuring that there are suppliers at the show who offer product suitable for these buyers. And if specialty tour operators such as cycling, educational travel, golf, are invited, there will need to be sellers that offer appropriate products.

However, it is difficult for smaller sellers to justify the time/expense of attending the show when sales may well be limited and/or take several years to materialize. Also, smaller sellers with little travel trade experience will need to be educated prior to the show on how to work with other tour operators and, particularly with FIT buyers, receptives, on-line tour operators, etc

The idea of having a representative of clusters of smaller suppliers (e.g. such as the Newfoundland and Labrador Adventure Tourism group) attend was explored but is complex and continuity/sustainability of follow-up is challenging. A preferred approach might be to work with the DMOs/regional tourism industry associations to encourage them to actively represent appropriate smaller suppliers from their regions. This would mean the DMOs making sure they have collateral, prices, etc. from these suppliers and a procedure in place for forwarding leads and ensuring follow-up. (Tourism Moncton is doing this for a number of suppliers in their region.)

Even without a different mix of buyers, there appears to be a need to 'refresh' the sellers at ACS, to encourage the offering of new products and experiences along with a broader mix of experiences, either from existing or new sellers.

If efforts to attract new buyers are successful, ACS organizers will need to carefully monitor seller registrations and be pro-active about ensuring that suppliers with appropriate product are represented at the show.

Key objectives within this strategy are:

- To ensure that the mix of sellers at ACS is appropriate given the types of buyers attending and their interests
- To broaden the mix of product offered at ACS and encourage the introduction of new products and experiences that meet the interests of buyers

Specific actions for consideration:

- Refine the buyer profiles and dedicate resources to updating them to obtain insights into buyer interests (see Strategy #1 for details).
- Develop a list of target sellers from each province to get a mix of experiences, attractions, accommodations, etc.

- Consider alternative approaches to having smaller sellers represented at ACS
- Monitor buyer registrations as to type of buyer and interests and pro-actively seek out sellers to ensure sufficient matches.
- Ask buyers to help identify types of new products and experiences they are looking for and/or have heard about and would like to see at ACS. (The buyer profile is intended to achieve some of this; see Strategy #1).
- Approach regional receptive tour operators to seek their assistance in identifying sellers who should be encouraged to attend ACS.
- Make modifications to the FAMS as necessary to reflect the changing profile of the buyers.

Strategy #3: Develop an Educational Strategy for Sellers and Buyers

Ensuring that the sellers attending ACS are educated on working with the travel trade, and in particular with types of buyers other than the traditional group tour (e.g. receptives, FIT, on-line buyers), on working shows/marketplaces and on following-up post show have been identified as critical needs. Education is needed both before the show and in the alternate years. Buyers also expressed an interest in some specific topics.

The specific objective for this strategy is:

- To ensure that sellers attending ACS are knowledgeable about working with different sectors of the travel trade

Actions for consideration include:

- Look at developing webinars, using tour operators and receptive tour operators to deliver the key messages. These could include chat rooms and opportunities for follow-up questions/discussions with experience sellers or PMO/DMO staff. (Several receptive operators active in Atlantic Canada suggested they would be happy to assist with educational programs)
- Solicit experienced sellers to mentor new sellers in a pre-show effort. (New Brunswick introduced this program in 2008 with success). Other efforts may be needed to ensure that smaller operators attending ACS are educated on working with the travel trade.
- Offer educational sessions for sellers at ACS on what is happening in the marketplace (by geographic area and type of travel trade operator)
- Provide buyers with more insights into the planned marketing efforts of the provinces so that they can be more pro-active about tying in their sales efforts

Strategy #4: Enhance the Use of Web-based Technologies for Atlantic Canada Showcase

Many of the sellers interviewed identified a need to keep the ACS website up-to-date between shows and the buyers were in general agreement.

At the visioning session, it was agreed that there needs to be an up-to-date ACS presence on the web between shows, particularly with information on the upcoming show and a clearly identified point of contact for inquiries.

The objective for this strategy is:

- To make maximum use of the web-based technologies in association with Atlantic Canada Showcase.

Actions for consideration include:

  - Make more use of the site for pre and post show activity and information including trends research, buyer profiles, links to buyer and seller sites
  - Keep the information on buyers and sellers attending the show live for a longer period.
  - Provide links to travel trade sections of provincial websites, not the main consumer pages.

The idea of using the ACS website as a much more extensive tool for connecting travel trade buyers and sellers was discussed. This could include things such as a directory of sellers, an image bank, sample itineraries and a quarterly newsletter featuring new products in the region. However, there is concern that this would be a duplication of provincial sites and sites such as the Atlantic Canada Group Travel Planner. Further consideration needs to be given to the role of the website.

Strategy #5: Refine Show Format and Other Operational Details

The format of the show and its various features were discussed. The following are provided for consideration[1].

Show Format and Features

- ACS show should continue to be a buyer-seated show.

Appointments

- Show managers to look at increasing the appointment time to 7 minutes plus travel or 8 – 10 minutes total time if this can be achieved without increasing the overall length of the show.
- Buyers be given the opportunity of requesting double time appointments with sellers. (Perhaps this option is only made available for appointments with PMOs or DMOs and other clusters of sellers)
- Improve the appointment booking process to avoid two appointments with the same buyer company (this happens when buyers send two representatives to the show) by ensuring that each company is a separate identity.
- Look at an enhanced web-based appointment scheduling system.
- Refine the appointment process to ensure better matches (this will be more of an issue if the mix of buyers changes) and to avoid long gaps between appointments.

[1] Note: Some of the details presented here were not discussed at the workshop but have been added based on the research and the ACS wrap-up reports from previous years.

Round Tables

- Continue the Round tables with modifications to improve their logistics and overall management. Recommendations were detailed in the 2008 show report and include:
  - A moderator for each table
  - Confirm 1 buyer for each table and hold a pre-session meeting with buyers and moderators to review the format and intentions of the round tables
  - Prepare a sample list of questions
  - Ensure that both buyers and sellers are clear about the format and purpose of the round tables in advance
  - Have an overall session moderator to monitor time
  - Other detailed recommendations are in the 2008 show report
- Consider adding a 'buyer with receptives' round table

Networking

- Introduce more activities to encourage networking. Suggestions include:
  - Assigned seating for meals
  - Having Atlantic Canadian hosts at each meal with a specific activity to encourage networking at the table
- Look at offering table 'sponsorships' for lunches with sellers purchasing tables and inviting their clients/partners.
- Host a local sightseeing tour at every show and encourage sellers to participate

Gala Event

- It was agreed that the organizing committee for 2010 should take a careful look at the gala, considering:
  - The resources are not available for a $200,000 show
  - Obtaining sponsorship for the gala has been a major challenge
  - Should the gala be a sit-down dinner?
  - Is the gala's primary objective education or entertainment?
- Whatever approach is taken for the gala, it was agreed that the entertainment should be of professional calibre

Provincial Tourism Presentations

- Updated/refreshed presentations are needed with a focus on new products and experiences since most buyers attending ACS are already familiar with the region.
- PMOs and ACTP should provide buyers with an overview of their marketing strategies/actions in each target market and on-line (possibly to be followed up later with details)

Location, Timing and Venue

- Continue rotation of ACS among the four provinces
- The timing is problematic in some ways – for UK/European operators and also for post-show FAM which runs into Thanksgiving Weekend. Moving ACS by one or two weeks may help with these two issues but it was agreed that there is unlikely to be any other timing that does not pose a challenge for a variety of other reasons.
- Criteria are already in place for venues and these will remain. However, two additional considerations were recommended:
  - The preference is for a venue within walking distance of hotels

    - Consideration be given to use of a unique venue for one night's event to create a memorable experience (e.g Fortress Louisbourg which was used in Sydney)
- Based on the findings from buyers and sellers, the consultants suggest the following for consideration:
    - Convention centre quality food and service
    - Serve a variety of food
    - Use of one or two close-together hotels to maximize networking opportunities

FAMS

The FAMS are clearly an integral part of ACS and should be continued. Discussions with the buyers indicated that, while warm to the idea of a 'super FAM' in the intervening years, they would be less likely to participate than currently when the FAMS are connected to the show, so we recommend that this idea be dropped. Each province already does their own FAMS and perhaps there is an opportunity for 2 + province FAMS to be coordinated between the provinces outside of the ACS umbrella.

Changes in the mix of buyers discussed above also has implications for the FAMS and may necessitate partially separate itineraries (e.g. for ½ day or so). In fact, a number of the FIT buyers interviewed commented that the FAMS were too 'group' oriented.

Issues with the post-show FAMS running into Thanksgiving were identified but not resolved other than to look at this. Industry expectations for FAMS are an issue in some provinces but it was agreed that the FAMS should focus on meeting the needs and interests of the buyers.

Strategy #6: Enhance Show Planning and Management Resources

One of the challenges with ACS is that since it rotates between provinces and is every two years there is no continuity in management and no one actively involved in planning for the show in the intervening 12 months or so (the show manager is hired 6 – 8 months before the show). There has been continuity in show management for the past few shows since the contract has been awarded to the same company, so this has helped.

There needs to be both human and financial resources dedicated to ACS in the period between the close of one show and the hiring of the show manager for the next show. Tasks to be accomplished include such things as:

- Keeping the website up-to-date (this could potentially be done by tourismtechnology.com, the technology partnership of the four Atlantic tourism industry associations)
- Updating the buyer profiles
- Maintaining contact with sellers and encouraging them to promote the next show
- Updating the buyer list and starting the selling process to sign up buyers
- Pro-actively soliciting sellers
- Co-ordinating educational programs between the shows
- Initial show planning and promotion such as signing up sponsors
- Assist the host TIA with the process of selecting the specific venue, host hotels, etc.

The objective of this strategy is:

- To provide the human resources necessary to plan and manage Atlantic Canada Showcase in line with the strategies discussed above.

This could be accomplished by contracting show management for two ACS shows at a time, with some portion of the contract dedicated to providing support in the intervening year or extending the show management contract to start earlier and continue beyond the show for a few months. Alternatively it could be a part-time responsibility for a staff person.

Whatever approach is agreed to, financial support will be required from ACS partners, including ACTP and ACOA in the intervening year.

New Approaches to Connecting Buyers and Sellers

As discussed in Section 4, only a few suggestions were made by interviewees on new approaches that could be used to connect Atlantic Canada's sellers with buyers. Our review of these suggestions indicates only a few that might be worthy of further consideration.

Undoubtedly, the Internet is going to play an increasingly important role in the tourism marketplace. Although both buyers and sellers spoke of their belief in the continuing importance of face-to-face connections at marketplaces and on FAMS to build relationships and develop new product, we think it would be fitting for ACS and its partners to consider an enhanced web-based approach to connecting buyers and sellers.
The Group Connect Project, a joint venture of OMCA and ABA, appears to be a major state-of-the-art, web-based initiative and it would be worthwhile to explore whether there is an opportunity for Atlantic Canada and its suppliers to participate in this initiative in some way.

ACS has a challenge attracting travel trade buyers who currently offer little or no Atlantic Canada product - it is not worth their time to attend ACS and since most see little consumer demand for the region, there is little incentive for them to develop Atlantic Canada tour products. (This challenge is likely to be even stronger with attempts to reach travel trade markets in ACTP's developmental markets such as the US Pacific region). Instead, these buyers attend shows that are more effective for them, those with more suppliers and covering larger geographic areas, such as Rendez-vous Canada, OMCA and ABA. Another opportunity, therefore, may be for Atlantic Canada as a region to build more profile at these other shows, to make initial contacts and start building relationships with buyers who are new to our region.

Another approach that may be worthy of consideration is to host small, carefully designed and targeted FAMS, possibly in combination with mini-workshops or sales presentations in the region. These would be aimed at a select group of more significant travel trade buyers who have been pre-screened as to potential interest in the region. This would be part of a package of initiatives aimed at these buyers, including marketing partnerships and in-market support and would need to be complemented by consumer marketing/promotions in the targeted market areas.

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6. US Travel Market Behavioural Study Summary Report, August 2008 (CTC report prepared by Insignia)
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8. Evaluation of Atlantic Canada Tourism Partnership, Year 2, 2007-2008

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7. 2007 European Segmentation Reports – UK, France & Germany, 2008 (CTC reports prepared by Insignia)
8. Evaluation of Atlantic Canada Tourism Partnership, Year 2, 2007-2008

Appendix I
Steering Committee, Workshop Attendees and Interviewees

The Economic Planning Group of Canada
Tourism Consultants

Appendix I
Steering Committee, Workshop Attendees and Interviewees

Atlantic Canada Showcase Research Steering Committee

Darlene Grant-Fiander, President, Tourism Industry Association of Nova Scotia
Don Cudmore, Executive Director, Tourism Industry Association of Prince Edward Island
Carol-Ann Gilliard, Chief Executive Officer, Hospitality Newfoundland & Labrador
Real Robichaud, Executive Director, Tourism Industry Association of New Brunswick
Dave Bryanton, Tourism Policy & Research, Tourism Atlantic, ACOA
Colleen Bowes, ACTP Secretariat

ACS Visioning Session Workshop

Darlene Grant-Fiander, President, Tourism Industry Association of Nova Scotia
Don Cudmore, Executive Director, Tourism Industry Association of Prince
Edward Island
Carol-Ann Gilliard, Chief Executive Officer, Hospitality Newfoundland and
Labrador
Real Robichaud, Executive Director, Tourism Industry Association of New
Brunswick
Dave Bryanton, Tourism Policy & Research, Tourism Atlantic, ACOA
Kim Jardine and Michele Bourgeois, Sales and Partnerships, Nova Scotia
Department of Tourism, Culture and Heritage
Craig Sulis, Manager of Trade and Sales, Tourism Prince Edward Island
Cathy Anderson, Market Development Specialist, Touring and Cruise,
Newfoundland and Labrador Department of Tourism, Culture & Recreation
Melanie Britton and Bruno LaPlante, Partnerships and Trade Sales, Tourism
New Brunswick (by phone)

List of Interviewees

Buyers

<u>Buyers who Attended ACS in 2008</u>
Jim Warren, Exclusively Canada
Tasha Van Rybroeck, Ellison Travel and Tours
Michelle Paquette, FamiFun
Teresa Paolini, Northeast Unlimited Tours
Pascal Hamel, Globe Trotter Tours Canada
Rose-Anne Kupiak, Embassy Tours
Joyce Knapp, Queensway Tours
Sylvie Levesque, Pat's Bus Tours
Pat Nagel, Nagel Tours
Lee McCrossan, Canadian Affair
Katy McCormack, Great Canadian Holidays
Bill Fox, Fox Tours
Eve Colgate, Titan Travel
Victoria Pearson, Routes to Learning Canada
Robin LeVasseur, Cyr Northstar tours
Avril Betts, A-Z Tours International
Joy Lefense-Fitzgerald, Vision The Atlantic Canada Co.
Duncan MacLean, Taymac Tours
Claire Bessette, Jonview Canada Inc.
Lisa Keller, Hospitality Tours
Wanda Hughes, Go Fundy Events
Stephanie Parr, Globus
Howard Herman, Denure Tours
Bethany Manchester, Collette Vacations
Franziska Fenselau, Canadavac
Michelle Kenny, Canadian Tours International
Richard Arnold, Ambassatours (interviewed as both a buyer and a seller since they attend as both)

<u>Buyers who Did Not Attend ACS in 2008 or Have Never Been</u>
Tom Souza, Vantage Deluxe Travel
Bernadette Scobie, Westjet Vacations
Jerry DiPietro, Tourco
Miki Ishiwata, Miki Enterprises
Paul Maille, Tauck World Discovery
Mitch Sussman, Starr Tours
Lynn DeRosa, Travel Impressions
Alice Lin, CAL Tour and Travel
Judy Sparkes-Giannou, Maxxim Vacations

Sellers

Prince Edward Island

Charlotte Brown, Charlottetown Driving Park Entertainment
Penny Walsh, Confederation Centre for the Arts
Kevin Mouflier, Slemon Park Hotel
Troy Howatt, Fisherman's Wharf Restaurant
Bruce McNaughton, PEI Preserves Company
George Campbell, Anne of Green Gables Museum
Kelley Keefe, Great George Properties
Lori McKinnon, Rodds Hotels and Resorts
Jeanette Arsenault, Cavendish Figurines
Craig Sulis, Tourism Prince Edward Island

Nova Scotia

Jennifer McInroy, Prince George Hotel
Diane Rose, Westin Nova Scotian Hotel
Helen Sievers, Auberge Giseles
Lynda Barrie, Old Orchard Inn
Glen MacDonald, Cape Breton Resorts
April McLean, Maritime Hotels and Resorts
Cyndi Locke, Grafton Street Dinner Theatre
Thomas Grotrian, Nova Scotia tattoo
Richard Arnold, Ambassatours
Michele Bourgeois, Department of Tourism, Culture and Heritage

Newfoundland and Labrador

Randy Letto, Desitnation Labrador
Darrel House, Shallow Bay Motel
Jeanette Yetman, Destination St. John's
Keir Knudsen, The Dark Tickle Company
Reg Williams, Bon Tours
Mike Gatherall, Gatherall Boat Tours
Rex Avery, Steele Hotels
Bonita Critch, Clarenville Inn
Mark McCarthy, McCarthy's Party
Cathy Anderson and Charlotte Jewcyzk, Department of Tourism, Culture and Recreation

New Brunswick

Sylvie Robichaud, Le Pays de la Sagouine
Janice Arsenault, Tourism Edmundston
Karen Price, Kings Landing Historical Settlement
Mary Ellen Hudson, Tourism Fredericton
Charlene Fox, Tourism Moncton
Kevin Dickinson, Hilton Saint John
Kim Ganong, Coastal Inns
Kathy Weir, Broadleaf Guest Ranch
Shirley Elliott, Tourism Saint John
Melanie Britton and Lisa Gagnon, Department of Tourism and Parks

Other
Molly Aylward, ACTP
Rob McCloskey, Director General, Tourism Atlantic, ACOA