

VISITING AUDIENCES:

A Tourism Guide for Cultural Organizations

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VANCOUVER'S CULTURAL
TOURISM INITIATIVE

Arts in the City Product Club

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FOREWORD

Vancouver's Cultural Tourism Initiative/Arts in the City Product Club has designed this guide to help arts and cultural organizations considering the benefits of tourism. These businesses will be able to use this guide as a tool to introduce them to the tourism industry.

Existing cultural tourism manuals tend to have two major shortcomings:

- They assume that cultural institutions are willing to reinvent themselves using traditional tourism models of operation and marketing.
- They tend to focus on the development of the tourism plan. While developing a plan is a critical part of the development process, it is one of many steps cultural organizations must take into account.

This guide chooses to focus on organizational self-evaluation. It encourages readers to first ask themselves whether they should pursue tourism markets, before describing how to access these markets. Towards this end, the first section explores organizational evaluation.

The second section follows a recognized format of tourism planning, of which there are several examples. One recent and useful example is *Tourisme Montreal's* manual.

The third indicates how organizations can move their plans off the drawing board and into reality. Every situation will differ, so this section is not as comprehensive as it could be. Instead, it is a signpost to give some direction to cultural organizations.

To reinforce this third section, several case studies are included. *Vancouver's Entertainment Season* uses cultural products in its packages. This example is presented to readers as a learning tool. A brief outline of two local businesses at various stages of tourism planning is also included to illustrate the development process.

Tourism planning for cultural organizations is not a one-time, cure-all solution. It is an ongoing process an organization must choose to enter into and maintain over time. By taking this approach, those who use this manual will produce high-quality cultural tourism products that meet the needs of the tourism industry and their organizations.

INTRODUCTION

Tourism is a new world for many cultural workers and organizations. It demands different skills and ways of doing business. Faced with developing cultural tourism, most arts organizations do not know where to start. This manual will help readers figure out the complexities of cultural tourism and the tourism industry.

What Is Cultural Tourism?

Cultural tourism describes travellers partaking in cultural activities while away from their home communities. This umbrella term includes, but is not limited to, performing arts, visual arts, heritage, multicultural/ethnic events, and some attractions. Education is also a significant part of cultural tourism, as these elements may involve a high degree of interactivity.

Cultural tourists do not necessarily define their primary motivation for travel as cultural activity. For instance, a business traveller who catches a play is as much a cultural tourist as someone who travels to see a blockbuster exhibit.

A Unique Niche Market

Travel research organizations have tracked cultural tourism data in recent years, identifying the trends and characteristics of an attractive and accessible market.

The market:

- Is leisure-travel based
- Is specialized and requires a targeted approach
- Grows globally by 15 percent every year

The travellers:

- Tend to combine cultural with non-cultural experiences while travelling
- Tend to seek learning/educational experiences
- Seek a sense of people and place

Cultural tourists have distinct profiles that set them apart from other leisure travellers and make them an appealing market for the tourism industry. Multiple research sources name the following common features.

Compared to the average leisure traveller, the cultural tourist:

- Tends to be 45 to 64 years-old
- Tends to be female
- Tends to have some post-secondary education
- Tends to have a higher level of income
- Tends to spend between 8 to 10 percent more per day when travelling
- Tends to stay almost an entire day longer at a destination
- Tends to use more commercial accommodation
- Tends to spend more on consumer products such as souvenirs, arts, crafts, clothing, etc.

These sources also convey a likelihood that cultural tourists conduct more research on a destination—an assumption drawn from these travellers' higher educational levels and their tendency to look for a wider range of experiences in a destination. Some recent studies indicate that tourists increasingly obtain their information via the Internet.

GETTING STARTED

Evaluate Your Current Reality

Tourism markets are not primary markets for most cultural institutions. User groups such as subscribers, members, educational groups, and locals usually take precedence. However, tourism interests many arts organizations. Others attract visitor audiences, but do not necessarily serve them well.

Before your organization decides to jump into the tourism pool, do the following:

- Ask yourself some tough questions. Do tourism markets fit your organizational mandate? Is pursuing tourism markets right for your organization? The only way to adequately answer these questions is to analyze your organization.
- Look at the limits of your organization's infrastructure. A perfect tourism plan is little help if your organization lacks the resources to implement it.
- Examine your existing products. Are your present offerings compatible with tourism markets? If not, can you alter them? Or will you need to develop new products?

The whole process of cultural tourism development begins with studying and evaluating your organization.

Organizational Evaluation

Where do you fit into the tourism industry?

The tourism industry is multi-faceted, with countless ways to contact visitor markets. Analyze the structure of the tourism industry to find out where your organization fits.

Many cultural groups fall into roles similar to more traditional tourism attractions. Others find a niche in developing tour products or tour guide training programs. Cultural groups bring more varied services to the tourism industry than people initially think.

Overall, most cultural businesses already occupy some part of the tourism industry. If a visitor stumbles through your doors by chance, your organization plays a role in the tourism industry.

What do you want to do within the tourism industry?

Developing Tourism Goals

Once you know where your organization stands, ask yourself if you're satisfied with that position. If you want to do more with the tourism market, then you can decide what goals you want to achieve.

Most organizations discover they need help in developing tourism-related goals. The first place to turn for assistance is your local convention and visitors bureau (CVB) or regional tourism marketing organization.

CVBs market cities or destinations as a whole. As a result, they have a wealth of knowledge on virtually all tourism industry elements. If your organization is a CVB member, you can obtain information with little cost beyond the time you want to put into the endeavour.

What types of goals should you develop? Your strategies will differ depending on whether tourism represents your primary or tertiary market. But ensure your tourism goals are specific and measurable. For example, *We want to access tourism markets* is too broad and ineffective a goal to measure; while *We want to increase our tourism audiences by 10 percent in 2000* is more effective.

Setting clear goals on what your organization wants to gain from cultural tourism will help you capitalize on the opportunity.

Planning Realities

In between setting and achieving goals lies reality: real dollars to spend, real people to employ, real bills to pay. Cultural institutions tend to work much closer to the margin than the average business, so current operations usually overshadow new initiatives. If your organization plans a tourism initiative, ask yourself the following questions:

What can your organization realistically achieve?

The amount of support your organization gives to the project will directly affect its success. Knowing what resources you can devote towards tourism will help you decide your goals and how long it will take to achieve them.

What gaps must you fill before you continue?

You may find you can't provide for everything with your present resources. Identify these gaps in your operation and quantify them. This will help you adapt better to bridge these gaps.

Existing Product Offerings

What do you presently offer to the public?

Before proceeding with tourism plans, evaluate the present experience your organization offers to the buying public.

The word *product* is an all-encompassing term in the tourism industry. It includes physical products, services, experiences, and virtually anything a consumer purchases from a provider. When taking stock of your products, look at every aspect of your relationship with consumers. Everything from your box office to food services to education programs to facility space is a product.

Are tourists buying your products?

What percentage of your existing consumers are visitors? Do you track this information? Do you have the ability to track it? Answering these questions will show you if you have a product tourists will buy or if you need to develop one.

Organizational evaluation is tough. But this must happen first if you want to explore a more active role in the tourism industry. Once you've finished this evaluation, you can move on to tourism planning.

TOURISM PLANNING

Identify the Opportunity

Cultural products appeal to tourism markets. This presents a real opportunity for cultural businesses to expand to serve these markets. But if your organization decides on this path, be selective about which markets you access and how. Local tourism associations or convention and visitors bureaus can offer valuable assistance.

Know Your Markets

The tourism industry clearly defines categories, making the broadest distinction between leisure travel and business travel.

Leisure:

Fully Independent Travellers (FIT)

- Travellers who plan their vacations and travel on their own

Group Tours

- Organized package tours visitors buy from a travel agent or tour operator

Business:

Meetings & Incentive

- Corporate travel for business meetings or performance awards to company employees

Convention

- Travel to attend a conference or convention

Spousal Programs

- Activities for travel companions of convention delegates that take place during the convention

Pre and Post Tours

- Activities prior to or after a convention, which planners organize

Knowing your present customers is crucial. These people indicate the interests of markets you intend to target. If possible, collect the following details about your customers: demographics (age, income, gender, etc.), geographics (location), and psychographics (interests, buying behaviour, etc.). These indicators create a profile of your customer base, which serves as a map for future market development.

Set Targets

Set clear, achievable, and measurable goals once you identify which market(s) to pursue. Build a strategy with the goals you established in Section 1 as the foundation, but allow for the strategy to help refine these goals. For example, if you decided to increase tourist audiences by 10 percent for the fiscal year, refine that goal to increases in specific categories, say five percent FIT, four percent Group, and one percent Meetings and Incentive.

Develop Products

Analyze your market before developing products. This will help you create products based on market demand, rather than generating market demand for

existing products. Product development is crucial to the process, but traditionally receives little attention.

Once you have analyzed market needs, product development begins. Approach this process by breaking it into distinct steps.

Generate Product Concepts Based on Market Analysis

- Come up with ideas that comprise what your markets want and what you are prepared to offer

Create Prototype Products Based on Organizational Reality

- Refine concepts into products you are potentially able to deliver in a real-world situation
- Locate potential partners to provide those important product elements you cannot
- Ensure the product serves your organization's interests

Test Products

- Identify potential problems before your final product launch to the market
- Consider hosting a tourism industry familiarization tour (FAM) to gain feedback from industry experts—this will help you evaluate your product
- Ask customers for feedback, if possible

Refine Products

- Review product testing feedback
- Refine products by correcting bugs or undertaking an overhaul using earlier steps in the process

Rollout Products

- Start small and build momentum when unveiling your product

Distribution

Distribution is an important element of connecting with your customers. Within the tourism industry, distribution can be split roughly into two categories. The travel trade, which consists of travel agents, tour operators, and other distributors; and the fully independent traveller market, which connects your products directly to the customer.

Travel Trade

The Travel Trade Distribution Chain & Commission System

The travel trade distribution chain aims to sell. Business operators who belong to the chain make a living from commissions. Refer to the chart in Appendix 1 to get a pictorial reference for the distribution chain and commission system.

This system appears confusing, even unseemly, at first glance. To understand the system better, consider commissions as fees you pay to another company for marketing and selling your products. The travel trade is an effective way of reaching tourism markets too expensive to reach on your own, which makes commissions a cost-effective investment in marketing and sales. If managed properly, this investment creates significantly greater returns.

Keep commissions in mind when pricing products to deliver through the chain. You may charge too little to make a product effectively commissionable. In such cases, alternate arrangements could include packaging with other tour elements to reach a price where commissions work. Explore your options.

No hard and fast rules exist in the commissions system. Think of these descriptions as guidelines, rather than doctrine. Through experience, you will eventually discover how to use the system and where you fit into it.

Fully Independent Travellers (FITs)

These travellers plan their itineraries for travel, accommodation, and visitor activities. FITs will likely buy directly from your organization. To reach these travellers, use more promotional tactics than with travel trade. Three proven ways of influencing the FIT market are in-market awareness and promotion, travel media, and websites.

In-Market

Many cultural organizations use local marketing targeted at visitor audiences. This includes local advertising, coupon programs, racking brochures, and visitor information centres, etc. Try to ensure you can measure the results of methods you choose.

Travel Media

Media coverage can be a huge asset to your organization, no matter which distribution channels you use. Local and provincial tourism associations are often contact points for visiting travel media, so communicate and work with these groups to get the media placements you want.

Websites

If you have a website, design at least part of it with visitors in mind. Giving people information before they travel proves a great, cost-effective way of driving visitor business to your organization. Convention and visitors bureaus will often link to members' websites, providing a tourism portal to your site—another avenue to consider.

Pricing

Many tourism operators use a cost-based system when pricing their products. Theoretically, this system covers the cost of development and operations before generating revenue. However, many cultural organizations have high development costs that prohibit a traditional cost-based approach. If this applies to your organization, use an adapted cost-based system to try to recover at least partial development costs.

Pricing is a low priority at this point. Pricing is difficult to do until you actually are developing a product. But when you do start pricing, remember to ask yourself whether you're covering costs and getting paid.

Identify Partners

Partnering is potentially one of the most important elements in tourism planning. Partners can assist you in many ways:

Marketing Partnerships

Joint marketing, promotions, and advertising are on the increase in the business world. These types of partnerships can help you expand your reach into new markets and increase awareness of product offerings.

Development Partnerships

This is a significant new type of partnership for cultural businesses entering into an active tourism environment. Partners cooperate in creating new products or packages of mutual benefit. Examples include:

- A theatre packaging tickets with a restaurant
- A museum developing a heritage tour with a sightseeing company
- Two heritage neighborhoods harmonizing walking tours

Sponsorships

The most traditional partnerships for cultural businesses, sponsorships consist of outside organizations, or individuals, donating funds or services to support a project. Businesses increasingly view sponsorships as donations with few measurable results.

Identify what your organization wants from partners and what you offer them. Partnerships are limited only by your imagination and by the resources you put towards creating and maintaining them.

Promotion

Often, people think of promotion first when it comes to tourism development. But promotion usually fits near the end. Your organization probably uses communications and promotions to reach existing audiences. For the most part, you use the same skills—sometimes even the same communications vehicles—to reach visitors.

You will find more comprehensive communications and promotions plans in publications that deal specifically with those topics. For examples of tourism communications plans, consult the Resource Contacts List in Resource Package 1.

Evaluation

You've set your goals, planned your strategy, and executed your tactics. Now ensure you measure your success by putting mechanisms in place. Measuring actual performance against established goals sets a benchmark for future performance. This sounds simple. But many organizations find creating an adequate evaluation mechanism the most challenging part of the process. Create an effective, long-term evaluation mechanism right from the beginning. Then evaluate your progress throughout the entire cycle, not just at the end. This system pays for itself quickly.

PLANS TO ACTIONS

Cultural institutions often don't have the resources to dedicate to tourism planning. Here are some possible sources for funding and human resources assistance.

Funding

Cultural organizations that want to begin the process of tourism development face a major challenge to find money. Few existing grants apply to this type of development. Resources will likely come through development and partnership initiatives, rather than standard grant-like situations.

As tourism generates revenue, consider the use of grants as seed money. From the beginning, put concrete plans into place to make tourism initiatives self-supporting.

Potential sources for start-up funding include strategic initiative and business development programs from foundations and government funders. These usually take the form of low-interest loans. To approach these sources, develop a well-organized business plan—an essential requirement if you want these funders to consider you.

The Western Economic Diversification Fund and the Business Development Bank of Canada run several tourism-related programs that may meet your organization's needs. Provincial and federal programs may also prove useful to your organization. Talk to representatives from tourism ministries, plus Human Resources Development Canada and the Canadian Tourism Commission, to discover new opportunities.

Your best funding bet is seeking partnerships with more local sources. Municipal or regional bodies often house local or regional tourism-building initiatives. Local economic development offices also offer investment funds.

Leveraging cash through cooperative efforts with other businesses and organizations is one easy way to get tourism initiatives off the ground. Gather several organizations into a consortium that uses cooperative dollars to achieve goals, rather than trying to do everything yourself. Capitalize on your strengths and partner with others to overcome your weaknesses.

Human Resources

Operating in a tourism environment probably requires different skills than those your organization has in-house. So, how do you meet these human resources needs?

New Staff

Human Resources Development Canada and provincial development ministries operate job creation programs that could fund new staff. Or explore creating a consortium with other organizations to pay for new staff positions. Check out the opportunities to get volunteers and interns from local tourism programs, as well as from universities, colleges, and technical schools that run tourism education internship programs. Internships offer helpful support when you're developing tourism plans and conducting research, especially in the early stages.

Staff Reallocation and Training

Every member of your staff, from the executive director to the front-line worker, may need to learn new skills to work within the tourism industry. Local tourism associations or educational institutes usually offer tourism skills courses, such as Superhost training. Superhost is practically a necessity for any member of your staff that is in contact with the public.

Next Steps

This guide is a first step in exploring cultural tourism issues. Many organizations publish resource guides to tourism business and operations planning. Refer to Resource Package 1 for additional information.

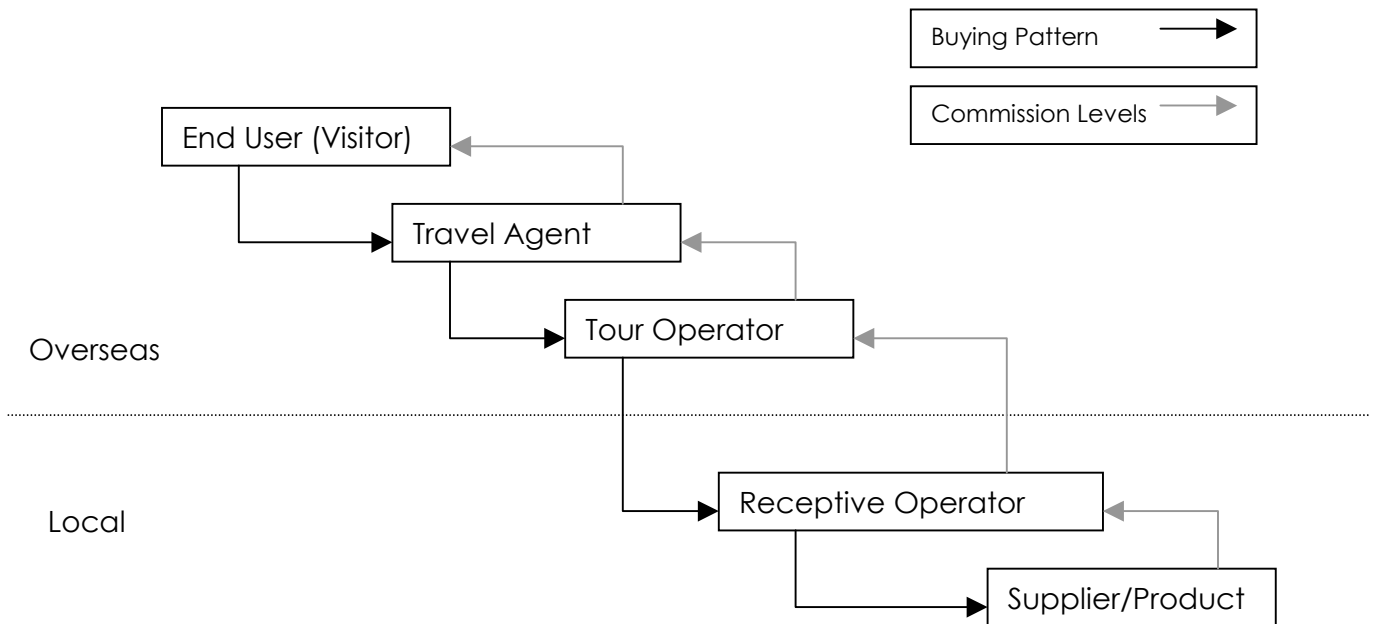
SUMMARY

This guide encourages readers to find unique places for their organizations in the tourism industry. It helps readers to decide whether they can or should pursue tourism by thoroughly evaluating their organizations, products, and abilities.

Developing goals and strategies will help organizations to create an overall vision of what they want to achieve and how. Developing tools will allow them to create/assess products and to reach customers, pointing the way to goal fulfillment. Developing an evaluation system will inform organizations how well they are doing and what they could improve, helping them to create new tourism goals. Locating seed money and start-up funding will challenge organizations, but they will find it possible.

Tourism holds great potential for developing new business for cultural organizations. Many private and public sector groups realize this fact. As time passes, cultural businesses will find more and more opportunities within the tourism industry. But tourism is not for every cultural organization, and it will not cure sustainability or funding issues. Every organization should undertake an evaluation and planning process to decide whether to pursue tourism opportunities and how best to capitalize on them.

Appendix 1: Tourism Distribution Chain & Commission System



In theory, commission percentages relate to hierarchy levels, not to the number of transactions. Commission levels increase for those closer to the product.

Example: If travel agents buy from you directly, they pay the same price to you as they would pay to tour operators.

Resource Package 1: **Tourism Resource Contacts List**

International

Cultural Heritage Tourism Associates		(212) 358-9636
Ecotourism Society		(802) 447-2121
International Association of Amusement Parks & Attractions		(703) 836-4800
International Association of Tour Managers (IATM)	www.iatm.co.uk	(44) (171) 703-9154
International Forum of Travel & Tourism Advocates		(415) 673-3333
International Hotel and Restaurant Association (IH&RA)	www.ihra.com	(33) (1) 44 89 00
International Institute for Peace Through Tourism		(514) 281-1822
International Society of Travel & Tourism Educators		(313) 526-0710
Travel & Tourism Research Association (TTRA)	www.ttra.com	(208) 853-2320
World Airline Clubs Association		(514) 844-6311
World Federation of Tourist Guide Lecturer's Associations		(43) (1) 5145-0257
World Tourism Organization	www.world-tourism.org	(34) (1) 5710628
World Travel and Tourism Council	www.wttc.org	

National

Accommodation Canada		945-7676
Alliance of Canadian Travel Associations BC/Yukon (ACTA)		688-0516
American Society of Travel Agents, Western Canada (ASTA)		430-5454
Attractions Canada	www.attractionscanada.com	
Canadian Association of Fairs & Exhibitions		(403) 474-1902
Canadian Association of Tour Operators		(416) 977-1000
Canadian Bus Association		(613) 238-1800
Canadian National Aboriginal Tourism Association		(902) 864-3963
Canadian Tour Guide Association of BC		669-0851
Canadian Tourism Commission (CTC)	www.canadatourism.com	(613) 946-1000
Canadian Tourism Human Resources Council (CTHRC)	www.cthrc.ca	(613) 231-6949
Canadian Tourism Management Centre		(705) 722-8080
Canadian Tourism Research Institute (CTRI)	www.conferenceboard.ca/ctri	(613) 526-3280
Department of Foreign Affairs & International Trade (DFAIT)	www.dfait-maeci.gc.ca	
Hotel Association of Canada		(613) 237-7149
Tourism Industry Association of Canada (TIAC)		(613) 238-3883
Tourism Reference and Documentation Centre (TRDC)	www.canadatourism.com	(613) 954-3943
Travel Advice	www.dfait-maeci.gc.ca	1-800-267-6788
Western Tour Directors Association of Canada		463-0890

Provincial

BC Bed & Breakfast Association		724-3486
BC Taxi Association		(250) 768-5737
BC & Yukon Hotels Association		443-4754
Council of Tourism Associations of BC (CoTA)		685-5956
Gateway to Kootenay & Columbia Valley	http://gateway.cotr.bc.ca	
Ministry of Small Business, Tourism & Culture	www.tbc.gov.bc.ca	
Northern BC Tourism Association		(250) 847-5227
Okanagan Similkameen Tourism Association	www.travel.bc.ca/region/ok	(250) 860-5999
Outdoor Recreation Council of BC		737-3058
Restaurant & Foodservices Assn of BC & the Yukon		669-2239
Supernatural British Columbia	www.travel.bc.ca	1-800-663-6000
Themed Attraction Association of BC		662-8800
Tourism Action Society in the Kootenays (TASK)		(250) 837-9531
Tourism Alliance for Western & Northern Canada Inc.	www.tawnc.ca	606-7306
Tourism Association of Vancouver Island	www.islands.bc.ca	(250) 382-3551
Tourism BC	www.travel.bc.ca	(250) 356-6363
Tourism BC Research Services		(250) 387-1567
Tourism Education Council of BC		682-8000
Tourism Victoria		(250) 414-6999
Western Canada Motorcoach Association		(403) 244-4487

Local

Tourism Educators Consortium		990-7804
Tourism Richmond		241-4619
Tourism Vancouver	www.tourismvancouver.com	682-2222
Vancouver A.M. Tourist Services Association		738-5506
Vancouver Hotel Association (VHA)		684-8203

Resource Package 2:



Tourism British Columbia Export Ready Criteria

The following criteria are used by Tourism British Columbia when determining if a supplier or DMO is ready to work with Tourism BC in offering "export ready" product to international markets:

Suppliers Must:

- Be in business at least one year, with a proven track record for safe and professional operation.
- Demonstrate an adequate budget and marketing plan that includes international tour operators.
- Understand the roles played by receptive tour operators (RTO's), tour operators/travel wholesalers, and retail travel agents. This includes an understanding of rack or retail pricing, agent commissions and wholesale net rates and client relationships at each level.
- Be willing to include receptive tour operators in your marketing and sales plan, and implement a regular sales call program directed toward these operators.
- Be willing to provide contracted wholesale net rates to receptive tour operators. As a general guideline, requirements are: 15% off the retail price for day activities and transportation and 20-30% off retail pricing for accommodations (higher discounts are common for volume production).
- Honour the contracted net rates, no price changes before the expiry of the contracted agreement.
- Provide detailed pricing and program information to tour operators and receptive operators at least one year in advance of selling season, i.e. May 1999 for the summer/fall 2000 season.
- Be prepared to communicate and accept reservations by telephone, fax and/or e-mail. Provide same-day confirmation of booking arrangements.
- Set up billing arrangements with the operator, agency or receptive tour operator. Accept client vouchers as confirmation of payment for reservations.
- Determine business priorities in terms of group or FIT business. If you plan to pursue group business, consider access by tour buses, parking/turnaround areas, washroom facilities etc. Determine your maximum group size.

- Carry adequate insurance (minimum \$3 million liability insurance for adventure product suppliers is recommended). Discuss this with your receptive operator (sometimes they can add suppliers to their existing policies at nominal cost).
- Provide support (free or reduced rates) for international media and travel trade familiarization tours.

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

- Consider attending travel trade shows involving international buyers, either in North America or overseas.
- Expand the sales call program to include overseas contacts as well as Canada-based receptive operators.
- Be prepared to provide tour operators and media with 35mm slide, CD ROM or standard computer format images of the product or operation, for use in brochures, promotions and editorials.
- Consider producing video footage of product or operation for promotional and training purposes.
- Consider development of a website offering information on your product.
- Be prepared to adapt to uniqueness of certain overseas markets. Flexibility may be required with regard to last minute bookings and changes.
- Consider hiring frontline staff that speak the language of the markets you are interested in pursuing.