4 THE TOURISM INDUSTRY

4.1 Introduction

Current and future tourism operators in the British Columbia need to be aware of tourism market information to compete in the global market. The future success of Mid Coast Tourism businesses relies, in part, on a good understanding of the visitors who travel to the region – their origins, numbers, preferences and how they will change in the future. With this knowledge, tourism operators can build on current businesses and successfully develop new opportunities. In this section of the report, we provide an overview of tourism demand – global, provincial and regional – and analyze the trends shaping tourism demand today and tomorrow.

4.2 Global and North American Tourism

4.2.1 Global Tourism Demand

Tourism is the world's largest economic growth sector, and this is expected to continue into the 21st century. It is also the world's largest export earner, and a key determinant of the balance of payments in many countries. Taking both direct and indirect economic activity into account, the tourism sector is estimated to comprise about 11 percent of the global gross domestic product.

Global receipts from international tourism grew at an annual rate of 9 percent between 1980 and 1996, to total $423 billion in 1996.[1] During the same period, international arrivals grew at an annual rate of 4.6 percent to reach 594 million in 1996. Statistics from the World Tourism Organization (WTO) indicate that the number of global travellers reached 664 million by the end of 1999, an increase of 4.4 percent over the previous year.[2] Projections are for one billion by year 2010. Tourism earnings are expected to more than double during the next ten-year period.

Tourism demand is strongly linked to economic growth and performance. World tourism growth was restrained in 1997-98 because economic problems suppressed Asian outbound travel. However, the fortunes of the tourism industry turned up worldwide in 1998/99, fueled by the end of the Asian economic crisis, and the buoyant economies of the G7 countries.

With the end of the Asian crisis, there has been a recovery of Asian outbound travel, particularly from Korea, Thailand and Malaysia.[3] European outbound travel to destinations including North America continues to be robust. After two years of negative results, the tourism sector in the Asia Pacific region increased at 11.1 percent in 1998/99, the best performance in the world. Other tourism hot spots included the Middle East, Africa and South Asia.

[1] Source: World Tourism Organization
[2] World Tourism Organization, *Tourism Highlights 2000*. August 2000.
[3] World Tourism Organization statement, December 1999

Total inbound travel in North America was 87.3 million arrivals in 1999. Annual growth was 2 percent between 1995 and 1999. Canada's market share of North American tourism rose from 15.5 percent in 1995 to 15.9 percent in 1999, while the shares of the US and Mexico declined slightly.

The outlook for global tourism in 2001 is positive, however the predicted loss of economic momentum in the US and Europe could dampen world trade flows[4], and slow the rate of tourism demand somewhat. This notwithstanding, the long term outlook for global continues to be promising.

Travel and tourism generates about 100 million jobs worldwide, with most employment occurring in small or medium-sized businesses.[5] The WTO indicates that job creation in tourism is growing 1.5 times faster than in any other industrial sector. All of these optimistic data point to the emergence of the tourism industry as a prime driver in the world economy, and as an importance source of diversification.

With its unique physical, cultural and historical setting, Canada enjoys a significant share of this global tourism activity, and its resources are only beginning to be tapped. Canada presently accounts for 2.9 percent of the world's international visits, two percent of world's tourism earnings and ranks as the world's ninth most popular tourist destination.[6]

Adventure travel and ecotourism are the fastest growing components of the North American tourism industry. Both appeal to middle class or higher income travellers seeking excitement and an authentic outdoor experience. Adventure travel has been defined as follows:[7]

> An outdoor leisure activity that takes place in an unusual, exotic, remote or wilderness destination, involves some form of unconventional means of transportation, and tends to be associated with low or high levels of activity.

Ecotourism generally encompasses those adventure travel experiences with a low impact and non-consumptive nature. Clearly, there is a great deal of overlap between adventure tourism and ecotourism, but neither is well defined, and consequently few sound statistics are available for either category. However, there is little question that the demand for adventure tourism and ecotourism products will continue to swell, as more travellers – domestic and abroad -- with "greening" attitudes seek out unique outdoor experiences.

A study carried out in 1996 shows that the potential North American ecotourism and related market was approximately 58.9 million people.[8] Of this, Canada accrued less than one percent during that year, or 160,670 person trips. This has tremendous potential to grow, in Canada and British Columbia. Canada has a global reputation for its abundant and pristine wilderness, and its unparalleled scenery. British Columbia holds very strong appeal for North American and overseas travellers drawn to adventure and ecotourism activity. A

[4] Scotiabank Group, *Global Outlook*, January 2001.
[5] World Trade Organization.
[6] Source: Canadian Tourism Commission
[7] Tourism Canada, February 1995.
[8] Randolph Group 1996. *Adventure Travel and Ecotourism in Canada: Strategic Directions to the 21st Century: Final Report*. Canadian Tourism Commission.

national study carried out in 1997[9] highlighted several important factors shaping future demand for British Columbia tourism products:

> Based on product appeal/uniqueness, BC adventure/ecotourism products are highly competitive with those in the US.
>
> The same is true when comparing BC products with those in Europe – while the long distance to Canada make them less accessible from Europe, for many visitors this is offset by the perceived "exoticness" of Canadian wilderness adventure/ecotourism products.
>
> "Only our most unique Arctic safari type products or Pacific Coast/Rocky Mountain adventures can compete in terms of product appeal/uniqueness with popular international adventures products as African safaris, trekking in the Himalayas…[10]"

Adventure/ecotourism is still a young industry, and the opportunities in British Columbia -- particularly outside the "golden triangle" of Vancouver, Whistler and Victoria -- are relatively untapped. While the backcountry of Canada and BC hold great promise, a lack of infrastructure, poor accessibility and service quality which often does not match that of the US or Europe are all challenges to realizing its full tourism potential.

Despite these challenges, over the next decade British Columbia will take a more dominant role in the Canadian adventure and ecotourism sector, as travellers and recreationists develop more demanding tastes, and go further afield to experience wilderness, culture and history.

4.2.2 Tourism in British Columbia

Tourism ranks as the tenth largest economic sector in British Columbia (based on GDP activity). In 1999, there were 22.3 million overnight visitors in BC, increasing 2.2 percent over 1998. These visitors injected $9.2 billion in tourism revenue into the provincial economy. Tourism also generated approximately 106,830 direct jobs in 1999.[11]

Table 4.2-1: Overnight Visitor Activity in BC - 1997 to 2000

	# overnight visitors (millions)	Revenues (billions of $C)
1997	21.4	$8.5
1998	21.8	$8.8
1999	22.3	$9.2
2000 (estimate)	22.6	$9.4

Source: Tourism British Columbia

[9] The Randolph Group (January 1997). *Adventure Travel and Ecotourism in Canada: Strategic Framework for Development*. Prepared for the Canadian Tourism Commission.
[10] Ibid.
[11] Source: BC Statistics, *Tourism Indicators.*

Recent statistics show that 30 percent of overnight visitors in BC are from "short haul" regional Canada and US. Another 15 percent are North American "long haul" visitors (other provinces, US and Mexico). Overall, non-resident visitors comprised 52 percent of overnight visitors to BC, while British Columbians made up the remaining 48 percent. This is a dramatic contrast with 1995/96, when British Columbians accounted for 61 percent of overnight visitors to the province. It points to the growing importance of visitors from outside the province.

While the share of non-BC resident visits is growing, there is no doubt that the US is still the dominant market for the BC tourism sector. US overnight visitors totalled 5.1 million in 1999, making up 45 percent of all non-resident visitors. Visitors from "short haul" Canada accounted for another 3.7 million during the same year, while visitors from "long haul" Canada comprised another 1.2 million.

While data is not yet available, Tourism BC has estimated that the total number of overnight visitors to BC was 22.6 million in the year 2000, generating $9.4 billion in revenue.[12] This is a 3.4 percent increase in revenue over 1999. Prosperity in Alberta and Ontario (BC's two largest out-of-province markets), coupled with a low Canadian dollar, are driving the Canadian demand for tourism in BC. The buoyant Canadian, US, European and Asian economies, and a weak Canadian dollar have also been also factors in BC tourism growth.

As a world-recognized transportation and economic hub, Vancouver already has the infrastructure and the profile to attract North American and international visitors. However, a review of world tourism statistics supports the view that Canada gets only a small share of all international travellers, and BC an even smaller share of that. Those that do come to BC are often inclined to stay within the Golden Triangle (Vancouver-Victoria-Whistler), or avail themselves of tourism products that can be accessed relatively easily. Examples include the Rocky Mountaineer from Vancouver to Jasper, the Trans-Canada Highway to Alberta, or features in and around the Lower Mainland or South Vancouver Island. This presents a significant challenge to tourism operators outside Southwest BC who are trying to enlarge their market and attract international visitors.

4.3 Tourism in the Cariboo Region

Up-to-date and comprehensive tourism data is largely unavailable for sub-regions of the province. The best source of regional data is derived from a tourism survey conducted by Tourism BC in 1995 and 1996. The results are embodied in the *British Columbia Visitor Study*, a compendium of provincial and regional tourism data that characterizes the resident and non-resident components of the BC tourism market.

The 1995/96 survey data is aggregated according to large geographic areas of the province, including the Cariboo Tourism Region. The Cariboo Tourism Region encompasses the Cariboo Forest Region in the Central Interior (which, in turn, is made up of five Forest Districts) and the Mid-Coast Forest District. This combination of two highly divergent areas of the province presents a problem in trying to apply the results for the entire Cariboo Tourism Region to the Mid Coast component. The tourism resources and activities in the Cariboo Forest Region are largely land-based, and entirely different from those on the Mid Coast, which has

[12] Tourism BC (2000). *Ibid.*

significant coastal and mountain components and corresponding activities. There is some regional data, however, that has a bearing on the Mid Coast tourism sector:

- The Cariboo accounts for a small share of total tourism activity in BC. In 1995/96, six percent of non-residential and BC resident visitors respectively travelled to the Cariboo. Only northern BC comprised a smaller share.
- About 70 percent of BC resident visitors to the Cariboo Region were from the GVRD or southern BC.
- Almost 60 percent of non-resident travellers to the Cariboo Region were from regional Canada and US.
- Approximately one quarter of non-resident visitors to the Cariboo cited outdoors/wilderness activities as their prime purpose for visiting, and 29 percent of resident visitors. This is a significant increase from 19 percent overall in 1989.[13]

4.4 Tourism in the Mid Coast Forest District

4.4.1 Tourism Profile

Tourism is a major economic force on the Mid Coast during the summer months. Historically, most visitors have been attracted by sports fishing – both fresh and salt water – with a large number destined for the outer coast sportsfishing lodges. The Dean River is also a target for steelhead and enjoys a steady clientele. Many anglers travel to the Bella Coola River system for the spring and coho salmon season. However, a growing proportion of visitors are now travelling to Mid Coast to enjoy other activities such as kayaking, boating, hiking, nature observation and skiing.

The tourism season on the Mid Coast can start in early April and extend to October. Historically the tourism season has been short, extending from late June to early September, with a short extended season into the beginning of October for river coho fishing. In the past there was little or no winter tourism, but recently the opportunity for winter sports (snowboarding) in the Rainbow Range of Tweedsmuir Park has proven to be successful. There is also good potential for snowmobiling as a tourism draw.

Most visitors to the Mid Coast during the summer months are travelling on a circle route that links the Discovery Coast Passage ferry with road travel on Highway 20. BC Ferries' data for 1999/2000 shows that almost approximately 7,500 passengers travelled either to or from the Mid Coast in the summer of 1999. A large proportion of these passengers were tourists. Data from the Ministry of Transportation and Highways shows that the Summer Average Daily Traffic near Bella Coola in 1995 was 189 (it is likely at a comparable level today, but no data is available). This means about 17,000 vehicle movements (in both directions) over the three month summer period. As discussed earlier, about half of the traffic (8,500 vehicles) during the summer months is tourism-related. Most of this is either en route to or from the ferry.

In addition to ferry and vehicular traffic through the Mid Coast, many visitors travel by air to the Mid Coast during the summer months, destined primarily for the sportsfishing lodges. Private vessels are also an

[13] ISTC, Min. of Tourism and Min. of Regional and Economic Development. *Visitor '89: A Travel Survey of Visitors to BC.* August 1990.

important source of tourists, as many privately owned crafts travel to the Mid Coast during the summer months. It is estimated that well over 400 boats tie up at Mid Coast marinas and wharves each season.[14]

Despite the short season, the tourism industry is an important economic contributor to the regional economy. A recent inventory of existing tourism operators on the Mid Coast shows that there are approximately 160 businesses in the region that depend, either fully or partly, on tourism.[15] This includes accommodation, restaurants, transportation operators, campgrounds, tours, guide outfitters, and other types of operations. With the decline of the forest and fishing sectors on the Coast, tourism is emerging as another way to sustain economic viability. In 1996, forestry comprised 26 percent of income on the Mid Coast, the public sector 37 percent, and tourism 10 percent.[16] Given developments on the Mid Coast over the past few years, the dominance of forestry has likely declined somewhat, while that of tourism has probably grown.

Traveling to the Mid Coast for specific holiday activity is also growing, particularly within the adventure tourism activities. Among the adventure tourism products on the Mid Coast, only recreational fishing could be considered an established activity. For the most part, all other products are in their initial growth phases. Historically, the typical sports fisher has arrived and left by air, spending one to two weeks at a fishing camp, or come by camper and been self-sufficient in terms of supplies. Increasingly, families are coming along on sports fishing trips and, consequently, seeking out other activities besides fishing during their stay.

The Discovery Coast ferry and tour buses are bringing in more non-traditional tourists who appear to spend more time in the area, visiting tourist and cultural attractions, and shopping. Ecotourism's popularity is growing, and being used as a new promotion idea with the sportsfishing lodges and the guide outfitters.

There are some indicators of general tourism trends on the Mid Coast, including room revenues, provincial park data, and recreational fishing data. These are discussed below.

Room Revenues: Room revenues in the Central Coast Regional District have increased in almost every year except 1998. Annual room revenues in 1992 were $562,000, increasing every year to $988,000 in 1997. Revenues then declined to $959,000 in 1998.

[14] Sources: conversations with Bella Coola Harbour Authority and operator of Shearwater Marine.
[15] Clover Point Cartographics, Database of Mid Coast Tourism Operators, 2001.
[16] BC Ministry of Finance and Corporate Relations. *BC Local Area Economic Dependencies and Impact Ratios.* 1996.

Table 4.4-1: Room Revenues in the Central Coast Regional District	
Year	**(thousands of $)**
1991	635
1992	562
1993	700
1994	745
1995	832
1996	946
1997	988
1998	959
Annual percentage change, 1991 to 1998	*6.1%*

Source: BC Statistics

Park Use: BC Parks tracks the number of visitors to its major parks every year, both campground attendance and day use. These numbers are a good indicator of whether outdoor recreation use is increasing or decreasing in an area. The Hakai Recreation Area and Tweedsmuir Park are the largest provincial parks on the Mid Coast. Attendance information is available for Tweedsmuir Park, but it is our understanding that it has not been regularly collected for the Hakai in several years. Table 4.4-2 shows campground attendance at Tweedsmuir South and North, and Day Use at Tweedsmuir South.

Table 4.4-2 Attendance at BC Parks in the Mid Coast Region (# of parties)

	1991	1994	1998	1999	2000
Campground Attendance					
Tweedsmuir South	3,677	4,025	2,673	2,938	3,321
Tweedsmuir North	193	386	n/a	n/a	n/a
Day Use					
Tweedsmuir South	17,962	20,940	17,526	18,421	16,850

These numbers indicate that campground attendance at Tweedsmuir South has declined between 1991 and 2000, but that numbers have risen during the past three years; at the same time day use has been declining.

Recreational Fishing: Recreation fishing is an important element of the west coast tourism sector. Saltwater fishing dominates on the Mid Coast, although there is some freshwater angling in the Dean and Bella Coola River systems. The Department of Fisheries and Oceans collects recreational saltwater fishing license data for all it regions on the BC Coast. Table 4.4-3 outlines the total number of purchases of non-resident and resident fishing licenses between 1995 and 1999 for the DFO District # 7 (approximately the Mid Coast).[17]

[17] DFO's District # 7 includes all communities in the Mid Coast as well as Kitimat and Kemano, which are outside the Mid Coast Forest District. Kitimat and Kemano account for a relatively small proportion of total fishing activity.

Table 4.4-3: Selected Saltwater Fishing License Category Purchases (1995 to 1999)

License Category	1995	1996	1997	1998	1999
Non-Resident (1 day licenses)	158	1,159	842	657	675
Non-Resident (other licenses)	3,556	2,991	2,942	2,762	3,019
Annual resident	4,647	2,755	2,730	2,535	2,499

Source: Department of Ocean and Fisheries.

Non-Resident (other licenses) includes licenses purchased for various durations ranging from three days to an annual license. The foregoing data shows that between 1995 and 1999 there has been a decline in licenses of longer duration, for both resident and non-resident fishers. Conversely the number of one day licenses has increased over the same time period. This shift has been driven by a complex combination of factors, including new fishing regulations and changes in the perceptions of fishers.

The BC Ministry of Environment, Lands and Parks collects information on freshwater sport fishing activity (number of anglers and number of days fished), however it is for the entire Cariboo Region, and there is no information solely for the Mid Coast.

4.5 Trends in Tourism and Recreation[18]

Tourism is a global and multi-faceted industry, driven by many influences. A wide range of activities also characterizes tourism and niches are changing as tourist preferences evolve. While the main emphasis of this report is on wilderness activity and the ecotourism market, it is important to provide a context by identifying some of the key forces driving the demand for tourism. In this section, key factors shaping the nature of the market for tourism are identified, and the meaning for tourism development in the region is discussed.

4.5.1 Social and Demographic Trends

Population and Life Stage: The North American population is growing and getting older. Between 1946 and 1964, approximately 10 million Canadians and 75 million Americans were born. This age cohort, the Baby Boomers, accounts for one third of all Canadians today, and 28 percent of all Americans. As the Boomer cohort has advanced through life, it has been a major market force, dominating earnings, savings, and consumption patterns no like previous generation. The Boomer cohort entered its highest earning years[19] beginning in 1991. This phase will wind down by year 2018, as the youngest Boomers move past age 55.

The Baby Boomer generation is the first to enjoy widespread travel, even at a young age. This can be ascribed to the dramatic growth in the post-war economy – with corresponding rises in family incomes – and the global build up of transportation infrastructure, making travel far more accessible than in the past. With travel as an

[18] Excerpts of this discussion are drawn from the 2000 report, *Forest and Fisheries Tourism Opportunities Study for the North Coast Forest District, March 2000*. Authors: Clover Point Cartographics, Geoscape, Marlyn Chisholm & Associates, and Sunderman & Associates.

[19] Generally between ages 45 to 55.

integral part of their lives, Boomers can be expected to continue travelling throughout their lives, although their preferences and needs will change. These forces have profound implications for current and future tourism demand.

The Baby Boomer cohort is widely recognized as the primary target for marketing tourism products. A large share of the Canadian Tourism Commission's marketing budget is directed at the 45+ market, due to its size and long term prospects. While many in the Boomer generation still travel with their families now, these families will grow up, leaving empty nesters with more disposable income to spend on travel. This points to a growing demand for holidays that cater to couples, and provide a high level of service.

More income is now being concentrated in the hands of the Boomers as they experience their peak earning years, and as the result of inter-generational transfers, in the form of inheritances. Part of this discretionary income will be spent on travel. Increasingly, travellers are seeking, and can afford, "high-end" vacations that offer high quality services and a degree of luxury, such as stays at destination resorts, or marine cruises.

The age 35 to 44 segment of the population also represents a significant market for tourism activities. This age group tends to travel with their families, or seek more active, adventure-oriented holidays.

"Time Poverty": Time – and its availability – is a key determinant of tourism demand. People with families and/or at the peak years of their career are experiencing a leisure time squeeze. While they have the money to travel, travellers short on time generally pursue shorter, more frequent holidays, often within the same time zone. There is also a trend towards combining holidays with business travel. This has led to an increase in the popularity of hassle-free, all-inclusive holiday packages.

Consumer tastes and attitudes: Here at the beginning of the 21st century, the high standard of living in the western economies has produced travellers who are more highly educated, and well traveled, than ever before. They also have a much larger choice of tourism experiences, both domestically and abroad. Travel is no longer a novelty.

As the choice of tourism products grows, many tourists are turning away from conventional, group-oriented holidays to experiences that offer more than just escape. Tourist preferences are evolving as society becomes more affluent and industrial, away from mass consumption and towards meaningful experiences that add value to one's total experience. This re-shaping of consumer attitudes is, in part, fueled by environmental concerns.

Many tourists today are seeking an "authentic" experience. While there is clearly still a market for mass travel destinations, there is a significant and growing market for travel experiences that engage the participants in active, genuine and unique events, for example:

- observing native traditional dance ceremonies in Klemtu or Hartley Bay;
- wildlife viewing in a natural setting, rather than at a zoo or aquarium;
- winter activities in the Yukon (which draws many German tourists annually);
- guided bicycle tours in California vineyards;
- pocket cruises that offer unique wildlife viewing or access to hotsprings.

These experiences often involve some element of physical or mental challenge, and confer a sense of achievement. Increasingly, travellers want to learn as part of their vacation. This marks an important shift in tourist preferences away from contrived or staged experiences to those which impart enrichment, learning, and a special experience. It also points to continuing growth in the demand for adventure tourism products.

Strenuous activities or hard adventure experiences requiring some degree of stamina and fitness will generally appeal to younger age groups (e.g., ages 24 to 35, or younger). Hard adventure refers to products like whitewater rafting, heavy trekking, mountain climbing, cross-country skiing or kayaking. Soft adventure is considered travel with mild physical activity to an interesting area with comfortable accommodation, emphasizing visual excitement. It encompasses activities such as wildlife and bird viewing, on-road bicycle tours, and boating. Soft adventure products are particularly appealing to Baby Boomers and older travellers.

The operator who is marketing a specific product should carefully consider his or her target market, and practical considerations such as time availability, physical limitations and family needs. For example, affluent people in their peak earning years are often the ones who can best afford heli-skiing. However, they may not have the time, money, or the stamina, to ski for more than three or four days. It is therefore important to develop the product accordingly, and to make other activities available to these visitors and their families during their stay.

Ecotourism is the fastest-growing tourism product area today, and one with a great deal of potential in Canada. It generally involves low-impact nature-based experiences and emphasizes learning (biology, history or culture). Trip length varies tremendously, and is generally determined by activity and destination, rather than market. Recent ecotourism research shows that ecotourists are interested in more than the conventional hotel/motel options, or camping. They indicate a preference for rustic, intimate and adventure-type accommodations.[20] The most popular activities in this niche are predicted to be hiking, camping, boating, fishing and cycling. Ocean kayaking, particularly relevant to the Mid Coast, is one of the fastest growing segments of the marine sport industry, and there is a growing market for kayak tourism to exotic destinations all over the world.[21]

Travellers are interested in experiencing new cultures and, in Canada, there is a fascination with the aboriginal people and their cultures. Ecotourism is a good fit with aboriginal tourism because both niches appeal to a similar market, and in both cases value is placed on the preservation of the attributes and people of an area. Aboriginal tourism holds significant potential on the Mid Coast because of its integral role in the history of the region, and its widely acknowledged importance from the perspective of culture, history and archaeology.

An Angus Reid poll in 1993 elicited travellers' interest in Canadian aboriginal tourism products. The results show a high level of interest in visiting heritage sites and in purchasing aboriginal crafts and art. Europeans, in particular Germans and British, demonstrate an interest in aboriginal tourism while Asian interest is generally low. Industry representatives point out, however, that while visitors are interested in aboriginal culture, it does

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[20] Wight, Pam and Associates (March 1999). Market Analysis for Gwaii Haanas National Park Reserve/Haida Heritage Site. Prepared for Archipelago Management Board.

[21] Wight, ibid.

not generally comprise a draw in and of itself.[22] It is generally seen as one interesting element of a larger tourism product.

Recent research on the aboriginal culture market shows that the Italian, UK and German markets hold the largest potential for attracting aboriginal culture travellers. Together, they could generate 8.3 million aboriginal culture travellers to Canada over the next five years. [23]

4.5.2 Global economic growth

As a "luxury" good, tourism demand fluctuates with economic cycles. This was demonstrated in 1999, when international tourist arrivals grew by 4.4 percent, after two years of "flat" growth. The World Tourism Organization points out that these estimates reflect a notable recovery of Asian outbound travel, with the end of the Asian economic crisis in 1997 and 1998.

While the tourism sector will continue to grow in Canada and abroad, periodic economic downturns will have a direct effect on year-to-year tourism activity. Exchange rate fluctuations will also clearly have an effect on the marketability of Canadian tourism experiences vis a vis those in other countries, as they have in the past.

4.5.3 Technology and the Internet

The explosion of the Internet in all aspects of our lives is beginning to revolutionize marketing, planning and booking trends in the travel industry. A web-site on the Internet is now essential for most tourism operators hoping to attract visitors. The World Tourism Organization Business Council recently released a study that reveals that the four main tourism generating markets worldwide are also the four biggest users of the Internet. As a group, the United States, Germany, Japan and the UK account for two-fifths of world travellers and close to 80 per cent of Internet users. The WTOBC states that "if a destination is not on the Web then it may well be ignored by the millions of people who now have access to the Internet and who expect that every destination will have a comprehensive presence".[24]

The Internet provides not only a huge electronic marketplace, but also cost benefits. In this sense, it is a great "equalizer". The Internet presents a very economical and direct way for operators large or small to make their product known to a wide audience, at a relatively low cost.

The Internet is also becoming an important travel-booking tool. Prospective buyers are using it to evaluate products and, often, to buy their travel products. Some selected examples are as follows.

- E-ticketing is now available on most major airline carriers.

- Reservations and tickets for travel on BC Ferries, rail tours like the Rocky Mountaineer, and at many hotel and other accommodations throughout BC, can be purchased on the Internet prior to travel.

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[22] Discussion with tourism broker, February 2000.
[23] Canadian Tourism Commission. *Demand for Aboriginal Culture Products in Key European Markets.* 2000.
[24] World Tourism Organization Business Council (1999). *Marketing Tourism Destinations Online: Strategies for the Information Age.*

- More travel agencies affiliated with Cruise Lines International Associates (CLIA) are using the Internet for conducting business and marketing. One third of these agencies took bookings from a client via the Internet in 1999.[25]

Tourists today are drawing from a greater selection and desire to maintain more control of the products they choose. Technology and the Internet are instrumental in helping to meet these requirements.

4.5.4 Competition

There is growing concentration in the North American tourism sector, marked by a small number of large operators, and a large number of smaller, niche tour operators. Small operators who are unable to compete on the basis of price or quality in the mass markets can choose to merge with larger operators or focus on delivering in a specialty, niche market.

The trend towards concentration is an important one to note on the Mid Coast, where the market is fragmented and characterized by several, competing operators. To compete in the world market, the Mid Coast needs to be jointly marketed as a "product" with its own image. This means a united effort by operators in the area to develop an image (the Mid Coast as a product) that can be promoted worldwide. The Mid Coast shares spectacular features with other "exotic" destinations (for example New Zealand or Ireland), but it lacks a global profile.

On the demand side, travellers are becoming more demanding about what they buy and how much they pay. They are growing less confident in the ability of travel agents to deliver the best price. For this reason, more are turning to the Internet for pricing. While a relatively new phenomenon, Internet bidding sites for travel are growing and will continue to be the place where consumers go to buy their travel products. The Internet effectively provide a global marketplace for travel, and other, products.

Increasingly, tourism operators will be called upon to deliver flexible pricing, and to meet specific needs. This means more focused and customized holiday packages.

4.6 What Does This Mean for Tourism on the Mid Coast?

- Future tourism growth in Canada and British Columbia will be driven by interest in outdoor experiences, particularly those in the soft adventure market and ecotourism.

- The Mid Coast has the attributes and appeal to draw domestic and international visitors seeking authentic wilderness, adventure and cultural experiences. The demand exists for what the Mid Coast has to offer and more travellers are being attracted to British Columbia every year. In terms of attracting international markets, the Mid Coast can tap into the unique strengths that it shares with the rest of BC, including:

[25] Cruise Lines International Association (1999). *Benefits Study.*

- a reputation for abundant and pristine wilderness resources,
- an image as an uncrowded and unspoiled holiday destination, and,
- a wide diversity of wildlife.

The challenge is to draw visitors off the beaten path to some of British Columbia's most spectacular, and lesser known, wilderness and scenery.

- The demand for outdoor and wilderness experiences is here to stay. In the long term, as carrying capacity is approached at other tourism destinations elsewhere in BC and the world, the Mid Coast will increasingly be valued, and sought out, for its pristine qualities.

- BC residents comprise 60 percent of visitors to the Cariboo Region. While tourism demand from outside the province will continue to grow, tourists who reside in BC will continue to be an economic mainstay for the Cariboo and the Mid Coast.

- There is a need for operators to fully understand their market, and to ensure that the product matches the market. Factors such as age, abilities, time constraints and preferences should be taken into account when developing, and marketing, a new tourism product. Operators who choose to concentrate on drawing visitors from outside BC and from abroad need to know that, in the global tourism market, Canada is seen as one of many tourism products. Most non-resident or international tourists will only be attracted to outstanding and unique experiences that offer a level of service and quality on a par with other exotic destinations.

- Competition between operators and products is stiff, and this will continue to be the case. Operators need to find market niches or align with other operators or partners in order to avoid being squeezed out by larger interests. Clearly, strategic use of the Internet is one way of ensuring a broad market with relatively low costs, in a market where this is now a basic expectation.

Fiordlands: photo by Warren Fox