

A Guide for Tourism Business Entrepreneurs



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Introduction: A Great Place to Start

Anyone planning to start a tourism business in British Columbia will be entering an exciting global industry in a great location. British Columbia is one of the best places in the world to succeed in tourism. Our province offers an abundance of natural beauty, year-round resorts, world-class adventures and recreational experiences, cosmopolitan cities, exceptional cuisine and a diverse Asia-Pacific culture. Tourism is now the province's third largest industry. We attract people from around the world, and the number of international visitors to British Columbia is growing each year.

CREATIVITY, SERVICE AND SYNERGY

Tourism is a creative industry. It is about creating memorable experiences for the visitor, and making their vacation dreams come true.

Tourism is a service industry. It is well-suited to people who enjoy meeting new people, sharing their experience, and ensuring that guests are treated as well as you would like to be treated when travelling.

Tourism is an industry that depends on synergy, partnership and working together. There are many different types of successful tourism business in British Columbia - hotels, attractions, travel agencies, sightseeing tours, and adventure and nature-based tour operations, to name just a few. Tourism operators often combine their products and services to provide visitors with a one-stop-shopping package experience. Many British Columbia tourism businesses take part in co-operative marketing programs and other joint ventures, often through industry associations.

British Columbia's tourism sector is both 'outbound', where visitors travel to destinations outside of British Columbia and 'inbound', which services the visitor travelling within British Columbia.

TOURISM IS A BUSINESS

You may already know which type of tourism business you want to start, or you may still be exploring which business best suits you. Regardless, it is important to recognize that starting a tourism business is no different than starting any other business. Some of the critical steps include:

1. clearly identifying the type of business you want to develop;
2. researching your business and learning about its unique challenges;
3. analyzing the markets and the opportunities;
4. developing your business plan;
5. securing financing;
6. setting up your operation;
7. marketing and promoting your business.

About this Guide: *Helping You Build Your Future*

This resource guide has been developed for entrepreneurs interested in starting a tourism business in British Columbia. Inside you will find a wealth of useful information, including:

1. an overview of British Columbia's tourism industry, key markets and growth sectors
2. basic steps to starting, developing and growing a tourism business
3. unique registration and licensing requirements related to each tourism sector
4. human resources issues such as staffing and training
5. tips on tourism product development, marketing, sales and distribution.

The guide features embedded links to key resources that can help you in the above areas. At the back of this guide you will find a directory of key tourism industry sources you can go to for more information and assistance. With the knowledge gained from this guide, you will have a great start to an exciting and rewarding future in British Columbia's tourism industry.

Chapter I: British Columbia's Tourism Industry

ECONOMIC VALUE OF TOURISM:

We're #3 in British Columbia.

Tourism is the third-largest sector in the British Columbia economy, after forestry and energy. Tourism revenue is greater than that of mining, agriculture and fishing combined. The province's tourism revenues exceeded \$9.9 billion in 2004, and are projected to double to \$19.6 billion by 2015.¹ The future is bright for British Columbia's tourism industry.

According to the Council of Tourism Associations of British Columbia (COTA), in 2004 there were close to 18,000 tourism-related businesses throughout the province, with 117,500 people employed in jobs directly related to tourism. It is anticipated that by 2010, more than 50,000 new tourism jobs will be created.

The awarding of the 2010 Olympic and Paralympic Winter Games to Vancouver will boost the province's tourism industry in the years leading up to the Games, and afterwards. As Expo 86 did a generation ago, the staging of the 2010 Olympic and Paralympic Winter Games provides a huge opportunity to showcase British Columbia to the world. Tourism British Columbia, a Crown corporation responsible for marketing and promoting British Columbia as a preferred travel destination, is implementing strategies to maximize the long-term benefits of the 2010 Olympic and Paralympic Winter Games for all parts of British Columbia.

TOURISM TRENDS: A New Type of Visitor

Increasingly, travel consumers worldwide are seeking experiential, life-enriching vacations that involve culture, nature, the outdoors and learning.² These consumers want authentic experiences that focus on local culture and foods, allowing them to engage all of their senses. They want to get 'behind the scenes' and be enriched by the people and places they visit.

This trend provides the tourism industry with a new type of visitor who is seeking more than just a view from a car or a bus. These visitors want to 'get inside' a destination by meeting the local people and learning about the community and its cultures. They seek a greater understanding of nature and the world we live in. This trend means exciting new opportunities for British Columbia's tourism sector, as we have a bounty of resources to work with.

TOURISM GROWTH SECTORS

According to the World Tourism Organization, the growth sectors in the 21st century are:

- Culture & Heritage
- Eco-Tourism
- Adventure Travel
- Special Interest Travel
- Sport Tourism
- Health & Wellness
- Cruising

¹Tourism British Columbia Annual Report 2004-2005, Page 3

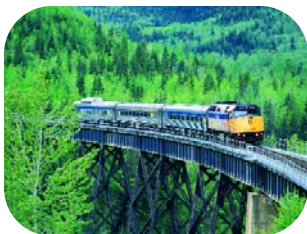
²Canadian Tourism Commission (2001) Strategic Plan 2002-2005. Overview. Ottawa, Ontario, Page 16.

Tourism Markets: *Local, National, U.S. and International*

SHORT-HAUL VS. LONG-HAUL

Short-haul - travellers coming from regional markets, many of whom drive to the destination

Long-haul - travellers that generally live far enough away that they fly to the destination



British Columbia welcomes visitors from around the world. However, the most important tourism market for British Columbia is the **local market**. British Columbians travelling within the province accounted for 49.7% of the province's 21.9 million overnight visitors [2003 data].³

The **U.S.** is also an extremely important market, accounting for approximately 22% of the overnight visitors to British Columbia. The province's primary U.S. markets are Washington and California.

Visitors from the **rest of Canada** represented 21.2% of British Columbia's overnight visitor volume, with Alberta and Ontario being the primary sources of Canadian visitors from outside the province.

Overseas markets provided close to 6% of the overnight visitors to British Columbia, with Asia/Pacific markets accounting for 3.2% and the European markets accounting for 2.5% of overnight visitors respectively.

Early in 2005, the Chinese Government gave Canada the right to enter into negotiations for *Approved Destination Status (ADS)*. ADS will allow Chinese residents to travel to Canada using a tourist exit visa. Though the approval process for ADS will take time, once approved, it has the potential to dramatically increase visitation from China to British Columbia, and will open up many new opportunities for British Columbia's tourism businesses to service this huge market.

BRITISH COLUMBIA'S PRIMARY MARKETS

Canada: British Columbia, Alberta, Ontario

U.S.A.: Washington, California

Asia: Japan, Taiwan, South Korea, China

South Pacific: Australia

Europe: United Kingdom, Germany

BRITISH COLUMBIA'S SECONDARY MARKETS

North America: Mexico

South Pacific: New Zealand

Europe: Netherlands, German-speaking Switzerland

³Tourism British Columbia Annual Report 2003/2004, page 12.

Types of Visitors: *Leisure and Corporate*

Leisure visitors to British Columbia are those that are on holidays. Corporate visitors are those that are coming to British Columbia for activities related to their business. To distinguish between these visitors, the tourism industry divides them into two markets: the leisure travel market and the corporate travel market. These two markets have different requirements for tourism services and should be approached accordingly.

The Leisure Travel Market encompasses both the individual and the group travel market.

- **Independent travellers** are also known as FIT (Fully Independent Travellers). FIT travel is a growing trend around the world, with a growing number of visitors wishing to explore new places without the constraints of group travel. FIT visitors may pre-purchase a planned driving itinerary (fly-drive) which includes a rental car, accommodation, airfare and activities in several locations. Or they may purchase a multi-day single-destination package for a vacation centred on skiing, golfing, adventure or a city or resort stay. Or they may simply book individual travel services, either in advance or once they are in the province.

A large percentage of FIT visitors are here to visit friends and relatives (VFR). VFR travellers often stay with their hosts in private homes, but many also tour around the province, making them an important part of the tourism mix.

- **Group travellers** are those who travel on an organized tour led by a guide. Transportation and accommodations are generally included in the package, along with some or all meals, and admissions to attractions and events. There are many different types of group travellers, from seniors groups to school groups to special interest groups such as garden clubs, birdwatchers and adventurers.

The **Corporate Market** includes visitors who travel to British Columbia for business meetings, or to attend a conference, convention or congress. Sometimes they arrive as a group, but often they travel independently to the destination and then meet as a group. Additionally, some of the corporate travel market is focused on team building, workshops and incentive travel programs. Incentive travel programs are 'gift' trips that businesses provide to clients or employees as a 'thank-you' or reward.



Tourism Products: *Matching Your Business with the Visitor*

NATURE-BASED TOURISM BUSINESSES

Approximately 2,200 of British Columbia's 18,000 tourism businesses offer nature-based activities. This is in addition to those offering simple accommodation facilities, marinas and stand-alone campgrounds.⁴ More than half of these nature-based tourism businesses operate on Vancouver Island, in Victoria and the Gulf Islands, and in the Vancouver Coast and Mountains region.

Some examples of nature-based tourism:

- Canoeing • River Rafting
- Kayaking • Hiking
- Horseback Riding • Guest Ranches • Wilderness Lodges • Cross-country & Backcountry Skiing/Heli-skiing/Cat Skiing
- Mountaineering • Scuba Diving • Saltwater & Freshwater Fishing
- Hunting • Caving • Sailing
- Windsurfing • Surfing
- Yacht Cruising
- Snowmobiling/ATV Touring
- Cycling/Mountainbiking
- Nature and Wildlife Observation / whale-watching, bear-watching and bird-watching

⁴Tourism British Columbia, Research Services - January 2005, Characteristics of the Commercial Nature-based Tourism Industry in British Columbia.

British Columbia is renowned for its exceptionally diverse selection of tourism experiences and is well-positioned to benefit from the global increase in experiential travel.

Tourism British Columbia has identified over 50 distinct product sectors currently offered in the province. Many of these sectors have come on-stream just over the past few years. These sectors include Agri-Tourism, Culture and Art, Aboriginal, Adventure, Ski, Golf, Sport Fishing, Cruising, Cuisine, Spa and many others.

TYPES OF TOURISM BUSINESSES IN BRITISH COLUMBIA

By function, the key sectors within British Columbia's tourism industry are as follows:

Accommodation: Bed & Breakfasts, Inns, Resorts, Lodges, Cabins, Guest Ranches, Hotels, Motels, Campgrounds

Transportation: Motorcoach, Rental Cars, Charter Boats, Ferries, Water Taxis, Motorhomes, Rail, Air

Attractions: Museums, Cultural Centres, Art Galleries, Theme Parks

Tour Operators: Adventure, Cruise and Fishing Tour Operators, Local Sightseeing Tour Companies

Corporate Planners: Destination Management Companies, Convention Service Companies, Event Planners

SYNERGY AND TEAMWORK

Some of British Columbia's tourism sectors have joined together in formal alliances, either through associations or consortiums, for the purpose of cooperatively marketing and supporting their sector. Examples include: *Cruise B.C.*, *B.C. Lodging & Campground Association*, and the *Wilderness Tourism Association*. By pooling their financial resources in this way, a sector is able to take a more focused and affordable approach to targeting a niche market.

Entrepreneurs starting a tourism business should consider becoming a member of a product sector, as a key element in their marketing strategy.

For more information on sector associations in British Columbia, refer to the Contacts & Resources section of this guide, visit the Tourism British Columbia website at: www.tourismbc.com or the regional tourism associations at: www.tourismbc.com/regions.

Chapter II: Starting a Tourism Business

DEVELOPING YOUR BUSINESS PLAN: *It's Essential*

Tourism businesses are often started by entrepreneurs who choose tourism for lifestyle reasons, or as a second career. However, to be sustainable, starting a tourism business needs to be approached just as rigorously as any other business.

A wise first step is to determine the overall feasibility of your business concept. Here are the general steps to follow.

1. **Vision:** Put into words and images your idea of what you want your tourism business to be. Your vision will form the foundation of your business planning.
2. **Research:** Obtain the most current and accurate information about all aspects of the tourism product and sector you are interested in.
 - Look carefully at the market and at your competition.
 - Identify potential markets and customers, the demand and the acceptable pricing for the product.
 - List the requirements for permits, leases, licences, insurance, staffing and other factors to determine everything you need to have in place to operate your business.
 - Identify the marketing and sales activities you need to participate in to be successful in your target markets, as well as the costs and timing of these activities.
 - Look at the existing businesses in your area that could compete for the same market.
 - Take an approach that makes your business unique, while learning lessons from the experiences of existing businesses.
3. **Business Analysis:** Take what you have learned from your research, and analyze whether or not you have a viable business idea. Challenge yourself with questions, such as:
 - Have I accounted for the seasonality of the tourism business? How will I pay the bills in the off-season?
 - Will I need to employ staff? How many? Full time or part time? What skills will they need?
 - Where are my best potential markets? How will I market to them?
 - How should I develop my skills as a manager?
 - And most importantly - Can I afford to properly market to my target audience?

Develop a rough budget. Review your expenses and projected revenues to ensure that your business can be profitable in the long term.

4. **Business Plan:** If you are comfortable that you have a viable business idea, you then need to develop your detailed business plan and budgets. These must cover all facets of your business including management, operations, staffing, risk analysis, marketing, and sales. A good business plan is essential to making informed business decisions. You can take it to the bank -- most lenders will want to review your business plan before considering you for financing.

Developing Your Business Plan (Continued)

STEPS TO STARTING YOUR BUSINESS

1. Identify Your Business
2. Research and Analyze Your Business
3. Develop Your Business Plan
4. Finance Your Business
5. Register Your Business
6. Develop Risk Management Strategy
7. Secure Insurance
8. Set-up Your Business
9. Develop Your Product
10. Staffing and Training
11. Market Your Business

RESOURCES FOR STARTING A BUSINESS

Small Business B.C.

Small Business B.C., in partnership with the Canada Business Service Centres, has created a support tool to assist you with creating your Business Plan - the *Interactive Business Planner*. This online resource walks you through the creation of a business plan and also provides sample business plans. You can find the planner at: www.smallbusinessbc.ca/ibp.

Small Business B.C.'s website has a selection of Sample Business Plans at: www.smallbusinessbc.ca/guides-list.php.

Small Business B.C. has also created a *Business Planning and Financial Forecasting* guidebook to assist you. This guidebook is at: www.smallbusinessbc.ca/pdf/businessplanning.pdf.

OneStop

OneStop, in partnership with the Ministry of Tourism, Sport & the Arts, and Small Business B.C., has produced a booklet entitled *Starting a Small Business in British Columbia*. To order a free copy of the booklet, email OneStop.Help@gems7.gov.B.C..ca or call 1.877.822.6727. In Greater Victoria or outside British Columbia call (250) 370-0332.

Aboriginal Entrepreneurs

Operated by Small Business B.C. in cooperation with the Aboriginal Business Services Network, *Firstbusiness.ca* is a valuable online resource for B.C.'s Aboriginal entrepreneurs. The website provides information on starting a business, financing and marketing. It also offers a directory, workshops, and links to support organizations for First Nations entrepreneurs. Visit their website at: www.firstbusiness.ca.

Starting a Tourism Business

Tourism British Columbia has developed a *Starting a Tourism Business* guide that provides you with everything you need to know about starting a tourism business, including a section on financing. This guide is part of Tourism British Columbia's informative *Tourism Business Essentials* series of how-to guides. You can obtain further information on this and other Tourism Business Essentials guides by visiting the Tourism British Columbia corporate website at: www.tourismbc.com/industrydevelopment.

Financing Your Business: *High and Low Seasons*

For most British Columbia tourism businesses, the primary season is either winter or summer. Many do not operate year-round. Spring and fall are generally considered low season for most tourism businesses. These peaks and valleys must be taken into account in your financial planning.

If all your annual revenue comes during a six month period, you need to plan your revenues and expenditures for the whole year to ensure that you can sustain the business through the other six months of low cash-flow. This can get challenging, especially since the low time for cash flow is often the same time that you need to invest in marketing and promotion for the upcoming season. Therefore, you will likely need to establish a line of credit with a bank to carry you through the cash-flow valleys. This is in addition to having up-front working capital to start your business.

Small business financing can involve several types of financing including short-term debt, long-term debt and equity financing. Alternate sources of financing including leasing, advance payments from customers, and supplier financing through extended payment terms.

For more information on types of financing available for small businesses, visit the *Exploring Your Finance Options* section of the Small Business B.C. website at: www.smallbusinessbc.ca/bizstart-financing.php. Small Business B.C. also has a comprehensive listing of government, private and venture capital financing sources on their website at: www.smallbusinessbc.ca/financing.

ADDITIONAL RESOURCES

Community Futures Development Corporation (CFDC): In rural British Columbia, your local Community Futures Development Corporation (CFDC) is a good source of information on financing. To find your nearest CFDC, visit: www.communityfutures.ca/provincial/bc.

Financing for Aboriginal Entrepreneurs: If you are Aboriginal and are planning to acquire or establish a tourism business, additional financing resources may be available through Aboriginal Business Canada (ABC). ABC also assists aboriginal youth entrepreneurs between the ages of 18 - 35 to establish, acquire or expand their business. To learn more about ABC or to review the detailed eligibility and financial support requirements, please visit: www.abc-eac.ic.gc.ca. As well, *Indian and Northern Affairs Canada (INAC)* assists First Nations looking for funding to develop a business opportunity or companies interested in developing a partnership with a First Nation. For information on programs, guidelines and criteria, visit: www.inac.gc.ca/bc.

Canadian Tourism Commission (CTC): The Canadian Tourism Commission is responsible for marketing Canada to the world.

They also provide resources to help Canadian tourism businesses succeed, including a number of resource guides related to financing. To access these guides, you will have to register on the CTC website from their home page at www.canadatourism.com. The following guides can be ordered online from the CTC website. From the home page, follow the links to *Publications*, then to *Research*, then to *Guidelines Reports*.

1) **The ABCs of Financial Performance Measures and Benchmarks for Canada's Tourism Sector Guides:**

- Financial Planning: Key to Maximizing Your Bottom Line
- Profiling Your Financial Statements
- Financial Performance Measures and Benchmarks for Canada's Tourism Operators
- Decision-making Tools for Canada's Tourism Operators
- Linking Your Financial Performance Measures to Your Business Plan
- Industry Financial Averages and Benchmarks for Canada's Tourism Operators
- Financial Planning spreadsheets

2) **Finding Funding: Ten Steps to Meet Your Financial Needs:** See www.canadatourism.com (follow the links to *Publications*, then to *Industry Relations*)

Registering Your Business: *Federal, Provincial and Municipal*

ADDITIONAL RESOURCES: REGULATIONS AND REGISTRATION

The Small Business B.C. website provides how-to guides on complying with regulations and legislation for various tourism businesses including Bed & Breakfasts, Destination Resorts, Eco-Tourism/Tour Operators and Restaurants. To view these free guides, visit:
www.smallbusinessbc.ca/guides-list.php?catID=5.

For more information on provincial, federal or municipal business registrations call Small Business B.C. at 1-800-667-2272 or in Vancouver call (604) 775-5525. Or visit their website at:
www.smallbusinessbc.ca/biz-start-reglist.php.

IMPORTANT NOTE: REGISTRATION TAKES TIME

It may take longer than anticipated to secure all of the permits and registrations you need to operate your tourism business. Be sure to include enough time for the registration process in your business planning, as unexpected delays could affect your start-up schedule.

Once you have completed the planning and financing stages, you are ready to establish your business as a legal entity. Regardless of the type of tourism product or service you intend to provide, the following steps must be taken to register your business with government agencies.

1. Choose your business name and get it approved by the Registrar of Companies.
2. Choose a domain name for your website and email address - optional, but recommended.
3. Register your business as a proprietorship, partnership, limited or incorporated company with the British Columbia Corporate Registry.
4. Contact your municipality or regional district to obtain a business licence.
5. Review zoning and land use bylaws to ensure you comply.
6. If you are incorporated, register with the Canada Revenue Agency to obtain a Federal Business Number (BN) and to register for Corporate Income Tax.
7. If you sell or provide goods and services and if your annual taxable sales are more than \$30,000, register for the Goods and Services Tax with the Canada Revenue Agency.
8. Register for Provincial Sales Tax with the Canada Revenue Agency if you provide goods for sale or provide taxable services.
9. If you will have employees, you will need to register with Workers' Compensation Board (WCB), and with the Canada Revenue Agency Register for payroll deductions.
10. If you are commercially importing or exporting any goods, you will need to register with the Canada Revenue Agency for an Import/Export account.

If you are incorporating your company, you must incorporate before completing the other business registrations. You can incorporate online by visiting www.corporateonline.gov.bc.ca.

The **OneStop Business Registry** offers integrated electronic Business Registration and Business Address Change services. You can register on-line for different provincial taxes and register your business with public agencies including the Workers' Compensation Board. The website also provides general information on starting or expanding a business. For further information on the **OneStop Business Registry**, visit www.bcbusinessregistry.ca or call 1-877-822-6727. In Victoria, call (250) 370-0332.

Sector-Specific Registration: *Licences, Fees and Permits*

In addition to basic business registration, some tourism businesses may require additional registration, licences and permits in order to comply with regulations and legislation related to their specific sector. This section provides an overview of the regulatory requirements for operating different types of tourism businesses in British Columbia.

1. Accommodation Businesses

- **Hotel Room Tax (HRT) Registration:** You will need to register your accommodation business for Hotel Room Tax (HRT) if you make sales of taxable accommodation in B.C. For further information on the Hotel Room Tax Act visit the Ministry of Finance Consumer Taxation Branch at: www.rev.gov.bc.ca/ctb/publications/bulletins/hrt_005.pdf.
- **Approved Accommodation Registration:** Tourism British Columbia registers provincial accommodation properties through its widely-recognized inspection and registration program, called *Approved Accommodation*. By participating in this voluntary program, your accommodation property can become eligible for listing in the Tourism British Columbia's *Approved Accommodation Guide*, and you can also apply for *Approved Accommodation* highway signage. For further information visit: www.tourismbc.com/tourismproductmanagement.

2. Tourism Businesses Operating a Commercial Vehicle to Transport Passengers

- **Commercial Vehicle License:** All persons who transport passengers and charge or collect compensation must have their commercial vehicles inspected annually by ICBC and have a licence or permit issued under the *Passenger Transportation Act*. For further information, visit: www.th.gov.bc.ca/rpt.
- **Commercial Drivers License:** If you own or operate ground transportation (buses, vans, cars and limousines) as a part of your business operation, your drivers will be required to have a Class 2 or Class 4 licence, depending on the type of vehicle being driven. For further information, visit: www.icbc.com/Licensing/lic_getlic_comm_index.html.

3. Tourism Businesses Operating a Commercial Vessel

- **Small Commercial Vessel Licensing:** Boats and other watercraft of less than 15 tons gross tonnage are classified as "small vessels" under the *Canada Shipping Act* and must be licensed. For further information, visit: www.tc.gc.ca/MarineSafety/Ships-and-operations-standards/faq.htm#Licensing.

Additionally, operators of canoes, kayaks, rafts, whale watching cruise boats and other small marine vessels are subject to the **Marine Liability Act (MLA)**. To view the Marine Liability Act visit: www.tc.gc.ca/acts-regulations/GENERAL/M/mla/act/mla.html.

Sector Specific Registration (Continued)

4. Adventure Operators, Fishing Guides & Guide Outfitters

- **Commercial Recreation Crown Land Tenures:**

If you are operating a tourism business that uses Crown land to conduct outdoor recreational activities on a fee-for-service basis, you will need to acquire tenures for the Crown land you are utilizing. For further information please refer to the Land and Water B.C. Inc. website at: www.lwbc.bc.ca/02land/tenuring/commercialrecreation/index.html.

- **Provincial Park Use Permits:** If you are offering commercial recreation services in a provincial park or protected area, you must have a permit issued by the Ministry of Water, Land and Air Protection. This requirement applies to hiking, cross-country skiing, scuba diving instruction, kayak/canoe touring, big game guiding, angling guiding, and similar activities. For further information on permitting, fees and the application process, please visit: http://wlapwww.gov.bc.ca/bcparks/info/permit_overview.htm#pup.

- **National Park Use Permits:** A business conducting any part of its operation within a National Park requires a National Park Business Licence. Each park has its own fees; therefore you must contact each National Park separately. For a directory of National Parks in British Columbia, visit: www.pc.gc.ca/progs/np-pn/index_E.asp.

5. Licences for Fishing Guides & Guide Outfitters

- **Freshwater Fishing or Guide Outfitter Licence:** You need a provincial licence to be a hunting or fishing guide in British Columbia. The Fish and Wildlife Recreation and Allocation Branch of the Ministry of Environment is responsible for managing the guide industry to ensure compliance with regulations and optimum use of resources.

It also establishes legislation, policies and procedures for managing fishing and hunting activities. For information on the application process for becoming a licensed guide, visit: http://wlapwww.gov.bc.ca/fw/home/licence_faq.htm.

- **Tidal Water Fishing Licence:** Tidal water fishing comes under the jurisdiction of Fisheries and Oceans Canada, a federal government agency. If you are going to fish, spearfish, net or capture any species of finfish or shellfish in tidal waters, you need a tidal waters sport fishing licence. Tourism operators must ensure that each guide and guest has a fishing licence. For more information, please visit: www.pac.dfo-mpo.gc.ca/recfish/Licensing/default_e.htm.

6. Tour Operators, Tour Wholesalers and Travel Agents

- **Business Practices & Consumer Protection Authority (BPCPA):** Tour operators, tour wholesalers and travel agents offering travel services on a regular basis to the public in British Columbia must be provincially licensed, pay an annual fee, and hold a financial security bond. To find out whether your business needs to register with the BPCPA, visit their website at: www.bpcpa.ca/Industry/travel/industry-travel-app.htm. Or you can call Toll Free: 1-888-564-9963 or in Vancouver call (604) 320-1664.

For more information on registration requirements for your tourism business, check the **OneStop Business Registry** website at <http://www.bcbusinessregistry.ca>. Or call Small Business B.C. at 1-800-667-2272 or in Vancouver call (604) 775-5525.

Insurance: *Protecting Your Business*

An important next step in your business start-up is to ensure that your investment is protected against various risks. Your insurance company or broker can guide you on the insurance coverage needed to safeguard your tourism business. The following are the most commonly required types of insurance for the tourism industry.

Commercial General Liability (CGL) Insurance insures you and your business against claims made against you by third parties that may arise out of your activities or operation.

Property Insurance covers losses from damage to or destruction of business property.

Accounts Receivable Insurance insures up to 90% of your receivables if a tour operator does not pay because of insolvency or default. For further information, visit Export Development Canada at: www.edc.ca/prodserv/insurance/accounts_e.htm.

To find out more about insurance requirements and insurance brokers, visit the Insurance Bureau of Canada website at: www.ibc.ca/bc.asp.

RISK MANAGEMENT

A Risk Management Strategy acknowledges actual and potential threats to the successful operation of a business and determines the activities required to minimize or eliminate the risks. Businesses having risk management plans and operating procedures in place could qualify for premium reductions from their insurance company.

The Canadian Tourism Commission has published two excellent resources to assist you with developing your risk management strategy:

- Risk Management Guide for Tour Operators
- Risk Management and Insurance Guide for the Adventure, Ecotourism and Alpine Skiing Industries.

These in-depth resource guides can be ordered by emailing the Canadian Tourism Commission at: distribution@ctc-cct.ca and quoting #C50128E.

COTA RISK MANAGEMENT AND INSURANCE PROGRAM

The Council of Tourism Associations of B.C. (COTA) has teamed up with Adventure Insurance Agency to give British Columbia tourism businesses access to a wide range of business insurance coverage. If your business offers nature-based tourism experiences and you need liability insurance, adventureinsurance.ca will provide you with exclusive access to the *COTA Risk Management and Insurance Program* and the potential savings that go with it.

LIABILITY WAIVERS

Liability waivers are generally used by tourism operators that operate adventurous or risky activities so that they may provide a legal defense for claims that may arise out of the activities they provide. Participants are required to read and sign the waiver before participating in the activity.

For more information on the COTA Risk Management and Insurance Program, visit www.adventureinsurance.ca.

Business Operations: *Your TO DO List*

After you have completed your business registration, and obtained the necessary financing and insurance, it is time to set up your business operations. Regardless of the type of tourism business you are starting, the following steps are essential to establish your business on a solid foundation.

1. Secure a phone and fax number for your business.
2. Select and register a domain name for your website - optional, but recommended.
3. Open a bank account and secure a line of credit and/or working capital.
4. Set up your record-keeping and accounting system.
5. Secure office space.
6. Set up your office. Lease or purchase the necessary office equipment.
7. Develop contracts, liability waivers and any other legal tools you will need to conduct your business.
8. Establish a management and staffing plan.

Chapter III: Human Resources

Though many small tourism businesses are owner-operated, they almost all need employees to support the operation of the business. Before you hire anyone, there are many things to consider, including:

- how to recruit the right people for your business;
- compensation and salary levels;
- insurance and benefits;
- managing your staff;
- staff training;
- how to retain good workers.

You should also be aware of the current Employment Standards Act for British Columbia. For information, visit the Employment Standards Branch website at: www.labour.gov.bc.ca/esb.

STAFFING: Needs Change with the Seasons

Seasonality usually means that staffing needs will fluctuate throughout the year. As a result, many seasonal tourism businesses rely on entry-level staff that may not have extensive work experience or training. Employee turnover can be high. If your business is seasonal you will need to develop a strategy to meet these challenges.

For businesses hiring seasonal employees in the spring and summer months, British Columbia's tourism and hospitality colleges and training institutes can be an excellent source of enthusiastic, committed, well-trained employees.

As well, many tourism colleges have full or part-time practicum programs for their third and fourth year students. Your tourism business will benefit by providing practicum opportunities for these students. Some practicum programs do not require that a salary be paid, while others require you to pay at least a minimum salary.

The following resources are also available to help British Columbia's tourism businesses meet their staffing needs.

go2 - The Resource for People in Tourism

go2 is a non-profit, industry-led organization established to help British Columbia's tourism operators attract, recruit and retain employees in order to support industry growth. The go2 website has extensive information for the employer including advice on employee compensation, seasonal employees, staff training, and a free job postings site. For more on go2, visit www.go2hr.ca.

Destinations

Jointly managed by GT Hiring Solutions and the Council of Tourism Associations of B.C. (COTA), this employment service specializes in jobs for tourism and tourism-related industries. *Destinations* personnel find qualified job candidates for prospective employers, to the benefit of both parties. For further information visit: www.destinations.ca.

Human Resources and Skills Development Canada (HRSDC)

HRSDC offers a *Summer Career Placement* program designed to assist full-time students in preparing for their entry into the labour market. The program provides wage subsidies to employers, including tourism businesses, who offer summer employment opportunities for students aged 15 to 30 years. For further information and to obtain an application, visit the HRSDC website at: www.hrsdc.gc.ca/en/epb/yi/yep/programs/scpp_bc.shtml.

Training: New Skills Are Vital to Every Business

In British Columbia, there are a variety of training and support programs designed to help business owners, employers and employees expand their knowledge and skills. Some programs are general, while others focus specifically on the tourism industry.

GENERAL TRAINING PROGRAMS

Small Business B.C. Seminars

Small Business B.C. offers a wide variety of affordable seminars for small businesses in Vancouver. Day, evening and weekend course schedules are available. To review upcoming seminars, visit: www.smallbusinessbc.ca/seminars-list.php.

First Business.ca Aboriginal Workshops

With a particular focus on First Nations issues, these workshops will walk you through every aspect of starting a business, from the original concept through planning, financing, and marketing. At your own pace, work through the whole planning process from fundamentals to cash-flow forecasting to tax planning. To review the workshops available visit: www.firstbusiness.ca/workshops/index.htm.

TOURISM-SPECIFIC TRAINING

Tourism British Columbia - Tourism Business Essentials

The *Tourism Business Essentials* series of how-to guides offered by Tourism British Columbia provide tourism operators with valuable information on how to run a successful tourism business. The current topics include *Hospitality Law, Ads and Brochures That Sell, Internet Marketing, Tourism Packaging and Product Distribution, Travel Media Relations, Starting a Tourism Business, Sport Tourism, and Environmentally Responsible Tourism*.

Tourism British Columbia also offers workshops to support three of the guides: *Travel Media Relations; Tourism Packaging & Product Distribution; and Sport Tourism*. Each three-hour workshop is led by industry professionals. For further information on the workshops or to purchase any of the *Tourism Business Essentials* guides, visit: www.tourismbc.com/industrydevelopment.

SuperHost® 2010

SuperHost® was first introduced in 1985 to prepare British Columbia's tourism workforce for Expo 86. It is one of the world's leading customer service training programs for employees and businesses in the tourism and hospitality sectors. *SuperHost® 2010* builds on that legacy and takes it to new levels in preparation for the 2010 Winter Olympic and Paralympic Winter Games. Businesses can achieve a *SuperHost®* designation by having 60% or more of their employees participate in one or more of the eight *SuperHost®* workshops. Delivered by certified trainers, these workshops are offered throughout British Columbia. For further information visit: www.tourismbc.com/superhost.

go2 - The Resource for People in Tourism

As well as helping tourism operators meet their staffing needs, *go2* provides information and resources to employees and employers on a range of tourism training programs. The *go2* learning resources can be found at: www.go2hr.ca/Main.aspx.

Chapter IV: Developing Your Product

In order to develop your product or business, you need to understand of the markets you wish to target, as well as the demand for your product. Your market is your target group of customers. Defining and learning about your markets requires research. Though it takes effort at the beginning, thorough market research can save you valuable time and money in the long run.

MARKET RESEARCH: *Target Your Customer*

To serve you best, your research should be designed to define:

- the customer you believe your product will most appeal to
- the experiences, services, duration of visit and price points most common within this market
- the sales channels you will utilize to get your product to your target customers.

Another approach to product development is to identify a product or service void, and then build your business around filling that void. To find a product or service void in the market, you must understand the needs of the market, which again requires research.

Depending on your business, the following are some of the questions to consider in identifying your target market and effectively developing product and packages that will appeal to those consumers.

- When do they travel?
- How much do they spend while on vacation?
- What is the average duration of their visit?
- What types of activities do they prefer?
- Do they want a full day of activities or just an hour or two?
- When do they plan and book their vacation?
- How do they book their vacation?
- How do they travel to your destination?
- What kind of sleeping accommodations do they prefer?

RESEARCH RESOURCES

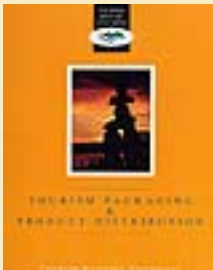
Both the Canadian Tourism Commission (CTC) and Tourism British Columbia (TBC) undertake market research on a regular basis. Their staff and websites can offer you current information on domestic, regional and international markets.

Tourism British Columbia's market research results, including market profiles and key market information, can be found at: www.tourismbc.com/research.

The Canadian Tourism Commission's *Quarterly Reports* analyze a variety of activities in a variety of markets. See the *Publications* section of the CTC website. The CTC's monthly market summaries can be found in the *Industry Resources* section. Businesses can subscribe free-of-charge to access these on-line resources. Go to: www.canadatourism.com.

Product Development & Packaging: *Be Creative and Competitive*

ADDITIONAL RESOURCES



Tourism Packaging & Product Distribution

Tourism British Columbia has developed a *Tourism Packaging & Product Distribution* guide that includes information on how to create a distribution plan, how to get included in tour catalogues or itineraries, and how to develop marketing and promotion strategies for both domestic and international markets. This guide is part of Tourism British Columbia's informative *Tourism Business Essentials* series. For further information visit the Tourism British Columbia website at: www.tourismbc.com/industrydevelopment.

Once you have researched your markets it is time to develop your product. Use the results of your market research to help guide development, marketing, and pricing. You will need to take into account the activities that appeal to your target market. If it is an accommodation business, you need to identify your guests' duration of stay. And you will need to decide on the appropriate price to charge. The research you conducted on your competitors should tell you what the competition is offering. This will allow you to be competitive with your pricing, while creating a product or package that is unique in the market.

OFFERING A TOURISM PACKAGE

Depending on of the type of tourism business you start, you can often combine multiple services and components-- such as accommodation, activities, attractions, meals and transportation -- to create a variety of interesting and unique tourism packages. As few as two components can make up a package. The package can be of any duration from an hour to multiple days.

As long as your foundation is solid, you can add or adjust components over time and modify the package to suit many different markets.

PRICING YOUR PRODUCT AND PACKAGES

It is important to price your product and services so you will be competitive and attract business, while also ensuring that your operations generate sufficient income. In order to establish a ballpark price, determine what it costs for you to deliver the experience you are selling, and then add on your desired profit. This is your net price. If you are selling your product directly to the public, your net price can also be your retail selling price. If you are marketing through trade travel partners, your price will also have to cover the commissions they charge to help sell your product.

To market your tourism business outside the region, you will likely require the support of tour operators and/or travel agents. To get their support, be prepared to pay them a commission on the retail price of your product. You must build in the commissions into the price of your package before establishing your retail selling price. Once you publish your retail price, this is the price that commissions must be based on. Further in this section you will be provided with information on the appropriate commissions for tour operators and travel agents.

Chapter V: Marketing Your Business

Once you are ready to take your product to market, the big question is, 'How?' Do you promote your product directly to the consumer? Do you sell your product through tourism trade partners? Or do you do both?

To answer these questions and develop your marketing plan, it all comes back to research. You need to understand your target market - how and when your potential clients book their vacations, and where they get their travel information. This should be done during the research phase outlined in Chapter IV. You then need to identify the best resources to assist you with marketing your product to your target markets.

YOUR MARKETING & SALES PLAN: *Your Road Map to Success*

Your marketing and sales plan should identify the markets you wish to target, and the best sales channels for you to work through. These can include the internet, tour operators, travel agents, or direct to consumer marketing. You also need to understand the buying cycle of clients in your target market, in order to prepare effective marketing materials and identify the sales activities you will need to undertake.

Marketing materials and sales activities to consider in your planning and budget include:

- print and online advertising
- brochures
- website
- media releases
- quality images of your product and destination
- personal attendance at marketplaces as well as trade and consumer shows
- sales calls
- direct mail
- membership in tourism associations or sector associations

WORKING WITH PARTNERS: *An Affordable Way to Increase Your Reach*

Working in partnership with marketing organizations or other tourism businesses can greatly increase the effectiveness of your marketing efforts. Destination Marketing Organizations, tour operators, travel agents, destination management companies, incentive planners and the travel media all have valuable experience and an established reputation in the tourism sector. Partnering with these organizations can benefit a new business by establishing your credibility, increasing your profile and broadening your marketing reach.

Destination Marketing Organizations (DMOS): *Working Together*

Destination Marketing Organizations (DMOs) can be important marketing resources for tourism businesses. DMOs are responsible for developing and delivering marketing programs that increase tourism visitation to a particular place. DMOs represent a wide variety of destinations from a national level down to a region, city, community, or specific resort.

The Canadian Tourism Commission (CTC) is Canada's national tourism marketing organization. It generally takes the lead in international markets, promoting Canada as a tourism destination. The CTC also forms partnerships with provinces, cities and regions to deliver joint marketing initiatives internationally.

Tourism British Columbia (TBC) is a crown corporation that works closely with British Columbia's tourism industry to promote and develop tourism throughout the province, and to ensure the continued long-term growth and prosperity of the provincial tourism industry. Tourism British Columbia engages in a variety of joint marketing and promotional campaigns in countries around the world.

Regional Tourism Associations (RTA) cover British Columbia's six official Tourism Regions and work in partnership with Tourism British Columbia to market each region to the world. RTAs provide marketing opportunities for businesses in their regions, and support tourism product development. They undertake sales and marketing initiatives in key markets on behalf of the region. British Columbia's tourism regions are:

- Cariboo Chilcotin Coast
- Kootenay Rockies
- Northern British Columbia
- Thompson Okanagan
- Vancouver Island
- Vancouver, Coast & Mountains

“Working with Destination Marketing Organizations allows the small business operator to affordably and effectively promote their products to the world through a collective, targetted approach.”

*Chris Dadson, President
Kootenay Rockies Tourism Association*

City & Resort Marketing Organizations promote a number of cities and resorts around the province. Most are membership-based organizations that provide opportunities for their members to participate in the marketing initiatives they undertake. They work closely with both the RTAs and Tourism British Columbia to market their destinations.

Chambers of Commerce are membership-based organizations that undertake local marketing of their member businesses and work closely with the RTAs to market their destination. Many Chambers of Commerce are also the location for Tourism British Columbia's *Visitor Info Centres*, where visitors can obtain advice and information on local amenities and on traveling in British Columbia.

Sector Associations are clusters of businesses in the same tourism sector. Examples include organizations representing the cruise industry, wilderness operators, hotels and campgrounds, sport fishing operators, Aboriginal tourism operators, and agri-tourism operators. Sector organizations combine the resources of their members to create marketing initiatives focused on their sector, often in partnership with Destination Marketing Organizations.

Profile of a Regional Tourism Association

KOOTENAY ROCKIES TOURISM ASSOCIATION CHRIS DADSON, PRESIDENT

The Kootenay Rockies Tourism Association represents one of British Columbia's six official tourism regions. Chris Dadson, President of the Association, has spent many years promoting the region's businesses to international tour operators, the media and consumers. He oversees the implementation of marketing programs to support niche product sectors such as golf, ski and adventure tourism.

Chris is a champion of the concept that 'products gain strength together.' He says, "Small businesses have limited resources and therefore can't market everywhere. They need to be able to target their marketing expenditures on markets that are best suited to their product and on activities that will give them maximum return."

By combining the resources of more than 100 tourism businesses into marketing initiatives that strategically target qualified markets for the region, the Kootenay Rockies Tourism Association is able to affordably introduce small businesses into international markets.

The Association develops cooperative advertising opportunities for the region's businesses to buy into, and provides research and advice. The Association attends trade shows and consumer marketplaces, works with tour operators to develop new tour itineraries into the region, and liaises with travel media to gain coverage for the Kootenay Rockies destination.

The Association also produces visitor guides that provide valuable advertising opportunities for small businesses. The guides are distributed free of charge to media, tour operators and consumers, and are available in Tourism British Columbia's offices and *Visitor Info Centres*.



*Chris Dadson, President
Kootenay Rockies Tourism
Association*

ADDITIONAL RESOURCES

Canadian Tourism Commission (CTC)

Corporate Website:
www.canadatourism.com
Consumer Website:
www.travelcanada.ca

Tourism British Columbia (TBC)

Corporate Website:
www.tourismbc.com
Consumer Website:
www.hellobc.com

Regional Tourism Associations (RTA)

Cariboo Chilcotin Coast:
www.landwithoutlimits.com
Kootenay Rockies:
www.kootenayrockies.com
Northern British Columbia:
www.nbctourism.com
Thompson Okanagan:
www.thompsonokanagan.com
Tourism Vancouver Island:
www.islands.bc.ca
Vancouver, Coast &
Mountains:
www.coastandmountains.com

Tour Operators: *Your In-Market Partner*

You may wish to promote your tourism product directly to the visitor, or you may wish to diversify the way your product goes into the market. The further away your target market, the more beneficial it is to work with sales partners such as Tour Operators to help you sell your product.

Tour operators can be essential in helping a small tourism business sell a product and a destination. Through their in-market sales activities and access to the international marketplace, tour operators provide small businesses with an effective and affordable 'pipeline' to international consumers. There are three different types of **Tour Operators**:

“Carefully choose the Tour Operators you work with. Be sure that they value the quality and expertise of what you offer. A Tour Operator that only wants the best price is not necessarily your best partner.”

*Don Travers, President
Remote Passages Marine
Excursions.*

- **Tour Operators** produce brochures to sell products or market via the Internet in their country or market region. They often sell through travel agents. Some also sell directly to the consumer. They sometimes contract travel services directly from suppliers, but more commonly they work through a Receptive Tour Operator.
- **Receptive Tour Operators** are business-to-business tour operators based in Canada who contract services with Canadian suppliers and then resell these services to international tour operators.
- **Tour Wholesalers** are business-to-business tour operators based in another country who contract services with Canadian suppliers or Receptive Tour Operators, and then resell these services to tour operators in their country or market region.

Tour operators contract travel services from a variety of tourism sector such as accommodation, transportation, and recreation activities. They package these services for individual or group travellers, and then resell them to their market. They may sell their packages directly to the consumer, or work through travel agents and other tour operators. Tour operators are generally paid a commission of between 20 to 30% based on the retail price of your product.

For example, if your product has a retail selling price of \$100, and your agreement with a tour operator is to pay them a 20% commission, you will need to pay the tour operator \$20 commission, which leaves you with \$80 to cover your costs and your own profit.

B.C. Example: Working Successfully with Tour Operators

REMOTE PASSAGES MARINE EXCURSIONS DON TRAVERS, PRESIDENT

Back in the late 1980s, Don Travers was a student in Capilano College's inaugural Tourism Management program. As a part of his studies, Don took a summer co-op position with a Tofino whale watching operation. Originally assigned to work in the reservations office, he ended up guiding whale watching excursions for the summer. Once the summer co-op program was over, he returned to Capilano College, and graduated in 1989.

Don decided that he wanted to operate his own marine exploration business for tourists, so he returned to Tofino and opened 'Remote Passages Marine Excursions' in 1991. His vision was to help visitors appreciate the coastal environment of Clayoquot Sound through fun, educational outings that emphasize the many connections between forest and ocean ecosystems. He decided to only offer guided trips and started his business using Zodiac boats, later adding kayaks and, most recently, a 32-foot covered power boat.

At the outset, Don recognized that he could not rely on visitors just showing up at his doorstep. He needed to have a base of advance bookings so that he could properly plan his staffing and trip schedules. Therefore, working with tour operators was always a part of his sales strategy.

Don attended marketplaces where he could have face to face meetings with tour operators. He found that the international market provided great opportunities for his company. However, many of the international tour operators and tour wholesalers wanted his marine exploration tours to include accommodation, which he was not able to offer. So he teamed up with Canadian-based receptive tour operators who knew Tofino and were able to make their own accommodation arrangements. These receptive tour operators packaged his marine exploration product with local accommodation services, and then sold these packages to the hundreds of international tour operators and tour wholesalers they work with.

Soon, tour operators became his key travel trade partners and remain one of his primary sources of pre-booked business. Don still attends marketplaces such as *Rendezvous Canada* and *Canada's West Marketplace*, where he meets with international tour operators and wholesalers to update them or introduce them to his products. Even though he has established good relationships with international tour operators and wholesalers, Don still encourages them to book his products through Canadian receptive tour operators, as they have proven to be a solid long-term partner for his business.



*Don Travers, President
Remote Passages Marine
Excursions*

For more information, visit: www.remotepassages.com.

Travel Agents: 'Storefronts' In-Market

In addition to Tour Operators, **Travel Agents** play an important role in selling a destination. Travel agencies are the storefront where consumers can get information on travel products, obtain brochures, receive travel advice, and book their vacation or business trip. Many travel agencies are part of a chain such as American Express, Carlson Wagonlit, Cruise Ship Centres and Uniglobe, which undertake extensive marketing to promote products and destinations.

Travel Agencies either book services directly with suppliers of travel products (such as hotels, airlines and cruises) or they book packages sold by tour operators. Travel Agencies are generally paid a commission of 10% - 15%, based on the retail price of your product.

Travel agents are travel counselors who work in a travel agency. They are there to advise customers on their travel plans as well as make travel bookings for the customer. A good travel agent who likes your product can be a great source of business for you. And, if they personally have the opportunity to experience your product and like it, they can be your best sales person.

Some travel agents specialize in a specific type of travel. Examples include cruises, luxury travel, adventure, or corporate travel. Others focus on a specific destination. Depending on what your new tourism business offers, you can benefit by developing relationships with travel agents and agencies.

“Paying travel agent commissions are a cost of distribution and a way to reward the people who bring you business.”

*Marc Telio, President
Entrée Canada*

B.C. Example: *Working Successfully with Travel Agents*

ENTRÉE CANADA MARC TELIO, PRESIDENT

When Marc Telio began his business in 1994, his intention was to specialize in marketing independent vacations in Western Canada to the Japanese tour operator market. However, he quickly learned that to develop this market was going to be a long and laborious process. As a new business, he needed to get into a market that could provide him with immediate business in order to generate cash flow. So he set his sights closer to home, focusing on North America.

Marc's first step was to explore if there was a void in the marketplace. He found this void in the entertainment capital of the world, Los Angeles. Though there was a strong market of film and entertainment industry people traveling between Los Angeles and Vancouver, Marc discovered that no company was providing travel services for these affluent travellers once they were in Vancouver. Marc and his team set about refocusing their entire business and redesigning their product line to suit the show business traveller. This meant securing suites in hotels, private limousines, seats in the finest restaurants, and delivering a concierge level service to clients 24/7.

Marc re-branded his business, developed new marketing materials, and aligned himself with U.S. travel agents working with the celebrity and luxury market. Entrée Canada took a partnership approach with each agency and agent by supporting marketing initiatives, developing personal relationships and consistently providing exceptional service to their clients. Entrée Canada soon developed a strong and loyal following that became a constant source of new business. Over the years, Marc has expanded his market to include working with U.S. travel agency groups that cater to the affluent non-celebrity market. He has also expanded his product offerings across Canada, making his company the national leader in servicing the Canadian luxury travel market.

Marc believes that his success has come because he chose to work with only those travel agencies that recognized the value of Entrée Canada's services and were willing to pay the cost of exceptional service. In return, his team exceeds client expectations and treats travel agents as loyal partners. Marc does not take direct bookings from consumers. Travel agents are his sole source of business.

For more information, visit: www.entreecanada.com.



*Marc Telio, President
Entrée Canada*

Media Relations: *Earning 'Free' Editorial Coverage*

ADDITIONAL RESOURCES



Tourism British Columbia has developed a *Travel Media Relations* guide which will instruct you on how to build long-term relationships with Media and how to assist them to produce a good story. This guide is part of Tourism British Columbia's informative *Tourism Business Essentials* series of how-to guides. You may obtain further information on this guide and other *Tourism Business Essentials* guides by visiting the Tourism British Columbia corporate website at: www.tourismbc.com/industry-development.

Journalists and media outlets are extremely important partners in tourism marketing. Travellers are influenced by what they read in the news media, and editorial coverage is usually considered more credible than advertising. A good article in the right publication can mean overnight success for some fortunate businesses.

Your key media contacts will be the journalists who write for magazines, newspapers, guidebooks and websites. Other important media contacts include radio broadcasters, video producers and television crews. Most journalists are on staff at a particular publication or network. Quite often, the travel editor of a newspaper also writes travel stories for the paper. Some journalists work on assignment, writing specific stories assigned by an editor. Freelance journalists write stories and then circulate them to publications in hopes that an editor will be pick up their story.

“Never lose touch with why you chose to do what you are doing in the first place. This must guide you with your business decisions as you grow.”

*Manfred Scholerman, President
Rockwood Adventures*

Corporate Travel Market: *Accessing the Business & Incentive Traveller*

“Stay flexible. Don't fall in love with what you thought you wanted to do. Markets change and opportunities arise. Take what the market gives you.”

*Jamie Corbett, President,
Canadian Outback*

Conferences, congresses, meetings, large events, incentive programs, retreats, team building, business workshops and seminars are all examples of corporate travel. This is a sophisticated market sector that requires a different approach than working with tour operators and travel agents.

To work successfully in this sector of the market, you should partner with conference service companies that specialize in managing conferences and in making arrangements for corporate meetings. Other potential partners include Destination Management Companies (DMCs) that work with corporations to deliver events and incentive programs. Additionally, many larger corporations have their own in-house staff that arrange their meetings, retreats and team building events.

B.C. Example: Working Successfully with the Media

ROCKWOOD ADVENTURES MANFRED SCHOLERMAN, PRESIDENT

Manfred has first-hand experience on the value of working with the media. By hosting journalists, he was able to get his tourism business profiled in leading publications and received television coverage around the world. The result was an immediate increase in business.

When he first started Rockwood Adventures in 1995, Manfred Scholerman didn't know anything about the tourism business, but he knew that Vancouver had an abundance of nature close to downtown that was not being experienced by the visitor. Manfred was determined to make this natural resource accessible and to educate the visitor on the primitive ecosystem of the local forests.

Manfred began by leading small groups on nature walks in the North Shore forests as well as on Bowen Island. Rather than taking his tours on rugged hiking trails, he led his tours along easy walking trails. This made his tours marketable to the average visitor. Manfred placed a strong emphasis on the quality of nature interpretation that he provided, to ensure that the visitor learned to appreciate the ecosystem of our coastal forests. He also provided gourmet picnic lunches, which were a big hit.

As with most small business operators, Manfred had a limited marketing budget. He looked for ways to maximize exposure for his company at minimal cost. Using the media to his advantage, he hosted local writers who wrote stories about Rockwood Adventures. When approached to host a journalist from the U.K. on his tour at no cost, Manfred felt this would be a worthwhile investment for him. He was right. The journalist wrote an article published in a major U.K. newspaper, which resulted in new business for Rockwood Adventures. This inspired Manfred to explore other international media opportunities.

His next big break came when he was featured in a 'dining al fresco' food segment on a national U.S. network. The show started with roof top dining in Manhattan, and ended up with a floatplane trip to Bowen Island where a gourmet picnic served by Manfred. Because of that exposure the phones really started to ring. Since then Rockwood Adventures has been featured on National Geographic Traveller, on the CNN and NBC networks, and in many magazines and newspapers. His media relations activities also helped make Tourism British Columbia, Tourism Vancouver, and tour operators aware of his company.

For more information, visit: www.rockwoodadventures.com.



*Manfred Scholerman, President,
Rockwood Adventures*

B.C. Example: *Working Successfully with the Corporate Market*



*Jamie Corbett, President,
Canadian Outback*

CANADIAN OUTBACK JAMIE CORBETT, PRESIDENT

In the early 1990's, Jamie Corbett and his brother Steve started Canadian Outback. The Corbetts have a love for the outdoors that drives their business vision. Though they already had a successful manufacturing company, they wanted to be a part of the tourism industry. They started out by representing other adventure operators and wholesaling their products to tour operators.

After several years, the Corbett brothers determined that they would be able to make more money if they owned and operated their own adventure operation, and focused on direct selling their products to larger groups of 50 or more people. They researched how to access this kind of market and determined it was through associations, clubs, corporations and institutions. They then refocused their sales and marketing efforts in this direction, starting with group ski programs, and then expanding to group rafting trips. The Corbetts initially approached corporate business on a regional basis, and then expanded into international markets by developing strong relationships with destination management companies.

Today, the corporate market provides over 50% of Canadian Outback's business. In addition to increasing the number of corporations they work with, Canadian Outback has been able to grow their business within each corporation by expanding the services they offer and by working with different departments on staff retreats, team building, event facilitation and other needs. According to Jamie Corbett, "the corporate market is lucrative and if you do a good job and give value for money, they will be a loyal, repeat client."

For more information, visit: www.canadianoutback.com.

Internet Marketing: Maximizing Your On-line Opportunity

With the popularity of the Internet as a tool for planning and booking vacations, **Online Travel Companies** such as Expedia and Travelocity have become an important sales channel - especially for small tourism businesses and start-up businesses.

Using the Internet to market your business is an effective and affordable way to reach the consumer market. More and more, travellers are turning to the Internet to plan and book their vacation. According to the 2004 Conference Board Inc. Consumer Internet barometer (a quarterly study of U.S. consumer trends and preferences), two-thirds of consumers are now using the Internet to make travel arrangements.

In 2003, 26% of Canadian businesses made travel-related purchases online, up 18% from 2002. Combined private and public sector online sales increased almost 40% in 2003, to \$19.1 billion.

In a recent article, The Economist referred to online travel as being one of the most successful forms of e-commerce. Americans presently buy 20% of their total travel online, but many in the industry believe this proportion could reach 50-60% within a decade.

Developing a website is a good investment for a tourism business. Your site should provide interesting, accurate and up-to-date information about your product, and should feature attractive images and a straightforward format. This includes designing a website that is search engine friendly, registering your website with search engines, purchasing and monitoring key words (the words buyers would use when searching for your specific product, service or destination), and utilizing e-newsletters, banner ads, reciprocal links and purchased links to attract customers.

If you don't want to develop your own website, HelloBC® is an excellent way to promote your product to the consumer. Through the HelloBC® website and the 1-800-Hello-BC® helpline, consumers can book accommodation, activities and special packages all at the same time. They can also speak with travel counselors to obtain travel information. Find out how to reach these consumers by contacting www.hellobc.com.

Internet Booking Services offered by Expedia, Travelocity, HelloBC® and other organizations provide a new way to showcase your product to the consumer market. It is similar to working with Tour Operators, but as the Internet is not restricted to any one market, Internet Booking Services give you the opportunity to reach a global audience, affordably. Just as with Tour Operators, these services require that you pay a commission on bookings made through them.

ADDITIONAL RESOURCES



Tourism British Columbia has developed an *Internet Marketing* guide which will help you understand how to use the internet for marketing purposes, how to develop an internet marketing strategy for your tourism business, and how to find the resources to implement your strategy. This guide is part of Tourism British Columbia's informative *Tourism Business Essentials* series of how-to guides. For more information visit the Tourism British Columbia corporate website at: www.tourismbc.com/industrydevelopment

"In order to have success online you need to work with e-marketing experts that know how to maximize your investment."

*Brent
MacDonald, President
Exclusively Canada*

B.C. Example: *Working Successfully with the Internet*



*Brent MacDonald, President,
Exclusively Canada*

EXCLUSIVELY CANADA BRENT MACDONALD, PRESIDENT

After graduating in 1997 from Capilano College's Tourism Management program, Brent MacDonald began working for a Vancouver-based tour operator, specializing in selling pre-packaged and customized FIT and group vacations for the U.S. market. Through this role he developed extensive contacts within the U.S. travel agent market and gained experience working with Canadian tourism suppliers. By 2002 Brent was ready to take his experience and contacts and set out on his own - and soon, Exclusively Canada was born.

Specializing in customized individual and group packages to Canada, Brent chose to target the upscale markets in the U.S. and Latin America through travel agents, relying upon his contacts in the travel agent market within the Americas to generate business. Rather than invest in producing a printed brochure, he created a website for Travel Agents. However, he soon he found that though Travel Agents were using his website and making bookings, he was seeing a growing number of consumers visiting his website and inquiring about booking travel to Canada with his company.

As a test, he decided to create a consumer version of his website, and contracted a specialist to help him with his e-marketing strategy. Today, Exclusively Canada is enjoying a healthy mix of business, from Travel Agents and consumers, primarily generated through his online e-marketing activities. Brent credits his success to the investment he has made in Internet marketing.

For more information, visit: www.exclusivelycanada.com.

Shows & Marketplaces: *Meeting Your Partners*

MARKETPLACES

Marketplaces are business-to-business forums where tourism businesses, product suppliers and Destination Marketing Organizations can meet face-to-face with international tour operators, airlines and the travel media. Marketplaces give you the opportunity to introduce new tourism products, design new touring itineraries, keep current on market trends, and negotiate new business.

Tourism British Columbia represents the province's tourism industry at key marketplaces around the world. Tourism British Columbia informs the travel trade, media and consumers about the diversity of experiences and tourism products available in the province. Regional tourism associations, city/resort DMOs, sector associations, and tourism businesses may also participate and exhibit in marketplaces where Tourism British Columbia is present. Other participants are positioned alongside Tourism British Columbia at the marketplace to create a strong presence for British Columbia.

The decision to attend a marketplace should be made carefully, and planned and budgeted well in advance. The total cost can range from \$3000 to \$10,000 for your registration fees, travel, display materials and brochures, plus personal expenses such as meals and accommodation.

For information on marketplaces, contact your regional tourism association, or visit the marketing and sales section of the Tourism British Columbia website at: www.tourismbc.com/marketingandsales.

TRADE SHOWS AND CONSUMER SHOWS

At trade and consumer shows, tourism businesses can target travel agents as well as consumers. Most shows provide the exhibitor with a booth or table-top exhibit space from which they can promote their products.

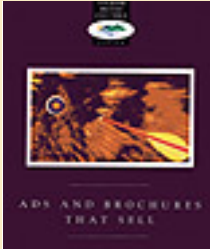
Partners including regional tourism associations, sector marketing organizations, and city or resort marketing organizations often invite British Columbia tourism businesses to participate in shows under their destination or sector brand. The tourism businesses represented in each booth or exhibit collectively promote their destination or sector, benefiting all participants. This provides a cost-effective means for tourism businesses to put their product in front of a market under a common, recognizable identity.

Trade Shows: A tourism business would generally attend a trade show to promote their products to travel agents. Some trade shows are combined with a consumer show, which the public is also invited to attend. At each booth, exhibitors promote their products, distribute brochures and have a chance to meet with travel agents and consumers.

Consumer Shows: A tourism business would generally attend this type of show if they wish to promote their products directly to the public. At their booth, exhibitors distribute their brochures and get a chance to meet interested consumers and explain their product offerings.

For a listing of trade shows and consumer shows appropriate to your business, contact the regional tourism association, sector marketing organization, or city/resort marketing organization in your area.

ADDITIONAL RESOURCES



Tourism British Columbia has developed an *Ads & Brochures That Sell* guide which focuses on two important business tools - brochures and print ads. Whether you do it yourself or work with a supplier, this guide will help you understand how to create compelling, attractive promotional material and how to avoid common mistakes along the way. This guide is part of Tourism British Columbia's informative *Tourism Business Essentials* series of how-to guides. You may obtain further information on this and other *Tourism Business Essentials* guides by visiting the Tourism British Columbia corporate website at: www.tourismbc.com/industrydevelopment.

PRINT ADVERTISING AND MARKETING MATERIALS

Even with an effective web-based advertising campaign, it may also be necessary to produce and maintain a supply of printed brochures and other print materials. Brochures will generally reach the local market, as well as visitors to the region who stop at a Visitor Info Centre to obtain travel and tourist information. Brochures can also be distributed through direct mail, private distribution services, and brochure racks at key locations such as ferry terminals or airports.

You may also want to advertise in selected magazines, newspapers, directories or other publications that reach your target market. To help share the cost, regional tourism associations and tourism sector groups provide their members with cooperative advertising opportunities. Many advertising initiatives are supported with funding from Tourism British Columbia through the Tourism Partners Program.

As well, you may wish to look into advertising in Tourism British Columbia's *Vacation Planner*, *Outdoor & Adventure Guide*, and *Approved Accommodation Guide*. Tourism British Columbia's international sales offices send these guides directly to consumers in response to their inquiries. These guides are also distributed at marketplaces, at trade and consumer shows, to the media, and through the Visitor Info Centre network.

TOURISM BRITISH COLUMBIA RESOURCES:

B.C. Escapes® Program

The B.C. Escapes® campaign is a marketing program that promotes British Columbia to leisure travellers in selected areas of North America. Utilizing various marketing and advertising initiatives, the program presents more than 200 British Columbia accommodation properties annually to these key markets. In 2004, B.C. Escapes® generated approximately 60,000 inquiries to the HelloBC® reservations and information helpline service and website. To find out more about participating in the B.C. Escapes® program, visit: www.tourismbc.com/marketingandsales.



Directory of Helpful Tourism Resources

TOURISM INDUSTRY ADVOCACY

Tourism Industry Association of Canada (TIAC)

Tel.: 613 238 3883
Fax: 613 238 3878
info@tiac-aitc.ca
www.tiac-aitc.ca

Council of Tourism Associations of B.C. (COTA)

Tel: 604 685 5956
Fax: 604 685 5915
info@cotabc.com
www.cotabc.com

SECTOR TRADE ORGANIZATIONS AND ASSOCIATIONS

Aboriginal Tourism Association of B.C.

Tel: 604 980 1088
Fax: 604 980 1099
T-Free: 1 877 266 2822
director@atbc.bc.ca
www.atbc.bc.ca

British Columbia Agri-tourism Alliance (B.C.A.T.A.)

Tel: 250 544 0941
Fax: 250 862 9353
www.agritourismbc.org

B.C. Fishing Resorts & Outfitters Association

Tel: 250 374 6836
Fax: 250 374 6640
b.c.froa@telus.net
www.bcfroa.bc.ca

B.C. Guest Ranch Association

Tel: 250 374 6836
Fax: 250 374 6640
info@bcquestranches.com
www.bcquestranches.com

B.C. Helicopter & Snowcat Skiing Operators Association

Tel: 250 542 9020
Fax: 250 542 5070
cwsaa@junction.net
www.bchssoa.com

B.C. Lodging & Campgrounds Association

Tel: 604 945 7676
Fax: 604 945 7606
T-Free: 1 888 923 4678
info@bclca.com
www.bclca.com
www.camping.bc.ca
www.lodging.bc.ca

B.C. Restaurant & Foodservices Association

Tel: 604 669 2239
Fax: 604 669 6175
T-Free: 1 800 663 4482
jasonmcr@telus.net
www.bc.rfa.com

B.C. Wilderness Tourism Association

Tel: 604 886 8755
Fax: 604 886 3768
wta@dccnet.com
www.wilderness-tourism.bc.ca

B.C. & Yukon Hotels Association

Tel: 604 681 7164
Fax: 604 681 7649
T-Free: 1 800 663 3153
hotel@B.C.yha.com
www.bcyha.com

Canada West Ski Areas Association

Tel: 250 542 9020
Fax: 250 542 5070
office@cwsaa.org
www.cwsaa.org

Guide Outfitters Association of B.C.

Tel: 604 278 2688
Fax: 604 278 3440
info@goaB.C..org
www.goabc.org

Sport Fishing Institute of B.C.

Tel: 604 270 3439
Fax: 604 270 3422
sfioB.C.@intergate.ca
www.sportfishing.bc.ca

Vancouver Hotel Association

Tel: 604 684 8203
Fax: 604 684 1093

Western Canada Bed & Breakfast Innkeepers Association (WCB BIA)

Tel: 250 743 2672
info@wcbbia.com
www.wcbbia.com

HUMAN RESOURCES

go2 - The resource for people in tourism

Tel: 604 930 9770
Fax: 604 930 9771
info@go2hr.ca
www.go2hr.ca

HRSDC - Summer Career Placements

Tel: 604 681 8253
bctpro9graminquiry@hrsdcc-
rhdc.gc.ca
www.hrsdc.gc.ca/en/epb/yi/yep/programs/scpp_bc.shtml

Destinations

Tel: (250) 383-4191
Fax: (250) 383-4142
info@destinations.ca
www.destinations.ca

Helpful Publications

Tourism Business Essentials Series

The Tourism British Columbia *Tourism Business Essentials* series of guides provides tourism operators with valuable information on key aspects of running a successful tourism business. The series covers the following topics:

- Hospitality Law Guide
- Tourism Packaging & Product Distribution
- Environmentally Responsible Tourism
- Travel Media Relations
- Starting a Tourism Business
- Sport Tourism
- Ads & Brochures That Sell
- Internet Marketing



You may order these guides online by visiting the Tourism British Columbia corporate website at:

www.tourismbc.com/industrydevelopment.

Canadian Tourism Commission

The Canadian Tourism Commission (CTC) produces a number of publications and directories which are made available to the tourism industry. This includes tourism intelligence bulletins, market research reports, information on travel trends and motivations, financial planning and risk management guides to assist small and medium sized businesses, and much more. To access these publications, you must be a registered user of the CTC corporate website. To register, please visit: <http://www.canadatourism.com/ctx/app/en/ca/selectAccount.do>.

Trade E-newsletters

Many destination and sector organizations provide trade-related e-newsletters which are useful for staying in touch with what is happening in the tourism industry. Some are for members-only, some have a cost and others are free, but require that you register for the e-newsletter. The following is a selection of helpful e-newsletters for the Canadian travel trade:

- Canadian Tourism Commission's *Tourism Daily*: www.canadatourism.com/ctx/app/en/ca/register.do
- Tourism British Columbia *Tourism Brief*: www.tourismbc.com
- Council of Tourism Associations *Tourism News*: www.cotabc.com
- Travel Industry Association of Canada *TIAC Talk*: www.tiac-aitc.ca
- Canadian Travel Press: www.travelpress.com

Helpful Website Links

Aboriginal Tourism Association of B.C.:

Consumer Website: www.aboriginalbc.com; Corporate Website: www.atbc.bc.ca

British Columbia Agri-tourism Alliance (BCATA): www.agritourismbc.org

B.C. Fishing Resorts & Outfitters Association: www.b.c.froa.bc.ca

B.C. Guest Ranch Association: www.bcquestranches.com

B.C. Helicopter & Snowcat Skiing Operators Association: www.bchssoa.com

B.C. Lodging & Campgrounds Association:

www.bclca.com; www.camping.bc.ca; www.lodging.bc.ca

B.C. Restaurant & Foodservices Association: www.bcrfa.com

B.C. Wilderness Tourism Association: www.wilderness-tourism.bc.ca

B.C. & Yukon Hotels Association: www.bcyha.com

Canada West Ski Areas Association: www.cwsaa.org

Canadian Tourism Commission:

Consumer Website: www.travelcanada.ca; Corporate Website: www.canadatourism.com

Council of Tourism Associations of B.C. (COTA): www.cotabc.com

Destinations: www.destinations.ca

First Business.ca: www.firstbusiness.ca

go2 - The resource for people in tourism: www.go2hr.ca

Guide Outfitters Association of B.C.: www.goabc.org

HRSDC: www.hrsdc.gc.ca

Small Business B.C.: www.smallbusinessbc.ca/seminars-list.php

Sport Fishing Institute of B.C.: www.sportfishing.bc.ca

Tourism British Columbia:

Consumer Website: www.hellobc.com; Corporate Website: www.tourismbc.com

Tourism Industry Association of Canada (TIAC): www.tiac-aitc.ca

Western Canada Bed & Breakfast Innkeepers Association (WCBBIA): www.wcbbia.com