



Arctic Development
Library

***Feasibility Study And Tourism Business
Development Planning For A Summer
School At The Thebacha Campus Of Arctic
College, Fort Smith, Northwest Territories
Date of Report: 1988
Author: Briar International Resources Ltd.
Catalogue Number: 11-8-12***

FEASIBILITY STUDY AND TOURISM BUSINESS
DEVELOPMENT PLANNING FOR A SUMMER
SCHOOL AT THE THEBACHA CAMPUS OF
Sector: Tourism
11-8-12
Feasibility Studies

FEASIBILITY STUDY AND
TOURISM BUSINESS DEVELOPMENT PLANNING
FOR A **SUMMER** SCHOOL AT THE
THEBACHA CAMPUS OF ARCTIC COLLEGE,
FORT SMITH, NORTHWEST **TERRITORIES.**

prepared for
THE FORT SMITH CHAMBER OF COMMERCE

March 1988

Briar International Business Resources Inc.

VOLUME I

REFERENCE VOLUME II FOR APPENDICES

Suite 400, 150 Albert St. Ottawa, Ontario K1P 5G4 (613) 238-2058

FEASIBILITY STUDY AND
TOURISM BUSINESS DEVELOPMENT PLANNING
FOR A SUMMER **SCHOOL** AT THE
THEBACHA CAMPUS OF ARCTIC COLLEGE,
FORT SMITH, NORTHWEST TERRITORIES.

Prepared for
THE FORT SMITH CHAMBER OF COMMERCE

March 1988

TABLE OF CONTENTS

	PAGE
TABLE OF CONTENTS	
EXECUTIVE SUNNARY	i-xix
1.0 INTRODUCTION	
2.0 AN ECONOMIC PROFILE OF FORT SMITH, NUT.	
2.1 ECONOMIC FACTORS	
2.1.1 CLIMATE	
2.1.2 PRIVATE SECTOR COMPOSITION	
2.1.3 DEMOGRAPHY	
2.1.4 LABOUR FORCE STATISTICS AND INCOME	
2.1.5 TRANSPORTATION	
2.1.6 COMMUNICATION FACILITIES	
2.1.7 EDUCATIONAL RESOURCES	
2.2 TOURISM RESOURCES AND ACTIVITIES	
2.3 TOURISM ECONOMIC PROFILE: FORT SMITH AREA	
3.0 TERMS OF REFERENCE	
4.0 METHODOLOGY	
4.1 STUDY PHASE	
4.2 PLAN DESIGN	
4.3 CONSTRAINTS	
5.0 STUDY PHASE REPORT	
5.1 SUMMARY OF RESPONSES	
5.2 DEFINITIONS	
5.2.1 Travel Study	
5.2.2 Educational Tour/Travel	
5.2.3 Field Study	
5.2.4 Language Programs	
5.2.5 Professional Development Program/Course	
5.2.6 Personal Development Program/Course	
5.2.7 Special Interest Tours/Travel	
5.2.8 Working/Learning Vacations	
5.2.9 Pleasure, Sightseeing, General Interest and Recreational Tours	
5.2.10 Athletic and Language Camps	
5.2.11 Children Camps	

6.0 SUMMARY OF COMPETITIVE ACTIVITIES/COURSES OFFERED BY EDUCATIONAL FACILITIES OR GROUP TOUR OPERATORS.

6.1 SUMMARY OF NUMBER AND TYPES OF COURSES, TOPICS OR ACTIVITIES OFFERED BY SUPPLIERS IN NORTH AMERICA DURING THE SUMMER SEASON BY RESPONDENTS.

6.2 ANALYSIS OF NUMBER OF TIMES COURSES, TOPICS OR ACTIVITIES AVAILABLE DURING THE SUMMER SEASON, AS INDICATED BY ALL SOURCES OF RESPONSES (EDUCATIONAL AND NON-EDUCATIONAL) .

7.0 COMPETITIVE ANALYSIS

7.1 SUMMER USE OF EDUCATION FACILITIES IN CANADA

7.2 SUMMER USE OF EDUCATION FACILITIES IN THE UNITED STATES

7.3 THE EDUCATION-VACATION MARKET'S USE OF FACILITIES

7.4 PRODUCT CATEGORIES

7.5 COMPOSITION OF TARGET MARKETS

8.0 OVERVIEW OF THE NORTH AMERICAN EDUCATIONAL VACATION MARKET-SURVEY RESULTS

8.1 SUMMARY OF RESULTS: COLLEGES & UNIVERSITIES

8.1.1 OVERVIEW

8.1.2 CAMPUS FACILITIES

8.1.3 SAMPLE DISTRIBUTION UNIVERSITIES AND COLLEGES SURVEY - CANADA
- UNITED STATES

8.1.4 TYPES OF COURSES, ACTIVITIES, TOPICS OFFERED BY UNIVERSITIES AND COLLEGES WHO RESPONDED TO SURVEY

8.1.5 DURATION OF COURSES, ACTIVITIES, TOPICS OFFERED BY UNIVERSITIES & COLLEGES-WHO RESPONDED TO SURVEY

8.1.6 USERS TARGETED BY UNIVERSITIES AND COLLEGES WHO RESPONDED TO SURVEY

8.2 SUMMARY OF RESULTS: PACKAGED EDUCATIONAL TOURS

8.2.1 OVERVIEW

8.2.2 MAJOR CATEGORIES OF ACTIVITY TYPE/SUBJECT MATTER

8.2.3 TYPES OF COURSES, ACTIVITIES, TOPICS

8.2.4.DURATION OF COURSES, ACTIVITIES, TOPICS

8.2.5 USERS TARGETED

8.3 SUMMARY OF RESULTS: SPECIAL INTEREST TOURS/VACATIONS

8.3.1 OVERVIEW

8.3.2 MAJOR CATEGORIES OF ACTIVITY TYPE/SUBJECT MATTER

8.3.3. TYPES OF COURSES, ACTIVITIES, TOPICS

8.3.4 DURATION OF COURSES, ACTIVITIES, TOPICS

8.3.5 USERS TARGETED

- 8.4 SUMMARY OF RESULTS: WORKING/LEARNING VACATIONS
 - 8.4.1 OVERVIEW
 - 8.4.2 MAJOR CATEGORIES OF ACTIVITY TYPE/SUBJECT MATTER
 - 8.4.3 TYPES OF COURSES, ACTIVITIES, TOPICS
 - 8.4.4 DURATION OF COURSES, ACTIVITIES, TOPICS
 - 8.4.5 USERS TARGETED
 - 8.4.6 TYPE OF FACILITIES USED
- 8.5 COMMUNITY LINKAGES
- 8.6 PRICING

9.0 **PROBLEMS & OPPORTUNITIES**

- 9.1 PROBLEMS
- 9.2 OPPORTUNITIES

10.0 **MAJOR FINDINGS**

- 10.1 THE NORTH AMERICAN ENVIRONMENT
- 10.2 PLANNING SUPPORT
- 10.3 PRODUCT REQUIREMENTS
- 10.4 MARKETING REQUIREMENTS
- 10.5 HUMAN RESOURCES
- 10.6 RESULTS EVALUATION

11.0 **IMPLICATIONS FOR ARCTIC COLLEGE AND THE FORT SMITH AREA**

12.0 **BUSINESS PLANNING FOR A SUMMER SCHOOL**

- 12.1 INTRODUCTION
- 12.2 GOALS
- 12.3 REVENUE GENERATING STRATEGIES
 - 12.3.1. FACILITIES MULTI-USE APPROACH
 - 12.3.2 DEDICATED USE FOR GROUP TOURS ONLY
 - 12.2.3 SPLIT USE BETWEEN TRADITIONAL ACADEMIC AND GROUP TOURISM USE
 - 12.2.4 MULTI-PURPOSE USE
- 12.4 SUMMER PROGRAM ALTERNATIVES
- 12.5 PRODUCT DEVELOPMENT
- 12.6 SAMPLE ITINERARIES
- 12.7 SCHEDULING

13.0 **SAMPLE ITINERARIES CURRENTLY MARKETED AS EDUCATIONAL VACATIONS**

- 13.1 TRAVEL STUDIES CATEGORY
- 13.2 EDUCATIONAL TOUR CATEGORY
- 13.3 FIELD STUDY CATEGORY
- 13.4 LANGUAGE COURSE CATEGORY
- 13.5 PROFESSIONAL DEVELOPMENT CATEGORY
- 13.6 PERSONAL DEVELOPMENT CATEGORY
- 13.7 SUMMER CAMPS CATEGORY
- 13.8 OUTDOOR ADVENTURE CATEGORY
- 13.9 ELDER HOSTEL CATEGORY

14.0 PRODUCT PLAN

- 14.1 PRODUCT DESIGN CONSIDERATIONS
- 14.2 PRICING PROCESS
- 14.3 SUGGESTED PRODUCT PRICE
- 14.4 START-UP COSTS
- 14.5 ANNUAL EXPENDITURE FORECAST
- 14.6 PROFIT/LOSS FORECASTS

15.0 MARKETING PLAN

- 15.1 INTRODUCTION
- 15.2 GOALS
- 15.3 COMMUNICATIONS TARGETS
- 15.4 MARKETING APPROACH
- 15.5 MARKET DEVELOPMENT OBJECTIVES AND STRATEGIES
- 15.6 GENERAL TRAVEL PATTERNS

16.0 STRATEGIC MARKETING PLANNING

- 16.0 STRATEGIC MARKETING PLANNING - OVERVIEW
- 16.1 MARKETING GOALS
- 16.2 DEVELOPING A CLIENT BASE
- 16.3 MEDIUM TERM OBJECTIVES
- 16.4 MEDIUM TERM STRATEGIES: 1986-87 TO 1988-89
- 16.5 TARGET MARKET CATEGORIES

17.0 **MINI-PROPOSAL TO DESIGN AND DEVELOP A SUMMER SCHOOL/TOUR PROGRAM AND TO NEGOTIATE SPECIFIC SALES AGREEMENTS.**

- 17.1 INTRODUCTION
- 17.2 THE ASSIGNMENT
- 17.3 ORGANIZATION-OF ASSIGNMENT
- 17.4 EXPECTED RESULTS
- 17.5 TASK ASSIGNMENTS
- 17.6 TIME-TABLE AND COSTS

VOLUME II

APPENDICES, TABLES AND CHARTS

- *Colleges and universities in Canada and the United States contacted.
- *Responding colleges and universities in Canada and the United States.
- *Tour operators, packagers and tour wholesalers in Canada and the U.S. who handle "special interest" products which could have potential for the Fort Smith region.
- *Special interest media in Canada and the U.S.
- *Business and Trade Media in Canada and the United States.
- *competitive Data.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

BACKGROUND

In 1987, the Fort Smith Chamber of Commerce submitted a proposal for funds to the Management Committee of the Economic Development Agreement (EDA) between the Government of Canada and the Government of the Northwest Territories. This proposal was for the design and development of a **plan** to generate incremental revenues for the Fort Smith area through a summer school at Arctic College.

In 1987, Arctic College launched a new initiative to bring summer tourists to the **Thebacha** campus and surrounding area, by conducting an Elder Hostel program over two weeks on a test basis. up to 90% senior adults participated in an educational holiday package being offered through Elder **Hostel, which** is an organization specializing in educational package tours for people aged 60 plus.

The mandate of this project was to examine the feasibility of developing a full summer school program, principally targeted to tourists who desired an educational vacation; to determine the competitive arena in which such a program would function; and, to determine the best potential markets and market segments for the generation of incremental revenues.

The major undertaking of this project included the significant market research required to determine existing product and market characteristics, marketing practices of the various competitors and data analysis to define a medium-term strategy, and **short-term** transition initiatives specifically for the Fort Smith Chamber of Commerce and the **Thebacha** Campus of Arctic College.

As a tourism initiative, a "summer school" offers major benefits to the local economy without disruptions. The visitors use surplus campus capacity and facilities of the summer period. This activity also brings new revenues to the college, the Fort Smith area and potentially to other communities, since the visitors may choose to extend their stay to experience more of the Northwest Territories.

The project findings demonstrate the importance of **sampling as** much of a consensus as possible in each of the summer educational market categories, since in verifying major assumptions, they revealed a highly active and thriving marketplace with a wide variety of existing and successful products.

In addition to providing broad strategic guidelines and direction, the outputs included the detailing of implementation initiatives for a short-term plan during a transition period and

the framework and recommendations for an optimum plan, which focuses on the maximization of resources and results.

The base for structure and design of the resulting plan was the results of the critical review and analysis of the various strengths, weaknesses and opportunities for stimulating increased tourism **revenues, dynamic** development and growth. The study process led to the determination of specific means to achieve goals and objectives.

All resulting plan recommendations are modular and actionable commencing in the 1988 season. The ultimate beneficiaries of this study will be the Fort Smith area private sector and its residents.

This report has been prepared for the Fort Smith Chamber of Commerce. This Executive Summary has been prepared for those readers wishing a capsule overview of the project results.

OVERVIEW

Tourism is now the largest economic activity in the Northwest Territories, according to the latest estimates of the Tourism Industry Association and the Government of the Northwest Territories. This economic sector shows trends of continued growth over the next five to ten years, indicating that increasing opportunities will develop for the Fort Smith area as well as the rest of the NWT.

The Fort Smith "**region**", as it is defined in tourism statistics enjoys the largest proportion of all visitation to the Northwest Territories. However, the definition of the region includes **Yellowknife**, which distorts the information when determining real activity in the tighter radius of the Fort Smith community. In analyzing the economy of the tighter Fort Smith area for relevant potential therefore, it is necessary to isolate it from the rest of the broader region.

There is significant opportunity to increase current rates of facilities utilization through a summer school program similar to the Elder **Hostel** program. Furthermore, these facilities need not be strictly dedicated to tourism use thereby increasing the potential for incremental revenues without causing major capital expenditures. However, tourism is not Fort Smith's prime activity.

Major economic activities in "Fort Smith are the provision of Government services and trapping, followed by tourism. Renewable resources in the area consist of: fish; game - beaver, caribou and geese, for example; logging/sawmill operations; and hydro-electric power. Non-renewable resources consist primarily of minerals (uranium prospects, to the east).

In 1983, income per capita was \$10,103 in Fort Smith. Consumer prices were 15-29% higher than in Edmonton and food prices were 3% lower than in **Yellowknife**.

The 159 businesses identified in Fort Smith can be categorized **almost** completely in the service sector, with **strong links to the** public sector. This lack of diversification causes vulnerability due to a high dependence on external forces. Tourism can be used as a mechanism to reduce some of this dependency by offering a controllable economic option.

The total available **labour** pool comprises 69% of Fort Smith's population of 2468 persons (1988), or 1703 persons. Statistics Canada has reported that there were only 278 full time private sector employees in Fort Smith in 1984, with the rest principally public sector employees, **or part-time employees**.

Tourism is generally recognized as one of the few economic sectors with the greatest elasticity in **labour** markets, and as one which can easily and quickly assimilate a **labour** force with minimal transition difficulties (e.g. training and skills development) .

OPTIMIZING RESOURCES

The Fort Smith community and surrounding area has tremendous untapped resources. In addition to an available **labour** market, it is acknowledged as the education **centre** of the Northwest Territories, has excellent communications and transportation systems and expansive natural tourism resources.

These natural resources include major water access from the Slave River to the Back, the **Thelon**, the **Dubawnt** and the **Coppermine** Rivers. Wood Buffalo National Park is a huge UNESCO heritage site complimenting the many other convenient and proximity parks and outdoors sites in and around Fort Smith.

Man-made attractions and other summer tourism resources could include:

- Northern Life Museum;
- Tourist Information Office;
- Parks;
- The Federal Building;
- Churches (4);
- Athletic Facilities (curling rink, skating rink, a six lane bowling alley and lounge);
- Accommodations (Pelican Rapids Motel, pinecrest Hotel);
- Eateries (**coffeeshop**, tavern and dining room) ;
- Roaring Rapids Hall;
- Weekly dances and bingos;
- Friendship **Centre**;
- Hiking Trails;

Thebacha Campus of Arctic College; and
Recreational facilities such as:

- Softball diamonds
- Golf course
- Tennis courts
- School gym
- seasonal pool.

Thebacha Campus of Arctic College offers the best short and medium-term opportunity to increase tourism facilities usage and visitation to the Fort Smith community and area, since it has available excess capacity well matched to the basic tourism services required and the peak tourism period.

This capacity includes not only residence facilities (accommodation), but facilities for hospitality, entertainment, food and drink, and 'education'. These facilities, now vacant during the summer season, can function as either a self-contained "**resort**" wherein most hospitality activities take place within its confines, or a base camp from where visitors can enjoy **self-planned** itineraries with complete independence.

The users of such facilities would vary according to the function offered through the facilities, ranging from business retreat and meetings use to 'educational/learning' vacations or Elder Hostels. It is even possible to combine the two functions within a season, if strong schedule management is established.

The specific recommendations which have been defined will enable the Fort Smith Chamber of Commerce to capitalize on immediate, short-term results-producing opportunities and to do so most efficiently and productively.

It is anticipated that by generating incremental revenues for the community through the optimum use of existing capacity at the **Thebacha** Campus, the private sector will be encouraged and stimulated to enhance and upgrade facilities or create additional new attractions for continued future growth.

It should be emphasized, that the market entry of a full summer school at Arctic College will be into a very full, complex, aggressive and highly competitive marketplace -- a marketplace which enjoys a range of well-established, high profile and **world-renowned** products. It is also understood that these products have been developed and are offered by sometimes equally well-known purveyors.

The risks of market development, however, have been greatly reduced as a result of the comprehensive research which was the subject of this initiative. Consequently, the proposed actions reflect a very efficient and conservative plan, while simulating the highly successful approaches already tested and being used by the many competitors in North America.

These recommendations are also complimentary to and reinforce the initiatives being implemented by the tourism **industry** of the Northwest Territories at large and the Government of the NWT. As a result, the Fort Smith community and area will be better able to maximize **its** development of a narrow market segment: educational vacations, as part of a larger, concerted NWT-wide tourism market development process.

RESEARCH RESULTS

In order to ensure that complete and accurate information was collected about 'educational vacation **markets**' for statistical validity, a survey was conducted amongst a wide range of information sources in Canada and the United States.

These encompassed universities & colleges, with summer activities; schools with facilities used or curricula in summer; Provincial Ministries of Education; State Departments of Education/Higher Learning; tour operators; educational tour operators; U.S. State Travel Bureaus and Tourism Departments; Chambers of **Commerce** (U.S.); Travel **Directory advertisers** of 'educational **vacations**'; **special** interest groups (mixed); Federal DRIE offices; and Canadian Consulates in the U.S.

In all, 851 sources were contacted for information. Interestingly, 877 responses were generated and received -- but not **all** from the original contact. A very high **level** of response was generated through referrals by the primary contacts who did not qualify as offering summer educational vacations or **utilizing** the excess summer facilities of an educational institution.

The data and results collected were analyzed and categorized according to "summer education **sources**", in the **following groups**:

- a. Universities and Colleges
- b. Packaged Educational Tours
- c. Special Interest Tours
- d. Working/Learning Vacations

Clustering of additional various factors was analyzed for:

1. Facilities Used
2. Number of Courses/Activities Offered
3. Courses/Educational Activities Offered
4. Duration of Sessions
5. Target Users
6. Community/Tourism Linkages
7. costs
8. Marketing Methods

While many of the respondents in groups b through d above, did not fit the predetermined competitive definition based on facilities used and itinerary structure, they did perceive and identify themselves as competing in the educational vacation market. Therefore, it was important to analyze their product offerings and competitive activities as part of the entire analysis.

As a result, approximately 6,625 courses, programs, educational tours, special interest tours, etc. were reviewed and examined from a competitive perspective.

Since the program structures or characteristics of educational vacation products vary almost as much, a digest **follows**.

SUMMARY OF RESULTS: COLLEGES & UNIVERSITIES

OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	RESIDENCE FACILITIES	
	#	%		#	%
366 U & C	90	24.6	4,528	36	40

TYPE/ TOPICS	COURSE DURATION	TARGET USERS	COMMUNITY/TOURISM LINKAGES	
			Yes	No
Academic to Recreational	1 hour to 15 weeks	Academics to Elder Hostel	20	70

CAMPUS FACILITIES

RESIDENCE FACILITIES AVAILABLE FOR:	(90)		# OTHER FACILITIES AVAILABLE FOR:
	#	%	
a) Full-time Students only	11	12.2	Conferences 2
b) Tourists only	12	13.3	Public Leasing 3
c) Both a + b above	13	14.4	
TOTAL:	36	40.0	—

MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
INSTITUTIONS
(181 TOPICS)
%

Credit courses	50.3
Special Interest Courses	22.7
Business/Professional Development	2.2
Personal Development	17.1
Recreational	2.2
Elder Hostel	5.5

SUMMARY OF RESULTS: PACKAGED EDUCATIONAL TOURS

OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	# OFFERING EDUCATION PROG.	# USING U/C RESIDENCE FACILITIES	
	#	%			Yes	No
124	37	29.8	473	9		0
TYPE/ TOPICS	COURSE DURATION		TARGET USERS	COMMUNITY/TOURISM LINKAGES		
				Yes	No	
Academic to Recreational	5 days to summer		learning tourists	36	1	

MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
PACKAGED EDUCATIONAL TOUR OPERATORS
(86 TOPICS)
%

Credit courses & Studies	11.6
Special Interest Tours	30.2
General Interest Tours	40.7
Recreation/Pleasure Tours	16.3
Personal Development	1.2

SUMMARY OF RESULTS: SPECIAL INTEREST TOURS/VACATIONS

OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	RESIDENCE FACILITIES	
	#	%		#	%
117	19	16.2	747	0	0
TYPE/ TOPICS	COURSE DURATION		TARGET USERS	COMMUNITY/TOURISM LINKAGES	
	Yes	No		Yes	No
Academic to Recreational	1/2 day to 15 weeks		Academics to General Public	9	10

MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
SPECIAL INTEREST TOUR OPERATORS
(52 TOPICS)
%

Credit courses & Studies	15.4
Special Interest Courses	69.2
Recreation & Pleasure Tours	15.4

SUMMARY OF RESULTS: WORKING/LEARNING VACATIONS

OVERVIEW

TOTAL SURVEY	RESPONDENTS #	%	# SUMMER PROGRAMS	RESIDENCE FACILITIES	FACILITIES TYPES
107	47	43.9	877	0	Camps, farms, schools, etc.
TYPE/ TOPICS	COURSE DURATION	TARGET USERS	COMMUNITY/EDUC'L LINKAGES		
Academic to Practical	1 hour to 8 weeks	Mixed	c	E	22 13

MAJOR CATEGORIES OF ACTIVITY
 TYPE/SUBJECT MATTER OFFERED BY
 WORKING/LEARNING VACATION OPERATORS
 (96 TOPICS)
 %

Credit courses & Studies	19.8
Special Interest Courses	29.2
Business/Profesional Development	6.3
Recreation/Athletics	21.9
Outdoor Survival Courses	22.9

Approximately 629 responses were received which did not provide any usable data, did not fall into any of the source categories and did not satisfy the eligibility criteria. The majority of these responses were referrals from primary survey contacts.

FACILITIES USED

With the exception of the educational facilities, the firms and organizations offering educational vacations rarely use residences or schools as part of the experience. Accommodation used is primarily standard tourism facilities, such as hotels, motels, camps, etc. Other tourism services for food, beverage and transportation are also standard.

The use of excess educational facilities during the summer for tourism purposes is relatively new and very small as a proportion of all uses. The marketing of the **Thebacha** Campus as an appropriate tourism facility will require careful crafting.

TARGET USERS

The users targeted by these major groups are predominantly concentrated in the following market segments:

- a) Academics
- b) Businesses and Professionals
- c) Special Interest Groups
- c) General Tourists
- d) General Public, and
- e) Elders

Of these, the most frequent target user is the special interest tourist.

These market segments represent the market segments which are to be targeted for summer utilization of **Thebacha** Campus.

IMPLEMENTATION PLAN:

The development plan should be implemented cooperatively between the Fort Smith Chamber of Commerce, the private sector, **Thebacha** College, tourism associations and the GNWT. This will ensure that all possible marketing opportunities are pursued and fully developed, resulting in maximum summer capacity utilization.

The research activities which are the subject of this executive report and which have lead to the design and development of the recommendations comprise the desk, field research and interviews, in the marketplace with prequalified targets.

This quick recap of the implementation plan is intended to provide a review of the major trends and opportunities for a summer school at the College, emphasizing tourism use. Complete numbers and details of each research components are the subject of the complete research document.

Based on the evaluation of the research, the principal recommendation and conclusion of the study is that indeed a summer school program should be developed for Arctic College. The market size and potential is much larger than Previously anticipated, particularly in the United States. There is very little activity of this nature in Canada.

In order to facilitate the early expansion of summer activities at Arctic College, the business development portion of the study has been designed to include several examinations.

1) REVENUE GENERATING STRATEGIES

The following strategies have been determined as options for consideration in defining the final structure of the summer school at Thebacha Campus.

- a) Adopt a multi-use approach, based on standard hotel/conference booking practices, with a menu of facilities and services with related prices based on a 1/2 day, day or week-end rate.
- b) Concentrate use of the facilities for tours and special interest groups only, which include **Elder Hostel**.
- c) Dedicate the use of the facilities to only two uses, in the first year one for **tourist** programs based on an "**Elder Hostel**" or special interest itinerary approach and one for conventional academic summer school use.
- d) Partition the **facilities** used in order to **operate** diverse but concurrent **functions**, such as business retreats and think tanks using part of the facilities, small special interest groups using another part and perhaps, general public/tourists using yet another part as "**base camp**" tourism accommodation only.

2) SUMMER PROGRAM ALTERNATIVES

The program curricula would be developed as a result of defining the most preferred strategy for facilities use. If conventional academic instruction (and remedial courses) is not feasible, the programs would have to reflect primary demands of the tourism marketplace, albeit in a vertical market segment.

For pilot testing in a conservative manner, it is recommended that the fewer programs offered the better, particularly in the first year. A maximum of three different programs or itineraries should be tested in addition to repeating the Elder Hostel program. ✓

These 3 programs should be short-duration courses, lasting 2 weeks and repeated **twice** (maximum) throughout the summer at predetermined times. Based on reservations volumes and market demand, a customization process could be accommodated. ✓

This would provide a strong base for future program modification.

3) SAMPLE ITINERARIES

Depending on the type of educational vacation product offered and the market segment being developed, a different mix of activities and components are required in order to optimize results.

Based on the results of the research, the following sample itinerary structures are recommended:

<u>VACATION TYPE</u>	<u>DURATION RANGE (IN MKT)</u>	<u>FEATURES</u>	<u>SAMPLE PRICE RANGE*</u>
TRAVEL STUDY	13-42 days	-lectures & discussions - day excursions , boat cruises - art, historical, architectural sites - city tours or visits - local culture, cuisine	\$995-2995
EDUCATIONAL TRAVEL	10-23 days	- natural or historical sites - city/town tours & visits - local culture, cuisine	\$789-2825
FIELD STUDY	5-56 days	- lectures, discussions or instruction - field trips, boat/raft trips - practical field or lab work - local culture, cuisine	\$195-1950

SAMPLE ITINERARIES, . . continued.

LANGUAGE COURSE	6-11 weeks	- class instruction - excursions - communications, conversation groups - intercultural, social activities - recreational activities and facilities - local culture, cuisine	\$675 -233
PERSONAL DEVELOPMENT	1 Week	- lectures - classes, seminars - film, video theatre - social events daily - local culture, cuisine	\$225-59
PROFESSIONAL DEVELOPMENT	5-7 Days (1 week)	- guest speakers - lectures, seminars, workshops	\$400
CAMPS (Children's language, music, athletic camps)	1-8 Weeks (5-56 days)	- creative arts and crafts - sports, games, outdoor	\$250-262
OUTDOOR ADVENTURE	4-7 Days	- wildlife viewing, photography - camping, hiking, boating	\$210-54
ELDER HOSTEL	1 week	- 3 courses - daily instruction - sightseeing, tours - boating, swimming - wildlife viewing	\$245

Our recommendation is to develop standard stand-alone itinerary for tour groups which includes a healthy mix of cultural orientation, lectures, historical information, arts and crafts, entertainment, recreational activities, sightseeing and free time.

* All prices indicated are existing in the marketplace now.

4) COMMUNITY LINKAGES

There is strong evidence that links with communities are a major factor in most tour group packages, as a point of departure, destination or sightseeing. The key **motivators** of long-distance travel include visiting a new place and experiencing a different culture.

Fort Smith is a long-distance destination for the major potential tourism markets, with excellent geographic and cultural differentiation. The unique attributes of local lifestyles, abundant natural resources and wildlife, modern and comfortable facilities and well-known educational centre combine to create a strong appeal and travel motivation -- particularly amongst travelers seeking a unique and intellectually stimulating experience.

To capitalize on these important **motivators**, strong linkages with the local and proximity communities are vital.

On the other hand, wilderness, nature and other outdoors studies are usually isolated from communities and therefore the tourists expect and have very little interaction with local populations.

5) COST STRUCTURE

It is critical that one **price** be determined for an all-inclusive package per tourist/user. This price would include all operating Costs, staff and facilities overhead and promotional **margin**. This price should also allow for a reasonable profit **margin** which reflects a consideration for any commissions or fees which may be payable to the travel trade for booking reservations.

The pricing structure for summer programs at Thebacha College should be calculated in two ways, one to include airfare from a major access point (such as Edmonton) and one without any transportation costs.

Otherwise, the pricing structure for use of the facilities should be standardized as much as possible, with forecasted direct and indirect costs. Of major importance, will be the allocation of sufficient funds for the efficient marketing of the programs in the marketplace.

6) MARKETING PROGRAM

All of the target market segments mentioned earlier require special product development, communications, marketing in order to develop a sound tourism client base. However, since each market segment is well defined and can be efficiently penetrated,

the most effective marketing approach will involve the most direct methods and initiatives.

All communications and marketing activities will include response and lead-generating mechanisms in order to shorten the **"selling"/reservation process** as much as possible.

The marketing activities are organized according to the following categories.

- 'a) Consumer Initiatives (targeted to those specialized market segments which have the best potential for generating incremental revenues to Fort Smith);
- b) Marketing Aids;
- c) Travel Trade Initiatives;
- d) Community Business Initiatives;
- e) Media Relations Program;
- f) Public Relations Program;
- g) Research and Evaluation Component.

These initiatives will form a complete, coordinated plan which will obtain maximum benefits from the marketing activities of other organizations such as the Government of the Northwest Territories, tourism associations including the Big River Tourism Zone. It is important that all product and market development resources available through alternate channels be optimized through cooperative and reinforcing actions.

The market development work will:

- a) Create impact on the best potential target markets by:
 - deliberately marketing to well defined and specialty market segments which have the highest potential to generate revenues for Fort Smith;
 - developing a strong identity and position in the marketplace;
 - providing superior and customized services on demand;
 - emphasizing differentiation of programs, services offered as well as geography and culture;
 - maximizing return-on-expenditures by leveraging as much resource assistance and contribution as possible from appropriate partners;
 - obtaining maximum benefits from the product and market development initiatives of organizations such as the Government of the NWT, the EDA and from within the private sector.
- b) Establish and develop market share by:
 - taking advantage of market development opportunities as they arise;
 - emphasizing the unique positive attributes, benefits and advantages of visiting the Fort Smith community and area;

- harnessing the support, assistance and collaboration of important business or government organizations, brokers, travel trade operators, and others who can package, promote and sell the attributes of the **Thebacha** College summer school and Fort Smith to a select clientele;
 - trade 'fatigued' client lists with 'compatible competitors' such as tour operator selling similar **sessions** in China, corporate incentive travel planners.
- c) Generate highly qualified leads for **Thebacha** College and the Businesses of Fort Smith to convert to sales by:
- ensuring that all marketing initiatives include mechanisms to generate orders/sales/reservations;
 - responding to leads and enquiries received from other sources such as the Government of the NWT, tourism organizations, etc.
- d) Stimulate the local and surrounding economy of Fort Smith by:
- generating sufficient incremental revenues through the operation of a summer school that reinvestment in upgrading businesses and services is encouraged;
 - developing more **labour** force skills and involvement in the tourism and service sector of Fort Smith amongst the residents.

Based on the results of the first **year's** initiatives, it is possible to shorten the business development cycle for **Thebacha** Campus to a optimum capacity usage level within the medium term.

In addition to the two weeks use of the-campus facilities by Elder Hostel, there are 10 weeks available for similar programs. Based on a six-day stay and double occupancy, this represents an additional potential visitation rate of 2000 students per summer, from June to August. **To** the local economy, this could mean \$200,000 added revenues injected into the communities if each visitor only spends \$100 Cdn for personal shopping throughout a six day period - \$16.66/day.

THE MAJOR BENEFITS OF ESTABLISHING A SUMMER SCHOOL AT THEBACHA CAMPUS

By increasing the use of excess capacity at the **Thebacha** Campus during the summer season, revenues and benefits will be generated for the entire Fort Smith community and surround area.

This significant initiative will:

- a) Increase the volume of visitors to Fort Smith;
- b) Increase the revenues generated for businesses in Fort Smith;
- c) Disperse economic benefits throughout the community and other proximity communities;
- d) Create employment;
- e) Offer **labour** skills development and training opportunities; and
- f) Offset some of the fixed operating overhead of Arctic College.

STRATEGIC ASSESSMENT

As mentioned earlier, there is virtually no similar use in Canada of excess educational facilities as is proposed for the **Thebacha** College. There are also few other vacation experiences which are designed as or promoted as educational travel in Canada. Most of these are in the Atlantic Provinces, where the major thrust is on cultural immersion, education vacations and historical redevelopment projects. Here again, there is little use of schools or residences.

However, there is a substantial amount of summer activity at U.S. Universities, particularly since most are dependent on funding other than that which is provided by government. Most summer activities and programs of us. colleges are not comparable, since most colleges (especially in the Southern U.S.) are bible colleges.

From a tourism industry perspective, the specialty interest and educational vacation markets - as they are perceived in the U.S. - are extremely lucrative and aggressively sought.

In addition to standard menu educational vacations, the most successful organizations offer highly customized experiences for **groups Of very affluent, discriminating clients. These clients do not want the 'average' style vacation or travel destination.** They seek an exotic location, which really means a unique environment geographically and culturally. Of note is that this does not mean a Prerequisite of five-star hotels and dining.

Fort Smith has an excellent opportunity to be a well-established Canadian destination for travelers seeking a distinctly different destination within an educational, informativ_e context.

Combined with **unique arts**, culture, and **lifestyle**, Fort **Smith** is able to fulfill all of the product requirements easily, as well as the characteristics necessary for strong visitor appeal and motivation to visit.

While, there are outstanding advantages to being one of the first campuses to develop a summer program of this sort, in Canada, that **could also** be a serious drawback -- **particularly** when addressing potential market segments in Canada. For this reason, it is recommended that the majority of marketing concentration be aimed at the American market until sufficient operating experience and business clientele is established.

Another potential drawback and, at the sam_e time, terrific benefit relating to this initiative **is** the physical capacity/space limitation of the College. If **there** would occur an over-demand situation for facilities in Fort Smith in the future, the local business community would be greatly encouraged to invest in facilities and infrastructure.

The plan to develop incremental revenues through a summer school at Thebacha Campus of Arctic College in Fort Smith proposes to maximize the potential of products and services which are easily derived from existing operations and the Elder Hostel model. By matching this potential to affluent special market segments which currently exist in North America, the summer programs will be developed successfully.

INTRODUCTION TO
THE REPORT

1.0 INTRODUCTION TO THE REPORT

This report has been prepared for the Fort Smith Chamber of Commerce, Fort Smith, Northwest Territories.

The object of this paper is to document the results of the study of the educational vacation market of North America and the feasibility of operating a summer school at the **Thebacha** Campus of Arctic College, and to provide the background and framework for specific business development initiatives proposed for Fort Smith in the medium term.

The importance of tourism as an economic activity in the Northwest Territories has grown tremendously over the past decades, to the point where in 1988, it surpassed all other private economic sectors in size, including primary resources- for the first time!

The Fort Smith tourism region, which has a wide radius including **Yellowknife**, has always enjoyed the largest proportion of tourism visitors to the NWT. This is principally due to **Yellowknife** being the Territorial capital and the extensive road network developed in the Western NWT compared to the dominant dependence on air transportation systems for the rest of the NWT.

Fort Smith, the community, benefits from its designation as a regional government center, as a major education centre for the NWT and, in tourism terms, from regional visitation, its road access and excellent proximity to Wood Buffalo National Park.

Until 1987, all tourism facilities and services were provided by the private sector of Fort Smith. These services are generally provided on demand in response to visitation and are sold on an individual basis. -

There is no in-bound tour operator in Fort Smith, even tour groups are required to self-plan and purchase, and little coordination or packaging exists of various tourism products.

In the summer of 1987, the empty facilities of **Thebacha** Campus were used to host an "**Elder** Hostel" program, during two weeks. With little additional costs, Arctic College was able to generate incremental revenues for a normally idle structure and regular operating overhead. The Elder Hostel case became a test for a larger concept: that of maximum utilization of facilities during the summer season, the season when the campus is traditional vacant of students/users.

In addition to using the basic facilities of the college, the increased volume of visitors would inject additional revenues into the community through the purchase of additional goods, services, souvenir products, etc.

The potential feasibility of using normally unutilized capacity by operating a summer school and or through the expansion of the Elder Hostel concept throughout the summer-required- verification. On the surface, the college's low cost of operations, unique features and attributes, and destination profile **would appear to** offer competitive advantages to potential guests.

However, not enough was known about a wide range of factors to confidently proceed with the promotion of any added tourism activity at the campus during the summer.

A study of similar uses of education facilities in North America was required as was a study of the supply side of 'educational **vacations**". The extensive research which is documented in this report was a more onerous undertaking than anticipated, particularly the process of **collecting** statistics from the education communities and institutions in Canada and the United States. The results however, have provided the basis for a clear recommendation to proceed with the summer operations of the facilities at **Thebacha** Campus.

The intent of this report is for it to function as a program plan of business development for the **Thebacha** Campus related to educational and cultural tourism.

FORT SMITH.
NORTHWEST TERRITORIES:
AN ECONOMIC PROFILE

2.0 AN ECONOMIC PROFILE OF FORT SMITH. NWT.

Although tourism is not the primary economic activity of the Fort Smith community, it is important as a factor to help diversify an economic base which principally focusses on servicing government and the primary resource industries.

The following economic profile of the Northwest Territories' community of Fort Smith generally describes economic activities and infrastructure in Fort Smith and the immediately surrounding area. Within this profile, tourism is highlighted in terms of activities and facilities as well as other features of the area with tourism potential.

The profile is a reflection of the latest available statistics and is accompanied by an interpretation of these statistics.

Major economic activities in Fort Smith are the provision of Government services, trapping, and tourism. Renewable resources in the area consist of: fish; game - beaver, caribou and geese, for example; logging/sawmill operations; and hydroelectric power. Non-renewable resources consist primarily of minerals (uranium prospects, to the east).

In 1983, income per capita was \$10,103 in Fort Smith. Consumer prices were 15-29% higher than in Edmonton and food prices were 3% lower than in **Yellowknife**.

2.1 ECONOMIC FACTORS

The following data describe economic activity in Fort Smith, or are factors which have an impact on the scope of economic activity in the community:

2.1.1 CLIMATE

Average annual precipitation:
 21.9 cm rainfall,
 145.9 cm snowfall,
 34.9 cm total precipitation.

July mean high 22.5 C, low 9.5 C.
 January mean high -21.7 C, low -31.8 C.
 Winds S-SE at 12.3 km/h.

2.1.2 PRIVATE SECTOR COMPOSITION

TYPES OF BUSINESSES (1985-1986):	NUMBER OF COMPANIES
Accounting Services	2
Aircraft Maintenance	2
Appliances	1
Associations	7
Automotive Services	6
Aviation	7
Banking Services	1
Beauty Shops/Barber Shops	3
Beverages	1
Books	1
Building Supplies	2
Buses, Bus Depot and Bus Lines	2
Business Supplies and Services	1
Cable T.V. and V.C.R.	2
Carpet Sales	1
Catering	2
Clothing Stores	4
Concrete, Sand and Gravel	1
Confections	2
Consultants	3
Construction	8
Contractors - Electrical	4
Contractors - General	8
Contractors - Painting	5
Convenience Stores	1
Cosmetics	2
Courier Service	1
Crafts and Craft Shops	7
Dental Care	1
Disposals	1
Disc Jockeys, Music Service	4
Drug Stores	1
Expediting	2
Glass Sales and Service	1
Grocery Sales	2
Guns	1
Hardware	2
Hotels, Motels, Inns	2
Insurance	1
Investors	1
Janitorial	7
Landscaping	1
Laundromats	1
Liquor Sales	1
Mail Order Sale	1
Medical Services	1
Newspaper	1
Outfitters	4

Petroleum Products	3
Photography	1
Plumbing and Heating	5
Publishing	1
Real Estate	2
Rental Equipment	3
Restaurants	4
Saws	1
Security	1
Service Clubs and Organizations	2
Small Engines	1
Sporting Goods	1
Trucking Moving and Storage	3
Taxis	3
Travel	1
Vacuum Sales	1
Wood and Wood Stove Sales	3
TOTAL:	159 companies

2.1.3 DEMOGRAPHY

As of 1988 Fort Smith has a population of 2468 persons. In 1982 the town of Fort Smith had a population of approximately 2,300 persons and an area population of approximately 2,500.

In 1985 the sex distribution was 51% males and 49% female. Also as of 1985 the age distribution was: 0-4, 11%; 5-14, 20%; 15-64, 65%; 65+, 4%. In that year the ethnic distribution was: 26% Metis; 18% Dene/Cree; 3% Inuit; and 53% other.

Languages spoken in Fort Smith are English, Chipewyan and Cree.

2.1.4 LABOUR FORCE STATISTICS AND INCOME

Statistics Canada has reported that there were 278 full time private sector employees in Fort Smith in 1984.

The following is an estimate of personal income from all sources for residents of Fort Smith as of 1984:

	<u>Income (\$ '000)</u>
Private	7092.0
Government	15279.2
Resource	44.5
Federal Transfer	1092.6
N.W.T. Transfer	414.8
Total Income	<u>23923.1</u>
Income per Capita	10.0

2.1.5 TRANSPORTATION

Fort Smith is accessible by air and by road, from southern or northern communities.

Scheduled air service is provided by Canadian Air International via Calgary or Edmonton from the south. Charter service is provided by Fort Smith Air Service Ltd., and Loon-Air Limited. During 1984 there were 10,006 take-offs and landings at Fort Smith airport, which is operated by Transport Canada.

Fort Smith may be reached by the MacKenzie Highway System (NWT Highway 5). Local and long distance trucking services as well as bus and taxi services are available. As of 1984 there were 1752 registered vehicles in Fort Smith.

2.1.6 COMMUNICATION FACILITIES

Telephone and telex services are provided to Fort Smith and the entire Northwest Territories by Northwest Tel, a subsidiary of Canadian National.

Fort Smith receives television and radio (FM) services and cable television.

The local weekly newspaper is the Slave River Journal. Other newspapers such as the Edmonton Journal, Globe and Mail and Financial Post are available.

2.1.7 EDUCATIONAL RESOURCES

Fort Smith has been described as the education capital of the Northwest Territories. Elementary and secondary schools as well as a college are located in Fort Smith.

Until 1985, it was the only Northern community with a college facility, Arctic College. A second campus has since been built in Iqaluit, Baffin Island.

Fort Smith is home to the Thebacha Campus of Arctic College. The College offers courses in fields such as: public and business administration; renewable resources technology; social services; and teacher's education. Vocational training is offered in three distinct departments: Allied Studies (e.g. nursing assistant program); Heavy Equipment Operation; and, Trades and Technology.

2.2 TOURISM RESOURCES **AND** ACTIVITIES

The Fort Smith is in a tourism area known as the Big River Tourism Zone. Fort Smith and nearby areas have natural resources and several tourism attractions significant for specific markets.

Slave River Whitewater Rafting and Canoeing:

Visitors can travel the 'Rapids of the Drowned' by raft or canoe. Fort Smith can also be a point of departure for river travels on the Back, the **Thelon**, the Dubawnt and the **Coppermine** Rivers.

Wood Buffalo National Park:

This park is home to the **world's** largest free ranging bison herd and tourists can take part in conducted buffalo "creeps" with park staff.

Wood Buffalo National Park is a natural nesting ground for whooping cranes and is the only such nesting site in the world. The park has been designated by the United Nations Educational Scientific and Cultural Organization as a World Heritage Site.

Approximately 60 km south of Fort Smith in Wood Buffalo National Park is the Pine Lake campground and Picnic Area. This campground provides facilities for activities such as camping, swimming, fishing, and interpretive theatre.

Northern Life Museum:

This museum's collection was started by missionary Oblate Fathers and features such fascinating relics as a 7,000 year old spearhead, authentic native tools and crafts, artifacts of pioneer days, and natural history displays.

The museum gives visitors a good sense of Northern people and their history.

Tourist Information Office:

Visitors receive tourist information at this facility during summer months.

Parks:

A number of parks are located in Fort Smith. One notable park is the Queen Elizabeth Park, which provides picnic and campsites, wood, water, showers and a kitchen shelter.

The Federal Building:

The Federal Building in Fort Smith has a slide show on Wood Buffalo National Park.

Churches:

Fort Smith has four churches. One of them is the Roman Catholic Church, a Territorial landmark. Fort Smith is the Roman Catholic headquarters for the MacKenzie - Fort Smith diocese.

Athletic Facilities:

Fort Smith has a curling rink, skating rink and a six lane bowling alley and lounge.

Pelican Rapids Motel:

This motel provides accommodation ranging from singles to large kitchenettes.

Pinecrest Hotel:

Pinecrest Hotel has a coffeeshop, tavern and dining room.

Roaring Rapids Hall:

Weekly dances and bingos are held at the Roaring Rapids Hall.

Friendship Centre

This facility is a community centre.

Hiking and Ski Trails:

Hiking and ski trails are located in the Axe Handle Hill Park in Fort Smith.

Thebacha Campus of Arctic College:

Tourists may wish to visit the Thebacha Campus of Arctic College.

Dog Teams:

Dog team events are held in Fort Smith.

Pioneer Days

Pioneer Days is a local carnival.

Other Recreational facilities include:

- Softball diamonds
- Golf course
- Tennis courts
- School gym
- Outdoor rink
- Snowmobile oval
- Seasonal pool

2.3 TOURISM ECONOMIC PROFILE: FORT SMITH AREA

The tourism private sector resources of Fort Smith are sound and have extra capacity, even though they are presently limited in number of operations.

There has been little change in the fixed roof accommodation sector of Big River Zone since 1978. Although renovations have been made within the last five years, the average age is 23 years for hotels and 12.7 years for motels. The average prices for accommodation in the Big River Zone are \$58.75/single and \$67.50/double.

The two hotels in Fort Smith, with a total of 78 rooms, have capacity for 146 guests. Both provide housekeeping services, private baths, flush toilets, hot and cold water and private showers. Generally open year round, Big river occupancy rates are 40%/hotels and 55%/motels (well below standard national occupancy rates) .

Area lodges, campgrounds and parks provide additional accommodation for visitors to Fort Smith. The Thebacha campus of Arctic College also has capacity which can be used for tourism purposes.

In addition to **accommodation, there** is a good mix of tourism services, facilities and attractions with extra capacity during the summer season.

Vehicle rentals are available in Fort Smith, through: Avis **Rent-a-Car** and **Tilden** Rent-a-Car. In addition to providing outfitting services and boat rentals, SubArctic Wilderness Adventures also operates charter and sightseeing buses, as does Garden Capital Bus Lines Ltd. Other outfitters include Canoe Arctic Inc., Dog River Outfitters and Northwestern Air.

RV touring/camping on Mackenzie highway and visits to Wood Buffalo National Park account for the majority of road travel to the Fort Smith area.

Tourists are served by 6 food service facilities in Fort Smith:

- **Burseys**'s Take Out
- Cathy's Catering
- Crystal Sun Variety Store
- Pinecrest Hotel
- Royal Canadian Legion
- Cedar Hut

Local arts and crafts (moosehair tufting and birchbark baskets being a specialty) and souvenirs are sold at seven area shops.

Naturalist expeditions, photo safaris, camping, canoeing, rafting, sailing, highway touring, etc. are complimented by the variety of community recreational facilities in Fort Smith (tennis, golf, swimming, etc.).

3.0 TERMS OF REFERENCE

Prior to the undertaking of the development of a business development plan for the Thebacha Campus, it was agreed that the research and final plan of the project comprise six distinctive objectives. These are:

- a) describe current market conditions, environmental trends and impacts;
- b) identify current and future high potential markets and primary market segments;
- c) identify opportunities for appropriate product, courses and package tours development;
- d) maximize the use of excess college capacity in the annual non-regular semester period of June to August;
- e) generate incremental revenues to those generated through current operating processes; and
- f) **plan** a net **return** on investments in the business development process.

The scope of this project included:

1. Researching and identifying existing markets of similar products, in North America.
2. Developing descriptions of various general market characteristics, such as size, location, specific consumption behavior, product preferences, trends.
3. Conducting competitive analysis to determine amount of competition, who the competition is and any unique characteristics.
4. Identifying best performing products, product features, attributes, packaging, distribution, marketing, etc.
5. Identifying market and/or product gaps and opportunities for Arctic College to develop unique products/services and assessing the feasibility of increasing summer visitation.
6. Determining high potential target markets for Arctic College, prioritizing and segmenting target markets by characteristics which include **psychographics**, demographics, behavior patterns, etc.
9. Designing the framework for a business development and implementation plan which includes strategies for product and market development, while identifying cost-recovery opportunities and processes.

The lack of historical information or readily usable statistics required that the study explore a thorough cross-section of all possible sources of information. To ensure a comprehensive examination, all referrals and leads were encouraged and pursued.

Target group **sampling was initially proposed as follows:**

- 83 Canadian Universities & Colleges
- 200 U.S. Universities & Colleges
- 37 Schools with facilities used or curricula in summer
- 91 U.S. tour operators
- 4 Canadian tour operators
- 51 State Travel Bureaus
- 70 Tourism Bureaus
- 34 Travel Directory advertisers of 'educational vacations'
- 106 Recreational Vehicle travel marketing organizations.

676 **Total mailing in Canada & U.S.**

The sample size was subsequently increased by about 26%, for as complete coverage as possible of all possible sources of information and suppliers of 'educational' vacations and summer utilization of educational facilities and to ensure that a sound base of information be developed for proper planning. This was deemed necessary to ensure accurate data collection and confidence in the results.

sampling of the research was adjusted as follows:

- 81 Canadian Universities & Colleges, with summer activities
- 285 U.S. Universities & Colleges
- 37 Schools with facilities used or curricula in summer
- 10 Provincial Ministries of Education
- 52 State Departments of Education/Higher Learning
- 120 U.S. tour operators
- 4 Canadian educational tour operators
- 60 State Travel Bureaus and U.S. Tourism Departments
- 29 Chambers of Commerce (U.S.)
- 35 Travel Directory advertisers of 'educational vacations'
- 117 Special Interest Groups (mixed)
- 10 Federal DRIE offices
- 11 Canadian Consulates in the U.S.

851 **Total mailing** Canada & U.S. (original sample size 676)

Each target group was surveyed by **mail**. However, since response rates were initially extremely low and more importantly, slow, non-respondents were recontacted by telephone. **All** referrals were contacted by telephone to speed information collection processes.

While 851 sources were contacted, 877 total responses (qualified and unqualified) were generated and received - a large proportion of which were referrals.

4.2 PLAN DESIGN

This plan reflects the guidelines determined by the objectives of the **project** and is designed to maximize the efficiency and effectiveness of funds and initiatives dedicated by the Fort Smith Chamber of Commerce, Arctic College and other partner organizations.

It was undertaken with a review of current practices, performance and results of competitors in the marketplace and an examination of operations methods and marketing samples and documents produced by various organizations in Canada and the United States.

The plan acknowledges that there may be a minimum level of funding resources and marketing tools available. This forces a operating philosophy and direction of self-sufficiency, **self-financing** initiatives and the prioritization of all funding.

It also demands that the maximum amount of cooperation, **joint-programming** and leveraging be implemented with appropriate partners, such as major packagers and tour operators (e.g. Elder Hostel, the Museum of Natural History), major carriers (Canadian Airlines International), the Big River Tourism Zone, the TIA, the Government of the Northwest Territories and Canada .

Based on an evaluation of the results achieved, the plan will require modifications and adjustments on an on-going basis, for maximum effectiveness.

4.3 CONSTRAINTS

There were several constraints on this project:

a) Time:

The amount of time dedicated for this project, considering its unanticipated complexity, was far less than required;

b) Timing:

Although the project was delayed until the fall school semester, specifically in order to ensure that the surveying would be as successful as possible with a representative response rate, the key target group, the academic community, was generally unresponsive and required significant recontact telephone work to generate the required information;

c) Quality of information:

The lack of standard and consistent information provided by respondents and referrals (ranging from general lure brochures, course **catalogues**, incomplete surveys to overly detailed surveys) increased the synthesizing and analysis processes significantly.

STUDY PHASE REPORT

5.0 STUDY PHASE REPORT

851 initial contacts were made throughout Canada and the United States. These comprised organizations who a) were involved in the preparation, development, administration, promotion, information services for educational summer programs and travel, or b) were assumed to have knowledge about educational vacations or the use of excess facilities during the summer by educational organizations.

The 877 responses received were predominantly referrals from the initial contacts and comprised a large proportion of unqualified respondents. However, all responses were analyzed since all respondents considered themselves as a member of the market segment which has an education or learning component tied with travel and/or tourism.

In order to determine common product and market characteristics within the competitive environment, information cluster analysis was required. Groupings were made according to key standard definitions and categories for:

- a) type of information source;
- b) type of supplier of "educational/learning" vacations;
- c) type of summer facilities use by educational institutes;
- d) type/categories of summer educational activities;
- e) type/categories of users or target market segments.

5.1 SUMMARY OF RESPONSES

All competitive responses were categorized according to "summer education sources", in four groups:

1. Universities and Colleges
2. Packaged Educational Tours
3. Special Interest Tours
4. Working/Learning Vacations

Responses which did not qualify for these categories were grouped according to type information source, as:

1. 'Other sources of promotion (Canadian): Regional Governments and Tourism Bureaus; and
2. "Other sources of promotion (American) : Tourism Bureaus, Chambers of Commerce and Government Departments.

Eight standard categories were identified for various activities, courses, programs and itineraries **offered** by suppliers. All offerings by all sources during the summer were classed under:

1. Academic Courses
2. Special Interest
3. Professional Development
4. Personal Development
5. Recreation/Pleasure/Athletics
6. General Interest
7. Elder Hostel
8. Outdoor Survival

The primary types of facilities used in this segment generally fall into three groups:

- a) standard tourism/hospitality facilities (hotels, lodges, convention centres) ;
- b) educational facilities and residences; and,
- c) **"other"**, such as farms, ranches, archeological sites--particularly in the working/learning vacation segment.

The competitive analysis is the result of examining the following specific key factors:

1. Facilities Used, specifically educational facilities.
2. Number of Courses/Activities Offered
3. Courses/Educational Activities Offered
4. Duration of Sessions
5. Target Users
6. Community/Tourism **Linkages**
7. costs
8. Marketing Methods

Of the **366** Universities and Colleges surveyed throughout Canada and the United States, 90 responses were received and **analysed**, including 4,528 different courses and activities offered as well as structures.

Of the Tour Operators surveyed, 37 responses were received and **analysed** from Packaged Educational Tour category and 19 Special Interest Tours Operators, representing 937 different courses and activities, as well as structures.

47 Responses were received and **analysed** in the category of 'Working/ Learning Vacations', which represented 877 programs.

Other responses included 4 from the Canadian Provincial Educational Ministries, 8 from the U.S. State Departments of Education; 25 from the State Travel Bureaus; and 2 from the Provincial Tourism Departments and 10 from U.S. Chambers of Commerce and from 10 DRIE Offices (Government of Canada Department of Regional Industrial Expansion), 11 Consulates of Canada in the U.S.

Of 90 media contacted, 13 trade and 47 consumer media were thoroughly researched, 14 of whom target senior adults and 33 of whom deal with "intellectual" interests (e.g. archeology, anthropology, natural sciences, etc.). The balance were **disqualified**, primarily due to insufficient information.

The majority of initial contacts were disqualified as potential competitors and many referrals were also disqualified (e.g. motels, restaurants, lodges, convention bureaus).

252 responses were received from a mixed composite of chambers of commerce, education departments, visitors & convention bureaus and government tourism **departments** -- all with no summer programs or activities to inform about.

Another 30 responses were received from universities and colleges with no summer programs or activities.

Approximately 285 miscellaneous responses were received which did not fall into any of the source categories and did not satisfy the eligibility criteria of providing prepared educational summer vacation sessions or use of available educational facilities during the summer.

The number of courses, programs and activities offered from a wide cross-section of suppliers are vast and dependably different, with each supplier attempting to supply a highly distinctive service in order to avoid competition.

In fact, there is a such a wide range of summer educational "products" and inconsistent terminology in the marketplace to describe these products that it became necessary to develop a series of definitions in order to differentiate between types of programs being offered in the educational vacation market.

Descriptive titles were assigned based on these predetermined definitions and results were tabulated accordingly. Specific descriptions and definitions were developed for:

- a) Travel Study
- b) Educational Tour/Travel
- c) Field Study
- d) Language Programs
- e) Professional development
- f) Personal Development
- g) Special Interest Tour/Travel
- h) Working/Learning Vacations
- i) Please, Sightseeing, General Interest and Recreational Programs
- j) Athletic and Language **Camps**
- k) Children's Camps.

The complete definitions used to classify products/programs into these categories follow, after which are:

- a) an analysis of all available activities and the frequency of their occurrence during the summer (May- September); and,
- b) summarized results for the four groups of respondents (193) considered to represent the North American educational travel market.

5.2 DEFINITIONS

The following represents the definitions used to categorize the various types of educational travel experiences being offered in the North American marketplace.

5.2.1 Travel Study

- a tour: to a specific destination for a particular study purpose; organized by a college or university and sometimes, a tour operator or special interest group; follows an academic curriculum; often includes accreditation; is generally open to students only (e.g. **highschool** or university) ; led by one or more university professors; and, incorporates with the travel regular lectures, discussions or seminars.

5.2.2 Educational Tour/Travel

- a sightseeing tour: to a specific destination for a particular study/interest purpose; with an academic or special interest theme; not necessarily accredited (although it may be); organized by a tour operator; is open to the public and students; and, is guided or instructed by an expert or semi-expert on the subject.

5.2.3 Field Study

- a study program: which may include travel; to a specific destination for a particular study/work purpose; organized by a university, institute, working site or special interest group; is often accredited when the program is an extension of academic studies or offered through academic sources; is open students and the public; is led by professors, study experts; and, includes academic study, instruction, training and/or lab work, as well as practical work in the field.

5.2.4 Language Programs

- a training program in an alternative language, e.g. Spanish or, either French or English as a second language; usually offered by an institution; sometimes accredited when part of academic studies; is open to the public; is aimed primarily at children or newcomers to a country who require a second language for assimilation and/or professional purposes; usually teaches the language in a combination of academic study, cross-cultural experiences and recreational activities - or short-term (8-10 weeks) cultural immersion through exchange and travel study programs.

5.2.5 Professional Development Program/Course

- a program: which does not **always** require or involve travel; which targets specific professions, business and trades segments; which sometimes includes accreditation (e.g. medical conferences) ; is usually led by a series of or one academic expert, specialist, tutor, instructor and/or guide; comprising a series of lectures, seminars, workshops and/or discussions which are targeted specifically towards professionals in a given field and are conducted purely for the professional advancement and development of those participating.

5.2.6 Personal Development Program/Course

- a program: which does not usually require or involve travel; which infrequently includes accreditation; is usually led by a specialist, tutor, instructor or guide; in which students are instructed, guided or lectured in a special interest, hobby, skill, craft or academic field of their own choice, purely for personal interest, practical skills development or benefit.

5.2.7 Special Interest Tours/Travel

- a sightseeing and study tour: to a specific destination for a particular study/interest purpose; with an academic or special interest theme; not necessarily accredited (although it may be); organized by a special interest group, institute, society or tour operator; is open to a special interest group, club or the public; and, is guided or instructed by one or more experts, semi-experts or guest professors, for the specific field of interest.

5.2.8 Working/Learning Vacations

- A vacation experience: at a specific destination (e.g. an archeological dig or ranch) ; which may involve some travel; is organized by a working-vacation operator; aimed at special interest categories; is open to special interest groups and the public; is led by knowledgeable instructors, guides; and, focuses on developing specific knowledge, aptitudes, skills and practical abilities in a particular area of interest.

5.2.9 Pleasure, Sightseeing, General Interest and Recreational Tours

- a tour: to one or a series of destinations for leisure and recreation purposes; not accredited; organized by a tour operator; is open to the public; and, is usually guided.

5.2.10 Athletic and Language Camps

- summer camp programs: may require some travel (short distances) ;are targeted to children, adolescents, students; do not usually include academic credit; are structured for the concentrated development of particular athletic or language skills through technical coaching, cultural, social and recreational activities.

5.2.11 Children Camps

- summer camp programs: may require some travel (short distances); are targeted to children of all ages; do not include academic credits; emphasize multiple activities and social interaction; led by group leaders, guides, instructors and camp supervisors; feature a wide mix of activities, learning segments intended to develop/enhance specific skills and abilities, through a combination of academic study, outdoor activities and recreation.

SUMMARY OF COMPETITIVE ACTIVITIES/COURSES
OFFERED BY EDUCATIONAL FACILITIES OR
GROUP TOUR OPERATORS

SUMMARY OF NUMBER AND TYPES OF
COURSES, TOPICS OR ACTIVITIES OFFERED BY SUPPLIERS
IN NORTH AMERICA
DURING THE SUMMER SEASON
BY RESPONDENTS

SUPPLIERS	ACTIVITIES/ TOPICS	NUMBER OFFERED PER SEASON
Canadian Universities and Colleges	Credit and professional development courses and field or travel study to athletic/language camps	210
American Universities and Colleges	Credit and professional developments courses and field or travel study to athletic/language camps	4,553
Educational Tour Operators	Sightseeing to outdoor adventure tours	39,947
Special Interest Groups and Working Vacations	Academic field study to outdoor adventure courses	516
Camps and Summer Schools	Academic to outdoor survival camps	74
Other Sources of Promotion (Canadian): Regional Governments and Tourism Bureaus	Sightseeing to outdoor adventure tours	5,470
Other Sources of Promotion (American) : Tourism Bureaus, Chambers of Commerce, and Government Departments	Historical/cultural/ academic to outdoor adventure & sightseeing tours	11,215
	TOTAL:	<u>61.985</u>

**6.2 ANALYSIS OF NUMBER OF TIMES COURSES, TOPICS OR ACTIVITIES
ARE AVAILABLE DURING THE SUMMER SEASON, AS INDICATED BY ALL
SOURCES OF RESPONSES (EDUCATIONAL AND NON-EDUCATIONAL).**

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
Canadian Colleges and Universities	Athletic camps	13
	Conference facilities	2
	Credit courses	118
	Customized/tailored educational programs	
	Field institutes & programs with academic credit	
	Foreign field academic or cultural immersion programs	1
	Foreign student exchanges (up to 22 yrs)	37
	Foreign student exchanges (over 22 yrs or no age limit)	18
	Language camps & programs	6
	Music programs	2
	One/two-day seminars & workshops	5
	Possibility of future programs	1
	Residence/accommodation facilities only	3
	Short non-credit courses for retirees	1
		SUBTOTAL:
American Colleges and Universities	Athletic camps	3
	Credit courses	2,903

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
American Colleges & Universities, <u>continued.</u>	Children' s/adolescents ' Programs	36
	Conference facilities	4
	Correspondence courses	125
	Customized/tailored educational prog.	2
	English as a second language	32
	Field institutes & programs with academic credit	79
	Foreign field academic or cultural immersion programs	143
	Independent study	2
	Internships	1
	Language camps & programs	21
	Medical education programs	17
	Museums (university-run)	2
	Music programs/festivals/camps	25
	One/two-day seminars & workshops	174
	Personal & professional development/non-credit courses	327
	Residence/accommodation facilities only	1
	Short non-credit public courses	203
	Short non-credit courses for retirees	2
	Short (one-day) computer/ hi-tech courses	447
	Writers' workshops & conferences	4
	SUBTOTAL:	4,553

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
Educational Tour Operators	Bicycle tours	335
	Chauffeur-driven sightseeing tours	79
	Customized/tailored services with facilities	15
	Customized/tailored services without facilities	15
	Educational cruises	23
	Foreign academic studies	27
	Foreign cultural immersion programs	426
	Foreign cultural immersion counselor programs	1,144
	Foreign cultural immersion student exchanges	30,143
	Historic sites	2
	Historic & sightseeing train tours	238
	Historical tours	1,200
	Horse camps and tours	659
	Hunting/fishing camps/trips	3
	Luxury cruises	89
	Mountain bike tours	590
	One-day river trips	928
	Outdoor/wilderness education programs & trails	63
	Ranch vacations	22
	River trips (overnight or longer)	438
Safaris	32	
Self-drive sightseeing tours	156	

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
Educational Tour Operators, <u>continued.</u>	Self-planned vacations with facilities/resorts	54
	Sightseeing tours (coach, walking)	2,190
	Trips for those with exceptional needs	176
	White water rafting	900
	SUBTOTAL:	39,947
Special Interest Groups and Working Vacations	Astronomy	4
	Backpacking & hiking	17
	Bicycle tours	49
	Camping	2
	Canoeing & kayaking	4
	Children's camps (various activities)	6
	Cultural & historical study	35
	Ecology/environmental	25
	Educational cruises	5
	Fly fishing	1
	Folklore & biology	3
	Foreign cultural immersion/studies	50
	Geography/geology	10
	Guided tours	36
	Horsepacking & care	4
	Llama trekking	1
Maps & compass reading	1	
Marine biology - field academic studies	13	

<u>RESPONDENT</u> <u>CATEGORY</u>	<u>ACTIVITIES/</u> <u>TOPICS</u>	<u>NUMBER OFFERED</u> <u>PER SEASON</u>	
<u>Special Interest</u> <u>Groups & Working</u> <u>Vacations,</u> <u>continued.</u>	Motorized/snowmobile tours	10	
	Mountaineering, alpine, glacier climbing	32	
	Museums	1	
	Native culture & heritage study	2	
	Nature drawing & illustration	2	
	Nature photography	16	
	Ornithology	13	
	Restoration of historic areas	1	
	River ecology/nature/culture studies	3	
	Ski touring	2	
	Summer courses for high school students	4	
	Tracking	3	
	Wilderness/nature	113	
	Wildlife & animals	11	
	Women & wilderness	2	
	Working field research	32	
	Writers conferences & Workshops	2	
	Zoology/biology	1	
		SUBTOTAL:	516
	<u>Camps and Summer</u> <u>Schools</u>	Academic/study camps	45
General outdoor camps		3	
Horse camps		5	
Language camps		1	
Music camps		8	
Ranch camps		11	
Wilderness camps		1	
	SUBTOTAL:	74	

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
American Tourism Bureaus, Chambers of Commerce and Government Departments	Air tours (aircraft, hot air balloons)	192
	Amusement and theme parks	13
	Arts, nature & handicrafts workshops & courses	64
	Art museums & galleries	134
	Bicycle tours	4
	Campgrounds (public & private)	451
	Canoeing/kayaking/tubing/rafting	479
	Charter & rental fishing & sailing	300
	Convention & visitors bureaus/chambers of commerce	421
	Cruises & boat rides	2,555
	Ethnic community visits	14
	Farm tours & vacations	134
	Fishing outfitters	11
	Foreign environmental studies	14
	Guided tours (motor, train, walking)	113
	Hay rides & sleigh rides	7
	Historical sites, museums & re-enactments	1,468
	Horseback tours	42
	Houseboat vacations	10
	Industrial & agricultural history & tours	330
Language immersion camps	60	

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
American Tourism Bureaus, Chambers of Commerce and Government Departments, <u>continued.</u>	Outdoor adventures (mountaineering, hiking, wildlife refuges, hunting/ fishing, bushwhacking, snowshoeing, etc)	871
	Outdoor lectures/presentations	28
	Performing arts, troupes & facilities, summer theatre	756
	Photo safaris	1
	Rivers & waters (for canoeing/ boating)	98
	Science & technology camps & facilities	147
	Self-guided tours	34
	Self-drive tours	15
	Self-planned tours	2
	Seniors' nature & folk-arts workshops	10
	Ski tours and runs	5
	Special events, weekend festivals	1,895
	State & national parks & grasslands	354
	Whale-watching tours & trips	4
	Wineries & breweries	126
	Workshops for adults & children	27
	Zoos/marinelands/landscaped gardens/ocean "playgrounds"	26
	SUBTOTAL:	11,215

<u>RESPONDENT CATEGORY</u>	<u>ACTIVITIES/ TOPICS</u>	<u>NUMBER OFFERED PER SEASON</u>
Canadian Regional Government Offices & Tourism Bureaus	Arts & nature programs	443
	Camping packages	36
	Canoeing & kayaking	166
	Conference/meeting facilities	1
	Cuisine	1
	Customized/tailored tours & packages	1
	English as a second language	2
	Farm vacations	264
	Fishing tours	162
	Guided outdoor/wilderness tours	477
	Health resorts	1
	Horse tours	70
	Historic tours, settlements, re-enactments	403
	Hunting/trapping trips	141
	Photography courses	5
	Reserve vacations	18
	Self-drive tours	22
	Self-planned tours	9
	Self-planned tours with accommodations	984
	Watersports	153
Whale-watching	2,087	
Writers' and artists' retreats	24	
	SUBTOTAL:	5,470
<u>TOTAL FROM ALL SOURCES OF ALL AVAILABLE CHOICES:</u>		<u>61,985.</u>

COMPETITIVE ANALYSIS

7.0 COMPETITIVE ANALYSIS

7.1 SUMMER USE OF EDUCATION FACILITIES IN CANADA

There is little linkage between educational facilities and their operations during the summer and business development options and practices which are outside of the conventional arena of educational services to a predefined constituency. With few exceptions, tourism applications for facilities use are not considered.

- There appears to be little support and/or practice in either providing educational facilities for tourism purposes during the summer or providing educational vacations, at all levels of the Canadian supply side of the economy: tour operators, provincial tourism departments, provincial education departments, colleges and universities;

- In Canada, there is generally very little use of educational facilities is the off-semester period of summer except where there is a provision of summer credit courses and local population use;

- There is almost no use of residential facilities during the summer, except by full-time credit-course students;

- There is almost no linking of vacant summer education facilities with tourism;

- Tourism operators and tour package sellers will however sell you all of the components of a group vacation, after the group leader or organizer has completed all planning aspects ---destination, length of stay, specific facilities required, detailed itinerary -- also including obtaining professional staff and teachers required, plus any/all necessary tools on demand.

- Use of schools during the summer generally occur in regions where the tourism plant is being diversified to take advantage of under-utilized facilities (NB, NS);

- There are few Canadian tourism packages specially designed as educational vacations: those which have a learning component are perceived as special interest vacations;

- Most educational vacations or tours in Canada are considered only for teachers and students, or are under the Elder Hostel program;

- Exchanges for students and teachers are generally perceived by the Canadian market as comprising the educational vacation market, or involving the use of education facilities during the summer period.

7.2 **SUMMER** USE OF EDUCATION FACILITIES IN THE UNITED STATES

A significant proportion of the educational facilities in the United States are used throughout the year for a variety of uses. Tri-semester education systems result in full operations of facilities during the summer as a normal semester period. In addition, many avenues of generating additional revenues are pursued in order to supplement public funding. Mixed use of the facilities is especially common during the summer, ranging from community use and business meetings sites to special interest tourism facilitators.

- The supply side of the American economy is very responsive and supportive to market demands, including interest in using excess capacities, or customizing tourism packages for special interest groups/market segments.

- There is very high interest in providing educational vacations at all levels :tour operators, tourism bureaus and state departments; colleges and universities;

- Use of schools during the summer generally occurs everywhere;

- There is a very high rate of use of educational facilities and residences during the summer months for special interest courses as well as credit courses;

- There is very high linking of vacant summer facilities with tourism and there is a higher rate of 'tourism" linked short-term in-residence courses than in Canada;

- Colleges and universities which do not already operate such programs are quick to offer special services and to develop customized programs, in order to fulfill demand and generate incremental revenues;

- At all levels, there is a strong orientation to service and towards customization for specific interest groups;

- Use of education facilities during the summer is maximized: if it is available, it is used for all purposes: credit courses, personal interest courses; recreation; local population use, tourism. ...;

- Where tourism is not included it is usually due to maximum capacity use for credit courses and local population use;

- There are many tourism packages specially designed as educational vacations:

- Most educational vacations or tours in the U.S. are tailored by subject matter or destination/culture.

7.3 THE EDUCATION-VACATION MARKET'S USE OF FACILITIES

The market perceives two basic types of educational vacation experiences:

- a) a vacation trip during which learning is a process included in the experience;
- b) a vacation period (summer) during which learning is a process included in the experience, but which does not necessarily include travel.

Educational facilities are perceived by the market as performing the following key functions:

- a) serving the educational needs to the community, through regular courses, facilities (including residences);
- b) serving the extra education and service needs of the community, through any surpluses of resources and facilities.

Tourism is not an activity in which schools and institutes are expected to or considered to participate. Educational facilities are used by the educational vacation market **only on two** conditions, when:

- a) the resources of the facilities match the special interests and needs of the client; and
- b) there is surplus capacity to dedicate to this purpose.

Since use of surplus education capacity is a new concept and presently much smaller than market demand, the most frequent type of facilities used are standard tourism facilities, particularly for accommodation: such as hotels, motels, camps, etc.

With the exception of the Elder Hostel program and educational facilities operating summer credit programs, the firms and organizations (such as tour operators) offering educational vacations rarely use residences or schools as part of the experience. Other tourism services for food, beverage and transportation are also standard.

The use of excess educational facilities during the summer for tourism purposes is relatively new and very small as a proportion of all uses. The marketing of the Thebacha Campus as an appropriate tourism facility will require careful crafting.

7.4 PRODUCT CATEGORIES

In addition to each of their areas of specialization, the four major supplier groups of educational vacations share some common activity/program categories and have common target market segments.

Activity Type:	Colleges/ Universities	Educato'n'l Tour Operator	Special Interest Operator	Working Vacation Operator
	<u>(181)%</u>	<u>(86)%</u>	<u>(52)%</u>	<u>(96)%</u>
Credit Courses	50.3	11.6	15.4	19.8
Special Interest	22.7	30.2	69.2	29.2
Business/Prof. Dev.	2.2			6.3
Personal Development	17.1			
General Interest		40.7		
Recreational Prog.	2.2	16.3	15.4	21.9
Elder Hostel Prog.	5.5			
Outdoor Survival				22.9

7.5 COMPOSITION OF TARGET MARKETS

The users targeted by these major groups are predominantly concentrated in the following market segments:

Market segment:	Colleges/ Universities	Educato'n'l Tour Operator	Special Interest Operator	Working Vacation Operator
	<u>(90) #</u>	<u>(37)#</u>	<u>(19)#</u>	<u>(47)#</u>
Academics	51	8	7	17
Business/Professional	17			5
Special Interest	3	3	19	5
General Tourists	3	38	4	7
General Public	11		16	47
Seniors	19	3		

These segments really comprise two major user categories: the academic community and the tourism category.

Of the latter, the target users are all a form of special interest segment, since even the general publics/tourists are prequalified by destination or subject matter interest, although not to the point of indepth study.

OVERVIEW OF THE NORTH AMERICAN
EDUCATION VACATION MARKET
SURVEY RESULTS

8.1 SUMMARY OF RESULTS: COLLEGES & UNIVERSITIES

8.1.1 OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	RESIDENCE FACILITIES	
	#	%		#	%
366 U & C	90	24.6	4,528	36	40

TYPE/ TOPICS	COURSE DURATION	TARGET USERS	COMMUNITY/TOURISM LINKAGES	
			Yes	No
Academic to Recreational	1 hour to 15 weeks	Academics to Elder Hostel	20	70

8.1.2 CAMPUS FACILITIES

RESIDENCE FACILITIES AVAILABLE FOR:	(90) #	%	# OTHER FACILITIES AVAILABLE FOR:	
a) Full-time Students only	11	12.2	Conferences	2
b) Tourists only	12	13.3	Public Leasing	3
c) Both a + b above	13	14.4		
TOTAL:	36	40.0		

MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
INSTITUTIONS
(181 TOPICS)
%

Credit courses	50.3
Special Interest Courses	22.7
Business/Professional Development	2.2
Personal Development	17.1
Recreational	2.2
Elder Hostel	5.5

8.1.3 SAMPLE DISTRIBUTION
UNIVERSITIES AND COLLEGES SURVEY

PROVINCE/ STATE	TOTAL # COLLEGES	TOTAL # UNIVERSITIES	TOTAL TOTAL	TOTAL SAMPLED	# RESPONSE
<u>CANADA :</u>					
B.C	1	4	5	5	2
Alberta	0	4	4	4	1
Saskatchewan	3	2	5	5	2
Manitoba	3	3	6	6	2
Ontario	10	19	29	29	7
Quebec	0	15	15	— 15	6
New Brunswick	0	4	4	4	3
Nova Scotia	2	9	11	11	5
P.E.I.	0	1	1	1	0
Newfoundland	0	1	1	1	0
TOTAL CANADA:	19	62	81	81(100%)	28 (34.6%)

PROVINCE/ STATE	TOTAL # COLLEGES	TOTAL # UNIVERSITIES	TOTAL	TOTAL SAMPLED	# RESPONSE	46
UNITED STATES:						
Alabama	11	17	28	4U	1	
Alaska	1	4	5	1u	0	
Arizona	6	4	10	2u	1	
Arkansas	5	14	19	3U	1	
California	91	59	150	9u+14c	8	
Colorado	16	9	25	1u+3c	0	
Connecticut	14	12	26	2u+2c	1	
Delaware	4	2	6	1c	0	
D.C.	10	8	18	1u+2c	0	
Florida	25	17	42	3u+4c	0	
Georgia	37	9	46	1u+6c	2	
Hawaii	3	5	8	1u	1	
Idaho	3	3	6	0	0	
Illinois	66	25	91	4u+10c	1	
Indiana	28	22	50	3u+4c	2	
Iowa	28	9	37	1u+4c	1	
Kansas	17	12	29	5U	0	
Kentucky	17	10	27	2u+3c	1	
Louisiana	6	18	24	3u+1c	0	
Maine	12	8	20	1u+2c	2	
Maryland	22	11	20	2u+3c	0	
Massachusetts	70	12	82	2u+10c	2	
Michigan	42	13	55	2u+6c	2	
Minnesota	28	13	41	2u+3c	0	
Mississippi	10	9	19	1u+2c	1	
Missouri	46	15	61	2u+7c	0	
Montana	7	2	9	1c	1	
Nebraska	13	5	18	1u+2c	0	
Nevada	1	2	3	0	1	
New Hampshire	14	1	15	2C	1	
New Jersey	28	6	34	1u+4c	0	
New Mexico	4	5	9	1u+1c	0	
New York	97	54	151	8u+15c	4	
North Carolina	30	20	50	6u+2c	3	
North Dakota	6	5	11	1u+1c	1	
Ohio	52	41	93	8u+6c	4	
Oklahoma	5	20	25	4U	1	
Oregon	23	7	30	1u+3c	7	
Pennsylvania	83	40	123	6u+12c	2	
Puerto Rico	11	17	28	3u+2c	0	
Rhode Island	7	2	9	1c	1	
South Carolina	22	7	29	1u+3c	0	
South Dakota	12	3	15	2C	1	
Tennessee	32	17	49	4u+4c	0	
Texas	31	58	89	14U	2	
Utah	3	3	6	0	0	
Vermont	15	4	19	1u+2c	0	
Virginia	28	16	44	2u+4c	2	
Washington	11	12	23	2u+2c	1	
West Virginia	18	3	21	3C	2	
Wisconsin	25	15	40	2u+2c	1	
Wyoming	0	1	1	0	0	
TOTAL U.S.:	1196	706	1902	285 (15%)	62 (21.8%)	

Universities and Colleges (U/C), continued.

8.1.4 TYPES OF COURSES. ACTIVITIES. TOPICS
OFFERED BY UNIVERSITIES AND COLLEGES
WHO RESPONDED TO SURVEY

OFFERED ACTIVITY TYPE/TOPICS:	(U/C) (90) #	% OF TOTAL (181)	RANKING OF ACTIVITY/TOPICS OFFERED MOST FREQUENTLY (#x)
Credit Courses	19		Travel Studies 34
Travel Studies	34		Personal Development 31
Field Research	15		Mixed Studies 23
Mixed Studies	<u>23</u>		Credit Courses 19
	91	50.3	Field Research 15
			Art & Music 12
Special Interest Courses			Language/Immersion 10
Art & Music	12		Elder Hostel 10
Language Immersion	10		Geography, Geology 6
Geography, Geology	10		Cultural Studies 5
Cultural Studies	6		Sports/Athletics 4
Archeology	5		Business Courses 3
Medicine	-		Archeology 3
Architecture	2		Medicine 2
Architecture	1		Architecture 1
Marine Biology	1		Marine Biology 1
Homestead Skills & Crafts	<u>1</u>		Homestead Skills & Crafts 1
	41	22.7	
Business/Professional Development Courses	4	2.2	
Personal Development	31	17.1	
Recreation Courses			
Sports/Athletics	4	2.2	
Elder Hostel Program			
Only Summer Activity	6		
Not only activity	<u>4</u>		
	10	5.5	
TOTAL AVAILABILITIES:	181	100.0	

Universities and Colleges (U/C), continued.

8.1.5 DURATION OF COURSES, ACTIVITIES. TOPICS
OFFERED BY UNIVERSITIES AND COLLEGES
WHO RESPONDED TO SURVEY

INSTITUTIONS OFFERING "COURSE" DURATION OF:	#	(90) %	RANK ORDER	MOST POPULAR LENGTHS
1 day	2	2.2	9	1) 5-7 days
2 days	12	13.3	4	2) 2ds & 3wks
5-7 days (1 week)	18	20.0	1	3) 10 ds/2 wks,
10 days/2 weeks	14	15.6	3	4 wks, summer
3 weeks	16	17.8	2	
4 weeks	14	15.6	3	
-6 weeks	10	11.1	6	
-7 weeks	6	6.7	7	
-8 weeks	4	4.4	8	
-10 weeks	4	4.4	8	
-11 weeks	1	1.1	10	
-12 weeks	2	2.2	9	
-15 weeks	1	1.1	10	
summer	11	12.2	5	

8.1.6 USERS TARGETED
BY UNIVERSITIES AND COLLEGES
WHO RESPONDED TO SURVEY

TARGET USERS	(u/c) #	(90) %	RANK ORDER	RANKING OF USER GROUPS
Academics				
Students	42	46.7	1	Academics
Teachers	8	8.9	4	Elderhostelers
Correspondence Courses	<u>1</u>	1.1	7	Bus. & Prof.
	51			General Public
Business & Professional				
Professionals	11	12.2	2	
Physicians	2	2.2	6	
Musicians	2	2.2	6	
Groups (conferences)	<u>2</u>	2.2	6	
	17			
Special Interest				
Customized	3	3.3	5	
General Public	11	12.2	2	
Tourists/Travellers	3	3.3	5	
Seniors				
General	1		7	*avail. at 28 Cdn +
ElderHostel	18*		3	dozens of U.S.
	19	21.1		campuses.

8.2 SUMMARY OF RESULTS: PACKAGED EDUCATIONAL TOURS

8.2.1 OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	# OFFERING EDUCATION PROG.	# USING U/C RESIDENCE FACILITIES	
	#	%			Yes	No
124	37	29.8	473	9		0
TYPE/ TOPICS	COURSE DURATION		TARGET USERS	COMMUNITY/TOURISM LINKAGES		
	Yes	No		Yes	No	
Academic to Recreational	5 days to summer		learning tourists	36	1	

8.2.2 MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
PACKAGED EDUCATIONAL TOUR OPERATORS
(86 TOPICS)
%

Credit courses & Studies	11.6
Special Interest Tours	30.2
General Interest Tours	40.7
Recreation/Pleasure Tours	16.3
Personal Development	1.2

Packaged Educational Tour Operators, continued.

8.2.3 TYPES OF COURSES. ACTIVITIES. TOPICS
OFFERED BY
PACKAGED EDUCATIONAL TOUR OPERATORS
WHO RESPONDED TO SURVEY

OFFERED ACTIVITY TYPE/TOPICS:	(ETO) (37) #	% OF TOTAL (86)	RANKING OF ACTIVITY/TOPICS OFFERED MOST FREQUENTLY (#x)
Academic Courses			
Credit Courses	2		General Interest Tours 35
Foreign Studies	1		Recreation/Pleasure Tours 14
Travel Studies	4		Cultural Studies 6
Field Research	<u>3</u>		History 4
	10	11.6	Travel Studies 4
			Geography, Geology 4
Special Interest Tours			Field Research 3
History	4		Marine Biology 3
Language Immersion	3		Outdoors, Nature, Wildlife 3
Geography, Geology	4		Language/Immersion 3
Cultural Studies	6		Credit courses 2
Marine Biology	3		Foreign Studies 1
Outdoors, Nature, Wildlife	3		Music 1
Music	1		Hunting 1
Hunting	1		Outfitting 1
Outfitting	<u>1</u>		Personal Development 1
	26	30.2	
General Interest Tours	35	40.7	
Recreation/Pleasure Tours			
rafting, horseback, etc.	14	16.3	
Personal Development	1	1.2	
TOTAL AVAILABILITIES:	86	100.0	

Packaged Educational Tour Operators, continued.

8.2.4.DURATION OF COURSES. ACTIVITIES. TOPICS
OFFERED BY
EDUCATIONAL TOUR OPERATORS (ETO)
WHO RESPONDED TO SURVEY

ETO'S OFFERING "COURSE" DURATION OF:	(9) #	(9) %	RANK ORDER	MOST POPULAR LENGTHS
5 days	1	11.1	3	1) 10 days
10 days	6	66.7	1	2) 15-20 days
15 days	2	33.3	2	3) 5 days, or
20 days	2	33.3	2	summer
Summer	1	11.1	3	

8.2.5 USERS TARGETED
BY PACKAGED EDUCATIONAL TOUR OPERATORS
WHO RESPONDED TO SURVEY

TARGET USERS	(ETO) #	(37) %	RANK ORDER	RANKING OF USER GROUPS
Academics				Tourists
Students	4	10.8	4	Academics
Teachers	4	10.8	4	Special Interest
	8			groups & seniors
Special Interest				
Marine Biology	1	2.7	7	
Bird Watching	1	2.7	7	
Naturalists	1	2.7	7	
	3			
Tourists/Travellers				
Children	1	2.7	7	
Adults	6	16.2	3	
Families	2	5.4	6	
Tour Groups	16	43.2	1	
Mixed	13	35.1	2	
	38			
Seniors	3	8.1	5	

8.3 SUMMARY OF RESULTS: SPECIAL INTEREST TOURS/VACATIONS

8.3.1 OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	RESIDENCE FACILITIES	
	#	%		#	%
117	19	16.2	747	0	0
TYPE/ TOPICS	COURSE DURATION		TARGET USERS	COMMUNITY/TOURISM LINKAGES	
				Yes	No
Academic to Recreational	1/2 day to 15 weeks		Academics to General Public	9	10

8.3.2 MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
SPECIAL INTEREST TOUR OPERATORS
(52 TOPICS)
%

Credit courses & Studies	15.4
Special Interest Courses	69.2
Recreation & Pleasure Tours	15.4

Special Interest Tour Operators, continued.

8.3.3. TYPES OF COURSES, ACTIVITIES, TOPICS
OFFERED BY
SPECIAL INTEREST TOUR OPERATORS (SIO)
WHO RESPONDED TO SURVEY

OFFERED ACTIVITY TYPE/TOPICS:	(SIO) (19) #	% OF TOTAL (52)	RANKING OF ACTIVITY/TOPICS OFFERED MOST FREQUENTLY (#x)
Academic Courses			
Credit Courses	6		Geology, Ecology 12
Travel Studies	<u>2</u>		Outdoors, Nature Studies 8
	8	15.4	General Sightseeing 7
			Credit Courses 6
Special Interest Courses			
Arts & Crafts	4		Arts & Crafts 4
Music	1		Cultural Studies 4
Film Studies	2		History 3
Geology, Ecology	12		Film Studies 2
Cultural Studies	4		Travel Studies 2
History	3		Music 1
Natural History	1		Natural History 1
Science	1		Science 1
Outdoors, Nature Studies	<u>8</u>		Personal Development 1
	36	69.2	
Recreation/Pleasure Tours			
General Sightseeing	7		
Personal Development	<u>1</u>		
	8	15.4	
TOTAL AVAILABILITIES:	52		

Special Interest Tour Operators, continued.

8.3.4 DURATION OF COURSES. ACTIVITIES. TOPICS
OFFERED BY SPECIAL INTEREST TOUR OPERATORS (SIO)
WHO RESPONDED TO SURVEY

SIO'S OFFERING "COURSE" DURATION OF:	(19) #	(19) %	RANK ORDER	MOST POPULAR LENGTHS
1/2 day	9	47.4	1	1) 1/2 days 2) 2 days 3) 1 dy & 1 week
1 day	6	31.6	3	
2 days	7	36.8	2	
5-7 days (1 week)	6	31.6	3	
10 days/2 weeks	1	5.3	6	
3-4 weeks	4	21.1	4	
4+ weeks	2	10.5	5	

8.3.5 USERS TARGETED
BY SPECIAL INTEREST TOUR OPERATORS
WHO RESPONDED TO SURVEY

TARGET USERS	(SIO) #	(19) %	RANK ORDER	RANKING OF USER GROUPS
Academics				1) Spec. Interest groups 2) Gen. Public 3) Academics 4) Tourists
Students	5	26.3	3	
Teachers	<u>2</u> 7	20.5	6	
Special Interest	19	100.0	1	
General Public				
Mixed	2	10.5	6	
Children	3	15.8	5	
Adults	9	47.4	2	
Families	<u>2</u> 16	10.5	6	
Tourists/Travellers	4	21.1	4	

8.4 SUMMARY OF RESULTS: WORKING/LEARNING VACATIONS

8.4.1 OVERVIEW

TOTAL SURVEY	RESPONDENTS		# SUMMER PROGRAMS	RESIDENCE FACILITIES	FACILITIES TYPES	
	#	%			C	E
107	47	43.9	877	0	Camps, farms, schools, etc.	
TYPE/ TOPICS	COURSE DURATION		TARGET USERS	COMMUNITY/EDUC'L LINKAGES		
Academic to Practical	1 hour to 8 weeks		Mixed	22	13	

8.4.2 MAJOR
CATEGORIES OF ACTIVITY
TYPE/SUBJECT MATTER OFFERED BY
WORKING/LEARNING VACATION OPERATORS
(96 TOPICS)
%

Credit courses & Studies	19.8
Special Interest Courses	29.2
Business/Professional Development	6.3
Recreation/Athletics	21.9
Outdoor Survival Courses	22.9

Working/Learning Vacations, continued.

8.4.3 TYPES OF COURSES. ACTIVITIES. TOPICS
OFFERED BY
WORKING/LEARNING VACATION OPERATORS (WLO)
WHO RESPONDED TO SURVEY

OFFERED ACTIVITY TYPE/TOPICS :	(WLO) (47) #	% OF TOTAL (96)	RANKING OF ACTIVITY/TOPICS OFFERED MOST FREQUENTLY (#X)
Academic Courses			Outdoor Adventuring 10
Credit Courses	8		Credit Courses 8
Field Research	8		Field Research 8
Mixed Studies	<u>3</u>		Outdoors Skills, Survival 6
	19	19.8	Natural History" 5
Special Interest Courses			Teaching 5
Art	4		Sports/Athletics 5
Music	2		Crafts 5
Language Immersion	2		Art 4
Geography, Geology	3		General Recreation 4
Cultural Studies	1		Mixed Studies 3
Archeology	1		Geography, Geology 3
Marine Biology	2		Biology 3
Natural History	5		Photography 3
Ecology	1		Music 2
Biology	3		Language Immersion 2
Farming	2		Marine Biology 2
Writing	<u>2</u>		Farming 2
	28	29.2	Writing 2
Business/Professional Development Courses			Navigation/sailing 2
Teaching	5		Expeditions 2
Professional Development	<u>1</u>		Nature 2
	6	6.3	Hunting 2
Recreation Courses			Cultural Studies 1
Sports/Athletics	5		Archeology 1
Kayaking	1		Ecology 1
General Recreation	4		Professional Development 1
Navigation/sailing	2		Kayaking 1
Photography	3		Wildlife Photography 1
Wildlife Photography	1		
Crafts	<u>5</u>		
	21	21.9	
Outdoors/Survival Courses			
Expeditions	2		
Outdoors Skills, Survival	6		
Nature	2		
Hunting	2		
Outdoor Adventuring	<u>10</u>		
	22	22.9	
TOTAL COURSES AVAILABLE:	96		

Working/Learning Vacations, continued.

8.4.4 DURATION OF COURSES. ACTIVITIES. TOPICS
OFFERED BY WORKING/LEARNING VACATION TOUR OPERATORS (WLO)
WHO RESPONDED TO SURVEY

WLO'S OFFERING "COURSE" DURATION OF:	(47) #	(47) %	RANK	ORDER	MOST POPULAR LENGTHS
1 hour	1	2.1		8	1) 1 week
1/2 day	1	2.1		8	2) 2 weeks
1 day	7	14.9		4	3) 2 days
2 days	8	17.0		3	
5-7 days (1 week)	28	59.6		1	
10 days/2 weeks	10	21.3		2	
3 weeks	2	4.3		7	
4 weeks	5	10.6		5	
-8 weeks	3	6.4		6	

8.4.5 USERS TARGETED
BY WORKING/LEARNING VACATION TOUR OPERATORS (LI LO)
WHO RESPONDED TO SURVEY

TARGET USERS	(WLO) #	(47) %	RANK	ORDER	RANKING OF USER GROUPS
Academics					
Students	15	31.9		1	General Public
Teachers	2	4.3		3	Academics
	17				Tourists
Business & Professional					Business/Prof.
Professionals	5	10.6			Spec. Interest
General Public					
Children	12	25.5			
Teenagers	2	4.3			
Adults	11	23.4			
Couples	2	4.3			
Families	5	10.6			
Mixed	6	12.8			
Local public	9	19.1			
	<u>47</u>				
Tourists/Travellers					
General	2	4.3			
Groups	5	10.6			
	<u>7</u>				
Special Interest					
Customized	2	4.3			
Problem Children	1	2.1			
Hunters	1	2.1			
Climbers	1	2.1			
	<u>5</u>				

Working/Learning Vacations, continued.

8.4.6 TYPE OF FACILITIES USED

MAIN FACILITIES USED:	#	(47)	%
Outdoors sites			
Archeological Site	1		
Camp	11		
Park	<u>2</u>		
	14		29.8
Rural sites:			
Ranch	7		
Farm	<u>3</u>		
	10		21.3
Retreats			
Cabins	3		
Lodge	4		
Cottage	<u>1</u>		
	8		17.0
Motels	3		6.4
Resorts	8		17.0
Folk/Arts & Craft Centre	2		4.3
Education facilities:			
School	6		
Field Institute	2		
Science Centre	1		
Campus Dorms	<u>3</u>		
	12		25.5
Ships			
Cruise Ship	2		4.3
No facilities:			
Expeditions	7		
Train/Raft Expedition	<u>1</u>		
	8		17.0
TOTAL VARIATIONS:	67		

FACILITIES, BY CATEGORY	#	(67)	%
Outdoors sites(camps)	14		20.9
Rural sites (farms)	10		14.9
Retreats	8		11.9
Motels	3		4.5
Resorts	8		11.9
Folk/Arts & Craft Centre	2		3.0
Education facilities	12		17.9
Ships	2		3.0
No facilities (expeditions)	8		11.9
TOTAL:	67		

8.5 COMMUNITY LINKAGES

There is strong evidence that links with communities are a major factor in most tour group packages, as a point of departure, destination or sightseeing.

Almost without exception, the suppliers of educational tourism emphasize the communities, local populations, lifestyles, cultures, arts, in the marketing of their tourism products. In some cases, the community is perceived to be so exotic that it becomes a powerful tourism destination (e.g. Singapore, **Banff**).

The key **motivators** of long-distance travel include visiting a new place and experiencing a different culture. A hyperactive itinerary is not necessary if the community and culture experienced is strongly differentiated.

On the other hand, wilderness, nature and other outdoors studies are usually isolated from communities and therefore the tourists expect and have very little interaction with local populations.

Fort Smith is a long-distance destination for the major potential tourism markets, with excellent geographic and cultural differentiation. The unique attributes of local lifestyles, abundant natural resources and wildlife, modern and comfortable facilities and well-known educational centre combine to create a strong appeal and travel motivation -- particularly amongst travelers seeking a unique and intellectually stimulating experience.

To capitalize on these important **motivators**, strong linkages with the local and proximity communities are vital. **Thebacha** College of Arctic College cannot be marketed as a tourism destination: it is simply a facility with a predetermined complement of services. -

8.6 PRICING

Pricing of tourism products and services is based on two principal factors: total costs of operations and threshold of market concurrence (what the market is prepared to pay) .

If the cost of operations is too high and the market threshold too low, the project becomes unfeasible. Pricing is therefore a critical consideration in determining the feasibility of a summer school at **Thebacha** College, Fort Smith.

In order to gauge price elasticity, the research included the determination of price ranges for various products and product lines currently marketed by suppliers of educational vacations.

The basic level of service by all supplier groups includes the tour, program, course or activity ...generally including any instruction. Lodging and meals are not always included.

The following table reflects the range of prices charged by suppliers of educational vacations, according to supplier group. This reflects information which was specified only since, pricing information and/or cost coverage information was not provided by all respondents.

SUMMARY OF PRICE RANGES
FOR EDUCATIONAL VACATIONS

SUPPLIER:	PRICE RANGES	#*	INCLUDING: TUITION/ INSTRUCTION	LODGING	MEALS	
<u>Canadian</u> <u>Universities</u> <u>and Colleges</u>	\$110-315 :	2				
	200-560:	5				
	500-1,000:	1				
	1,000-2,000:	1				
	2,000 +:	3				
	TOTAL: 28			9		
<u>American</u> <u>Universities</u> <u>and Colleges</u>	up to \$99:	6				
	\$20-260 :	5				
	50-360:	2				
	95-285:	2				
	100-199:	3				
	100-700:	2				
	130-315:	1				
	150-450:	2				
	170-275:	1				
	185-675:	1				
	200-499:	9				
	350-575:	1				
	500-999:	2				
	Sub-total up to \$1000:	37				
		500-2,800:	2			
	515-600:	1				
	1,000-3,000:	3				
	1,500-3,500:	1				
	2,000 +:	3				
Sub-total over \$1000:	10					
TOTAL: 60			35	15	16	
<u>Special</u> <u>Interest</u> <u>Tours</u>	\$5-50:	5				
	10-280:	3				
	50-4,040:	1				
	140-210:	1				
	325-3,500:	1				
	435-4,725:	1				
	500-699:	1				
	999-4,000:	1				
TOTAL: 18			10	6	4	

SUPPLIER:	PRICE RANGES	#*	INCLUDING: TUITION/ INSTRUCTION	LODGING	MEALS
Tour Operators	up to \$100:	4			
	\$13-600 :	1			
	15-900:	1			
	28-860:	1			
	43-3,000:	1			
	45-450:	1			
	70-250:	1			
	83-187:	1			
	100-200:	2			
	100-1,268:	1			
	199-1,695:	1			
	218-3,000:	1			
	338-1,182:	1			
	400-500:	2			
	420-2,600:	1			
	425-645:	1			
	500-3,995:	2			
	750-2,000:	1			
	800-1,000:	1			
	890-1,880:	1			
	1,300-2,480:	1			
	2,000 +:	3			
Sub-total	strictly under \$500:	11			
Sub-total	strictly under \$1000:	16			
TOTAL:		34	- 22	22	7

<u>Working Vacations</u>	Per program:	
	up to \$100:	2
	up to \$150:	1
	\$15-500 :	1
	35-250:	1
	50-600:	1
	65-185:	2
	150-260:	1
	200-500:	<u>3</u>
Sub-total	strictly under \$500:	12

	210-1,355:	1
	235-3,000:	1
	365-3,550:	1
	395-895:	1
	430-675:	2
	495-1,150:	1
	500-1,000:	1
	525-2,420:	1

SUPPLIER:	PRICE RANGES	#*	INCLUDING: TUITION/ INSTRUCTION	LODGING	MEALS
<u>Working</u>					
<u>Vacations, continued.</u>					
	550-1,500:	1			
	700-1,700:	1			
	750-980:	1			
	800-2,500:	1			
	up to \$1,000:	1			
	1,000-2,000:	3			
	2,000+:	1			
	Per week:				
	up to \$100:	1			
	\$295-1,000:	1			
	500-1,000:	2			
	Per night:				
	up to \$100:	7			
	\$45-200 :	1			
	50-350:	1			
	100-200:	1			
TOTAL:	47			32	30

* Number of respondents from supplier category.

PROBLEMS AND OPPORTUNITIES

9.1 PROBLEMS

- A facility such as the **Thebacha** College of Arctic College is not a tourism destination by itself. In order for it to become a tourism attraction, it must be included as one of a varied mix of services and unique travel experiences of a community in a larger geographic area.
- Awareness of the Northwest Territories is very low or non-existent in primary markets. This is greatly magnified for Fort Smith.
- **Thebacha** College, Arctic College and Fort Smith are completely unknown in the primary markets.
- Tourism markets of origin for Fort Smith are long-distance markets. Not only does this require a major decision for each visitor or group planner but it also means longer advance planning and higher costs for transportation. Since Fort Smith is not a direct access destination from the south, except from Edmonton or Calgary, this problem is compounded.
- The tourism industry is highly competitive and constantly increasing promotional expenditures in order to maintain and increase market share. The relative lack of significant financial resources **will** make it difficult for Arctic College/Fort Smith to establish a foothold in the marketplace. Also, since economies of scale will never apply to Arctic College/Fort Smith, reliance on public funding is critical in the start-up period.
- Arctic College and Fort Smith will face serious negative price perceptions in the marketplace. Canada is considered overpriced and perceived as such by consumers and travelers abroad. This perception is significantly strengthened in the **case** of the Northwest Territories.
- The wide geographic distribution of potential market segments is a drawback, creating difficulty and increased cost of market penetration.

9.2 OPPORTUNITIES

- Tourism is a growth industry on a global scale. NWT tourism activities have increased overall in the past year, as has tourism in the Fort Smith area.
- The Northwest Territories is generally well regarded by prior visitors and has some base of positive awareness in proximity markets, such as Alberta and the American Mid-west.
- The NWT is one of the few regions of the world where aboriginal lifestyle, culture, arts and philosophies have been nurtured and sustained.
- There have been considerable strides over the past few years to improve and develop the business and tourism base of the NWT, including the Fort Smith area.
- **Canada and particularly the NWT holds a very strong and positive image in tourism markets as a vast peaceful country with unspoiled natural resources, abundant wildlife, friendly people.**
- The education-related tourism market is an excellent example of the fragmentation and diversification which are taking place in the international tourism markets and high potential demographic segments, particularly as older markets mature and decline.
- Tourism markets and tourism product demands are changing, along with changing demographics of aging Canadian/U.S. populations.
- To capture some of the growing new markets, Arctic College and Fort Smith will have to create a strong awareness in them as a preferred and exotic vacation destination.
- Proximity and access to southern Canadian and U.S. markets is very important. Opportunities exist to generate a reliable clientele in potential market segments through specific initiatives such as promotion of Thebacha College Summer Vacation School coupled with Fort Smith's easy access at major gateways (highways, airports, border crossings).
- Increased competition amongst airlines in Canada and the U.S. have driven prices down on major North American routes. Continuing deregulation in Canada could assist the Fort Smith area by lowering the travel costs and increasing volumes.

- The governments of the **NWT** and Canada have developed strong and dependably marketing programs to generate tourism to the **NWT** from high potential markets abroad. The TIA (**NWT**) and Big River Tourism Zone also have promotional programs which will serve Arctic College and Fort Smith. Arctic College/Fort SMith should **cooperate and take advantage of these programs wherever appropriate.**

- There is no other college or university in Canada which offers comprehensive vacation packages during the summer. As the first to do so, Arctic College will have considerable advantage with the Canadian and American markets seeking such a Canadian experience.

- Arctic College has a real monopoly in the **NWT** - it is the only college institute. This can be exploited as a pivotal marketing factor for differentiation of destination and vacation products.

- The name, Arctic College, has all of the prerequisite characteristics for outstanding brand name marketing. This will facilitate the processes of building awareness, recall and recognition in the target market segments.

MAJOR FINDINGS

10.0 MAJOR FINDINGS

The study phase of this project revealed several significant findings.

10.1 THE NORTH AMERICAN ENVIRONMENT

- The tourism markets of North America are increasing in size and **changing** in characteristics, which includes the growing demand for **vacation** experiences which involve a **learning/education** component.
- There is little use in Canada of colleges, universities and other education facilities during the summer for tourism purposes or tri-semester education purposes.
- While there is little supply of this type of tourism in Canada, there has been a substantial market segment developed in the United States over the last ten years.
- There is substantial competition already existing in the United States in the primary market segments.
- Arctic college/Fort Smith's tourism development initiative is new, commencing a learning curve which places it at considerable disadvantage against established competitors.
- Vulnerability is high: existing and potential visitors are concentrated in very few markets and are highly susceptible to environmental impacts.

10.2 PLANNING SUPPORT

- Research and statistical data are generally non-existent for Arctic College/Fort Smith to properly plan the development and marketing of a summer school.
- Information about long-term regional development objectives and planning is minimal.
- Continued growth of the service sector and tourism plant in the Fort Smith area will greatly assist in increasing the appeal of the area as an attractive tourism destination.

10.3 PRODUCT REQUIREMENTS

- The summer school should target special interest tourism markets and develop all -inclusive **"packages"** accordingly.
- All tourism packages need to involve a significant link with the community, culture and lifestyle of Fort Smith residents.
- There is a need for strong participation by area private sector.
- Pricing should be competitive, while based on self-sufficiency.

10.4 MARKETING REQUIREMENTS

- Arctic College/Fort Smith lacks market identity - a brand name awareness and competitive positioning.
- Fort Smith has a base of promotional resources, including a few good marketing/promotional publications which will enhance the promotion of a summer school at Thebacha College.
- The marketing efforts of national, territorial or regional public and private organizations will support, enhance and reinforce the initiatives of Fort Smith and Arctic College. (Examples include the Big River Tourism Zone, the **TIA-NWT**, the **GNWT**, Parks Canada, Elder Hostel.)
- There is a significant requirement for integration of the Arctic College summer school in all promotional items, regardless of the source, which feature Fort Smith or Wood Buffalo National **Park** as tourism destinations.
- There is a need for strong orientation towards cooperation and joint marketing/business development with appropriate public and private sector partners who have significant financial resources.
- The launch of this new initiative will require substantial funding and therefore determines that adequate funds be sourced the development of appropriate marketing tools as well as for market entry. (For example, lots of excellent tourism photography is a prerequisite for effective marketing, as well as marketing photography.)
- The unique attributes of arts, culture and lifestyle offer an opportunity to differentiate the travel experience and accentuate an exotic product.

10.5 HUMAN RESOURCES

- In addition to dedicating human resources to accepting reservations throughout the year for the summer school, there will be a need to dedicate human resources to superb travel counseling services.

- Additional human resources are required to operate the summer school.

10.6 RESULTS EVALUATION

- Measurement and evaluation of results are built in to the operating process, including the assessment of ultimate impacts on the Fort Smith economy through the direct correlation to sales.

IMPLICATIONS FOR ARCTIC COLLEGE
AND THE FORT SMITH AREA

11.0 IMPLICATIONS FOR ARCTIC COLLEGE AND THE FORT SMITH AREA

There is virtually no similar use in Canada of excess educational facilities as is proposed for the Thebacha College. Facilities used throughout the year are used for academic purposes (e.g. York University Extension Program, Western University's Executive Business Program, **Banff** School of Fine Arts, Saskatchewan Writer's Program).

There are also few other vacation experiences which are designed as or promoted as educational travel in Canada. Most of these are in the Atlantic Provinces, where the major thrust is on cultural immersion, education vacations and historical redevelopment projects. Here again, there is little use of schools or residences.

However, there is a substantial amount of summer activity at U.S. Universities, particularly since most are dependent on funding other than that which is provided by government. Most summer activities and programs of U.S. colleges are not comparable, since most colleges (especially in the Southern U.S.) are bible colleges.

From a tourism industry perspective, the specialty interest and educational vacation markets - as they are perceived in the U.S. - are extremely lucrative and aggressively sought.

In addition to standard menu educational vacations, the most successful organizations offer highly customized experiences for groups of very affluent, discriminating clients. These clients do not want the 'average' style vacation or travel destination. They seek an exotic location, which really means a unique environment geographically and culturally. Of note is that this does not mean a prerequisite of five-star hotels and dining.

Fort Smith has an excellent opportunity to be a well-established Canadian destination for travelers seeking a distinctly different destination within an educational, informative context.

Combined with unique arts, culture, and lifestyle, Fort Smith is able to fulfill all of the product requirements easily, as well as the characteristics necessary for strong visitor appeal and motivation to visit.

While, there are outstanding advantages to being one of the first campuses to develop a summer program of this sort, in Canada, that could also be a serious drawback -- particularly when addressing potential market segments in Canada. For this reason, it is recommended that the majority of marketing concentration be aimed at the American market until sufficient operating experience and business clientele is established.

The summer school program for **Thebacha** College will not only generate incremental revenues for Arctic College, offsetting operating overhead costs, but it will also stimulate the local **economy of** Fort Smith. In addition to the direct purchase of **local** goods and services to **operate the summer school**, the increase in visitor volumes will generate increased tourism expenditures.

Tourism-related businesses which would be involved the summer school program include local guides, outfitters, transportation and sightseeing services, hospitality services, retail establishments, arts and crafts producers, etc.

Another potential drawback and, at the same time, terrific benefit relating to this initiative is the physical capacity/space limitation of the College. If there would occur an over-demand situation for facilities in Fort Smith in the future, the local business community would be greatly encouraged to invest in facilities and infrastructure.

The plan to develop incremental revenues through a summer school at Thebacha Campus of Arctic College in Fort Smith proposes to maximize the potential of products and services which are easily derived from existing operations and the Elder Hostel model. By matching this potential to affluent special market segments which currently exist in North America, the summer programs will be developed successfully.

BUSINESS PLANNING FOR A SUMMER SCHOOL

12.0 BUSINESS PLANNING FOR A SUMMER SCHOOL

12.1 INTRODUCTION

There are many advantages to starting up a new summer school at Thebacha Campus of Arctic College, Fort Smith ...in spite of the many disadvantages.

As with any new business, there is a need for adequate start-up time, which includes a lot of planning long before the first sale is made (the first client is obtained) . Establishing a clientele is especially dependent on good will in the tourism industry, which is built over years of operations.

Obviously, there is also a much higher risk with a new venture and uncertainty due to the lack of a track record -- no proven past of mistakes and successes upon which to build. Furthermore, there will be an initial outlay of money before the project is operational.

There are many positive considerations as well, most notably :

- freedom of choice of market niche which is developed for the summer school;
- opportunity to develop a unique style of business: no existing restriction of image or policy;
- ability to develop at own rate/pace: especially when capital is limited;
- Arctic College can get into business immediately, if able to obtain pass-along clientele from well-established businesses (travel tour operators, meetings planners) and government and tourism association sources;
- by entering a growing and dynamic marketplace, Thebacha College has considerably better potential to achieve successful results than by entering a mature market.

The feasibility of operating a summer school was determined based on an examination of several key factors:

- Start-up costs
- Inventory costs
- Fixed operating costs
- Indirect operating costs
- Marketing/sales costs
- Competitive factors
- Product plan guidelines
- A projection of reasonable revenues over three years
- A projection of optimum revenues per year

The following illustrates the conclusions of this examination.

The formulation of the proposed plan is based on

- a) the results of the study phase;
- b) an assessment of feasibility based on objectives of self-sufficiency;
- c) an evaluation of potential ultimate economic impacts, in terms of incremental revenues injected into the Fort Smith area, new and incremental employment generated, labour force skills development and taxation revenues;
- d) an analysis of all possible avenues to secure and enhance market positions;
- d) the application of state-of-the-art, results-oriented business practices.

Based on a standard business development approach, the financial plan is designed to achieve a break even position over three years and for the summer school program to become self-funded beginning in the fourth. Therefore the plan is oriented towards maximizing results in a compressed period of time and recommends specific optimization techniques.

It is structured to make effective use of new resources inside a development-based strategy, maximizing results through the development of the high potential markets for a summer school at Arctic College, Fort Smith. A key component of its organization is the focus on cooperative initiatives between all organizations and economic sectors who benefit from or can provide benefits to this initiative.

An implementation plan is proposed for the first year which includes details of marketing initiatives. Strategic direction is proposed for the second and third years only. Marketing operations plans will be formulated based on first year results and the pursuit of corporate goals and objectives according to a well-defined strategy.

The following assumptions have been made in structuring the multi-year program:

- * an adequate operations budget which supports the market development plan, beginning the first year;
- * continued available funding over two more years to offset a loss position during the start-up period;
- * leveraging of support, cooperative marketing, joint activities with public and private sector partners who already participate in appropriate target market development and have significantly larger financial resources.

12.2 GOALS

The goal of the business plan is:

"To establish a viable summer school at Thebacha College of Arctic College, Fort Smith, which produces incremental net revenues and economic benefits to the community."

Specifically, the summer school will:

- a) Increase the volume of visitors to Fort Smith;
- b) Increase the revenues generated for businesses in Fort Smith;
- c) Disperse economic benefits throughout the community and other proximity communities;
- d) Create employment;
- e) Offer labour skills development and training opportunities; and
- f) Offset some of the fixed operating overhead of Arctic College.

The results of the feasibility study have shown that the most effective uses for excess capacity of the college during the summer period are for academic or tourism purposes. Of these, the tourism utilization offers the largest potential market size and is the most lucrative, generating the highest volume of potential revenues.

The target markets have therefore been prioritized according to best potential market segments. These market segments are geographically located throughout North America, but are concentrated in the United States where they have been developed over a number of years.

The primary target markets for the summer school of Thebacha College are predominantly concentrated in the following:

- * Special Interest Groups/Clubs
- * Wholesale Travel Trade (Tour operators, packagers)
- * Corporate Meetings and Incentive Travel Planners
- * Business Travelers
- * Academics

Secondary target markets include:

- a) General Tourists
- b) General Public, and
- c) Elders*

*This market segment is most frequently addressed by educational facilities through the Elder Hostel program, which comprised the two-week pilot program at Thebacha College in 1987. All market segments are targeted through a comprehensive marketing plan.

12.3 REVENUE GENERATING STRATEGIES

The following strategies have been determined as options for consideration in defining the final structure of the summer school at Thebacha Campus.

- a) Adopt a multi-use approach, based on standard hotel/conference booking practices, with a menu of facilities and services with related prices based on a 1/2 day, day or week-end rate.
- b) Concentrate use of the facilities for tours and special interest groups only, which include Elder Hostel.
- c) Dedicate the use of the facilities to only two uses, in the first year one for tourist programs based on an "Elder Hostel" or special interest itinerary approach and one for conventional academic summer school use.
- d) Partition the facilities used in order to operate diverse but concurrent functions, such as business retreats and think tanks using part of the facilities, small special interest groups using another part and perhaps, general public/tourists using yet another part as "base camp" tourism accommodation only.

12.3.1. FACILITIES MULTI-USE APPROACH

This approach would recover some of the costs of the college overhead and it would produce a little incremental revenues to the community, through the purchase of some goods, services and souvenir products. Only the basic hospitality services (food and accommodation) of the college would be sold, with any additional requirements purchased independently by the client as desired.

Although occupancy rates would not likely be close to maximum capacity over a season, Thebacha campus would cause increased competition to the two hotels of Fort Smith without creating the optimum potential economic benefits to the community.

This approach is recommended as a 'stop-gap' measure only, to be used between group package sales to use excess capacity. Also, pricing should be based on a 60% occupancy rate, be Competitive to local rates and not "undercut" the private sector.

12.3.2 DEDICATED USE FOR GROUP TOURS ONLY

The development of a summer school program at Thebacha College is new and unknown in all markets, potential and otherwise. It will take time to fill the summer excess capacity while restricting the type of use immediately to one category of user. Over time however, this will be the most efficient use of capacity and the most lucrative new revenue generating option for Fort Smith.

12.2.3 SPLIT USE BETWEEN TRADITIONAL ACADEMIC AND GROUP TOURISM USE

This option is a compromise between option 1 and 2 above. Traditional academic use -- summer credit courses, adult education and remedial programs -- of the facilities is very similar to option 1 above, in potential impacts on the general community as well as the college. It does however, reflect an appropriate and conventional use of educational facilities.

12.2.4 MULTI-PURPOSE USE

This approach enables all community elements to benefit from the excess capacity of the college and it enables the college the maximum flexibility in serving the academic and service needs of the community. It also allows the college to plan, develop and control the amount, type and quality of services which it most appropriately can provide, while facilitating any transition or adjustments over time.

"Partitioning" of the facilities in a conceptual manner enables the college to operate diverse but concurrent functions, particularly in the first few years during which demand is likely to be inconsistent and from diverse market segments. During this timeframe, the college will gain invaluable experience for future planning of resources and facilities use.

Academic courses would use class facilities, but leave the accommodations capacity available for group use by business or tourists. Small business meetings, retreats and think tanks could comfortably use part of the facilities, small special interest groups another part and perhaps, general public/tourists using yet another part as "base camp" tourism accommodation only.

In this case, Pricing would be kept simple and be structured according to only two categories: basic "room and board" as option 1.; and group packages.

12.4 **SUMMER** PROGRAM ALTERNATIVES

The program curricula would be developed as a result of defining the most preferred strategy for facilities use. If conventional academic instruction (and remedial courses) is not feasible, the programs would have to reflect primary demands of the tourism marketplace, albeit in a vertical market segment.

Due to the strong potential of the tourism market segments to generate the highest possible revenues, the product/packages offered through Arctic College at Thebacha campus should be appropriately structured to these priority target markets.

For pilot testing in a conservative manner, it is recommended that the fewer programs offered the better, particularly in the first year. A maximum of three different programs or itineraries should be tested in addition to repeating the Elder Hostel program.

These 3 programs should be short-duration 'courses', lasting no more than 2 weeks and repeated twice (maximum) throughout the summer at predetermined times. Based on reservations volumes and market demand, a customization process could be accommodated.

This would provide a strong base for future program modification.

12.5 **PRODUCT DEVELOPMENT**

The development and sale of 'products' for the Thebacha campus summer school would be classed in three different categories or 'product lines':

- 1) Academic products - predominantly courses.
- 2) Business products - predominantly facilities.
- 3) Tour group products - combinations of facilities, services, courses, community services.

This last option is the one most recommended.

Within each product line/category, specific individual products would be developed to respond to the needs of the market.

The first category needs no further examination within this document for local/regional education requirements. However, courses (credit or non-credit) are most appropriate as part of the services provided to business and tour groups. The more specialized and unique the course, the more appealing it becomes and the more value it imparts to the overall experience.

Meetings, conferences, planning sessions, retreats, etc. are part of a multi-billion dollar industry in North America. A very profitable and competitive market, it has spawned an entire industry of corporate meetings and incentive travel planners numbering over 70,000. Certain professions have meetings/conventions as a mandatory activity in the course of their practice (medical, insurance, academics, morticians).

professional development has also become such an extremely important factor in career advancement, that it is estimated that over 80% of professionals take some form of skills upgrading or development measures regularly.

In the general population, there is increasing demand for educational/learning experiences to be coupled with leisure and recreational activities, such as a vacation. Adult education has increased tremendously and non-credit or special interest courses are well received. As part of the tour group packages, short courses will enrich the visitor's experience in Fort Smith.

Depending on the type of educational vacation product offered and the market segment being developed, a different mix of activities and components are required in order to optimize results.

The following sample itinerary structures are derived from the research and are recommended for consideration by Arctic College. The duration and price ranges shown are as they exist in the marketplace. A six-day/five night stay priced at retail level of \$699 Cdn is recommended.

12.6 SAMPLE ITINERARIES

<u>VACATION TYPE</u>	<u>DURATION RANGE (IN MKT)</u>	<u>FEATURES</u>	<u>SAMPLE PRICE RANGE*</u>
TRAVEL sTuDY	13-42 days	-lectures & discussions - day excursions, boat cruises - art, historical, architectural sites - city tours or visits - local culture, cuisine	\$995-2995
EDUCATIONAL TRAVEL	10-23 days	- natural or historical sites - city/town tours & visits - local culture, cuisine	\$789-2825

FIELD STUDY	5-56 days	lectures, discussions or instruction field trips, boat/raft trips practical field or lab work local culture, cuisine	\$195-1950
LANGUAGE COURSE	6-11 weeks	class instruction excursions communications, conversation groups intercultural, social activities recreational activities and facilities local culture, cuisine	\$675 -2330
PERSONAL DEVELOPMENT	1 Week	- lectures classes, seminars film, video theatre social events daily local culture, cuisine	\$225-595
PROFESSIONAL DEVELOPMENT	5-7 Days (1 week)	- guest speakers lectures, seminars, workshops	\$400 +
CAMPS (Children's language, music, athletic camps)	1-8 Weeks (5-56 days)	creative arts and crafts sports, games, outdoor	\$250-2625
OUTDOOR ADVENTURE	4-7 Days	- wildlife viewing, photography camping, hiking, boating	\$210-545
ELDER HOSTEL	1 week	- 3 courses daily instruction sightseeing,tours boating, swimming wildlife viewing	\$245+

Our recommendation is to develop standard stand-alone itinerary for tour groups which includes a healthy mix of cultural orientation, lectures, historical information, arts and crafts, entertainment, recreational activities, sightseeing and free time. From the standard itinerary framework, modifications to segments and time-blocks would be facilitated based on group interest/demand.

12.7 SCHEDULING

Group turn-overs should be scheduled mid-week in order to take advantage of lower transportation costs and greater, more convenient access to Fort Smith through higher availabilities of flights throughout North America. Arrivals should be scheduled for Thursdays with departures Tuesdays, or vice versa. This will enable the summer school program to dovetail with the established tour operations market, whose tours customarily depart and arrive mid-week.

This will also increase the appeal to affluent and busy business people taking an extended week-end vacation and is more appropriate for post-convention tours in markets such as Edmonton and Calgary.

For business meetings, retreats and professional development however, scheduling arrivals and departure over a standard business week (Monday to Saturday) is more appropriate.

Responding to the market demand will require maximum flexibility and a sound reservations system.

SAMPLE PRODUCTS AND
ITINERARIES
CURRENTLY MARKETED
AS EDUCATIONAL VACATIONS

13.0 SAMPLE ITINERARIES CURRENTLY MARKETED AS EDUCATIONAL VACATIONS

13.1 TRAVEL STUDIES CATEGORY

1.1 TO: London and Paris
 FOCUS : Arts & Culture
 SOURCE: Portland State University Summer Session

Length: 25 days

Itinerary:

London: 5+ galleries
 2+ lecture-tours of museums
 studio visits to local artists
 2 theatre tours and performances
 3+ lecture/demonstrations by musicians and concerts
 1 festival
 1 house tour
 Paris: 2+ galleries
 3 home and studio tours
 2 museums
 studio sessions with local artists
 1 music research centre
 concerts
 1 theatre performance
 2 day trips
 1 Cathedral tour
 25 morning lecture and discussions (daily)

Credit: included
 cost: \$2,694 (includes round trip airfare, tuition, fees, lodging, meals and local transportation)

1.2 To: **China and Tibet**
 FOCUS: Culture
 SOURCE: **San Jose State University**

Length: 22 days

Itinerary: 14 historic/religious sites
 2 performances
 8 cities and tours
 1+ archeological sites
 2 wilderness sites
 1 boat cruise

Credit: optional
 cost: \$2,995
 (includes lodging, meals, local transportation, local admission and tuition)

1.3 TO: Italy
 FOCUS : Art History
 SOURCE: Pennsylvania State University

Length: 6 weeks

Itinerary : 3 cities
 art, historic and architectural sites, monuments
 lectures, discussions
 academic instruction

Credit: included
 cost: \$905 (includes tuition and fees only)

1.4 TO: Japan
 FOCUS : Architecture
 SOURCE: Pratt Institute

Length: 16 days

Itinerary: 8+ architectural/historic sites
 1 local ceremony
 4+ home/building tours
 1 architectural museum tour
 3 cities tours
 4 guest speakers

Credit: optional (at additional cost)
 cost: \$2,850 (round trip airfare, lodging and tuition)

1.5 TO: Canadian Rockies
 FOCUS: Canadian Rockies Expedition
 SOURCE: Michigan State U. Lifelong Education Program

Length: 13 days

Itinerary: 12 lectures/discussions
 3 national parks
 1 all-day excursion
 1 boat cruise
 5 walking tours
 3 hikes plus 3 other optional hikes
 2 historic sites
 19 natural attractions

Credit: none

cost: \$995 - 1,385 (depending on type of lodgings)
 includes tuition, lodging, some meals, local
 transportation and admissions

13.2 EDUCATIONAL TOUR CATEGORY

2.1 TO: Kenya
 FOCUS : Highlights tour
 SOURCE: **Abercrombie** and Kent

Length: 10 days

Itinerary: 3 villages
 1 national park
 4 natural sites
 3 game reserves/safari clubs
 5 opportunities for wildlife viewing

Credit: none

cost: \$1,230
 (includes tour guides, lodging and most meals)

2.2 TO: Spain, Portugal, Morocco
 FOCUS: **Highschool** youth cultural orientation
 SOURCE: Cultural Heritage Alliance

Length: 11 days

Itinerary: 31 historic/cultural sites
 11 cities/towns
 3 countries tours

Credit: none

co*: \$789 - 1,569 (depending on city of departure)

2.3 TO: **China**
 FOCUS: Cultural and Business Immersion
 SOURCE: **Interpacific** Tours

Length: 23days

Itinerary: 9 cities
 3 cruises
 2 full-day excursions
 19 historic/natural sites
 9 lectures/demonstrations
 4 factory tours
 5 field trips
 2 cultural entertainment events
 1 show

Credit: none

cost: \$2,665 - 2,825 (all-inclusive)

13.3 FIELD STUDY CATEGORY

3.1 TO: Local area
 FOCUS : Natural Resources
 SOURCE: Ball State University

Length: 40 days

Itinerary: 7 national parks
 1 raft trip
 1 natural site
 3 guest lecturers
 1 river walking tour
 1+ museum

Credit: included
cost: \$741 (includes tuition and fees, lodging, local transportation and insurance)

3.2 TO: Local area
 FOCUS: Biology
 SOURCE: Oregon Institute of Marine Biology

Length: eight weeks

Itinerary: 4+ lectures
 2+ lab sessions
 2+ field trips
 2+ boat cruises

Credit: included
cost: \$244 - 386 (depending on level of credit)
 includes tuition only

3.3 TO: Local area
 FOCUS: Natural History and Field Methods
 SOURCE: Sea Search Ltd.

Length: 10 days

Itinerary: 5 mid-water stations
 2 navigation stations
 3 - 5 meteorological/oceanographic stations
 3 - 5 terrestrial stations
 10 subjects of instruction
 8+ working sites

Credit: optional (at University of Alaska)
cost: \$1,950 (includes tuition, lodging, meals, instruction and materials)

3.4 To: Crow Canyon
 FOCUS : Archeological Dig
 SOURCE : Crow Canyon Institute

Length: one week (option to stay up to entire summer)

Itinerary: 4 practical instruction sessions
 2 lecture/discussions
 3 days of excavation work
 optional additional archeological work beyond
 first week's stay

Credit: none

cost: \$645 (includes instruction, lodging, meals)

3.5 TO: Yellowstone National Park
 FOCUS: Birds of Yellowstone
 SOURCE: Yellowstone Association

Length: five days

Itinerary: 5 days of instruction
 4+ field surveys (observation)
 1 boat trip

Credit: optional (at University of Montana)

cost: \$195 (includes tuition only)

3.6 TO: Local area
 FOCUS : Field Ecology
 SOURCE: Audubon Society

Length: one week

Itinerary: daily classes
 4 subjects
 wildlife viewing
 field work

Credit: optional (at Fairfield University, University of
 Maine and University of Wyoming)

cost: \$495 (includes lodging, meals, and instruction)

13.4 LANGUAGE COURSE CATEGORY

4.1 TO: NEW BRUNSWICK
 Focus : English as Second Language
 SOURCE: University of New Brunswick

Length: six weeks

Itinerary : 4 1/2 - 6 hours per day classroom instruction
 30 days of instruction
 1 hour of instruction per day on Communication or
 Drama
 1 "interest group" per day (crafts, sports,
 instruction, political science, religion,
 gardening, antiques)
 Recreational activities (theatre/music
 performances, films, games, lectures,
 receptions, picnics, dances, bonfires,
 tournaments)
 Physical activities (swimming, tennis, soccer,
 volleyball, horseback riding, boating, table-
 tennis, badminton)
 Weekend activities (points of interest, carnival,
 variety shows, sports tournaments, barbecues)
 1 overnight excursion

Credit: none
cost: \$2,330 (includes lodging, tuition and meals)

4.2 TO: Texas
 FOCUS: English as a second language
 SOURCE: University of Texas

Length: 7 - 11 weeks

Itinerary: Academic program:
 public lectures, technology fairs
 film series, conferences
 conversation groups
 academic tutoring
 Recreational facilities and activities (gymnasiums,
 swimming, tennis, sports teams/clubs,
 excursions, intercultural activities,
 community activities, shopping orientations)
 Special events (touring performances, concerts,
 opera, sporting events)

Credit: none
cost: \$800 - 1,100 (dependent on length)
 includes tuition, testing, equipment,
 insurance

4.3 TO: Mount Allison
FOCUS : English or French
SOURCE: Mount Allison University

Length: six weeks

Itinerary : Cultural/social activities (boites a chansons, folk
concerts, theatrical performances, variety
shows, historic sites/beaches, dances,
films, bilingual newspaper, history workshops,
excursions)
4 hours class per day X 5 days per week (30 days)

Credit : included

cost: \$675 (Includes tuition only)

NOTE: See also Summer Camps Category

13.5 PROFESSIONAL DEVELOPMENT CATEGORY

5.1 To: University
 FOCUS: Writers Workshop
 SOURCE: Antioch University

Length: one week

Itinerary: 6 daily workshops
 afternoon and evening speakers
 panels
 readings

Credit: none

cost: \$400
 (includes tuition only)

5.2 TO: College
 Focus : Medical education
 SOURCE: Colby College

Length: five days

Itinerary: daily lectures/seminars
 5 guest speakers
 recreational activities (athletics, swimming,
 golf, lobster bakes)

Credit : 18 credit hours included

cost: \$400
 (includes tuition only)

13.6 PERSONAL DEVELOPMENT CATEGORY

6.1 TO: University
 Focus : Victorian England
 SOURCE: University of North Carolina, Vacation
 College

Length: one week

Itinerary: 10 seminar sessions
 6 guest lecturers
 3 films
 daily films/social events

Credit : none

cost : \$225 (includes tuition and three meals)

6.2 TO: University
 FOCUS: Leadership Skills Workshop
 SOURCE: Cornell Adult University

Length: one week

Itinerary: 5 classes (lectures, discussions, case studies,
 role-playing, observations, video,
 literature)
 outdoor concerts/plays
 museums
 exploring trails
 boating
 touring local natural points of interest
 4 'culinary events'ⁿ
 welcome and farewell parties

Credit: none

cost: \$515 - 595 (dependent on type of lodging)
 includes tuition, lodging and meals

6.3 TO: Local area
FOCUS: Mountain Dulcimer Workshop
SOURCE : Ozark Folk Centre

Length : four days

Itinerary: 4 hours instruction per day
3 instructors
daily practice
jam sessions
shopping/free time
7 concerts

Credit : none

cost : \$35 (includes tuition and admissions)

13.7 SUMMER CAMPS CATEGORY

7.1 TO: University
 Focus : Athletic Camp (**Mixed** high-school youths)
 SOURCE: Mount Allison University

Length: five days

Itinerary: 5 morning non-athletic sessions (music, fine arts
 or computer programming)
 5 afternoon team or individual sports activities
 trips to **beach/waterslides**

Credit: none

cost : \$250 (includes tuition, residence and meals)

7.2 TO: University
FOCUS: Language camp (**Finnish** 'Village' (ages 8-17))
SOURCE: **Concordia** Language Villages

Length: two weeks

Itinerary: 6 - 7 kinds of activities
 3 - 4 kinds of crafts
 1+ daily cultural/historical programs
 games
 small group sessions

Credit: none

cost: \$475 (includes tuition, lodging, meals, insurance,
 instruction and materials)

7.3 TO: Ranch
 FOCUS: Children 's Ranch camp
 SOURCE: Orme School

Length : eight weeks

Itinerary: 7 riding instruction classes
 horse trail rides
 2 camp rodeos
 1 pack trip
 16 types of creative arts offered
 1 extended motor trip studying 3 types of history,
 culture and visiting up to 15 natural points
 of interest
 3 types of survival training
 swimming
 11 sports activities available
 individual assigned ranch chores
 14 optional academic courses available

Credit : none

cost : \$2,625 (lodging, meals, guides, instruction)

7.4 TO: camp
 FOCUS: Summer Academic Program (Children's Camp)
 SOURCE: Supercamp

Length: 10 days

Itinerary: 5+ subjects of study
 85 hours of class study
 outdoor activities

Credit: none

cost: \$1,375 (includes instruction, lodging, meals,
 local transportation)

13.8 OUTDOOR ADVENTURE CATEGORY

8.1 TO: Local area
FOCUS : Whitewater Rafting
SOURCE: Tag-a-Long Expeditions

Length: four days

Itinerary: wildlife viewing opportunities
2 1/2 days smooth rafting
Indian ruins tour
1 day rapids
return flight over course navigated

Credit: none

Cost : \$545 (includes tuition, meals, local transportation)

8.2 TO: Local Area
Focus: **Hiking** Program
SOURCE: Adirondack Mountain Club

Length: five days

Itinerary: 4+ organized hikes
swimming
exploration

Credit: none

cost: \$210 (includes guide, lodging, meals and local transportation)

13.9 ELDER HOSTEL CATEGORY

9.1 TO: Local area
FOCUS : **Elderhostel program**
 SOURCE: **Selkirk coil-ge~ Castlegar, BC**

Length : one week

Itinerary : 3 courses available
 1 1/2 hours instruction per course per day
 boating
 sport fishing
 swimming
 2+ hot springs
 1 provincial park
 1 heritage park
 1 historical museum
 1 industrial point of interest

Credit: None

cost: \$245 (includes lodging, meals, facilities and tuition)

9.2 TO: Local area
FOCUS: **Elderhostel Program**
 SOURCE: **Shiretown Inn, St Andrewgs, NB**

Length: one week

Itinerary: 3 courses
 1 1/2 hours instruction per course per day
 1 marine science centre tour
 1 arts and nature centre tour
 beach walks
 boat trips
 sea animals/birds/marine life observations
 photography

Credit: None

cost: \$245 (includes lodging, meals, facilities and tuition)

ALL PRICES QUOTED ARE IN U.S. FUNDS, REGARDLESS OF DESTINATION,
 EXCEPT FOR PRODUCTS SOLD BY CANADIAN SOURCES.

PRODUCT PLAN

14.0 PRODUCT PLAN

The design and development of specific products will require careful preparation. Whether the college chooses to complete the design process alone or in conjunction with outside services of a planner, certain considerations should be addressed.

14.1 PRODUCT DESIGN CONSIDERATIONS

Planning a basic itinerary will be the most important aspect, ensuring that there is a good blend of major activities which are unique and very positive/attractive to the prospective client.

The aim should be for a balanced schedule of planned or 'guaranteed' activities and optional activities, in which the visitor can elect to participate, according to interest.

Special attention should be paid to not trying to cram every possible local/regional tourism experience into one tourism visit. Segregate major experiences into key attractions for two or more return visits.

For example, the major attractions promoted for outdoors enthusiasts could be Wood Buffalo National Park, white-water rafting and mini-survival training experiences. Repeat visits could include week-long safaris or cultural learning visits.

Senior adults, however, will be more interested in historical walking, interpretative tours, native language mini-courses, classes on northern cooking and crafts making, wildlife viewing/photography (including Wood Buffalo National Park) and group site-seeing. Repeat visits could involve a similar mix of attraction type but of new activities.

Pacing of the itinerary is also critical to the success of the product. Ensure that significant attractions are adequately viewed, toured, explored at a leisurely pace by the visitor. Ample free time or "unscheduled" time must be calculated to ensure that visits are not rushed or physically taxing. On the other hand, too much free time will lead to lower customer satisfaction due to boredom.

The resources and services of the Fort Smith community can be used extensively in the delivery of the final products. Local hospitality establishments can provide meals, snacks, facilities for 'meetings' and events. Site-seeing, guiding and outfitting services are available. Specialized courses and other scheduled group activities will generate opportunities for local group leaders and suppliers. Souvenirs can be purchased from local artisans (e.g. tote bags) and included in the product as part of the 'goodies' which visitors receive.

14.2 PRICING PROCESS

Pricing is a critical factor to the success of any product. If it is too low or too high, it becomes an impediment to sales. The pricing of a one-week package at the Thebacha summer school is based on considerations of:

- a) product design,
 - the sale of highly marketable comprehensive tourism packages which specifically force the injection of new revenues into the Fort Smith area because they include and emphasize the use of Fort Smith community services and local resources beyond what is available through the College;
- b) competitive analysis,
 - ensuring successful business development in the aggressive competitive arena of a volatile marketplace, standard price promotion methods, and encouraging outside sales through a commission base of 10% (through travel agents, meeting planners, etc.);
- c) strong price structure,
 - reflecting an examination of the costs of operating the school with all other costs, and the determination of a reasonable gross profit margin which will support all fixed and variable costs; and,
- d) market demand,
 - assessing the quality and types of services required as a minimum and relative market price thresholds, as well as promotional pricing considerations (e.g. discount pricing during "shoulder" periods, such as first and last weeks of summer) .

There are three key issues regarding price:

- the development of a standard pricing policy;
- the visibility and marketability of price as an important component of the product;
- the appropriate interpretation of price according to the marketplace (e.g. foreign currencies).

Pricing should be standardized for a fairly comprehensive itinerary over 6 days/5 nights, throughout the summer. It should be structured with the ability to accommodate most client requests for customization, except for extraordinary demands, such as a side-trip to **Yellowknife**. Opportunities to inject additional revenues into the community beyond the base created by the basic product should be pursued and encouraged (purchases of local goods, crafts; pre and post tours extending the vacation

period). Prices should be shown in as comprehensive a manner as possible. For example, return airfare should be shown from Calgary and Edmonton in addition to the one-week package price. What the price includes as basic components should be identified along with it: "including all accommodation, meals, transportation".

All correspondence and promotional materials should include price as an important component of the product offer. If it is positioned properly, it will actually enhance the quality and value perception of the target markets.

The price should be appropriate to the marketplace in terms of currency base. Since the primary target market segments are American, pricing in the United States should be stated in U.S. dollars based on Canadian rates and showing the tourism package with and without transportation from Edmonton.

Prices should be rounded off to the nearest "9" or "5" dollars. In Canada, pricing should be stated as \$699. Cdn per person from Arctic College, Fort Smith or \$939. Cdn per person return trip from Edmonton. A corresponding monetary conversion should be accommodated for American clients: \$539 U.S. and 729 U.S. (rounded at approximately 1.30) , or \$585 U.S. and \$785 U.S. (rounded at approximately 1.20) .

The establishment of a basic price should be reinforced and maintained as such: a minimum comprehensive price. It should not be tampered with or 'adjusted' at random. This is critical in order to maintain the integrity of the product.

Price points should be specified based on a two-tier approach:

- a) a retail price, which is the published public-price (\$699 Canadian);
- b) a wholesale price, which is the published public price less commissions/sales rate of 10%.

The retail price would apply to the general public and businesses.

The wholesale price would apply to all reservations made through the travel trade and to minimum bulk reservations made by businesses (e.g. bookings for 10 or more rooms, based on double occupancy - 20 people). The equivalent of the wholesale rate could also be offered as a public discount price during specific slow times. With the exception of predetermined periods, at the beginning and end of the summer season, discounts should not apply.

The main underlying foundations for strict rigidity are the limited capacity and availability of product at Thebacha campus

and the outstanding, unique product which will be delivered.
 14.3 SUGGESTED PRODUCT PRICE

The recommended retail price for a comprehensive one-week tourism package at Thebacha College is \$699 Canadian from Fort Smith. The wholesale price would be \$629.10 Canadian. In determining the optimum price per product, all anticipated costs must be evaluated on a direct cost-accounting method. All expenditures required prior to receiving the very first sale has been estimated, as well as the costs for each sale.

The Opening costs require a financial/resource commitment which is relatively fixed. However, all subsequent costs are incurred **only** as sales are made. That is to say that when a sale has been made (secured by financial deposit), the college makes a cost commitment to service the sale at that time. Therefore there is no further outlay of funds without an associated intake of funds.

Proper pricing will ensure that the intake of funds exceeds the costs of servicing each sale, provides a contribution towards the opening costs and generates appropriate net revenues (profits). These net revenues could then be used by the college for a variety of needs, such as offsetting regular operating expenses, contributing to capital projects, equipment purchases, etc.

The base costs (without variable costs) to operate the college is estimated at \$20,750 per week. At maximum capacity of 100 guests per week, base costs per guest would be approximately \$208 Canadian. The product price naturally needs to be adjusted to cover variable costs and produce margins comparable to industry standards.

All costs detailed below assumes direct cost-accounting, except for capital expenses. They do not reflect any potential "savings" in actual expenditures, which could be achieved through the redistribution of existing costs, incorporation of required additional duties and tasks in existing personnel resources.

The following demonstrates the impact of the \$699 Cdn price point on detailed cost/revenue projections based on a comprehensive scenario. Two other simplified scenarios (which have greatly reduced marketing allocations) are also presented for a quick illustration of potential results.

The marketing of the Thebacha College as a tourism/summer school is a critical component of delivering sales. Although the annual budget which is used in this document may appear high, it is based on the following costs of generating a sale:

- a) promotion to influential organizations, clubs, etc.;
- b) generating enquiries from target market segments;
- c) servicing enquiries with information, counseling; and
- d) converting enquiries to sales.

The marketing budget has been approximated on the basis of generating each sale through the above process, at an average cost of \$100 Canadian per visitor. Hence, 1000 visitors will cost about \$100,000 to obtain.

This 'cost per head' however, becomes part of the product price and is recovered through each sale.

CAUTION: Please note in reviewing the following scenarios that the revenues and expenses are accounted strictly in accounting terms. While it may appear more attractive to not incur any marketing expenses in order to generate maximum net revenues (profits), this is probably NOT ACHIEVABLE. Without marketing of some form, there can be no sales -- no revenues, and thus no profit potential of any kind.

SCENARIO #1

The first scenario does not include any marketing expenditures and presumes that all such costs are borne 'elsewhere' through another organization(s).

@ 100% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$699,000.00	<i>100 x 10 = 1000</i>
TOTAL COSTS MINUS TRAVEL:	433,400.00	
NET REVENUES/PROFIT (LOSS):	265,600.00	

@ 40% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$279,600.00	<i>10 x 40 guests</i>
TOTAL COSTS MINUS TRAVEL:	337,700.00	
MARKETING COSTS TO COLLEGE:	0	
NET REVENUES/PROFIT (LOSS):	(58,100.00)	

SCENARIO #2

The second scenario includes a very modest budget (\$25,000) for marketing activities in a start-up period only.

@ 100% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$699,000.00
TOTAL COSTS MINUS TRAVEL:	433,400.00
MARKETING START UP:	25,000.00
NET REVENUES/PROFIT (LOSS):	245,600.00

@ 40% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$279,600.00
TOTAL COSTS MINUS TRAVEL:	337,700.00
MARKETING START UP:	25,000.00

NET REVENUES/PROFIT (LOSS): (83 ,100 .00)

SCENARIO #3

The following cost/revenue projections reflect projected real expenditures , regardless of which organization(s) fund the various **components**.The marketing budget of \$100,000 is used in this scenario.

@ 100%OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$699,000.00
TOTAL COSTS MINUS TRAVEL:	433,400.00
MARKETING PROGRAM:	100,000.00
NET REVENUES/PROFIT (LOSS):	165,600.00

@ 40% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea):	\$279,600.00
TOTAL COSTS MINUS TRAVEL:	337,700.00
MARKETING PROGRAM	100,000.00
NET REVENUES/PROFIT (LOSS):	(158 ,100.00)

14.4 START-UP COSTS

The following possible expenditures were considered in the case of Arctic College. As illustrated, the conventionally expensive capital expenditures associated with the launch of a new business do not apply, since the facilities already exist.

However there are 'opening expenses' which will require funding prior to the operations of the summer school and any generation of revenues. The minimum funding commitment required to open the project is approximately \$47,820. - without any marketing funds.

Capital Expenditures:

-improvements: painting, decorating, fixtures, equipment

Opening costs:

licences, utility and tax deposits	\$	N/A	
accounting, legal, professional fees		N/A	
accounting system and forms "		10,000.00/year	
stationery and office supplies		500.00/year	
insurance		5,000.00/year	
hand-outs and give-aways (within costs of sales)		? (N/A?)	
		?	
SUB-TOTAL :	\$	<u>15,500.00</u>	YEAR

Opening Inventory costs :

- initial inventory of food & facilities (\$40/visitor x 50 x 14 days)	28,000.00	X
- reorder reserve	N/A	

(OPTIONAL)

Opening cost of Sales:

a) no marketing costs	o
or	
b) modest marketing costs	25,000.00/start
or	
c) comprehensive program of advertising and publicity	100,000.00/year

Opening Cost of Administration:

- staff resources for reservations, information, coordination, support. (4 weeks set-up x 6 days x 12hrs x \$15 x 1 human resource)	4,320.00/start
--	----------------

14.5 ANNUAL EXPENDITURE FORECAST

	\$
<u>DIRECT FIXED EXPENSES</u>	
Inventory (food, facilities) costs for 12 weeks (\$40 /guest/day) x 84 days x 50	168,000.00
<u>INDIRECT EXPENSES</u>	
Salaries:	
- 1 instructor: @ 6 hrs/day @ \$30/hr x 5 days/week x 12 wks	10,800.00
- 1 coordinator &/or 1 escort/tour guide: @ 12 hrs/day @15/hr x 6 days x 16 wks (May to August)	17,280.00
- 1 tour hostess: @ 5hrs/day @ \$10/hr x 5 days/week x 10 weeks	2,500.00
- part-time services of secretary/ reservations clerk: @ 2 hrs/day @ 12.50/hr x 5 x 50 weeks	6,250.00
- 8 part-time subcontract staff/ instructors/coaches/leaders: @ 2hrs/week each @ \$30/hr x 12 weeks	5,760.00
- <i>Transportation.</i>	
Operating needs:	
- materials, stationery supplies	5,000.00
- accounting, legal, professional fees	10,000.00
- accounting system and forms	500.00
OPERATIONS SUB-TOTAL 1:	\$226,090.00

*More than
1 instructor
for 100 +
guests*

} duplicate

OPTIONAL:

(Variable) Marketing costs:	
- Annual marketing plan implementation	100,000.00
OPERATIONS SUB-TOTAL 2:	\$326,090.00

CONTINGENCIES

- unplanned expenses @ 10% of planned expenses (sub-total 1)	22,609.00
OPERATIONS SUB-TOTAL 3:	\$248,699.00
or	
- unplanned expenses @ 10% of planned expenses (sub-total 2)	32,609.00
OPERATIONS SUB-TOTAL 4:	\$358,699.00

EXPENDITURE FORECAST, continued.

\$

ADDITIONAL VARIABLE COSTS (per guest):

- Unique Arctic College souvenir
native craft product @ \$30 each
- Travel Tote Bags (with Arctic College
logo and promotional slogan)
@ \$15 each
- Special Entertainment and Handling
(e.g. special banquet, sightseeing,
side trips, extra services)
@ \$50 each
- Incidentals/administrative
contribution to school
@ \$50 each

ALLOCATED COSTS PER GUEST: \$ 145.00

VARIABLE TRAVEL COSTS (per guest)*

- Return air Calgary to Fort Smith
@ \$200 each
- Return air Edmonton to Fort Smith
@ \$240 each

VARIABLE SALES COSTS (per guest)

- booking commissions to trade based on
percentage of package price (eg 10%)
-

14.6 PROFIT/LOSS FORECASTS

The following minimum/medium/optimum forecasts are based on occupancy rates, which:

- a) do not include the Elder Hostel program during 2 of the 12 weeks in summer;
- b) reflect a 5 night/6 day stay at Thebacha College;
- c) presume 100 guests per group staying at the College per week;
- d) include rounding of some numbers.

@ 40% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea): \$279,600.00

COSTS:

a) operating expenses	\$249,000.00	
b) variable expenses (@\$145 ea)	58,000.00	
c) variable travel expenses	96,000.00	← only if 939
d) variable sales costs (10% of a & b)		<u>30,700.00</u>
1. TOTAL COSTS:	\$433,700.00	
NET REVENUES/PROFIT (LOSS):	(154,100.00)	
2. TOTAL COSTS MINUS C):	337,700.00	
NET REVENUES/PROFIT (LOSS):	(58,100.00)	

@ 50% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea): \$349,500.00

COSTS:

a) operating expenses	\$249,000.00	
b) variable expenses (@\$145 ea)	72,500.00	
c) variable travel expenses	120,000.00	←
d) variable sales costs (10% of a & b)		<u>32,150.00</u>
1. TOTAL COSTS:	\$473,650.00	
NET REVENUES/PROFIT (LOSS):	(124,150.00)	
2. TOTAL COSTS MINUS C):	353,650.00	
NET REVENUES/PROFIT (LOSS):	(4,150.00)	

@ 60% OCCUPANCY :

TOTAL REVENUES (@ \$699.00 Cdn ea): \$384,450.00

COSTS :

a) operating expenses	\$249,000.00	
b) variable expenses (@\$145 ea)	87,000.00	
c) variable travel expenses	144,000.00	←
d) variable sales costs (10% of a & b)	<u>33,600.00</u>	
1. TOTAL COSTS:	\$513,600.00	
NET REVENUES/PROFIT (LOSS):	(129 ,150.00)	
2. TOTAL COSTS MINUS C):	369,600.00	
NET REVENUES/PROFIT (LOSS):	14,850.00	

@ 75% OCCUPANCY:

TOTAL REVENUES (@ \$699.00 Cdn ea) : \$524,250.00

COSTS:

a) operating expenses	\$249,000.00
b) variable expenses (@\$145 ea)	108,750.00
c) variable travel expenses	180,000.00
d) variable sales costs (10% of a & b)	<u>35,775.00</u>
1. TOTAL COSTS:	\$573,525.00
NET REVENUES/PROFIT (LOSS):	49,275.00
2. TOTAL COSTS MINUS C):	393,525.00
NET REVENUES/PROFIT (LOSS):	130,725.00

@ 100% OCCUPANCY :

TOTAL REVENUES (@ \$699.00 Cdn ea): \$699,000.00

COSTS :

a) operating expenses	\$249,000.00
b) variable expenses (@\$145 ea)	145,000.00
c) variable travel expenses	240,000.00
d) variable sales costs	
(10% of a & b)	<u>39,400.00</u>
1. TOTAL COSTS:	\$673,400.00
NET REVENUES/PROFIT (LOSS):	25,600.00
2. TOTAL COSTS MINUS C):	433,400.00
NET REVENUES/PROFIT (LOSS):	265,600.00

● *****

The foregoing treats all expenses as if they were fixed on an annual basis, inflexible, and minimum. However, for every scenario it is possible to reduce elements within each expenditure category based on actual consumption of services/products and thereby increase net revenues.

MARKETING PLAN

15.0 MARKETING PLAN

15.1 INTRODUCTION

The launch of a new initiative requires significantly more resources during the start-up period (one to three years) than are required to maintain a well-established business.

The marketing plan reflects this and identifies ways of scaling costs in future years, as experience is gained and results analyzed.

The following plan is designed to provide Arctic College and Fort Smith with a basic complement of marketing resources and tools to effectively develop the client base of a summer school. The plan also includes an allocation in order for the College/Fort Smith to take advantage of new opportunities as they arise throughout the year. These would always be prequalified as supporting the goals and objectives of the business plan and demonstrated as providing incremental benefits to the local economy.

The budgeting process is 0-based and within the scope of a limited facility and operating capacity.

In addition to the marketing initiatives which Arctic College, Fort Smith would undertake, the summer school program would be jointly marketed through the resources of other public and private sector organizations. In this manner, the maximum potential effectiveness of market development would be realized.

15.2 GOALS

By increasing the use of excess capacity at the Thebacha Campus during the summer season, revenues and benefits will be generated for the entire Fort Smith community and surround area.

The summer school will:

- a) Increase the volume of visitors to Fort Smith;
- b) Increase the revenues generated for businesses in Fort Smith;
- c) Disperse economic benefits throughout the community and other proximity communities;
- d) Create employment;
- e) Offer labour skills development and training opportunities; and
- f) Offset some of the fixed operating overhead of Arctic College.

15.3 COMMUNICATIONS TARGETS

There is a mix of groups and categories of publics which will require information, orientation, the development of positive attitudes and support for the summer school project. The following comprise the various groups/communications targets for Arctic College/Fort Smith:

- * Regional & Territorial publics (businesses, resident population, politicians, government)
- * Target markets and market segments
- * Trade groups (services, businesses outside area)
- * Tourism, Special Interest, Business Media
- * Retail Travel Trade (Agencies)
- * Influential affiliate clubs and organizations with the ability to set trends.
- * Tourism industry operators and associations.

All of these require a minimum level of information and the development of support for the summer school. In order to achieve the necessary support, communications will have to be regular, consistent and reinforcing.

For example, a regular newsletter to the trade groups outside the territorial area should acknowledge their individual and collective contributions to the progresses and successes of the summer school, while soliciting their continued support and assistance. The same newsletter could also be sent to the other business groups and include their particular information and 'feedback' interests.

The target market areas and various market segments also require a regular program of communications and marketing activities. Again, all should be mutually reinforcing for maximum impact and sales results.

The primary target markets for the summer school of **Thebacha** College are **predominantly** concentrated in the following:

- * Special Interest Groups/Clubs
- * Wholesale Travel Trade (Tour operators, packagers)
- * Corporate Meetings and Incentive Travel Planners
- * Business Travelers
- * Academics

Secondary target markets include:

- a) General Tourists
- b) General Public, and
- c) Elders

The initiatives proposed will support the marketing requirements of all of these market categories.

All of the target markets mentioned earlier can be further segmented according to special interests or characteristics, such as geography. All require special product development, communications, marketing in order to develop a sound tourism client base. However, since each market segment is well defined and can be efficiently penetrated, the most effective marketing approach will involve the most direct methods and initiatives.

15.4 MARKETING APPROACH

As discussed in the business plan segment, the launch of a summer school at Thebacha Campus is contingent on its ability to generate incremental net revenues for the college and for the community of Fort Smith. The marketing approach proposes to use the most efficient and effective means of generating revenues for the college, through a lean but highly targeted mix of activities.

Every activity should be results and response oriented. All communications and marketing activities will therefore include response and lead-generating mechanisms in order to shorten the "selling"/reservation process as much as possible.

All marketing activities should also be consist in presentation, image, and communications messages with every element complimenting and reinforcing all others.

The activities are organized according to the following categories.

- a) Consumer Initiatives (targeted to those specialized market segments which have the best potential for generating incremental revenues to Fort Smith);
- b) Marketing Aids;
- c) Travel Trade Initiatives;
- d) Distribution/Network Initiatives;
- d) Community Business Initiatives;
- e) Media Relations Program;
- f) Public Relations Program;
- 9) Research and Evaluation.

These initiatives will form a complete, coordinated plan which will dovetail with and obtain maximum benefits from the marketing activities of other organizations such as the Government of the Northwest Territories, tourism associations including the Big River Tourism Zone. It is important that all product and market development resources available through alternate channels be optimized through cooperative and reinforcing actions.

Whenever and wherever it is appropriate to do so, information and marketing initiatives should be imbedded in those of these alternative channels (e.g. in TravelArctic media campaigns).

15.5 MARKET DEVELOPMENT OBJECTIVES AND STRATEGIES:

The market development work will:

- a **Create impact on the best potential target markets by:**
 - deliberately marketing to well defined and specialty market segments which have the highest potential to generate revenues for Fort Smith;
 - developing a strong identity and position in the marketplace;
 - providing superior and customized services on demand;
 - emphasizing differentiation of programs, services offered as well as geography and culture;
 - maximizing return-on-expenditures by leveraging as much resource assistance and contribution as possible from appropriate partners;
 - obtaining maximum benefits from the product and market development initiatives of organizations such as the Government of the NWT, the EDA and from within the private sector.

a **Establish and develop market share by:**

- taking advantage of market development opportunities as they arise;
- emphasizing the unique positive attributes, benefits and advantages of visiting the Fort Smith community and area;
- harnessing the support, assistance and collaboration of important business or government organizations, brokers, travel trade operators, and others who can package, promote and sell the attributes of the Thebacha College summer school and Fort Smith to a select clientele;
- trade "fatigued" client lists with "compatible competitors", such as tour operator selling similar sessions in China, corporate incentive travel planners.

c) Generate highly qualified leads for **Thebacha** College and the Businesses of Fort Smith to convert to sales by:

- ensuring that all marketing initiatives include mechanisms to generate orders/sales/reservations;
- responding to leads and enquiries received from other sources such as the Government of the NWT, tourism organizations, etc.

d) Stimulate the local and **surrounding** economy of Fort Smith by:

- generating sufficient incremental revenues through the operation of a summer school that reinvestment in upgrading businesses and services is encouraged;
- developing more labour force skills and involvement in the tourism and service sector of Fort Smith amongst the residents.

15.6 GENERAL TRAVEL PATTERNS

90% of all current visitors to the Fort Smith area are from Canada. Most visitors travel by road and many pass through Fort Smith as a gateway to more northern destinations. Wood Buffalo National Park is a significant attraction which generates strong visitation rates for Fort Smith.

Alberta and British Columbia are the biggest source of Canadian road travel, with Ontario accounting for the largest proportion of air traffic to Fort Smith area. Visitors from the U.S. account for approximately 13% of all road travel and 9% of air travel.

The average travel party size is 1.8 and spends approximately \$565 over about 10.1 days.

In general tourism terms, the primary development markets are Western Canada, Mid Western U.S., Central U.S. and California.

Secondary markets include North Atlantic States, Central Canada (Ontario), Arizona.

General travel patterns are highly significant since they indicate the overall location and behavior characteristics of broad potential tourism markets. They also determine the market locations of narrow specialty market segments with the highest propensity to travel to Fort Smith as part of a summer school tourism program.

These geographic markets are to be targeted through marketing.

STRATEGIC MARKETING PLANNING

16.0 STRATEGIC MARKETING PLANNING - OVERVIEW

With the assumption that Arctic College decides to proceed with the development of a tourism/summer school, an effective marketing campaign will be required to generate the required sales. This campaign should be designed on a solid foundation of strong planning and the identification of the specific tools and activities which will produce the best results.

These specific tactics can only be detailed once the college makes the decision to proceed. It must then identify the particular features of the undertaking from the various options which have been described in this document.

By analyzing the various characteristics of the undertaking, resources can be directed to produce the most efficient project. For example, the college may chose to have all functions performed 'in-house' through existing college resources. Or, selected functions could be contracted out to specialists to cut down costs as well as increasing efficiency.

Specific marketing activities could be executed entirely by Arctic College. However, by leveraging cooperative funding, resources and joint-programming with other organizations, the marketing effort will be much more effective. "Partnership" arrangements with key suppliers (tour operators, wholesalers) will optimize existing resources and diminish the requirement for new/additional resources.

The marketing planning process reflects a comprehensive documentation of the requirements of Arctic College, and Fort Smith in order to develop and maintain a viable summer school which achieves the defined goal. It is structured on a zero-base budget and covers a time horizon of three years. It presumes that modification and fine-tuning will occur as a result of annual reviews and impact evaluation.

The main challenge of the college will be market entry - then, development.

The Northwest Territories is generally unknown as a geographic location, let alone as a tourism destination. Fort Smith and the College are also not known. Therefore, the marketing process will involve ensuring that knowledge is created about the destination as well as motivation to visit.

The following describes a direction setting process, which outlines optimum results and strategies for the College.

16.1 MARKETING GOALS

From a marketing perspective, the following goals have been identified:

1. To support the establishment of a viable summer school at **Thebacha** College which generates maximum benefits for the Fort Smith area in economic and social terms.
2. To contribute towards optimum utilization of school facilities and community services within five years.
3. To encourage and facilitate the participation of a larger proportion of the local population, particularly native residents in the tourism industry.
4. To reinforce the linkages and synergy between the Fort Smith community tourism businesses, unique native culture, arts industry, parks and recreation and the **Thebacha** College summer program in all marketing.
5. To implement an annual research and evaluation process relating to the marketing, which addresses economic and environmental factors, product/ market opportunities, for the benefit of the community and the college.
6. To develop a minimum level of brand recognition in very specific target market segments of 'Arctic College/Fort Smith' within five years.
7. To develop strong recognition of the summer school program in target markets (market positioning) which is oriented to high-quality intrinsic values: uniqueness, nonpre-emptable, setting, service, style, drama, romance, exclusivity, lifestyle, status.
9. To develop a strong repeat clientele in cooperation with the tourism industry and associations of the zone and Northwest Territories.
10. To maintain strong flexibility with which to accommodate changing conditions, through a modular approach.

16.2 DEVELOPING A CLIENT BASE

The market size and potential for a viable summer school at **Thebacha** campus is much larger than previously anticipated, particularly in the United States. There is a much **smaller level** of activity of this nature in Canada.

The entire market size for each product category proposed for the summer school is undergoing tremendous growth and is likely to continue to increase for some time. In this case, the main tactic recommended for Arctic College is "brand-switching", offering a strong opportunity to gain trial customers and foster long-term repeat business through excellence of service.

Cannibalizing market share from competitors should be more than customarily successful, if the products are positioned as truly exotic and, because the summer school is brand new.

16.3 MEDIUM TERM OBJECTIVES

The following medium term objectives reflect the marketing goals:

1. To increase the aggregate number of visitors to Fort Smith by at least 1700 over three years, in cooperation with the private sector and associations. This represents an annual increase of 400 in year 1; 600 in year 2 and 1000 in year 3.
2. To provide a role model, support, advice, assistance and real work experience to facilitate an increase in the proportion of the native people and local residents in the tourism industry.
3. To increase the economic benefits of tourism throughout the Fort SMith area.
4. To foster target market awareness of and positive perceptions/attitudes towards the unique native culture, arts and social dynamics of Fort SMith area.
5. To establish an annual research/evaluation process by the third year, which provides complete analysis of results of marketing activities to assist the community of Fort Smith in tourism business planning.
7. To develop finely tuned program formulas based on activities results over three years and increased market research output.
8. To achieve significant brand recognition, a unique positioning and a sound repeat clientele.
9. To cooperatively generate highly qualified consumer enquiries for the community to convert to actual sales.

16.4 MEDIUM TERM STRATEGIES: 1986-87 TO 1988-89

The following strategies are recommended to achieve the program objectives.

1. Increase the number of visitors to the NWT by:
 - a implementing a fully integrated marketing plan annually which aggressively develops the highest potential markets, secondary markets and also builds long term overseas markets; which includes,
 - b implementing a comprehensive travel trade program with the best potential organizations in North America and overseas;
 - c) implementing a rigorous media relations program annually; and
 - d) implementing a strong public relations program for all target markets, and particularly influential organizations.
2. Provide assistance to increase tourism participation by residents of the Northwest Territories through:
 - a) counselling, advice and support;
 - b) direction and information, including research;
 - c case histories, if available and appropriate; and
 - d lectures, presentations and workshops.
3. Increase the economic benefits of tourism to new regions, particularly smaller communities by:
 - a providing increased marketing exposure to these communities and areas; and
 - b) providing disproportionate support to offer these regions an advantage over existing established tourism regions.

4. To develop target market awareness and positive attitudes towards the unique cultural attributes of the Northwest Territories by:
 - a) ensuring that these attributes are highlighted whenever appropriate and included in all tourism marketing initiatives; and
 - b) implementing cooperative initiatives with appropriately affiliated organizations (native art, parks, wildlife, etc.) to leverage additional impact and effectiveness in the marketplace.
5. To establish a systematic annual research program by:
 - a) defining a standard complement of research needs for TravelArctic and the NWT tourism sector; and
 - b) allocating appropriate human and financial resources to deliver and manage the program; and
 - c) defining an appropriate organizational structure which facilitates the needs of the research clients.
6. To create incremental impact on best potential tourist consumer markets by:
 - a) aggressively carving a unique, non-pre-emptable position in thoroughly defined target market segments;
 - b) delivering a high "saturation" campaign in the best potential target market segments for strong brand name development, recognition and marketplace acceptance;
 - c) using techniques of horizontal and vertical market integration to gain maximum visibility, motivation and conversion to tourism sales;
 - d) using leveraging techniques wherever possible (cooperative funding/programming, co-scheduling of government and industry advertising, joint-programs, etc.) to maximize penetration and results; and
 - e) to ensure that a strong corporate identity is promoted consistently and insistently throughout all TravelArctic communications activities, and that the same be incorporated by industry wherever possible.

7. To develop successful program formulas by:
- a) ensuring that program design and content is based on the best market research available; and
 - b) building a measurement and evaluation process which provides various management information:
 - benchmark research
 - creative research
 - media research
 - list research
 - package offer testing
 - product testing
 - market segment research
 - timing/scheduling testing
 - motivation studies
 - recall tests
 - tracking studies
 - qualitative and quantitative measurement data.
- a. To achieve significant brand competition and unique product positioning on a global basis by:
- a) repositioning NWT tourism products to match highest potential target markets which are not affected by the historically perceived barriers of "product", "price" and "access";
 - b) emphasizing unique aspects in intrinsic values:
 - exotic, adventuresome, status, lifestyle, drama, romance, exclusivity, style, setting, highly personalized service, mystical, lifetime event, legendary, the "top of the world"; and
 - c) harnessing the support and cooperation of leaders in collateral industries, such as Canadian and American sporting goods manufacturers, outdoors products catalogers, philanthropic societies interested in history, culture, arts, unique civilizations, etc. and world-reknowned galleries and showplaces.
9. To cooperatively generate highly qualified consumer enquiries for the industry to convert to sales by:
- * ensuring that all marketing and communications activities include a contact address and phone number for more information and/or reservations.

16.5 TARGET MARKET CATEGORIES

In order to most effectively achieve the revenue potential which the summer school offers, a range of market segments will have to be addressed. These segments, predominantly located in the United States, comprise specific categories.

Arctic College's market categories include the following :

- * Special Interest Groups/Clubs
- * Wholesale Travel Trade (Tour operators, packagers)
- * Corporate Meetings and Incentive Travel Planners
- * Business Travelers
- * Academics
- * Tourism, Special Interest, Business Media
- * Retail Travel Trade (Agencies)
- * Influential affiliate clubs and organizations with the ability to set trends.
- * Tourism industry operators and associations.

The following mini-proposal offers an avenue to pursue the development of these segments in a concerted and consolidated manner. The proposal has been imbedded in this document for the convenience of the review committee of Arctic College, at the request of the client.

17.0 MINI- PROPOSAL

TO DESIGN AND DEVELOP
A SUMMER SCHOOL/TOUR PROGRAM
FOR ARCTIC COLLEGE
AND TO NEGOTIATE SPECIFIC SALES **AGREEMENTS** .

17.1 INTRODUCTION

This year, our firm completed business development research on behalf of the Fort Smith Chamber of Commerce, for the development of a summer school at the Thebacha Campus of Arctic College. The following is a proposal to undertake work and services which would capitalize on the findings and results of this research.

The major conclusions of the research were that:

- a) there exists a significant, sizable and lucrative market in the United States for tourism which is education-based or uses educational facilities during the summer season; and,
- b) Arctic College has the unique opportunity of 'cornering the market' in Canada by using its excess seasonal capacity to stimulate incremental local economic benefits, as the first educational facility in Canada to offer a thorough tourism-based program throughout the summer.

Subject to a decision by Arctic College to proceed with this project, a financial commitment of about \$50,000 Cdn would be required to cover 'opening' costs. A further commitment of resources would be needed to support marketing efforts. ✓

The potential net revenues (profits) for the College have been calculated in excess of \$265,000 Cdn. -- with additional indirect economic impacts on the local community of more than \$200,000 Cdn, if each visitor only spends an additional \$100. during the stay.

These net revenues can be used to offset College operating overhead, additional capital expenses, special projects, equipment costs, etc. The economic spin-offs to the community may be significant - particularly if the actual expenditure levels are several times that quoted above.

The overall assessment of potential for this project is extremely positive.

- The initial outlay of capital is small (-20%) compared to return-on-investment. The costs per sale are only incurred when the sale is guaranteed - eliminating any exposure to expenses which cannot be controlled. The potential to recover expenses and contribute to net revenues is confidently strong.

- A certain proportion of human resource requirements can possibly be available in current staffing.

The proposed assignment entails the next requirement to effectively capitalize on the identified opportunities and to ensure the most rapid development of "total Occupancy - maximum utilization of Arctic College facilities at Thebacha Campus throughout the year.

17.2 THE ASSIGNMENT

The objectives of the assignment would be to:

- a) identify the framework, product design and package base for a summer school (tourism-based) at the Thebacha Campus of Arctic College;
- b) to exploit opportunities to develop similar uses of Arctic College facilities at other campuses (e.g. Inuvik, Iqaluit), and,
- c) to undertake the negotiations of specific sales/packaging agreement opportunities for the summer school at Thebacha campus.

Each of these objectives would be addressed and achieved in an integrated approach and comprehensive process.

17.3 ORGANIZATION OF ASSIGNMENT

The work tasks involved in this assignment would be executed in tandem to take advantage of opportunities, efficiencies and to ensure access and entry into the marketplace within strict timing restrictions. The matching of the finished product offering to the market's planning cycle, at the correct time will result in sales for 1989. Without immediate action, the planning period of the next 90 days in the marketplace will be lost and the earliest season available will be 1990.

The following describes the tasks and work involved.

I) TO **DESIGN** AND DEVELOP A **SUMMER** SCHOOL/TOUR PROGRAM FOR ARCTIC **COLLEGE** CAMPUSES

This segment involves designing a specific and detailed program to maximize utilization of Arctic College facilities through a summer school tourism program. The design, packaging and selling of tourism packages would be specifically based at the Thebacha campus in Fort Smith as a priority, with consideration for including Inuvik and Iqaluit Campuses as pre- and/or post- tour destinations.

Program design would take into account factors such as:

- market appeal and knowledge of destination,
- available capacity, length of stay,
- College mandate and services, special products/courses to heighten the differentiation,
- local tourism attractions, industry, services
- incremental revenue generation instruments and components,
- tour pacing, routing, corridor access,
- competitive pricing,
- compartmentalizing of visitor interests/tour objectives,
- target market segmentation,
- marketing requirements, marketing design and implementation needs,
- consortium building and target joint partnerships,
- financial demands,
- operational structure.

The result would be the preliminary design of appropriate summer school tours from primary target markets.

II) NEGOTIATIONS OF SPECIFIC SALES/PACKAGING AGREEMENT WITH A MOTIVATED TOUR OPERATOR.

The travel trade and educational markets are both in the midst of preparing their itineraries, operational plans and budgets at this time for the following 12 months. This is the most opportune time to enter these markets to 'fill' the College's excess summer capacity and generate addition tourism revenues for the Fort Smith area.

In order to effectively market the summer school concept, it would be most advisable to develop key supplier agreements with a tour packager who is pre-qualified as having well-defined areas of specialization which match those offered by the college and the Fort Smith area. Also, the marketability of back-to-back packages should be examined which would include both the Thebacha and Inuvik campuses in one excursion. Other pre- and post- tour opportunities would be examined and developed (e.g. Iqaluit).

Negotiations would be undertaken in the marketplace to identify and motivate well-qualified tour packager/operators to undertake the marketing of the summer school program at Arctic College. The result of these negotiations would be the delivery of a proposed agreement for Arctic College to consider for the sale of all excess capacity in the next summer season: 1989.

The level of interest in packaging Arctic College in the marketplace by a specific tour operator and also the level of interest in taking on/assuming the marketing role for the college would be proven through the delivery of a preliminary agreement of undertaking from a tour operator.

Also, rather than work with several tour operators concurrently to fill the College's capacity, it is proposed that we develop a thorough sales/marketing program agreement and relationship with one tour packager/operator for Arctic College. As part of the negotiations objectives, the principle trade operator will be responsible for not only marketing the program through the travel trade (e.g. other tour operators, wholesalers, retail agents) but also to the various high-potential consumer market segments.

By concentrating efforts with one operator, this will offer the most abbreviated time option for getting a well-designed program into the marketplace. This will not only facilitate good product design, evaluation and testing, but it will also ensure that the best quality overall summer school tours are delivered with the best potential for lucrative stimulation of the NWT economy - all on an as-soon-as-possible basis.

A highly-qualified and dedicated tour operator, for whom there are tangible prospects for recovering significant front end investments, over an appropriate period of time will be more easily convinced to make the major in-market investments of resources and work.

This would be diminished, diluted and potentially not saleable to an open competitive arena. Since the Arctic College program will offer a relatively small number of tourist prospects on a global scale (e.g. >< 1200 per 10 weeks), it will be considered a minor tourism option and therefore will require a highly concentrated effort in order to achieve optimum results.

Market develop for 1989 has to take place immediately: it is imperative that the Arctic College summer school/tour program be finalized within weeks and be launched into the marketplace this fall. Competition from other destinations is fierce and all-sales planning will be completed by the travel trade by mid-fall for next summer. The marketing of the program will of necessity also be multi-faceted and therefore require design, development and production time which appropriately mirrors the travel traders planning process.

This would ensure that the maximum additional revenues are stimulated for the next summer season, through "pre-bookings".

17.4 **EXPECTED RESULTS**

The objectives of the project would be enhanced. In addition to specific agreements to be reached for sales and marketing, this process would result in the development of product offerings and itineraries, whose scheduling and operations would be endorsed by Arctic College.

Meanwhile, the costs of program introduction to the marketplace and the product trials would be greatly reduced. The marketing process would be significantly strengthened, based on the expertise of a seasoned professional tour packager who specializes in appropriate market niches. Lastly, the market entry time would be collapsed so that Arctic College would fill capacity next year.

Briar International would screen, negotiate and cut preliminary deals, on behalf of Arctic College, with tour packagers, wholesalers and other travel trade; promotional and media properties; marketing networks; retailers; Canadian and American private sector partners; etc. to achieve the biggest impact possible in terms of sales conversions in the next season. (All agreements subject to final authorization by Arctic College.)

Product areas which will be examined as a priority include:

- Educational programs (credit courses)
- Cultural/historical programs
- Recreational programs
- Outdoors and Survival Programs
- Hunting Safaris (controlled program)

In addition to the above, this assignment would identify any new opportunities for Arctic College.

17.5 **TASK ASSIGNMENTS**

Specific details of work would be developed in conjunction with the client. However, we would envision the following tasks as part of the project:

- negotiations and meetings with high potential packagers;
- negotiations and meetings with high potential influencers, such as educational market administrators, special interest club presidents (Us. National Restaurant Association), group leaders (Safaris), key media reporters, publishers, editors, major private sector partners (airlines), etc.
- special promotional briefings, presentations, receptions for travel trade and key influencers;
- arrange familiarization trips (e.g. perhaps concurrently with Elder Hostel Program) and site inspections;
- design and develop tour itineraries and tour routings;
- design and test packaging, pricing;
- design and test marketing.

As indicated, all work and work details would be subject to client direction, input, feedback and authorization.

17.6 TIME-TABLE AND COSTS

*All work is to be performed A.S.A.P.

*Reporting of status by phone, facsimile client status reports etc.

*preliminary costs, phase I : \$ 9,900

preliminary marketing costs: \$25,000

Out-of-pocket expenses extra.

*Marketing costs: based on minimum pilot test requirement (as described in report) for brochures, direct mailings, reservations process, presentations, etc.

APPENDICES

FIRM BACKGROUND

As part of the business development research, our firm contacted virtually everyone in the industry in North America who is involved in specialty tourism packages. As a result we have a fairly accurate assessment of which organizations would have varying levels of interest and which ones could develop an increased interest with customized marketing and knowledge building. With this background, we would be able to quickly verify previous information and obtain more precise and particular information and feedback that would be sales oriented.

This knowledge will enable us to target the best potential packager/operators and quickly qualify and recommend one with whom the college would have strong potential success.

The strength of BRIAR INTERNATIONAL BUSINESS RESOURCES LIMITED is as a multi-disciplined management services company with the experience and expertise to conduct indepth market research on an international scale. Dedicated to effective research, analysis, evaluation, and strategic business development for our clients in Canada and around the world, we would be very pleased to assist Arctic College in achieving its business development objectives.

Our customized approach emphasizes the development of strengths and inherent opportunities which may currently exist within a region, as a basis with which to build a solid framework for future development.

Briar International has achieved significant results through strong negotiations skills for other clients, resulting in leveraged impacts several times greater than direct expenditures. We would be most pleased to provide you with the appropriate referrals upon request.

● *****

In respect of the above, we would be pleased to submit additional information upon request. Meanwhile, we thank you for your consideration of our recommendation and we look forward to hearing from you in the near future.