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***Northwest Territories Tourist And Recreation  
Overview Study - The Potential Development  
Of Inclusive Tours To The Northwest  
Territories***

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Bureau***

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NORTHWEST TERRITORIES TOURIST AND  
RECREATION OVERVIEW STUDY - THE  
POTENTIAL DEVELOPMENT OF INCLUSIVE

Sector: Tourism

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Analysis/Review

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NORTHWEST TERRITORIES TOURIST AND RECREATION  
OVERVIEW STUDY

The Potential Development of inclusive Tours  
to the Northwest Territories

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April, 1971.

In Canada, the vast bulk of our current market is, and will probably continue to be, the direct consumer from the United States -- those who come **in** a private car with their family. In analyzing this, it is necessary to recognize the percentage of the total tourism revenue to the Territories, derived by the Territories from each type of tourism. Generally, there should be a direct relationship between the amounts of money **spent in** further developing a market, and **it's** importance in the total pattern. It, therefore, cannot be arbitrarily stated that the Northwest Territories must delete direct consumer promotion, publicity and **advertising** and concentrate exclusively on the trade.

The trade market, or the whole field of selling a tangible product to the consumer through a sales outlet somewhere outside your market area **is going** to take considerable time to develop. The Northwest Territories cannot expect to go co-operatively into a given area with the trade, the Canadian Government Travel Bureau, other provinces, and the carriers, and immediately generate a series of tours that will match what your traditional market of campers, hunters and fishermen now produce. Moreover, it can be expected that the traditional market will remain and probably increase in the years ahead.

Considerable thought must be given to future activities within the general framework of what your budgets are going to be for the whole field of promotion, publicity and advertising. It is felt, however, that the trade outlets, particularly in Canada and the United States, offer the greatest potential for increased business in monetary terms, but not necessarily in **the** number of visitors. It **is** generally agreed that a

person traveling in his own car with his family is less likely to use the tourist services and facilities of a given city, area or region than the person who comes in on some form of package tour which is all prepaid. The latter type of visitor uses the services and facilities of guides, buses, prepared food and accommodation. This creates a far greater demand for a more sophisticated plant and associated service industries. The average automobile traveller is happy with campgrounds or trailer parks. He spends less money per person per night than the average person coming to an area on a package tour.

In summary, it is felt that a greater proportion of the total promotion budget should be spent by TRAVELARCTIC in direct relations with the trade, but **not** to the detriment of the traditional consumer market of the Northwest Territories. In effect, what is really required is not a diminution of the current budget for consumer promotion and advertising, but its maintenance coupled with an increase in expenditures for activities geared towards the trade.

Basically those agencies involved in the promotion of tourism, are faced **with** continually increasing costs. The cost of advertising, publicizing, promoting, printing and distributing brochures, and even the efforts to analyze the results of all these activities are steadily mounting.

The big advantage that you have in promotions to the trade is that it is becoming more evident to everyone involved, that they can get the best results by doing it co-operatively.

2. Jurisdictional Marketing Promoters and the Potential for Co-operative Action

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The specific marketing strategies that TRAVELARCTIC has developed or might develop in the future, should be based primarily on their own priorities. The general development of what they consider to be their most effective market areas and the initiation of specific activities that they desire to direct to key promotional outlets in the trade is their basic decision. This, from a national perspective, might be termed as "regionalizing the promotion", a process that is the direct responsibility of TRAVELARCTIC.

It is the responsibility of the Office of Tourism and, particularly, the Canadian Government Travel Bureau to promote tourism to Canada and also within Canada, since the Bureau is now involved in the promotion of domestic travel. There are obviously specific market areas which are of prime interest to Canada and these set specific priorities and objectives for federal programs relating to the travel trade.

The opportunities, and hence the most logical priorities, of TRAVELARCTIC and the Office of Tourism may differ to a considerable degree, due to the geographic prospective within which each must' operate. There are things that each of us can do alone, in meeting these individual responsibilities.

It is equally true, however, that there is an area of mutual interest and benefit. Here there are possibilities for co-operative programs,

strategies, and priorities that suggest that joint action on the promotion and development of tourism to and within Canada will be beneficial. This takes many forms including co-operative advertising, co-operative consumer promotion, co-operative travel trade promotions. Moreover, these are opportunities of importance for co-operative action involving more than one provincial or territorial travel office, in conjunction with the Office of Tourism in a promotion or development program for a region of Canada.

While all provinces and territories are, on the surface, competing for the same travel dollar, be it American, Canadian or Foreign, it is becoming more and more evident that the promotion of Canada will be most effective on a regional basis. In effect, if the major interest of a market area is in Western Canada it is not expedient, on the whole, to attempt to promote the Northwest Territories in this market as a final or primary travel destination. It is more logical to attempt to sell the Northwest Territories on the basis of "See the Rockies and come North" or "See the West Coast and the Territories".

A co-operative working relationship should be developed between the Provincial Governments and the Northwest Territories because they must eventually become involved in the proper and effective promotion of a whole region of Canada. The provinces may form a destination within a domestic travel market, so that Alberta, for example, might say "50% of all our business comes from the Province of British Columbia". Obviously they will

spend a proportionate amount of their publicity and promotional funds and efforts in that area. On the other hand, a certain percentage of their total market comes from areas outside British Columbia that likely includes the Northwest Territories, Saskatchewan, Manitoba and Ontario as well as specific areas in the United States. The same would be true of British Columbia where a percentage of their visitors come from provinces other than Alberta.

While there is direct competition for the specific travel dollar, co-operative promotion efforts, directed towards both the consumer and the travel trade, can be highly effective. If resources and efforts are pulled towards a common goal everyone involved in such co-operation benefits in the long run. This has been proven by the co-operative promotions of the C.G.T.B. with the carriers abroad, with the operation of the familiarization tour program for a fraction of the total cost involved, by individual effort the C.G.T.B. can get the same kind of coverage for Canada as a travel destination as the commercial interests do or the provinces or municipalities.

3. Functional Relationships between TravelArctic and the Canadian Government Travel Bureau relative to the Promotion of the Travel Trade

Attention is directed to the manner in which the Bureau has organized to face this problem, and what the Bureau views as some of its priorities. As this theme is developed in summary fashion, many opportunities and, indeed, requirements for co-operative action between the Federal, Territorial and Provincial Governments, and also the municipalities, carriers, and trade outlets will become evident.



The total program of C.G.T.B. can be broken into four basic elements, namely:

- (a) Group and Individual Familiarization Tours
- (b) Travel Trade Promotions
- (c) Travel Trade Relations and Sales Development
- (d) Promotion of Canada as a Convention Site

(a) Group and Individual Familiarization Tour Program

The operation premise or basic rationale for the program of group and individual familiarization tours can be simply stated as follows.

If Canada is to have the benefit of a salesman, or an arbiter of travel, to effectively promote and sell our product, he must first know his product. In essence, this program is designed to bring key tour operators, wholesalers and travel agents to visit Canada to see at first hand its attractions, tourist facilities and services, including the whole broad spectrum of the components that go into the preparation of a package tour. Those on the tour have an opportunity to accomplish several things during their visit in Canada. They can make a personal analysis of what we have available, and can relate this to what they feel can be marketed in their specific merchandising area, be it in the United States, France or Australia. Secondly, they can establish personal contacts with people in the industry across Canada, administrators in the Federal, Provincial and Territorial Governments and the local, regional, national and international carriers,

**railway companies**, U-drive operators, hotels, and motels. Considerable follow-up is undertaken by our offices in the field and **by those** of the carriers to ensure optimum development of potential tour traffic, either to a specific region in Canada or to Canada as a travel destination.

Hopefully, after establishing the aforementioned contacts, they are able to go home and say, "Well I've seen this particular part or region of Canada" or "I have seen a broad overall view of what Canada has to offer". Now if I, as an agent, am interested in developing a new market, I can now get down to specifics.

Given some general contacts there are several ways that the agent can proceed. He can visit the local **C.G.T.B. office** in his home area, be it Cincinnati, Frankfurt or Sydney, and get assistance in the development of an itinerary for any type of a tour, be it a general interest or more specialized or special interest tour of businessmen, cattle breeders, mink ranchers, etc. Subsequently in co-operation with the key carrier from his area into Canada that would automatically become involved in the development of this program including it's promotion, publicity and ultimate sale, he would put together the package tour.

This Group and Individual Familiarization Tour Program, almost without exception, is carried out on a co-operative basis and is initiated by the **C.G.T.B.** in consultation with its field offices and the major Canadian carriers in the area. The financial involvement is basically undertaken by the **C.G.T.B.** with very intensive support by the carriers and

at the **present time**, comparatively limited support from the provinces and municipalities.

It has become increasingly evident over the past four years that our development of Canada as a travel destination will have to be broadened into the development of Canada as part of a North American destination concept. The average tour operator or wholesaler from countries outside the U.S. is more interested, and obviously can hope for far better returns, if he can market a region of North America rather than Canada as a basic destination. The **C.G.T.B.** for this reason is now exploring the possibility of establishing closer working relationships with the U.S. Travel Semite for the development of regional North American tours. **In** this case, group familiarization tours would be undertaken again on a co-operative basis, involving the **C.G.T.B.** , the **U.S.T.S.** , and the Canadian and American carriers. The objectives is the development of quite a different tour than-we've been attempting to promote in the past.

Unfortunately, to date, no group of agents brought to Canada by the **C.G.T.B.** under this program has visited the Northwest Territories. **With** the limited budgets available to the **C.G.T.B.** , the groups brought to date have been limited in number and size. Generally speaking, because of these limitations of both budget and staff, it has been necessary to restrict promotional efforts largely to what the foreign travel agents themselves consider to be the major marketable areas of Canada, and in most cases, these are agents outside the Continental U.S.A.

To date these agents have displayed minimal interest in the Northwest Territories. The bulk of them have not visited the Northwest Territories and hence have not been exposed to opportunities for the development of new tours in their market areas that it may offer. For the past twenty years the tours that they have been marketing to this continent have been essentially **regionalized** tours of North America with Canada rarely featured as a travel destination.

One of the major drawbacks has been the cost of **Trans-Atlantic** transportation, particularly in relation to Canada's major overseas market of Western Europe. Here Canada must compete as a travel destination with other prime destinations where there are much more lenient charter regulations **resulting** in much lower air fares. The development of the package tour market is now 15 to 20 years old and a plant has been developed in many areas at lower costs to meet needs. You can go from Germany to East Africa on a photographic safari for something under \$200 for three weeks. This is based, of course, on the assumption that the tour operator *or* wholesaler is providing his own jet equipment and many of them now own fleets of planes. Many own the hotels, or have exclusive contracts with the hotels in the area, and because they're able to develop mass volume of business, the price goes down. Across Canada, and particularly in the North, while the market is currently in excess of \$100,000,000 a year, this country still represents a very small proportion of the total amount of tourism that comes into Canada, particularly from the U.S. We *are*, therefore, faced with the problem -- "which comes first, the chicken or the egg?".

Do you create the services and the facilities and then develop the demand for the product or do you create the demand first and hopefully develop the facilities and services afterwards?

It is the hope of the Bureau, because it is undertaking a much more concentrated attack on the U.S. trade, without really diminishing our efforts with the overseas travel agents, to place travel promotion officers in the field whose prime responsibility will be the merchandising of Canada directly to the trade rather than to the consumer. This represents quite a shift in the Bureau's operational emphasis in that it is becoming more merchandising oriented towards the travel trade structure in the U.S., which is viewed as possibly having as great or greater potential than the overseas trade market. It is of interest to note that these activities are being undertaken without cutting back on any of the programs aimed at our larger traditional market of potential automobile travelers in the U.S.

The whole premise is, of course, that it is necessary to show an agent or a wholesaler how he can make a dollar selling Canada. The C.G.T.B. believes that there is big potential even in markets like California where the vast majority of people are still driving to Canada, for the development of package tours that are sufficiently attractive to the agent in that he can readily sell them at a profit, comparable to many of the package tours that he is currently selling to Hawaii, Nassau, Zurich, etc.

There are ample opportunities for TRAVELARCTIC to draw substantial benefits from this program through co-operation with the C.G.T.B.

the financial and physical support of PWA to take the group from Edmonton to **Yellowknife**. At this point, TRAVELARCTIC would become involved in the provision of air services within the Territories. This would likely involve scheduled flights, again with the co-operation of PWA and charter operations totally subsidized by TRAVELARCTIC.

This could be quite an expensive proposition if the cost is entirely borne by one government agency such as TRAVELARCTIC. Actually tens of thousands of dollars must be expended to bring ten agents from a variety of market areas in the world to the Northwest Territories, and show them the highlights of the area in an 8 to 12 day tour.

The feasibility of the project therefore, rests in large part upon enlisting the support *or* a number of partners in the venture, all of whom stand to gain.

The Territories must give serious consideration to ways and means of maximizing their returns from their **investment** in an adventure of this type.

The facility for organizing such a tour is not as great in the Northwest Territories as in Ontario, Quebec or Nova Scotia, where the agents might visit four of five key metropolitan centres and during their stay in those cities, be able to meet with the Director of Tourism for the City of Toronto, the representative of Gray Coach Line Sightseeing Company, **the** owner of a prestige restaurant, the managers of the hotel chains to

discuss group rates, discounts, commissions, off-season rates, ~~run-of-~~ the house rates, etc. This is an important part of the educational program in which the agents are given an opportunity, not only to see things first hand, but to meet the key people, that, hopefully, they're going to be doing business with, either directly or through a Canadian contractor who would put the tour together for them.

On an initial effort like this, as proposed by the Northwest Territories, it will be primarily necessary to show the agents the basic elements that are available to them for the development of some sort of a tour. It may be something completely different from the normal general tour which would prove suitable in Southern Canada. Quite obviously the Northwest Territories have problems of distances, facilities, accommodation, feeding and entertaining passengers on a package tour. It is really up to the tour operator, if he is looking for something different and unique, to identify those features such as seal hunt or Eskimo dances which appeal to him, and attempt to develop them.

Advantage must be taken, however, of all opportunities for the agents to meet with local people now involved, or who might become involved at a later date, in physically handling any groups that they might bring into the area. Included in this group are the Chairman or the President of the local Chamber of Commerce, local tour operators or travel agents and carriers. The local travel agent in Yellowknife, for example, might be **interested** in handling a group from New York and making arrangements for sightseeing and accommodation.

Normally, the C.G.T.B. begins the initial planning of these tours approximately nine to twelve months in advance of the event. This is not always possible, but for budgeting purposes it is necessary to have *at least a clear* indication of the type of groups to be brought in; where they **will** be recruited from; where they are going to visit; and how much the operation is going to cost, well in advance.

If the program is supported or initiated by the C.G.T.B. in co-operation with other interested parties, such as the carriers or the provinces, obviously compromises are made in the development of the arrangements. For example, if Air Canada offers free transportation for a number of **German** guests, the C.G.T.B. **can't** say to Air Canada that the agents **will** be taken to Nova Scotia and Quebec, if Air Canada, in that particular market area where the agents operate, know that they stand a better chance of developing a profitable fishing and hunting tour or a tour of electronic engineers to other areas of Canada. In almost every instance, where a number of people are involved in the development of the program, where the Bureau is paying for all the ground arrangements in Canada, it has the final say on how the program is developed. Problems or conflicts are few because generally speaking, the C.G.T.B. have specific areas that **it** knows are marketable in overseas markets.

The C.G.T.B. can alert the Territory sufficiently early to provide adequate lead time for it to make adequate preparations. TRAVEL-ARCTIC must on their part prepare a program for review by the C.G.T.B. , who might suggest that the Northwest Territories should be doing more of this



or less of that because the group is essentially interested in a particular aspect, due to its understanding of the markets abroad and the elements of our plant that are saleable in specific overseas markets.

(b) Travel Trade Promotions Program

The program takes the form of audio-visual presentations and sales seminars produced in Ottawa by the C.G.T.B. , or under contract, by private companies. The Bureau then takes these shows to major market areas.

In the winter of 1969-70, 47 shows were held in 14 European countries. The previous year 16 shows in 4 South Pacific countries were covered. In the winter of 1970-71 the Bureau expects to visit 16 to 20 key American cities with this type of show.

In the past, the format of the show has been essentially educational. The intent has been to show the agents, not only what Canada has to offer them as the promoters and salesmen of international travel, but how they can make a profit. As the presentation attempts to show the agent how the C.G.T.B. can assist him in the development of new business to Canada; to show him the commission structures in hotels; and transportation systems; and the facilities that exist for the handling of special tour groups or the development of new tour itineraries; the methods for the development of contacts and how the C.G.T.B. supports their publicity activities with local direct mail, consumer and trade advertising.

With the shift in the emphasis in the Bureau's operations towards the travel trade, and particularly the travel trade in North America, the basic format of the show will not change. The Bureau will, however, concentrate increasingly on the manner in which the Bureau creates markets for the agent through consumer advertising, direct mail, special consumer promotions, travel trade seminars, and continual contact by travel promotion officers in the field with support from the Travel Trade Relations Division in Ottawa. In effect, it will be basically a merchandising technique that the Bureau will adopt towards the trade rather than an educational promotional technique. The Bureau is, therefore, becoming increasingly involved in the merchandising of the product.

These programs are, to a very great extent, initiated and carried out by the Bureau, usually with one or two major participants, namely, CP Air and Air Canada. To date the Bureau has not been able to enlist substantial support from the provincial governments. TRAVELARCTIC has not been contacted for financial assistance because the Bureau has not experienced a shortage of funds. The major costs in producing this type of a show have been manageable within our own budgets. The cost of taking the show to specific market areas and putting it on in conjunction with hospitality provided to the agents, operators and wholesalers has also been manageable because of participation on the part of Air Canada and CP Air.

The expansion of this program in the U.S.A. without really diminishing the Bureau's other activities abroad will stretch the budget of

the Bureau a little bit in the year to come and possibly for a number of years to come. The Bureau might look for greater participation on the part of the provinces and the territories.

With the change in the format of the show, it is difficult to see a financial or physical role for anyone other than the Bureau in the development or completion of this type of program.

In the previously discussed "familiarization tours" the Bureau needs both financial and physical assistance in bringing these guests to the Arctic. Once they arrive, TRAVELARCTIC must show them around. In this program the situation is different. it's difficult to put together an audio-visual merchandising seminar for travel agents and give each province and territory adequate or equal time on the program when, the Bureau is changing the format from that of a promotional one to a theme combining the promotional aspect with merchandising the product.

(d) Travel Trade Relations and Sales Development Program

Although just recently commenced, it is expected that this will be a very important program in the future.

One of the major problems that the Bureau and everyone else concerned with the promotion of tourism to Canada has been confronted with over the last 15 to 20 years, has been that although Canada has a highly marketable product, there is a lack of facilities or services required to cater to incoming tourists who do not arrive by car. This includes the

broad spectrum of visitors who arrive by ship and plane or who come on a cruise liner. Canada simply does not have the facilities set up or the properly trained personnel to escort these groups at competitive rates. Canada or regions, therefore, cannot be promoted and sold abroad or in the U.S.A. as a very competitive destination in itself or as part of a North American destination. To some extent the problem has been one of over-promotion of a product that lacks the proper facilities to service the demand once this promotion is successful.

The basic intent of this program is to undertake the proper development of sales outlets, services and facilities in Canada to cater both to the Canadian visitor traveling within his own country and to overseas visitors who come to North America and hopefully visit Canada as part of the North American tour.

The development of any services or facilities to cater to any visitors must start at what can be termed the grass roots level. It must, in effect, involve the people of the community who must be interested in the reception of visitors from wherever they come. The community must offer the facilities required, such as sightseeing tours, properly trained and licenced guides, hotels that are aware of the needs of foreign visitors, such as translators and all servicing facilities required for any visitor.

In large part, the problem relates to the need for an educational program aimed at the general public. The average Canadian simply doesn't have a real awareness of the importance of tourism to his community, his

region or his area. Many studies have been undertaken of the expenditure of the tourist dollar and the many segments of the local economy that benefit from it. A dollar spent at a hotel filters down to the local plumber, the local grocer, the area wholesaler, and throughout the whole economy. Somehow this does not appear to exert the impact upon the public that it should.

This program cannot have a real success unless the people in the local areas become involved. This is where TRAVELARCTIC must play a key role in relation to the development of the services within communities, areas and regions. **Moreover**, co-operation with agencies for facilities in the key areas enroute to the Arctic is necessary. For example, Edmonton may have to develop facilities and services to meet increased travel to the Northwest Territories because it serves as a staging area for travel to the Western Arctic. The carriers must also be involved, including the people who are operating the local bus tours.

The Bureau will be working very seriously in analyzing what Canada really has to offer; the type of tours currently operated to all areas of Canada and where they originate. An attempt will be made to define some of the deficiencies by season, market area, and destination in Canada. After this analysis, the offices of the Bureau are planning to work very closely with TRAVELARCTIC and provincial and municipal governments in the development of local education and training programs and the possible formation of local consortiums or groups of individuals or associations who can spearhead

this type of a movement throughout the local communities.

The analysis of package tours to Canada, hopefully should enable the Bureau to indicate to practically every community in Canada whether or not they are on a package tour from anywhere in the world. This is going to be an enormous task. Initially, emphasis will be placed upon the American market and its trade outlets. The analysis of foreign tours coming into Canada would take equally as long again and probably longer, because the information isn't readily available to the Bureau in Ottawa. The Bureau's field offices must be canvassed, as must all the international carriers and all promotional and sales outlets. We should then know how many tours come from each country, the form they take; the time of the year that they enter Canada; and the regions visited. The task will start with the U.S. market which has the greatest potential for increase of any market in the world as far as Canada as a whole is concerned.

At this stage in the development of the program it is impossible to precisely define the support activities which might be undertaken by the carriers, or the provincial, municipal or territorial governments. The Bureau is really feeling its way in an attempt to develop two plans; one based on short-range objectives; and the other on long-range objectives, strategies and priorities.

It is impossible to go to the trade anywhere in the world, including Canada, and simply state that the Bureau wants them to develop *more* tours to Cape Breton Island, the Arctic, or the interior of British

Columbia. The Bureau must be fully aware of what is presently available on the marketplace in the U.S. and Canada to these areas and establish possible areas for new development. A composite attack upon the problem is needed, that considers what can be sold in specific market areas in Canada and the U.S.; what areas and regions of Canada are marketable; and what are the deficiencies within those areas and regions that must be rectified. Moreover the Bureau is attempting to broaden the season by having people come in groups or on escorted tours over a longer period of time rather than in just the two months of summer. All their aspects have to be built into this analysis and it is going to take considerable time to consolidate this information, classify it and establish deficiencies.

When this research is completed, the Bureau will be in a position to go to the local Boards of Trade, Chambers of Commerce, tour operators, and the local and regional carriers to conduct a series of regional or local sales seminars. Here the Bureau can get the local people involved through meetings with its officers to discuss problems and determine the most effective ways to develop the elements of a basic city package tour, and local two-or-three-or-four day regional tours using the community as the base.

TRAVELARCTIC can play a very important role in this process. It is not anticipated that the C.G.T.B. would go into a community and attempt to establish the kind of rapport with local commercial interests without

the assistance and co-operation of the territorial and municipal government authorities. The operation must be spearheaded by TRAVELARCTIC who would carry the concepts to the local communities.

At the next meeting of the Northwest Territories Tourist Association it might be to the interest of TRAVELARCTIC to provide for an introductory discussion of this program and to indicate the opportunities that exist.

Generally speaking, there is a lack of awareness in most communities with respect to the importance of tourism to a community -- the economic benefits to be attained and the requirements of visitors.

The big problem that we face in the development of tourism in all parts of Canada is that, while we are attempting to attract or to maintain our traditional market, which is the U.S. automobile traveller, most people don't realize that competitor nations are making greater efforts to lure them away from us. If, for example, Spain introduces an even more sophisticated travel plant that they have already, or Italy, or France or Germany, they can lure away some of our traditional automobile travelers. Those communities that are presently "fat cats" are going to feel the pinch and the only way that they will be able to maintain the present impetus of tourism into their community, and hopefully improve it over the years ahead, is through the development of proper servicing facilities, not only for the individual automobile traveller, but for the traveller from new market sectors. People who are presently not coming to Canada because it's too far to drive or



because they feel that it is too expensive, must be attracted by formation of a proper nucleus of services that can be offered at highly competitive rates. This is really all part and parcel of the educational program to be undertaken at the local level.

(d) The Promotion of Canada as a Convention Site

*\* Also see inside re cover.*

**This** is a very lucrative, but very competitive and select market, that includes **Association** and Sales Meetings, Incentive Sales Program, Sales Seminars, etc. Statistics prove that the average conventioneer will spend about \$45 a day in a given community or about three to four times as much as the average **tourist** will spend. A large group in one city for four days may leave behind \$1,000,000 -- a boon to the economy.

The **Bureau** is now in the process of preparing the second edition of the Manual of Canada's Convention Facilities. The first edition has had very broad distribution to regular trade outlets as well as to virtually every association executive and every municipal or provincial convention bureau **acrsss** the country. A large number of international associations with headquarters outside the country have received the publication. Moreover, it is distributed to every trade commissioner abroad and to every Embassy. All the airlines have them available for their use in the development and promotion of convention business.

TRAVELARCTIC might approach this field from several points of view. In each case there are difficulties confronting the Territories.

Because of the range and scale of its facility base the Northwest Territories cannot host large conventions. To lure large domestic, regional,

national or international groups to a given location, sophisticated convention or meeting facilities are a basic essential.

**Over the next** few years, this will not appear to be an area where TRAVELARCTIC should or could undertake intensive work or projects. It is not feasible to spend the enormous amount of money involved in the promotion of this type of tourism, **unless** you have the plant to support it.

There are possibilities in Yellowknife and possibly Frobisher for small convention groups. Some of this activity will be stimulated by administrative conventions or meetings of the federal, provincial and territorial governments. TRAVELARCTIC has little opportunity to influence the decision making process in this instance. It is extremely difficult to deal directly with the plethora of associations that stage meetings and conventions of a modest scale across Canada. Groups of this type usually come to an area on the invitation of the local membership from that area. In effect, the development of this type of business depends in a large part upon local citizen initiative. Moreover, there must be operative entity available in Yellowknife such as a Yellowknife Tourist and Convention Bureau that can support and undertake this type of promotion, either in conjunction with TRAVELARCTIC, or with TRAVELARCTIC impetus and initiative. Obviously this group must involve people in the accommodation, food and beverage businesses. It must be composed of the same type of membership as It must be composed of the same type of membership as the Greater Vancouver Visitor and Convention Bureau.

A second area of interest for TRAVELARCTIC lies on the development of **pre-** and post-convention tours from the larger cities of the south including Montreal, Winnipeg, Edmonton and possibly Calgary and Vancouver. These are two distinct functional entities to consider in this instance. Namely the Tourist and Convention Bureaus of the cities and the local chapters of the National and International Associations staging the convention. Each play vital and highly important roles in this drama.

The Tourist and Convention Bureaus of the cities compete effectively in the marketplace to draw conventions to their area in order to derive the associated economic benefits. They have the funds and the expertise at their disposal to do the job. Since they are few in number, working contacts with these groups is relatively easy.

**It's** becoming more and more evident that national and international conventions will be held in a given country only, when that country, or the Canadian chapter of that association makes a bid. In other words, society or association "X" will only consider city "Y" as a convention site if the local group sends their President to this year's convention to make a bid for 1974 by invitation. These are the people who will organize the whole program in the convention city. There is an inherent problem in the development of **pre-** or post-convention packages in that very few convention associations use the services of a travel agent. They normally have their own convention committee which very often works together with the Canadian host committee,

if it is an international group. The local chapter in city "Y" organizes the local tours, and the local ladies' program.

It is suggested that the cities and the associations bidding for conventions might substantially improve the attraction of their site by being in a position to offer the opportunity of post convention to the Northwest Territories particularly when national or international groups are involved. The city is not likely to lose anything substantial in a monetary sense. The territories can only handle small groups at the present time and in any event the bulk of the visitors normally leave the city shortly after a convention.

There are several problems facing TRAVELARCTIC in this respect apart from the current limitations on the scale of their plant and absence of effective local groups to handle this type of business.

The convention business in the summer months of July and August is perhaps at its nadir. In effect, we would be attempting to promote spring and fall travel to a considerable extent. It is perhaps somewhat more difficult to "sell" the territories at this season of the year due to the 'lack of angling opportunities and the general impression of the climate of the Northwest Territories at this season. On the other hand the tourist plant of the Territories is not so fully occupied.

One of the biggest problems that TRAVELARCTIC faces is in getting a nucleus of proper information on conventions in Canada and they are not alone in this respect. The business is so competitive that an individual

province or an individual Convention Bureau run by a municipality that may have made a bid, and won a convention, will not disseminate this information to anyone, for fear of losing the convention. Conventions are usually booked from three to ten years in advance. For the sake of discussion suppose that hotel "X" in city "Y" won a bid to host the International "Z" Convention. Under no circumstances would the hotel release this or make it general knowledge because quite obviously competitive hotels in city "Y" or competitor cities would try to lure this business away from city "Y". This is how important the convention market is.

PART II

The Private Enterprise Marketing Structure

The Concept of the Package Tour

There are five basic components that go into the formation and the effective development and sale of package or inclusive tours that may contain any or all of the components subsequently noted. Normally the word "package" or "inclusive" incorporates the general terms of an independent tour or an escorted tour. The five basic elements are:

- a) Attractions and Events
- b) Transportation
- c) Food, Beverage and Hospitality Services
- d) Accommodation
- e) Sales and Distribution Outlets

a) Attractions and Events

The field of attractions and events covers two distinct features, namely, natural attractions including topography, geography, etc. , and man-made attractions including theatres, buildings, highways, cities, communities, etc. Events essentially refer to hallmark events, that may be regional, national and sometimes even local in character but can be used in themselves as an attraction to lure visitors to a given municipality, region, area or country. Some examples would be Klondike Days in Edmonton, the Trappers Festival in Flin Flon, the Quebec Winter Carnival, the

Shakespearean Festival in Stratford or the Okanagan Peach Festival. There are thousands of others across the country during the year.

To be effective in the development of a new tour or in the development of a tour to a new area, the event or the attraction should be unique or distinctly different. It must entice people to spend considerable sums of money to travel to that area and sometimes spend additional monies to go to that specific location for a limited amount of time.

On the basis of my brief visit to the Arctic and my previous knowledge of the attractions available, I think the strength currently available to TRAVELARCTIC in the development of package tours would be in the field of natural attractions. In my estimation, the Western Arctic is quite a unique travel experience both topographically and geographically. The immensity of the North is something that is in itself a unique attraction.

In the long run, I believe that steps must be taken with the initiative of TRAVELARCTIC to develop a hallmark attraction or event somewhere in the Arctic. From my brief knowledge of the area, I feel this should be in the Western Arctic because at the present time it has a superior plant to the Eastern Arctic in terms of ease of access, an initial staging route in Yellowknife, a selection of communities not too far from Yellowknife which can handle the overflow.

I do not consider the Alexandra Falls as an attraction unique enough to warrant bringing in a group of people to **Yellowknife** or Hay River as a staging area and then conduct this side trip as a primary attraction.

The Western **Arctic** does not appear to have any **unique** man-made attractions at the present **time**. People are often misled by this general category of man-made attractions. An example might be Toronto's **City Hall**, Place des Arts in Montreal, or the Winnipeg Centennial Theatre. People in these cities might consider them to be unique, but, in themselves, they are not really capable of drawing visitors on a package tour. They're not unique enough, and can only form an incidental part of a total sightseeing tour program.

TRAVELARCTIC must make an analysis of what, in their estimation, are some of the unique natural attractions of the North that have easy access to transport and service facilities.

The development of a hallmark event must be considered in terms of traditional markets and how they can be further developed, and at the same time, offer opportunities for development of tour business to markets farther afield. The perspective for the consideration of this problem need not be international. Such an event in **Yellowknife** might draw thousands of new visitors to the Territories, who come from no farther afield than the Yukon, Manitoba, Alberta, Saskatchewan or British Columbia.



The Arctic Winter Games in 1970 were an outstanding success, drawing participants from various communities in the Northwest Territories, the Yukon, Alaska, Saskatchewan and Manitoba. The entire accommodation capability of Yellowknife, including private homes, was strained to the limit. In Frobisher, they celebrate Tunic Days each Spring. Events of this type represent trends in this direction.

In the development of an event, a total involvement on the local level by the people who are going to be very closely involved in meeting, greeting and servicing visitors will be necessary. Obviously you can't do this if the Territorial Government feels that in doing so the natives will become commercialized, that their way of life will disappear or that the Eskimo carvings will become a non-entity, since they must be mass produced for consumer markets.

If the Territories were able to put together one unique event a year to draw visitors, something that is quite unique to the Northwest Territories, this would form the nucleus for the immediate development of at least *one* type of package tour, and a stepping stone to the development of other regional *or* local events. With the facilities and services presently available in the Western Arctic, steps should be taken to interest the local co-operatives to offer something which the people outside the North think is unique, as for example, Eskimo Drum Dances, visit to a co-operative workshop to see the artisans at work. The artisans are sitting somewhere and working but normally the visitor has a difficult time getting

in to watch them work. I **think** more and more people *are* looking for a sense of personal involvement in their travels, whether within their own country or abroad. **More** and more of them have done the standard type of touring over the last 20 years. They have been to the West Indies, or Hawaii and they have "done" the history and the culture of Europe and they have seen the castles of Scotland. **More** and more of them are looking for a sense of personal involvement and this must, I think, necessarily include people in the local community -- that they meet with or they associate with and the things that they are able to do as a visitor. This is what leaves a far more lasting impression than visiting "from the outside".

b) Transportation

This covers the whole broad range of the movement of people, either individually or in groups. The first basic element is transporting of the passenger from his home, *or* place of residence, to a point where he can **join** the tour. The second basic element in the movement of the person either by air, land or sea within a given region, area or country where the tour is **taking** place. The third element is the transportation provided in connection with attendance at an event or the transportation provided to enable a visitor to see such a unique, natural or man-made attraction which is a component of the tour. They are not different types of transportation for essentially you only have air, land and *sea* and these are *all* the components under this general category.

For a package tour to be marketable in any given market area, either domestic or international, it must be competitive. To be competitive, the price must be low enough, so that it will entice the consumer to buy after making his comparison with a competitive destination or a competitive type of tour, perhaps to another area in the world. The competitive position of the Northwest Territories relative to the package tour business is seriously undermined by the cost of air travel both by schedule and charter services. The problem is partially a function of distance and partially of tariff structures.

There are three aspects to this problem of travel cost to consider in relation to the development of competitively priced package tours. There is the cost of travel across Canada to central transfer or staging points for northward travel on regional carriers, the cost of travel northward on a scheduled regional service and the cost of charter services within the Territories. All are high. Unless these costs can be reduced, the development of package tours, on a substantial scale, is confronted with a serious limiting and perhaps virtually inhibiting handicap.

The cost of charter service within the Territories is possible, manageable on a group basis. The major bottleneck does not seem to lie in this area or perhaps it would be more appropriate to state that any reduction in costs at this point in the air transport network would be ineffective if changes of the type to be noted subsequently cannot be obtained.

The cost of transportation within Canada is comparatively high at the present time so that travel to the Northwest Territories from its major market areas within the country is unattractive to the bulk of the market, compared with travel outside the country. The same situation prevails with respect to foreign travelers entering Canada. The tariffs on the scheduled regional services present similar problems. It simply makes the package cost non-competitive.

Of course the problem is not unique to the Territories, but is considered in any long range tourist travel across Canada. For example, a group of persons can go from Toronto to Zurich on a ski holiday by charter flight and pay perhaps \$180 for the return flight and, in addition, purchase a two-week ski package in Switzerland at, say for the sake of discussion, \$100. For under \$300 they can go to Switzerland virtually all-inclusive. The same group might desire to go to Banff or Jasper but there is no charter rate available to the public so they must pay regular fares. So the fare from Toronto to Calgary, for the sake of discussion, might be \$232 and a week's skiing in Banff another \$150. so immediately the Canadian facilities are priced out of the market.

It is a primary intent of the C.G.T.B. to attempt to reduce the cost of the basic transportation in Canada so that people can move within Canada at a rate competitive with overseas charter operations. Unless some substantial success is achieved it will be very difficult to interest a Canadian, American or foreign tour operator to put together some kind of a package to any region in Canada.

Much of the impetus for this must come from the carriers, including CP Air and Air Canada, together with the regional carriers, Nordair, Quebecair, Transair and PWA, that are obviously component parts of the overall transportation services into the whole Arctic region. They must display an interest in this and file a tariff with the Air Transport Board. The tariffs, approved by the Air Transport Board, are those presented to them by the carriers. In other words, a tour operator, a wholesaler, a Provincial or Territorial Government cannot file the tariffs for the transportation of passengers by air domestically. Changes have to be initiated through the carriers.

The Office of Tourism is attempting to interest the major trunk carriers in Canada in the filing of what is referred to as, "a tour basing fare", that would be available under certain rules and regulations. The passengers would purchase an air ticket under a pre-agreed set of arrangements, whereby a land tour would be incorporated into this air ticket. In addition, restrictions would be placed or guidelines set down with respect to the direction of the tour, the period that the ticket is valid

(30 days, 21 days or 15 days) and at specific seasons of the year. In essence, the Bureau is attempting to reduce the initial cost of **transportation** for a group of persons anywhere in Canada who are members of a bona fide approved tour, that must be put together by a tour operator in conjunction with a special airline tariff.

The concept is presently under review, in general terms, with the Air Transport Committee. The next step must be to interest the major national trunk and **regional** carriers in filing such a tariff and hopefully obtaining agreement from them that this would be feasible.

This could be of enormous benefit to the Territories because they must draw a large portion of package tour travel from the heavily populated areas far to the south, east and west. They would certainly feel the benefit of any tariff reduction of this kind and, in fact, it is almost imperative for the volume growth of package tours.

At this stage of the game, I think TRAVELARCTIC would be better served to attempt to develop, preferably one, but not more than three basic tours of the North -- perhaps two of the Western Arctic and one of the Eastern Arctic which can be marketed in specific market areas both in Canada and in the United States. It's going to take quite a lot of co-ordination on the part of the tour developer, promoter, operator and wholesaler, to get this, but my estimation is that he would stand a better chance to concentrate his activities in the development of one or two tours for the season, to increase volume and attempt to decrease the cost of the package

to the consumer. I think only with the development of a bona fide tour market can we hope, in the long run, to reduce the cost of transportation within the North for tour groups at a competitive level. For the individual visitor right now it is a comparatively expensive transport market.

With respect to ocean cruises, the Northwest Territories has a very short shipping season which makes it difficult to attempt to interest a commercial steamship line to put on this kind of a service. At the present time, of course, it is doubtful if it would be economically feasible. There is, however, no doubt that the Northwest Territories has some fabulous scenic resources in the Eastern Arctic that is equal to anything in Norway.

For many years the Canada Steamship Lines operated the St. Lawrence River cruises but they finally depleted their fleet. This cruise was taken over by one ship, the *Stella Solaris*, run by the Sun Lines. They were in operation for five or six seasons and finally pulled out and went to the Greek Islands where they can operate year-round, rather than for 8 to 10 weeks during the summer. We now have the "*Varna*" cruises in operation in Montreal. This is a Bulgarian ship that has been chartered by a Montreal agency for the summer. That ship, when it is pulled out of the summer service on the St. Lawrence, Gaspe and Perce Cruises, -- goes back home and is probably used for Black Sea or Mediterranean cruises during the winter.

A logical way to explore this market further would be to have

some very detailed discussions with Lars-Eric Lindblad in New York who is now operating his own ship the "Lindblad Explorer". He has taken this ship on cruises to the Galapagos Islands, to the Pitcairn Islands and to the Antarctic. It may be that you can interest him in developing cruises from the Northeastern United States, (Boston, Philadelphia, New York area) to the Labrador coast, Baffin Island and Hudson's Bay region. It may be, that his Antarctic cruises occur in our winter season. During the summer he is presently on the Galapagos and the Seychelles Islands cruises. Perhaps he would consider Arctic summer cruises. Undoubtedly he would be one of the prime potential operators to bring into the Eastern and Western Arctic to have a look at what the area has to offer.

It would be necessary to consider an extensive cruise that would take passengers out of Montreal, St. John's, Halifax or New York to cruise the Labrador Coast, Baffin and Hudson's Bay. Between 30 and 45 days would perhaps be required to complete the trip comfortably hence there might only be two cruises in a season.

The most benefit that a community receives, stems from the purchase of artifacts and some local spending of a very modest nature. The Northwest Territories could gain much publicity from an operation of this type. It would open a brand new area in tourism.

The key to any action has to be someone like Lindblad who has a ship and staff, and is experienced in operating in remote places with a unique appeal for specific types of individuals. It's a different kind of



operation and market from one where you attempt to entertain people day and night and move them from one community to another by charter aircraft. The accommodation and transportation goes with the cruise so, two-thirds of your problems of operations in the North are solved. On the other hand, the economic impact is not great.

c) Food, Beverage and Hospitality Services

**This** is a very broad area that in essence covers the feeding of people while they are on a tour, provision of opportunities to partake, either privately or **in public** places, of alcoholic beverages and the whole field of hospitality services. In many countries this is one of the basic elements that is lacking in the effective development of package tours. By hospitality services we mean the broad spectrum of Customs and Immigration inspectors, the reception received at a hotel from the room clerk, the hospitality received from a maitre d' in a restaurant, the waitresses, the room clerks, the bus drivers, the sightseeing guides, the bartenders and generally anyone who is directly involved in meeting and greeting a visitor.

Without detailing the difficulties of providing adequate services in this general category, **I think** it would be generally obvious to the reader that proper **training** programs must be set up to have the people involved in receiving, meeting, greeting and providing either commercial **or non-commercial** hospitality services to a visitor to upgrade these to a sufficiently high standard. In most tours this forms a very important element in that people traveling in a foreign area or country invariably

remember the people they meet as much as they do the things that they see and the activities in which they participate.

d) Accommodation

This is also a broad field including hotels, motels, campgrounds, campsites, hunting camps, fishing camps and generally anywhere where you are going to house visitors in a given area, community, region or country.

Generally, people will be prepared to put up with a certain amount of primitive atmosphere or primitive facilities but steps must be taken, not only in the North, but in many parts of Canada, for the proper reception of visitors so that they can obtain good food at competitive prices in clean surroundings with pleasant service. Again this is all a question of proper training and control over the type of commercial operations that exist.

Beverages are under Territorial and Provincial jurisdiction and the liquor laws differ in every province. Hopefully, one day, laws will be standardized across Canada so people can order a drink in their hotel room or with their meal on a Sunday. On the surface this appears to be a very minor item but is quite important to visitors who, in their own home environment, are accustomed to this type of thing, particularly the foreign visitor. In their country, it is the normal practice to have a glass of wine with a luncheon, to sit in a sidewalk cafe, or take a bottle of beer on a picnic. In many instances, in Canada this is just not possible.

The whole field of hospitality services is one of local education, and education is a Provincial or Territorial responsibility. Hopefully some broad guidelines will be set down by agreement with the Provinces and Territories with respect to the manpower needs of the tourist industry. Required courses should be developed, with the co-operation of the **Department** of Manpower who run many of these programs under Territorial and Provincial jurisdiction.

**At** the present time there is no standardization of requirements for entry into a given aspect of the tourist industry. There is no standard course for bartenders. There is not a standard training course across the country for maitre d's, butchers, or chefs. Almost every province has a different set of rules and regulations, a different training curriculum and a different standard for graduation.

Improvements are going to be a long-term thing. The Bureau is now in the process of examining some recommendations made by the Department of Manpower in conjunction with the Travel Trade Congress which identified many deficiencies in the Report of the Working Papers and Workshops. It is important to note, however, that the provinces and territories must add impetus to the discussions with the Federal Department of **Manpower** for the establishment of proper training courses. The Territories obviously have some very unique problems in relation to the training and hiring of indigenous personnel. Some basic questions must be answered. Is this the right **thing** for them? Are they capable of this type of training? Are they

interested in making a career of the service industry?

During my brief visit to the Territories, I found the food as good or better than that provided by the same category of establishment anywhere in Southern Canada. The cost is a little higher, which may be justified by the local people on the basis of the transportation costs. I found places and the staff clean, but the general atmosphere in most cases could be bluntly categorized as second-rate. On the other hand, it is not necessarily the operator's fault. They are working in an environment where the best in service is not a pre-requisite. People come in for a meal and that is all they are interested in. Frequently the waitresses couldn't care less. Moreover there is a high turnover rate in all operations which is also typical of Southern Canada.

The cost problem seems to be a lack of awareness on the part of the people in the community involved with respect to visitor hospitality. Rectification of this situation is the solution of these problems.

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Accommodation is one of the biggest stumbling blocks to the effective development of all forms of tour business to the Arctic. Good accommodation facilities are a basic requisite and they must be comparable to, or better than, anything available elsewhere. This presents a very grave problem for the North, where volume traffic of a type necessary for the development of a sophisticated accommodation plant is currently lacking. It is a very difficult thing to entice a local entrepreneur or a syndicate to construct top rate accommodations on a speculative basis.

The Territories are obviously taking a step forward in the area of accommodation but they have a long way to go in the provision of suitable facilities for *visitors*. The area is faced with the same problem as in the cost of transportation to and within the North. Facilities are now over-taxed by the demands created by general economic development. Improvements must be made, however, if there is to be any sort of group tour development that will be meaningful in an economic sense.

e) Sales and Distribution Outlets

This includes the total broad spectrum of outlets made up of the various components of the travel industry. Sales outlets include airline, steamship and railway offices. Distribution outlets include government travel bureaux, that distribute literature and promote specific regions or areas, and the wholesaler who develops a tour and then promotes it within his given market area by distributing this information to the consumer or to his sub-agents. The latter form is a very important part in the merchandising chain because they become the source of contact with the consumer and their ability to effectively promote and sell the product determines the success of the tour program itself to a large extent. If you have effective and aggressive outlets for the distribution, promotion and sale of your product very often they can be ~~m~~olded and developed as the market develops.

f) The Retail Agent

The retail agent is then the person who is involved in the direct

sale of the product to the consumer. Normally he is the initial point of contact with the consumer in the actual physical sale of the product.

A retail agent is, in fact, representing his principals -- the persons or companies who own or offer the various component services, previously outlined, that go into an inclusive or package tour; that is transportation, accommodation, food, beverage and hospitality services, and attractions and events.

With respect to transportation, the retail agent must be licenced to represent the carriers whose tickets he stocks or whose services he sells. He may be involved with the whole broad range of transportation including **air, rail, boat, bus** and U-drive. Different types of **licences** are issued to all agencies for these purposes.

Suppose a consumer goes to a retail agent and the only thing he wants to buy is a ticket from Moose Jaw to Frankfurt; nothing else. The retail agent ~~makes the reservation and sells the~~ ticket for which he earns commission. In this instance he functions, as a result of this, as a straight commission agent.

Suppose a customer wants a combination of trip components, including an air ticket from **Montreal** to Las Vegas, three nights at one of the hotels in Las Vegas. The retail agent earns his commission for booking the air space and **normally** also from the hotel. In another case a customer **might** want a combination of more **than two** of these trip components and he

might buy a ticket from Toronto to Miami, a week's stay at one of the Miami Beach hotels, aU-drive car rental to go and visit the Everglades and a cruise from Miami to Nassau. Commissions would be earned in each case. In the latter situation the consumer is actually purchasing the elements of a package or inclusive tour as individual products.

The retail agent is also often in a position to offer the consumer a package of these components produced by someone else and this package can take several forms. He is still selling someone else's product on a **retail** basis directly to the consumer. He is **acting** as a commissioned **agent** for his principal who in this case is the wholesaler. He earns commission on the sale of that product, which is made up of the components discussed earlier.

Now about 85 percent or 90 percent of all retail agencies are essentially the sellers of the products of their principals on a commission basis. Interestingly a degree of integration is taking place as increasing numbers are assuming the role of tour operators and further broadening their scope of activities into the wholesale field.

The retail agent may say to himself, "Why should I **sell** someone else's package tours and only earn 10 percent commission, or some other agreed to rate of commission, when with a little more effort, I can produce, publicize and merchandise my own tours?". If, as a result, he becomes involved in the development of this total package, his role **now** changes into one or both of two possible new roles -- namely that of operator and wholesaler.

Suppose he produces a tour, that is, puts the component parts together through arrangements with those providing the services, package it, as in the tour, in a brochure and advertises it for sale.

He may actually be the operator of this package tour that he has produced. In this case he or his staff will supply the escort services and generally conduct all aspects of the operation. In time, if successful, he may **actually** become the owner and operator of some of the travel facilities such as planes, ships or hotels.

From the merchandising standpoint he must remain a retailer. In this case he restricts the sale of this package to his own company. In the event that he has branch offices, and they are the only merchandising outlets for this package he is still a retailer. He may, however, desire to broaden the scope of the distribution and sales outlets for the tour. In this case, when he is constructing the package made up of the various components he can build into that price structure a margin which will allow him to pay agency commission to someone else, who in turn assumes the role of a retailer in selling this man's product. He has now changed his function to that of a wholesaler.

Once having changed his role from that of a tour retailer to that of a tour operator, he then has several options. He may remain as an operator and retailer only. If he remains as a retailer selling his product direct to the consumer, he is also the tour operator. He may become a wholesaler of the product.



Let us now explore some aspects of the commission structure associated with the performance of the retail function. The commissions are governed by the percentages allowed the retailer by their principals. These structures vary depending on the type of traffic, as for example, steamship, bus or U-drive, and also by the distinctive category of travel within each type of transportation. The sale of a domestic air ticket may earn the retail travel agent 5, 6 or 7 percent, whereas the sale of an international ticket might earn him 7 or 10 percent. If he sells transportation in connection with a tour there is a different structure there for the commission. The railways have their own commission structures, both within Canada and the United States and also in most foreign countries.

If a person or a company is licenced as an IATA agent, he is entitled to merchandise scheduled international air transportation and receive an agreed commission structure laid down by IATA. One might be for the straight sale of a ticket from New York to Mombasa. This would carry a certain percentage rate of commission. If it is incorporated into an approved package or an inclusive tour, an agreed-to commission structure is laid down for the payment of commission on the air portion of the tour. The same is applicable for all domestic or foreign transportation which might be sold.

A retailer cannot increase the rate of commission which he can earn. He can only increase the volume of business and hence his income is proportionately increased.

The establishment of a travel agency is a fairly complicated procedure. Originally a person normally opens an agency with the intent to operate a retail sales outlet in their own community and to create new business within that given community. Unfortunately, with the proliferation of agencies that has taken place throughout the world since the second world war, in large part due to the impetus of carriers and other principals, the principle of creating new business rather than competing for existing business has become blurred.

Anyone attempting to open a retail outlet must have a sponsorship of one of his principals when making an application for appointment as a duly **licenced** agent for **all IATA** carriers, for **all** domestic carriers **licenced** under the **CAB** in the United States and the Air Transport Committee in Canada. A separate application must be made to the Rail Travel Promotion Agency that represents all the Canadian and American Railway companies. Another application must be made for a **licence** to sell tickets to the **Trans-Atlantic** Passenger Steamship Conference, the Western Hemisphere Passenger Steamship Conference, and several others that are in existence. This normally requires the sponsorship of one of the member steamship lines.

Normally, when the retail agent, becomes involved in the sale of other person's merchandise in the form of package or inclusive tours, contractual arrangements are very seldom made between wholesaler and/or tour operator. This is usually governed by common business law and common business practices. Obviously the wholesaler or operator would check in

the usual business manner, the retail agent who made an application to sell his product. The wholesaler, who may be a large international company, would lose its image in a community if a given agency were to attempt to sell their product and fall down on its financial commitments.

Usually the retail agent, in his status as a commission agent, must establish trust accounts since he is handling large sums of money, the bulk of which belongs to his principals. There are an elaborate set of rules and regulations dealing with the set up of bank accounts, the recording of financial settlements and the reporting of tickets sold, tours sold, commission deducted, tickets refunded and other general day to day operation of an agency.

Before an airline or any other principal, and these are basically the transportation companies, grant an agency a licence, they rate the given potential of a region, an area, community, or portion of that community, to produce business. In the event that there are already a number of established agencies in that area, they will evaluate the ability of the new applicant, to create a new market, both for them and for their competitor airlines who are obviously all interested in getting a piece of the action rather than to divert business from other established agencies in the area.

In the Northwest Territories there are going to be several basic problems in the development of new agencies because of the limited size of the population of communities. On the other hand, the average agency that

might open in the North would have a far more captive market for travel than would one in Southern Canada, where people have more opportunities to travel within their local area over a longer period of time due to climate and a much better network of highway systems. The one factor may offset the other. It is doubtful if it would be important to the development of tourism into the Territories, to have a wider network of travel agencies in the North. A nucleus of two, to four, may very well be all you need in the Western Arctic at the present time and there are already agencies in Yellowknife and Inuvik. When the prospective development of the North, and what has happened in the last five years is considered, it is quite possible that there will be five or six agencies in Yellowknife in another decade. As the community enlarges, larger trading and marketing areas develop and bring greater number of sales and distribution outlets for travel throughout the North.

The key problem here is likely to be the same as that associated with the vast bulk of agencies presently operating in other parts of Canada, namely that they are going to be concentrating on the sale of travel out of the Northwest Territories and out of North America. They can only sell the Northwest Territories if there is sufficient interest in the development of proper servicing facilities for travelers in the North.

Attention will now be directed to a brief exploration of the opportunities of retail agencies in the Northwest Territories to preparation of local tour packages, and the possibility of their entrance into the field as an operator.

The biggest problem to overcome, and I don't think this is a problem that TRAVELARCTIC can solve on its own, is that an agency such as Mack Travel, or Yellowknife Travel does not have a sufficient demand for their services in the field of the domestic, local or regional package tours. At the present time, it simply isn't economically feasible to set up operations for the production of a local product. They may have the capability to sell and service such packages but this is not good if there is not a constant and concentrated demand for them.

It is really the old problem of which comes first, the chicken or the egg. Do you create a market first and have people arriving in Yellowknife or Inuvik in groups of 20, 30 or 40 looking for services of this type. Thereupon the agent would say "if I had a bus tour or a fishing tour to offer groups coming in I could see ways and means of complimenting my regular income as a commission agent on outbound business by providing this service to inbound visitors". At the present time this isn't the case, not just in the Northwest Territories but throughout Canada. Let us take the alternative tack and say these services are created first with the agent setting up a tour, making all the contractual arrangements and publishing a brochure. He must then go out and create a demand for his product.

The risk of absolute financial loss to the local agent is not great. There can be very little financial involvement on his part in the development of city package tours together with a series of short two,

three or four-day tours to points in a region easily available from that community. There could be some initial administrative costs to put together the components, such as phone calls to arrange accommodation, charges and commissions cost of this type. The subsequent production of a brochure, that should be a four colour effort is necessary. When the involvement of the community and the major carriers serving that community is considered, opportunities emerge whereby the local agent might receive substantial financial assistance in the production of his advertising and publicity material from other interested parties who are going to benefit from the sale of the city package. For example, PWA might provide the tourshells free of cost, the Yellowknife Chamber of Commerce might subsidize the printing costs, TRAVELARCTIC may agree to distribute the agent's brochures outside the Northwest Territories as part of its promotional program of the Territories. The justification for co-operative action lies in the fact that the agent is attempting to provide himself and everyone else involved in the commercial life of his local area with additional sources of revenue.

Let us suppose that there is a group of 20 mining engineers coming from Colorado to a convention or a sales meeting in Edmonton and they they are interested in coming North. TRAVELARCTIC, upon hearing about this group goes to the local agent and says "Let us try to sell these 20 mining engineers the three-day package to the East Arm of Great Slave Lake". Let us say that they are successful. The agent has the machinery set up for that three-day package so he phones the charter airlines and books air

space at an agreed-to price, which he has established beforehand when putting the package together. He phones the lodge and obtains two nights accommodation and two days fishing with guides and tackle. The only cost to the agent was for two or three telephone calls to book space. Now these people arrive in Yellowknife and pay the agent or perhaps PWA if they are a merchandising outlet for this tour in Edmonton or in Calgary. In the latter case PWA must pay the total *cost* of the package to the **agent**, who then distributes the monies on a pro-rated share basis to the charter airlines, the fishing lodge, and the hotel in Yellowknife. The balance which is made up of the mark-up cost of the components is a profit for the agent.

With very little initial cash outlay, as a result of the assistance of other **people** who are going to benefit by this tour, the agent has **automatically created** a new source of revenue during the season when he may not be selling a large volume of outbound business.

People travel to Europe and the States in the June, July, August and September period. To a great extent this is governed by school vacations and union contracts. The bulk of an agency's sale of this travel even in **Yellowknife** may occur prior to the summer season. **Let's** assume that the bulk of his agents in the Northwest Territories is winter business to Nassau, Jamaica, the Bahamas, **Mexico** and Hawaii. Most of this travel would be booked, I would imagine from six to nine months in advance. People would be thinking and talking about trips of this type in April and

May and June and by July the bulk would be booked. Hence, there is a lag between the time the people buy the merchandise and the time that they physically leave the Territories. In July and August and September, the agent may be handling only a **small** percentage of his **total** business. The agent can supplement his regular outbound business and his income with this inbound business without having a large financial involvement in the creation of this business.

There **will** not be a large margin of profit to the agent on a per tourist capita basis but the scheme should still be worth the effort of the agent required to effect it. The complimentary aspect between inbound and outbound business has been noted. The key is the development of a new source of revenue that once rationally developed, and properly serviced were **set** increased demand in motion. As the demand and volume increases, revenue **will** increase.

It does not seem practical for the agent to proceed on a mark-up basis when putting the components of a package tour together it **would** be very difficult for the agent to *earn very* much on a percentage basis. On a short city package tour or a short local tour of one, two, **three or** four days, it would be difficult to mark up the price of the component parts, say for the sake of argument by **35** percent. It would quickly become evident to the consumer that he can stay in Yellowknife for one night at a cost of \$17 because the room rate is quoted right in the room. If the package involved a sightseeing tour of Yellowknife the prospective client



probably knows that he can get an informal tour from the local Yellowknife Taxi Company for \$5 for the afternoon. The client can talk to the person who physically operates the fishing package and discovers that his normal charge is \$25. If he takes the charter flight on a package tour to the East Arm of Great Slave Lake and chats with the pilot he will learn that it costs, say, 75 cents a mile to charter a plane that can carry up to four people. The tourist calculates 100 miles at 75 cents is so many dollars and, therefore, my share should be X dollars. He goes to a lodge on the East Arm for two full days and one night and knows he will have dinner, breakfast and lunch. He counts the number of meals plus one night's accommodation and it is very simple for him to find out what that costs .

Most tourists are very sophisticated in this process of establishing the basic costs are of the individual components of a package. They are willing to accept that it might cost them a certain percentage mark-up for the package service but their tolerance is modest in this respect.

The key to this type of package tour development lies in the fact that the agent can normally negotiate rates with the persons providing the service components that are lower than the traveller would pay were he to attempt to purchase them directly and individually. Under this approach the agent would have to make a contractual arrangement with a hotel in Yellowknife that anyone coming in on his tour would receive a room at \$12 or \$13 a night instead of the quoted rate for the consumer of \$17. Now the

rate may be \$17 but the agent only pays a net rate. For each of the components in each case he could deal in net rates and then mark these up perhaps 10 percent, 12 percent, 15 percent or 20 percent. In this way he can keep the total cost of the package below what the cost of the components of the package would be and if purchased individually by the consumer.

TRAVELARCTIC has a role of **vital** importance to perform **in this** case. This is going to be one of the **initial** ways **in** which TRAVELARCTIC can prove to a given community, and operators of the component parts of the travel industry within that community, (that **is** the **local** bus company, the taxi company, the travel agent, the hotel people, the local theatre, **etc.**) that tourism is of value. Through this program they can create a greater community awareness of potential markets and additional revenue, available to them. When any group comes in, it leaves money behind. This money filters throughout virtually all segments of the economy.

TRAVELARCTIC should play the role of an initiator in the servicing of these groups but not in a physical sense. It should not necessarily become involved physically in making arrangements, but some steps should be taken to ensure that any and all group movements coming into the Northwest Territories should be channeled through their office. TRAVELARCTIC are **in, by far, the very best** position to then go to a local travel agency or to exert pressure on a community to have some commercial involvement on the part of the people providing the necessary services. Obviously TRAVELARCTIC

has no profit motive. The profit rightly belongs to the persons providing the commercial services.

At the present time groups coming into the Northwest Territories are often handled by private persons, associations or community groups. This should not properly be their role over the long haul. Perhaps it has to be in the initial stages of tour development because there are no other ways and means of handling groups of incoming visitors. If people are doing it on a voluntary basis, however, there will be no room for commercial development.

To return to an earlier remark, some kind of educational program which should certainly be spearheaded by TRAVELARCTIC, under the auspices of the local community groups or associations, is required. A far greater sense of involvement by the people in the community can be achieved if a program or a proposal is put forward by their own membership, rather than an outsider.

g) The Wholesaler

The wholesaler is basically an individual concerned with the creation of a travel product, that can take many forms, with various trade names such as package tour, independent tour, inclusive tour and so forth. In each case, however, we are still dealing with the same basic components discussed earlier. The wholesaler simply puts the components together and to create something that he feels can be marketed, either in his own immediate market area or in a wide range of market areas of continental or

international dimensions. In putting these travel components together the wholesaler takes certain risks. These risks, together with the service input that he provides are the justification for his profits.

Generally speaking the wholesaler must negotiate everything he buys from the principals to obtain a reduced rate or a wholesale rate. There is a cost in time and effort in this process.

The tariffs for transportation are set and published and not open to negotiation. Incentives are offered, however, to anyone who becomes involved in the wholesale of the air travel product including group fares, **GIT's**, inclusive tour fares, and this type of thing. These are quoted reductions on the **per** person cost of transportation and represent a substantial saving in the cost of basic transportation. The same is applicable with rail, bus and steamship travel, where incentives for group or tour travel are characteristic. The wholesaler, therefore, is automatically dealing in reduced per person rates.

He will probably negotiate with local sightseeing companies who in many instances do not have fixed tariffs under Government control. Instead of buying a seat on a bus for a city sightseeing tour at **\$13**, the wholesaler may charter the bus for **\$50**. If he puts **30** people on it, the cost is about **\$1.15** a head for the tour.

Normally the wholesaler will deal in net rates. There is little or no commission available to him on the sale of a city sightseeing tour, hotel accommodations, theatre tickets, this type of thing. Commission is

always payable to him on the transportation but he **will** almost always attempt to negotiate net rates when producing a package or inclusive group tour.

Having negotiated and put together all the components, the wholesaler **then** must take a certain financial risk in the development of a per person price for the tour. He must estimate the total number of persons who **might** travel on a given tour program. Such costs as advertising, publicity, promotion, printing of a brochure and general administration **normally would** be pro-rated on a per person basis, in relation to the estimated number of persons that might travel on the tour during a **season**.

Normally, a wholesaler aims for a series of tours of the same type. A one-shot operation is usually of little interest to the large wholesalers who are looking for volume business created by a series of departures on a given tour.

The rating structure is complicated in this instance. It involves the pro-rating of all administrative and publicity costs, the acquisition of net rates, the profits, the cost of drivers and guides, professional tour escorts and the building into the program of certain extras which are provided to the clients of a tour at no direct charge to them. The latter, however, are always **built** into the cost structure of the tour. Because the wholesaler can obtain lower rates for all the components in a tour, they can offer all these put together into a **merchandisable** product at a cost below that at

which the consumer could purchase them individually at prevailing tariff rates and still have a fairly adequate built in profit margin.

The term profit margin is somewhat misleading. The profit margin is in many respects a gross earnings margin which is built into the pricing structure of the tour. From gross earnings the wholesaler must pay his administrative costs in handling and servicing the tour. A smaller than anticipated volume ~~sale may increase the~~ per capita cost of operating the tour. Losses of this type must come out of his earnings and what is left after that is profit.

Generally speaking, wholesalers can earn a larger net profit on successful tours than can a retailer who has a fixed commission structure on the individual components or all of the components put together into one package. For example, a wholesaler might end up earning 11 percent to 13 percent net profit on the operation of a package tour. The retailer agent might only earn 10, 12 or 15 percent gross commission on the sale of the tour, from which he must pay his overhead and administrative costs. In most agencies, particularly the retail outlets, overhead cost will run somewhere between 6 1/2 percent and 7 percent of their gross earnings -- hence if they're earning 10 percent commission on something that costs them 6 1/2 percent or 7 percent to service, their net profit is 2, 3, or 4 percent, if they're fortunate. Many are well below this figure for net earnings.

Because of the potentially limited initial market and the comparatively high risk involved, wholesalers developing tours to any new

area such as the Northwest Territories face prospective net profit margins that are restricted by a number of factors.

Costs can only be reduced and profits increased when volume builds up and a far greater demand is created over a much longer period of the year. The present acknowledged or accepted travel season in the Northwest Territories is **really so short** that a tour operator would have difficulties **in** organizing more **than** a maximum of five or six tours each season of 10 days or 12 days duration. One tour might start on June 1st in Yellowknife and a second a week later. Two-week or 10-day circuits can be overlapping or following each other, so that the wholesaler can have a continual circuit of visitors going through the Territory. A program that would only include five to eight departures means that the wholesaler must take a substantial calculated risk in estimating the possible total number of people upon which *to* pro-rate costs built into the pricing structure of the tour.

The first year the wholesaler may have considerable difficulty in breaking even on the operation. To interest wholesalers in the development of group, inclusive or escorted tours into the Territories, TRAVELARCTIC, the Canadian Government Travel Bureau, the carriers, the hotels and **all** people involved on a commercial basis must work as *a type* of consortium. It may well be that the only way that TRAVELARCTIC can succeed is to convince a reputable, highly regarded tour operator in the development of a "test program" and organize to support him through the dissemination of the information on his tour all over the United States and Canada and assisting him with his advertising, publicity and his attempt to get financial assistance

from the other people such as airlines who stand to make some money out of it. Really it is a question of co-operative assistance to the man who is making the biggest financial gamble -- that is the tour operator. It is true that he also stands to make the largest financial return over the long run but in the first two or three seasons this type of assistance may be necessary.

Essentially the wholesaler is responsible for the creation of a product which can be marketed to the consumer. However, he frequently plays several other roles due to the process of integration previously noted in the discussion of the retail agent.

The wholesaler may actually own and operate many of the facilities such as aircraft, ships, hotels or resorts that are component parts of his package. In this function as a supplier of these services he is functioning as an operator.

If the wholesaler sells this package tour directly to the consumer through his central or branch offices he is functioning as a retailer. This is not an uncommon practice.

When a person or company assumes this three-fold role which has become common in many parts of the world since World War II, he stands to earn more money or to compete more effectively through price reduction of his product. He has built into the pricing structure of the tour a price to the consumer that includes a commission structure for the retail agent. So that if the wholesaler sells it himself that commission structure remains



within his own cash box. If he operates facilities, the profits of these operations that he builds up through his tours also accrue to him.

The wholesale structure in Canada and the various processes of integration are not strongly developed in Canada in relation to tours in this country. Here are several reasons for this situation.

The bulk of all the inbound tourists to Canada originates in the United States -- something like 85 or 87 percent. These people come in their own cars, and do not use the services of a travel agent. They do not pre-purchase the component parts of a package tour nor do they buy the product which is made up of these components. As a result, the agencies of the United States and Canada; have not been involved in the development, the production, promotion and sale of a Canadian product, compartmentalizing it into regions and putting those together into package tours or anything like the scale that they have to other destinations. It is true that there are hundreds of package tours being sold to Canada by American agencies, but in contrast there *are* tens of thousands of tours to other destinations all over the world.

North America, generally speaking, is not competitive price-wise in the package tour **field** because of the very low cost of providing similar services in other countries. The commissions or the potential earnings to agents and operators within North America, therefore, has been limited because the market is limited. It is admittedly a comparatively high

priced market and the tours are comparatively costly, but demand has been small.

The public has been offered far *lower* rates and far more incentives to travel to foreign destinations. The Canadian merchandising structure, generally speaking, is geared to handling the vast bulk of that type of business for which there is a strong demand. **Canadians** can spend **more** per **capita** traveling abroad than any other nation on earth. We are the world's greatest travelers.

The **key** to Canada as a competitive travel product in the world marketplace is to be found in the travel trade. For the successful promotion and sale of Canada as a tour destination in all its forms, we must rely heavily on the tour operator, the wholesaler, and the retailer in our foreign markets. These are the people who know what can be sold and to whom. They can determine how competitive or effective their *Canadian* programs can be when compared with programs to the Swiss Alps, the South Seas, or Africa, whatever the case may be.

Before you can convince any agent to sell a new market or to create the demand for a new destination, he must relate this to what a consumer in his market will buy and for what reason. Will he purchase on the basis of competitive price structure, unique appeal, a **seasonal** difference or a whole combination of very complicated factors? It is very difficult for someone in Ottawa, Yellowknife, or Vancouver to say "I think a tour of Nova Scotia will sell in Scotland". It may or it may not. The Scottish wholesalers are the people who can tell you that.

Before a wholesaler will become interested he must be assured that the proper servicing facilities are available at the point of destination. He will look after the transportation and put the components together if they exist. Actually it is a two-prong attack which must involve the wholesaler and the local operators of services and facilities in destination areas including the hotelier, the airline company. In the last 25 years, most of the sophisticated European countries have been able to create the type of facility and services required of inbound visitors because American and Canadian agents created a demand for it, particularly after World War II.

Canada could be confronted with a serious problem within the short span of the next 10 to 15 years with respect to its traditional American market. We talk in terms of 25,000,000 U.S. "visitors coming into Canada in their own automobiles by 1980. Our whole industry is largely geared to, and relies very heavily on this traditional market and we expect that it is going to continue and increase. If Canada continues to get about one-quarter of total U.S. spending on travel abroad, our income from this market could exceed 2 billion dollars by 1.980.

Suppose our competitors increase their efforts to lure away our traditional market, and by reducing their costs, convince American and Canadian merchandisers that they have a better package at a lower price, to other points in the world. They are going to undermine our traditional market. We will then be obliged to get into the merchandising of our product to compete with Spain, Africa and the South Sea Islands who are relying very

heavily on tourism as a dollar earner. Obviously we will not be able to compete financially because combined, they spend hundreds of millions of dollars in the United States and Canada promoting their destinations as against our tens of millions spent in the U.S. promoting Canada as a travel destination. The only solution is to actively compete, with what our competitors are attempting to do and that is create a demand for mass travel. Mass travel by jumbo jets in the form of package tours, inclusive tours and charters. This can only be accomplished by having U.S. and foreign agents and Operators to sell Canada and hence make it a competitive product in the world tourist market.

There are two distinct types of wholesalers in North America. The first is the wholesaler who is primarily concerned with the creation, production, promotion and sale of foreign products. There are dozens, perhaps hundreds of these in Canada, some of which are world-wide chains. The second type is the bona fide Canadian wholesaler who is developing, producing and merchandising the Canadian product. These are few in number, in comparison to the number wholesaling foreign destinations.

There is an obvious interest on the part of well established wholesalers to look at possible new markets, and one of them has to be Canada, but here we face several problems in stimulating them to act. In order to get Canadian wholesalers more interested in selling Canada, they must know their product. It's impossible to expect a wholesaler in Toronto to sell the Northwest Territories if he's never been there just as it's

impossible to expect a wholesaler in Sydney, Australia to sell it unless he's seen the product. The intentions of the C.G.T.B. in respect to this problem have already been noted.

There are probably not more than half a dozen top wholesalers in Canada effectively developing the Canadian product. There are dozens of people producing tours of Canada, who in some instances, are not wholesalers.

In most instances they provide only local, city or regional packages. Few of them are selling a selection of tours to Canada over a variety of seasons. Many packages are "one-shot" programs involving a four-day package tour of the St. Lawrence Islands and Kingston and back to Toronto, or a three-day package tour from Ottawa to the Laurentians, to Montreal and back to Ottawa. Most Canadian operators now handle only a local or regional type of package tour. Very few Canadian wholesalers offer tours in Canada over a wide range of geographic areas.

This type of short regional tour, in many instances, isn't commissionable, so the retail agents aren't selling them. But, the big problem is even Canadian agents are offered far greater opportunities to visit Bangkok, India, Russia, and the South Seas than they are to see Canada. There is no way that we are ever going to sell Canada unless the travel trade structure can be exposed to what it has to offer and hopefully find ways and means of developing new and profitable markets for it.

In any consideration of the role of TRAVELARCTIC in relation to this problem the following points are worthy of note.

The first step would be for TRAVELARCTIC to complete an analysis of what, in effect, are the Northwest Territories key market areas. Namely, Canada and the U.S.A. Emphasis should be placed here initially, rather than in relation to very restricted markets such as Japan, Australia or Germany, in terms of volume and in terms of development.

Secondly, TRAVELARCTIC should provide as much financial and physical assistance as possible for a series of educational familiarization tours for selected key operators in Canada and the United States as previously noted. It should be noted, however, that the Northwest Territories is not likely to get immediate results. To be really effective, it must involve the co-operation of other interested parties including adjacent provinces, the major regional carriers as previously noted. Moreover the C.G.T.B. can play a very important co-operative role with TRAVELARCTIC, now that it is moving more closely toward the merchandising approach geared for the travel industry in the United States as a top operational priority.

# CONVENTIONS

## aren't what they used to be

By Tracy Morey

**H**e errs who thinks Toronto's only claim to fame in the field of conventions involves a half dozen school trustees who bounded off to Hawaii a few years ago.

Because this city is in the forefront of North American convention sites — ranking 15th on the continent, and coming on strong.

Convention and Tourist Bureau director David Hughes says we'll be in the top six within a few years, providing stiff competition even for places like Hawaii.

In 1969, 300 conventions brought 141,845 people and \$19,140,075 in revenue to the city. In 1970 Toronto played host to 311 conventions and received \$22,253,535 in return for the \$108,900 it invested in convention promotion (about 30 per cent of the city's total tourism budget).

More than 300 conventions have already been booked for 1971 and the outlook for '72 is "even rosier", according to the tourist bureau's conventions manager Jack Miller.

Which makes the convention business no colorful little game, but rather a major North American industry.

"Conventions don't just come here," says Mr. Miller, "there's fierce competition throughout the continent for the convention dollar."

"We go out into the market place and sell this city as a good site," he explained, "There's nothing the bureau won't do to get a convention for Toronto."

The bureau lobbies among all the trade and professional associations, trade unions, business and service organizations it can get through to, often as early as four years before their planned convention.

In its most recent bid to an association the bureau faced 11 other cities claiming to offer more beautiful and practical convention locales.

The Shriners, all 40,000 of them, will be here in 1975, giving Toronto its largest convention yet. And studies show not only that delegates will spend an average \$135 each during their stay but that they will bring along a spouse or even more than one companion.

What does Toronto have going for it in the eyes of businessmen and bureaucrats, professionals and folks like the Grand Lodge of Ladies Auxiliaries to the Order of Scottish Clans (they'll be here in June)?

First of all, the fact that one-third of 42/Toronto Week

Canadian purchasing power lies within 100 miles of Toronto makes this city an attractive locale for business meetings and trade shows.

Our hotel supply is plentiful and ever-increasing. Mr. Miller says this city "doesn't have to take a back seat to any place in North America as far as hotels are concerned."

Mr. Hughes says the city has become generally known as "a big swinging, clean place," although he adds that in the next five years we'll need to create an even broader awareness of just how cosmopolitan Toronto is.

Michael Sunter, a representative of the Canadian and Ontario Chambers of Commerce, notes that Toronto is central and easily accessible from most areas of the continent. Also it has the attractions and entertainment that convention organizers must keep in mind in order to lure delegates and arrange programs for the ladies.

"In the area of entertainment, even Montrealers will now admit we're all right," he stressed.

But Toronto's highest drawing card, however, is that it may be one of the few remaining large North American cities where convention delegates can be promised evening walks throughout the city — in safety.

But regardless of Toronto's non-violent society, the Science Centre, the islands and Ontario Place, the convention bureau must be prepared to sell the city in terms of the dollars and cents value of organizing a convention here.

"These are top businessmen whether they're unionists or plastic surgeons," David Hughes said, "they want the hotel rates and food prices first, then they'll look at the attractions."

Carole Charlesworth Convention and Tourist Bureau staffer, now keeps a special dictionary on her desk because of the increasing number of conventions being held by scientists with the most intricately-spelled titles.

Conventions have changed in a few other small ways.

"Unlike the conventions of the past where they used to chase blondes down the corridors and whoop it up, they're very serious now," said Mr. Miller.

So the Loyal Order of Royal Commission Devotees has fingered You to organize their next gala c-onvention — for 6,000 bodies.

Take your cue from veteran conven-

tion planners. This is a list of accumulated dos and don'ts:

Assure yourself of a topnotch speaker. He or she may have to be booked a year or two in advance and could charge anywhere from \$500 to \$5,000. But the expense will be worth it in terms of drawing delegates and capturing publicity.

Make sure the speaker's arrival is well planned. At one Montreal convention, the guest speaker made it to the right hotel but the wrong convention.

He shook hands with the head table guests, was introduced by the wrong name, but went on with his speech to avoid embarrassment.

Details, details. They are the crunch when it comes to a successful convention. It's imperative that delegates arrive and be assigned with ease to their hotel accommodations. When you're arranging hotel bookings don't forget to make sure the company president gets a good suite.

Ontario Chamber of Commerce manager Clare Shaver suggests timely notices be posted throughout the hotel to advise delegates of where they are meeting.

Don't leave too much time between events, Mr. Shaver says, or delegates will get together, have a few drinks and ignore the next session.

Organizers who are setting up programs "for the ladies" would probably be wise to consult the women themselves, Mr. Sunter suggests.

It's no longer quite acceptable, it seems, to take the ladies to tea and then dump them in a shopping plaza. Art galleries, theatre parties and serious tours are now deemed necessary.

David Hughes, director of Toronto's Convention and Tourist Bureau, says the program is what really counts at a convention.

"It has to be pertinent and well organized. Make sure what you're talking about is important or else your delegates will spend their time in the bar."

It may be wise as well not to intimidate the press during the course of your convention.

A businessman, who used to work as reporter-photographer for an eastern daily, recalls one highly esteemed organization which treated the press rather badly during its convention. The reporter in question sat through one particular session which found most of the head table members dozing through a major speech.

Sure enough, the next day's paper featured a prominent photograph of just that scene.