



VISITORS' WELCOME
EXPORT READY



EXPORT READY

Looking to raise your business profile, amplify your brand, build incremental sales, and expand into new markets? Competing for international visitation requires a steady commitment in taking necessary steps that prepare your business to effectively attract the inbound visitor.

We explore going global to help you evaluate where your business is currently - the export-possible, emerging export-ready to the established exporters. To best serve the top international source markets, we examine the global business opportunities through readiness product development, visitor servicing and a dedicated level of relationship building and selling.

Together, let's identify the tools necessary to address the standard expectations and needs of this leisure market. To help with the diversification of markets, it is our goal that we aim to provide you with a better understanding of how to expand your reach. Through the process of analysing product development, as well as experiential and purpose-led enhancements, its content, distribution, and finally operational servicing, we will support to help you overcome those steps, address barriers, and identify opportunities.

Finally, we can focus on some of those key's issues in preparation for opportunities and planning for what's next in the industry to create a path towards economic recovery and prosperity.

Being Export Ready

Working with Travel Trade requires some additional practices on the part of the business. There are considerations for export-ready criteria including a greater degree of pricing reliability, operational integrity, and marketing lead time required by the travel trade operator/buyer. Such practices are critical to the success of the relationship between your business and the travel trade operator. Building a strong relationship will serve successful in building sales of your experience and lend to repeat visitation.

- Research markets – Destination Ontario and Destination Canada in-depth insights, consumer-based intelligence, and summary of key facts on travellers by market.
- Determine which markets are most suitable for your product
- Take time to know your direct competition and understand what your competitors are offering.
- Work with your regional tourism team for information on international leisure inbound market activity and if you are not export-ready, learn to become export-ready in preparing to invite the world to your business.
- Develop a strategy that includes evaluating your experience offers, the market you are attracting, identify the target audience(s), prepare a range of mediums and distribution channels marketing plan to promote your business to international visitors.
- Develop the key sales tools in order to promote your experiences effectively. The industry requires profile sales sheets with contact information, an explanation of the product(s), when it is offered, duration, etc.
- Understanding costing structures of your products to account for commissions and incentives for Tour Operators, Wholesalers, Receptive Tour Operators, Travel Agents, and Online Travel Agents. If you wish to work in the sales channels, you will need to adopt your pricing accordingly.
- Complete the Export Ready Checklist

What is Export Ready?

Here's Your Checklist:

- ✓ Meeting the **Visitor Ready** and **Market Ready** criteria first.
- ✓ Understand international markets and working through travel trade sales channels.
- ✓ Develop relationships and distributions – communications, sales channels, contract negotiating, financial transactions.
- ✓ Have been in business for at least one year and have a proven track record for safe and professional operation. Establish a foothold with the domestic tourism market.
- ✓ When marketing to international tour operators, be able to demonstrate a commitment by having an adequate budget.
- ✓ Develop a marketing plan to target international visitors through a range of mediums and distribution channels.
- ✓ Understand the travel distribution ecosystem and roles played by tour operators, travel wholesalers, receptive tour operators and online travel agents (OTA), retail travel agents and its rate structure - rack or retail pricing, agent commissions and wholesale net rates at each level.
- ✓ Recognize the different travel styles of inbound travellers.
- ✓ Seek the advice and leverage through your local DMO and RTO, and relevant associations and groups.
- ✓ Take the important step of researching international markets to establish who will use your products. Do the research that is openly available to you and determine which market will fit as a key target market.
- ✓ Conduct a careful assessment of your competitors.
- ✓ Stay engaged with current travel trends

and industry intelligence to adapt your product or develop product that addresses the needs, interests of the market.

- ✓ Develop a booking system to accept international bookings.
- ✓ Develop a range of promotional collateral with targeted messages for both consumers and the travel trade.
- ✓ Understand the difference of both the Group Market and the F.I.T. and the opportunities for your business.
- ✓ Offer currency exchange rates consistent with industry standards.
- ✓ To leverage markets, participate in travel trade familiarization tours and media site visits and provide free or reduced rates, whenever possible.

Routes to Market Distribution Channel: Direct vs Indirect

The travel distribution system varies from market to market and will include Online Travel Agents, Travel Agents, Tour Operators, Tour Wholesalers, Receptive Operators. Gain business directly with your own business website, where you can maintain costs, and not paying commissions, however there are other routes that include an intermediary – travel trade or OTA. It is worth considering, depending on your business and the market you seek to attract.

Direct: Those customers who book with your business in-person, by phone, or through your business website online booking engine.

Indirect: Those customers who use a third party to research and book their travel with an online tour operator, a travel agent, or a B2C Tour Operator.



Principal Sales Distribution

Online Travel Agents (OTA): Specializing in selling products online, OTAs are increasingly prevalent in the new era of tourism. An Online Travel Agency gives travelers the option to book numerous travel related services online without leaving their home. This can be used for a wide range of B2C services such as tours, accommodations, transportation, and vacation packages.

i.e.) Expedia Inc. is an OTA owned by Expedia Group, an American online travel shopping company based in Seattle. The website and mobile app can be used to book airline tickets, hotel reservations, car rentals, cruise ships, and vacation packages. It partners with different businesses to give them the online platform to succeed. According to research done by Statista, in the month of January 2022 they had over 66 million visitors.

Travel Agents (TA): Located in storefronts or are home-based, Travel Agents work directly with the consumer (B2C). Many travel suppliers will sell most of their product solely through travel agents, where the agent/agency will make a commission that is paid by the tour operator or wholesaler to the agency. As an important part of the distribution channel, especially for those long-haul destination and where product knowledge is complex and access are more challenging, travel agents become a valuable.

Selling wholesale packages direct to consumer for a minimum 10% commission.

Tour Operators: A tour operator is an organization, firm, or person who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly by the organization. These operators make it easier to find a full trip plan that could interest the traveler if they didn't want to book everything themselves. Selling outbound tourism experiences, from their country of which they are located and selling to, they have knowledge of travellers' trip motivations and travel values. Generally, they package and sell



travel components of a customer's trip that can include accommodations, ticketed experiences/activities, rentals, rail tickets, flights, tours, shows, meals, meal vouchers, and more. A key relationship to keep in mind is that Tour Operators work with Receptive Tour Operators (RTOs) on travel components in net rates – from travel suppliers.

Tour Wholesaler (TO)/Wholesale Tour Operator (WTO): Tour Wholesalers are unique as they don't interact with the tourist in any way whether that be in-person or online. Their role is to sell your tour products to retail travel agencies. For example, if you are a hotel and want to be a part of a travel package that you would reach out to a tour wholesaler who would then connect your business with a tour operator. Eventually this would lead to your hotel being a part of a package offered by the tour operator.

They assemble all elements of a tour to sell through travel agents or directly to the consumer. TOs contract with hotels, attractions, and transportation which they will mark up to cover their distribution and marketing costs. TO net rates should be a minimum 20% off retail (Net 20).

Receptive Tour Operators (RTO): Receptive Tour Operators provide tourism products to tour operators in their specific business markets (as a business-to-business relationship). The difference between a receptive tour operator and a wholesaler is that they sell to wholesalers and travel agents. Additionally, they sell tourism products rather than the full package that a wholesaler would offer to an operator.

Often, International Tour Operators who are not familiar with Canada are not comfortable booking direct. Therefore, they search for an RTO who understands the product and have on-the-ground familiarity with the supplier. The benefit of working with an RTO is that they do the international marketing and direct sales on your behalf, and you only “pay” when they book something with you. They print brochures and catalogues and maintain current websites, often in multiple languages, which include suppliers. There is no charge to suppliers to be included in these materials.

The distribution channels used by RTOs are extensive. RTO net rates should be minimum 25% off retail (Net 25).



Photo by @simplysuzanna

What is the difference between a net rate and a gross rate?

Each level of the distribution system will require an understanding of the difference between nets and gross/retail rates.

Gross Rate = Net Rate + Commission

The gross/retail rate of a product or experience is simply the amount that the consumer will pay. Be consistent across all distribution channels, therefore it is wise to create a rate tariff sheet of each product and review annually.

For Example:

Any customer should pay the same price whether they book directly with you or through a retail travel agent or online travel agent.



Market Guide - Top International Source Markets

Destination Canada's Current Buyer Markets

This chart will assist you in gaining a perspective of these key markets. Destination Canada has identified nine specific global markets and isolating high-level characteristics and insights. To source the full reports, per markets, visit the Destination Canada industry website at www.destinationcanada.com.

2018 Performance (latest data and pre-pandemic insights) Snapshot

Market	Trip Snapshot	Key Insights	Market Insights
<p>United Kingdom</p> <p><i>Over 6 million UK long-haul leisure travellers intend to visit Canada in the next two years.</i></p>	<p>Arrivals: 791,550 (down 3.3%)</p> <p>Average Trip Spend: \$1,477</p> <p>Consideration to Ontario: 60%</p>	<p>Despite a slight decline in annual arrivals, the United Kingdom held the top spot as Destination Canada's largest long-haul market in 2018.</p> <p>Over the first nine months of 2018, despite a 4% decline in total arrivals to Canada. United Kingdom holiday/leisure trips to Canada reached a five-year high of 292K visitors, up from 206k in 2013, and a previous peak of 274k in 2016.</p> <p>Brexit concerns weighed on consumer confidence in the United Kingdom and acted as a drag on long-haul outbound travels for business trips and trips to visit friends and relatives.</p>	<p>While UK arrivals to Canada in 2018 peaked in the summer months, demand for travel to Canada was the highest between May and June among leisure travellers.</p> <p>Trying local food and drink, experiencing nature-based experiences, seeing historical or world heritage sites and exploring Indigenous culture and among the top activities UK leisure travellers want to experience while on holiday.</p>
<p>Germany</p> <p><i>5.5 million German long-haul leisure travellers intend to visit Canada in the next two years</i></p>	<p>Arrivals: 405,980 (up 1.2%)</p> <p>Average Trip Spend: \$1,720</p> <p>Consideration to Ontario: 54%</p>	<p>Annual arrives from Germany in 2018 (406k, +1%) just surpassed 2017 levels, making it the best year for German arrives to Canada since the peak in 1996 (454k arrivals).</p> <p>2018's slightly subdued growth compared to 2017 was most apparent in decreased air arrivals via the US, as visitors arriving by all other models of entry increased overall in 2018.</p> <p>In 2018, the purchasing power of the Euro relative to the Canadian Dollar (+5% compared to 2017) helped position Canada as a more attractive travel destination for German travellers.</p>	<p>In 2018, interests in travel to Canada was highest among German leisure travellers between May and October.</p> <p>Top experiences German leisure travellers desire while on holiday include sampling local food and drink, summer and fall outdoor experiences, exploring Indigenous culture, city tours and exploring places other tourists won't go.</p> <p>The majority of German leisure travellers on their most recent trip to Canada (60%) did not travel in an organized group travel package. Among those that did, relatively similar proportions booked these trips either online or in-person.</p>

Market	Trip Snapshot	Key Insights	Market Insights
<p>Mexico</p> <p><i>1.5 million Mexican long-haul leisure travellers intend to visit Canada in the next two years.</i></p>	<p>Arrivals: 404,400 (up 4.9%)</p> <p>Average Trip Spend: \$1,575</p> <p>Consideration to Ontario: 67%</p>	<p>Mexico continued to set new records in 2018, surpassing the milestone of 400K annual travellers to Canada for the first time and doubling 2015 arrivals in just three years.</p> <p>The strong arrivals from Mexico through 2018 indicates a continuing positive trend after the initial progress following the changes to visa requirements at the end of 2016.</p> <p>Strong direct air arrivals were supported by a 35% expansion of air capacity between Mexico City and Canada of all Destination Canada's international markets.</p>	<p>In 2018, demand for travel to Canada was highest in July-August (29%) and November-December (20%) among Mexican leisure travellers.</p> <p>Activities that Mexican travellers are most interested in experiencing included trying local food and drink, seeing nature parks and natural attractions, the northern lights, fine dining, places of historical and cultural significance and cross-country skiing.</p>
<p>Japan</p> <p><i>Nearly 3 million Japanese long-haul leisure travellers intend to visit Canada in the next two years</i></p>	<p>Arrivals: 251,240 (down 14.9%)</p> <p>Average Trip Spend: \$1,810</p> <p>Consideration to Ontario: 61%</p>	<p>As concerns over slowing global growth and financial market turmoil weighed against consumer confidence, arrivals from Japan declined in 2018 (-15%) particularly air arrivals, as direct air capacity between Japan and Canada also retracted (-4%).</p> <p>Among all of Destinations Canada's markets, Japan boasts the highest proportion of traveller's visiting Canada between October and March when Aurora viewing is popular. Tour operators also increased new winter products including Canadian Rockies, Christmas in cities and festivals in Eastern Canada.</p>	<p>Japanese leisure travellers are most interested in visiting Canada between July and August (30% of travellers) and September-October (28%).</p> <p>Japanese leisure travellers are most interested in participating in nature-based experiences – seeing mountains of waterfalls, witnessing the northern lights, visiting nature parks, and immersing themselves in the fall colours, City, Culinary and historical themes are also popular to combine with nature-based experiences.</p> <p>44% of recent Japanese leisure travellers to Canada booked their entire trip as part of an organized group travel package, via a travel agent /tour operator online or in-person.</p>
<p>USA</p> <p><i>Over 44 million US long-haul leisure travellers intend to visit Canada in the next two years.</i></p>	<p>Arrivals: 14,440,350 (up 1.4%)</p> <p>Average Trip Spend: \$685</p> <p>Consideration to Ontario: 64%</p>	<p>US arrivals reached 14.44 million in 2018, the highest level recorded since 2004.</p> <p>US arrivals growth was driven primarily by the 8,18 million auto arrivals in 2018, which the largest source of overnight visitors to Canada, making up 57% of US arrivals in 2018.</p>	<p>American leisure travellers like to take advantage of the long weekends for travel, with Memorial Day, Independence Day and Labour Day contributing to the largest weekend spikes in road arrivals in 2018.</p> <p>In 2018, 4 of the top 5 activities that American leisure travellers wanted to experience were nature-based, including seeing natural attractions, hiking, or walking in nature, visiting nature parks, and viewing wildlife.</p>

Market	Trip Snapshot	Key Insights	Market Insights
<p>China</p> <p><i>Over 11 million Chinese long-haul leisure travellers intend to visit Canada in the next two years</i></p>	<p>Arrivals: 737,380 (up 6.1%)</p> <p>Average Trip Spend: \$2,846</p> <p>Travel Consideration to Ontario: 62%</p>	<p>Canada welcomed a record number of Chinese tourists in 2018, surpassing the 700k mark for the first time and doubling the number of annual travellers since 2013, with an average annual growth rate of 16%.</p> <p>China remained Canada's second largest long-haul market for arrivals in 2018 and largest for spend.</p> <p>Steady expansion of direct air capacity and the positive strength of the Chinese Yuan in Canada supported this growth in 2018.</p>	<p>In 2018, desire to visit Canada among Chinese leisure travellers was highest between July and October.</p> <p>Seeing natural attractions like mountains or waterfalls, trying local food and drink, exploring Indigenous culture, hiking, or walking in nature and viewing wildlife represent some of the top activities that Chinese leisure travellers want to do while on holidays.</p>
<p>Australia</p> <p><i>2.5 million Australian long-haul leisure travellers intend to visit Canada in the next two years</i></p>	<p>Arrivals: 348,980 (down 2.5%)</p> <p>Average Trip Spend: \$2,433</p> <p>Consideration to Ontario: 67%</p>	<p>Australians are expanding their travel interest outside of Western Canada. Based on agency reported air ticket data, arrivals to Ontario, Quebec, Atlantic Canada, and Northern Canada expanded at an above average rate between 2013 and 2018</p> <p>The weaker purchasing power of the Australian Dollar in Canada in 2018 (-3% compared to 2017) may have contributed to subdued arrivals, particularly via the US. Overall economic weakness is expected to weigh on consumer confidence.</p> <p>Although there were fewer arrivals from Australia via the US in 2018, direct air arrivals were still ahead of 2017 (+6%), in line with expanded air capacity (+12%) resulting from new direct Air Canada flights between Melbourne and Vancouver.</p>	<p>In 2018, Australian leisure travellers were most interested in visiting Canada during the summer (29% of travellers) and fall seasons (23%).</p> <p>Top activities Australian leisure travellers want to do while on holiday include sampling local food and drink, immersing themselves in nature, seeing sites of historical significance and visiting city-based attractions such as city green spaces, art galleries and museums.</p> <p>1 in 4 Australians visiting Canada on their most recent long-haul leisure trip booked an organized group travel package via a travel agent or tour operator in-person.</p>



Photo by @letswalkalong

Market	Trip Snapshot	Key Insights	Market Insights
France <i>5.5 million French long-haul leisure travellers to visit Canada in the next two years.</i>	Arrivals: 604,170 (up 4.7%) Average Trip Spend: \$1,430 Consideration to Ontario: 54%	<p>Arrivals from France set a new annual record in 2018 and surpassed the 600K mark for the first time.</p> <p>In 2018, the purchasing power of the Euro relative to the Canadian Dollar (+5% compared to 2017) helped position Canada as a more attractive travel destination for French travellers.</p> <p>French air arrivals direct from overseas soared 17% in 2018, with the largest gains registered in Quebec (+23% or +58K visitors total 36K arrivals), Atlantic Canada (+168% or +6K visitors, total 9K arrivals) and British Columbia (+40% or +6K visitors, total 24K arrivals).</p>	<p>In 2018, demand to visit Canada was highest between May to June and September to October, while actual leisure arrivals reached their peak in July and August.</p> <p>French leisure travellers want to explore Indigenous culture, try local food and drink, see natural attractions and heritage sites, and visit places that most tourists won't go while on holiday.</p> <p>Half of French leisure travellers that visited Canada on their most recent trip purchased an organized group travel package, either online or in-person.</p>
South Korea <i>Over 8.5 million South Korean long-haul leisure travellers intend to visit Canada in the next two years</i>	Arrivals: 245,760 (down 16.4%) Average Trip Spend: \$1,741 Consideration to Ontario: 51%	<p>Global trade disruption and economic uncertainties weighed on consumer sentiment in 2018, despite a minimum wage increase, and resulted in South Koreans postponing or taking shorter holidays. This was reflected in decreased arrivals to Canada in 2018 (-16%).</p> <p>In 2018, Korean Air Lines, which has a 48% market share, switched its Vancouver route to a smaller plane, resulting in an 11% contraction in seat capacity with the same flight frequency. The same change was initiated on their Toronto route in 2017 and 2018, which resulted in a 30% contraction in air capacity on the route.</p>	<p>While half of leisure visits to Canada by Koreans in 2018 were between May and August, more Korean leisure travellers want to visit in September and October.</p> <p>Korean leisure travellers are interested in a combination of city and nature-based experiences, including seeing natural attractions, trying local food and drink, going on culinary tours, spa and wellness centres, historical sites, and art galleries & museums.</p> <p>More than half (56%) of South Korean leisure travellers booked an organized group travel packages on their most recent trip to Canada, predominantly via travel agents or tour operators online.</p>

Source: Destination Canada



Making Plans to Enter the International Leisure Market

There are several reasons for your business to consider expanding into the international leisure market, not least of which is to welcome visitors from different cultures into our region and to your business' front door.

Other benefits may include the fact that this market travels all days of the week, during holidays, year-round. Often, if not all the time, an advantage is that they book in advance, and for the most part, well in advance.

Post pandemic predictions suggest that the international markets will deliver strong revenue growth to Canada. Consider the opportunity for your export-ready tourism business and while there is plenty to consider, if you want to pursue this market, follow these decisive points:

1. Which international markets, identified by Destination Canada, do I believe will fit with the products I offer?
2. Referring to the different DC Explorer Quotients, does your business identify with one or more segments for which they will book your experiences?
Visit desinationcanada.com
3. Do you understand how to target international markets through the various distribution channels?
4. You have a clear understanding of the travel distribution system and its costing structure?

How To Work with The Travel Trade

Leisure tourism operators work with the international market and find it a way to diversify their customer base, building a source for revenue and gain an opportunity for new business. As a regional organization focused on B2B sales in this market, we work within our strategy that targets travel trade sales. There are specific markets and relationships that we nurture to gain advantages for success.

Working directly with our export-ready tourism operators, we have focused on product development and enhancements, visitor servicing, market-readiness, and finally export readiness for travel trade companies to consider Hamilton Halton Brant as a destination for consideration for their clients.

Many visitors from international markets rely solely on the relationships with their local travel advisor/agent, tour operators or wholesaler when planning and booking their holiday. Canada, to many markets is considered a long-haul destination and requires that expertise when making those important final decisions in choosing a destination and the experience components to build the itinerary.

Distributors in travel work with multiple travel advisors across the globe and allow your tourism business to broaden that preferred customer base. By working with distributors allows you to reach far more potential customers than your own website reach, itself. With a limited marketing budget, aligning with HHBRTA may be the leverage you need to access travel distributors on a consistent scale.

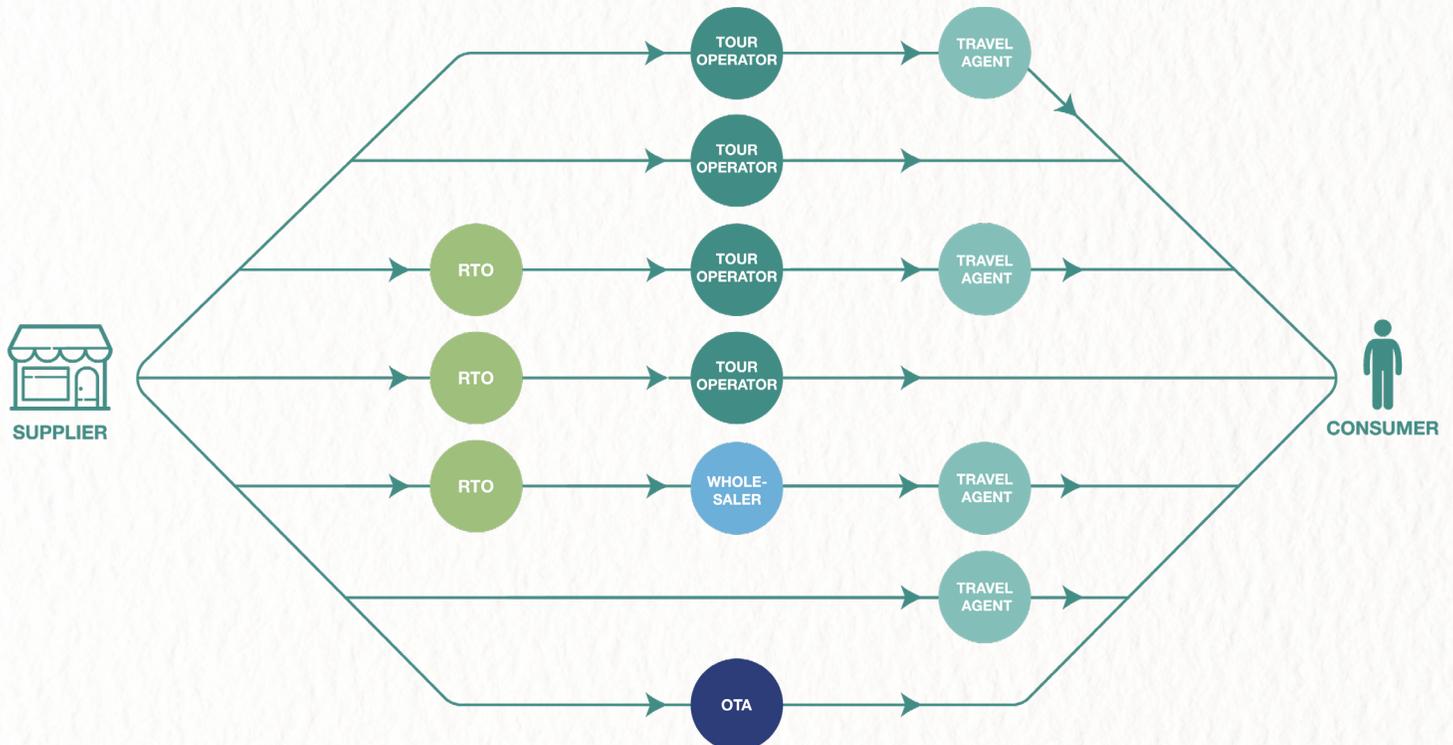
Benefits of Working with the Travel Trade

- Industry research has identified that consumers in key international markets including Destination Canada's key markets such as Japan, China, Korea, Germany, and Australia book between 90% and 95% of their trips through the travel trade.
- The Travel Trade can in effect reach markets that fall outside of supplier marketing channels and budgets.
- A key benefit of working with the Travel Trade is that they have their own marketing budgets. They can choose to carry your product and when so, as a supplier, you will benefit from their promotions without additional costs to you.

Supply Chain: Pricing for Travel Trade

Working with travel distributors requires an understanding of pricing and commissions structures.

- Commissions are paid to Retail Travel Agents, Online Travel Agents, Tour Operators, Receptive Tour Operators and Wholesalers when they distribute and sell your product. Some work with Net Rates.
- Commissions are paid only once they make a sale
- Commission rates will vary from 10% to 30%



Criteria in Working with HHBRTA – International Leisure Sales

- Meet the Export-Ready criteria (pre-requisite by Visitor-Ready and Market-Read)
- Experience or product of interest to travel distributors
- Understanding of pricing and costing structure, based on distributor requirements
- Have sales tools, website to leverage marketing
- Work with HHBRTA team on readiness training and consultation

Travel Distributors: Your Product

Your product may be the component travel distributors need to include in a package that is tailored for their market, and one that could be featured in their brochures. For example, the package is then distributed online to travel agents or directly to the targeted consumer audience.

Travel Distributors: Types of Markets

Group Inclusive Tour (G.I.T.): Pre-formed groups or non-related individuals booking and travel together on the same itinerary and arrangements, by motorcoach as the vehicle of travel, predominantly. Groups represent a minimum size, based on criteria of the travel supplier. Accommodation providers will set a minimum room number in order to qualify for a group rate, for example. Rates are based on nets, in most cases.

Fully Independent Traveller (F.I.T.): Travelling independently and not part of a group. Tour Operators will sell F.I.T. product experience options, like accommodation, package experiences, tickets, and other a la carte travel offers. Tourism businesses may be asked by Tour Operators, Wholesalers for an F.I.T. rates, based on volume of bookings, whereas OTAs and Travel Agents will arrange a rate of commission.



Building Relationships with the Trade: B2B Sales

A significant and ongoing number of travel trade companies that otherwise would not have been exposed and introduced to our destination but for the work we do in this market.

- a. **Destination Ontario:** Aligned with Destination Ontario, the travel trade is made up of a network of travel distributors. They cover all the channels through which a traveller can buy our product/experiences, and each play a specific role in the planning and booking cycle of a potential customers.
- b. **International Leisure Marketplace:** Participating on an annual basis in the capacity of seller at Rendezvous Canada (RVC) and pitching export-ready tourism operators, 'bookable product', travel distributors, and building B2B relationship opportunities.
- c. **Trade Influencers and FAM/Site Tours:** Seeing is believing therefore, whenever we can engage with travel trade buyers and influencers, we will extend opportunities for them to learn more about our region and the experiences we offer.
- d. **Communication:** Providing regular updates to continue to build relationships and keep travel trade companies aware of destination product. Keeping lines of communication is important to build trust.

Tour and Travel Industry

The word 'tour' means something different depending on the traveller. Some may associate a tour with an organized and pre-planned itinerary, where the tour operator builds the route and fills the experiences in a schedule. Others understand a tour to be a guided hike, or a foodie walk through a town stopping to sample and learn about the local businesses.

Market indicators....

- Market demands require the tours and activities space undergo some changes of what it means to experience something the traveller will experience while on a trip.
- According to Skift, projections of the global tour and activities market hover around \$150 billion annually; estimations indicate annual growth margins of approximately 9% over the coming years. (pre-pandemic 2018).
- Interestingly enough, a majority of tours are sold offline, says technology provider Treksoft – in-destination or through a tour operator/travel agents while as of 2018, 13 percent of those bookings come from operators with real-time booking connectivity in the field.
- The rising importance of 'experiencing', lends to the new focus for the global tour operator business to evolve to online booking and offering tours that move from the limited simple tours.
- Depending on the destination, and level of tourist activities, activities may be scattered or non-existent in other destinations. For example, platforms may display a variety of activities in Toronto and Niagara Falls precisely to serve level of visitation and travellers are looking for product.
- Considered the great untapped market in online travel, venture capital is flowing into the tours and activities sector as investors are betting on the future of the sector.
- There is a higher demand for travel experiences and while there is a digital distraction, operators must be present and answer the call of the shift in how the consumer gains knowledge, access, and successfully books their visit.



The Rising Importance of Tours

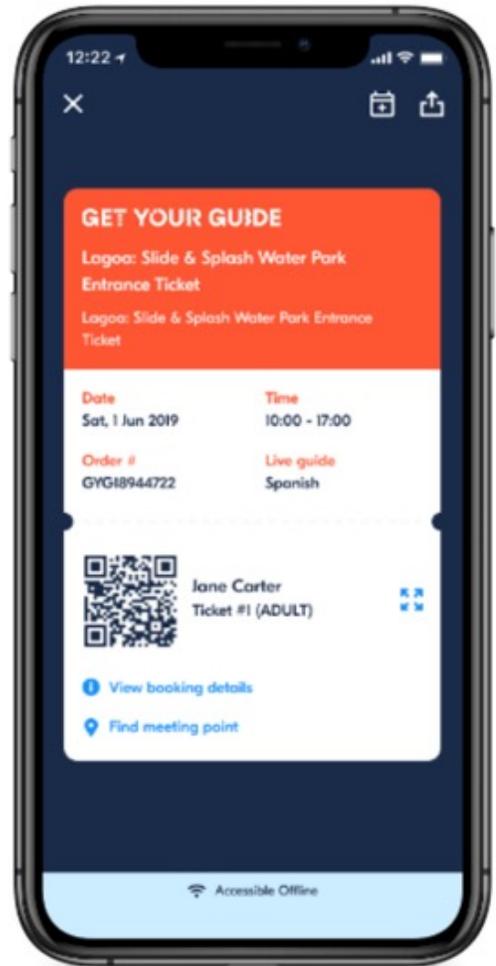
1. Build in your business strategy online marketing. Remember that if your product is available for purchase on one or more Online Travel Agent platforms (OTAs) you will gain exposure of your business/product and result in bookings.
2. Working in collaboration with other tourism businesses to embrace your online tour presence will give the traveller choice of small to large-scale experiences with the goal to form multi-day stays.
3. Working with various OTAs, will examine how the tour experience is evolving and how your business can bring tour booking into the mainstream of the visitor journey.

Working with Travel Advisors – Travel Agencies – Retail and Online

Travel Agencies have transitioned to capitalize on the consumer demand for more diverse experiences. As consumer's shift from the go-to 'traditional' package offers such as cruising and the all-inclusive resort stay, agencies have discovered F.I.T. as a growing sales opportunity. As this form of travel have become commodities that are easily booked online, packaged tours remain difficult to sell digitally.

"Customization is the new luxury. So, by booking these tours through the travel advisors, you know you can really get something tailored precisely to the traveller's needs."

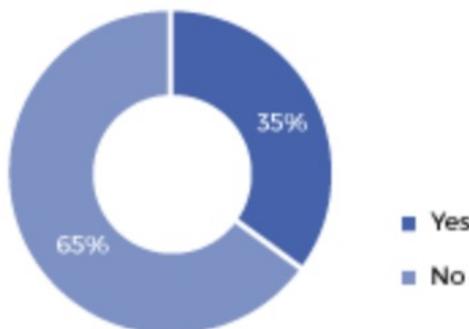
Cece Drummond, Managing Director of Destinations and Experiences at luxury travel agency, Virtusoso.



One-third of travelers have used mobile to book tours & activities once in-destination

35% of travelers have used mobile to book tours and activities while traveling for leisure.

(N=1,671)



Break down of apps used:

(N=587, % = respondents who have ever used the app)

- 58% TripAdvisor
- 13% GetYourGuide
- 12% Musement
- 11% Viator
- 9% Klook
- 8% Peek
- 4% Withlocals
- 4% Operator / Attraction specific
- 3% Group
- <1% Alitrip
- Airbnb Experiences

72% of those who have ever used mobile to book tours & activities also did so on their last vacation

Shifting to Online Partnerships

Consumers' desires for unique and authentic experiences are what is transitioning online platforms to display their marketplace of tours and offers. In today's consumer climate, it's proving a must to stay, not only competitive, but be globally accessible to all consumer markets.

To understand the sector and the opportunities to work in this space, there are key distinctions to help navigate your best bets. If you work with standard tour operators, you know that they own inventory, are more asset-heavy, and generally run one day to multi-day tours.

The screenshot shows the top navigation bar of the GetYourGuide website. It includes the logo, a search bar with the text 'Where are you going?', and links for language (English), currency (CAD (CS)), wishlist, cart, help, and login. A 'Sign up' button is also present. Below the navigation, the breadcrumb trail reads 'Canada > Ontario > Things to do in Niagara Falls, Ontario > Niagara Falls, Canadian Side'. The main heading is 'Niagara Falls, Canada: Journey Behind the Falls Entry Ticket', with a rating of 4.2/5 from 851 reviews and the provider 'Niagara Parks'. A large image shows a person in a yellow raincoat looking at the falls, with a 'View all 5 images' button. To the right, there are three smaller images and an 'Add to wishlist' button.

“Vacationers want to experience something new and are tired of the same old tours and activities. While global tour operators are baking more customization into their products, digital distribution is changing the way local operators do business.”

Dan Peltier and Andrew Sheivachman, Skift

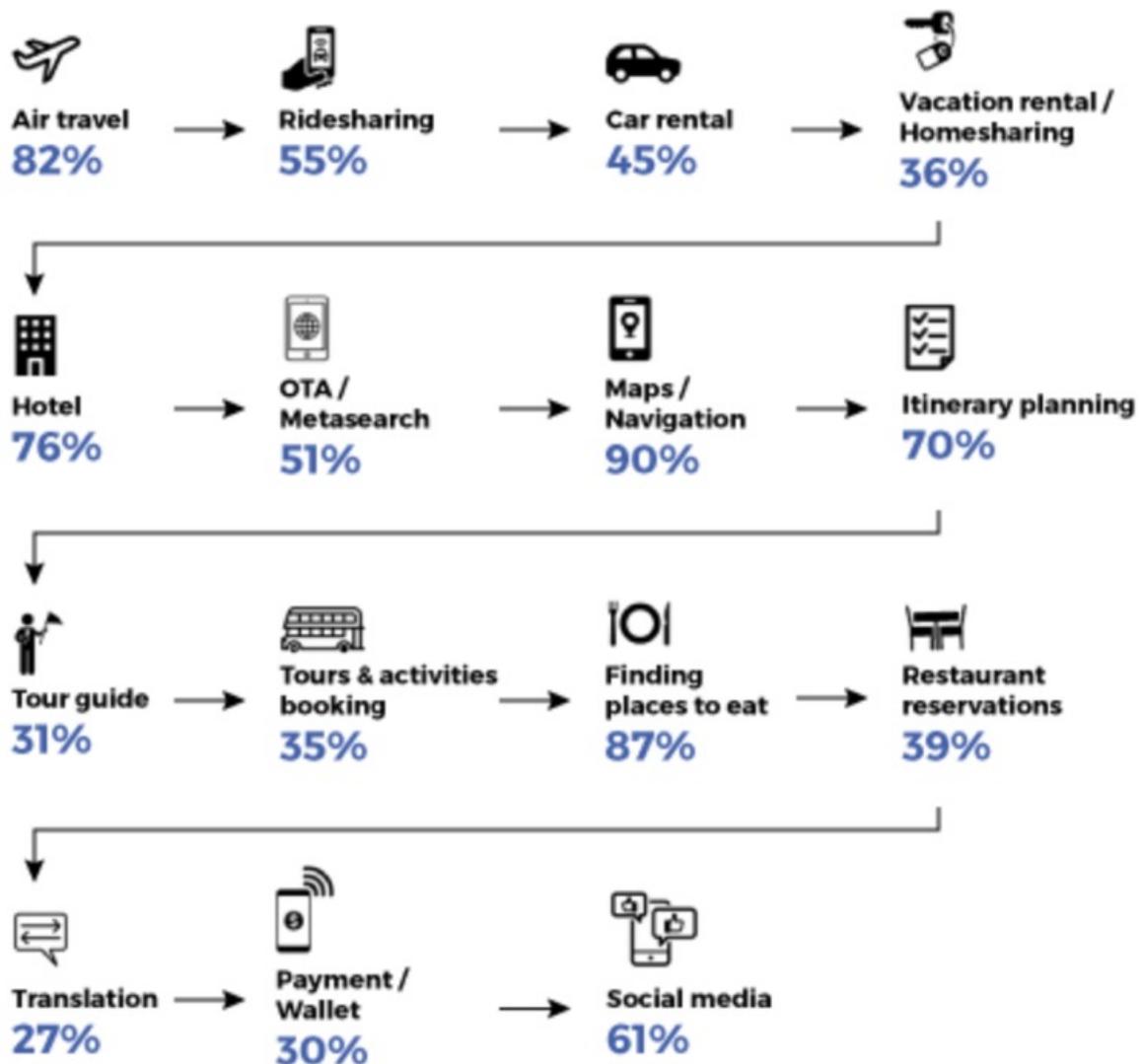
The contrast is that the tours and activities sector is vastly defined by small businesses that mostly offer products that may be limited in scope and availability. Often these small operators think of themselves as tour operators, but the consumer tends to relate to tour operators more in the large-scale offerings that particularly sell packages verse a one-off activity experience.

When we broke down the tour operator, it is clear that the traditional tour operator is paid by the traveller for a package of accommodations, access to activities that are included, meals, and transportation into a cohesive experience, end to end. Travel agents will work with tour operators to sell the package to their potential

clients and receive a commission percentage. To the tour operator, travel agents act as an additional sales channel. Tour and activity operators on the other hand, do not tend to package an experience, however if they respond to trends, design and price it well, it can be successful. The opportunity remains that tourism businesses can work with OTAs to feature their tours and activities on their platforms.

Leveraging the internet to modernize and give customers the convenience of booking a tour or activities, especially working as a collaborative destination with the goal to bolsters our region as an experience-heavy place to visit. At the end of the day operators need to explore platforms that fits their business values and products. Knowing there is a cost for distribution whether it's online or offline, success can only be achieved when product is created with great content, especially taking into consideration the audience and pricing.

Percent of travelers who have ever used their mobile phones at each part of the in-destination journey



Source: Skift Research



The Slow Travel Movement

In the simplest of terms, Slow Travel can be defined as tourists staying longer in the area they are visiting. The goal of the traveller for staying longer is to become more connected too and more immersed in the area they are visiting. Slow travel is a step towards really engaging with the area, its local culture, local arts, and the local communities of the destination. The traveller will really take their time to understand and appreciate what the place is all about.

This trend has come off the back of the Covid-19 pandemic and is a result of the many changes and pent-up travel urges within the industry. Firstly, there is the massive bounce back that tourism businesses will experience after so many months of restricted access to other places and activities. According to the World Travel and Tourism Council (WTTC), they have predicted world tourism to recover to 85% in 2022 with an 18% recovery in tourism employment and international travel doubling. Additionally, a study done by TravelMonkey indicated that a mere 19.62% of people in North America aren't considering travelling in the summer of 2022 indicating that this trend is not only worldwide but on a local level too. People have an urge to travel which doesn't just increase slow travel but travel as a whole.

Secondly, remote and hybrid work has taken a forefront in the business world with over 55% of all businesses of remote work in some sort of capacity. This increased number of jobs that offer some sort of remote work has complemented the amount of people looking to travel more frequently going forward. This has led to the rise of bleisure travel which involves people combining their business and regular trips to longer experiences while traveling. As stated earlier in tourism trends, the majority of business travellers between the ages of 25-30 want to extend their business trips into "mini-vacations". This means they do not only do more leisure activities while on business trips but looking to spend a longer time in the area. For example, more travelers plan their business trips later in the week on a Thursday or a Friday to stay in the area they've travelled to for the



Photo by @thesikhtraveller

weekend. This gives them an extra few days to explore the area and experience its culture, turning a 2-day business trip into a "mini-vacation" that lasts 4-5 days.

Lastly, the slow travel movement is complemented by the change in what a traveller is looking for and the future trends for 2022. To start, slow travel is much more sustainable and environmentally friendly than someone who takes multiple short trips a year. For example, a slow traveler is much more likely to take a train or rent a car rather than take a flight to multiple destinations. This is further compounded with the rise of domestic travel which has less impact on the environment. Another trend that has impacted the rise of slow travel is the increased amount of people traveling for experience. This involves doing more activities and experiencing more of the local culture. According to a study by Skift in 2019, 67% of high-income travelers said they would rather spend their money on activities than a nicer hotel room. This indicates that experience-based tourism is rising regardless of a tourist's income. TripAdvisor has also reported that they have seen over 30 000 new "experience packages". This type of travel creates a deeper connection between the traveler and the destination they are visiting. To provide something truly experiential, the trip cannot be rushed, and it takes longer to experience all the different types of culture (arts, food, history etc.) resulting in a slower trip.

What does this mean for your business?

This new type of slow traveller creates opportunities for your business. These travellers are more interested in local activities and trips that a generic traveller wouldn't normally consider. Instead of going on a history tour, they might just plan to visit a museum by themselves for a day and walk around to experience the area. They might just wander the streets visiting different stores and restaurants based on their look and feel. This makes them look much more like a local doing something in their local area rather than just a regular traveler.

Additionally, the slow travel movement doesn't only apply to people visiting your area but domestic travellers looking to learn more about their local community. The slow travel movement isn't just about travel but is about people being more interested in the culture and experience of the place which includes locals who haven't really participated in their area's local activities. Ask yourself, have you been to all the museums in your local town? Or gone to a local farmers market and tried some food? The majority of local residents have experienced very little of what their local area has to offer; however, with the rise of slow travel this is changing too.



Be Slow Travel Ready

Embrace the mindset of bringing us back to the core of why and how we look at travel. A fully immersed experience instead of a quick trip when the traveller engages in the true benefits of the place.

1. By understanding the tourism needs that are emerging after the pandemic, capture the slow travel market by offering what they are looking for –
 - Immersive where you feel that you truly got to know the place, people, and cultures
 - Off-grid, off the beaten track
 - Learn from locals and experts
 - Cultural experiences that are authentic
 - Making connections
 - Local foods, local music
 - Participating, not a spectator
2. Travellers are looking to experience the culture of a destination; these include experiences like the local foods, arts, history, and culture and more.
3. Locally sourced ingredients and stimulating local economies product development mindset.
4. Integrate “a local experience” into your business and offer something that is unique to your area.
5. Visitors are making plans to spend more time in a destination or area. Gone are the days where the long-haul travellers would cross the ocean for a one-week vacations. Today, they expect to stay for 2-3 weeks at one time so consider creating multi-day offers to keep them interested and engaged.
6. Destinations should consider including experiences that locals do every day, things that give them joy.
7. When developing suggested itineraries or routes, integrate places that make connections with a local experience instead of moving them from one tourist attraction to another.