2. Demand for Aboriginal Culture Tourism in Alberta

Defining the Target Markets

Geographic Markets

There are three main Geographic Markets that will be examined as part of this study:

- ***The Short-Haul Market*** encompasses Alberta and its border provinces / states – i.e., British Columbia, Saskatchewan, NWT/Nunavut, Yukon and Montana (see **Exhibit 2-1)**.

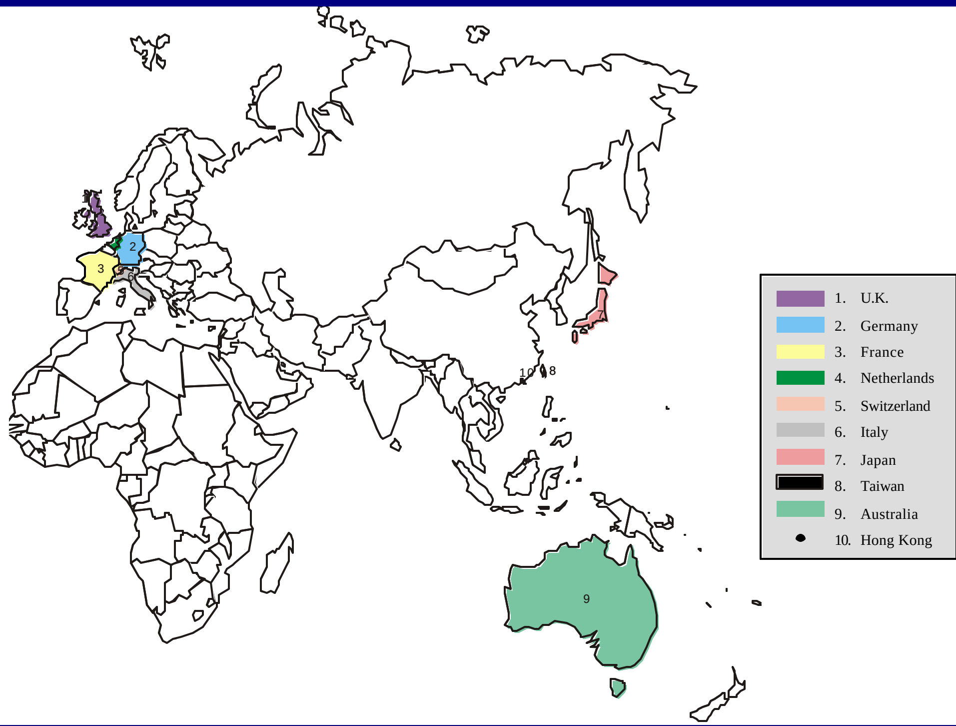
EXHIBIT 2-1 – SHORT-HAUL MARKET

- ***The North American Long-Haul Market*** is defined as encompassing all regions of Canada and the United States that are not included in the Short-Haul Market (see **Exhibit 2-2**).

EXHIBIT 2-2 – NORTH AMERICAN LONG-HAUL MARKET

- ***The Long-Haul Overseas Market*** is defined as all regions outside of Canada and the United States. For the purposes of this study, only markets for which data was available from previous research are assessed for market size and potential (see **Exhibit 2-3**).

EXHIBIT 2-3 – LONG-HAUL OVERSEAS MARKET



Primary Market – The Aboriginal Culture Segment

For both the Short-Haul and North American Long-Haul markets, the Aboriginal Culture segment is defined as travellers who have either *"attended aboriginal culture experiences in a remote or rural location"* or *"attended a powwow or other aboriginal celebration"* during the past two years. This segment definition stems from the Travel Activities & Motivations Study (TAMS) conducted by the Ontario Ministry of Tourism, Culture and Recreation and other study partners.

For the Long-Haul Overseas market, the Aboriginal Culture segment is defined as travellers who *"saw or experienced unique aboriginal or native groups"* on their most recent (long-haul) trip. Segment data from the Long-Haul Overseas markets comes from the Pleasure Travel Markets Studies (PTMS) and other consumer studies conducted for the Canadian Tourism Commission (CTC).

Secondary Market – The Culture Segment

For both the Short-Haul and North American Long-Haul markets, the Culture segment is defined as travellers who fall into the *"Knowledge Seekers"* segment defined as part of the TAMS study. Culture travellers are likely to have sought out exploratory vacation experiences (such as visiting historical sites and art galleries and museums) and have above average interest in visiting aboriginal cultural attractions.

For the sake of interest, a Culture segment was also defined for Canada's top four Long-Haul Overseas markets – the U.K., Germany, France and Japan. For each market, the Culture segment was determined using a factor analysis to determine how the segment should be defined. More details on segment definitions can be found later in this chapter in the Long-Haul Overseas market profiles.

Market Potential by Geography

The following sections present estimates of market size and potential among primary and secondary markets. It should be noted that estimates represent potential travel that may or may not be realized in the future. In other words, the estimates do not represent a forecast; rather it is a pool of prospective travellers with appropriate product interests from which to draw. In addition, these estimates are not all encompassing. They represent a market with greater likelihood of travelling to Alberta for the aboriginal culture product. Actual visitors to Alberta may be from different segments.

The Short-Haul Market

Exhibit 2-4 shows the total market size of each province / state within the Short-Haul Market. Also presented is the number of travellers likely to travel to Alberta in the next two years and their potential expenditures.

EXHIBIT 2-4 – MARKET POTENTIAL FOR THE SHORT-HAUL MARKET

	Population			Likelihood of Visiting Alberta in the Next Two Years[1]		Potential Expenditures (in millions)[2]	
	Traveller Pop.	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller
Alberta	1,702,000	102,000	221,000	76,000	165,000	$9.6	$20.8
British Columbia	2,408,000	193,000	193,000	76,000	76,000	$18.9	$18.9
Saskatchewan	574,000	34,000	46,000	25,000	34,000	$6.9	$9.3
NWT/ Nunavut / Yukon	51,000	n/a	n/a	n/a	n/a	n/a	n/a
Montana	590,000	77,000	65,000	10,000	8,000	$5.6	$4.8
Total Short-Haul Market	***5,325,000***	***406,000***	***525,000***	***187,000***	***283,000***	***$41.0***	***$53.8***

Notes: [1] Likelihood potentials are specific to Alberta. Likelihood is measured as those selecting the top score on a three-point scale. Source: TAMS (2000) and 2001 Impact of September 11th on US Travel to Canada Study (CTC).
[2] Expenditures are calculated by multiplying those very likely to visit by the average per person per trip (Alberta-specific) expenditures from the 1999 CTS for the Canadian provinces (Alberta - $126; British Columbia - $250; Saskatchewan - $273, Other Canada - $469) and from the 1999 ITS for Montana (Mountain - $594.8).

The Short-Haul Market offers excellent opportunity for Alberta. Given its relatively close proximity, the almost 200,000 potential Aboriginal Culture visitors from the Short-Haul Market could easily be enticed to take frequent day trips, weekend getaways and longer trips to Alberta if offered the right mix of tourism products. While the yield per trip is low, they offer good opportunities in terms of volume. Generally speaking, the closer the market is to the destination, the more likely they are to actually visit. The potential expenditures from the Short-Haul Market for Aboriginal Culture Travellers are $41 million.

There are approximately 283,000 Culture travellers who are likely to visit Alberta in the next two years with potential expenditures of $54 million from the Short-Haul Market.

The North American Long-Haul Market

Market sizes, potential visitor estimates and potential expenditures for the North American Long-Haul market are summarized in **Exhibit 2-5**.

Exhibit 2-5 – Market Potential for the North American Long-Haul Market

	Population			Likelihood of Visiting Alberta in the Next Two Years[1]		Potential Expenditures (in millions) [2]	
	Traveller Pop.	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller
<u>Canadian Market:</u>							
Manitoba	653,000	65,000	65,000	23,000	23,000	$10.7	$10.7
Ontario	6,797,000	408,000	544,000	35,000	46,000	$23.0	$30.6
Quebec	4,393,000	220,000	308,000	7,000	10,000	$3.4	$4.7
Atlantic Canada	1,404,000	81,000	120,000	6,000	10,000	$2.7	$4.9
<u>United States Market:</u>							
South Atlantic	32,766,000	3,277,000	3,604,000	93,000	103,000	$65.4	$72.0
East South Central	10,747,000	1,397,000	1,075,000	31,000	24,000	$15.5	$11.9
West South Central	18,324,000	1,832,000	2,199,000	93,000	111,000	$74.4	$89.3
Mountain	10,328,000	1,343,000	1,136,000	166,000	140,000	$98.7	$83.5
Pacific	26,378,000	2,902,000	3,165,000	202,000	221,000	$93.9	$102.4
West North Central	12,020,000	1,202,000	1,322,000	23,000	25,000	$11.8	$13.0
East North Central	29,233,000	2,339,000	2,923,000	82,000	102,000	$31.8	$39.8
Middle Atlantic	25,580,000	1,535,000	2,046,000	24,000	32,000	$9.9	$13.2
New England	8,558,000	685,000	1,112,000	17,000	28,000	$7.2	$11.7
Total North American Long-Haul Market	***187,181,000***	***17,286,000***	***19,619,000***	***802,000***	***875,000***	***$448.4***	***$487.7***

Notes: [1] Likelihood potentials are specific to Alberta. Likelihood is measured as those selecting the top score on a three-point scale. TAMS (2000) and 2001 Impact of September 11th on US Travel to Canada Study (CTC).

[2] Expenditures are calculated by multiplying those very likely to visit by the average per person per trip (Alberta-specific) expenditures from the 1999 CTS for the Canadian provinces (Ontario - $663; Other Canada - $469) and from the 1999 ITS for the U.S. regions (South Atlantic - $700.2; East South Central - $500.0; West South Central - $801.0; Mountain - $594.8; Pacific - $464.1; West North Central - $516.5; East North Central - $390.3; Middle Atlantic - $405.7; New England - $413.7).

As can be seen in the exhibit, the North American Long-Haul market is by far the largest of the three markets. However, it may be one of the most difficult to attract due to heavy competition from the U.S., especially given the fact that the majority of these North American Long-Haul travellers (93%) reside in the U.S. To attract this market, Alberta will have to sell itself on the uniqueness of its product offering to differentiate itself from other destinations within North America offering aboriginal and cultural products. The table also shows that there are approximately 800,000 potential Aboriginal Culture travellers to Alberta with potential expenditures of $448 million.

There are approximately 875,000 Culture travellers who are likely to visit Alberta in the next two years with potential expenditures of $488 million from the North American Long-Haul Market.

The Long-Haul Overseas Market

Exhibit 2-6 presents the market size and potential for selected Long-Haul Overseas markets. It is important to note that these market sizes and estimates represent outbound long-haul travellers only (i.e., domestic travel and travel to nearby countries is not included).

EXHIBIT 2-6 – MARKET POTENTIAL FOR THE LONG-HAUL OVERSEAS MARKET

	POPULATION			INTEREST IN VISITING CANADA IN THE NEXT FIVE YEARS[1]		POTENTIAL EXPENDITURES (IN MILLIONS)[2]	
	LONG-HAUL TRAVELLER POP.	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER
EUROPE:							
U.K.	13,526,000	4,058,000	2,922,000	2,678,000	2,045,000	$3,107	$2,372
Germany	11,641,000	2,328,000	1,676,000	1,294,000	671,000	$1,389	$720
France	9,149,000	1,464,000	2,104,000	820,000	1,115,000	$862	$1,173
Netherlands	4,994,000	1,748,000	n/a	926,000	n/a	$957	n/a
Switzerland	2,491,000	1,121,000	n/a	706,000	n/a	$833	n/a
Italy	9,287,000	4,922,000	n/a	3,052,000	n/a	$2,963	n/a
ASIA-PACIFIC:							
Japan	26,128,000	1,045,000	4,180,000	902,000	2,797,000	$999	$3,099
Taiwan[3]	3,269,000	294,000	n/a	68,000[4]	n/a	$83	n/a
Australia	4,404,000	925,000	n/a	592,000[4]	n/a	$753	n/a
Hong Kong[3]	2,418,000	532,000	n/a	362,000	n/a	$445	n/a
Total Long-Haul Overseas Market	***87,307,000***	***18,437,000***	***10,882,000***	***11,400,000***	***6,628,000***	***$12,391***	***$7,364***

Notes: [1] Five-year interest potentials are generally specific to Canada as a whole for the Long-Haul Overseas markets. Interest is measured as those selecting the top two scores on a four point scale (i.e., very + somewhat interested). Source: CTC's Pleasure Travel Markets to North America Studies (PTMS) for U.K. (1996), Japan (1995), Taiwan (1994) and Australia (1995), Germany Consumer Research Study (CTC 2001), Hong Kong Consumer Research Study (CTC 2001), 2000 Demand for Aboriginal Culture Products Study (CTC) and the 1998 France Segmentation Study (CTC).

[2] Expenditures are calculated by multiplying those likely to visit by the average per person trip expenditures from the 2000 ITS for U.K. ($1,160), Germany ($1,073) and France ($1,052) and the 1999 ITS for the Netherlands ($1,033), Italy ($971), Japan ($1,108) and Australia ($1,272). Switzerland was calculated using the 'Other Europe' expenditures from the 1999 ITS ($1,079) and Taiwan / Hong Kong are calculated using the 'Other Asia' expenditures from the 1999 ITS ($1,230).

[3] For Taiwan and Hong Kong, the Aboriginal Culture segment was defined based on those who indicated that experiencing unique native groups is very important in selecting a vacation destination, as opposed to activity based.

[4] For Taiwan and Australia, five-year interest potentials are based on the whole market, as opposed to the Aboriginal Culture segment.

As seen in the exhibit, the selected Long-Haul Overseas markets represent approximately 18.4 million Aboriginal Culture travellers, of which 11.4 million are interested in visiting Canada in the next five years with potential expenditures of $12.4 billion. There are approximately 6.6 million Culture travellers who are interested in visiting Canada in the next five years with potential expenditures of $7.4 billion from four of Canada's key Long-Haul Overseas markets (i.e., the U.K., Germany, France and Japan).

The key to reaching the Long-Haul Overseas market is awareness. Many of the travellers who think of Canada as a top of mind destination know what some of its main product offerings are, but research shows that often, this is the extent of their knowledge. Travellers from most of these markets do not think Canada has a strong cultural offering. Awareness building in the Long-Haul Overseas markets is a must. In addition, offering packages around Alberta's more commonly known cities and attractions may be one way to capture Long-Haul Overseas interest (i.e., day trips from major metropolitan centres).

North America

Canada

The domestic market is the primary market for the Canadian tourism industry accounting for 70% of total Canadian tourism revenues and 80% of total visitation. Virtually all regions of the country contribute to tourist activity in Canada. Free time is increasing in importance, and many Canadians are choosing to make the most of their time off work by travelling away from home. In fact, on average, Canadian residents took 4.0 intra-provincial pleasure trips and 1.7 inter-provincial pleasure trips during the last two years (TAMS 2000). Some key trends in the Canadian market include:

- The overwhelming majority of trips taken by Canadians are for pleasure purposes (including visiting family and friends).
- Canadians tend to be somewhat less exploratory and somewhat more sports and hobby oriented. They are likely to choose a destination that is familiar and travel to escape the Canadian winter weather.
- Participation in winter activities (e.g., skiing and snowboarding, snowmobiling and skating / hockey) and seeing natural phenomena (e.g., seeing the Northern lights or other artic experiences) are common vacation activities on their recent trips.
- Canadians have a growing interest in nature, eco-tourism and experiences that are authentic and natural, all of which are available within close proximity to where they live.
- They are highly value-conscious travellers who look for good deals year-round.
- The weak Canadian dollar provides a competitive advantage against destinations abroad. However, Canadians are slowly becoming accustomed to the depreciated value of the dollar, and are altering their travel plans accordingly.
- The Internet has become the dominant medium for both information distribution and commerce, although Canadian consumers appear to still have concerns about security, privacy, customer service and reliability.
- They prefer to travel independently and many prefer to pre-book only a small amount of their travel arrangements. This suggests that tourism businesses place an importance on marketing to walk-by traffic.
- The baby boomer generation is on the verge of becoming the most lucrative travel segment in Canada. They dream of retiring at age 50, resuming the search for the meaning of life.
- Older / retired travellers are more interested in travelling internationally than domestically.

- However, Canadian outbound travellers are a prime segment to be targeted for domestic travel. They are most likely to be the non-family market (singles, couples, empty-nesters), are interested in buying packages, and have a propensity for mid- to long-haul travel.

Canadians perceive Canada as having much to offer in terms of culture and entertainment and opportunities to experience nature and participate in outdoor activities. In addition, Canadians are also likely to view Canada as popular, trendy place with many outdoor activities and lots for families to see and do. They have a strong awareness of Alberta and its attributes, and Alberta has traditionally enjoyed good visitation levels from Canadians outside Alberta – 2.5 million person trips to Alberta in 1999.

According to the TAMS study, 6% of Canadian travellers participated in an aboriginal-related vacation activity in the past two years. It is interesting to note that Canadians are more likely to have encountered aboriginal experiences in a remote setting, than to have visited aboriginal attractions, suggesting that Canadian travellers may be more open to the idea of stepping off the beaten track. Participation levels are highest among mature and well-educated travellers, as well as those who took a domestic trip in the past two years.

Canadian Aboriginal Culture travellers are likely to participate in other cultural activities when they travel (i.e., going to museums, art galleries, concerts, plays, dance and opera performances, local fairs and festivals) and are keen on "soft" outdoor activities (i.e., they want to see wildlife / wildflowers, go whale watching, go hiking / backpacking in wilderness settings, and take to the lakes by fishing, canoeing and kayaking). Because of their strong secondary interest in nature and the outdoors, Canadian Aboriginal Culture travellers can also be targeted for lakeside or seaside resorts, wilderness camping, ski or mountain lodges and drive-in wilderness lodges. **Exhibit 2-7** shows key demographic characteristics of Canadian Aboriginal Culture / Outdoor travellers.

EXHIBIT 2-8 – DEMOGRAPHIC CHARACTERISTICS OF CANADIAN ABORIGINAL CULTURE TRAVELLERS

GENDER:		**AGE:**		**ANNUAL HOUSEHOLD INCOME:**	
Male	49%	18-34	29%	Under US$60,000	63%
Female	51%	35-44	23%	US$60,000 to US$99,999	25%
HAVE CHILDREN IN HOUSEHOLD:		45-64	37%	US$100,000 or more	12%
Yes	29%	65+	13%		

Source: Demand for Aboriginal Tourism Products in the Canadian and American Markets (ATTC, CTC and Parks Canada 2001)

According to the TAMS study, 11% of Canadian urban travellers fall into the Culture segment (e.g., are Knowledge Seekers). Overall, Canadian Culture travellers have a very positive impression of Canada as a destination which offers opportunities for cultural and entertainment activities. Moreover, Canadian Culture travellers are more likely to have taken a trip to Alberta, Saskatchewan and Atlantic Canada in the past two years compared to other Canadian destinations, suggesting that Alberta's Cultural product is already quite well received by Canadian travellers.

The U.S.

The U.S. tourism market may be the most competitive in the world, with Americans travelling more, both home and abroad. The U.S. is Canada's largest international tourism market, accounting for 15.2 million trips of one night or more in 2000, however Europe has now surpassed Canada as the most popular destination for U.S. outbound leisure travellers. Tourism is a discretionary expense in the minds of Americans and is largely dependent on the consumer's levels of both confidence and disposable income. Americans work the longest hours in the industrialized world, with the chronic shortage of time moulding their lifestyle and travel behaviour. The greatest challenges in getting Americans to travel outside the U.S. remain the American market's 'lack of time' and short paid vacation periods.

The American traveller's state of mind and attitudes towards travel has clearly been affected by the September 11th events. But, while their willingness to travel has certainly decreased, they are still quite willing to do so. Some key market trends include:

- The overwhelming majority of trips taken by Americans are for pleasure purposes (including visiting family and friends).
- While pleasure travel is more frequent during the summer season in the U.S., Americans are also likely to travel during the spring and fall seasons.
- American pleasure travellers are likely to seek out natural wonders, historical sites, adventure and excitement and different cultures when they travel. They also want to visit a casino to gamble.
- Vacation activities enjoyed by American travellers include in water sports (sailing, wind surfing, scuba diving), extreme summer sports (e.g., hang-gliding, parachuting, bungee jumping), extreme winter sports (e.g., rock climbing, ice climbing), fishing / hunting and fitness activities.
- Americans are likely to have participated in most types of cultural and entertainment activities while travelling during the past two years.
- Americans are also likely to have taken a greater number of tours and cruises.
- When it comes to selecting a destination post-September 11th, the top considerations for American travellers are safety (both personal and environmental), airport security and cleanliness of the destination. Conversely, international flavour and different cultures rank low on the consideration scale.
- The extremely favourable exchange rate for Americans continues to enable tour operators to deliver excellent value packages to Canada.
- Tour operators believe that there will be an increase in demand for motor coach and non-air travel packages post-September 11th. In other words, a larger Short-Haul market.
- American consumers are embracing the Internet as their preferred medium for researching and booking travel.

- Americans are likely to have purchased resort or cruise vacation packages. Adventure packages and educational packages are also commonly chosen.
- As the market ages, 'baby boomers' who are reaching retirement age hold a lot of potential.
- Mature and middle aged travellers have an affinity for nature, the natural and authenticity.

Interest in and likelihood of visiting Canada by American travellers is very strong. Moreover, Canada (and Alberta) enjoys a high ratio of repeat visitors from the U.S. resulting in high loyalty. "The U.S. markets with the highest incidence of travel to Canada are primarily situated along the Canadian border and include urban centres such as Rochester, Seattle, Buffalo, Detroit, Cleveland and Toledo. However, Detroit, Boston, Chicago, New York City and Seattle are the urban centres that generate the largest number of trips to Canada. Not surprisingly, proximity dictates the prime markets for each province."[1]

American travellers rate Canada high on safety and security, cleanliness, friendliness and political stability – all of which are of increasing importance in light of the events of September 11th. American travellers view Canada as being very similar to the U.S. when it comes to culture and international flavour, but sees Canada as a place offering abundant opportunities to experience nature and participate in outdoor activities. Many do not name Canada as a top of mind destination to see and experience aboriginal culture. Traditionally, Canada attracts an older, more affluent, and higher educated U.S. traveller.

It must be noted that most Americans have little of no knowledge of Alberta's whereabouts and many are confused as to whether it is a city or a province. Some Americans are aware of the names Edmonton and Calgary, but there is very little tourism association and a weak link between these two cities and Alberta. It is felt that Alberta offers a different, but not too foreign experience to American travellers – an authentic outdoors destination (e.g., unspoiled, uncrowded and peaceful). Its cities are safe, clean and slower paced, but not behind the times. Albertans are seen as friendly, caring and welcoming.[2]

According to the TAMS study, 10% of U.S. travellers participated in an aboriginal-related vacation activity in the past two years. It is interesting to note that Americans are more likely to have visited aboriginal attractions, than to have encountered aboriginal experiences in a remote setting. Participation levels are highest among mature / senior and well-educated travellers, as well as among those who took a trip to Canada from the U.S. in the past two years.

Like Canadian Aboriginal Culture travellers, American Aboriginal Culture travellers are also likely to participate in other cultural activities when they travel (i.e., take in art galleries, attend cultural performances, visit carnivals and local fairs) and are also keen on "soft" outdoor activities (i.e., they want to see natural wonders, wildlife / wildflowers, go hiking / backpacking in wilderness settings, and take to the lakes by fishing, canoeing and kayaking).

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[1] Travel Activities & Motivations Survey – Overview Report, March 2001, Ontario Ministry of Tourism, Culture and Recreation and other study partners, prepared by Lang Research.
[2] Strategic Tourism Marketing Plan 2001 - 2004, April 2001, Travel Alberta

Because of their strong secondary interest in nature and the outdoors, Aboriginal Culture travellers can also be targeted for lakeside or seaside resorts, camping, ski or mountain lodges and drive-in wilderness lodges. Interestingly, casinos and gambling, antique shopping and shopping for local arts and crafts are also common interests among American Aboriginal Culture travellers. **Exhibit 2-8** shows key demographic characteristics of American Aboriginal Culture / Outdoor travellers.

EXHIBIT 2-8 – DEMOGRAPHIC CHARACTERISTICS OF U.S. ABORIGINAL CULTURE TRAVELLERS					
GENDER:		**AGE:**		**ANNUAL HOUSEHOLD INCOME:**	
Male	48%	18-34	29%	Under US$60,000	66%
Female	52%	35-44	25%	US$60,000 to US$99,999	27%
HAVE CHILDREN IN HOUSEHOLD:		45-64	35%	US$100,000 or more	10%
Yes	26%	65+	12%		
Source: Demand for Aboriginal Tourism Products in the Canadian and American Markets (CTC 2001)					

According to the TAMS study, 13% of U.S. urban travellers fall into the Culture segment (e.g., are Knowledge Seekers). Overall, U.S. Culture travellers do not see Canada as offering culture and entertainment, but primarily as a place to experience nature and participate in outdoor activities, suggesting the need for active promotion of Canada's (and Alberta's) culture products south of the border. However, American Culture travellers are likely to have visited Alberta in the past two years, which bodes well for Alberta in terms of repeat visitation.

Long-Haul Aboriginal Culture Travellers

As stated before, the Aboriginal Culture segment is defined as travellers who have either *"attended aboriginal culture experiences in a remote or rural location"* or *"attended a powwow or other aboriginal celebration"* during the past two years. Aboriginal Culture travellers in North America are very likely to have sought out vacation experiences associated with exploration (e.g., visiting historical sites, natural wonders) and sports and learning (e.g., to experience a hands-on learning experience) and are likely to have participated in natural sightseeing activities. They are also likely to have toured in their own personal vehicles and to have camped in a public campground or in the wilderness, to stay at a lakeside or wilderness lodge, or remote fly-in lodge.

Aboriginal Culture travellers are likely to have consulted with a large number of information sources (e.g., articles in newspapers / magazines, travel information offices and travel guides) in planning their vacations, suggesting that print media may be the way to go. In addition, a key to attracting Aboriginal Culture travellers to Alberta will be product packaging. Aboriginal Culture travellers look for a mix of experiences on their vacations beyond just aboriginal culture. They look for destinations that offer a combined natural, cultural and learning-related experience for their trips, all of which Alberta has in abundance.

Long-Haul Culture Travellers

The Culture segment is defined as travellers who fall into the *"Knowledge Seekers"* segment defined as part of the TAMS study. Culture travellers are likely to have sought out exploratory vacation experiences (such as visiting historical sites and art galleries and museums) and have above average interest in visiting aboriginal cultural attractions. They are also interested in learning about and experiencing nature and can also be targeted for natural sightseeing activities and, albeit to a lesser extent, outdoor adventure activities such as canoeing, kayaking, hiking, biking and skiing. On the other hand, they are relatively uninterested in indulging themselves while on vacation.

Culture travellers are primarily younger families or mature singles and couples. They are a well-educated segment and prefer to use their vacations as a learning opportunity for themselves and their children. Given the fact that over a third of Culture travellers travel with young children, it is not surprising that they look for short-haul destinations and travel during the summer months. Culture travellers are more likely than others to have camped in a public campground or the wilderness, and favour touring small towns and villages by car. They are less likely to seek inclusive vacation packages.

Like Aboriginal Culture travellers, Culture travellers carefully research their vacation destination – which emphasizes the importance of proper messaging and promotion to this segment. Culture travellers are well suited for print media campaigns, given their preference towards using travel information obtained from travel bureaus, articles from newspapers / magazines, automobile clubs and travel guides in planning their vacations.

It is important to keep in mind that, by definition, a Culture traveller is an urban oriented traveller, so promoting packages that include aboriginal culture products as well as Alberta's cities that offer various cultural and learning opportunities will be key in attracting this market. However, this does not mean that travel offerings need to ignore rural Alberta. Cultural and learning day trips or overnight stays departing from a major city may also appeal to these travellers.

Europe

The following sections describe the potential for aboriginal culture products in select European markets in more detail. For each market, a discussion of general travel trends is followed by a look at the potential for Canada, the potential for aboriginal culture products and the potential for other cultural products. If available, a look at the potential for Alberta is also included. Markets covered include Alberta's primary target markets (i.e., the U.K., Germany, Switzerland), its secondary market (i.e., the Netherlands) and its developing markets (i.e., France, Italy). It should be noted that there was insufficient information on Austria (a target market) and the Scandinavian countries (a developing market) to warrant a profile.

U.K.

A report on 'British Lifestyles 2001' by telecommunications company Mintel has dismissed concerns of a recession in the U.K. and predicts that strong consumer confidence and growing disposable income will enable Britons to spend more on travel than they did a decade ago. In addition, a combination of a strong currency, holiday leave of four to six weeks a year and a belief that travel is essential rather than a luxury will continue to strengthen the U.K. outbound market. U.K. travellers are quite sophisticated and have a high awareness of international travel destinations. They have the confidence to travel independently and have specialized needs and interests in terms of travel products. Some additional key market facts and trends include:

- The majority of trips taken are for pleasure or vacation purposes, with visiting friends and relatives (VFR) also an important trip purpose.
- Trips are generally quite long (over three weeks) and are taken with a small travel party.
- Trips tend to be fairly active and revolve around beaches, small towns, local culture and historical places.
- Key motivations include going to new places, cleanliness, safety, nice weather, getting a good deal and increasing knowledge.
- U.K. travellers are also highly motivated by value for money, with a large portion of the market sold on a destination by virtue of price alone. Tourism businesses will benefit from Canada's low dollar in this market.
- U.K. travellers generally rely on travel agents and friends and family for trip planning information.
- According to the TTG U.K. and Ireland, advances in online technology will result in the Internet driving 45% of travel sales, while interactive television will be responsible for 23% of travel sales.
- Package use is fairly low – U.K. travellers seek flexible and innovative travel options.
- The U.K. population is aging – translating into more free time and more disposable income.

The U.K. is Canada's most important overseas market for both volume and receipts. Recent U.K. travellers to Canada tend to be middle-aged individuals, often retired, travelling alone or with their spouse to visit friends and relatives living in Canada. Almost half of all trips to Canada are for VFR purposes.

According to the 1996 U.K. PTMS Study, approximately 52% of U.K. long haul pleasure travellers rate aboriginal culture as an important (very + somewhat) motivating factor for destination selection. Participation in aboriginal culture on the most recent trip sits at 30% of U.K. long haul pleasure travellers. In addition to cultural activities, U.K. Aboriginal Culture travellers sought sightseeing related activities on their most recent trip, including visiting small towns and villages, visiting scenic landmarks, visiting national parks and forests and sightseeing in cities. They also place a high importance on having a variety of things to see and do on their trips. U.K. Aboriginal Culture travellers tend to be middle-aged, well educated, and are more likely to be male. Demographic characteristics of U.K. Aboriginal Culture travellers are summarized in **Exhibit 2-9**.

Exhibit 2-9 – Demographic Characteristics of U.K. Aboriginal Culture Travellers					
Gender:		**Region of Origin:**		**Education:**	
Male	57%	North West	7%	College / University Degree:	32%
Female	43%	Scotland	12%	**Monthly Household Income:**	
Age:		West Midlands	10%	Less than £10,000	19%
18-24	13%	East Midlands	5%	£10,001 to £15,000	9%
25-34	23%	Wales	2%	£15,001 to £20,000	14%
35-44	15%	Yorkshire / Humberside	11%	£20,001 to £25,000	16%
45-64	44%	North East	3%	£25,001 to £30,000	13%
65+	5%	Greater London	14%	£30,001 to £40,000	13%
Marital Status:		South East	22%	More than £40,000	16%
Married	54%	South West	8%	**Have Children Under 18:**	
Single	27%	East Anglia	6%	Yes	19%
Source: 1996 U.K. PTMS Study (CTC)					

Overall, there is a high interest in the U.K. market in exploring and learning about different cultures. U.K. Local Culture travellers enjoy absorbing the local flavour (i.e., local crafts and foods) and ethnic culture of a destination. They are a people oriented group who like to meet and mingle with the locals and with people of different origins. In addition to seeking out arts and cultural attractions when they travel, they also enjoy other aspects of the big city such as nightlife and fine dining. Alberta could promote its broad range of ethnic and native cultures to the U.K. market, coupled with a city or touring experience to take advantage of these characteristics. Ethnic festivals and cultural events could also be included in tour products developed for this market.

U.K. travellers look beyond Canada's larger cities for their vacation experiences, which bodes well for continued strong future visitation to Alberta. Alberta has a positive image in the U.K. market and is noted for its nature, scenery, outdoor activities, friendly people, good infrastructure and safety. Local culture (including aboriginal culture experiences) available in Alberta should be more actively promoted in this market.

Germany

Over the last few years, the German long-haul pleasure travel market has been hit hard by tough economic conditions in Germany. As a result, travellers of lesser means and enthusiasm have been temporarily forced out of the long-haul market. What remains is a group of die-hard travellers – younger, better educated and more affluent than before – who are also increasingly more cost conscious in planning their trips. This has led to many striking changes in this market:

- Family travel is on the rise, while VFR travel has been steadily declining – a clear sign that the market is maturing.
- German travellers are taking shorter trips, participating in fewer vacation activities and have lower per person trip expenditures than five years ago.
- History products are growing in appeal, while interest in nature and ethnic / aboriginal culture products have waned.
- Safety has always been very important to German travellers, and is currently the number one travel motivation in this market.

- Other key motivations include clean destinations, good environmental quality, nice scenery, seeing something new, enriching one's knowledge, good service and friendly local people, good weather and relaxation and escapism.
- In addition, Germans want to experience all of these things for a good price.
- Planning and booking horizons are longer, with travellers taking advantage of early booking discounts.
- The use of the Internet in travel planning is on the rise, as is the use of books and travel guides. However, German travellers still turn to travel agencies when it comes to actually booking their trips.
- Packages are becoming the way to go for most German long-haul travellers, with 61% having used a package on their most recent long-haul trip. Getting added into packages is key if tourism businesses want to succeed in this market.

Canada enjoys high interest levels among the die-hard German travellers that remain, resulting in 5.6 million potential travellers to Canada in the next five years. However, the tough economic climate has made it increasingly difficult for Canada to convert this potential into actual arrivals, resulting in a drop-off in German arrivals to Canada. Recent travellers to Canada are now older, better educated and more affluent than the market as a whole and travel to Canada remains strongly driven by VFR.

According to the 2001 Germany Consumer Research Study, approximately 20% of German long haul pleasure travellers participated in aboriginal culture activities on their most recent trip, while 44% rate it as an important motivating factor for destination selection. Beyond a cultural experience (i.e., seeing local festivals, local crafts, local people and enjoying ethnic culture and events), Aboriginal Culture travellers have a strong secondary interest in nature and history and can also be targeted for visiting national parks and visiting places of religious significance, historical interest or archaeological interest. German Aboriginal Culture travellers tend to be middle-aged, well educated, and mostly male (see **Exhibit 2-10**).

EXHIBIT 2-10 – DEMOGRAPHIC CHARACTERISTICS OF GERMAN ABORIGINAL CULTURE TRAVELLERS

GENDER:		**REGION OF ORIGIN:**		**EDUCATION:**	
Male	59%	Schleswig-Holstein, Hamburg, Bremen, Lower Saxony	20%	College / University Degree:	35%
Female	41%			**MONTHLY HOUSEHOLD INCOME:**	
AGE:		North-Rhine	28%	DM 3,500 or less	14%
18-24	12%	Hesse, Rhineland, Saarland	17%	DM 3,501 to DM 4,500	20%
25-34	21%	Baden-Wurttemberg	9%	DM 4,501 to DM 5,500	19%
35-44	17%	Bavaria	9%	DM 5,501 to DM 6,500	14%
45-64	44%	Berlin	4%	DM 6,501 to DM 7,500	8%
65+	6%	Mecklenburg-Western Pomerania, Brandenburg, Saxony-Anhalt	7%	DM 7,501 to DM 9,500	14%
MARITAL STATUS:				More than DM 9,500	12%
Married	60%			**HAVE CHILDREN UNDER 18:**	
Single	24%	Thuringia, Saxony	5%	Yes	21%

Source: 2001 Germany Consumer Research Study (CTC)

Ethnic and aboriginal culture experiences are not as big a draw for German travellers as they used to be, which likely contributes to some of the difficulties Canada has been experiencing in attracting Germans. More alarmingly, Canada does not have a strong image as a place to experience aboriginal or native culture, which suggests that a marketing or awareness issue may exist. Germans are more apt to think of places like Africa and Australia for these types of experiences. In fact, this is true of Canada's cultural product in general. Culture is a prime area for development and marketing since Canada, and specifically Alberta, has abundant cultural products with the authenticity that the German traveller seeks. Moreover, Culture travellers are interested in Canada, and travellers interested in Canada are more likely to be motivated by culture. For now, adding on a cultural component to a more general trip may be the way to go, since Germans seldom think of themselves as taking a "cultural trip" per se.

Alberta is generally well perceived in the German market. It has a dynamic image, offering visitors something different and a chance to escape from the ordinary, alongside thrills and excitement. Within Canada, it is definitely seen as one of the best places to go for cultural experiences and for broadening one's horizons. It is also rated best on small towns, national parks, outdoors activities, winter sports and sports in general.

Switzerland

As a direct result of a healthy economy, Swiss outbound travel continues to grow annually. The Swiss enjoy a standard of living much higher than average, and place a high priority on travel and other leisurely products. The Swiss long-haul pleasure traveller is relatively young, with average or above average social status. While there is very little recent information published on recent Swiss long-haul travellers, some key trends that are known include:

- The Swiss are among Europe's most independent travellers.
- French speaking Swiss travellers prefer more touring-oriented holidays, whereas German speaking Swiss travellers prefer more outdoors-oriented holidays.
- The Swiss want to experience as much as possible on their holidays, but also place a high importance on getting good value for money.
- Tour operators are offering more combination packages, featuring multiple destinations or product focuses.
- The Swiss rely heavily on the travel trade in their destination decision-making and the majority of bookings are made through the travel trade.
- Internet connections have not been widely developed in Switzerland; therefore consumers are picking up the e-commerce at a slower place.

For the Swiss, Canada is the third most important long-haul destination. The Swiss prefer summer travel to Canada – with winter travel being highly unpopular. Interestingly, French-speaking Swiss traditionally prefer Eastern Canada, while German-speaking Swiss traditionally prefer Western Canada. The upper social classes are where the best opportunity exists for Canada.

According to the 2000 Demand for Aboriginal Culture Products Study, aboriginal culture was rated as important in selecting a destination by 57% of Swiss long haul pleasure travellers. Approximately 45% participated in aboriginal culture activities on their most recent trip. Consistent with the Swiss traveller in general, the Swiss Aboriginal Culture traveller is a younger traveller (60% under 45 years of age). **Exhibit 2-11** also shows that they are high-income earners (24% have monthly incomes of more than SFr. 9,000 – approximately CDN$100,000 per year).

EXHIBIT 2-11 – DEMOGRAPHIC CHARACTERISTICS OF SWISS ABORIGINAL CULTURE TRAVELLERS					
GENDER:		**HAVE CHILDREN UNDER 20:**		**MONTHLY HOUSEHOLD INCOME:**	
Male	49%	Yes	32%	Less than 3,000 SFr.	3%
Female	51%	**SIZE OF HOUSEHOLD:**		SFr. 3,000 to 6,000	37%
AGE:		One	20%	SFr. 6,001 to 9,000	35%
15-24	10%	Two	42%	More than 9,000 SFr.	24%
25-34	28%	Three	17%	**LEVEL OF EMPLOYMENT**	
35-44	22%	Four or More	21%	Full Time	59%
45-64	33%	**EDUCATION:**		Part Time	17%
65+	8%	University Degree:	18%	Not Employed	24%

Source: 2000 Demand for Aboriginal Culture Products Study – Switzerland (CTC)

In the minds of Swiss travellers, Canada is generally about nature rather than culture, action and adventure rather than relaxation, and wildlife rather than cities. Marketing, particularly through the travel trade, could help develop the perception that Canada, and particularly Alberta, is a good place to go to experience aboriginal culture. Given the fact that the Swiss market places a high importance on aboriginal culture, this market does hold strong potential for Alberta, particularly among German speaking travellers. However, active promotion of Canada and Alberta as a cultural destination will be needed.

Netherlands

The Dutch economy is strong and consumer confidence high, resulting in strong consumer spending, which bodes well for outbound travel. The Dutch outbound market is mature with a high propensity for overseas travel – one outbound holiday a year is a routine expectation rather than a luxury. Recent Dutch long-haul travellers tend to be middle-aged and quite well off (70% make more than the national average income of Dfl. 50,000). They are notoriously energetic and independent travellers. Other key market trends include:

- The seasonality of Dutch outbound tourism market remains heavily skewed towards the summer months (i.e., July and August).
- The basic holiday for the Dutch is often a relaxation holiday to a sunny beach – a fairly passive vacation that often includes organized day trips.
- Dutch travellers are increasingly looking for a quality of life holiday experience that includes tranquility, attractive scenery, landscape, peacefulness, and a touch of romance. Personal well-being is extremely important.
- Increasingly, Dutch travellers are becoming more interested in experiencing a different culture or getting in touch with nature. In addition, special interest holidays (i.e., safaris, mountain climbing, skiing vacations) are also becoming more common.
- Dutch tourists wish to be assured of their safety while on vacation. The Dutch market reacts adversely to negative news coverage, with travel to destinations dramatically dropping in the face of political unrest, tourist killings and air transportation accidents.

- Dutch travellers are quite price-sensitive.
- They tend to be more comfortable in an English-language environment and prefer visiting regions where language is not a barrier.
- The Internet is growing in the Netherlands – a report by Gartner claims that the Netherlands will have the highest rate of e-commerce transactions in Europe by 2004, when expressed as a percentage of their overall economy.

Leisure travel has overtaken VFR as the main reason for travelling to Canada – reflecting the maturity of this market. Dutch travellers see Canada as a place to go for nature / scenery, safety and environmental quality. Moreover, interesting small towns and local festivals in Canada hold some allure, which bodes well for Canada given the rising importance of culture-related travel in this market.

According to the 2000 Demand for Aboriginal Culture Products Study, participation in aboriginal culture activities on the most recent trip sits at 35% among Dutch long haul pleasure travellers. Forty percent (40%) rate this product as an important motivating factor for destination selection. Dutch Aboriginal Culture travellers are more likely to have high household incomes (only 14% have household incomes that are lower than the national median of Dfl. 50,000). Half are between the ages of 35 and 64 (see **Exhibit 2-12**).

EXHIBIT 2-12 – DEMOGRAPHIC CHARACTERISTICS OF DUTCH ABORIGINAL CULTURE TRAVELLERS

GENDER:		**EDUCATION:**		**HOUSEHOLD INCOME:**	
Male	54%	University Degree:	12%	Less than Dfl. 50,000	14%
Female	46%	**REGION OF ORIGIN:**		Dfl. 50,000 to 75,000	23%
AGE:		Large Cities: Amsterdam, Rotterdam, Hague	16%	More than Dfl. 75,000	63%
15-24	12%			**NUMBER OF PEOPLE IN HOUSEHOLD:**	
25-34	26%	West	36%	One	19%
35-44	20%	North	10%	Two	45%
45-64	31%	East	21%	Three	17%
65+	10%	South	17%	Four or more	19%

Source: 2000 Demand for Aboriginal Culture Products Study – Netherlands (CTC)

Alberta is well regarded for its outstanding scenery, wildlife, personal safety, public transportation, hygiene and cleanliness. Alberta has many products desired by Dutch long-haul pleasure travellers, so the key is to increase awareness of these strengths. However, Dutch travellers do not currently see Alberta as a destination for a culture-related trip, suggesting more promotion of this product offering is needed.

France

French outbound travel has experienced a general slowdown in recent years due to a difficult economic climate, general social unrest, high unemployment and sliding disposable incomes, all of which have contributed to making vacations abroad a much more difficult prospect for this market. However, the French view their holidays as a high priority and are reluctant to forego them, and many continue to travel despite these tough market conditions. Recent French long-haul travellers tend to be middle-aged, married and very well educated. On the other hand, their incomes are typically fairly low with a large portion being out of the workforce (i.e., retired, in school, unemployed or working in the home). Some key market trends include:

- VFR travel is very popular in the French market, accounting for 30% of all recent trips taken. However, it appears to be declining in importance, with only a 17% share of future trips.
- Each French citizen has a minimum of five weeks vacation per year. The obligatory fifth week of leave must be taken outside the main summer holiday season.
- The introduction of the 35-hour working week will have a direct impact on people's leisure time – people are now able to take shorter breaks more often during the year.
- However, most French take their vacations during the peak travel seasons (July, August and December) rather than spread throughout the year.
- Universal activities for French travellers revolve almost exclusively around local and ethnic culture, including the foods, the crafts and the people. In addition, they look for a peaceful safe environment for their trips.
- French travellers are fairly budget conscious, no doubt as a result of their lower household incomes. Price is often the determining factor on who gets the business.
- French travellers rely heavily on travel agents in planning their trips, however Internet bookings have been increasing.
- The number of French citizens with Internet access is rapidly growing, and tourism-related offers are now accompanying this trend.
- French travellers have traditionally taken far fewer package holidays than other major European markets.

France represents Canada's third largest market within Europe. Canada ranks second as a dream destination, behind the U.S. and the Caribbean (which are tied for top spot). Canada tends to attract a fairly upscale market, with those interested in visiting Canada being well off by French standards and enthusiastic about travel in general. Touring trips and VFR account for close to 80% of all trips to Canada, with packages being used by over half of recent travellers.

According to the 1998 France Strategic Segmentation Study, approximately 16% of French long haul pleasure travellers participated in aboriginal culture activities on their most recent trip, while 62% rate it as an important motivating factor for destination selection. French Aboriginal Culture travellers are motivated by opportunities to try local foods, see local crafts, meet different ethnic groups, and of course, meet unique indigenous peoples. This group has a strong secondary interest in nature and sports and can also be targeted for visits to natural ecological sites, wilderness adventures, snowmobiling, other winter sports and spectator sporting events. They are likely to partake in sightseeing opportunities in combination with culture-related activities, including visiting small towns and villages, sightseeing in cities, taking walking tours and visiting scenic landmarks. **Exhibit 2-13** shows that French Aboriginal Culture travellers tend to be older, single, males.

EXHIBIT 2-13 – DEMOGRAPHIC CHARACTERISTICS OF FRENCH ABORIGINAL CULTURE TRAVELLERS

GENDER:		**REGION OF ORIGIN:**		**MONTHLY HOUSEHOLD INCOME:**	
Male	61%	Paris	30%	Less than 10,000 FF	21%
Female	39%	Paris Basin	17%	10,000 FF to 12,999 FF	11%
AGE:		North	10%	13,000 FF to 15,999 FF	16%
18-24	11%	East	5%	16,000 FF to 19,999 FF	15%
25-34	17%	West	19%	20,000 FF to 24,999 FF	13%
35-44	15%	South-West	8%	25,000 FF to 29,999 FF	12%
45-64	46%	Centre-East	4%	30,000 FF or more	12%
65+	12%	Mediterranean	7%	**MARITAL STATUS:**	
HAVE CHILDREN UNDER 18:		**EDUCATION:**		Married	43%
Yes	25%	College / University Degree:	39%	Single	32%

Source: 1998 France Strategic Segmentation Study (CTC)

French travellers enjoy expanding their cultural horizons when they travel by meeting different people and learning about other cultures. Destinations that offer these products are certain to attract the attention of this market. However, Canada is not generally top-of-mind in the marketplace for local cultural offerings. Canada needs to promote a unique cultural identity in France – something that is readily identifiable with Canada – as well as to develop and market unique cultural products that pique the interest of French culture-seekers. Canada is actually an ideal vacation spot for this group, offering highly accessible native culture, combined with ample nature and sports products.

However, one of the main barriers that Alberta will face is that most of the French travel to Canada focuses on Quebec and Ontario. In fact, in the 1998 Strategic Segmentation Study, less than 1% of respondents mentioned Alberta as a place they would like to visit in Canada. Moreover, not one French Aboriginal Culture traveller named Alberta as a place they would like to visit in Canada. Awareness building will be key to attracting the French market.

Italy

Italians have traditionally preferred to travel within their own country, although this is slowly changing. The propensity for outbound travel tends to be higher among young people (aged 25 to 34). The younger generation is generally more open to the idea of outbound travel, and the purchasing power of this age group is very high since Italians tend to marry late and live at home until their late 20's. Some interesting market characteristics are:

- Trips tend to be shorter and many Italians travel in the off and shoulder seasons to avoid paying high season prices.
- Italians travel to break away, to relax and enjoy new experiences, and enjoy traditional sun and beach vacations.
- They prefer touring holidays that involve moving around, exploring a given region, investigating its specific cultural heritage.
- There is a rising interest in culture and nature products, especially among the middle-aged Italian traveller.

- The general weakness of the lira has made Italian travellers increasingly price-sensitive. As a result, more and more holiday decisions in this market are being made on the basis of price, with the actual destination being less important.
- Although Italians are always in search of the best deal, they are not prepared to compromise on comfort, quality or value. They look for "luxury" and "eliteness" on the vacations.
- Most long-haul trips are purchased through travel agents.
- The Italian market is notorious for booking at the last minute.
- The market also appears to be shifting back to inclusive tour packages.

Canada has very positive outlook for growth in the Italian market. The percentage of those interested in Canada as a holiday destination is far greater than those who have visited in the past. However, the challenge for Canadian marketers will be to convert this interest into actual travel in the coming years. Potential travellers to Canada are young singles and middle-aged travellers, who are well educated, and gainfully employed. They also tend to be experienced long-haul travellers.

According to the 2000 Demand for Aboriginal Culture Products Study, approximately 53% of Italian long haul travellers participated in aboriginal culture activities on their most recent trip, while 71% rate it as an important motivating factor for destination selection. Italian Aboriginal Culture travellers are demographically similar to the Italian long-haul market as a whole (see **Exhibit 2-14**).

EXHIBIT 2-14 – DEMOGRAPHIC CHARACTERISTICS OF ITALIAN ABORIGINAL CULTURE TRAVELLERS

GENDER:		**EDUCATION:**		**PROFESSION:**	
Male	51%	University Degree:	13%	Self-employed	18%
Female	49%	**AGE:**		White collar / employee	27%
REGION OF ORIGIN:		18-24	18%	Tradesman	12%
North West	32%	25-34	21%	Worker / blue collar	4%
North East	19%	35-44	24%	Housewife	9%
Centre	30%	45-64	37%	Student	14%
South & Isles	19%	65+	n/a	Retired / unemployed	17%

Source: 2000 Demand for Aboriginal Culture Products Study – Italy (CTC)

Canada is not necessarily seen as a destination for a "cultural trip" in the classic European sense – Italian travellers simply do not look to Canada for a cultural experience. Instead, they see Canada as a place to go for nature (i.e., natural parks, forests, rivers, mountains) and see it as a spacious tranquil country with good touring opportunities. Nature should remain in the spotlight, but broadened to encompass a multi-ethnic touring style trip – focusing on the diversity of the country, its people and its traditions. Lack of awareness of Canadian (and Albertan) products beyond nature is the major stumbling block in selling aboriginal culture to the Italian market.

Asia-Pacific

Markets covered in this section include Alberta's primary target markets (i.e., Japan, Taiwan and Australia) and one secondary markets (i.e., Hong Kong). Other secondary markets (i.e., New Zealand and South Korea) are not profiled as part of this study due to a lack of recent information.

Japan

The key influence on outbound travel continues to be the Japanese economy. Whilst many believed Japan had turned the corner into sustainable economic growth in 2000, the reality has been disappointing. Japanese consumers' unwillingness to spend disposable income during uncertain economic times has impacted on travel through the growing popularity of either fewer or lower cost holidays. Thus, while the willingness to travel amongst Japanese consumers remains very strong, it is difficult to say what the coming year will bring. Today's Japanese long-haul traveller is more likely to be female, older, better educated and have higher household incomes. They are more sophisticated than in the past, and are starting to make their own destination decisions and plan their own trips. Some key market trends include:

- Pleasure / vacation travel has grown, while combined business-pleasure travel and company paid vacations have dropped.
- Japanese who are working are often limited to 7 to 10 days vacation a year, resulting in a strong shift to shorter trips.
- Safety and security, good travel infrastructure, cultural and heritage products, shopping and escorted flexible tours in Japanese are important elements of the tourism experience.
- Nature is a key draw for the Japanese, with additional interest in touring and city products.
- The Japanese are very price conscious and Japanese travellers are now spending considerably less on their trips. Moreover, many are putting off their long-haul plans until the economy strengthens.
- Top information sources for planning a trip continue to be brochures / pamphlets and travel agencies. Travel guides / books, advertisements and the Internet have increased in importance in trip planning process.
- The booking horizon has lengthened.
- Japanese still prefer pre-packaged tours, but look for more flexibility and customization than the fully planned itineraries offered in the past.
- Internet travel bookings are still relatively rare.
- Outbound travel in the senior, middle-aged and family segments are growing. The growing New 50s segment is seeing increasing demand for fully structured tour packages to multiple destinations.

In spite of the slowdown in the past few years, Japan is still by far Canada's most important tourism market in Asia / Pacific. The middle-aged traveller offers the best potential for Canada, with high interest levels and good price-value perceptions of the destination.

According to the 1995 Japan PTMS Study, approximately 12% of Japanese long haul pleasure travellers rate aboriginal culture as an important motivating factor for destination selection. Participation in aboriginal culture on the most recent trip sits at 4% of Japanese long haul pleasure travellers. Japanese Aboriginal Culture travellers are motivated by visiting some place new where they can meet new people, including different ethnic groups and unique indigenous peoples. This group has a strong secondary interest in the outdoors and can also be targeted for visits to natural ecological sites, outdoor activities, roughing it and rural countryside. They also look for thrills and excitement on their trips. Aboriginal Culture travellers are likely to partake in other local, cultural and nature-related activities on their trips. They are more likely to be young singles, compared to the long-haul population as a whole (see **Exhibit 2-15**). However, a substantial proportion (over 40%) are between 45 and 60.

EXHIBIT 2-15 – DEMOGRAPHIC CHARACTERISTICS OF JAPANESE ABORIGINAL CULTURE TRAVELLERS

GENDER:		**REGION OF ORIGIN:**		**ANNUAL HOUSEHOLD INCOME:**	
Male	55%	Tokyo	89%	Less than ¥3 million	7%
Female	45%	Osaka	9%	¥3 to ¥4.9 million	13%
AGE:		Nagoya	2%	¥5 to ¥6.9 million	23%
18-24	30%	**MARITAL STATUS:**		¥7 to ¥9.9 million	40%
25-34	17%	Married	57%	¥10 to ¥11.9 million	7%
35-44	11%	Single	43%	¥12 million or more	10%
45-64	42%	**HAVE CHILDREN UNDER 18:**		**EDUCATION:**	
65+	0%	Yes	22%	College / University Degree:	41%

Source: 1995 Japan PTMS Study (CTC)

Canada is still among the top-of-mind destinations of Japanese, but more could be done to raise their level of awareness of what is available in Canada. Canada's image in Japan is a wondrous place to see nature, but is known for little else. Canada has many strengths that match what the Japanese travellers are looking for in their vacations including nature, family travel, learning experiences, and diversity of its cities offering good cuisine, entertainment and culture. But considerable awareness building is required to boost their perceptions of Canada for these products. Canada's culture product might be a good place to start since seeing different cultures has evolved to become highly important to Japanese travellers.

Alberta is recognized for its scenic and natural beauty with particular emphasis on mountain and resort tours of Banff and niche products like ski and golf.

Taiwan

Taiwan's economy was one of the least affected by the Asian financial crisis. A strong Taiwan economy suggests good growth potential for long-haul travel, however Taiwan is facing several challenges that could have an impact in the near future – low confidence in the new government, slowdown of the U.S. economy, weak recovery in Japan and an uncertain political situation with mainland China. In addition, the devastation of the earthquake in Taipei has hurt consumer sentiment. Although outbound travel was initially limited to older and more affluent Taiwanese, the market is now getting younger. Key travel trends include:

- Holidays and sightseeing tours are the leading reasons for outbound trips from Taiwan. Family travel is on the rise.

- Demand for packages of shorter duration is increasing, primarily because these tend to be less costly.
- Travel has traditionally been focused on multi-destination tours, however, today's more experienced traveller is looking for more focused trips with fewer destinations and more time to fully explore each one.
- There is also a growing interest in accessible outdoor activities and world-heritage sites.
- The Taiwanese look for personal enrichment when travelling – increasing one's knowledge and travelling to new places is high on the list of key travel motivations. They also seek a clean and healthy environment for their vacation getaways.
- Taiwanese look for a balance between price and quality.
- Group package travel has declined in favour of independently organized trips among younger travellers (i.e., under 40 years of age). However, those over 50 still prefer group travel.

Taiwan ranks behind only Japan as a source of Asian visitors to Canada and Alberta. Canada is known for its unique nature and scenery, its cleanliness and environmental quality, and surprisingly, its exotic atmosphere. It is not seen as a destination offering shopping, culture, history, art and architecture. Traditionally, recent travellers to Canada are younger singles, with more education and higher incomes.

According to the 1994 Taiwan PTMS Study, approximately 40% rate aboriginal culture as an important motivating factor for destination selection (with 9% indicating it was very important). In sharp contrast to many of the other markets,Taiwanese Aboriginal Culture travellers tend to be relatively young, well-educated females (see **Exhibit 2-16**).

EXHIBIT 2-16 – DEMOGRAPHIC CHARACTERISTICS OF TAIWANESE ABORIGINAL CULTURE TRAVELLERS

GENDER:		**AGE:**		**MONTHLY HOUSEHOLD INCOME:**	
Male	39%	18-24	15%	NT$50,000 or less	19%
Female	61%	25-34	36%	NT$50,001 to 70,000	28%
MARITAL STATUS:		35-44	25%	NT$70,001 to 100,000	33%
Married	62%	45-64	23%	NT$100,001 or more	20%
Single	37%	65+	1%		
HAVE CHILDREN UNDER 18:		**EDUCATION:**			
Yes	59%	College / University Degree:	53%		

Source: 1994 Taiwan PTMS Study (CTC)

Alberta is seen as offering spectacular scenic beauty and is well known for its friendly people and its clean, safe and natural environment.

Australia

Forecasts call for increased outbound travel in upcoming years as the new tax system introduces a 10% GST tax on domestic holidays, but not on international travel. The new tax system also provides personal income tax relief to Australians, which raises household disposable incomes. Australians have a lust for travel and tend to take long trips, incorporating many different activities. Other key market trends include:

- Australians are taking shorter, but more frequent holidays. December to March are the most popular months to travel.
- Australians have a generous holiday leave allocation with a standard four weeks vacation plus statutory holidays.
- The market is becoming more sophisticated all the time, with a growing demand for special interest holidays such as sports, history / culture, educational and adventure trips.
- Australian travellers are clearly motivated by seeing the world, meeting new people, and learning new things. Other considerations are cleanliness, personal safety, nice scenery and good value for money.
- VFR is also growing as a travel motivation.
- The Australian market is becoming more budget conscious, with increasing importance being placed on value-for-money when choosing holiday destinations.
- Travel agents are a key source of information on potential destinations.
- There is a strong shift towards greater independence and flexibility in travel, with FIT and self-drive vacations increasing in popularity.

Canada is growing as a top-of-mind destination for Australians. Australians perceive Canada as a scenic, safe and clean country. They are also attracted to Canada's distinct culture and friendly people. Traditionally, an Australian pleasure traveller to Canada is middle-aged or older, often retired, travelling as part of a couple, frequently for VFR purposes. They enjoy nature and the outdoors while on an extended trip to Canada. The majority of travel to Canada occurs between April and October.

According to the 1995 Australian PTMS Study, approximately 21% of Australian long haul travellers participated in aboriginal culture activities on their most recent trip. While data is not available to profile Australia's Aboriginal Culture segment, it is interesting to note that Australia's Culture and Festivals traveller is one who visits arts and cultural attractions, local festivals and ethnic cultural events on their trips. They are primed to visit destinations that can offer different cultural experiences such as local festivals or exposure to unique ethnic groups such as native communities. There is a growing trend in Australia to combine a cultural experience with a history / heritage experience, so trips offering visits to places of historical interest, sites commemorating important people and places with religious significance may also be of interest to these travellers. This segment is predominately female, and is somewhat older than the typical Australian long-haul traveller.

Alberta is perceived to be a scenic, safe and clean environment with friendly people. Australians like to socialize with local people during their vacations and are attracted to Alberta's distinctive culture and friendly people.

Hong Kong

Over the last few years, a number of influential factors have affected the Hong Kong long-haul pleasure travel market, including the handover of Hong Kong back to China and a major economic recession catalyzed by the Asian financial crisis. Currently, Hong Kong enjoys a high standard of living, an affluent population and low personal tax rates by Asian standards, all of which leads to a high propensity for long-haul travel. Long-haul pleasure travellers from Hong Kong are typically well educated, hold good jobs and have excellent spending power. Some key market trends include:

- Pleasure or vacation travel clearly dominates the long-haul market, although VFR travel is taking on increased importance, with the massive emigration of residents before the handover creating new opportunities to visit friends and relatives overseas.
- Touring trips account for just over a third of all trips taken. This market still tends to favour holidays that take them to multiple destinations and allow them to see and do as much as possible.
- Travellers are taking shorter, less expensive trips to closer destinations in response to the economic uncertainties and a new price consciousness.
- Trips driven by more specialized activities (e.g., nature / outdoors, culture / history, beach / resort or sports) are still relatively rare in this embryonic long-haul market.
- Hong Kong travellers are fairly autonomous in their decision-making, typically making the destination choice themselves. However, the vast majority still turn to travel agencies when it comes to actually booking their trips.
- Booking horizons for this market are notably short, with almost three-quarters of travellers booking their most recent trip less than a month before departure. Booking more than six months ahead of time is virtually unheard of in this market.
- The top sources for travel information and trip planning are travel agents and friends / family, although advertising in newspapers and on television may also be good ways to reach and influence this market.
- Use of the Internet is growing in Hong Kong; however, use of the Internet has not yet extended to making bookings.
- All-inclusive packages and guided tours are the likely choices of many Hong Kong travellers for long-haul trips.
- There is also a large proportion of the market that enjoys making their own travel arrangements and having the flexibility to plan their trip as they go.
- The family segment represents a full quarter of the market, which is relatively high compared with other markets.

As a result of ongoing uncertainty in the marketplace, travel to Canada has suffered, with Hong Kong overnight arrivals in 2000 down 29% over 1996 levels. Nevertheless, Hong Kong remains Canada's seventh largest overseas market in terms of overnight arrivals. Potential travellers to Canada are more likely to be motivated by nature (e.g., national parks, ecological sites) and culture / history (historical places, arts and cultural attractions, unique native groups), which reflects the travel interests of the older, more educated group of travellers that make up the potential market to Canada.

According to the 2001 Hong Kong Consumer Research Study, approximately 60% of Hong Kong long haul pleasure travellers rate aboriginal culture as an important motivating factor for destination selection (with 22% indicating it was very important). Aboriginal Culture travellers from Hong Kong tend to be older married travellers (see **Exhibit 2-17**).

EXHIBIT 2-17 – DEMOGRAPHIC CHARACTERISTICS OF HONG KONG ABORIGINAL CULTURE TRAVELLERS

GENDER:		**REGION OF ORIGIN:**		**MONTHLY HOUSEHOLD INCOME:**	
Male	48%	Hong Kong Island	19%	Less than HK$15,000	25%
Female	52%	Kowloon	31%	HK$15,000 to HK$24,999	28%
AGE:		New Territories	50%	HK$25,000 to HK$39,999	17%
18-24	5%	**MARITAL STATUS:**		HK$40,000 to HK$59,999	14%
25-34	23%	Married	70%	HK$60,000 to HK$74,999	5%
35-44	17%	Single	22%	HK$75,000 or more	11%
45-64	35%	**HAVE CHILDREN UNDER 18:**		**EDUCATION:**	
65+	20%	Yes	30%	College / University Degree:	22%

Source: 2001 Hong Kong Consumer Research Study (CTC)

Culture is best sold to the Hong Kong market in combination with history and nature offerings. Culture / History / Nature Buffs are devoted travellers who place a high priority on long-haul travel and feel that money spent on such travel is very well spent. They enjoy a combined culture-history-nature experience, and their interests are broad enough that they are unlikely to be sold on a more specialized product featuring only one type of experience.

They actively seek out opportunities to experience a different culture, arts and cultural attractions and aboriginal culture, together with visiting historical sites and well-known attractions. Nature is a secondary interest, as they look to include wildlife, national parks and scenery as part of their trips. Being avid knowledge seekers, they gravitate towards seeing something new and different, and perhaps even a little exotic.

Currently, Canada is poorly positioned on the culture-history-nature dimension, posting last against its main competitors. While Canada fares not too badly on scenery and nature, with only Australia perceived better, it rates extremely poorly on culture / history (i.e., last or second last on most items). Australia and Europe are typically more appealing destinations than Canada for those with a cultural bent, but this is likely due to low awareness. Canada definitely needs to shore up the culture / history side of things, and also fortify its natural image against Australia's position of strength. Canada will need to develop a more diverse package offering to strengthen its cultural / historical identity to appeal to Hong Kong travellers.

Vancouver and Toronto are understandably the focus of this market's awareness, given the large number of resident Chinese and Hong Kong immigrants in these destinations. The more limited knowledge of other cities and attractions is in line with the fact that Hong Kong is still an emerging market for Canada and one that has not benefited from as much marketing as some of Canada's primary markets. Canada (and Alberta) needs to do some major awareness building in this market to improve general knowledge of its regions, as well as specific places to go and things to see.

Market Demand Summary

As seen in **Exhibit 2-18**, the Short-Haul Market offers excellent opportunity for Alberta representing almost 200,000 potential Aboriginal Culture visitors with potential expenditures of $41 million. The North American Long-Haul market is by far the largest of the three markets with approximately 800,000 potential Aboriginal Culture travellers to Alberta with potential expenditures of $448 million. In addition, the selected Long-Haul Overseas market represent approximately 18.4 million Aboriginal Culture travellers, of which 11.4 million are interested in visiting Canada in the next five years with potential expenditures of $12.4 billion.

EXHIBIT 2-18 – SUMMARY OF MARKET POTENTIAL

	POPULATION			LIKELIHOOD OF VISITING ALBERTA IN THE NEXT TWO YEARS		POTENTIAL EXPENDITURES (IN MILLIONS)	
	TRAVELLER POP.	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER	ABORIGINAL CULTURE TRAVELLER	CULTURE TRAVELLER
Short-Haul Market	5,325,000	406,000	525,000	187,000	283,000	$41.0	$53.8
North American Long-Haul Market	187,181,000	17,286,000	19,619,000	802,000	875,000	$448.4	$487.7
Long-Haul Overseas Market[2]	87,307,000	18,437,000	10,882,000	11,400,000 [1]	6,628,000 [1]	$12,391	$7,364
Total	***279,813,000***	***36,129,000***	***31,026,000***	***12,389,000***	***7,786,000***	***$12,880***	***$7,906***

[1]BASED ON INTEREST IN VISITING CANADA IN THE NEXT FIVE YEARS.
[2]BASED ON SELECTED KEY MARKETS: GERMANY, U.K., FRANCE, JAPAN, NETHERLANDS, SWITZERLAND, ITALY, TAIWAN, AUSTRALIA AND HONG KONG.