Introduction to Tourism

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NSCC EDITION

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Introduction to the NSCC Edition

An Introduction to the Industry

No textbook could cover, in depth, the tourism industry and the global context for its development. This text is a stepping stone for further resources, and is written with a first year college and university audience in mind.

Created Through Collaboration

The NSCC Edition titled *Introduction to Tourism* is adapted from *Introduction to Tourism and Hospitality in BC – 2nd Edition* by Capilano University, licensed under a Creative Commons Attribution 4.0 International License. Selected chapters are used and reordered. A more detailed version history is contained in the appendixes of this book.

The open textbook, *Introduction to Tourism and Hospitality in BC – 2nd Edition*, was created through a collaborative process. It involved input from educators at multiple institutions, industry leaders, employers, and past graduates of BC's tourism and hospitality management programs. The first iteration of the text was launched in 2015 by an organization called LinkBC; and in early 2020 a group of intrepid BC instructors rolled up their sleeves and edited the content to reflect the times.

In the 2nd edition all chapters have been revised with updated statistics, revised content and references added providing a more relevant and up to date reading experience. Several chapters such as Chapter 9 Customer Service, Chapter 10 Environmental Stewardship and Chapter 12 Indigenous Tourism have been substantially rewritten as these areas have transformed considerably over the last several years. Internet links throughout have been reviewed and updated along with several modernized end of chapter exercises and case studies throughout the text. Lastly glossary terms have been hyperlinked.

Chapter 1. History and Overview

Learning Objectives

- Specify the commonly understood definitions and differentiations of travel, tourism, and hospitality
- Classify tourism into distinct industry groups using North American Industry Classification Standards (NAICS)
- Define tourist and excursionist
- Gain knowledge about the origins of the tourism industry
- Provide an overview of the economic, social, and environmental impacts of tourism worldwide
- Understand the history of tourism development in Canada and British Columbia
- Analyze the value of tourism in Canada and British Columbia
- Identify key industry associations and understand their mandates

Revisions made by: Paolo Fresnoza

1.1 What is Tourism?

Before engaging in a study of **tourism**, let's have a closer look at what this term means.

Definition of Tourism

There are a number of ways tourism can be defined, and for this reason, the **United Nations World Tourism Organization (UNWTO)** embarked on a project from 2005 to 2007 to create a common glossary of terms for tourism. It defines tourism as follows:

> Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure (United Nations World Tourism Organization, 2008).

Using this definition, we can see that tourism is not just the movement of people for a number of purposes (whether business or pleasure), but the overall agglomeration of activities, services, and involved sectors that make up the unique tourist experience.

Tourism, Travel, and Hospitality: What are the Differences?

It is common to confuse the terms **tourism**, **travel**, and **hospitality** or to define them as the same thing. While tourism is the all-encompassing umbrella term for the activities and industry that create the tourist experience, the **UNWTO** (2020) defines travel as the activity of moving between different locations often for any purpose but more so for leisure and recreation (Hall & Page, 2006). On the other hand, hospitality can be defined as "the business of helping people to feel welcome and relaxed and to enjoy themselves" (Discover Hospitality, 2015, p. 3). Simply put, the hospitality industry is the combination of the accommodation and food and beverage groupings, collectively making up the largest segment of the industry (Go2HR, 2020). You'll learn more about accommodations and F & B in Chapter 3 and Chapter 4, respectively.

Definition of Tourist and Excursionist

Building on the definition of tourism, a commonly accepted description of a **tourist** is "someone who travels at least 80 km from his or her home for at least 24 hours, for business or leisure or other reasons"[1]. The United Nations World Tourism Organization (1995) helps us break down this definition further by stating tourists can be:

1. Domestic (residents of a given country travelling only within that country)
2. Inbound (non-residents travelling in a given country)
3. Outbound (residents of one country travelling in another country)

Excursionists on the other hand are considered same-day visitors (UNWTO, 2020). Sometimes referred to as "day trippers." Understandably, not every visitor stays in a destination overnight. It is common for travellers to

1. (LinkBC, 2008, p.8)

spend a few hours or less to do sightseeing, visit attractions, dine at a local restaurant, then leave at the end of the day.

The scope of tourism, therefore, is broad and encompasses a number of activities and sectors.

Spotlight On: United Nations World Tourism Organization (UNWTO)

UNWTO is the United Nations agency responsible "for the promotion of responsible, sustainable and universally accessible tourism" (UNWTO, 2014b). Its membership includes 159 countries and over 500 affiliates such as private companies, research and educational institutions, and non-governmental organizations. It promotes tourism as a way of developing communities while encouraging ethical behaviour to mitigate negative impacts. For more information, visit the UNWTO website.

NAICS

The North American Industry Classification System (NAICS). Given the sheer size of the tourism industry, it can be helpful to break it down into broad industry groups using a common classification system. The **North American Industry Classification System (NAICS)** was jointly created by the Canadian, US, and Mexican governments to ensure common analysis across all three countries (British Columbia Ministry of Jobs, Tourism and Skills Training, 2013a). The tourism-related groupings created using NAICS are (in alphabetical order):

1. Accommodation
2. Food and beverage services (commonly known as "F & B")
3. Recreation and entertainment
4. Transportation
5. Travel services

These industry groups (also commonly known as sectors) are based on the similarity of the "labour processes and inputs" used for each (Government of Canada, 2013). For instance, the types of employees and resources required to run an accommodation business whether it be a hotel, motel, or even a campground are quite similar. All these businesses need staff to check in guests, provide housekeeping, employ maintenance workers, and provide a place for people to sleep. As such, they can be grouped together under the heading of accommodation. The same is true of the other four groupings, and the rest of this text explores these industry groups, and other aspects of tourism, in more detail.

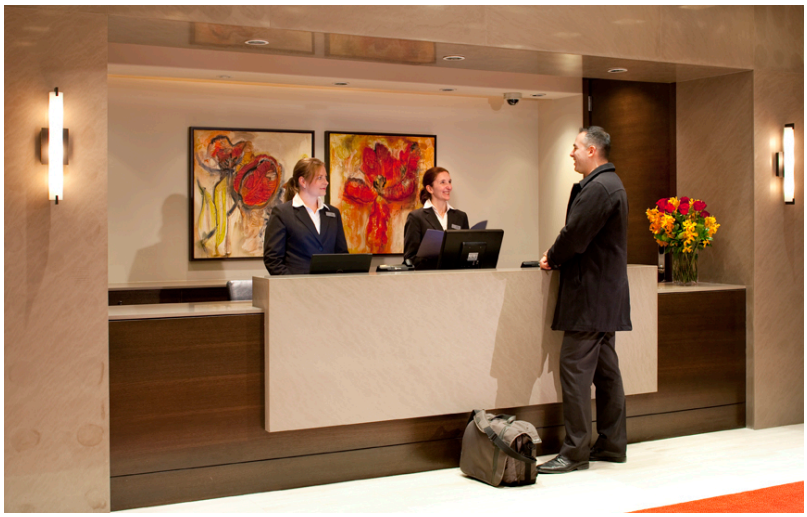

Figure 1.1 Front desk personnel, working their hardest.

It is typical for the entire tourist experience to involve more than one sector. The combination of sectors that supply and distribute the needed tourism products, services, and activities within the tourism system is called the Tourism Supply Chain. Often, these chains of sectors and activities are dependent upon each other's delivery of products and services. Let's look at a simple example below that describes the involved and sometimes overlapping sectoral chains in the tourism experience:

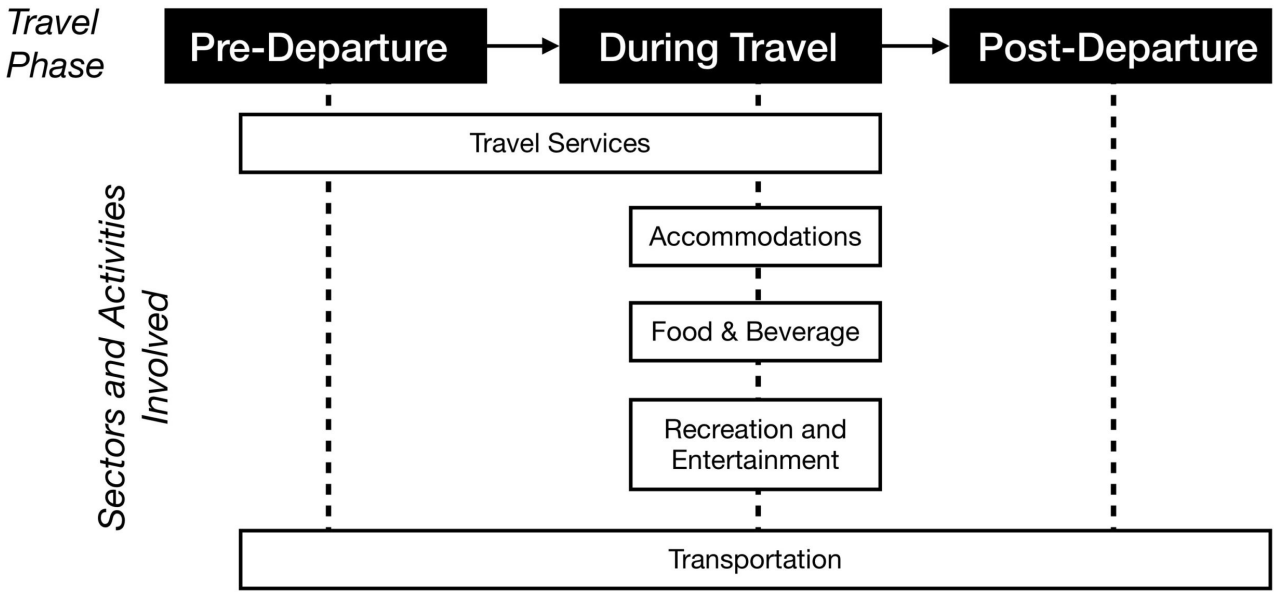

Figure 1.2 The tourism supply chain. [Long Description]

An interactive H5P element has been excluded from this version of the text. You can view it online here: https://pressbooks.nscc.ca/introtourism2e/?p=24#h5p-1

Before we seek to understand the five tourism sectors in more detail, it's important to have an overview of the history and impacts of tourism to date.

Media Attributions

1.2 Global Overview

Origins of Tourism

Travel for leisure purposes has evolved from an experience reserved for very few people into something enjoyed by many. Historically, the ability to travel was exclusive and reserved for royalty and the upper classes. From ancient Roman times to the 17th century, young men of high standing were encouraged to travel through Europe on a "grand tour" (Chaney, 2000). Through the Middle Ages, many societies encouraged the practice of religious pilgrimage, as reflected in Chaucer's *Canterbury Tales* and other literature. Prescribed even earlier, the Hajj or the annual pilgrimage to Mecca, has made travel for religious purposes become a default for every believer of Islam.

Figure 1.3 Hajj pilgrimage in Saudi Arabia.

The word **hospitality** predates the use of the word **tourism**, and first appeared in the 14th century. It is derived from the Latin *hospes*, which encompasses the words *guest*, *host*, and *foreigner* (Latdict, 2014). The word *tourist* appeared in print much later, in 1772 (Griffiths and Griffiths, 1772). William Theobald suggests that the word *tour* comes from Greek and Latin words for *circle* and *turn*, and that *tourism* and *tourist* represent the activities of circling away from home, and then returning (Theobald, 1998).

Tourism Becomes Business

Cox & Kings, the first known travel agency, was founded in 1758 when Richard Cox became official travel agent of the British Royal Armed Forces (Cox & Kings, 2014). Almost 100 years later, in June 1841, Thomas Cook opened the first leisure travel agency, designed to help Britons improve their lives by seeing the world and participating in the temperance movement. In 1845, he ran his first commercial packaged tour, complete with cost-effective railway tickets and a printed guide (Thomas Cook, 2014).

The continued popularity of rail travel and the emergence of the automobile presented additional milestones in the development of tourism. In fact, a long journey taken by Karl Benz's wife in 1886 served to kick off interest in auto travel and helped to publicize his budding car company, which would one day become Mercedes Benz (Auer, 2006). We take a closer look at the importance of car travel later in this chapter, and transportation within the tourism industry in Chapter 2.

Fast forward to 1952, the dawn of the jet age saw the first commercial air flights from London, England to Johannesburg, South Africa and Colombo, Sri Lanka (Flightglobal, 2002) that many also heralded as the start of the modern tourism industry. The 1950s also saw the creation of Club Méditérannée (Gyr, 2010) and similar club holiday destinations, the precursor of today's all-inclusive resorts.

The decade that followed is considered to have been a significant period in tourism development, as more travel companies came onto the scene, increasing competition for customers and moving toward "mass tourism, introducing new destinations and modes of holidaying" (Gyr, 2010, p. 32).

Industry growth has been interrupted at several key points in history, including World War I, the Great Depression, and World War II. At the start of this century, global events thrust international travel into decline including the September 11, 2001 attack on the World Trade Center in New York City (known as 9/11), the war in Iraq, perceived threat of future terrorist attacks, and health scares including SARS, BSE (bovine spongiform encephalopathy), and the West Nile virus (Government of Canada, 2006). But perhaps one of the most debilitating crises that has severely impacted tourism is the more recent COVID-19 pandemic.

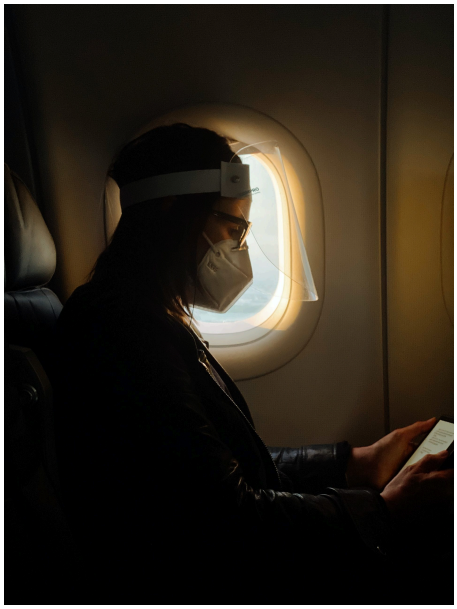

Figure 1.4 Cautious travel in the time of a pandemic.

At the turn of the twentieth century, the industry experienced a significant technological shift as increased internet use revolutionized the promotions and distributions of travel products and services. Through the 2000s, online travel bookings grew exponentially, and by 2018 global leader Expedia had expanded to include brands such as Hotels.com, Travelocity, Trivago, VRBO, Cheaptickets, and Expedia CruiseShip Centers, earning revenues of over $11.2 billion (Expedia Inc., 2013).

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Getting Home by Camila Perez is used under an Unsplash License.

1.3 Canada Overview

Origins of Tourism in Canada

Tourism has long been a source of economic development for our country. Some argue that as early as 1534 the explorers of the day, such as Jacques Cartier, were Canada's first tourists (Dawson, 2004), but most agree the major developments in Canada's tourism industry followed milestones in the transportation sector: by rail, by car, and eventually, in the skies.

Railway Travel: The Ties That Bind

Figure 1.5 Canadian Pacific 4-4-0 A-2-m, No. 136.

The dawn of the railway age in Canada came midway through the 19th century. The first railway was launched in 1836 (Library and Archives Canada, n.d.), and by the onset of World War I in 1914, four railways dominated the Canadian landscape: **Canadian Pacific Railway (CPR)**, Canadian Northern Railway (CNOR), the Grand Trunk Railway (GTR), and the Grand Trunk Pacific (GTP). Unfortunately, their rapid expansion soon brought the last three into near bankruptcy (Library and Archives Canada, n.d.).

In 1923, these three rail companies were amalgamated into the Canadian National Railway (CNR), and together with the CPR, these trans-continentals dominated the Canadian travel landscape until other forms of transportation became more popular. In 1978, with declining interest in rail travel, the CPR and CNR were forced to combine their passenger services to form VIA Rail (Library and Archives Canada, n.d.).

The Rise of the Automobile

The rising popularity of car travel was partially to blame for the decline in rail travel, although it took time to develop. When the first cross-country road trip took place in 1912, there were only 16 kilometres of paved road across Canada (MacEachern, 2012). Cars were initially considered a nuisance, and the National Parks Branch banned entry of automobiles, but later slowly began to embrace them. By the 1930s, some parks, such as Cape Breton Highlands National Park, were actually created to provide visitors with scenic drives (MacEachern, 2012).

It would take decades before a coast-to-coast highway was created, with the Trans-Canada Highway officially opening in Revelstoke in 1962. When it was fully completed in 1970, it was the longest national highway in the world, spanning one-fifth of the globe (MacEachern, 2012).

Early Tourism Promotion

As early as 1892, enterprising Canadians like the Brewsters became the country's first tour operators, leading guests through areas such as Banff National Park (Brewster Travel Canada, 2014). Communities across Canada developed their own marketing strategies as transportation development took hold. For instance, the town of Maisonneuve in Quebec launched a campaign from 1907 to 1915 calling itself "Le Pittsburg du Canada." By 1935, Quebec was spending $250,000 promoting tourism. Other provinces such as Ontario, New Brunswick, and Nova Scotia followed suit, also enjoying the benefits of establishing provincial tourism bureaus (Dawson, 2004).

National Airlines

Our national airline, Air Canada, was formed in 1937 as Trans-Canada Air Lines. In many ways, Air Canada was a world leader in passenger aviation, introducing the world's first computerized reservations system in 1963 (*Globe and Mail*, 2014). Through the 1950s and 1960s, reduced airfares saw increased mass travel. Competitors including Canadian Pacific (which became Canadian Airlines in 1987) began to launch international flights during this time to Australia, Japan, and South America (*Canadian Geographic*, 2000). By 2000, Air Canada was facing financial peril and forced to restructure. A numbered company, owned in part by Air Canada, purchased 82% of Canadian Airline's shares, with the result of Air Canada becoming the country's only national airline (*Canadian Geographic*, 2000). The 2000s saw Air Canada experiencing a roller-coaster performance from verging near bankruptcy in 2002, to reorganizations and fleet modernizations up to 2007, and another downturn due to the global recession in 2008 (ACE Aviation, 2011; Air Canada, 2007; CBC News, 2009). Air Canada experienced a number of transformations from interior and interior aircraft redesigns and further fleet upgrades from 2013 to 2017 (Air Canada, 2016). Once a rival airline, Air Transat was subsequently taken over by Air Canada in 2019 (CBC News, 2019). The near halt of the global tourism industry during the pandemic of COVID-19 in 2020 severely affected Air Canada, which posted a whopping $1 billion loss in its first quarter, cutting thousands of jobs, slashing 90% of its flight schedule, and foreseeing a tough and later rebound (Reynolds, 2020).

Parks and Protected Areas

A look at the evolution of tourism in Canada would be incomplete without a quick study of our national parks and protected areas. The official conservation of our natural spaces began around the same time as the railway boom, and in 1885 Banff was established as Canada's first national park. By 1911, the Dominion Forest Reserves and Parks Act created the Dominion Parks Branch, the first of its kind in the world (Shoalts, 2011).

Figure 1.6 Moraine Lake in the Canadian Rockies.

The systemic conservation and celebration of Canada's parks over the next century would help shape Canada's identity, both at home and abroad. Through the 1930s, conservation officers and interpreters were hired to enhance visitor experiences. By 1970, the National Park System Plan divided Canada into 39 regions, with the goal of preserving each distinct ecosystem for future generations. In 1987, the country's first national marine park was established in Ontario, and in the 20 years that followed, 10 new national parks and marine conservation areas were created (Shoalts, 2011).

The role of parks and protected areas in tourism is explored in greater detail in Chapter 5 (Recreation) and Chapter 8 (Environmental Stewardship).

Global Shock and Industry Decline

As with the global industry, Canada's tourism industry was impacted by world events such as the Great Depression, the World Wars, socio-political turmoil, and global outbreak of disease.

Global events such as 9/11, the SARS outbreak, the wars in Afghanistan and Iraq, and the economic recession of 2008 took their toll on tourism receipts but have successfully seen short-term rebounds. However, nothing has been more impactful to the tourism industry as the corona virus of 2019 (COVID-19), which was first found in China in late 2019 and eventually declared as a pandemic by March 2020 as it spread globally. Tourism was placed in a standstill as global travel restrictions were imposed to prevent the spread of infection. Aggravated with a nose dive of consumer confidence in travel, many tourism businesses and operators big and small were forced to close. The **UNWTO** predicted a 60% to 70% drop in tourist numbers, as well as a loss of a staggering USD 910 billion to USD 1.2 trillion in export revenues, and up to 120 million jobs put at risk (UNWTO, 2020b). According to the UNWTO (2020b), COVID-19 created the worst crisis in the history of global tourism since records began in 1950.

Figure 1.7 Travellers wearing face masks in Marina Bay, Singapore.

Tourism in Canada Prior to COVID-19

In 2018, tourism created $102 billion in total economic activity and 1.8 million jobs according to the **Tourism Industry Association of Canada** (2018a). Up to 2019, Canadian tourism reached its 3rd consecutive year of breaking records by welcoming 22.1 million inbound visitors (TIAC, 2020). Tourism is a major player in the workforce, where 1 in 11 jobs in the country is directly involved with travellers, as stated by TIAC (2018a).

Spotlight On: The Tourism Industry Association of Canada (TIAC)

Founded in 1930 and based in Ottawa, the **Tourism Industry Association of Canada (TIAC)** is the national private-sector advocate for the industry. Its goal is to support policies and programs that help the industry grow, while representing over 400 members including airports, concert halls, festivals and events, travel services providers, and businesses of all sizes. For more information, visit the Tourism Industry Association of Canada's website.

The United States is Canada's biggest tourism market, which we welcome more than all international travellers combined. Thanks to our immediate proximity, open borders, and ease of travel, we are actually both each other's top market. As 68% of all inbound visitors to Canada in 2018, American travellers are also big spenders at $663 per trip and typically seek natural attractions, historical sites, and food and drink when they enter the country (TIAC, 2018b).

Aside from the United States, Canada continues to see strong visitation from the United Kingdom, France, Mexico, Brazil, and China. In 2018, we welcomed 6.9 million travellers (excluding the US), more that doubling since 2011 (Statistics Canada, 2019). Canadians travelling domestically accounted for 78% of tourism revenues in the country, though spend less at $244 per trip (TIAC, 2018c).

Spotlight On: Destination Canada

Housed in Vancouver, **Destination Canada**, previously the Canadian Tourism Commission (CTC), is responsible for promoting Canada in several foreign markets: Australia, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, and the United States. It works with private companies, travel services providers, meeting professionals, and government organizations to help leverage Canada's tourism brand, *For Glowing Hearts*. For more information, visit the Destination Canada website.

As organizations like TIAC work to confront barriers to travel, **Destination Canada** is active abroad, encouraging more visitors to explore our country. In Chapter 8, we'll delve more into the challenges and triumphs of selling tourism at home and abroad.

The great news for British Columbia is that once in Canada, most international visitors tend to remain in the province they landed in, and BC is one of three provinces that receives the bulk of this traffic (Destination Canada, 2019). In fact, BC's tourism industry is one of the healthiest in Canada today. Let's have a look at how our provincial industry was established and where it stands now.

Image Credits

1.4 Impacts of Tourism

As you can already see, the impacts of the global tourism industry today are impressive and far reaching. Let's have a closer look at some of these outcomes.

Tourism Impacts

Tourism can generate positive or negative impacts under three main categories: economic, social, and environmental. These impacts are analyzed using data gathered by businesses, governments, and industry organizations.

Economic Impacts

According to the 2019 edition of the UNWTO International Tourism Highlights report, international tourist arrivals reached 1.4 billion, a 5% increase in 2018. UNWTO Secretary-General Zurab Pololikashvili stated that the sheer growth of the industry was driven by a strong global economy, surge of the travel-ready middle class from emerging economies, technological advances, and more affordable travel costs among others (UNWTO, 2019). At the same time, the UNWTO (2019) reported export earnings from tourism, or the sum of international tourism receipts and passenger transport, reached a staggering USD 1.7 trillion. This demonstrates that the industry is a major economic engine of growth and development.

Europe has traditionally been the region with the highest tourism dollar spending with USD 570 billion, followed by Asia and the Pacific (USD 435 billion), the Americas (USD 334 billion), Middle East (USD 73 billion), and Africa (USD 38 billion). Asia has shown to have the strongest growths in both arrivals (+7%) and spending (+7%). Africa equally shared a +7% growth in arrivals, suggesting a new interest in travelling to the continent.

What are the trends that are motivating people to travel? The six consumer travel trends, according to the UNWTO (2019) include:

- Travel "to change" or focusing on more authentic travel, transformation, and living like a local.
- Travel "to show" or capturing "instagramable" moments, experiences, and visiting selfie-worthy destinations.
- Pursuit of a healthy life or engaging into active travel that involves walking, wellness, and sports tourism.
- Rise of the "access" economy.
- Solo travel and multigenerational travel as a result of single households and an aging population.
- Rising awareness on travel with sustainable advocacies, thoughtful consideration about climate change impacts, and plastic-free travel.

Social Impacts

Because tourism experiences also involve human interaction, certain impacts may occur. Generally, social impacts

in tourism are related to guest-to-host or host-to-guest influences and changes. Studies of these encounters often relate to the Social Exchange Theory, which describe how tourists and hosts' behaviours change as a result of the perceived benefits and threats they create during interaction (Nunkoo, 2015).

Positive social impacts in tourism include learning about different cultures, increasing tolerance and inclusion through LGBTQ+ travel, increasing amenities (e.g., parks, recreation facilities), investment in arts and culture, celebration of **Indigenous peoples**, and community pride. When developed conscientiously, tourism can, and does, contribute to a positive quality of life for residents and a deeper learning and appreciation for tourists.

Figure 1.12 LGBTQ+ travel is gaining momentum.

Unfortunately, tourism also has its shortcomings and is culpable for some detrimental impacts. However, as identified by the United Nations Environment Programme (UNEP, 2003a), negative social impacts of tourism can include:

- Change or loss of indigenous identity and values
- Culture clashes
- Physical causes of social stress (increased demand for resources)
- Ethical issues (such as an increase in sex tourism or the exploitation of child workers)

Some of these issues are explored in further detail in Chapter 12, which examines the development of Indigenous tourism in British Columbia.

Environmental Impacts

Tourism relies on, and greatly impacts, the natural environment in which it operates. In many cases, the environment is an essential resource that outdoor recreation and ecotourism cannot exist without. Even though many areas of the world are conserved in the form of parks and protected areas, tourism development can still have severe negative impacts from misuse, overuse, and neglect. According to UNEP (2003b), these can include:

- Depletion of natural resources (water, forests, etc.)
- Pollution (air pollution, noise, sewage, waste and littering)

- Physical impacts (construction activities, marina development, trampling, loss of biodiversity)

The environmental impacts of tourism knows no boundaries and can reach outside local areas and have detrimental effects on the global ecosystem. One example is increased emissions from necessary tourism elements such as transportation. Air travel for instance, is a major contributor to climate change. Chapter 10 looks at the environmental impacts of tourism in more detail.

Whether positive or negative, tourism is a force for change around the world that is capable of transforming the environment from micro- to macro-scales at a staggering rate.

Image Credit

1.5 Conclusion

As we have seen in this chapter, tourism is a complex system that is built up of industry sectors including accommodation, recreation and entertainment, food and beverage services, transportation, and travel services. It encompasses domestic, inbound, and outbound travel for business, leisure, or other purposes. And because of this large scope, tourism development requires participation from all walks of life, including private business, governmental agencies, educational institutions, communities, and citizens.

Recognizing the diverse nature of the industry and the significant contributions tourism makes toward economic and social value for British Columbians is important. There remains a great deal of work to better educate members of the tourism industry, other sectors, and the public about the ways tourism contributes to our province.

Given this opportunity for greater awareness, it is hoped that students like you will help share this information as you learn more about the sector. So let's begin our exploration in Chapter 2 with a closer look at a critical sector: transportation.

Key Terms

- **British Columbia Government Travel Bureau** (**BCGTB)**: the first recognized provincial government organization responsible for the tourism marketing of British Columbia
- **Canadian Pacific Railway (CPR)**: a national railway company widely regarded as establishing tourism in Canada and BC in the late 1800s and early 1900s
- **Destination BC:** the provincial destination marketing organization (DMO) responsible for tourism marketing and development in BC, formerly known as Tourism BC
- **Destination Canada:** the national government Crown corporation responsible for marketing Canada abroad, formerly known as the Canadian Tourism Commission (CTC)
- **Destination marketing organization (DMO):** also known as a destination management organization; includes national tourism boards, state/provincial tourism offices, and community convention and visitor bureaus
- **Diversity:** a term used by some in the industry to describe the makeup of the industry in a positive way; acknowledging that tourism is a diverse compilation of a multitude of businesses, services, organizations, and communities
- **Excursionist**: same-day visitors in a destination. Their trip typically ends on the same day when they leave the destination.
- **Fragmentation:** a phenomenon observed by some industry insiders whereby the tourism industry is unable to work together toward common marketing and lobbying (policy-setting) objectives
- **Hospitality:** the accommodations and food and beverage industry groupings
- **North American Industry Classification System (NAICS)**: a way to group tourism activities based on similarities in business practices, primarily used for statistical analysis
- **Social Exchange Theory**: describes how tourists and hosts' behaviours change as a result of the perceived

benefits and threats they create during interaction

- **Travel**: moving between different locations, often for leisure and recreation
- **Tourism:** the business of attracting and serving the needs of people travelling and staying outside their home communities for business and pleasure
- **Tourism Industry Association of BC** (**TIABC)**: a membership-based advocacy group formerly known as the Council of Tourism Associations of BC (COTA)
- **Tourism Industry Association of Canada (TIAC):** the national industry advocacy group
- **Tourism Supply Chain**: The combination of sectors that supply and distribute the needed tourism products, services, and activities within the tourism system
- **Tourist:** someone who travels at least 80 kilometres from his or her home for at least 24 hours, for business or pleasure or other reasons; can be further classified as domestic, inbound, or outbound
- **United Nations World Tourism Organization (UNWTO)**: UN agency responsible for promoting responsible, sustainable, and universally accessible tourism worldwide

Exercises

1. List the three types of tourist and provide an example of each.
2. What is the UNWTO? Visit the UNWTO website, and name one recent project or study the organization has undertaken.
3. List the five industry groups according to the North American Industry Classification System (NAICS). Using your understanding of tourism as an industry, create your own definition and classification of tourism. What did you add? What did you take out? Why?
4. What is the difference between Tourism Services and Travel Trade?
5. Describe how the phenomenon of tourism can still happen even when tourists have gone back to their origin.
6. According to UNEP, what are the four types of negative environmental tourism impact? For each of these, list an example in your own community.
7. What major transportation developments gave rise to the tourism industry in Canada?
8. Historically, what percentage of international visitors to Canada are from the United States? Why is this an important issue today?
9. Name three key events in the history of BC tourism that resonate with you. Why do you find these events of interest?
10. Watch the Tourism Pays video feature on Richmond. Now think about the value of tourism in your community. How might this be communicated to local residents? List two ways you will contribute to communicating the value of tourism this semester.
11. Choose one article or document from the reference list below and read it in detail. Report back to the class about what you've learned.

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Chapter 2. Travel Services

Learning Objectives

- Describe the key characteristics of the travel services sector
- Define key travel services terminology
- Differentiate between types of reservation systems and booking channels
- Discuss the impacts of online travel agents on consumers and the sector
- Identify key travel services and organizations in Canada
- Explain the importance of additional tourism services not covered under NAICS
- Describe key trends and issues in travel services worldwide

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2.1 Components of Travel Services

The **travel services** sector helps travellers arrange and reserve their vacation or business trips (StatsCan, 2018). This sector is made up of businesses and organizations that work in a coordinated effort to provide travellers with seamless arrangements to maximize their travel experience. Go2HR describes travel services experiences and employment opportunities as follows:

Within this sector, you have the flexibility of working in various capacities with event and conference planning organizations, travel companies and organizations, as well as associations, government agencies and companies that specialize in serving the needs of the tourism sector as a whole. (go2HR, Essential Tips – Travel Services, 2020)

Before we move on, let's explore the term *travel services* a little more. As detailed in Chapter 1, Canada, the United States, and Mexico have used the NAICS guidelines, which define the tourism industry as consisting of transportation, accommodation, food and beverage, recreation and entertainment, and travel services (Tourism HR Canada, 2020).

For many years, however, the tourism industry was classified into eight sectors: accommodations, adventure and recreation, attractions, events and conferences, food and beverage, tourism services, transportation, and travel trade (Yukon Department of Tourism and Culture, 2020; go2HR, 2020, What is Tourism? – Travel Services).

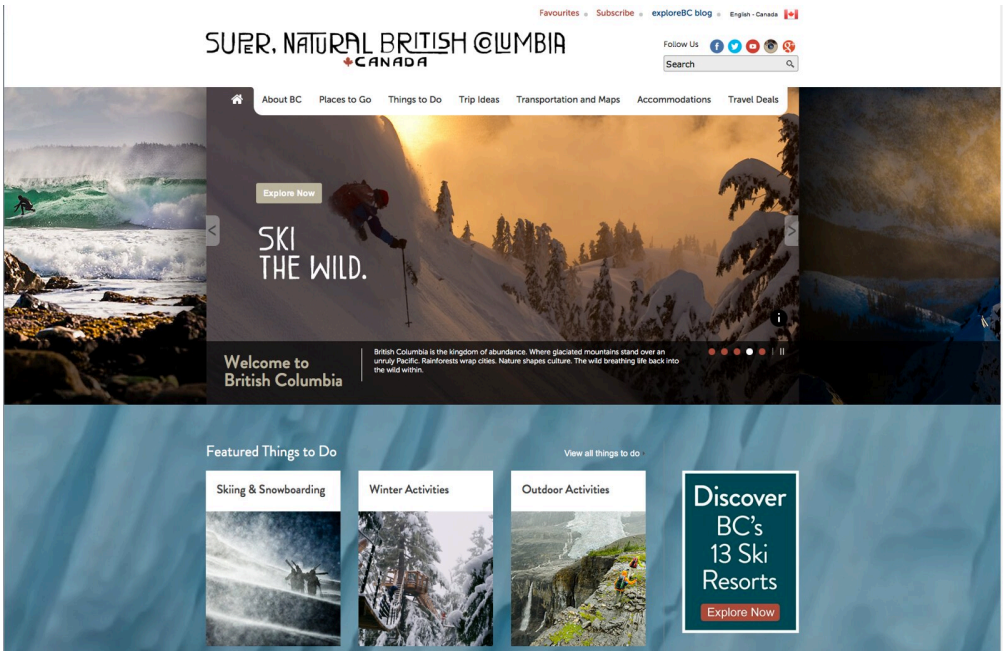

Figure 2.1.1 The homepage of HelloBC.com, a site where consumers can research and plan their trip to British Columbia.

Tourism services support industry development and the delivery of guest experiences, and some of these are missing from the NAICS classification. To ensure you have a complete picture of the tourism industry, this chapter will cover both the NAICS travel services activities and some additional tourism services.

First, we'll review the components of **travel services** as identified under NAICS, as well as exploring popular careers within:

1. Travel agencies (brick and mortar)
2. Online Travel Agencies/OTA
3. Tour operators
4. Destination marketing organizations (DMOs)
5. Other Organizations

Following these definitions and descriptions, we'll take a look at some other support functions that fall under tourism services. These include sector organizations, tourism and hospitality human resources organizations, training providers, educational institutions, government branches and ministries, economic development and city planning offices, and consultants.

Finally, we'll look at issues and trends in travel services, both at home, and abroad.

While the application of travel services functions are structured somewhat differently around the world, there are a few core types of travel services in every destination. Essentially, travel services are those processes used by guests to book components of their trip. Let's explore these services in more detail.

Travel Agencies

Figure 2.1.2 A travel agency in the United Kingdom. Image credit: David Hawgood

A **travel agency** is a business that operates as the intermediary between the travel industry (supplier) and the traveller (purchaser). Part of the role of the travel agency is to market prepackaged travel tours and holidays to potential travellers. The agency can further function as a broker between the traveller and hotels, car rentals, and

tour companies (Goeldner & Ritchie, 2003). Travel agencies can be small and privately owned or part of a larger entity.

A **travel agent** is the direct point of contact for a traveller who is researching and intending to purchase packages and experiences through an agency. Travel agents can specialize in certain types of travel including specific destinations; outdoor adventures; and backpacking, rail, cruise, cycling, or culinary tours, to name a few. These specializations can help travellers when they require advice about their trips. Some travel agents operate at a fixed address and others offer services both online and at a bricks-and-mortar location. Travellers are then able to have face-to-face conversations with their agents and also reach them by phone or by email. To promote professionalism within the travel industry, travel counsellors can apply for a specialized diploma or certificate in travel from **ACTA** (ACTA, 2020a; go2HR, 2020a).

Today, travellers have the option of researching and booking everything they need online without the help of a travel agent. As technology and the internet are increasingly being used to market destinations, people can now choose to book tours with a particular agency or agent, or they can be identified as seeking **Domestic Independent Travel (DIT)** or **Foreign Independent Travel (FIT)**, by creating their own itineraries from a number of suppliers.

Online Travel Agents (OTAs)

Increasing numbers of travellers are turning to **online travel agents** (OTAs), companies that aggregate accommodations and transportation options and allow users to choose one or many components of their trip based on price or other incentives. Examples of OTAs include iTravel2000, Booking.com, Expedia.ca, Hotwire.com, and Kayak.com. OTAs continue to gain popularity with the travelers; in 2012, they reported online sales of almost $100 billion (Carey, Kang, & Zea, 2012) and almost triple that figure, upward of $278 billion, in 2013 (*The Economist*, 2014).

In early 2015 Expedia purchased Travelocity for $280 million, merging two of the world's largest travel websites. Expedia became the owner of Hotels.com, Hotwire, Egencia, and Travelocity brands, facing its major competition from Priceline (Alba, 2015).

Although **OTAs** can provide lower-cost travel options to travellers and the freedom to plan and reserve when they choose, they have posed challenges for the tourism industry and travel services infrastructure. As evidenced by the merger of Expedia and Travelocity, the majority of popular OTA sites are owned by just a few companies, causing some concern over lack of competition between brands. Additionally, many OTAs charge accommodation providers and operators a commission to be listed in their inventory system. Commission-based services, as applied by Kayak, Expedia, Hotwire, Hotels.com, and others, can have an impact on smaller operators who cannot afford to pay commissions for multiple online inventories (Carey, Kang & Zea, 2012). Being excluded from listings can decrease the marketing reach of the product to potential travellers, which is a challenge when many service providers in the tourism industry are small or medium-sized businesses with budgets to match.

While the industry and communities struggle to keep up with the changing dynamics of travel sales, travellers are adapting to this new world order. One of these adaptations is the ever-increasing use of mobile devices for travel booking. The *Expedia Future of Travel Report* found that 49% of travellers from the millennial generation (which includes those born between 1980 and 1999) use mobile devices to book travel (Expedia Inc., 2014), and these numbers are expected to continue to increase. Travel agencies are reacting by developing personalized features for digital travellers and mobile user platforms (ETC Digital, 2014). With the number of smartphone users expected to reach 1.75 billion in 2014 (CWT Travel Management Institute, 2014) these agencies must adapt as demand dictates.

Figure 2.1.3 This is what a computer looked like in 1996. Less than 25 years later, you can access the world from your mobile phone. Image credit: Blake Patterson

A key feature of travel agencies' (and to a growing extent transportation carriers) mobile services includes the ability to have up-to-date itinerary changes and information sent directly to consumers' phones (Amadeus, 2014). By using mobile platforms that can develop customized, up-to-date travel itineraries for clients, agencies and operators are able to provide a personal touch, ideally increasing customer satisfaction rates.

Take a Closer Look: PATA — The Future of Travel is Personalisation at Scale

"The industry has changed monumentally over the past decade. The rise of meta-search websites and sharing economy services like Airbnb is giving travellers more control and choice than ever before. However, this is nothing compared to the changes that are on the horizon as technologies like mobile, AR, AI, and VR become mainstream.

One thing is certain; the pace of change is accelerating. Against this backdrop, the travel industry as a whole will need to fundamentally shift its focus to continuous innovation." (PATA, 2019)

Despite the growth and demand for OTAs, brick and mortar travel agencies are still in demand by travellers (IBISWorld, 2019) as they have both an online presence and physical locations. The COVID-19 pandemic may see an increase in travellers relying on personal contact with brick and mortar travel agencies but at a distance through mail and phone.

Tour Operators

Figure 2.1.4 A group tours the Columbia ice field in Alberta. Image credit: Chensiyuan.

A **tour operator** packages all or most of the components of an offered trip and then sells them to the traveller. These packages can also be sold through retail outlets or travel agencies (CATO, 2020; Goeldner & Ritchie, 2003). Tour operators work closely with hotels, transportation providers, and attractions in order to purchase large volumes of each component and package these at a better rate than the traveller could if purchasing individually. Tour operators generally sell to the leisure market.

Inbound, Outbound, and Receptive Tour Operators

Tour operators may be inbound, outbound, or receptive:

- **Inbound tour operators** bring travellers into a country as a group or through individual tour packages (e.g., a package from China to visit Canada).
- **Outbound tour operators** work within a country to take travellers to other countries (e.g., a package from Canada to the United Kingdom).
- **Receptive tour operators** (RTOs) are not travel agents, and they do not operate the tours. They represent the various products of tourism suppliers to tour operators in other markets in a business-to-business (B2B) relationship. Receptive tour operators are key to selling packages to overseas markets (Destination BC, 2020) and creating awareness around possible product.

Destination Marketing Organizations

Destination marketing organizations (DMOs) include national tourism boards, state/provincial tourism offices, and community convention and visitor bureaus around the world. DMOs promote "the long-term development and marketing of a destination, focusing on convention sales, tourism marketing and service" (Destinations BC, 2020).

Spotlight On: Destinations International

Destinations International is the global trade association for official DMOs. It is made up of over 600 official DMOs in 15 countries around the world. DMAI provides its members with information, resources, research, networking opportunities, professional development, and certification programs. For more information, visit the Destinations International website.

With the proliferation of other planning and booking channels, including **OTA**s, today's **DMOs** are shifting away from travel services functions and placing a higher priority on destination management components.

Working Together

One way tour operators, DMOs, and travel agents work together is by participating in **familiarization tours** (FAMs for short). These are usually hosted by the local DMO and include visits to different tour operators within a region. FAM attendees can be media, travel agents, RTO representatives, and tour operator representatives. **FAMs** are frequently low to no cost for the guests as the purpose is to orient them to the tour product or experience so they can promote or sell it to potential guests.

Other Organizations

The majority of examples in this chapter so far have pertained to leisure travellers. There are, however, specialty organizations that deal specifically with business trips.

Spotlight On: Global Business Travel Association (GBTA) Canada

"GBTA Canada is the voice of the Canadian business travel industry. We believe in providing the business travel and meetings community with a global platform to serve as a resource library for their peers, to implement world-class Conferences, workshops and virtual meetings, and to foster an interactive network of innovation and support." The GBTA state that their economic impact contributes $23.5 billion CAD in Canadian business travel (Economic Impact Study) and "$435+ billion CAD of business travel and meetings expenditures represented globally." Visit the GBTA website.

Business Travel Planning and Reservations

Unlike leisure trips, which are generally planned and booked by end consumers using their choice of tools, business travel often involves a travel management company, or its online tools. Travel managers negotiate with suppliers and ensure that all the trip components are cost effective and comply with the policies of the organization.

Many business travel planners rely on global distribution systems (GDS) to price and plan components. GDS combine information from a group of suppliers, such as airlines. In the past, this has created a chain of information from the supplier to GDS to the travel management company. Today, however, there is a push from airlines (through the International Air Transport Association's Resolution 787) to dissolve the GDS model and forge direct relationships with buyers (BTN Group, 2014).

Destination Management Companies

According to the Association of Destination Management Executives International (ADMEI), a **destination management company (DMC)** specializes in designing and implementing corporate programs, and "is a strategic partner to provide creative local experiences in event management, tours/activities, transportation, entertainment, and program logistics" (ADMEI, 2020). The packages produced by DMCs are extraordinary experiences rather than general business trips. These are typically used as employee incentives, corporate retreats, product launches, and loyalty programs. **DMCs** are the one point of contact for the client corporation, arranging for airfare, airport transfers, ground transportation, meals, special activities, and special touches such as branded signage, gifts, and decor (ADMEI, 2020). The end user is simply given (or awarded) the package and then liaises with the DMC to ensure particular arrangements meet his or her needs and schedule.

As you can see, travel services range from online to personal, and from leisure to business applications. Now that you have a general sense of the components of travel services, let's look at some examples in Canada.

Image Credits

2.2 Travel Services in Canada

Travel Agencies

Travel agencies are the retail side of the industry. Working in cooperation with suppliers throughout the distribution chain, travel agencies provide an important link for the consumer to connect with the best options for a successful trip. Planning vacations or business trips can be complicated matters and qualified agents can help the traveller with professional services.

In Canada, advocacy for travel service organizations and professional certification for individuals is provided by the **Association of Canadian Travel Agencies (ACTA)**. ACTA is an industry-led, membership-based organization that aims to ensure customers have professional and meaningful counselling. Membership is optional, but it does offer the benefit of ensuring customers receive the required services and that the travel agencies have a membership board for reference and industry resources (ACTA, 2020b).

Spotlight On: Travelcuts Travel Agency

Travelcuts is 100% Canadian owned and operated. As a student, you may have seen its locations on or around campus. With a primary audience of post-secondary students, professors, and alumni, Travel CUTS specializes in backpack-style travel to a variety of destinations. It is a full-service travel agency that can help find flights for travel, book tours with a variety of companies including GAdventures or Intrepid Travel, assist in booking hostels or hotels, and even help with a “Live and Work Abroad” program. For more information, visit Travelcuts website.

Although travel agencies may be located in a specific community, the agencies and their representatives may operate internationally, within Canada, or across regions. Examples of some of the more recognized larger travel agencies and agents operating in Atlantic Canada include the Canadian Automobile Association – Atlantic (CAA Atlantic), Maritime Travel, and Flight Centre.

Tour Operators

Many different types of **tour operators** work across Canada and the World. Tour operators can specialize in any sector or a combination of sectors. A company may focus on ski experiences, as is the case with Destination Snow, or perhaps wine tours in Napa, CA, which is the specialty of Reserve Wine Tours. These operators specialize in one area but there are others that work with many different service providers.

Spotlight On: Canadian Association of Tour Operators

The **Canadian Association of Tour Operators (CATO)** is a membership-based organization that serves as the voice of the tour operator segment and engages in professional development and networking in the sector. For more information, visit the Canadian Association of Tour Operators website.

Tour operators can vary in size, niche market, and operation capacity (time of year). An example of a niche Nova Scotia tour operator is Brier Island Whale and Seabird Cruises on Brier Island, NS. This operator offers specialty whale-watching tours in a variety of boat styles (zodiac or Cape Islander), working with the local DMO and other local booking agents to sell tours as part of packages or as a stand-alone service to travellers. It also works to sell its product directly to the potential traveller through its website, reservation number, and in-person sales agents (BrierIslandWhaleWatch.com, 2021).

Whale breaching. Image Credit: Shadowfazone.

An example of a large **RTO** representing Canada is Jonview. Operators of all kinds frequently work closely with a number of destination marketing organizations.

On a national scale, Rendez-vous Canada is a tourism marketplace presented by the Destination Canada (formerly the Canadian Tourism Commission) that brings together more than 1,500 tourism professionals from around the world for a series of 12- minute sessions where they can learn more about Canadian tours and related services (Canadian Tourism Commission, 2020).

Let’s now look a little closer at the role of destination marketing organizations (DMOs) in providing travel services.

Destination Marketing Organizations

At the national level, Destination Canada is responsible for strategic marketing of the country. It works with industry and government while providing resources for small and medium-sized businesses in the form of toolkits.

Tourism Nova Scotia

Tourism Nova Scotia, is Nova Scotia's provincial DMO. NovaScotia.com offers information on unique experiences, accommodation options, food and beverage options, and trip ideas.

Amherst Visitor Information Centre. Image Credit. Welcome to Nova Scotia Image credit: Jimmy Emmerson.

Tourism NS also oversees a network of 6 Visitor Information Centres, responsible for welcoming and assisting guests as they arrive in Nova Scotia.

Regional Destination Marketing Organizations

Discover Halifax

Housed within the Discover Halifax online platform, this RDMO has an online presence and travel guide specific to the region as well as a regional social media presence. These guides are important as they allow regional operators to participate in the guide and consumer website in order to encourage visitation to the area and build their tourism operations.

Community Destination Marketing Organizations

Community destination marketing organizations (CDMOs) are responsible for marketing a specific destination or area, such as the South Shore of NS or the Annapolis Valley. Travel services typically offered

include hotel search engines, specific destination packages and offers, discounts, events and festival listings, and other information of interest to potential visitors. In the absence of a CDMO, sometimes these services are provided by the local chamber of commerce or economic development office.

Other Systems and Organizations

A number of customized and targeted reservation systems are used by DMOs and other organizations. One example is the NS campground reservation online booking systems. Nova Scotia Provincial Parks, Parks Canada, and private campground operators all use different proprietary reservation systems. Both NS Parks reservations and Parks Canada reservations open on a specific date in the spring for bookings later in the year. These systems let visitors review what a site looks like through photos or video and pick which site they would like to book in the campground. Many campgrounds also offer a first-come-first-served system, as well as overflow sites, to accommodate visitors who may not have reserved a site.

In the business market, there are several companies in Canada that facilitate planning and booking. SAP Concur is an example of a expense management company widely used in Canada by organizations including CIBC, Kellogg's, and Pentax. It provides services including efficiency software for use by employees, expense and invoicing software for use by managers, and a mobile application that ensures clients can take the technology on the go. Its services have contributed to client savings, such as reducing the travel expenses (Concur, 2020).

So far we've looked at travel services as defined by go2HR and NAICS. Next let's have a closer look at additional services generally considered to be part of the tourism economy.

Image Credits

Whale breaching by Shadowfazone on Pixabay is a free image licensed under a Pixabay licence.

Welcome to Nova Scotia [photograph] by Jimmy Emerson on Flickr is licensed under a CC BY-NC-SA licence.

2.3 Tourism Services

Many organizations can have a hand in tourism development. These include:

- Sector-specific associations
- Tourism and hospitality human resources organizations
- Training providers
- Educational institutions
- Government branches and ministries in land use, planning, development, environmental, transportation, consumer protection, and other related fields
- Economic development and city planning offices
- Consultants

The rest of this section describes Canadian and BC-based examples of these.

Sector-Specific Associations

Numerous not-for-profit and arm's-length organizations drive the growth of specific segments of our industry. Examples of these associations can be found throughout this textbook in the Spotlight On features, and include groups like:

- Hotel Association of Canada
- Association of Canadian Sea Kayak Guides
- Restaurants Canada

These can serve as regulatory bodies, advocacy agencies, certification providers, and information sources.

Tourism and Hospitality Human Resource Support

Tourism HR Canada — formally the Canadian Tourism Human Resource Council (CTHRC) — is a national sector council responsible for best practice research, training, and other professional development support on behalf of the 174,000 tourism businesses and the 1.75 million people employed in tourism-related occupations across the country. In NS, an organization called Nova Scotia Tourism Human Resource Council (NSTHRC) educates employers on attracting, training, and retaining employees, as well as hosts a tourism job board to match prospective employees with job options in tourism around the province.

Training Providers

Throughout this textbook, you'll see examples of not-for-profit industry associations that provide training and

certification for industry professionals. For example, the Association of Canadian Travel Agents offers a full-time and distance program to train for the occupation of certified travel counsellor.

Educational Institutions

Canada hosts a number of high-quality public and private colleges and universities that offer tourism-related educational options. Training options at these colleges and universities include certificates, diplomas, degrees and masters-level programs in adventure tourism, outdoor recreation, hospitality management, and tourism management. For example, whether students are learning how to manage a restaurant at Nova Scotia Community College, gaining mountain adventure skills at College of the Rockies, or exploring the world of outdoor recreation, parks and tourism management at Lakehead University in Thunder Bay , tomorrow's workforce is being prepared by skilled instructors with solid industry experience.

Spotlight On: Emerit

Emerit is Canada's award winning training resource developed by Tourism HR Canada in collaboration with tourism industry professionals from across Canada. For more information on Emerit, visit their website.

Consultants

A final, hidden layer to the travel services sector is that of independent consultants and consulting firms. These people and companies offer services to the industry in a business-to-business format, and they vary from individuals to small-scale firms to international companies. In Canada, examples of tourism-based consulting firms include:

- IntraVISTAS: specializing in aviation and transportation logistics advising
- The Tourism Company

For many people trained in specific industry fields, consulting offers the opportunity to give back to the industry while maintaining workload flexibility.

2.4 Trends and Issues

Now that we have an understanding of the travel and tourism services providers in Canada, let's review some of the current trends and issues in the sector.

Budgets

In the travel services sector, providers such as OTAs and business travel managers must constantly be aware of price sensitivity. Many tourism services organizations are not-for-profit entities that rely on membership dues, donations, grants, and government funding to survive. As the economic climate becomes strained and budgets are tightened, all groups are increasingly forced to demonstrate return on investment to stakeholders. As some of the benefits of travel services are difficult to define, groups must innovate and articulate or face extinction.

Technology

Tablets, laptops, and mobile phones put reservations and booking options at the traveller's fingertips. Image credit: Aaron Gilmore, Unspash.

As discussed earlier, online travel agencies have revolutionized the sector in a short span of time. Online travel bookings and marketing accounts for roughly one-third of all global e-commerce, and according to many these continue to rattle the sector.

The acceptance by tech savvy travellers of online purchases will further increase the need for the industry to examine the best opportunities to reach these travellers. The interaction between humans and technology have "become more natural, contextual, and ubiquitous" and are constantly being enhanced in more ways than one (Deloitte Development LLC, 2019). Keeping in mind that travel services pertain to the planning and reserving of trip components, recent beneficial technological improvements include the following (Orfutt, 2013):

- Real-time and automated inventory management, ensuring operators and travellers alike are working with accurate information when planning and booking
- A pollution and weather detection chip that would help tour operators, transportation providers, and visitors anticipate, and plan for changes in conditions
- Personalized information presented to visitors to help them narrow their choices in the trip planning process, ensuring users are not overwhelmed with information, and making the most of limited screen size on mobile devices and tablets
- Social technologies and on-the-go information sharing, allowing users to plan at the last minute as they travel
- Virtual assistant holograms and tablets carrying information that can replace humans during the travel experience (for instance, at airport arrivals and visitor centres)
- The technical expansion of the internet into the Internet of Things (IoT), and
- The use of automated systems and robotics that provide services for the traveller.

These innovations will continue to increase as more advances are made and industry blends technology and travel experiences. This leads to significant implications for the marketing of travel products and experiences.

Image Credit

Laptop and phone by Aaron Gilmore. Free image used under a Unsplash Licence.

2.5 Conclusion

Travellers continue to seek authentic experiences. The tools they use to research and book these experiences are constantly changing due to innovations in technology. Destinations are also challenged by limited financial resources and strong competition for tourist dollars from other iconic and even lesser known locations. The personalisation of travel suggests that independent travel will have a stronger presence than group travel, however, we must always consider the type of traveller. The travel services sector is being forced to innovate at a startling rate.

In the past, face to face consultations with a travel agent was paramount for booking both leisure and business travel. Technology and global circumstances, such as pandemics, financial collapses, and terrorism, have put pressure on tourism and travel services. With the development of OTAs and emerging and disruptive technologies, the travel services landscape is constantly changing.

Now that we have an understanding of travel services we will continue to explore the other four sectors of tourism: transportation, accommodation, food and beverage, and recreation and entertainment.

Key Terms

- **Association of Canadian Travel Agencies (ACTA):** a trade organization established in 1977 to ensure high standards of customer service, engage in advocacy for the trade, conduct research, and facilitate travel agent training
- **Canada's West Marketplace:** a partnership between Destination BC and Travel Alberta, showcasing BC travel products in a business-to-business sales environment
- **Canadian Association of Tour Operators (CATO):** a membership-based organization that serves as the voice of the tour operator segment and engages in professional development and networking in the sector
- **Community destination marketing organization (CDMO):** a DMO that represents a city or town
- **Destination management company (DMC):** a company that creates and executes corporate travel and event packages designed for employee rewards or special retreats
- **Destination marketing organizations (DMOs):** also known as destination management organizations; includes national tourism boards, state/provincial tourism offices, and community convention and visitor bureaus
- **Familiarization tours (FAMs):** tours provided to overseas travel agents, travel agencies, RTOs, and others to provide information about a certain product at no or minimal cost to participants — the short form is pronounced like the start of the word family (not as each individual letter)
- **Fully independent traveller (FIT):** a traveller who makes his or her own arrangements for accommodations, transportation, and tour components; is independent of a group
- **Inbound tour operator:** an operator who packages products together to bring visitors from external markets to a destination
- **Online travel agent (OTA):** a service that allows the traveller to research, plan, and purchase travel without

the assistance of a person, using the internet on sites such as Expedia.ca or Hotels.com

- **Outbound tour operator:** an operator who packages and sells travel products to people within a destination who want to travel abroad
- **Receptive tour operator (RTO):** someone who represents the products of tourism suppliers to tour operators in other markets in a business-to-business (B2B) relationship
- **Tour operator:** an operator who packages suppliers together (hotel + activity) or specializes in one type of activity or product
- **Tourism services:** other services that work to support the development of tourism and the delivery of guest experiences
- **Travel agency:** a business that provides a physical location for travel planning requirements
- **Travel agent:** an individual who helps the potential traveller with trip planning and booking services, often specializing in specific types of travel
- **Travel services:** under NAICS, businesses and functions that assist with the planning and reserving components of the visitor experience
- **Visitor centre:** a building within a community usually placed at the gateway to an area, providing information regarding the region, travel planning tools, and other services including washrooms and Wi-Fi

Exercises

1. Explain, either in words or with a diagram, the relationship between an RTO, tour operator, and travel agent.
2. Who operates the provincial network of Visitor Centres? Where are these centres located?
3. List two positives and two negatives of OTAs within the travel services industry.
4. With an increase growth in mobile technology, how are travel services adapting to suit the needs and/or demands of the traveller?
5. Choose an association that is representative of the sector you might like to work in (e.g., accommodations, food and beverage, travel services). Explore the association's website and note three key issues it has identified and how it is responding to them.
6. Choose a local tourism or hospitality business and find out which associations it belongs to. List the associations and their membership benefits to answer the question, Why belong to this group?

Case Studies

Case Study One: BC Government Response to COVID-19 for Community Destination Marketing Organizations that participate in the Resort Municipality Initiative (RMI)

Read the news release B.C. government announces over $10 million for resort municipalities.

1. Will or was this response be enough for the DMO's to sustain themselves?
2. Will or was tourists return to these iconic BC tourism sites?
3. What was the impact to the local economies at these RMI destinations?

Case Study Two: Online Travel Agents Sue Skiplagger.com

In late 2014, an online travel agent and airline combined forces to sue a 22-year-old and his company Skiplagged.com. Skiplagged helped users find less expensive flights by uncovering "hidden city" tickets. These are flights with stopovers in multiple locations, whereby the passenger gets off at one of the stopover cities rather than the final destination (Harris and Sasso, 2014). Hidden city tickets work when the cost to travel from point A to point B to point C is less expensive than a trip from point A to point B. Passengers book the entire flight but get off at the stopover. This practice is generally forbidden by airlines because of safety concerns and challenges to logistics as it renders passenger counts inaccurate, causing potential delays and fuel miscalculations. If discovered, it can result in a passenger having his or her ticket voided.

The lawsuit against Skiplagged founder Aktarer Zaman stated that the site "intentionally and maliciously … [promoted] prohibited forms of travel" (Harris and Sasso, 2014). Orbitz (an OTA) and United Airlines claimed that Zaman's website unfairly competed with their business, while making it appear these companies were partners and endorsing the activity by linking to their websites.

Based on this case summary, answer the following questions:

1. What are the dangers and inconveniences of having passengers deplane partway through a voyage? In addition to those listed here, come up with two more.
2. Could this lawsuit and the ensuing publicity result in unintended negative consequences for United and Orbitz? What might these be?
3. On the other hand, could the suit have unintended positive results for Skiplagged.com? Try to name at least three.
4. Should Zaman be held responsible for facilitating this type of travel already in practice? Or should passengers bear the responsibility? Why or why not?
5. Imagine your flight is delayed because a passenger count is inaccurate and fuel must be recalculated. What action would you take, if any?
6. Look up the case to see what updates are available (*United Airlines Inc. v. Zaman*, 14-cv-9214, U.S. District Court, Northern District of Illinois (Chicago). Was the outcome what you predicted? Why or why not?

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Chapter 3. Accommodation

Learning Objectives

- Explain the contribution the accommodations sector makes to Canada's economy
- Identify how a hotel category is determined, and describe different hotel categories in Canada
- Explain the meaning and structure of independent ownership, franchise agreements, and management contracts
- Summarize current accommodation trends
- Discuss the structure of hotel operations

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3.1 Hotels

In essence, hospitality is made up of two services: the provision of overnight accommodation for people travelling away from home, and options for people dining outside their home. We refer to the accommodation and food and beverage services sectors together as the hospitality industry. This chapter explores the accommodation sector, and Chapter 4 details the food and beverage sector.

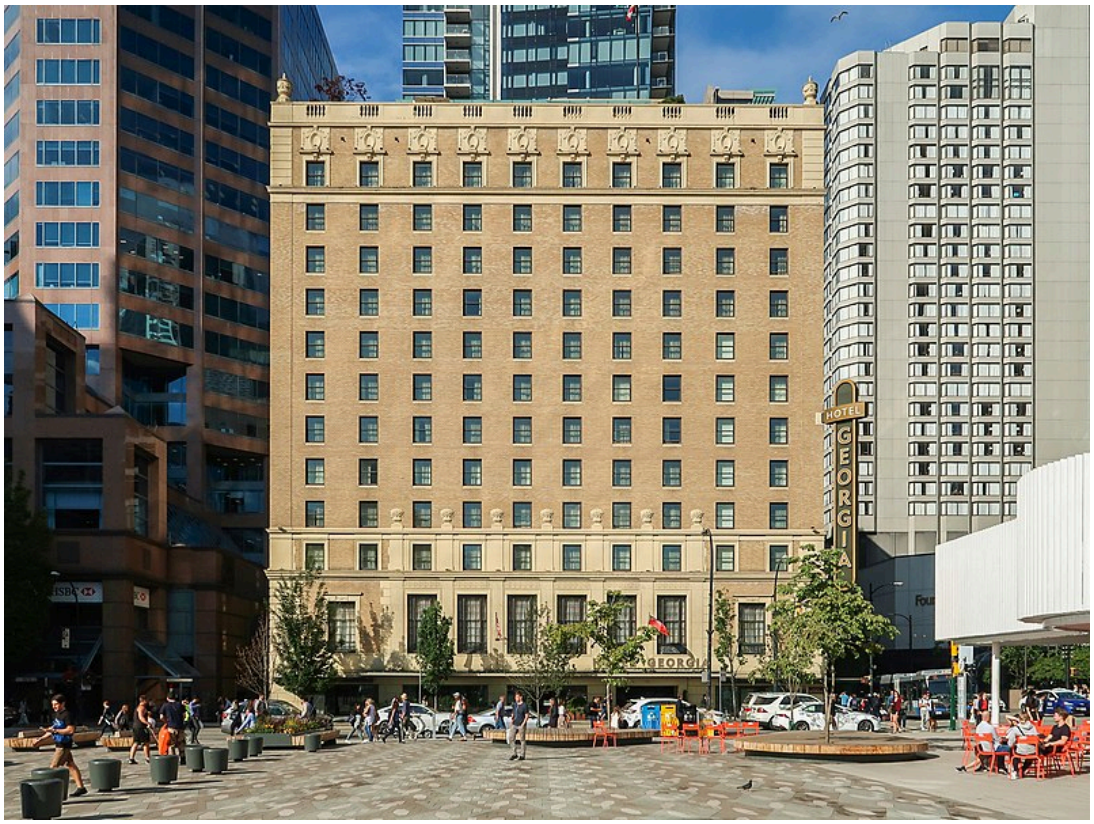

Figure 3.9 The Rosewood Hotel Georgia, a restored historic hotel in downtown Vancouver. Image credit: Wpcpey.

In Canada, approximately 25% to 35% of visitor spending is attributed to accommodation, making it a substantial portion of travel expenditures.

There were 8,289 hotels, motels and resorts with a total of 460,688 rooms across Canada in 2019. Direct spending on overnight stays was $21.9 billion, and the year's average occupancy rate was 65%. Across the country the sector employed 309,800 people directly or indirectly on a full-time or part-time basis (Hotel Association of Canada, 2019). In 2018, Tourism HR Canada continued to project labour supply shortages in the tourism and hospitality sector and recommended a range of actions to help fill job vacancies and help the sector reach its full potential.

In order to understand this large and significant sector, we will explore the history and importance of hotels in Canada, and review the hotel types along with various ownership structures and operational considerations.

To complete the chapter, we will identify accommodation alternatives and specific trends that are affecting the accommodation sector today.

Spotlight On: The Hotel Association of Canada

The **Hotel Association of Canada (HAC)** is the national trade organization advocating on behalf of hotels, motels and resorts in Canada. Founded over 100 years ago, the association also provides programs and resources, discounts with vendors, and industry research including statistics monitoring and an extensive member database. For more information, visit the Hotel Association of Canada website.

The History of Hotels in Canada

As we will learn in Chapter 7 (Transportation), travel in Europe, North America, and Australia developed with the establishment of railway networks and train travel in the mid-1800s. The history of Canada's grand hotels is also the story of Canada's ocean liners and railways. Until the use of personal cars became widespread in the 1920s and 1930s, and taxpayer-funded all-weather highways were created, railways were the only long-distance land transportation available in Canada.

Both of Canada's railway companies established hotel divisions: Canadian Pacific Hotels and Canadian National Hotels (Canada History, 2013). The first hotels were small and included Glacier House in Glacier National Park, BC, and Mount Stephen House in Field, BC. The hotel business was firmly established when both companies recognized the business opportunity in the growth of tourism, and they soon became rivals, building grand hotels in select locations close to railway stops.

Spotlight On: Canadian Pacific Hotels

Under the guidance of Canadian Pacific Railway (CPR) chief engineer and visionary William Cornelius Van Horne, a hotel empire was born (Canada History, 2013). Van Horne was a pioneer of tourism, and like Thomas Cook in the UK, he saw the potential for tourism that was made possible by the railway. Van Horne was famously quoted in 1886, "If we can't export the scenery, we'll import the tourists." In 1999, many historic CPR properties joined the Fairmont brand when Canadian Pacific Resorts and Hotels bought the Fairmont Brand. For more information, visit the Fairmont website.

Figure 3.2 The Banff Springs Hotel today. Image Credit: Can Pac Swire.

Banff Springs Hotel opened in 1888, and other hotels soon followed, including the Château Frontenac in Quebec City (1893), the Royal York in Toronto (1929), and the Hotel Vancouver (1939). These hotels remain in operation today and are landmarks in their destinations, functioning as accommodations and as local attractions due to their historic significance and outstanding architecture.

Through the 1950s and 1960s, an increase in motor traffic saw the rise of the **motel**. The word *motel*, used less commonly today, comes from the term "motorist's hotel," used to denote a hotel that provides ample parking and rooms that are easily accessible from the parking lot. Traditionally, these structures were designed with all the rooms facing the parking lot, and relied heavily on motor traffic from nearby highways (Diffen, 2015).

Today, there are a number of hotel types, which can be classified in multiple ways. Let's explore these classifications in more detail.

Hotel Types

Hotels are typically referred to by **hotel type** or category. The type of hotel is determined primarily by the size and location of the building structure, and then according to the function, target market, service level, other amenities, and industry standards.

Take a Closer Look: *Hotelier*

The magazine *Hotelier*, available online and is a resource relied on by many industry professionals across Canada. Featuring profiles on current trends and initiatives, information about specific brands and properties, *Hotelier* is a good resource for students wanting more information about the sector in a dynamic format. Accessed on June 30, 2020 Hotelier had articles like Housekeeping Will Take Centre Stage in the New Normal

and Tourism HR Canada Launches Recovery Toolkit. Take a look today, can you predict some of the topical articles that Hotelier may be covering?

Read breaking news and updates and find out about upcoming events. Subscribe at the Hotelier Magazine website.

Classifications

Table 3.1 A summary of hotel types based on size (number of rooms), level of service, and other variables

Type of Classification	Examples
Size (number of rooms)	• Under 50 rooms • 50 to 150 rooms • 150 to 299 rooms • 300 to 600 rooms • More than 600 rooms
Location	• Airport hotel • Casino hotel • City centre hotel • Resort hote
Level of service	• Economy/limited service • Luxury service • Mid-level service
Market and function	• Airport hotel • All-inclusive resort • Bed and breakfast • Business hotel • Boutique hotel • Casino • Conference centre • Convention centre • Extended-stay hotel • Resort hotel • Suite hotel • Timeshare and condominium hotel • Motel
Ownership and affiliation	• Chain with a brand affiliation • Independent
Amenities	• Accessibility • Airport • Beach • Casino • City centre • Childcare • Fitness club • Golf • Pool • Ski • Spa • Tennis • Weddings
Industry standards	• AAA Diamond Rating • CAA Diamond Rating • Canada Select Star Rating • Canadian Star Quality Accommodation • Green Key Eco Rating • Trip Advisor Traveller’s Choice

Type of Classification	Examples
Brand categories and standards	Marriott has five brand categories (with examples below): Luxury: Ritz Carlton Distinctive Luxury: W Hotels Premium: Delta Hotels Distinctive Premium: Le Meridien Select: Four Points

Competitive set is a marketing term used to identify a group of hotels that include the competitors that a hotel guest is likely to consider as an alternative. These can be grouped by any of the classifications listed in Table 3.1, such as size, location, or amenities offered. There must be a minimum of three hotels to qualify as a competitive set.

Business hotels, airport hotels, budget hotels, boutique hotels, convention hotels, and casino hotels are some examples of differentiated hotel concepts and services designed to meet a specific market segment. As companies continue to innovate and compete to capture defined niche markets within each set, we can expect to see the continued expansion of specific concepts. For example, hotels found close to, or even within, convention facilities are a great match for meetings and events, as well as the **SMERF** market (social, military, educational, religious, and fraternal segment of the group travel market). There are also some dynamic new brands in Canada including Hotel Zed located in Victoria and Kelowna, BC. The Hotel Zed concept brand message is 'We are rebels against the ordinary'. This brand is funky, colourful, playful and approachable.

Spotlight On: Hotel Association of Canada

The **Hotel Association of Canada** is the leading voice of the Canadian Hotel and Lodging industry, bringing legislative solutions to industry challenges. For more information, visit the Hotel Association of Canada website.

Table 3.2 outlines the characteristics of specific hotel types that have evolved to match the needs of a particular traveller segment. As you can see, hotels adapt and diversify depending on the markets they want and need to attract and retain to stay in business.

Table 3.2 Hotel characteristics based on market type

Market Segment	Traveller Type	Characteristics
Commercial	Business	High-volume corporate accounts in city properties
		Stronger demand Monday through Thursday
		Most recession-proof of the market segments
		Lower average daily rate (ADR) than other segments
Leisure	Leisure	Purpose for travel includes sightseeing, recreation, or visiting friends and relatives
		Stronger demand Friday and Saturday nights and all week during holidays and the summer.
		Includes tour groups in major cities and tourist attractions
Meetings and Groups	Corporate Groups, Associations, SMERF	Includes meetings, seminars, trade shows, conventions, and gatherings of over 10 people
		Peak convention demand is spring or fall
		Proximity to a conference centre and meeting and banquet space increase this market
Extended Stay	Business and Leisure	Bookings are more than five nights
		Often business related (e.g., natural resource extraction, construction projects, corporate projects)
		Often offers kitchen facilities and living room spaces
		Leisure demand driven by a variety of circumstances including family visiting relatives or completing home renovations, snowbirds escaping the winter

Let's now take a closer look at three types of hotel that have emerged to meet specific market needs: budget hotels, boutique hotels, and resorts.

Budget Hotels

The term *budget hotel* is challenging to define, however most budget properties typically have a standardized appearance and offer basic services with limited food and beverage facilities. Budget hotels were first developed in the United States and built along the interstate highway system. The first Holiday Inn opened in the United States in 1952; the first Quality Motel followed in 1963.

In Europe, Accor operates the predominant European-branded budget rooms. The Accor Economy brand includes: Breakfree, ibis, ibis Styles, ibis budget, greet, JO&JOE and hotelF1. These budget brands offer comfort, modern design, and breakfast on site; ibis Styles is all inclusive, with one price for room night, breakfast, and internet access (Accor, 2020).

The budget brands by Accor are an example of a shift toward the budget boutique hotel style. A relatively new

category of hotel, budget boutique is a no-frills boutique experience that still provides style, comfort, and a unique atmosphere.

Boutique Hotels

Canada currently has no industry standards to define boutique hotels, but these hotels generally share some common features. These include having less than 100 rooms and featuring a distinctive design style and on-site food and beverage options (Boutique Hotel Association, n.d.). As a reflection of the size of the hotel, a boutique hotel is typically intimate and has an easily identifiable atmosphere, such as classic, luxurious, quirky, or funky.

According to Bill Lewis, general manager for the Magnolia Hotel and Spa in Victoria "Boutique hotels are all about their smaller size, sense of style, and personalized nature." He further notes that "the individual style of boutique hotels really provides a differentiated experience than that of the larger branded properties which have seen considerable consolidation in the last number of years. Our guests really appreciate this luxurious and intimate experience which our size and staffing levels allow us to achieve" (personal communication, 2020).

Resorts

A resort is a full-service hotel that provides access to or offers a range of recreation facilities and amenities. A resort is typically the primary provider of the guest experience and will generally have one signature amenity or attraction (Brey, 2009).

Examples of signature amenities include skiing and mountains, golf, beach and ocean, lakeside, casino and gaming, all inclusiveness, spa and wellness, marina, tennis, and waterpark. In addition, resorts also offer secondary experiences and a leisure or retreat-style environment.

Take a Closer Look: Condé Nast Best Hotels and Resorts in Canada

Condé Nast Traveler has many well-regarded "best of" lists, one of which is the Best Hotels and Resorts in the US and Canada. In 2020, 6 of the top 10 were located in BC, with the Wickaninnish Inn and Brentwood Bay Resort & Spa earning first and second place. You can read the rest of the list at Condé Nast Best Hotels and Resorts in the US and Canada for 2020.

Now that we understand the classifications of hotel types, let's gain a deeper understanding of the various ownership structures in the industry.

Ownership Structures

There are several ownership models employed in the sector today, including **independent**, management contract, chains and franchise agreements, fractional ownership, and full ownership strata units. This section explains each of these in more detail and provides examples of each.

Independent

An independent hotel is financed by one individual or a small group and is directly managed by its owners or third-party operators. The term *independent* refers to a management system that is free from outside control.

There are a number of very well-established independently branded hotels. These hotel companies have developed their own standards, support systems, policies and procedures, and best practices in all areas of the business. Independent hotels have the flexibility to customize or adjust their systems to position their property for success, and the location, product, service, experience, sales and marketing, and brand are all necessary for that success (Cabañas, 2014). An example of an independent hotel is the Wedgewood Hotel and Spa in Vancouver, founded by Eleni Skalbania, and currently co-owned by her youngest daughter, Elpie Markinakis Jackson (Wedgewood, 2020).

Management Contract

Another business model is a management contract. This is a service offered by a management company to manage a hotel or resort for its owners. Owners have two main options for the structure of a management contract. One is to enter into a separate franchise agreement to secure a brand and then engage an independent third-party hotel management company to manage the hotel. SilverBirch Hotels is an example of a hotel management company that manages independent hotels and hotels operating under different major franchise brands, such as Marriott International (SilverBirch Hotels, 2020).

Figure 3.6 The iconic Fairmont Empress Hotel, purchased in 2014 by Nat and Flora Bosa. Image credit: Oriol Salvador

A slightly different option is for owners to select a single company to provide the brand and the expertise to manage the property. Four Seasons Hotels and Resorts and Fairmont Hotels and Resorts are companies that provide this option to owners. In 2014, the iconic Fairmont Empress hotel was purchased by Vancouver developer Nat Bosa and his wife Flora, who continued to retain Fairmont as the management company after the purchase (Meiszner, 2014).

Selecting a brand affiliation is one of the most significant decisions hotel owners must make (Crandell, Dickinson, & Kante, 2004). The brand affiliation selected will largely determine the cost of hotel development or conversion

of an existing property to meet new brand standards. The affiliation will also determine a number of things about the ongoing operation including the level of services and amenities offered, cost of operation, marketing opportunities or restrictions, and the competitive position in the marketplace. For these reasons, owners typically consider several branding options before choosing to operate independently or selecting a brand affiliation.

Chains and Franchise Agreements

Another managerial and ownership structure is franchising. A hotel **franchise** enables individuals or investment companies (the **franchisee**) to build or purchase a hotel and then buy or lease a brand name to operate a business and become part of a chain of hotels using the **franchisor**'s hotel brand, image, goodwill, procedures, controls, marketing, and reservations systems (Rushmore, 2005).

A well-known franchise in Canada is Choice Hotels Canada. A franchisee with Choice Hotels becomes part of a network of properties that use a central reservations system with access to electronic distribution channels, regional and national marketing programs, central purchasing, and brand operating standards. A franchisee also receives training, support, and advice from the franchisor and must adhere to regular inspections, audits, and reporting requirements.

Selecting a franchise structure may reduce investment risk by enabling the franchisee to associate with an established hotel company. Franchise fees can be substantial and a franchisee must be willing to adhere to the contractual obligations with the franchisor (Migdal, n.d.; and Rushmore, 2005). Franchise fees typically include an initial fee paid with the franchise application, and then continuing fees paid during the term of the agreement. These fees are sometimes a percentage of revenue but can be set at a fixed fee. Franchise fees generally range from 4% to 7% of gross rooms revenue (Crandell et al., 2004).

Fractional Ownership

In a **fractional ownership** model, developers finance hotel builds by selling units in one-eighth to one-quarter shares. This financing model was very popular in BC from the late 1990s to 2008 (Western Investor, 2012). Examples of fractional ownership include the Sun Peaks Ski Resort in Kamloops and the Penticton Lakeside Resort.

In this model, owners have an ownership interest, owning a 'fraction' of the unit they purchased. Owners can place their unit in a rental pool. The investment return for owners is based on the term of the contract they have for their unit, the strata fees, and the hotel's occupancy. Managing fractional ownership can be very time consuming for hotel owners or management companies as each hotel unit can have up to eight owners. If occupancy rates are too low, an owner may not be able to cover the monthly strata fees. For the hotel management company, attaining occupancy rate targets is necessary to ensure that the balance of revenue is sufficient to cover the hotel's operating expenses.

Figure 3.8 The Sun Peaks Resort hotel. Credit: jhopkins.

Developers now anticipate that fractional ownership will not be used to finance new hotel builds in the future due to poor performance. There have been some high-profile collapses for hotel developers in BC, and between 2002 and 2012 fractional hotel owners experienced asset depreciation (Western Investor, 2012). It is uncertain how the market will perform.

Full Ownership Strata Units

Figure 3.9 The Rosewood Hotel Georgia, a restored historic hotel in downtown Vancouver. Image Credit: Wpcpey.

In this financing model, hotel developers finance a new hotel build with the sale of full ownership strata units. The sale of the condominium units finances the hotel development. Examples include the Fairmont Pacific Rim and the Rosewood Hotel Georgia.

No matter what the ownership model, it's critical for properties to offer a return on investment for owners. The next section looks at ways of measuring financial performance in the sector.

Financial Performance

According to hotel consultant Betsy McDonald from HVS International Hotel Consultancy, the "industry rule of thumb is that a hotel room must make $1 per night for every $1,000 it takes to build or buy. If the hotel costs $125,000 per [room], the room has to rent for $125 per night on average and you need 60% to 70% occupancy to break even" (McDonald, 2011).

Several terms and formulas are used to evaluate revenue management strategies and operational efficiency:

Occupancy is a term that refers to the percentage of all guest rooms in the hotel that are occupied at a given time.

Average daily rate (ADR) is a calculation that states the average guest room income per occupied room in a given time period. It is determined by dividing the total room revenue by the number of rooms sold.

Revenue per available room (RevPAR) is a calculation that combines both occupancy and ADR in one metric. It is calculated by multiplying a hotel's ADR by its occupancy rate. It may also be calculated by dividing a hotel's total room revenue by the total number of available rooms and the number of days in the period being measured.

Costs per occupied room (CPOR) is a figure that states all the costs associated with making a room ready for a guest (linens, cleaning costs, guest amenities).

These terms and measurements allow hotel staff and management to track the success of the operation and to compare against competitors and regional averages.

Spotlight On: The Top 50 Report: The Canadian Hotel Industry Continues to Thrive

Hotelier Magazine produced a special report in 2018 on the top sales in Canadian Hotels. At the top of the list was Four Seasons recording an estimated $5,188.8 billion in gross sales in 2016. Read the associated article online at The Top 50 Report: The Canadian Hotel Industry Continues to Thrive.

Across all ownership models, most properties have operational aspects in common. But before we take a closer look at the roles within a typical hotel, let's review an important part of the accommodations sector in Canada: camping and recreational vehicle (RV) stays.

Image Credits

3.2 Camping and RV Accommodation

Figure 3.10 Corney Brook Campground. Cape Breton Highlands National park. Image Credit: Taber Andrew Bain.

A significant portion of travel accommodation is also provided in campgrounds and recreational vehicles (RVs). As the Canadian tourism brand is closely tied to the outdoors, and these are two options that immerse travellers in the outdoor experience, it is no surprise that these two types of accommodation are popular options.

In 2017, 2.1 million Canadian RV owners took an estimated 8.2 million trips by RV. Canadians who rented RVs took an estimated 612,000 trips bringing the collective total number of RV trips in Canada to 8.8 million (Devehish, 2018).

Spotlight On: Canadian Camping and RVing Council

The **Canadian Camping and RV Council (CCRVC)** represents the interests of private campground owners across Canada for the betterment and support of the Camping and RV Industry. The Association serves as the national advocacy voice of campgrounds across Canada. For more information, visit the **Canadian Camping and RV Council** website.

Turning to camping, across the country there are approximately 3,000 independently owned and operated campgrounds welcomed guests for camping in both RVs and tents in Canada.

Spotlight On: Parks Canada

Parks Canada has created **Camping 101: What you need to know before you spend the night**. On their page they state "There's no better way to experience a national historic site or national park than by camping in it." The site provides all kinds of helpful tips from how to reserve, camping basics, rules and etiquette, etc. For more information visit the Parks Canada site.

Chapter 5 provides more in-depth information about the importance of the recreation sector. For now, let's move our discussion forward by taking a closer look at the common organizational structure of many accommodation businesses.

Image Credit

Corney Brook Campground. Cape Breton Highlands National Park by Taber Andrew Bain on Flickr is licensed under a CC BY-NC 2.0 licence.

3.5 Conclusion

The accommodation sector, and the hotel sector in particular, encompasses multiple business models and employs hundreds of thousands of Canadians. A smaller, but important growing segment is that of camping and RV accommodators.

As broader societal trends continue and morph, they will continue to impact the accommodations marketplace and consumer. Owners and operators must stay abreast of these trends, continually altering their business models and services to remain relevant and competitive.

Now that we have a better sense of the accommodation sector, let's visit the other half of the hospitality industry: food and beverage services. Chapter 4 explores this in more detail.

Key Terms

- **Average daily rate (ADR):** average guest room income per occupied room in a given time period
- **Canadian Camping and RV Council (CCRVC)** represents the interests of private campground owners across Canada for the betterment and support of the Camping and RV Industry.
- **Competitive set:** a marketing term used to identify a group of hotels that include all competitors that a hotel's guests are likely to consider as an alternative (minimum of three)
- **Costs per occupied room (CPOR):** all the costs associated with making a room ready for a guest (linens, cleaning costs, guest amenities)
- **Fractional ownership:** a financing model that developers use to finance hotel builds by selling units in one-eighth to one-quarter shares
- **Franchise:** enables individuals or investment companies to build or purchase a hotel and then buy or lease a brand name under which to operate; also can include reservation systems and marketing tools
- **Franchisee:** an individual or company buying or leasing a franchise
- **Franchisor:** a company that sells franchises
- **Hotel Association of Canada (HAC):** the national trade organization advocating on behalf of over 8,500 hotels
- **Hotel type:** a classification determined primarily by the size and location of the building structure, and then by the function, target markets, service level, other amenities, and industry standards
- **Motel:** a term popular in the last century, combining the words "motor hotel"; typically designed to provide ample parking and easy access to rooms from the parking lot
- **Occupancy:** the percentage of all guest rooms in the hotel that are occupied at a given time
- **Revenue per available room (RevPAR):** a calculation that combines both occupancy and ADR in one metric
- **Sharing economy:** an internet-based economic system in which consumers share their resources, typically with people they don't know, and typically in exchange for money

- **SMERF:** an acronym for the social, military, educational, religious, and fraternal segment of the group travel market

Exercises

1. On a piece of paper, list as many types of accommodation classifications (e.g., by size) as you can think of. Name at least five. Provide examples of each.
2. When researching a franchisor, the cost of the franchise must be carefully considered. What other factors would you consider to determine the value of a franchise fee?
3. How should lower-end hotels and hotels that do not cater to business travellers respond to increased competition from rentals enabled by firms like Airbnb?
4. A hotel earns $3,000 on 112 rooms. What is its ADR?
5. That same hotel has an occupancy of 75%. What is its RevPAR?
6. How many independent campgrounds are there across Canada?
7. Airbnb enables hosts to rate their guests after a stay. Consider some other types of accommodation and list the pros and cons of rating guests.
8. Draw an organizational chart for a 60-room boutique hotel, listing all the staff required to run the operation. Put the most influential people (e.g., the general manager) at the top and work your way down. How would you structure this differently from a larger full-service hotel? What would you keep the same?
9. Read Condé Nast Best Hotels and Resorts in the US and Canada for 2020. Now find two other "best of" lists for Canada, or global accommodations. What do the winners have in common? List at least three things. Now try to find at least two differences.

Case Study: Hotel for Dogs – Philanthropy and Media Coverage

In 2014, the media was taken by storm with a story about a hotel in North Carolina that combined philanthropy with their business model. The property expanded on the trend of allowing dogs in hotels by fostering rescues from a nearby shelter and allowing guests to adopt them. Guests appreciated the warm interactions with the animals and several dogs were adopted as a result (Manning, 2014).Not only did the property provide a valuable service and enhance the guest experience, but the story was repeated across multiple media outlets, creating publicity for the hotel.

This is an example of a current trend: allowing pets in hotels. Now choose from one of the following trends, and research it to answer the questions that follow:

- Carbon offset programs
- Personalization
- Reputation management

- Digital concierge
- Smart hotels
- Healthy and organic foods
- Online experiences
- Frictionless touch points
- Sharing economy
- Green certified
- Augmented reality

1. Why do you think this trend has emerged? What market is it helping to serve?
2. Find an example of a hotel that has responded to your chosen trend and explain how the trend has informed or changed the hotel's business strategy or practice.
3. Are there any trends that are not listed above that you think should be added? Try to name at least two. Why are these important accommodation trends today?

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3.3 Operations

The organizational structures of operations and the number of roles and levels of responsibility vary depending on the type and size of accommodation. They are also determined by ownership and the standards and procedures of the management company. In this section, we explore the organizational structure and roles that are typically in place in a full-service hotel with under 500 rooms. These can also apply to smaller properties and businesses such as campgrounds — although in these cases several roles might be fulfilled by the same person.

Guest Services

Before we turn to examples of specific operational roles, let's take a brief look at the importance of guest services, which will be covered in full in Chapter 9.

The accommodation sector provides much more than tangible products such as guest rooms, beds and meals; service is also crucial. Regardless of their role in the operation, all employees must do their part to ensure that each guest's needs, preferences, and expectations are met and satisfied.

In some cases, such as in a luxury hotel, resort hotel, or an all-inclusive property, the guest services may represent a person's entire vacation experience. In other cases, the service might be less significant, for example, in a budget airport hotel where location is the key driver, or a campground where guests primarily expect to take care of themselves.

In all cases, operators and employees must recognize and understand guest expectations and also what drives their satisfaction and loyalty. When the key drivers of guest satisfaction are understood, the hotel can ensure that service standards and business practices and policies support employees to deliver on these needs and that guest expectations are satisfied or exceeded.

Spotlight On: 4Hoteliers

4Hoteliers compiles world news for hotel, travel, and hospitality professionals. It features recent news releases and articles and a free e-newsletter distributed three times per week. For more information, or to subscribe, visit the 4Hoteliers website.

General Manager and Director of Operations

In most properties, the general manager or hotel manager serves as the head executive. Division heads oversee various departments including managers, administrative staff, and line-level supervisors. The general manager's role is to provide strategic leadership and planning to all departments so revenue is maximized, employee relations are strong, and guests are satisfied.

The director of operations is responsible for overseeing the food and beverage and rooms division. This role is

also responsible for providing guidance to department heads to achieve their targets and for directing the day-to-day operations of their respective departments. The director of operations also assumes the responsibilities of the general manager when he or she is absent from the property.

Accounting

The controller is responsible for overall accounting and finance-related activities including accounts receivable, accounts payable, payroll, credit, systems management, cash management, food and beverage cost control, receiving, purchasing, food stores, yield management, capital planning, and budgeting.

Engineering and Maintenance

The chief engineer is the lead for the effective operation and maintenance of the property on a day-to-day basis, typically including general maintenance, heating, ventilation and air conditioning, kitchen maintenance, carpentry, and electrical and plumbing (Fairmont Hotels and Resorts, 2020). The chief engineer is also responsible for preventive maintenance and resource management programs.

Food and Beverage Division

The food and beverage director is responsible for catering and events, in-room dining, and stand-alone restaurants and bars. The executive chef, the director of banquets, and the assistant managers responsible for each restaurant report to the director of food and beverage. The director assists with promotions and sales, the annual food and beverage budget, and all other aspects of food and beverage operations to continually improve service and maximize profitability.

Human Resources

The human resources department provides guidance and advice on a wide range of management-related practices including recruitment and selection, training and development, employee relations, rewards and recognition, performance management, diversity and inclusion and health and safety.

Rooms Division

Front Office

Reporting to the director of rooms, the front office manager, sometimes called the reception manager, controls the availability of rooms and the day-to-day functions of the front office. The front desk agent reports to the front office manager and works in the lobby or reception area to welcome the guests to the property, process arrivals and departures, coordinate room assignments and pre-arrivals, and respond to guest requests.

Housekeeping

Reporting to the director of rooms, the executive housekeeper manages and oversees housekeeping operations and staff including the housekeeping manager, supervisor, house persons, and room attendants. An executive housekeeper is responsible for implementing the operating procedures and standards. He or she also plans,

coordinates, and schedules the housekeeping staff. Room audits and inspections are completed regularly to ensure standards are met (go2HR, 2020a).

Reporting to the housekeeping supervisor, room attendants complete the day-to-day task of cleaning rooms based on standard operating procedures and respond to guest requests. Reporting to the housekeeping supervisor, house persons clean public areas including hallways, the lobby, and public restrooms, and deliver laundry and linens to guest rooms.

Reservations

Large full-service hotels typically have a reservations department, and the reservations manager reports directly to the front office manager. The guest's experience starts with the first interaction a guest has with a property, often during the reservation process. Reservations agents convert calls to sales by offering the guest the opportunity to not only make a room reservation but also book other amenities and activities.

Today, with online and website reservations available to guests, there is still a role for the reservations agent, as some guests prefer the one-to-one connection with another person. The extent to which the reservations agent position is resourced will vary depending on the hotel's target market and business strategy.

Sales and Marketing

The sales and marketing director is responsible for establishing sales and marketing activities that maximize the hotel's revenues. This is typically accomplished by increasing occupancy and revenue opportunities for the hotel's accommodation, conference and catering space, leisure facilities, and food and beverage outlets. The sales and marketing manager is responsible for coordinating marketing and promotional activities and works closely with other hotel departments to ensure customers are satisfied with all aspects of their experience (go2HR, 2020b).

Catering and Conference Services

In larger full-service hotels with conference space, a hotel will have a dedicated catering and conference services department. The director of this department typically reports to the director of sales and marketing. The catering and conference services department coordinates all events held in the hotel or catered off-site. Catering and conference events and services range from small business meetings to high-profile conferences and weddings.

Now that we have a sense of the building blocks of a typical hotel operation, let's look at some trends affecting the sector.

3.4 Trends and Issues

The accommodation sector is sensitive to shifting local, regional, and global economic, social, and political conditions. Businesses must be flexible to meet the needs of their different markets and evolving trends. These trends affect all hotel types, regions, and destinations differently. However, overall, hoteliers must respond to these trends in a business landscape that is increasingly competitive, particularly in markets where the supply base is growing faster than demand (*Hotelier*, 2018). As the digital revolution continues to change the way we work and spend our free time, hoteliers are adapting to respond to what guests expect in their interactions with a hotel, from the booking experience right through to leaving guest reviews and sharing their experience with others.

The Sharing Economy: Airbnb

Airbnb began in 2008 when the founders rented their air mattresses to three visitors in San Francisco (Fast Company, 2012). In fact, the name Airbnb is derived from "air mattress bed and breakfast." However, Airbnb is not only for couch surfers or budget-conscious travellers; it includes a wide range of spaces in locations all over the world. Since 2008, the Airbnb online marketplace has grown rapidly. In 2014 Airbnb had more than 1 million listings worldwide and 30 million guests who used the service (Melloy, 2015). By 2019, Airbnb was widely considered the world's largest lodging brand reporting over 7 million listings worldwide, in 100,000 cities, in over 220 countries (Airbnb, 2020).

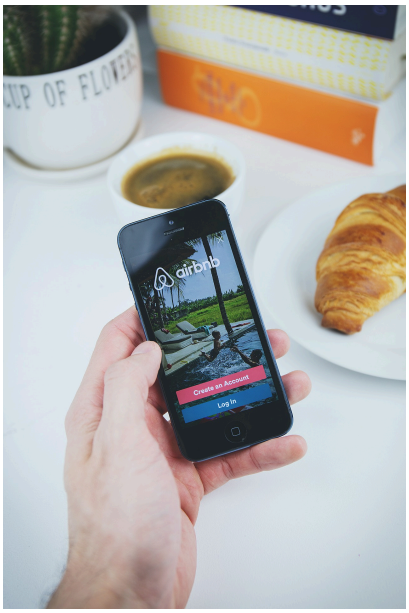

Figure 3.14 Airbnb has transformed the short-term rental industry. Image Credit: Pixabay

This and other innovations have changed the accommodation landscape as never before. Ten to 15 years ago online travel agents were a major innovation that changed the distribution and sale of rooms. But they still had to work with existing hotels, whereas Airbnb has enabled new entrants into the industry and thus increased supply.

On the supply side, Airbnb enables individuals to share their spare space for rent; on the demand side, consumers using Airbnb benefit from increased competition and more choice. In 2008, an unanswered question was to what extent Airbnb would impact the hospitality industry and tourism destinations. A study completed in 2014 in Austin, Texas, indicated that lower-end hotels, and hotels not catering to business travellers, were more vulnerable to increased competition from rentals enabled by firms like Airbnb than were hotels without these characteristics (Zervas, Preserpio, & Byers, 2015).

Airbnb is an example of a shift to the sharing economy, an economic model in which people rent beds, cars, boats, and other underutilized assets directly from each other, all coordinated via the internet (*The Economist*, 2013). Airbnb is the most prominent example of this model. It provides a platform for travellers and manages all aspects of the relationship using digital platforms that include the Airbnb app, mobile and website.

When hosts create an account, they set the price and write the descriptions to advertise the space to guests (Airbnb, 2020). At Airbnb, the host who rents out the space controls the price, the description of the space, and the guest experience. The host also makes the house rules and has full control over who books the space. Airbnb provides

the digital platforms for all aspects of the host and guest interaction and for these services charges hosts a 3.5% service fee. As well, both hosts and guests can rate each other and write reviews (Airbnb, 2020).

One criticism of Airbnb from the hospitality industry is that Airbnb does not follow the same operating regulations as those required for hotels. Another comes from homeowners in apartment complexes who object to neighbours repeatedly renting out their homes to short-term Airbnb guests. Airbnb rentals have also created pressure on the rental housing marketing in popular tourism destinations leading to less long-term rental inventory and higher rental prices.

Distribution and Online Travel Agents

Online travel agents (OTAs) are a valuable marketing and third-party distribution resource for hotels and play a significant role in online distribution (Inversini & Masiero, 2014). In 2020, OTAs (for example, Expedia, Hotels.com, Kayak.com) had a 24% share of transient reservations in North American markets.

OTAs offer global distribution so that each hotel and chain can be available to anyone. Smaller independent hotels that do not have the global marketing and sales resources of a larger chain are able to gain exposure, sell rooms, and build their reputation through online guest ratings and reviews. OTAs also help hotels offer combined value and packaging options that are attractive to many consumers (for example, booking and search options for hotels, car rentals, air fare, attractions, and travel packages). Customized searches, travel guidance, and rewards points are also available when booking through an OTA. If a hotel or chain has an exceptional product and service, OTAs share guest ratings, which can increase the number of reservations and referrals.

The general industry guidance for hotels using OTAs is to ensure that this distribution channel is part of a broader sales strategy, coupled with sound customer relationship management practices. Some large chains have also improved supplier direct bookings. In 2016, Hilton launched a loyalty program and a book direct campaign "Stop clicking around" (TravelClick, n.d.). Commissions for OTAs are in the region of 15% and hoteliers will continue to advance their capabilities to offer online supplier direct bookings (TravelClick, n.d.). This will require investment in streamlined apps and improved mobile sites to simplify and improve the user experience and booking process (Berelowitz, 2018).

Table 3.3 provides an overview of some of the distribution channels that are available to hoteliers.

Table 3.3 Distribution channels and benefits

[Skip Table]	
Distribution Channel	**Benefits**
Hotel website or brand website (e.g., HotelName.com)	• Consumers prefer to book directly with the property • Instills consumers with the trust to book • Reduces or eliminates booking fees
Online travel agent (OTA)	• Generates a billboard effect • Works well when OTAs are the most relevant channel to the hotel's target market
Central reservations office (CRO)	• Centralised reservation requests by phone
Global distribution system (travel agents)	• Increases exposure to bookings through travel agents • Helps capture consumers who continue to use traditional channels
Direct to the hotel	• Walk-ins • Phone reservations

For more on marketing in the services sector, see Chapter 12.

Mobile Devices & Smart Technologies

Mobile devices have placed everything at our fingertips. Guest are booking stays on their smart phones and the traditional touch points in hotels are changing. Guests are looking for 'frictionless' check in and check out, digital locking systems and 'smart' automated energy saving devices. Smart technology can now not only improve guest experiences but also reduce operational costs. For example, with smart reserved parking, hotels can use smart sensors and hotel apps to give guests the choice of reserving their parking space in advance of their arrival, reducing the cost of operating a manual parking inventory (Attala, 2019).

No longer seeking the same 'touch points' the hotel and lodging industry must continue to find ways to connect with their guests through mobile devices, touch screens, voice activated technologies and more.

Figure 3.15 A group of travellers at baggage claim in an airport. Image Credit: jstarj

Image Credits

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Baggage Hall by jstarj on Pixabay is a free image licensed under a Pixabay licence.

Chapter 4. Food and Beverage Services

Learning Objectives

- Describe the origins and significance of the food and beverage sector
- Relate the importance of the sector to the Canadian economy
- Explain the various types of food and beverage providers
- Discuss differing needs and desires of residents and visitors in selecting a food and beverage provider
- Examine factors that contribute to the profitability of food and beverage operations
- Discuss key issues and trends in the sector including government influence, health and safety, human resources, and technology

Original authors: Peter Briscoe and Griff Tripp
Revisions made by: David MacGillivray

4.1 Food and Beverage Sector Performance

According to Statistics Canada, the **food and beverage** sector comprises "establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises" (Government of Canada, 2012). This sector is commonly known to tourism professionals by its initials as **F&B**.

The food and beverage sector grew out of simple origins: as people travelled from their homes, going about their business, they often had a need or desire to eat or drink. Others were encouraged to meet this demand by supplying food and drink. As the interests of the public became more diverse, so too did the offerings of the food and beverage sector.

In 2018, Canadian food and beverage businesses accounted for 1.2 million employees and more than 97,000 locations across the country with an estimated $85 billion in sales, representing around 4% of the country's overall economic activity. Many students are familiar with the sector through their workplace, because Canada's restaurants provide one in every five youth jobs in the country — with 22% of Canadians starting their career in a restaurant or foodservice business. Furthermore, going out to a restaurant is the number one preferred activity for spending time with family and friends (Restaurants Canada, 2018a).

For a perspective on how sales are distributed across the country by province, and how different foodservice operations perform in terms of **revenue** (sales dollars collected from guests), look at Tables 4.1 and 4.2. A key factor in the below results is the higher population base in Ontario and Quebec. Economic growth or decline also impacts results and vary from province to province year over year.

In terms of sales (Table 4.2), Ontario is the leader with almost $28 billion. Quebec, BC, and Alberta occupy the next three spots with revenues ranging from $9 billion to $13 billion, and the other provinces had sales of $2 billion apiece or less. Over the last five years, BC has shown greater growth in revenues along with third more units (restaurants) than neighbouring Alberta, leading to identical average sales per unit.

Foodservice sales in British Columbia rose by a solid 7.9% in 2018 over 2017. Alberta boasts the highest average unit volume at $838,666 per year, more than $100,000 over the national average due to greater disposable income and no provincial sales tax on meals. In BC, improved economic growth lifted total foodservice sales by a healthy 7.9% for the strongest annual growth since 2006 (Restaurants Canada, 2019). Since 2018 Alberta has seen a significant decline in its economy due to the energy sector collapse tied to the price of crude oil.

Table 4.1 Performance by province for commercial foodservice — units

[Skip Table]		
Province	**Foodservice Units Totals**	**Average Volume/Unit ($)**
Newfoundland and Labrador	1,168	737,301
Prince Edward Island	413	663,259
Nova Scotia	2,260	750,458
New Brunswick	1,708	714,521
Quebec	22,736	594,147
Ontario	38,317	747,468
Manitoba	2,621	794,425
Saskatchewan	2,673	717,449
Alberta	11,277	838,666
British Columbia	14,550	838,444
Canada	97,939	735,915
Data source: Statistics Canada, Restaurants Canada 2019		

Table 4.2 below indicates the profit margins per province. **Profit** is the amount left when expenses (including corporate income tax) are subtracted from sales revenue. A higher profit margin means that a greater percentage of sales are retained by the business owner, and a lower percentage is lost to operating and other costs.

Table 4.2 Performance by province for commercial foodservice — sales

[Skip Table]				
Province	**Sales Growth**		**Sales**	**Pre-tax Profit Margin (% of operating revenue)**
	2018-19 Forecast (%)	**2018-17 Actual (%)**	**2018 ($ millions)**	
Newfoundland and Labrador	1.6%	.2%	$861.2	4.1%
Prince Edward Island	4.3%	6.3%	$273.9	6.9%
Nova Scotia	3.9%	5.6%	$1,696.0	5.0%
New Brunswick	3.1%	3.0%	$1,220.4	6.0%
Quebec	4.2%	5.2%	$13,508.5	4.4%
Ontario	4.6%	5.7%	$28,640.7	3.8%
Manitoba	3.4%	2.4%	$2,082.2	4.8%
Saskatchewan	3.8%	1.6%	$1,917.7	5.3%
Alberta	3.0%	2.4%	$9,457.6	4.4%
British Columbia	4.8%	7.9%	$12,199.4	4.7%
Canada	4.2%	5.2%	$72,074.8	4.3%
Data source: Statistics Canada, Restaurants Canada 2019				

The provincial variations in total sales and profit margins are due to several factors including:

- The relative level of economic activity
- Minimum wage levels, which have increased in several provinces
- Provincial sales taxes
- Cultural differences
- Weather
- Municipal taxes
- Percentage of the market held by chains versus independents
- Number of units (restaurants)
- The density of units relative to the local population
- Number of tourists or business travellers

Now that we have a sense of the relative performance of F&B operations by province, and some influences on success, let’s delve a little deeper into the sector.

4.2 Types of Food and Beverage Providers

Figure 4.1 The Keg at the Station is in a former train station in New Westminster, B.C.

While there are many ways to analyze the sector, in this chapter we take a market-based, business-operation approach based on the overall Canadian market share from the Restaurants Canada Market Review and Forecast (Restaurants Canada, 2019). The following sections explore the types of food service operations in Canada.

There are two key distinctions: **commercial foodservice**, which comprises operations whose primary business is food and beverage, and **non-commercial foodservice** establishments where food and beverages are served but are not the primary business.

Let's start with the largest segment of F&B operations, the commercial sector.

Commercial Operators

Commercial operators make up the largest segment of F&B in Canada with just over 80% market share

(Restaurants Canada, 2019). It is made up of quick-service restaurants, full-service restaurants, catering, and drinking establishments. Let's look at each of these in more detail.

Quick-Service Restaurants

Formerly known as fast-food restaurants, **quick-service restaurants**, or QSRs, makeup 44.4% of total food sales in Canada (Restaurants Canada, 2019). This prominent portion of the food sector generally caters to both residents and visitors and is represented in areas that are conveniently accessed by both. Brands, chains, and franchises dominate the QSR landscape. While the sector has made steps to move away from the traditional fast-food image and style of service, it is still dominated by both fast food and food fast; in other words, food that is prepared and purchased quickly, and generally consumed quickly.

Take a Closer Look: The First McDonald's In Canada

The first McDonald's restaurant in Canada opened in Richmond, BC, in 1967. Located on No. 3 Road, it featured a sleek almost space-age design. To see a picture of the location, visit McDonald's: Then and Now.

Convenience and familiarity are key in this sector. Examples of **QSRs** include:

- Drive-through locations
- Stand-alone locations
- Locations within retail stores
- Kiosk locations in shopping centres
- High-traffic areas, such as major highways or commuter routes

Full-Service Restaurants

With 44.2% of the market share (Restaurants Canada, 2019), **full-service restaurants** are perhaps the most fluid of the F&B operation types, adjusting and changing to the demands of the marketplace. Consumer expectations are higher here than with QSRs (Parsa, Lord, Putrevu, & Kreeger, 2015). The menus offered are varied, but in general, reflect the image of the restaurant or consumer's desired experience. Major segments include fine dining, family/casual, ethnic, and upscale casual.

Figure 4.2 A rhubarb pavlova with local Pemberton strawberries is served at Araxi Restaurant + Bar, a fine dining establishment in Whistler. Image credit: Ruth Hartnup.

Fine dining restaurants are characterized by highly trained chefs preparing complex food items, exquisitely presented. Meals are brought to the table by experienced servers with sound food and beverage knowledge in an upscale atmosphere. The concept of fine dining has evolved over the years. It was once mandatory to have table linens, fine china, crystal stemware, and silver-plate cutlery in order to be referred to as a fine dining establishment. Service was often very formal and reserved with minimal personal interaction between guests and servers. The table was often embellished with fresh flowers and candles as well. Today the best restaurants focus on the quality of preparation, presentation, and flavor of the food utilizing the best and where possible local ingredients. Servers who are engaged, customer-centric, and well informed are sought after by the best restaurants.

In Canada, many of the finest restaurants feature wine lists heavily showcasing local food and wine. Tablescapes are kept simple, with excellent quality flatware and stemware and minimal fuss with centerpieces and generally no linen tablecloths.

In these businesses, the **average cheque**, which is the total sales divided by the number of guests served, is quite high (often reviewed with the cost symbols of three or four dollar signs- $ $ $ or $ $ $ $).

Family/casual restaurants are characterized by being open for all three meal periods. These operations offer affordable menu items that span a variety of customer tastes. They also have the operational flexibility in menu and restaurant layout to welcome large groups of diners. An analysis of menus in family/casual restaurants reveals a high degree of operational techniques such as menu item **cross-utilization**, where a few key ingredients are repurposed in several ways. Service is often very casual and friendly. Both chain and independent restaurant operators flourish in this sector. Popular chain examples include Boston Pizza, East Side Mario's and Moxie's Bar and Grill.

Ethnic restaurants typically reflect the owner's cultural identity. The growth and changing nature of this sector reflect the acceptance of various ethnic foods within our communities. Ethnic restaurants generally evolve along two routes: toward remaining authentic to the cuisine of the country of origin, or toward larger market acceptance through modifying menu items (Mak, Lumbers, Eves, & Chang, 2012). Food is often the medium for this sense of belonging (Koc & Welsh, 2001; Laroche, Kim, Tomiuk, & Belisle, 2005). The authenticity of the experience often drives the customer's decision. The driving force behind these operations is the Chef's background,

their commitment to the quality of the product, innovative preparation mixed with exceptional technique, and knowledgeable service staff to bring it to the consumer.

Spot Light: Restaurants Canada

Originally created in the 1940's and at the time called the Canadian Restaurant Association, Restaurants Canada serves as the voice for this industry. They have an amazing magazine called Menu which is full of relevant industry articles. Take some time and explore!

Figure 4.4 The exterior of Vij's, the flagship restaurant of Vikram Vij's ethnic dining legacy. Image credit: Jan Zeschky

Upscale casual restaurants emerged in the 1970s, evolving out of a change in social norms. Consumers began to want the experience of a fun social evening at a restaurant with good value (but not cheap), in contrast to the perceived stuffiness of fine dining at that time. These restaurants are typically dinner houses, but they may open for lunch or brunch depending on location. Examples would include the Keg Restaurant. A closer examination of popular restaurant menus will show many items suitable for sharing amongst groups of people. Family style sharing platters that are passed back and forth between multiple diners. This adds to the desire for patrons to feel relaxed and comfortable while dining out with family or friends.

Catering and Banqueting

Catering makes up only 7.9% of the total share of F&B in Canada (Restaurants Canada, 2019) and comprises food served by catering companies at banquets and special events at a diverse set of venues. Note that *banqueting* pertains to catered food served on-premise, while *catering* typically refers to off-premise service. At a catered event, customers typically eat at the same time, as opposed to restaurant customers who are served individually

or in small groups. The catering and banqueting experience has evolved tremendously to the point where guests who attend events expect restaurant-quality food and service. In keeping with this concept, the event planner will coordinate with the catering establishments that guests who attend the planned events have a choice of options for each course served. While surcharges may apply to meals because of the option choices the expectation is every bit as high from the customer.

Catering businesses (whether on-site or at special locations) are challenged by the episodic nature of events and the issues of food handling and food safety with large groups. Catering businesses include:

- Catering companies
- Conference centres
- Conference hotels
- Wedding venues
- Festival food coordinators

Spotlight On: Diner en Blanc

An interesting public event with a dining focus is Diner en Blanc, which is held in cities around the globe including Vancouver and Victoria. The Vancouver event has been running since 2011. The original concept was developed in Paris in 1988. Diners wear all white and bring their table, chair, and place settings with them to a secret location announced only hours before. Participants have the option to bring their own food or purchase a catered meal. Alcoholic beverages are also available for purchase on-site.

For more information, visit the Dîner en Blanc website.

Figure 4.5 Dîner en Blanc Vancouver's first event at Jack Poole Plaza. Image credit: Maurice Li Photography.

While beverages make up part of almost every dining experience, some establishments are founded on beverage sales. Let's look at these operations next.

Alcohol and Cannabis

With a 3.5% market share (Restaurants Canada, 2019), the drinking establishment sector comprises bars, wine bars, cabarets, nightclubs, and pubs. All businesses and premises selling alcohol must adhere to their provincial Liquor Control and Licensing Acts.

Liquor licenses can be divided into **liquor primary** and **food primary**. As the name suggests, a liquor primary license is needed to operate a business that is in the primary business of selling alcohol. Most pubs, nightclubs, and cabarets fall into this category. A food primary license is required for an operation whose primary business is serving food. Some operations, such as pubs, will hold a liquor primary license even though they serve a significant volume of food. In this case, the license allows for diverse patronage.

One noteworthy change to the licensing of pubs in BC is that children are permitted in them if they are accompanied and attended by responsible adults. While not universally adopted by pubs to date, this change in legislation is an example of the fluctuating social norms to which the sector must respond.

Figure 4.6 The Six Mile Pub in Victoria. Established in 1855, it is British Columbia's oldest public house. Image credit: Alan Levine.

On October 17, 2018, the *Cannabis Act* was introduced as law in Canada. which meant it became legal to consume marijuana and to sell marijuana in Canada. The Cannabis Act is in place to regulate such activities. In the 2019 Chef Survey Results conducted by Restaurants Canada Cannabis/CBD infused drinks ranked #1 and Cannabis/CBD infused food ranked #2 as the items Chef's felt would be the next big thing in the restaurant business (Restaurants Canada, 2019).

> The Cannabis Act was put into place on October 17th, 2018. For more information, see Government of Canada Cannabis Laws and Regulations.

Together the commercial ventures of QSRs, full-service restaurants, catering functions, and drinking establishments make up just over 80% of the market share. Now let's look at the other 20% of businesses, which fall under the non-commercial umbrella.

Non-Commercial

The following non-commercial entities earn just under 20% share of the foodservice earnings in Canada (Restaurants Canada, 2019b). While these make up a smaller share of the market, there are some advantages inherent in these business models. Non-commercial operations cater predominantly to consumers with limited selection or choice given their occupation or location. This type of consumer is often referred to as a **captured patron**. In a tourism capacity such as in airports or on cruise ships, the accepted price point for these patrons is often higher for a given product, increasing profit margins.

Institutional

Often run under a predetermined contract, this sector includes:

- Hospitals
- Universities, colleges, and other educational institutions
- Prisons and other detention facilities
- Corporate staff cafeterias
- Cruise ships
- Airports and other transportation terminals and operations

Accommodation Foodservice

These include hotel restaurants and bars, room service, and self-serve dining operations (such as a breakfast room). Hotel restaurants are usually open to the public and reliant on this public patronage in addition to business from hotel guests. Collaborations between hotel chains and restaurant chains have seen the reliable pairing of hotels and restaurants, such as the combination of Sandman Hotels and Moxie's Grill and Bar.

Vending and Automated Foodservices

While not generally viewed as part of the food and beverage sector, automated and vending services do account for significant sales for both small and large foodservice and accommodation providers. Vending machines are located in motels, hotels, transportation terminals, sporting venues, or just about any location that will allow for the opportunity for an impulse or convenient purchase.

Business Performance for Types of Food and Beverage Operators

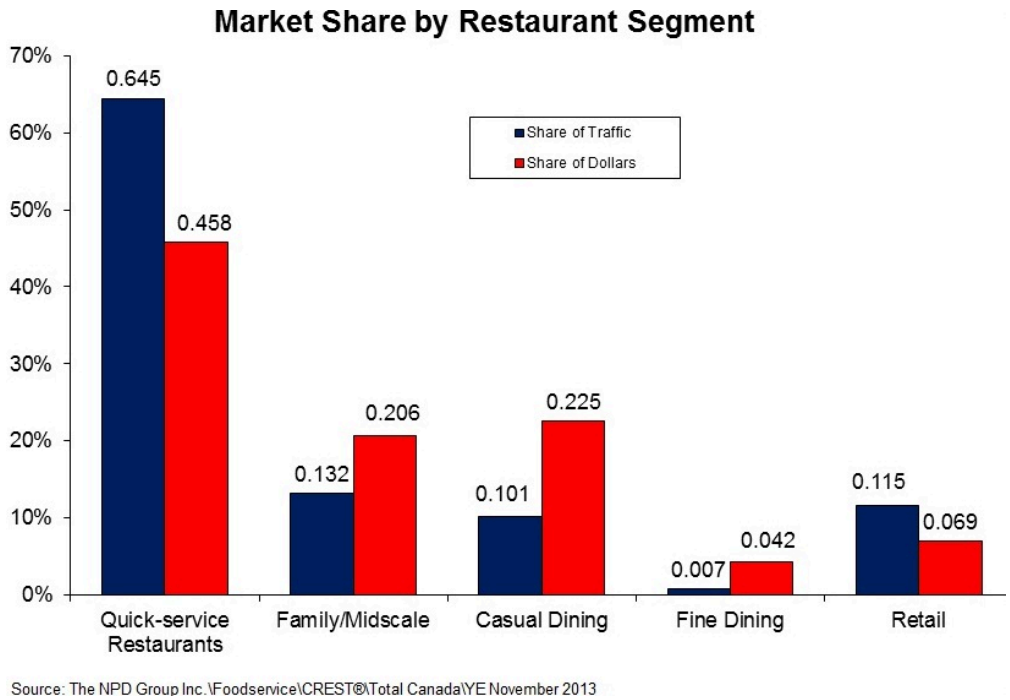

Figure 4.7 Share of the market for different restaurant segments. [Long Description]

As mentioned, the commercial sector comprises the

majority of dollars earned. Figure 4.9 illustrates the difference between the share of traffic and the share of dollars for each sub sector. We know that QSRs are much more economical and generally much busier than full-service restaurants. How do that traffic and low prices translate into market share for the different segments?

Figure 4.9 shows that QSRs attract two-thirds of all the traffic while earning less than half of the total dollars. Family/midscale and casual dining each attract half the dollars of QSR, but they do that from much lower shares of the traffic. Meanwhile, fine dining is patronized by less than 1% of the total restaurant traffic but earns 4.2% of the dollars. The growing force of convenience stores, department stores, and other retail establishments obtain a respectable 11.5% of traffic and 10.6% of the restaurant dollar.

As you can see, while QSRs attract the greatest number of guests, the ratio of dollars earned per transaction is significantly less than that of the fine-dining sector. This makes sense, of course, because the typical QSR earns relatively little per guest but attracts hundreds of customers, while a fine dining restaurant charges high prices and serves a select few guests each day.

Sales Per Segment

Table 4.3a Commercial sector sales and market shares for 2017–2018

[Skip Table]				
Type of Restaurant	**2017 Final ($ millions)**	**Segment Market Share (%)**	**2018 Projected ($ millions)**	**Segment Market Share (%)**
QSR	30,464.2	44.5	32,027.8	44.4
Full-service	30,206.0	44.1	31,863.3	44.2
Caterers	5,400.5	7.8	5,688.2	7.9
Drinking Places	2,438.5	3.5	2,495.5	3.5
Total Commercial	$68,509.2	N/A	$72,074.8	N/A

Table 4.3b Non-commercial sector sales and market shares for 2017–2018

[Skip Table]				
Type of Restaurant	**2017 Final ($ millions)**	**Segment Market Share (%)**	**2018 Projected ($ millions)**	**Segment Market Share (%)**
Accommodation	6,934.0	40.8	7,508.0	40.5
Institutional	4,735.0	27.9	5,125.0	27.6
Retail	2,569.9	15.1	2,936.3	15.8
Other	2,748.6	16.2	2,972.9	16
Total Non-Commercial	$16,987.5	N/A	$18,542.2	N/A

The sales revenues for the various segments are shown in Table 4.3. Note that QSRs and full-service restaurants are almost equal in their sales and almost completely dwarf the other commercial sectors of caterers and drinking places. It is also noteworthy that the commercial components have four times the sales volume of the non-commercial components.

Table 4.4. Average cheque size per person in Canada[1]

[Skip Table]			
Channel	**2016**	**2017**	**2018**
Quick Service Rest.	$5.64	$5.75	$5.94
Midscale dining	$12.47	$12.82	$13.01
Casual dining	$17.56	$17.85	$18.24
Fine dining	$43.59	$43.63	$44.16
Retail foodservice	$4.76	$4.82	$4.94
Total foodservice	$7.78	$7.93	$8.15
Source: The NDP Group, 12 months ending December each year.			

Image Credits

Figure 4.1 The Keg at the Station by Jon the Happy Web Creative on Flickr is licensed under a CC BY 2.0 licence.

Figure 4.2 North Arm Farm Strawberry + Rhubarb Pavlova by Ruth Hartnup on Flickr is is licensed under a CC BY 2.0 licence.

Figure 4.4 Birthday dinner at one of Vancouver's finest by Jan Zeschky on Flickr is is licensed under a CC BY 2.0 licence.

FIgure 4.5 Dîner en Blanc Vancouver 2012 by Maurice Li Photography on Flickr is is licensed under a CC BY-NC-ND 2.0 licence.

Figure 4.6 Six Mile by Alan Levine on Flickr is is licensed under a CC0 1.0 public domain licence.

Figure 4.7 Market Share by Restaurant Segment by LinkBC is used under a CC-BY-NC 2.0 license.

1. The average cheque size includes taxes but excludes tips.

4.3 Types of Food and Beverage Customers

Now that we've classified the sector based on business type and looked at relative performance, let's look at F&B from another perspective: customer type. The first way to classify customers is to divide them into two key markets: residents and visitors.

The first of these, the resident group, can be further divided based on their purpose for visiting an F&B operator. For one group, food or drink is the primary purpose for the visit. For example, think of a group of friends getting together at a local restaurant to experience their signature sandwich. For another group, food and drink is the secondary purpose, added spontaneously or as an ancillary activity. For example, think of time-crunched parents whisking their kids through a drive-through on their way from one after-school activity to the next. Here the food and beverage providers offer an expedient way to access a meal.

Figure 4.8 A visitor to Nanaimo eats a signature "Nanaimo bar" in front of a Nanaimo bar, the Jingle Pot Pub. Image credit: Brett Ohland.

Foodservice providers also service the visitor market, which presents unique challenges as guests will bring with them the tastes and eating habits of their home country or region. Most establishments generally follow one of two directions. One is to cater completely to visitors from the day the doors open, with an operational and market focus on tourists. The other is to cater primarily to residents.

Sometimes a local foodservice provider can continue to cater to the resident market over time. In other cases, often because of financial pressures, the business shifts its focus away from the residents to better cater to visitors' tastes. These changes, when they do occur, generally happen over time and can lead to questions of authenticity of the local offerings (Smart, 2003; Heroux, 2002; Mak, Lumbers, Eves, & Chang, 2012).

Take a Closer Look: The Science of Addictive Food

For some time, one secret recipe for success in the food sector, particularly the fast-food portion of the sector, was simple: salt, sugar, and fat — and lots of it. There is a science behind these additives and why consumers keep coming back to satisfy their cravings. To see an explanation, watch *Why does Junk Food Taste so Good?*

It is clear that the food and beverage sector must remain responsive to consumers' needs and desires. This is made evident by the emergence of health-concious eating in North America over the last two decades. The influence of books such as *Fast Food Nation* (Schlosser, 2012) and documentaries such as *Super Size Me* have created mainstream awareness about what goes into our food and our bodies. As many developed nations, including Canada, struggle with health-care concerns including hypertension, diabetes, and obesity, food operators are taking note and developing new health-conscious menus.

This awareness, coupled with an increasing interest and desire for more authentic foods produced without using herbicides and pesticides, free of genetically modified ingredients, and even free of carbohydrates or gluten, has placed pressure on the sector to respond, and many have (Frash, DiPietro, & Smith, 2014). Consumers are more aware of the plight of farmers and producers from faraway places and the support for fair trade practices. At the same time, there is a heightened desire for more locally grown products, and a general awareness of nutrition and the quality of products that are harvested in season and closer to home.

Take a Closer Look: Canada's Locavore Movement is Going Mainstream

According to the above article written by Kostuch Media Ltd. in 2019, it is now considered bad business to not be supporting local producers on food service menus.

Consumer consciousness regarding the source and distribution of food has created a movement that champions sustainable and locally grown foods. While this trend does have its extremes, it is founded on the premise that eating food that has been produced nearby leads to better food quality, sustainable food production processes, and increased enjoyment. This has led to a number of restaurants that incorporate these concepts in their menu planning and marketing.

In addition to this trend toward "conscious consumerism" (LinkBC, 2014, p.4), F&B professionals must be highly aware of the importance of special diets including gluten-free, low-carb, and other dietary restrictions (LinkBC, 2014).

All of these influences are continuously shaping the food and beverage sector. Before we explore additional trends and issues in the sector, let's review the core considerations for profitability in foodservice operations.

Image Credit

4.4 Operations

Profitability

While many factors influence the profitability of foodservice operations, key considerations include type of business, location, cost control, and profit margin, sales and marketing strategies, and human resources management. We've already examined the different types of operations and their relative profit margins. Let's look at the other profitability considerations in more detail.

Key statistics show that operating revenues grew by 31% nationally from 2012 to 2017. Conversely, operating expenses rose by 31%, during the same period. The average pre-tax profit in 2017 was $30,370 or 4.3% of operating revenue. By many industry standards, this is a dangerously low profit as a percentage of revenues. Any number of situations could easily erode this profit including rent increases, unexpected maintenance repairs, and increased taxes. The cost of goods and the minimum wage increases were contributing factors in impacting operating expenses in all regions of the country. Economic slowdowns in Alberta and Newfoundland, directly linked to the Energy Sector were major contributors to substandard growth in these two provinces.

Full-service restaurants remain the least profitable category of food service on average. Caterers remain the most profitable sector with a pre-tax profit margin of 7.2% nationally, despite having the highest labor costs as a percentage of operating revenue (Restaurants Canada, 2019).

Location

The selection of the correct location for a restaurant is often cited as the most critical factor in an operation's success (or failure) in terms of profitability. Prior to opening, site analysis is required to determine the amount of traffic (foot traffic and vehicle traffic), proximity to competing businesses, visibility to patrons, accessibility, and presence (or absence) of desired patrons (Ontario Restaurant News, 1995).

Cost Control

According to Restaurants Canada, QSRs have the highest profit margin at 5.1%, while full-service restaurants have a margin of 3.5%. There will be significant variances from these percentages at individual locations even within the same brand (2014b).

A number of costs influence the profitability of a food and beverage operation. Key operating expenses in the restaurant business **food cost** are food cost, beverage cost **beverage costs** and payroll. These are commonly known as prime costs. Managing the prime costs **primary costs**. to an appropriate and agreed upon level is critical to the success of any operation. Other expenses include property rental, utilities, maintenance costs, advertising, legal fees, insurance and depreciation of equipment **assets**. In addition to these big-ticket items, there is the cost of reusable products **operating supplies** such as cutlery, glassware, china, and linen in full-service restaurants. The percentages of expenses to revenue will vary greatly by sector, location, and province.

Given that most operations have both a service side (interacting directly with the consumer) and the production side (preparing food or drink to be consumed), the primary costs incurred during these activities often determine

the feasibility or success of the operation. This is especially true as the main product (e.g., food and drink) is perishable; ordering the correct amount requires skill and experience. Managing your inventory once on site is of equal importance.

Sales and Marketing

The two principal considerations for sales and marketing in this sector are market share and revenue maximization. Most F&B operations are constrained by finite time and space, so management must constantly seek ways to increase revenue from the existing operation or increase the share of the available market. Examples of revenue maximization include upselling existing consumers (e.g., asking if they want fries with their meal; offering dessert, specialty drinks pre and post-dinner), and using outdoor or patio space (even using rain covers and heaters to extend the outdoor season). Examples of increasing market share in the fast-food sector include extending special offers to new, first-time customers through social media or targeted direct mail.

In today's cluttered marketplace, being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for most operators. Restaurant reviews have been a part of the food and beverage sector for a long time. With the increase of online reviews by customers at sites like Yelp, Urbanspoon, and TripAdvisor, and sharing of experiences via social media, operators are becoming increasingly aware of their web presence (Kwok & Yu, 2013). For this reason, all major food and beverage operators carefully monitor their online reputation and their social media presence.

> The digital marketplace for food is creating a world of ways to drive incremental business while leveraging fixed costs and creating new ways for restaurateurs to think out of the box about their business.
> —Dan Park, General Manager and Head of Uber Eats Canada (Restaurants Canada Food Service Facts 2019)

One of the keys to a strong reputation, both in-person and online, is the management of human resources.

Staffing and Human Resources

Appropriately staffing an food and beverage operation involves attracting the right people, hiring them, training them, and then assigning them to the right tasks for their skills and abilities. Many businesses operate outside the traditional work-week hours; indeed, some operate on a 24-hour schedule. Creating the right team, employing them in accordance with legal guidelines, and keeping up with the demands of the businesses are challenges that can be addressed by a well-thought-out and implemented human resources plan.

People who have long-lasting careers in the sector find the fluctuating conditions appealing; no two days are the same, and the fast-paced and energetic social environment can be motivating. Many positions provide meaningful rewards and compensation that can lead to long-term careers.

One topic of discussion in food and beverage human resources is that of gratuities (tipping). In Canada, restaurants are obligated to pay staff minimum wage, and gratuities are paid by the customer as an expression of their gratitude for service. This is not the model in countries like Australia, where service staff is paid a higher professional wage and prices are raised to accommodate this.

Take a Closer Look: Tipping and Its Alternatives

In 2008, Michael Lynn and Glenn Withiam wrote a paper discussing the role of tipping and potential alternatives. While the paper focuses particularly on the United States (where wages are structured differently from Canada), it raises some good questions about consumer preference and impact on businesses (Lynn & Withiam, 2008). For instance, do tips actually improve service? These questions can apply to food and beverage businesses but also other tourism operations within the service context. It also offers some suggestions for further research. Read the paper Tipping and Its Alternatives [PDF].

In Nova Scotia, a restaurant owner cannot use tips to cover business expenses (e.g., require an employee to use his or her tips to cover the cost of broken glassware). Employers are also not permitted to charge staff for the cost of diners who do not pay (known as a **dine-and-dash**). They can, however, require front-of-house staff pool their gratuities, or pay individually, to ensure back-of-house staff receives a percentage of the tips (Bill NO. 83 Labour Standards Code). This is also commonly known as a **tip-out**.

Section 31C of the Labour Code, states that "An employer may withhold or make a deduction or require an employee to give them a portion of their tips and other gratuities if the employer collects and redistributes tips among some or all of the employer's employees." However, employers are prohibited from sharing in the tip pool (Restaurants Canada, 2019).

There have been experiments with gratuity models in recent years. One example is a restaurant on Vancouver Island, which tried an all-inclusive pricing model upon opening in 2014 but reverted three months later to the traditional tipping model due to consumer demand and resistance to higher prices (Duffy, 2014). While many in the industry would prefer to operate with a no-tip policy, the consumers are not prepared to pay the higher menu price required to facilitate the process.

4.5 Trends and Issues

In addition to having to focus on the changing needs of guests and the specific challenges of their own businesses, food and beverage operators must deal with trends and issues that affect the entire industry. Let's take a closer look at these.

Industry Influencers

- Plant-based diets, healthy options
- Sustainable practices
- Evolution of home delivery
- Government influence
- Health and safety
- The power of technology
- Changing venues

Plant-Based Diets, Healthy Options

Plant-based diets are neither trend nor fad, they are viable, sustainable dietary options based on environmental practices, well being, nutrition, and personal choice.

> For a combination of environmental, ethical, and health reasons plant-based foods have surged in popularity in Canada. A study by Dalhousie University found that 6.4 million Canadians are following a diet that either limits animal products intake (often termed flexitarian), or eliminates it altogether (Restaurants Canada, 2019).

The desire for plant-based foods will continue to grow driven by concern for the environment. Further proof of this is the number of quick-service restaurants now featuring plant-based products on their menus.

Sustainable Practices

In hand with plant-based diets is the continued drive to reduce our impact on the environment, through recycling, composting, donating leftover food, or water and energy conservation. In a survey of Restaurants Canada's members, 80% said that environmental practices are important to the success of their businesses.

> When incorporating environmental practices into your business, the planet is only one of the beneficiaries. When we are talking about sustainability we're essentially talking about reducing-energy, water, waste-which also means lower operating costs and keeping dollars in your pocket.
> —Janine Windsor, President Leaders in Environmentally Accountable Foodservice (Restaurants Canada 2019 Food Service Facts)

Evolution of Home Delivery

The mention of home food delivery ten years ago would have been about pizza delivery and Asian food. Arguably the hottest trend in foodservice has nothing to do with ingredients or regional cuisine. Instead, it's the explosive growth of in-home delivery. Consumers are demanding variety and selection and delivery apps give them access to their favourite restaurants at home.

> Delivery foodservice sales by digital (online and mobile apps) or traditional telephone totalled more than $4.3 billion in 2018, a staggering 44% increase over 2017 (Restaurants Canada).

While the popularity and accessibility of home delivery from your favourite restaurant has grown tremendously not all operators are enthusiastic over this growth. Many say home delivery has impacted the number of guests in their restaurants, which makes sense. The main concern lies with the profitability, with the majority believing the profit margin is slight. Regardless operators will need to figure out how to make this work and give the consumer what they want.

Examples of home delivery options:

- Skip the Dishes
- Hello Fresh
- Chef's Plate
- makegoodfood.ca

Government Influence

Each level of government affects the sector in different ways. The federal government and its agencies have influence through income tax rates, costs of employee benefits (e.g., employer share of Canada Pension Plan and Employment Insurance deductions), and support for specific agricultural producers such as Canadian dairy and poultry farmers, which can lead to an increase in the price of ingredients such as milk, cheese, butter, eggs, and chicken compared to US prices (Findlay, 2014; Chapman, 1994).

Provincial governments also impact the food and beverage sector, in particular with respect to employment standards; minimum wage; sales taxes (except Alberta); liquor, wine, and beer wholesale pricing (Smith, 2015); and corporate income tax rates.

Municipal governments have an ever-increasing impact through property and business taxes, non-smoking bylaws, zoning and bylaw restrictions, user fees, and operating hours restrictions.

Spotlight On: Restaurants Canada

When Restaurants Canada was founded in 1944, it was known as the Canadian Restaurant Association, and later the Canadian Restaurant and Foodservices Association. Today, the organization represents over 30,000 operations including restaurants, bars, caterers, institutions, and suppliers. It conducts and circulates industry

research and offers its members cost savings on supplies, insurance, and other business expenses. For more information, visit the Restaurants Canada website.

Over time, the consequence of these government impacts has resulted in independent and chain operators alike joining forces to create a national restaurant and foodservice association now named **Restaurants Canada** (see Spotlight On above). At the provincial level, BC operators rely on the **British Columbia Restaurant & Foodservices Association (BCRFA)**.

Spotlight On: Restaurant Association of Nova Scotia (RANS)

Established in 1947 to address the needs of members and non-members in the food service sector. For more information, visit the Restaurant Association of Nova Scotia website.

Health and Safety

Figure 4.11 A sign in a Starbucks location encouraging staff to wash their hands to prevent the spread of germs.

Food and beverage providers hold a distinct position within our society; they invite the public to consume their offerings, both on and off premises. In doing so, all food and beverage operators must adhere to standardized public safety regulations. Each province has regulations and legislation that apply in their jurisdiction. In BC, this

is addressed by the FoodSafe and Serving It Right programs, and compliance with the Occupiers Liability Act. These regulations and legislation are enacted in the interest of public health and safety.

Take a Closer Look: Health and Safety Training

In Nova Scotia, food and beverage professionals are strongly encouraged to take both Basic Food Handlers and Serve Right courses. These certifications are necessary to advance into specific and leadership roles in the industry. These courses are offered through the **Nova Scotia Tourism Human Resource Council (NSTHRC)** which is a provincial sector council that promotes and enhances professionalism in the Nova Scotia tourism sector (NSTHRC, 2021).

In Canada, local health bylaws set standards of operation for health and safety under the direction of the medical officers of health. Public health inspectors regularly visit food and beverage operations to evaluate compliance. In some communities, these inspection results are posted online.

Collectively, the food and beverage industry has an excellent reputation for ensuring the health and safety of its patrons, the general public, and its employees.

The Power of Technology

Technology continues to play an ever-increasing role in the sector. It is most noticeable in QSRs where many functions are automated in both the **front of house** and **back of house**. In the kitchen, temperature sensors and alarms determine when fries are ready and notify kitchen staff. Out front, remote printers or special screens ensure the kitchen is immediately notified when a server rings in a purchase. WiFi enables credit/debit card hand-held devices to be brought directly to the table to process transactions, saving steps back to the serving station.

> Canadians are interacting with restaurants using their smartphones and tablets in a variety of ways. We are seeing more consumers use rewards and claim special deals and make reservations through an app or website (Restaurants Canada 2019).
>
> - 58% are looking up directions/locations/hours of operation
> - 34% used rewards/special deals
> - 29% ordered items for pick-up
> - 25% ordered items for delivery
> - 19% made a reservation through an app/website

Other trends include automated services such as that offered by Open Table, which provides restaurants with an online real-time restaurant reservation system so customers can make reservations without speaking to anyone at the restaurant (Open Table, 2015). And now smartphone apps will tell customers what restaurants are nearby or where their favorite chain restaurant is located.

Take a Closer Look: Automated Cooking in Asia

In Singapore Changi Airport, a quick-service restaurant is using automated woks. The cook adds the ingredients and can attend to other duties until the item is ready for service. Check out a video of a cook using an automated wok. And in China, there are robots that are shaving noodles by hand.

Changing Venues

The following trends related to the changing nature of food and beverage venues, including the emerging importance of the third space, and the increased mainstream presence of non-permanent locations such as street vendors and pop-up restaurants.

The Third Space

The **third space** is a concept that describes locations where customers congregate that are neither home (the first space) nor work or school (the second space). Many attribute the emergence of these spaces to the popularity of coffee shops such as Starbucks. In the third space, operators must create a comfortable venue for customers to "hang out" with comfortable seating, grab and go F&B options, WiFi, and a relaxed ambience. Providing these components has been shown as a way to increase traffic and customer loyalty (Mogelonski, 2014).

Taking It to the Street

Street food has always been a component of the foodservice industry in most big cities. These operations are often run by a single owner/operator or with minimal staff and serve hot food that can be eaten while standing. According to research firm IBISWorld, in 2011 the "street food business — which includes mobile food trucks and nonmechanized carts, is a $1 billion industry that has seen an 8.4 percent growth rate from 2007 to 2012" (*Entrepreneur*, 2011) with 78% of owners having no more than four employees.

Recently, in North America, where climate and weather allow, there has been a noticeable increase in both the number and type of street food vendors.

Figure 4.12 Tacofino (closest), Pig on the Street, and Mom's Grilled Cheese food trucks welcome crowds to their portable kitchens in downtown Vancouver.

Pop-up restaurants have also emerged, facilitated in part by the prevalent use of social media for marketing and location identification. Pop-ups are temporary restaurants with a known expiry date, which also tend to have the following in common (Knox, 2011):

- A well-known or up-and-coming chef at the helm
- An interesting, but stationary, location (a warehouse, a park, the more unusual the better)
- Staff who are adept at promotion and word-of-mouth
- Strong local **foodie** (food and beverage enthusiast) population-based in the area
- Involvement from local artists or musicians to add to the experience

As popular they are with consumers, the ways in which pop-ups deviate from restaurants has aggravated some critics, causing *Bon Appétit* magazine to declare that "pop-ups are not supposed to be restaurants," and that "pop-up restaurants are over" (Duckor, 2013). Statements like these are further evidence that food and beverage services trends are dynamic and ever-changing.

Image Credits

Figure 4.11 must wash hands by Ambernectar13 is used under CC BY-ND 2.0 license.

Figure 4.12 Vancouver food carts on a sunny day by Christopher Porter is used under a CC BY-NC-ND 2.0 license.

4.6 Conclusion

The food and beverage sector is a vibrant and multifaceted part of our society. Michael Hurst, famous restaurateur and former chair of the US National Restaurant Association, championed the idea that all guests should be received with the statement "Glad you are here" (Tripp, 1992; Marshall 2001). That statement is the perfect embodiment of what F&B is to the hospitality industry — a mix of service providers who welcome guests with open arms and take care of their most basic needs, as well as their emotional well-being.

Take a Closer Look: Michael Hurst

Michael Hurst preached to students, industry participants, and university colleagues alike, saying that "The most precious gift you can give your Guests is the gift of Friendship" (Tripp, 1992; Marshall 2001). To learn more about this legendary character, visit In My Opinion: Michael E. Hurst [PDF].

The social fabric of our country, its residents, and visitors will change over time, and so too will F&B. What will not change in spite of how we divide the segments — into tourists or locals — is that the sector is at its best when food and beverages are accompanied by a social element, extending from your dining companions to the front and back of the house.

So far, we have covered the travel service, accommodation, and food and beverage sectors. In the next two chapters, we'll explore the recreation and entertainment sector, starting with recreation in Chapter 5.

Key Terms

- **Assets:** items of value owned by the business and used in the production and service of the dining experience
- **Average cheque:** total sales divided by number of guests served
- **Back of house:** food production areas not accessible to guests and not generally visible; also known as heart of house
- **Beverage costs:** beverages sold in liquor-licensed operations; this usually only includes alcohol, but in unlicensed operations, it includes coffee, tea milk, juices, and soft drinks
- **Captured patrons:** consumers with limited selection or choice of food or beverage provider given their occupation or location
- **Commercial foodservice:** operations whose primary business is food and beverage
- **Cross-utilization:** when a menu is created to make multiple uses of a small number of staple pantry ingredients, helping to keep food costs down

- **Dine-and-dash:** the term commonly used in the industry for when a patron eats but does not pay for his or her meal
- **Ethnic restaurant:** a restaurant based on the cuisine of a particular region or country, often reflecting the heritage of the head chef or owner
- **Family/casual restaurant:** restaurant type that is typically open for all three meal periods, offering affordable prices and able to serve diverse tastes and accommodate large groups
- **Fine dining restaurant:** licensed food and beverage establishment characterized by high-end ingredients and preparations and highly trained service staff
- **Food and beverage (F&B):** type of operation primarily engaged in preparing meals, snacks, and beverages, to customer order, for immediate consumption on and off the premises
- **Food cost:** price including freight charges of all food served to the guest for a price (does not include food and beverages given away, which are quality or promotion costs)
- **Food primary:** a licence required to operate a restaurant whose primary business is serving food (rather than alcohol)
- **Foodie:** a term (often used by the person themselves) to describe a food and beverage enthusiast
- **Front of house:** public areas of the establishment; in quick-service restaurants, it includes the ordering and product serving area
- **Full-service restaurants:** casual and fine dining restaurants where guests order food seated and pay after they have finished their meal
- **Non-commercial foodservice:** establishments where food is served, but where the primary business is not food and beverage service
- **Operating supplies:** generally includes reusable items including cutlery, glassware, china, and linen in full-service restaurants
- **Pop-up restaurants:** temporary restaurants with a known expiry date hosted in an unusual location, which tend to be helmed by a well-known or up-and-coming chef and use word-of-mouth in their promotions
- **Primary costs:** food, beverage, and labour costs for an F&B operation
- **Profit:** the amount left when expenses (including corporate income tax) are subtracted from sales revenue
- **Quick-service restaurant (QSR):** an establishment where guests pay before they eat; includes counter service, take-out, and delivery
- **Restaurants Canada:** representing over 30,000 food and beverage operations including restaurants, bars, caterers, institutions, and suppliers
- **Revenue:** sales dollars collected from guests
- **Third space:** a term used to describe F&B outlets enjoyed as “hang out” spaces for customers where guests and service staff co-create the experience
- **Tip-out:** the practice of having front-of-house staff pool their gratuities, or pay individually, to ensure back-of-house staff receive a percentage of the tips
- **Upscale casual restaurant:** emerging in the 1970s, a style of restaurant that typically only serves dinner, intended to bridge the gap between fine dining and family/casual restaurants

Exercises

1. What are the two main classifications for food and beverage operations and which is significantly larger in terms of market share?
2. Should gratuities be abolished in favor of all-inclusive pricing? Consider the point of view of the server, the owner, and the guest in your analysis.
3. Think of the concept of the third space, and name two of these types of operations in your community.
4. Have you worked in a restaurant or foodservice operation? What are the three important lessons you learned about work while there? If you have not, interview a classmate who has experience in the field and find out what three lessons he or she would suggest.
5. What is your favourite restaurant? What does it do so well to have become your favorite? What would you recommend it do to improve your dining experience even more?
6. What was your all-time best restaurant dining experience? Compare and contrast this with one of your worst dining experiences. For each of these, including a description of:
    a. The food
    b. The behaviour of restaurant staff
    c. Ambience (music, decor, temperature, the comfort of chairs, lighting)
    d. The reason for your visit
    e. Your mood upon entering the establishment

Case Study: Restaurant Behaviour – Then and Now

The following story made the rounds via social media in late 2014. While the claim has not been verified, it certainly rings true for a number of F&B professionals who have experienced this phenomenon. The story is as follows: A busy New York City restaurant kept getting bad reviews for slow service, so they hired a firm to investigate. When they compared footage from 2004 to footage from 2014, they made some pretty startling discoveries. So shocking, in fact, that they ranted about it in an anonymous post on Craigslist:

> We are a popular restaurant for both locals and tourists alike. Having been in business for many years, we noticed that although the number of customers we serve on a daily basis is almost the same as ten years ago, the service seems very slow. One of the most common complaints on review sites against us and many restaurants in the area is that the service was slow and/or they needed to wait too long for a table. We've added more staff and cut back on the menu items but we just haven't been able to figure it out.
>
> We hired a firm to help us solve this mystery, and naturally the first thing they blamed it on was the employees needing more training and the kitchen staff not being up to the task of serving that many customers.
>
> Like most restaurants in NYC we have a surveillance system, and unlike today where it's digital, 10 years ago we still used special high capacity tapes to record all activity. At any given time we had 4 special Sony systems recording multiple cameras. We would store the footage for 90 days just in case we needed it for something.
>
> The investigators suggested we locate some of the older tapes and analyze how the staff behaved ten years ago versus how they behave now. We went down to our storage room but we couldn't find any tapes at all.
>
> We did find the recording devices, and luckily for us, each device has 1 tape in it that we simply never removed when we upgraded to the new digital system!
>
> The date stamp on the old footage was Thursday July 1, 2004. The restaurant was very busy that day. We loaded up the footage

on a large monitor, and next to it on a separate monitor loaded up the footage of Thursday July 3 2014, with roughly the same amount of customers as ten years before.

We carefully looked at over 45 transactions in order to determine what has been happening:

Here's a typical transaction from 2004:

Customers walk in. They are seated and are given menus. Out of 45 customers 3 request to be seated elsewhere.

Customers spend 8 minutes on average before closing the menu to show they are ready to order.

Waiters shows up almost instantly and takes the order.

Appetizers are fired within 6 minutes; obviously the more complex items take longer.

Out of 45 customers 2 sent their items back.

Waiters keep an eye on their tables so they can respond quickly if the customer needs something.

After guests are done, the check is delivered, and within 5 minutes they leave.

Average time from start to finish: 1 hour, 5 minutes.

Here's what happened in 2014:

Customers walk in. Customers get seated and are given menus, and out of 45 customers 18 request to be seated elsewhere.

Before even opening the menu most customers take their phones out, some are taking photos while others are texting or browsing.

Seven of the 45 customers had waiters come over right away, they showed them something on their phone and spent an average of five minutes of the waiter's time. Given this is recent footage, we asked the waiters about this and they explained those customers had a problem connecting to the WIFI and demanded the waiters try to help them.

After a few minutes of letting the customers review the menu, waiters return to their tables. The majority of customers have not even opened their menus and ask the waiter to wait a bit.

When customers do open their menus, many place their phones on top and continue using their activities.

Waiters return to see if they are ready to order or have any questions. Most customers ask for more time.

Finally a table is ready to order. Total average time from when a customer is seated until they place their order is 21 minutes.

Food starts getting delivered within 6 minutes; obviously the more complex items take way longer.

26 out of 45 customers spend an average of 3 minutes taking photos of the food.

14 out of 45 customers take pictures of each other with the food in front of them or as they are eating the food. This takes on average another 4 minutes as they must review and sometimes retake the photo.

9 out of 45 customers sent their food back to reheat. Obviously if they didn't pause to do whatever on their phone the food wouldn't have gotten cold.

27 out of 45 customers asked their waiter to take a group photo. 14 of those requested the waiter retake the photo as they were not pleased with the first photo. On average this entire process between the chit chatting and reviewing the photo taken added another 5 minutes and obviously caused the waiter not to be able to take care of other tables he/she was serving.

Given in most cases the customers are constantly busy on their phones it took an average of 20 more minutes from when they were done eating until they requested a check.

Furthermore once the check was delivered it took 15 minutes longer than 10 years ago for them to pay and leave.

8 out of 45 customers bumped into other customers or in one case a waiter (texting while walking) as they were either walking in or out of the restaurant.

Average time from start to finish: 1:55

We are grateful for everyone who comes into our restaurant, after all there are so many choices out there. But can you please be a bit more considerate?

Now it's your turn. Imagine you are the restaurant operator in question and answer the questions below.

1. What could you, as the owner, try to do to improve the *turnover time*? Come up with at least three ideas.

2. Now put yourself in the position of a server. Do your ideas still work from this perspective?
3. Lastly, look at your typical customer. How will he or she respond to your proposals?

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Chapter 5. Recreation

Learning Objectives

- Differentiate between recreation, outdoor recreation, adventure tourism, and nature-based tourism
- Describe the significance, size, and economic contribution of this sector to the overall tourism industry.
- Identify key industry organizations in recreation, outdoor recreation, and adventure tourism
- Classify different subsectors of recreation, outdoor recreation, and adventure tourism
- Recognize the unique challenges facing recreation, outdoor recreation, and adventure tourism.

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5.1 Overview

In this chapter, we discuss the concept of recreation in tourism and hospitality. **Recreation** can be defined as the pursuit of leisure activities during one's spare time (Tribe, 2011) and can include vastly different activities such as golfing, sport fishing, and rock climbing. Defining recreation as it pertains to tourism, however, is more challenging.

Figure 5.1 Climbers in Squamish,B.C.
Image Credit: iwona_kellie

Let's start by exploring some recreation-based terms that are common in the tourism industry. **Outdoor recreation** can be defined as "outdoor activities that take place in a natural setting, as opposed to a highly cultivated or managed landscape such as a playing field or golf course" (Tourism BC, 2013, p. 47). This term is typically applied to outdoor activities that individuals engage in and that are located close to their community. When these activities are further away, and people must travel some distance to participate in them, they are often described as adventure tourism.

According to the United Nations World Tourism Organization (UNWTO), **adventure tourism** is "a trip that includes at least two of the following three elements: physical activity, natural environment, and cultural immersion" (UNWTO, 2014, p.12). Examples of adventure tourism in BC include river rafting, helicopter skiing, and rock climbing.

Take a Closer Look: Adventure Travel Trade Association

The Adventure Travel Trade Association (ATTA) actively engages in research about the Adventure Tourism

industry. More information and industry reports can be found at the Adventure Travel Trade Association website.

Adventure tourism can be "soft" or "hard." Differentiating between the two is somewhat subjective, but is loosely based on the level of experience required, the level of fitness required, and the degree to which the participant is exposed to risk (UNWTO, 2014). Examples of soft adventure include wildlife viewing or moderate hiking, whereas river rafting or outdoor rock climbing would usually be considered hard adventure.

Another term that is used, one that overlaps with the definitions of outdoor recreation and adventure tourism, is **nature-based tourism**, which refers to "those tourism experiences that are directly or indirectly dependent on the natural environment" (Tourism BC, 2005b, p.6). This term is often used to describe activities that are closely connected to nature, such as whale watching, birding, or self-propelled travel such as hiking and kayaking. Nature-based tourism can be either hard or soft adventure tourism.

As you can see, there are challenges in classifying recreation in tourism. For instance, if people kayak near their home or community, it may be considered **outdoor recreation**. If they travel afar for that same activity, it likely is designated as **adventure tourism**. If the kayaking is done in protected, mild conditions, it would be considered soft adventure, but if done in a challenging and risky river descent, it may be classified as hard adventure. Generally, the further away from established infrastructure and medical assistance, the harder the adventure activity.

Of course, each of the above scenarios of kayaking could be considered nature-based tourism if it is strongly linked to the natural environment. Ultimately, categorization is based on a combination of several factors, including manner of engagement in the activity (risk exposure, experience requirement, group or solo activity), the distance travelled to access the activity, and the type of environment (proximity to nature, level of challenge involved) that that the activity occurs in.

A 2013 adventure tourism market study discovered that people who travel for adventure experiences tend to be well-educated, with 48% holding a four-year degree or higher credential. They value natural beauty and rank this as the highest factor when choosing a destination, and the most cited reasons for their travel are relaxation "relaxation, exploring new places, time with family, and learning about different cultures" (UNWTO, 2014, p.15).

Globally, it is estimated that the continents of Europe, North America, and South America account for 69% of adventure tourism, or US$263 billion in adventure travel spending. Adventure tourists tend to be seen as high-value visitors, with as much of 70% of their expenditures remaining in the communities visited (UNWTO, 2014).

The size, extent, and economic contribution of recreation, outdoor recreation, and adventure tourism in British Columbia is also substantial. The rest of this chapter explores the sector in the province in more detail.

Image Credit

5.2 Recreation and Adventure Tourism

Studies have shown that nearly all residents of BC partake in some kind of outdoor recreation activity during any given year. Approximately 85% of those participants indicate that these recreational activities were very important to them (Tourism BC, 2013). In Nova Scotia, over 74% of leisure travelers to the province participate in some form of outdoor recreation activity (Tourism NS, 2020).

Spotlight On: Outdoor Recreation Council of BC

The **Outdoor Recreation Council of BC (ORC)** describes itself as "promoting access to and responsible use of BC's public lands and waters for public outdoor recreation" (Outdoor Recreation Council of BC, 2014). The Council promotes the benefits of outdoor recreation, represents the community to government and the general public, advocates and educates about responsible land use, provides a forum for exchanging information, and connects different outdoor recreation groups. For more information, visit the Outdoor Recreation Council of BC website.

It is estimated that there are approximately 2,200 outdoor/adventure tourism operators in BC. In 2001, this accounted for 21,000 jobs and $556 million in direct wages. The last sector-wide study in 2005 estimated that business revenues in outdoor adventure tourism accounted for approximately $854 million in annual business revenues (Tourism BC, 2013). Given the growth of adventure tourism over the last decade, it is likely these numbers have risen.

Take a Closer Look: Outdoor Adventure Sector Profile

Outdoor Adventure: Tourism Sector Profile, a report produced by Destination BC, includes information on the size, type, and characteristics of tourism companies in this sector.

In Canada, the Recreation & Entertainment sector is the fastest growing sector of the Tourism Industry. In 2018, according to the Tourism Industry Association of Canada, over 71,400 people were employed in the sector. There is a projected sector growth of over 1.5% (over 25,500 people) by 2028.

This section covers two key types of recreation and tourism:

1. Land-based recreation and tourism
2. Water-based recreation and tourism

It's not possible to detail all the recreational activities available in Canada, but by the end of this section, you will have an understanding of some of the key unique activities available in the country.

Land-Based Recreation and Tourism

Golf Courses and Resorts

A 2009 economic impact study found that more than six million Canadians participate in the game of golf each year, making this sport the number one outdoor recreational activity in Canada based on participation. Golf also directly employs more than 155,000 people and contributes more than $11 billion directly to Canada's gross domestic product. BC has over 300 golf course facilities, and with over $2 billion annually in direct economic activity, the golfing industry in the province is the fourth largest in Canada (Strategic Networks Inc., 2009).

Golf is a significant tourism attraction in Canada. In 2007 British Columbia was chosen as the "Best Golf Course Destination in North America" by the International Association of Golf Tour Operators (Destination BC, 2014c). In 2020 Cabot Links and Cabot Cliffs (both in Nova Scotia) and St. George's Golf & Country Club (in BC) were ranked in the World Top 100 courses. Part of the draw of Canada for golf is the diverse environment; golfers can choose from lush coastal forests to desert environments, and many courses have a view scape of mountains or the ocean.

A 2006 study by Destination Canada formally the Canadian Tourism Commission (CTC) detailed both demographic and economic factors related to the Canadian golf industry. Significant findings included that there were more than 3.4 million golf travelers in Canada annually. In addition, the Canadian golf participation rate (for the total Canadian population) was 21.5%, which is among the highest golf participation rates of any country in the world. Golfing provides an opportunity to attract significant tourism revenue as the average golf traveler has a much higher than average income level, with up to 50% of all golf travelers earning $100,000 or more per annum (Tourism BC, 2009b).

Spotlight On: British Columbia Golf Marketing Alliance

The **British Columbia Golf Marketing Alliance** is a strategic alliance that represents 58 regional and destination golf resorts in BC. The purpose of the alliance is to grow the game of golf in BC and achieve recognition nationally and internationally as a leading golf destination. The alliance supports and distributes information about research, lobbying efforts, and golf industry events. For more information, visit the Allied Golf Association of BC website.

Mountain Resorts and Nordic Centres

Resorts in Canada range from smaller eco-lodges to large ski areas. Mountain resorts and nordic centres are part of the larger resort tourism sector.

Mountain Resorts

Canada's many world-class facilities and high-quality snow conditions provide mass appeal for downhill skiing and snowboarding. Many of mountain resorts have diversified to offer summer operations, including mountain bike parks, hiking, and sight seeing. Mountain resorts can be separated into two principal categories: destination resorts and regional resorts. **Destination mountain resorts** are often significantly larger and offer a greater range

of amenities such as on mountain accommodation and food services; they are also generally marketed to out-of-area and international visitors. Examples of a destination resort would include Whistler Blackcomb Ski Resort. On the other hand, **regional mountain resorts** are usually smaller in size and capacity, have fewer amenities, and often cater more directly to the local community (Tourism BC, 2011c) such as Whitewater Ski Resort in the Kootenay Rockies.

Spotlight On: Canada West Ski Areas Association

Ski areas in Western Canada (Alberta and BC) are represented by the **Canada West Ski Areas Association (CWSAA)**, which has a diverse mandate that includes marketing, advocacy, environmental stewardship, and risk management. For more information, visit the Canada West Ski Areas Association website.

The aggregate economic value of destination mountain resorts is significant; one study by Tourism BC found that 13 of these resorts were responsible for generating approximately 1.1 billion in revenue, or 8% of the total provincial tourism revenues in 2008. Additionally, they provided the equivalent of 14,267 full-time equivalent jobs (Tourism BC, 2011c). Furthermore, BC's top mountain resorts have received many prestigious awards (Tourism BC, 2011c, p. 11):

- Whistler Blackcomb has consistently been named the #1 ski resort in North America.
- In 2009, Sun Peaks was named one of the "Top 20 Ski Resorts in North America" by Condé Nast Traveler.
- Big White Ski Resort was recognized in 2009 as a "Top 5 Family Resort" by the UK-based *Sunday Times.*

The publicity that these resorts receive has undoubtedly reflected positively on the rest of the BC tourism industry.

Spotlight On: Hello BC Skiing and Snowboarding in BC

Destination BC offers a specific mountain resort marketing website for destination resorts in BC. For more information, visit the Skiing and Snowboarding page on Hello BC, the Destination BC traveller site.

Nordic Centres

Nordic skiing, also commonly known as cross-country skiing, is a low-risk, low-impact winter sport popular across Canada. It differs from backcountry skiing in that participants ski on groomed trails typically maintained as part of an established facility (Cross Country BC, n.d.).

Spotlight On: Whistler Sport Legacies

Leading up to the 2010 Winter Olympics held in Vancouver and Whistler, there was much debate about the need for a continuing legacy from the event. Whistler Sport Legacies is an example of a recreational, tourism, and sport legacy that can emerge out of a mega event such as the Olympics. For more information, visit the Whistler Sport Legacies website.

The sport attracts large numbers of local and inbound recreation enthusiasts. Trail networks have been developed in both stand-alone environments, as well as in partnership with large mountain resorts such as Silver Star in Vernon, Sun Peaks in Kamloops, Cypress Mountain above Vancouver, and Rossland in the Kootenays. Many of these trail networks offer both groomed and track-set trails, and many are lit for night skiing.

Spotlight On: Silver Star's Sovereign Lake Nordic Centre

Located just outside Vernon, Sovereign Lake is Canada's largest daily groomed trail network that includes 105 kilometres of trails varying from green (easy) to black diamond (most difficult); a further trail expansion is planned for 2015. For more information, visit Sovereign Lake's website.

Backcountry Skiing and Snowboarding

Backcountry skiing and snowboarding (sometimes called split boarding) offers a recreational activity in a wilderness setting, away from any established mountain resorts, lifts, or trails. BC is regarded as a world-class destination for backcountry access, and has seen considerable and sustained growth in this sector (Porteus, 2013). The motivator for pursuing this activity for most people is primarily the lure of fresh, untracked snow in a beautiful mountain setting. Some backcountry skiers and snowboarders combine this activity with helicopter or snowcat skiing.

Spotlight On: Backcountry Lodges of British Columbia Association

The Backcountry Lodges of British Columbia Association (BLBCA) represents backcountry lodges in the province. Its consumer site features a find-a-lodge function, profiles for summer and winter lodges, the ability to check conditions in various backcountry areas, and consumer content including a blog and videos. For more information, visit the Backcountry Lodges of BC Association website.

Helicopter skiing transports skiers and snowboarders by helicopter to the backcountry. It is typically a professionally guided activity, with packages ranging in duration from a single day to weeks. The skiing/

snowboarding is often packaged with a luxury lodge accommodation, gourmet meals, and access to spa treatments.

Heliskiing was pioneered in Canada by Swiss mountain guide Hans Gmoser, who founded the company Canadian Mountain Holidays, which has grown to be the largest heliskiing company in the world (Canadian Mountain Holidays, n.d.). Today, there are close to 20 helicopter skiing companies in BC, which represents the largest concentration of commercial operations in the world (HeliCat Canada, n.d.).

Snowcat skiing is alpine skiing accessed by travelling to the top of the ski area in a snowcat (an enclosed cab vehicle on tracks). As with heliskiing, this activity also has its commercial roots in BC. Snowcat skiing was pioneered in 1975 by Selkirk Wilderness Skiing as an alternative to both lift-serviced and helicopter-accessed riding and skiing (Selkirk Wilderness Skiing, n.d.). It is typically a guided activity due to the avalanche risk associated with the terrain. As with heliskiing, snowcat skiers have the option of choosing single-day or multi-day vacation packages. During the winter of 2015, there were 11 established snowcat skiing operations in BC (HeliCat Canada, n.d.).

Spotlight On: Avalanche Canada

This organization provides public avalanche forecasts and education for any backcountry travellers venturing into avalanche terrain. This vital service is provided to the public free of charge, as Avalanche Canada is a not-for-profit society dedicated to a vision of eliminating avalanche injuries and fatalities in Canada. In addition to the website, it provides training programs and shares safety best practice. For more information, visit Avalanche Canada.

Guides for these operations are typically certified by either the **Association of Canadian Mountain Guides (ACMG)** or the **Canadian Ski Guide Association (CSGA)**. Both organizations assess the guides for their expertise in technical skills, avalanche forecasting, risk management and emergency response before issuing certification. The process is extensive and rigorous, taking much time and commitment for guides to become fully certified.

Spotlight On: HeliCat Canada

Based in Revelstoke, BC, HeliCat Canada is an industry organization that represents heliskiing and snowcat skiing operators in Canada. It provides regulation, advocacy, and marketing for the operators. Since 1978, the organization has worked closely with government and industry to develop operations guidelines. For more information, visit the HeliCat Canada website.

Off-Road Recreational Vehicles

An **off-road recreational vehicle (ORV)** is any vehicle designed to be driven off road that is not included within any other vehicle classification framework. This includes snowmobiles, all-terrain vehicles (ATVs), and dirt bikes (British Columbia Ministry of Forest, Lands and Natural Resource Operations, 2014). **ORV** use is recognized as

a considerable contributor to the Canadian economy, owing primarily to recreational users, but also from tourist visits.

ORV use has long been the subject of conflict between non-motorized and motorized recreational users of the wilderness. Non-motorized users claim that motorized users negatively impact the wilderness through noise pollution and environmental damage by degrading trails and scaring wildlife (Webster, 2013). Recently, wilderness tourism operators who hold Crown land tenure to operate in remote areas have complained that ORVs negatively affect their visitors' experiences. Some of these conflicts may now be mitigated through the implementation of the Off-Road Vehicle Act, which was passed in 2014. This Act requires mandatory registration of ORVs, and includes elements that promote safety, enforcement of regulations, education, and outreach (British Columbia Ministry Forest, Lands and Natural Resource Operations, 2014).

Guest and Dude Ranches

Guest ranches and dude ranches offer personal and home-like vacation experiences centered on horseback riding and an authentic ranch experience. These operators typically offer accommodation in a ranch-type environment, and include as part of the experience the opportunity to participate in ranch activities such as horse riding and cattle wrangling. Other services and activities may also be available, such as spa treatments, hiking, canoeing, and fishing (BC Guest Ranchers Association, n.d.).

Hunting Outfitters

Hunting is a traditional recreational activity in Canada, and it is also one of the original tourism products in the country (GOABC, n.d.). Canada is fortunate to have a vast amount of wilderness available for hunting activities. The exact size of the hunting market is difficult to quantify, but in 2003, a study found that 5,000 non-resident hunting licences were sold in BC, contributing $46 million to the provincial economy (CTC, 2012).

Some people choose self-guided hunting activities, but to hunt certain species, a guide outfitter must be hired. In BC, this commercial hunt service directly employs more than 2,000 residents and generates approximately $116 million in economic activity annually (GOABC, n.d.). Many of these outfitters are small family operations based in rural areas; they are a source valuable economic activity in areas with limited resources (GOABC, n.d.).

Spotlight On: Guide Outfitters Association of BC

Guide Outfitters Association of BC (GOABC) was established in 1966 to promote and preserve the interests of guide outfitters who take hunters out into wildlife habitat. GOABC is also the publisher of *Mountain Hunter* magazine. Its website outlines a code of conduct and standards for guide outfitters as well as a wildlife DNA collection program to help provide insight into animal populations. For more information, visit the Guide Outfitters Association of BC website.

Cycling

Cycling is a popular recreational activity in Canada thanks to a variety of terrain, spectacular scenery, and favourable weather conditions. One study from 2008 reported that out of 5.6 million Canadians who travelled to BC over a two-year period, almost one million (17%) had participated in a cycling activity (Tourism BC, 2009).

Spotlight On: Cycling Destinations

Several BC destinations have developed cycling as a key tourism product. For example, the Salt Spring Island group Island Pathways helped make the island more bike-friendly in recent years by installing bike racks, developing a map with bike routes, encouraging local transportation to accommodate bikes, and establishing local bike rentals and service. For more information, visit Salt Spring Island Cycling.

Another great example of cycling tourism is the Kettle Valley Railway in the Okanagan, built on an abandoned rail bed. This 600-kilometre trail network includes a multitude of tunnels and trestles, and is most often travelled by cycling. Sections of the trail system are also now included in the Trans Canada Trail. For more information, visit the Kettle Valley Railway website.

Cycling can be generalized into two styles: road cycling and mountain biking.

Road cycling appeals to those who want to travel on paved roads on bikes designed for travelling long distances efficiently and effectively. Road cycling may refer to racing, both recreational and professional, or cycle touring, where cyclists travel by bike on single- or multi-day trips. Given the multitude of rolling hills, mountain passes, and stunning vistas, BC is regarded as a premier cycle touring destination (Destination BC, 2014b).

Mountain biking generally involves riding on unpaved routes and trails either specially designed for biking or for multipurpose use. BC's reputation as a prime mountain biking destination has grown because of the unique array of trails available, ranging from the steep, challenging routes of Vancouver's North Shore, to the high alpine cross-country routes found in the South Chilcotin Mountains (Tourism BC, 2011b).

Spotlight On: GranFondo Whistler

The GranFondo Whistler is a road biking race from Vancouver to Whistler that now attracts upward of 7,000 participants each year. For more information, visit RBC GranFondo.

Camping and Hiking

Over 20% of Canadians go camping each year (according the the Canadian Camping Association, 2006). In 2019, over 5% of Nova Scotia's visitors (over 100,000 people) stayed in a national, provincial, municipal, or commercial campground (Tourism NS, 2020). In 2012, over 19.3 million people visited BC provincial parks, including 16.8 million day visitors, many of whom used the parks for hiking and exploration in addition to picnics, swimming, and other outdoor activities. Of these visitors, 2.3 million were overnight campers, generating $15.5 million in user fees, with an average guest satisfaction rating of 82% (BC Parks, 2012).

Wildlife Viewing

Given the diversity and richness of our natural environment, it is not surprising that there is a thriving wildlife viewing industry in Canada. This includes whale, bird, moose and bear watching as well as travelling to view

the northern lights or alpine flowers (CTC, 2007). One study conducted by the Destination BC established that within BC, approximately 37% of tourists took part in wildlife viewing while visiting. According to Tourism Nova Scotia's 2019 Visitor Exit Survey, one in five visitors to the province participated in wildlife viewing while visiting the province (with 6% of visitors, going whale watching, specifically).

Spotlight On: Wilderness Tourism Association of British Columbia

The **Wilderness Tourism Association of British Columbia (WTA)** provides industry support and advocacy for those operators offering nature-based tourism products. For more information, visit the Wilderness Tourism Association of BC website.

Whale watching occurs along the coasts of British Columbia, Nova Scotia, New Brunswick, Newfoundland and Labrador, Quebec, and Manitoba with tours sometimes leaving from major urban centres, but more commonly from smaller communities. Tours are typically by boat, on vessels ranging from open, 10-passenger Zodiacs, to comfortable cabin cruisers with inside seating. The most commonly observed whale in BC is the orca, one of the province's most distinctive animals; in NS, NB and NFLD is is the humpback, while in Quebec and Manitoba it is the beluga whale. The country's vast diversity of marine life is a key attraction of the tours; in addition to whale watching, a typical tour may encounter bald eagles, sea lions, porpoises, and a variety of sea birds (Destination BC, 2014,d).

Whale watching off Brier Island NS. Image Credit: Reigh LeBlanc.

Take a Closer Look: Mammal Viewing Guidelines

Marine mammal viewing in Canada has grown in popularity to the point where the federal government has established marine wildlife viewing guidelines. These establish parameters such as safe viewing distances and time limits and are enforceable by law when breached. In addition, the 'see a blow, go slow" campaign, developed by the Marine Education and Research Society (MERS) has been promoted to recreational boaters and commercial whale watchers alike. For more information, visit:

The Department of Fisheries and Oceans marine wildlife viewing guidelines can be viewed on their website.

The Marine Education and Research Society (MERS) runs a "See a blow? Go slow!" campaign on their website.

Bear viewing — whether for black bears, grizzly bears, or the rare kermode bear — is also popular. Black bears are common across all regions of BC. Grizzly bears are more likely to be found in remote and mountainous regions; they have an estimated population in the province of approximately 16,000. Kermode bears, also called spirit bears, are a subspecies of black bears with a genetic trait that produces white fur instead of black. They are found primarily in the Great Bear Rainforest of the Central Coast, and figure prominently in the spiritual traditions of BC's Coastal First Nations. The spirit bear is also BC's official animal (Destination BC, 2014a).

Figure 5.2 A bear in Bute Inlet, B.C. Image Credit: John Critchley.

Tourism operators that offer bear viewing typically operate in remote regions of BC. They may utilize raised viewing areas or operate from a boat-based platform, and offer accommodation at night. The season is typically limited to May through October, with the highest chances of viewing success during the salmon spawning season in the fall.

Spotlight On: Commercial Bear Viewing Association of BC

Bear viewing is a complex activity with potential for physical risk to visitors and impacts to the bears. The **Commercial Bear Viewing Association of BC (CBVA)** sets standards for operators offering bear viewing. For more information, visit the Commercial Bear Viewing Association website.

Polar bear viewing in Canada is most commonly found in Manitoba (namely Churchill). While Churchill is known as the Polar Bear Capital of the World, a visitor can also experience polar bear viewing in Nunavut's Arctic region (around Baffin Island).

Now that we've explored some of the key land-based tourism and recreational experiences in Canada, let's turn to the water.

Water-Based Recreation and Tourism

Water-based recreation and tourism in Canada are extensive and varied. The coastline of more than 9 million kilometres in length (the largest in the world) provides ideal opportunities for coastal recreation and tourism, as well as inland, fresh water-based activities on lakes and rivers. Activities include scuba diving, boat tours, sport fishing, paddle sports (sea kayaking, river kayaking, canoeing, sailing, stand up paddleboarding (SUP), and more. Following is an overview of a few core water-based activities offered by Canadian tourism operators, as well as a brief description of their economic contributions and related industry organizations.

Scuba Diving

Canadian waters offer scuba divers a rich diversity of marine life such as giant Pacific octopuses, wolf eels, sixgill sharks, soft corals, and cloud sponges. As well, a variety of dive sites are available, including marine parks, protected natural areas, sunken naval vessels, artificial reefs, historic wrecks, and even a submerged fuselage of a Boeing 737 airliner (Dive Industry Association of BC, n.d.). Nova Scotia is a scuba divers's paradise with many natural and artificial wrecks around the coast for viewing (canadiantravelguide.net).

Spotlight On: Dive Industry Association of British Columbia

Established in 2002, the **Dive Industry Association of British Columbia (DIABC)** is a not-for-profit that represents and supports the recreational diving industry in BC. Funded in part by matching donations from Destination BC, their diverse membership includes dive shops, tour operators, and individual dive guides. For more information, visit the Dive Industry Association of BC website.

Sport Fishing and Lodges

There is a long and rich history of sport fishing in Canada. Anglers are drawn to the country's tidal waters (for salmon and halibut) and to freshwater rivers and lakes (for trout, steelhead, and sturgeon). The annual rate of recreational participation is significant; a 2009 study estimated that there are nearly 600,000 anglers (either fresh or saltwater) in any given year in BC (Tourism BC, 2009). Furthermore, non-resident anglers contributed almost $6 million by way of licensing fees, and an additional $46 million in non-fishing expenditures to the economy of BC. The British Columbia Fishing Resorts and Outfitters Association (BCFROA) represents commercial freshwater resorts and outfitters and delivers advocacy, conservation, and marketing efforts on behalf of its members (BCFROA, n.d.).

Paddle Sports

River rafting, canoeing, sea kayaking, and standup paddle boarding (SUP) are common activities for both recreationists and tourists alike in Canada. Collectively, these sports fall under the paddle sports category,

which encompasses any activity that takes place in small boats propelled by paddles (Education Scotland, n.d.). Although all paddle sports are popular recreational activities, two of the more sizable and commercially productive paddle sports subsectors are river rafting and sea kayaking.

River rafting operators can be found on many rivers across BC. Product offerings may range from a three-hour adrenaline-fueled tour on the famous Fraser River to a 14-day wilderness exploration down the UNESCO World Heritage Tatshenshini-Alsek Rivers in northern BC. These trips consist primarily of three types of rafting: paddle rafting, motorized rafting, and float trips (Destination BC, n.d.).

White water rafting. Image credit: Robj2.

A 2005 study conducted by Tourism BC identified 59 operators offering river rafting trips in the province. With an average of 5.5 employees, these operations are typically small in comparison to other industry subsectors. Collectively, however, they provided services to 216,000 customers and contributed almost $15 million in gross revenues to the BC economy in 2005. The same study also indicated that up to 75% of participants had travelled to join in the activity, indicating that they can predominantly be classified as adventure tourists (Tourism BC, 2007a).

Sea kayaking in Canada has grown into a sizable recreational and commercial industry in recent years. The province is highly regarded internationally for its long coastline punctuated by many inlets and fjords. Kayaking trips may be as short as an afternoon harbour tour, or as long as a seven-day wilderness exploration to the remote regions.

A 2005 report entitled *British Columbia's Sea Kayaking Sector* identified more than 114 operators offering rentals, instruction, day tours, or multi-day tours. These operators reported gross revenues of approximately $14 million in 2005 (Tourism BC, 2005a). A 2013 ecotourism survey conducted by Raincoast Conservation reflected growth of the sea kayaking sector with half (49%) of operators having grown between 2008-2013 (Raincoast Conservation, 2015).

Spotlight On: The Sea Kayak Guides Alliance of B.C.

Commercial operators offering tours are represented by the **Sea Kayak Guides Alliance of B.C. (SKGABC)**, which represents more than 600 individual and company members working in the commercial sea kayaking industry. It provides operating standards, guide certification, advocacy, and government liaison services for its members.

For more information, visit the Sea Kayak Guides Alliance of BC website.

Small Ship Tours

Canada's diverse and largely inaccessible coastline provides opportunities for boat-based tourism aboard small vessel, safari-like expeditions that are world-renowned for the wildlife, nature, and indigenous cultural experiences (Wilderness Tourism Association, n.d.).

Tidal Bore Rafting

A unique experience in NS, where one can feel the rush of riding waves that can be up to 4 metres (13 feet) high in a Zodiac boat as the power of the world's highest tides in the Bay of Fundy turn the Shubenacadie River into a water roller coaster only found in Nova Scotia. Expert guides take you cascading down rapids as the incoming ocean reverses the flow of the river. This fun-filled voyage, also named a Canadian Signature Experience, isn't complete without mudsliding, too (novascotia.com).

Image Credits

Whale Watching by Zodiac off Brier Island by Reigh LeBlanc on Flickr is licensed under a CC BY-NC 2.0 licence.

Grizzly bear, Bute Inlet, BC by John Critchley on Wikimedia Commons is licensed under a CC BY 2.0 licence.

White water rafting by Robj2 on Pixabay is a free image licensed under a Pixabay licence.

5.4 Conclusion

Despite some of the challenges faced by recreation, outdoor recreation, and adventure tourism, the industry as a whole remains an exciting, dynamic, and growing sector of the Canadian tourism economy. Employment opportunities abound, and the potential for economic contribution to the country, protection of wilderness areas, and diversification of rural economies away from resource extraction are exciting prospects. Nova Scotia is uniquely positioned to maintain positive growth in this area, contingent upon government support to address barriers and challenges. Students looking to develop professionally in this field should strive to gain both hands-on experience in a specialized activity, and a strong tourism focused education; this combination will offer the best chance to open doors to a long-term career in this exciting industry.

Now that we understand the importance of recreation to the tourism industry, let's explore Chapter 6, which looks at entertainment, the other half of this industry classification.

Key Terms

- **Adventure tourism:** outdoor activities with an element of risk, usually somewhat physically challenging and undertaken in natural, undeveloped areas
- **Association of Canadian Mountain Guides (ACMG):** Canada's only internationally recognized guiding association, offering a range of certifications
- **Avalanche Canada**: a not-for-profit society that provides public avalanche forecasts and education for backcountry travellers venturing into avalanche terrain, dedicated to a vision of eliminating avalanche injuries and fatalities in Canada
- **Canadian Ski Guide Association (CSGA):** founded in British Columbia, an organization that runs a training institute for professional guides, and a separate non-profit organization representing CSGA guide and operating members
- **Ecotourism**: responsible travel to natural areas that conserves the environment, sustains the well-being of the local people and involves interpretation and education (TIES)
- **Destination mountain resorts:** large-scale mountain resorts where the draw is the resort itself; usually the resort offers all services needed in a tourism destination
- **Nature-based tourism:** tourism activities where the motivator is immersion in the natural environment; the focus is often on wildlife and wilderness areas
- **Off-road recreational vehicle (ORV):** any vehicle designed to travel off of paved roads and on to trails and gravel roads, such as an ATV (all-terrain vehicle) or Jeep
- **Outdoor recreation**: recreational activities occurring outside; generally in undeveloped areas
- **Recreation:** activities undertaken for leisure and enjoyment
- **Regional mountain resorts**: small resorts where the focus is on outdoor recreation for the local communities; may also draw tourists

Exercises

1. Compare and contrast the terms *recreation*, *outdoor recreation*, and *adventure tourism*. How can we differentiate between each of these terms?
2. Do you believe that **ORV** tourism operators should be considered nature-based tourism? Explain.
3. What is the difference between a regional mountain resort and a destination mountain resort?
4. Of the smaller subsectors of tourism economy discussed in this chapter, name three that are commonly found in small, rural communities. What is their significance to the local community?
5. Name a well-known destination for mountain biking in Canada. What is the attraction of that area?
6. Why is backcountry skiing/snowboarding sometimes considered a risky activity? Explain. How can these risks be mitigated?
7. List three industry organizations that represent outdoor tourism subsectors. What general services do they offer to those they represent?
8. What unique advantages does Canada (or specifically NS) offer for recreation, outdoor recreation, and adventure tourism?
9. Review the section Trends and Issues. What suggestions would you give to the Canadian Government to support tourism in this subsector?

Case Study: The Wild Within

BC has long been romanticized as a destination that is intrinsically linked to recreation and nature, and our tourism product has traditionally relied on outdoor assets and the promotion of recreation. In late 2014, Destination British Columbia launched a video and set of corresponding marketing materials that sought to expand on the "Super, Natural" brand promise for the province. Watch the video "The Wild Within: British Columbia, Canada."

On your own or as part of a team, consider the following:

1. What natural elements are being promoted?
2. What recreational activities are featured in the video?
3. Which industry groups or associations are needed to support these activities? Name at least five.
4. What are the advantages of promoting BC's natural elements as a pillar of marketing campaigns?
5. What are the disadvantages? How might these be mitigated?

After answering these questions, come up with a quick design for a marketing piece that profiles one recreational activity in your local community. This could be a web page, a brochure, an app, a poster, or another marketing piece. Be sure to visit the Destination BC brand page to make sure your ideas fit in with "The Wild Within" concept and brand.

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5.3 Trends and Issues

As shown throughout this chapter, recreation and adventure tourism play predominant roles in the tourism and hospitality industry. However, there are challenges that impact the viability of this sector, as well as barriers that limit the growth. These topics are discussed briefly here.

Land and Water Use

Outdoor recreation and adventure tourism operators rely heavily on intact pristine environments and healthy ecosystems. The 'use' of Canada's vast wilderness and access to these wilderness areas for tourism operators is an ongoing challenge. Some areas across the country are set aside for recreation, such as provincial and national parks. However, when it comes to conducting commercial operations in these same places, gaining access often involves an extensive permitting process that may impose restrictions on the type of activity, how the activity is carried out and the number of visitors allowed.

In addition, parks are generally limited to non-motorized activities, thus presenting barriers for tourism operators that seek to offer mechanized recreation. Operators using Crown land for commercial activities also require authorization from the provincial government; in some instances, priority may be given to resource extraction or development rather than outdoor operators. The permitting process can be onerous and time consuming, which for small operators, may be a barrier to growth (Wilderness Tourism Association, 2005).

Environmental issues are discussed in detail in Chapter 8.

Environmental Impacts

Figure 5.6 Prohibiting certain recreational activities can help protect sensitive environments. [Long Description]

Environmental impacts from climate change, deforestation, and resource extraction all have significant potential to affect this sector of the tourism economy. On a local scale, competition with resource extraction for wilderness areas is a vital issue; without reliable access to pristine wilderness, many operators are facing threats to their sustainability (Wilderness Tourism Association, 2005). Indeed, conflicts with the oil and gas industry, forestry, and mining are constant management challenges for wilderness tourism operators. On a global scale, climate change threatens tourism in Canada in many ways, including irregular and insufficient snowfall for winter operations, the pine beetle epidemic sweeping through the country's forests, and climate-related stress impacting prime wildlife viewing of species such as whales and bears. Environmental issues are discussed in detail in Chapter 8.

Risk Management

Concerns over risk management and litigation are ongoing for any operator that offers activities with an element of risk, which is common in recreation and adventure tourism. When lawsuits in adventure tourism occur, they are often extensively publicized by the media, creating a perception of risky, dangerous, and irresponsible adventure operators. This can negatively affect the sector through rising insurance rates, increasing governmental regulation, challenging certification requirements, and permitting difficulties when interfacing with land management agencies.

With the popularity of backcountry skiing, snowboarding, snowmobiling, snowshoeing, and other winter sports on the rise in BC, for example, the number of participants accessing backcountry areas is increasing (Mitsui, 2013). This is becoming a concern for long-time backcountry enthusiasts as well as safety monitors. As winter and

summer backcountry equipment becomes more readily accessible, people are able to equip themselves without having received advanced safety training.

The increase of backcountry users will continue to expose users to possible dangerous situations. The best scenario is to ensure users receive proper training and education before they venture into the backcountry areas.

Other elements of risk and liability are discussed further in Chapter 10.

Image Credit

Figure 5.6 Absolutely Nothing is Allowed Here by Vicki & Chuck Rogers is used under a CC-BY-NC-SA 2.0 license.

Chapter 6. Events, Culture, Heritage, and Sport (Entertainment)

Learning Objectives

- Describe the nature and function of activities and businesses that provide entertainment, engagement, and education for tourists in Canada
- Identify tourism activities by their industry groups
- Identify various types of festivals and events and ways in which these are funded and organized
- Describe the MCIT (meetings, convention, and incentive travel) component and its economic impact
- Review various types of attractions including museums, zoos and botanical gardens
- List components of cultural heritage tourism including museums, galleries, and heritage sites
- List other experiences including sport tourism, agritourism, wine tourism, and culinary tourism
- Identify key industry associations related to the tourism entertainment sector and understand their mandates and the resources they provide

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6.1 Festivals and Events

When travellers enter Canada, there is a good chance they will be asked at the border, “What is the nature of your trip?” Whether the answer is for business, leisure, or visiting friends and relatives, there’s a possibility that travellers will participate in some of the following activities (as listed in the Statistics Canada International Travel Survey):

- Attend a festival or fair, or other cultural events
- Visit a zoo, aquarium, botanical garden, historic site, national park, museum, or art gallery
- Watch sports or participate in gaming

These activities fall under the realm of **entertainment** as it relates to tourism. Documenting every activity that could be on a tourist’s to-do list would be nearly impossible, for what one traveler would find entertaining, another may not. This chapter focuses on the major components of arts, entertainment, and attractions, including motion pictures, video exhibitions, and wineries; all activities listed under the North American Industry Classification System we learned about in Chapter 1.

Festival and Major Events Canada (FAME) released a report in 2019 detailing the economic impacts of the 17 largest festivals and events in Quebec, which amounted to a whopping $378 million in tourist spending. Let’s take a closer look at this segment of the sector and its impact across Canada.

Figure 6.1 A labyrinth of light at the 2008 Winter Solstice Lantern Festival in Vancouver. Image Credit: Visible Hand.

Festivals

The International Dictionary of Event Management defines a **festival** as a "public celebration that conveys, through a kaleidoscope of activities, certain meanings to participants and spectators" (Goldblatt, 2001, p. 78). Other definitions, including those used by the Ontario Trillium Foundation and the European Union, highlight accessibility to the general public and short duration as key elements that define a festival.

Search "festivals in Canada" online and over 900 million results will appear. To define these activities in the context of tourism, we need to consider two fundamental questions, "Who are these activities aimed at?" and "Why are they being celebrated?"

The broad nature of festivals has lead to the development of classification types. For instance, funding for the federal government's Building Communities through Arts and Heritage Program is available under three categories, depending on the type of festival:

1. Local festivals funding is provided to local groups for *recurring* festivals that present the work of local artists, artisans, or historical performers.
2. Community anniversaries funding is provided to local groups for *non-recurring* local events and capital projects that commemorate an anniversary of 100 years (or greater, in increments of 25 years).
3. Legacy funding is provided to community-initiated capital projects that restore or transform *event spaces and places.* Eligible projects are those that commemorate a 100th anniversary (or greater, in increments of 25 years) of a significant local historical event or local historical personality.

Funds awarded in BC ranges from $2000 for the Nelson History Theatre Society's Arts and Heritage Festival in 2012 (Government of Canada, 2014a) to $100,200 for the Vancouver International Film Festival in 2017 (Government of Canada, 2017). In 2017-2018, federal funding from the Canada Arts Presentation Fund, Canada Cultural Spaces Fund, and Canada Cultural Investment Fund resulted in $183 million in infrastructure and program development funds to support organizations that professionally present arts festivals or performing arts series (Government of Canada, 2019).

Spotlight On: International Festivals and Events Association

Founded in 1956 as the Festival Manager's Association, the **International Festivals and Events Association (IFEA)** supports professionals who produce and support celebrations for the benefit of their communities. Membership is required to access many of their resources. For more information, visit the International Festivals and Events Association website.Cana

Festivals and events in Canada celebrate theatre, dance, film, crafts, visual arts, and more. Just a few examples are Bard on the Beach, Atlantic International Film Festival, Vancouver International Improv Festival, Devour, NS Multicultural Festival, Hal-Con, and the Cowichan Wine and Culinary Festival.

Figure 6.2 Guests at Cornucopia, Whistler's celebration of food and wine. Image credit: Shinsuke Ikegame

Spotlight On: Cornucopia, Whistler's Celebration of Wine and Food

For the “epicurious, cornucopia is food + drink unleashed.” Dubbed “so wild you can taste it” this 11-day event showcases tasting events, drink seminars, chef lunches and demos, avant-garde parties and more. For additional information, visit Cornucopia.

Events

An **event** is a happening at a given place and time, usually of some importance, celebrating or commemorating a special occasion. To help broaden this simple definition, categories have been developed based on the scale of events. These categories, presented in Table 6.1, overlap and are not hard and fast, but help cover a range of events.

Table 6.1 Event types, characteristics, and examples

[Skip Table]		
Event Type	**Characteristics**	**Examples**
Mega-event: those that yield high levels of tourism, media coverage, prestige, or economic impact for the host community or destination.	• So large it affects economies • Gains global media coverage • Highly prestigious • Usually developed with a bidding process • Has major positive and negative impacts • 1 million+ visits • Capital costs in excess of $500 million • Considered "must see"	• Olympic Games/ Paralympic Games • Commonwealth Games • FIFA World Cup • World fairs and expositions • Economic summits
Special event: outside the normal activities of the sponsoring or organizing body.	• One-time or infrequent • Specific ritual, presentation, performance, or celebration • Planned and created to mark a special occasion	• National days and celebrations • Important civic occasions • Unique cultural performances • Royal weddings • Diamond jubilees

[Skip Table]		
Event Type	**Characteristics**	**Examples**
Hallmark event: possesses such significance in terms of tradition, attractiveness, quality or publicity, that it provides the host venue, community, or destination with a competitive advantage.	• Identified with the location or synonymous with place name • Gains widespread recognition/ awareness • Creates a competitive tourism advantage	• The Carnival of Brazil (Rio de Janeiro) • Mardi Gras (New Orleans) • Oktoberfest (Munich)
Festival: (as defined above) public celebration that conveys, through a kaleidoscope of activities, certain meanings to participants and spectators.	• Celebration and reaffirmation of community or culture • Artistic content • Religious or ritualistic • Music, dance, and drama are often featured	• Lollapalooza • Junkanoo (Nassau, Bahamas)
Local community event: generated by and for locals; can be of interest to visitors, but tourists are not the main intended audience.	• Involves the local population • A shared experience to their mutual benefit	• Fundraisers • Picnics • Barbeques
Data source: Getz, 2005.		

Events can be extremely complex projects, which is why, over time, the role of event planners has taken on greater importance. The development of education, training programs, and professional designations such as CMPs (Certified Meeting Planners), CSEP (Certified Special Events Professional), and CMM (Certificate in Meeting Management) has led to increased credibility in this business and demonstrates the importance of the sector to the economy. Furthermore, there are a variety of event management certifications and diplomas offered in BC that enable future event and festival planners to gain specific skills and knowledge within the sector.

Various tasks involved in event planning include:

- Conceptualizing/theming
- Logistics and planning
- Human resource management
- Security
- Marketing and public relations
- Budgeting and financial management
- Sponsorship procurement
- Management and evaluation

But events aren't just for leisure visitors. In fact, the tourism industry has a long history of creating, hosting, and promoting events that draw business travelers. The next section explores meetings, conventions, and incentive travel, also known as **MCIT**.

Image Credits

6.2 Meetings, Conventions, and Incentive Travel (MCIT)

According to the Meetings Mean Business Canada Coalition (MMB Canada), business events are big business. In 2017, Canadian business events:

- Delivered at least $33 billion to Canada's economy
- Created over 229,000 employment opportunities
- Ranked 6th out of 50 countries in economic impact

The business events industry in Canada is as big as agriculture and forestry, and it provides nearly twice the number of jobs that telecommunications and utilities do (MMB Canada, 2017).

Take a Closer Look: Meetings Mean Business Canada Coalition (MMB Canada) Canada Economic Impact Study

To learn more about the impact of business events in Canada, watch the MMB Canada Economic Impact Study video.

There are several types of business events. **Conventions** generally have very large attendance, and are held annually in different locations. They also often require a bidding process. **Conferences** have specific themes, and are held for smaller, focused groups. **Trade shows/trade fairs** can be stand-alone events, or adjoin a convention or conference. Finally, seminars, workshops, and retreats are examples of smaller-scale MCIT events.

Spotlight On: The Meetings Mean Business Canada Coalition

The **Meetings Mean Business Canada Coalition (MMB Canada)**, the operating name of the Business Events Industry Coalition of Canada (BEICC), is the national voice of the meetings and events industry in Canada, comprising organizations dedicated to the betterment and promotion of the meetings and events industry. For more information, visit the MMB Canada website.

As meeting planners became more creative, meeting and convention delegates became more demanding about meeting sites. No longer are hotel meeting rooms and convention centres the only type of location used; non-traditional venues have adapted and become competitive in offering services for meeting planners. These include architectural spaces such as airplane hangars, warehouses or rooftops, and experiential venues such as aquariums, museums and galleries (Cornacchio, 2019).

Spotlight On: Meeting Professionals International

Meeting Professionals International (MPI), founded in 1972, is a membership-based professional development organization for meeting and event planners. For more information, visit the Meeting Professionals International website or the Meeting Professionals International: BC Chapter website.

Incentive Travel

For many people new to the travel industry, incentive travel is an unfamiliar concept. The **Society for Incentive Travel Excellence (SITE)** has explained that **incentive travel** is "a self-funding marketing activity that employs unique travel experiences to reward people who achieve exceptional business performance" (2020). Unlike other types of business events, incentive travel is focused on fun, food, and other activities rather than education and work.

Sectors that use incentive travel include insurance, finance, technology, pharmaceutical, and auto manufacturers and dealers. The incentive travel market is extremely competitive and demanding. When rewarding high-performance staff, Fortune 500-type companies are looking for the most luxurious and unique travel experiences and products available.

Take a Closer Look: SITE Crystal Awards

SITE holds annual awards for the best in unique, memorable incentive experiences. In 2019, the winner for Most Effective Incentive/Marketing Campaign, "2018 Living Legends Incentive Program" was the Creative Group. To see the list of other winners, and for more information, visit the SITE Crystal Awards website.

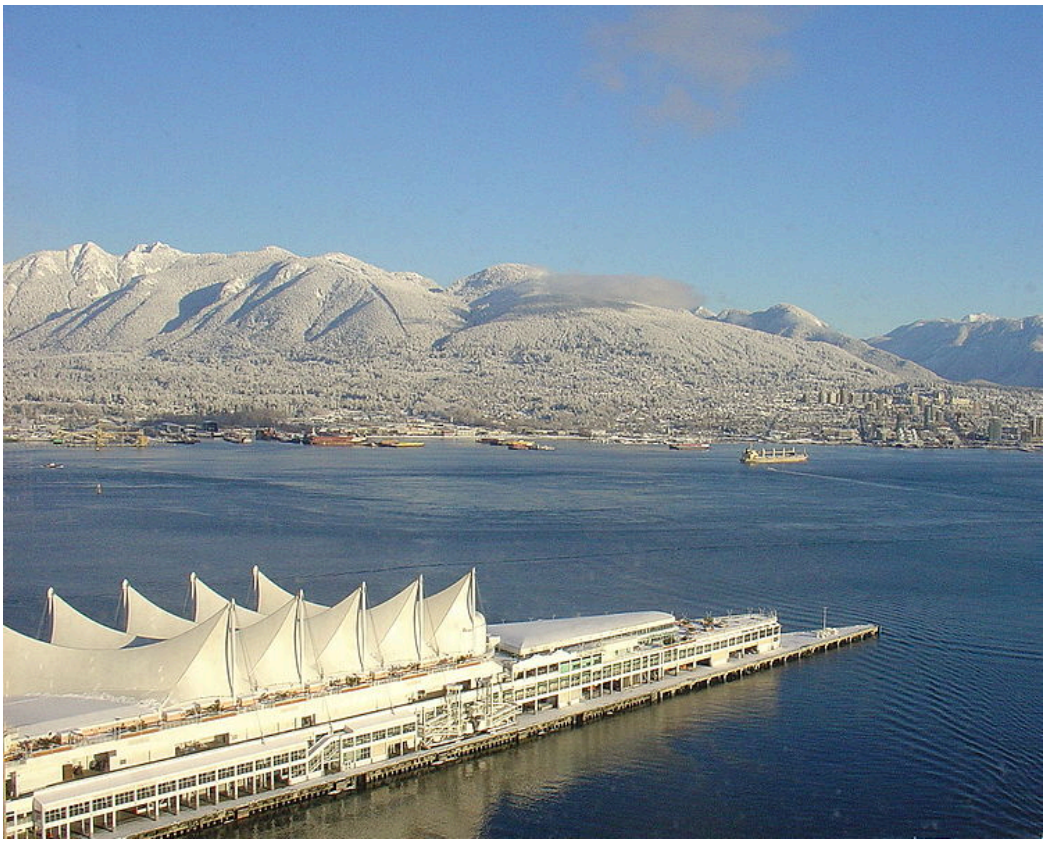

Figure 6.3 Canada Place home to the Vancouver Convention Centre. Image credit: Klauskk

Convention Centres

No discussion of business events would be complete without noting the importance of convention centres — very large venues that can host thousands of delegates.

Key success factors for convention venues include:

- Air access to the destination
- Quality hotels close to or adjacent to the venue
- Quality venue space
- Relative cost of the destination and venue
- Attractiveness of the destination

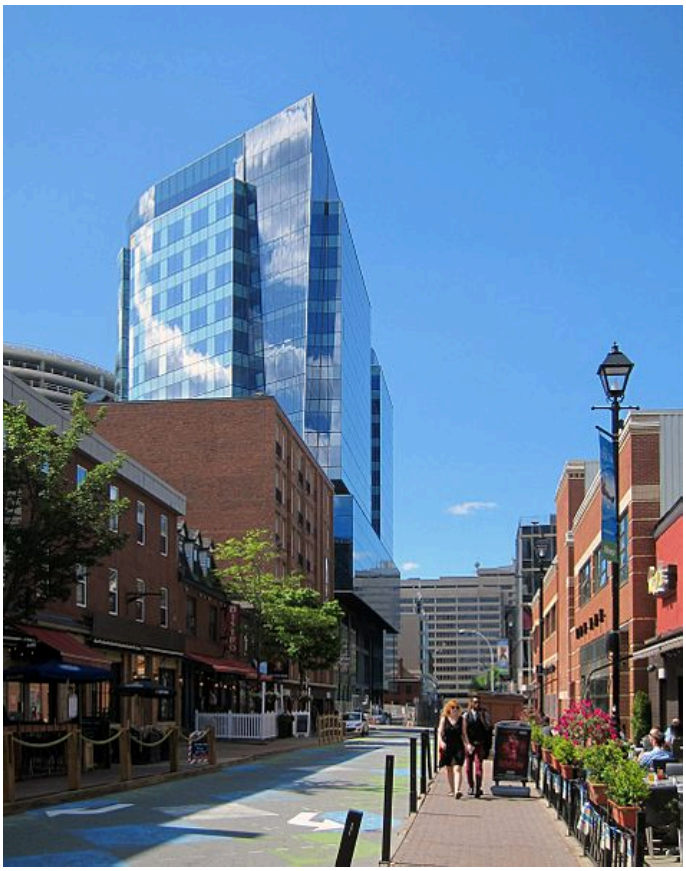

Figure 6.4 Halifax Convention Centre. Argyle Street and the new Nova Centre. Image credit: Ben MacLeod.

Canada is home to a number of convention centres, including those in Halifax, Montreal, Toronto, Calgary, and Victoria. The signature venue for the province of BC is the Vancouver Convention Centre, which underwent a significant expansion prior to the 2010 Winter Olympics.

Spotlight On: The Vancouver Convention Centre

The Vancouver Convention Centre is owned and managed by the BC Pavilion Corporation (PavCo), a Crown corporation. Its team of approximately 800 staff collaborate to host an exciting schedule of year-round events. With its unique "scratch kitchen" that uses fresh, local products, an extensive recycling program, and its legendary "green roof," the centre is known for its beautiful views and commitment to sustainability. For more information, visit the Vancouver Convention Centre website.

With an understanding of the scope of festivals and events, as well as examples of the venues that host them, let's turn our attention to the diverse number of attractions that contribute to the tourism entertainment sector.

Image Credits

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6.3 Attractions

As a broad definition, tourist attractions are those places of culture, heritage, nature, or activities that draw people to visit. When the Canadian Tourism Commission, now Destination Canada, planned a survey of Canada's tourist attractions in 1995, there was no official definition of **tourist attractions**. After consultation, federal, provincial, territorial, and industry stakeholders agreed on a working definition: "places whose main purpose is to allow public access for entertainment, interest, or education" (Canadian Tourism Commission, 1998, p. 3).

Five major categories were established:

1. Heritage attractions: focus on preserving and exhibiting objects, sites, and natural wonders of historical, cultural, and educational value (e.g., museums, art galleries, historic sites, **botanical gardens**, zoos, nature parks, conservation areas)
2. Amusement/entertainment attractions: maintain and provide access to amusement or entertainment facilities (e.g., arcades; amusement, theme, and water parks)
3. Recreational attractions: maintain and provide access to outdoor or indoor facilities where people can participate in sports and recreational activities (e.g., golf courses, skiing facilities, marinas, bowling centres)
4. Commercial attractions: retail operations dealing in gifts, handcrafted goods, and souvenirs that actively market to tourists (e.g., craft stores listed in a tourist guide)
5. Industrial attractions: deal mainly in agriculture, forestry, and manufacturing products that actively market to tourists (e.g., wineries, fish hatcheries, factories)

The term "attraction" can convey a negative meaning. Something becoming a **tourist attraction** can imply a site that has been commercialized and, likely, negatively impacted by tourism. In addition, attraction typically denotes pleasure and fun, like an amusement park. The term becomes inappropriate, as does 'entertainment' when we speak of learning about other cultures and contested histories. For example, the Nikkei Internment Memorial Centre, in New Denver, BC is a National Historic Site of Canada, and tells the history of Japanese-Canadian internment during the Second World War. Another example may be an Indigenous art gallery, with many objects representing the spiritual beliefs and history of a people's ancestors. Although both examples are technically sites of interest to tourists and therefore attractions, the mandate, approach, and design of the visitor experience varies from site to site.

To exist, these attractions often need to generate revenue to pay for site operations, to pay for staff, and to run educational programs. The sector involves a range of organizations, some privately owned, while others are government-funded, or non-profit. Revenue to culture- and nature-based sites has the added benefit of supporting their preservation as well as to build awareness and a deeper understanding in the public. In the case of Indigenous heritage sites, visitation can also lead to an opportunity for reconciliation. However, the cost of an attraction, such as a museum, gallery, or park, is typically only a fraction of the total travel cost.

The rest of this chapter explores various types of attractions in more detail.

Figure 6.3 Montreal's Biosphere. Image credit: Ralf Roletschek

Cultural/Heritage Tourism

The phrase **cultural/heritage tourism** can be interpreted in many ways. Destination Canada, formally the Canadian Tourism Commission has defined it as tourism occurring "when participation in a cultural or heritage activity is a significant factor for traveling. Cultural tourism includes performing arts (theatre, dance, and music), visual arts and crafts, festivals, museums and cultural centres, and historic sites and interpretive centres" (LinkBC, 2012). Food is also an integral part of the cultural tourism scene.

Take a Closer Look: The First Government of Canada Survey of Heritage Institutions

In 2018, the Department of Canadian Heritage released its *Survey of Heritage Institutions,* which provides aggregate financial and operating data to governments and cultural associations. It aims to gain a better understanding of not-for-profit heritage institutions in Canada in order to aid in the development of policies and the administration of programs. View the full version of the report at *Government of Canada Survey of Heritage Institutions: 2017* [PDF].

A 2018 Government of Canada survey of heritage institutions found:

- Revenues for all non-profit heritage institutions in Canada exceeded $2.5 billion in 2015, a 23% increase over 2011.
- Three provinces — Ontario (43%), Quebec (25%), and Alberta (9%) — had the largest share of heritage institutions
- Museums generated the most revenue for the heritage sector, at $1.1 billion (44%) in 2015, followed by art galleries (22%), archives (15%), zoos and gardens (13%) and finally historic sites (6%).

Accounting for various levels of government, they contributed an additional $1.3 billion in 2015

- Roughly 50% of heritage institutions charged admission, and the average adult entry fee was $9.91 in 2015

In 2015, the heritage sector employed over 36,300 people, an increase of 15% since 2011. Volunteers at heritage institutions outnumbered paid staff by approximately three to one, with approximately 115,650 volunteers. The amount of time they donated (over 6.6 million hours) contributed to huge savings for institutions. These statistics indicate that volunteerism is a critical success factor for Canadian heritage institutions.

Overall physical attendance at heritage institutions totaled over 75 million visits in 2015, an increase of 34% from 2011. In addition, as museums and galleries digitize their holding for online access, heritage experienced some 200 million virtual visitors.

Figure 6.4 Halifax Citadel National Historic Site. Image credit: arch2452

Performing Arts

Performing arts generally include theatre companies and dinner theatres, dance companies, musical groups, and artists and other performing arts companies. These activities and entities contribute to a destination's tourist product offering and are usually considered an aspect of cultural tourism.

British Columbia has 4.7% of the total number of cultural workers in Canada, the second highest concentration, of which performing arts represents some 55% (Hill Strategies, 2019, p.1). Across Canada, there are 726,600 cultural workers.

Spotlight On: Made in BC

Made in BC: Dance On Tour is a not-for-profit organization committed to bringing touring dance performances, dance workshops, and other dance events to communities around British Columbia for the benefit of residents and visitors alike. Originally intended to showcase BC performers, it also brings touring groups from other regions to the province. For more information, visit the Made in BC website.

Art Museums and Galleries

Art museums and galleries may be public, private, or commercial. Both art museums and public galleries present works of art to the public, exhibiting a diverse range of art from more well-known artists to emerging artists. Exhibitions are assembled and organized by a curator who oversees the installation of the works in the gallery space. However, art museums and public galleries have different mandates, and therefore offer different visitor experiences.

Art museums collect historical and modern works of art for educational purposes and to preserve them for future generations. **Public galleries**, on the other hand, do not generally collect or conserve works of art. Rather, they focus on exhibitions of contemporary works as well as on programs of lectures, publications, and other events.

A few examples of the art museums and public galleries in Canada are the Vancouver Art Gallery, the Art Gallery of Nova Scotia, National Art Gallery of Canada, and the Winnipeg Art Gallery.

Many of the smaller galleries have formed partnerships within geographic regions to share marketing resources and increase visitor appeal. One example includes the self-guided Art Route Tour in Haida Gwaii.

Museums

The term *museum* covers a wide range of institutions from wax museums to sports halls of fame. No matter what type of museum it is, many are now asking if museums are still relevant in today's high-tech world. In response, museums are using new technology to expand the visitor experience. One example is the Royal BC Museum, which hosts an online Learning Portal, lists recent related tweets on its home page, and is home to an IMAX theatre playing IMAX movies that relate to the museum exhibits.

Figure 6.5 Canada's National Immigration Museum at Pier 21, Halifax NS. Image credit: Skeezix1000

Spotlight On: Canadian Museums Association

The Canadian Museums Association (CMA) is the national organization for the advancement of Canada's museum community. The CMA works for the recognition, growth, and stability of the sector. Canada's 2,500 museums and related institutions preserve Canada's collective memory, shape national identity, and promote tolerance and understanding. For more information, visit the Canadian Museums Association website.

Data from the 2011 Survey of Heritage Institutions in Canada found that attendance at heritage institutions totalled over 75 million visits in 2015, up 34% since 2011. Of that number, there were 14.1 million to art galleries, 15.4 million to heritage sites and another 31 million visits to museums being the most popular (Government of Canada, 2017).

Botanical Gardens

A **botanical garden** is a garden that displays native and non-native plants and trees. It conducts educational, research, and public information programs that enhance public understanding and appreciation of plants, trees, and gardening (Canadensis, 2014).

Canadian botanical gardens host an estimated 4.5 million visitors per year and are important science and educational facilities, providing leadership in plant conservation and public education (Botanic Gardens Conservation International, 2014). Canada is home to notable botanical gardens such as Vancouver's Stanley Park, Halifax Public Gardens, and Monk Botanical Gardens to name just a few.

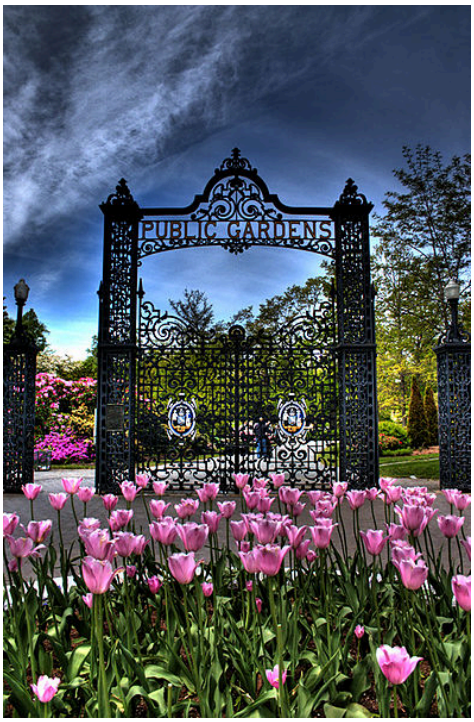

Figure 6.6 Halifax's Public Gardens. Image credit:Markjt

Zoos

Zoos all over the world are facing many challenges. An article *The Atlantic* entitled "Is the Future of Zoos No Zoos at All?" discusses how the increased use of technology by biologists, such as habitat cameras (nest cams, bear den cams), GPS trackers, and live web feeds of natural behaviours, has transformed the zoo experience into "reality zoo TV" (Wald, 2014). There is also growing opposition to zoos from organizations such as PETA, who claim that zoo enclosures deprive animals of the opportunity to meet their basic needs and develop relationships (PETA, 2014).

Spotlight On: Canada's Accredited Zoos and Aquariums

Canada's Accredited Zoos and Aquariums (CAZA) was founded in 1975. It represents the 33 leading zoological parks and aquariums in Canada and promotes the welfare of, and encourages the advancement and improvement of, related animal exhibits in Canada as humane agencies of recreation, education, conservation, and science. For more information, visit the Canada's Accredited Zoos and Aquariums website.

Canada's Accredited Zoos and Aquariums (CAZA) work in support of ethical and responsible facilities. Examples of CAZA members in BC include the BC Wildlife Park in Kamloops, the Greater Vancouver Zoo, and the Vancouver Aquarium (Canada's Accredited Zoos and Aquariums, 2014).

Figure 6.7 Vancouver Aquarium. Image credit: Rebecca Bollwitt

Canadian zoos with high attendance levels include the Toronto Zoo with over 1.3 million guests in 2010 (Toronto Zoo, 2010), and the Vancouver Aquarium with over 1 million visitors in 2013 (Vancouver Aquarium 2013). In 2013, the Calgary Zoo employed almost 300 full- and part-time staff and an additional 99 seasonal employees (Calgary Zoo, 2013).

Amusement and Theme Parks

Figure 6.8 The Atmosfear Ride at Vancouver's Playland amusement park. Image credit: Geoffery Kehrig

While cultural and heritage attractions strive to present information based on historic and evolving cultures and facts, amusement parks are attractions that often work to create alternate, fanciful realities. Theme parks have a long history dating back to the 1500s in Europe, and have evolved ever since. Today, it is hard not to try to compare any amusement park destination to Disneyland and Disney World. Opened in 1955 in sunny California, Disneyland set the standard for theme parks. The Pacific National Exhibition (PNE) in Vancouver is considered one of BC's most recognizable amusement parks and recently celebrated its 100-year anniversary (PNE, 2015).

Canada's ability to compete with US theme parks is hampered by our climate. With a much shorter summer season, the ability to attract investment in order to sustain large-scale entertainment complexes is limited, as is the market for these attractions. It's no wonder that in 2011 profitable Canadian amusement parks only saw an average net profit of $73,200, with 34% of firms failing to turn a profit that year.

Spotlight On: International Association of Amusement Parks and Attractions

The International Association of Amusement Parks and Attractions (IAAPA) is the largest international trade association for permanently situated amusement facilities worldwide. Dedicated to the preservation and prosperity of the amusement industry, it represents more than 4,300 facility, supplier, and individual members from more than 97 countries, including most amusement parks and attractions in the United States. For more information, visit the International Association of Amusement Parks and Attractions website.

Motion Picture and Video Exhibitions

The film industry in Canada, has gained international recognition in part through events such as the Toronto International Film Festival, Montreal World Film Festival, and Vancouver International Film Festival. According to the Motion Picture Association — Canada (2013) these festivals attracted an estimated audience of 1.9 million in 2011, as well as over 18,000 industry delegates. Festival operations, visitor spending, and delegate spending combined totaled $163 million that year and generated 2,000 jobs (full-time equivalents).

There are no statistics available on film-induced tourism in Canada, but several notable feature films and television series have been shot here and have drawn loyal fans to production locations. Some of these titles include *Reindeer Games* and *Double Jeopardy* (Prince George), *Titanic* (Halifax), *Haven* and *The Book of Negros* (south shore of Nova Scotia), *Battlestar Galactica* (Kamloops), *The Twilight Saga*, *Smallville*, *Lucifer* and *Supernatural* (Greater Vancouver).

Spotlight On: The Whistler Film Festival

Founded in 2001, the Whistler Film Festival has grown to become one of Canada's premier events for promoting the development of Western Canada's film industry and an emerging venue in the international circuit. The festival, held during the first weekend in December, attracts an audience of over 8,200 and more than 500 industry delegates to the ski resort of Whistler, British Columbia, for seminars, special events, and the screening of over 80 independent films from Canada and around the world. For more information, visit the Whistler Film Festival website.

Spectator Sports and Sport Tourism

Spectator sports and the growing field of sport tourism also contribute significantly to the economy and have become a major part of the tourism industry. According to the Canadian Sport Tourism Alliance (2013), **sport tourism** is any activity in which people are attracted to a particular location to attend a sport-related event as either a:

- Participant
- Spectator
- Visitor to sport attractions or delegate of sports sector meetings

In 2012, the **sport tourism** industry in Canada surpassed $5 billion in spending. The domestic market is the largest source of sport tourists, accounting for 84% of all spending, followed by overseas markets (10.8%) and US visitors (5.3% of sport tourism revenues) (Canadian Sport Tourism Alliance, 2014). In 2020 Sport Tourism Canada reported sports tourism was one of the fastest-growing areas of the Tourism Industry with domestic and international spending at over $6.8 billion.

Figure 6.9 Canada's Women National Hockey Team. Image credit: M. Smelter.

Spotlight On: Canadian Sport Tourism Alliance

The **Canadian Sport Tourism Alliance (CSTA)** was created in 2000 to market Canada internationally as a preferred sport tourism destination and grow the sport tourism industry in Canada. The purpose of the alliance was to increase Canadian capacity to attract and host sport tourism events. The alliance has over 400 members including 142 municipalities, 200+ national and provincial sport organizations, and a variety of product and service suppliers to the industry. For more information, visit the Canadian Sport Tourism Alliance website.

In British Columbia, sport tourism is supported through the Ministry of Community, Sport and Cultural

Development, which invests in event hosting and the ViaSport program (formerly known as Hosting BC). Building on the success of the 2010 Olympic and Paralympic Winter Games, the program has a goal to maintain BC's profile and reputation as an exceptional major event host. One success story is Kamloops, dubbed the Tournament Capital of Canada, which has made sport tourism a central component of its economy and welcomes over one million visitors to its tournament centre facility each year.

Take a Closer Look: The Sport Tourism Guide

The Sport Tourism Guide from Destination BC's Tourism Business Essentials series covers topics including understanding sport tourism, industry trends, event bidding and hosting, balance sheets, economic impacts, case studies, best practices, and links to additional information. For more information, read the *Sport Tourism Guide* [PDF].

Gaming

According to the Canadian Gaming Association, gaming is one of the largest entertainment industries in Canada. It has larger revenues than those generated by magazines and book sales, drinking establishments, spectator sports, movie theatres, and performing arts combined (Canadian Gaming Association, 2011).

Figure 6.10 Vancouver's Edgewater Casino, which shut down in 2017. Image credit: Colin Knowles

In 2017, the association released an national economic benefits report stating that the industry produced a total of $17.1 billion in annual revenue and reinforced that gaming is an important employer in addition to providing significant economic returns to Canadians (Canadian Gaming Association, 2017).

Spotlight on: The BC Lottery Corporation (BCLC)

The **BC Lottery Corporation (BCLC)** is a provincial Crown corporation that operates under the provincial Gaming Control Act. It is responsible for operating lottery, casino, online, and bingo gaming in BC. For more information, visit the BC Lottery Corporation website.

Agritourism, Culinary Tourism, and Wine Tourism

Let's now have a closer look at the world of farms, food and wine in the entertainment and tourism industries.

Agritourism

The Canadian Farm Business Management Council defines **agritourism** as "travel that combines rural settings with products of agricultural operations within a tourism experience that is paid for by visitors" (SOTC, 2011). In other words, rural and natural environments are mixed with agricultural and tourism products and services.

Agritourism products and services can be categorized into three themes:

1. Fixed attractions such as historic farms, living farms, museums, food processing facilities, and natural areas
2. Events based on an agricultural theme such as conferences, rodeos, agricultural fairs, and food festivals
3. Services such as accommodations (B&Bs), tours, retailing (farm produce and products), and activities (fishing, hiking, etc.) that incorporate agricultural products and/or experiences

The local food movement is growing in popularity; agritourism presents a great opportunity to use farm resources to create experiences for visitors, whether they be for entertainment, education, or as venues for business/meeting events. Examples of agritourism businesses in Canada include Salt Spring Island Cheese, and the Okanagan Lavender and Herb Farm near Kelowna (HelloBC, 2014), Sugar Moon Farms in Earltown, NS, PEI Farm Tours in PEI, and Seager Wheeler National Historic Farm in Saskatchewan.

A number of self-guided circle tours and other experiences are available in Canada, including annual festivals and events.

Culinary Tourism

Culinary tourism refers to "any tourism experience in which one learns about, appreciates, and/or consumes food and drink that reflects the local, regional, or national cuisine, heritage, culture, tradition, or culinary techniques" (Ontario Culinary Tourism Alliance, 2013). The United Nations World Tourism Organization has noted that food tourism is a dynamic and growing segment, and that over one-third of tourism expenditures relate to food (UNWTO, 2012).

Culinary tourism in Canada began to gain traction as a niche in 2002 when Destination Canada, formerly

the Canadian Tourism Commission, highlighted it within the cultural tourism market. According to a Ryerson University study, the average culinary tourist spends twice the amount of a generic tourist (Grishkewich, 2012).

For examples of farm fresh meals, artisan drinks etc. visit the Hello BC visitor web page Food, Drink and Wellness or Taste of Nova Scotia's webpage (tasteofnovascotia.com). Organizations such as the UNWTO see food-making and wine-making as a key part of maintaining and preserving cultural traditions in addition to promoting local economic development. Culinary (or sometimes referred to as gastronomy) tourism and wine tourism are closely related and often promoted together. Wine tourism will be explored next.

Figure 6.11 Red phone booth at Luckett Vineyards, Gaspereau Valley Nova Scotia. Image credit: Gavin Langille.

Wine Tourism

The North American Industrial Classification System (NAICS) defines **wine tourism** as the "tasting, consumption, or purchase of wine, often at or near the source, such as wineries." It also includes an educational aspect and festivals focusing on the production of wine (Agriculture and Agri-food Canada, 2014).

According to the 2015 Wine Tourism in Canada report [PDF], Canada welcomes over 3 million visitors annually to 550 Canadian wineries with an annual annual economic impact worth 6.8 billion. Nationally three key grape regions exist: British Columbia, Ontario and Nova Scotia (Canadian Vintners Association/Tourism Industry of Canada, 2015).

Similar to France's AOC and Italy's DOC wine production quality controls, BC and Ontario use VQA (Vintners Quality Alliance) to assure quality and knowledge the wine is grown and produced.

Figure 6.12 Saturna Vineyards on Saturna Island, B.C. Image credit: David Stanley.

The BC wine industry has grown significantly since the 90's when only around 17 wineries were in existence. Today, there are more than 280 wineries in BC, ranging from small family-run vineyards to large estate operations. According to the British Columbia Wine Institute's quick facts, BC's wine industry generated $2.8 billion in 2019 to the provincial economy and welcomes over a million visitors annually (British Columbia Wine Institute, 2020).

Nova Scotia is home to over 22 wineries and since 1980 (when the first winery opened) NS wines have received over 200 international awards, has 90 different grape growers, and over 1000 acres of grapes planted in 7 regions of the province (winesofnovascotia.ca). Nova Scotia's "signature wine" is Tidal Bay. Will Travel For Wine – Wine Growers Nova Scotia (winesofnovascotia.ca)

Canada makes great wine, which is a surprise to many international visitors. Many think of Canada as cold and snowy and just too cool to produce great wine. However, the variety of unique climates and microclimates is ideal for quality wine making.

Take a Closer Look: Wine & Food Tourism Strategy 2016-2019

For more information on the wine and food sectors in British Columbia, read this 2016 report that speaks to the wine and food tourist, industry key insights and other important information: British Columbia Wine Institute Wine and Food Tourism Strategy 2016–2019 [PDF] found on the Wines of British Columbia website.

Industry experts agree that **agritourism**, **culinary tourism**, and **wine tourism** will continue to attract lucrative visitors and play a growing role in BC's tourism economy.

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Figure 6.9 Women's tournament, 2014 Winter Olympics, Gold medal team Canada by M. Smelter is on Wikimedia Commons is licensed under a CC BY-SA 3.0 licence.

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Figure 6.12 Saturna Vineyards on Saturna Island, B.C. by David Stanley on Flickr is licensed under a CC BY 2.0 licence.

6.5 Conclusion

Across Canada the range of activities to entertain and delight travelers runs from authentic explorations of cultural phenomena to pure amusement. Those working in the entertainment tourism sector know that providing a friendly, welcoming experience is a key component in sustaining any tourism destination. Whether through festivals, events, attractions, or new virtual components, the tourism industry relies on entertainment to complete packages and ensure guests, whether business or leisure travelers, increase their spending and enjoyment.

Thus far we've explored the key sectors of transportation, accommodation, food and beverage, and recreation and entertainment. The final sector, travel services, brings these all together, and is explored in more detail in Chapter 2.

Key Terms

- **Agritourism:** tourism experiences that highlight rural destinations and prominently feature agricultural operations
- **Art museums:** museums that collect historical and modern works of art for educational purposes and to preserve them for future generations
- **Botanical garden:** a garden that displays native and/or non-native plants and trees, often running educational programming
- **Canadian Sport Tourism Alliance (CSTA):** created in 2000, an industry organization funded by the Canadian Tourism Commission to increase Canadian capacity to attract and host sport tourism events
- **Community gaming centres (CGCs):** small-scale gaming establishments, typically in the form of bingo halls
- **Conferences:** business events that have specific themes and are held for smaller, focused groups
- **Conventions:** business events that generally have very large attendance, are held annually in different locations each year, and usually require a bidding process
- **Culinary tourism:** tourism experiences where the key focus is on local and regional food and drink, often highlighting the heritage of products involved and techniques associated with their production
- **Cultural/heritage tourism:** when tourists travel to a specific destination in order to participate in a cultural or heritage-related event
- **Entertainment**: (as it relates to tourism) includes attending festivals, events, fairs, spectator sports, zoos, botanical gardens, historic sites, cultural venues, attractions, museums, and galleries
- **Event**: a happening at a given place and time, usually of some importance, celebrating or commemorating a special occasion; can include mega-events, special events, hallmark events, festivals, and local community events
- **Festival**: a public event that features multiple activities in celebration of a culture, an anniversary or historical date, art form, or product (food, timber, etc.)
- **Incentive travel:** a global management tool that uses an exceptional travel experience to motivate and/or

recognize participants for increased levels of performance in support of organizational goals

- **International Festivals and Events Association (IFEA):** organization that supports professionals who produce and support celebrations for the benefit of their respective communities
- **Meetings, conventions, and incentive travel (MCIT):** all special events with programming aimed at a business audience
- **Meeting Professionals International (MPI):** a membership-based professional development organization for meeting and event planners
- **Public galleries:** art galleries that do not generally collect or conserve works of art; rather, they focus on exhibitions of contemporary works as well as on programs of lectures, publications, and other events
- **Society for Incentive Travel Excellence (SITE):** a global network of professionals dedicated to the recognition and development of motivational incentives and performance improvement
- **Sport tourism:** any activity in which people are attracted to a particular location as a participant, spectator, or visitor to sport attractions, or as an attendee of sport-related business meetings
- **Tourist attraction:** place of interest that pulls visitors to a destination and is open to the public for entertainment or education
- **Trade shows/trade fairs:** can be stand-alone events, or adjoin a convention or conference and allow a range of vendors to showcase their products and services either to other businesses or to consumers
- **Wine tourism:** tourism experiences where exploration, consumption, and purchase of wine are key components

Exercises

1. Review the categories of events. What types of events have you ever attended in person? What types of events are held in your community? Try to list at least one for each category.
2. Should the government (municipal, provincial, federal) support festivals and events? Why or why not?
3. Aside from convention centres, where else can meetings, conventions, and conferences be held? Use your own creative ideas to list at least five other venues.
4. What are some of the main sources of revenue for attractions (both mainstream and cultural/heritage attractions)? What are the main expenses?
5. Should private sector investors receive government funding for tourism entertainment facilities? Should they be required to contribute their revenues to the community? Why or why not?
6. Name a cultural or heritage attraction in your community. Where does its revenue come from? What are its major expenses? Who are its target markets? Based on this information, make three key recommendations for sustaining its business.
7. Do you agree with certain animal rights groups that zoos should be shut down? Why or why not?

Case Study: Merridale Estate Cidery

Purchased by husband and wife team Janet Docherty and Rick Pipes in 2000, Merridale Estate Cidery is located in the Cowichan Valley on Vancouver Island. The cidery itself was established by the previous owner in 1990 who planted apple trees in the location, which is considered ideal by many for its terrain and climate. With the purchase of the cidery, Janet and Rick undertook an extensive renovation in order to transform the facility into an agritourism attraction. They expanded the cellar and tasting rooms and created the Cider House in 2003 from which they began running tours and tastings. From there they added:

- The Farmhouse Store with retail sales of their cider product, local agriculture products, and BC arts and crafts
- The Bistro and Orchard Cookhouse, two distinct food and beverage operations
- The Brick Oven Bakery (producing artisanal baked goods in its on-site brick oven)
- Yurts (two cabin-style tents) for onsite accommodation

The cidery is now a destination for special events such as weddings. It also runs an InCider Club for frequent purchasers of its products.

Visit the Merridale website and answer the following questions:

1. What is Merridale's core business?
2. Who are its customers?
3. Merridale comprises food and beverage, retail, accommodations, and is an attraction. How would you classify it as a tourism operation?
4. Is Merridale a seasonal operation? What would you consider to be its peak season? How has it extended revenue-earning opportunities?
5. Merridale's slogan is "Apples Expressed." Does this tagline capture its essence? Why or why not?
6. Consider Merridale's products, experiences, and markets. What partners should the cidery work with, either globally or locally, to attract business? Name at least three.
7. Do you think Merridale should add components, or eliminate components, from its business? Explain your answer.

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6.4 Trends and Issues

So far in this chapter, we've looked at entertainment experiences from wine to gambling, from farm-fresh foods to museums and galleries, and at many things in between. But the entertainment sector doesn't exist in a perfect world. Now let's examine some of the trends and issues in the sector today. Festivals, events, and other entertainment experiences can have significant positive and negative impacts on communities and guests.

Impacts of Entertainment

Each type of festival, event, or attraction will have an impact on the host community and guests. Table 6.2 lists some of the positive impacts that can be built upon and celebrated. It also lists some of the potential negative impacts event coordinators should strive to limit.

Table 6.2 Positive and negative impacts of entertainment activities (festivals, events, attractions) on the guest and host communities

[Skip Table]		
Type of Impact	**Positive Impacts**	**Negative Impacts**
Social and Cultural	• Shared experience • Revitalizing traditions • Building community pride • Assisting community groups • Expanding cultural perspectives	• Community alienation • Negative community image • Bad behaviour • Substance abuse or addiction • Social dislocation
Physical and Environmental	• Increasing environmental awareness • Ensuring infrastructure legacy • Improved transport/communications • Urban transformation and renewal	• Climate change • Environmental damage • Pollution • Destruction of heritage • Noise disturbance • Traffic congestion
Political	• International prestige • Improved profile • Promotion of investment in the host community • Social cohesion • Development of event/administrative skills	• Risk of event failure • Misallocation of funds • Lack of accountability • Propaganda purposes • Loss of ownership and control • Legitimization of political ideology
Tourist and Economic	• Destination promotion • Increased tourist visits • Extended length of visitor stay • Higher economic yield • Increased tax revenue • Permanent and temporary job creation	• Community resistance to tourism • Loss of authenticity • Damage to reputation • Exploitation • Inflated prices • Opportunity costs

Technology

The role of technology has shifted much of the guest experience from the physical to the virtual. Online gambling, virtual exhibits, and live streaming animal habitat cams are just a few of the new ways that visitors can be entertained, often without having to visit the destination. As this type of experience continues to thrive, the sector must constantly adapt to capture revenues and attention.

Chapter 7. Transportation

Learning Objectives

- Understand the role of transportation in the tourism industry
- Recognize milestones in the development of the air industry and explain how profitability is measured in this sector
- Report on the historic importance of rail travel and challenges to rail operations today
- Describe water-based transportation segments including cruise travel and passenger ferries
- Recognize the importance of transportation infrastructure in tourism destinations
- Specify elements of sightseeing transportation, and explain current issues regarding rental vehicles and taxis
- Identify and relate industry trends and issues including fuel costs, environmental impacts, and changing weather

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7.1 Air

The transportation sector is vital to the success of our industry. Put simply, if we cannot move people from place to place — whether by air, sea, or land — we do not have an industry.

This chapter takes a broad approach, covering each segment of the transportation sector globally and nationally. Let's start our review by taking a look at the airline industry.

According to the **International Air Transport Association (IATA)**, in 2018, airlines transported more people than ever, 4.1 billion people across a network of 25,000 origin to destination (O-D) passenger journeys generating over 58 million jobs and $2.7 trillion in business activity (International Air Transport Association, 2019).

Spotlight On: International Air Transport Association

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing around 240 airlines or 84% of total air traffic. It supports many areas of aviation activity and helps formulate industry policy on critical aviation issues (IATA, 2018). For more information, visit the International Air Transport Association website.

The first commercial (paid) passenger flight took place in Florida on New Year's Day 1914 as a single person was transported across Tampa Bay (IATA 2014a). There have been a number of international aviation milestones since that flight, as illustrated in Table 2.1.

Table 2.1 Milestones in the commercial aviation industry[1]

Year	Milestone
1919	KLM Koninklijke Luchtvaart Maatschappij or Royal Dutch Airlines) starts operations, making it the oldest airline still in operation.
1930	Boeing Air Transport (now known as United) introduces the first flight attendant.
1934	The first piece of airmail travels across the Atlantic via Deutsche Luft Hansa (now Lufthansa).
1939	The first passenger flight travels across the Atlantic on Pan American airlines.
1944	The Chicago Convention on International Civil Aviation takes place, giving rise to the aviation industry as we know it.
1952	The first passengers travel by commercial jet on British Overseas Airways Corporation (BOAC).
1971	The first low-cost carrier is introduced as Southwest Airlines enters the market.
1976	The Concorde enters service as the first supersonic aircraft.
1978	The United States deregulates the air industry.
1981	American Airlines introduces the first frequent flyer program.
2001	The 11th of September 2001 marks a turning point in international civil aviation; the first use of civil aircraft as weapons of mass destruction.
2007	Singapore Airlines introduces passenger service aboard the Airbus A380 (currently the world's largest passenger aircraft).
2011	KLM operates the first passenger biofuel flights.
2020	The number of passenger jets in service is the lowest in 26 years with airlines worldwide slashing capacity to close to zero or not flying at all (January to April).

Rules and Regulations

Aviation is a highly regulated industry as it crosses many government jurisdictions. This section explores key airline regulations in more detail.

1. Data source: IATA, 2014a.

Open Skies

Figure 7.1 Image credit: imagii

The term **open skies** refers to policies that allow national airlines to fly to, and above, other countries. These policies lift restrictions where countries have good relationships, freeing up the travel of passengers and goods.

Take a Closer Look: The 1944 Chicago Convention on International Civil Aviation

This document contains the original statements from the convention that created the airline industry as we know it, providing a preamble statement as well as detailed articles pertaining to a range of issues from cabotage to pilotless aircraft. Read the 1944 Chicago Convention on International Civil Aviation [PDF].

Canada's approach to open skies is the **Blue Sky Policy**, first implemented in 2006. The National Airlines Council of Canada (NACC) and Canadian Airports Council (CAC) support the Blue Sky Policy.

While opening up air transport agreements (ATAs) with other jurisdictions is important, the Canadian government does not provide blanket arrangements, instead, negotiating "when it is in Canada's overall interest to do so" (Government of Canada, 2014a). Some suggest the government should be more liberal with air access so more competitors can enter the market, potentially attracting more visitors to the country (Fu, Oum, & Zhang (2010); Gill & Raynor, 2003).

Taxes and Fees

For years, the aviation industry has argued that the high level of taxes and fees are unsustainable for the sector. According to a 2012 Senate study on issues related to the Canadian airline industry, Canadian travellers are being grounded by airline fees, fuel surcharges, security taxes, airport improvement fees, and other additional costs.

Airports are charged rental fees by the Canadian government ($4.8 billion from 1992 to 2004), which they pass on to the airlines, who in turn transfer the costs to travellers. Some think eliminating rental fees would make Canadian airports more competitive, and view rental and other fees as the reason 5 million Canadians went south of the border for flights in 2013, where passenger fees are 230% lower than in Canada (Hermiston & Steele, 2014).

Profitability

> Running an airline is like having a baby: fun to conceive, but hell to deliver.
> —C. E. Woolman, principal founder of Delta Air Lines (*The Economist*, 2011).

As the quote above suggested, airlines are faced with many challenges. In addition to operating in a strict regulatory environment, airlines yield extremely small profit margins. Passenger growth in 2017 was supported by a broad-based improvement in global economic conditions and by lower airfares, mainly earlier in the year. Lower fares have been a tailwind for passenger demand since late 2014 and have helped to drive the RPK/GDP multiplier above its long-term median level for three years in a row. In 2017 the industry accumulated $ billion worldwide in revenues, although global profit margins were just 1.5% (IATA, 2014a). To put that into perspective, while the average airline earned 1.5%, Amazon's profit margins were almost 14 times that at 20.15% (YCharts, 2014).

Passenger Load Factor

Key to airline profitability is the **passenger load factor**, which relates how efficiently planes are being used. The load factor for a single flight can be determined by dividing the number of passengers by the number of seats. Demand grew faster than capacity, increasing the passenger load factor by 0.7 percentage points in 2019.

Figure 7.2 Lufthansa Airbus 380-800. Image credit: wilco737

Passenger load factors in the airline industry reached a high of 80.3% in 2019, which was attributed to increased volumes and strong capacity management in key sectors (IATA, 2104a). One way of increasing capacity is by using larger aircraft. For instance, the introduction of the Airbus A380 model has allowed up to 40% more capacity per flight, carrying up to 525 passengers in a three-class configuration, and up to 853 in a single-class configuration (Airbus, 2014). Some carriers are now retiring the A380 model from their fleet (Airbus, 2020).

Ultra Low-Cost Carriers

Another key factor in profitability is the airline's business model. In 1971, Southwest Airlines became the first **low-cost carrier (LCC)**, revolutionizing the industry. The LCC model involved charging for all extras such as reserved seating, baggage, and on-board service, and cutting costs by offering less legroom and using non-unionized workforces. Typically, an LCC has to run with 90% full planes to break even (Owram, 2014). The high-volume, lower-service system is what we have become used to today, but at the time it was introduced, it was groundbreaking. Over the past several years, the model is now called an **Ultra Low Cost Carrier** (**ULCC**) with extremely low costs and unbundled services. Examples of Canadian ultra low-cost carriers include Swoop and Flair.

Ancillary Revenues

The LCC and ULCC models, combined with tight margins, led to today's climate where passengers are charged for value-added services such as meals, headsets, blankets, seat selection, and bag checking. These are known in the industry as **ancillary revenues**. Profits from these extras rose from $36 billion in 2012 to $42 billion in 2013, or more than $13 a passenger. An average net profit of only $3.39 per passenger was retained by airlines (IATA, 2014a).

As you can see, airlines must strive to maintain profitability, despite thin margins, in an environment with heavy government regulation. But at the same time, they must be responsible for the safety of their passengers.

Air Safety and Security

IATA encourages airlines to view safety from a number of points, including reducing operational risks such as plane crashes, by running safety audit programs. They also advocate for improved infrastructure such as runway upgrades and training for pilots and other crew. Finally, they strive to understand emerging safety issues, including the outsourcing of operations to third-party companies (IATA, 2014a).

In terms of security, coordination between programs such as the Interpol Stolen and Lost Travel Documents initiative and other databases is critical (IATA, 2014a). As reservations and management systems become increasingly computerized, cyber-security becomes a top concern for airlines, who must protect IT (information technology) because their databases contain information about flights and passengers' personal information. Unruly passengers are also a cause of concern, with over 8,000 incidents reported worldwide every year (IATA, 2014a).

Now that we have a better sense of the complexities of the industry, let's take a closer look at air travel in Canada and the regional air industry.

Canada's Air Industry

Figure 7.3 An Air Canada Jazz plane. Image credit: Andrew E. Cohen.

In 1937, Trans-Canada Air Lines (later to become Air Canada) was launched with two passenger planes and one mail plane. By the 1950s, Canadian Pacific Airlines (CP Air) entered the marketplace, and an economic boom led to more affordable tickets. Around this time CP Air (which became Canadian Airlines in 1987) launched flights to Australia, Japan, and South America (Canadian Geographic, 2000). In 2001, Canadian Airlines International was acquired by Air Canada (Aviation Safety Network, 2012).

In 1996, the marketplace changed drastically with the entry of an Alberta-based LCC called WestJet. By 2014, WestJet had grown to become Canada's second major airline with more than 9,700 staff flying to 88 destinations across domestic and international networks (WestJet, 2014).

As it grew, WestJet began to offer services such as premium economy class and a frequent-flyer program, launched a regional carrier, and introduced transatlantic flights with service to Dublin, Ireland, evolving away from the LCC model (Owram, 2014). With those changes, and in the absence of a true low-cost carrier, in 2014, some other companies, added ULCC such as Swoop in 2019 and Flair Airlines.

However, outside of Air Canada and WestJet, airlines in Canada have found it very challenging to survive, and some examples of LCC startups like Harmony Airways and Jetsgo have fallen by the wayside.

Challenges to Canada's Air Industry

When looking at these failed airlines in Canada, three key challenges to success can be identified (Owram, 2014):

1. Canada's large geographical size and sparse population mean relatively low demand for flights.
2. Canada's higher taxes and fees compared with other jurisdictions (such as the United States) make pricing less competitive.
3. Canada's two dominant airlines are able to price new entrants out of the market.

In addition to these factors, the European debt crisis, a slow US economic recovery, more cautious spending by Canadians, and fuel price increases led to a $900 million industry loss in 2011 (Conference Board of Canada, 2012) prior to the industry returning to profitability in 2013.

Take a Closer Look: One Size Doesn't Fit All

In 2013, a special report to the Canadian Senate explored the concept that one size doesn't fit all when it comes to competitiveness in the country's airline industry. The report contains general observations about the industry as well as a number of recommendations to stakeholders, including airport managers. Read the report: "One Size Doesn't Fit All: the Future Growth and Competitiveness of Canadian Air Travel" [PDF].

Today, the Canadian airline industry directly employs roughly 141,000 people and is worth $34.9 billion in gross domestic product. It supports 330 jobs for every 100,000 passengers and contributes over $12 billion to federal and provincial treasuries, including over $7 billion in taxes (Gill and Raynor, 2013). In 2019, Canadian airlines carried over 80 million passengers and are a critical component of Canada's overall air transport and tourism sector and support over 630,000 jobs (NACC, 2019).

Given a highly complex regulatory environment, razor-thin profit margins, and intense competition, the airline industry is constantly changing and evolving at global, national, and regional levels. But one thing is certain: air travel is here to stay.

On the other hand, the rail industry has been faced with significant declines since air travel became accessible to the masses. Let's learn more about this sector.

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Lufthansa Airbus 380-800 by wilco737 on Flickr is licensed under a CC BY-NC-SA 2.0

C-FVKN – Air Canada Jazz Bombardier CRJ-100 by Andrew E. Cohen on Flickr is licensed under a CC BY-NC-ND 2.0 licence.

7.2 Rail

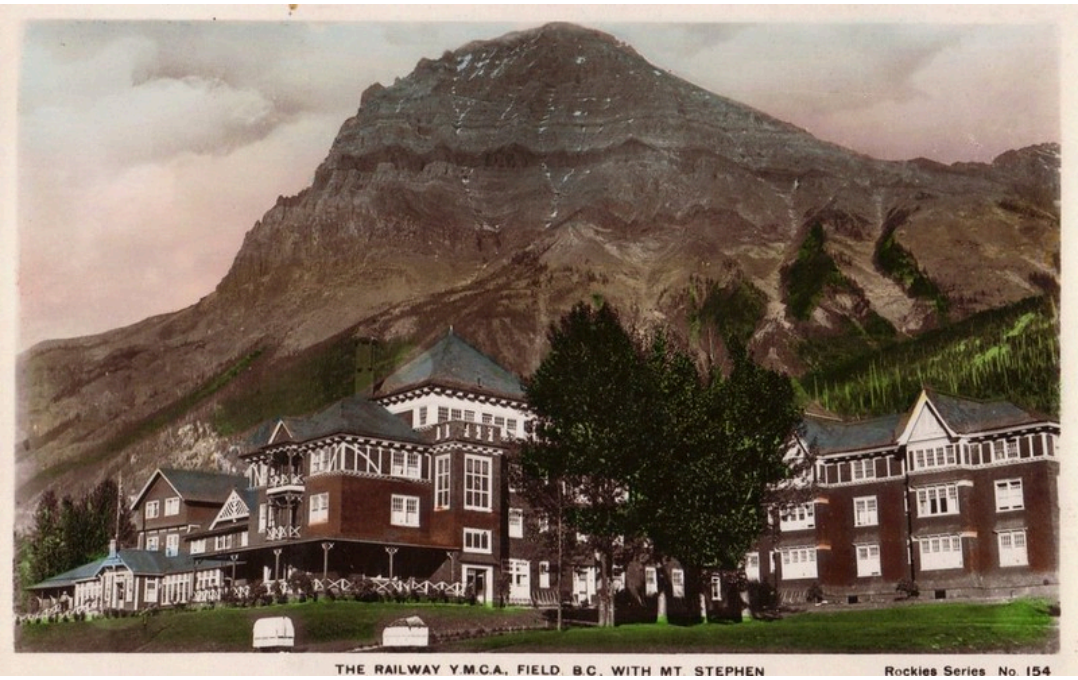

Figure 7.2.1 Postcard: C.P. Railway Y.M.C.A., Field, BC with Mt. Stephen. Built 1886. Demolished in 1963.Converted to a YMCA facility in 1918 housing mainly CPR employees. Image credit: Rob.

In Chapter 1, we looked at the historic significance of railways as they laid the foundation for the modern tourism industry. That's because in many places, including Canada, trains were an unprecedented way to move people across vast expanses of land. With the Canadian Pacific company opening up hotels in major cities, BC's hospitality sector was born and rail travel emerged.

Profitability

However, starting in the 1940s and 1950s, the passenger rail industry began to decline sharply. In 1945, Canadian railways carried 55.4 million passengers, but just 10 years later passenger traffic had dropped to 27.2 million. The creation of VIA Rail in 1977 as a Canadian Crown corporation was an attempt by the government to ensure rail travel did not disappear, but in the years since its founding, VIA has struggled, relying heavily on federal subsidies in order to continue operations.

Between 1989 and 1990, VIA lost over 45% of its ridership when it cut unprofitable routes, focusing on areas with better potential for revenue and passenger volumes. From there, annual ridership has stabilized at around 3.5 million to 4.0 million passengers per year, slowly increasing throughout the 1990s and 2000s (Dupuis, 2011).

Despite this slight recovery, there are a number of challenges for passenger rail in Canada, which will likely require continued government support to survive. Three key challenges to a successful passenger rail industry are:

1. Passenger rail must negotiate with freight for the right-of-use of tracks.

2. There is a limited potential of routes (with the highest volume existing in the Quebec-Windsor corridor).
3. Fixed-cost equipment is ageing out, requiring replacement or upgrading.

High-speed rail seems like an attractive option, but would be expensive to construct as existing tracks aren't suitable for the reasons given above. It's also unlikely to provide high enough returns to private investors (Dupuis, 2011). This means the Canadian government would have to invest heavily in a rapid rail project for it to proceed. As of 2020, no such investment was planned.

Spotlight On: Rocky Mountaineer Rail Tours

Founded in 1990, Rocky Mountaineer offers three train journeys through BC and Alberta to Banff, Lake Louise, Jasper, and Calgary, and one train excursion from Vancouver to Whistler. In 2013, Rocky Mountaineer introduced Coastal Passage, a new route connecting Seattle to the Canadian Rockies that can be added to any two-day or more rail journey (Rocky Mountaineer, 2014). For more information, please visit the Rocky Mountaineer website.

While the industry overall has been in a decline, touring companies like Rocky Mountaineer have found a financially successful model by shifting the focus from transportation to the sightseeing experience. The company has weathered financial storms by refusing to discount their luxury product, instead, focusing on unique experiences. The long planning cycle for scenic rail packages has helped the company stand their ground in terms of pricing (Cubbon, 2010). The product-experience is stratified into two "World-Class Service" guest experience choices, namely the Silver Leaf and the Gold Leaf for their three rail routes.

Rail Safety

In Canada, rail safety is governed by the **Railway Safety Act**, which ensures safe railway operation and amends other laws that relate to rail safety (Government of Canada, 2014b). The Act is overseen by the Minister of Transport. It covers grade crossings, mining and construction near railways, operating certifications, financial penalties for infractions, and safety management.

The Act was revised in late 2014 in response to the massive rail accident in July 2013 in Lac-Mégantic, Quebec. A runaway oil train exploded, killing 47 people, and subsequently MM&A Railway and three employees, including the train's engineer, were charged with criminal negligence (CBC News, 2014).

In addition to freight management issues, a key rail safety concern is that of crossings. As recently as April 2014, Transport Canada had to issue orders for improved safety measures at crossings in suburban Ottawa after a signal malfunctioned in the area (CTV News, 2014a). According to Operation Lifesaver Canada (2014), in 2011, there were 169 crossing collisions across Canada, with 25 fatalities and 21 serious injuries. In general, however, Canada's 73,000 kilometres of railway tracks safely transport both people and goods. And while railways in Canada, and elsewhere, are being forced to innovate, companies like Rocky Mountaineer (see Spotlight On above) give the industry glimmers of hope.

The rail industry shares some common history with the cruise sector. Let's now turn our focus to the water and learn about the evolution of travel on the high seas.

Image Credit

Postcard: C.P. Railway Y.M.C.A., Field, BC with Mt. Stephen, c.1940s on Flickr is a public domain image [copyright protection has expired].

7.3 Water

Figure 7.3.1 A cruise ship at Pier 20 and the Halifax Seaport Farmers Market, Halifax, NS. Image credit: Halifax Regional Municipality Public Affairs office

Travel by water is as old as civilization itself. However, the industry as we know it began when Thomas Newcomen invented the steam engine in 1712. The first crossing of the Atlantic by steam engine took place in 1819 aboard the SS *Savannah*, landing in Liverpool, England, after 29 days at sea. Forty years later, White Star Lines began building ocean liners including the *Olympic*-class ships (the *Olympic*, *Britannic*, and *Titanic*), expanding on previously utilitarian models by adding luxurious amenities (Briggs, 2008).

A boom in passenger ship travel toward the end of the 1800s was aided by a growing influx of immigrants from Europe to America, while more affluent passengers travelled by steamship for pleasure or business. The industry grew over time but, like rail travel, began to decline after the arrival of airlines. Shipping companies were forced to change their business model from pure transportation to "an experience," and the modern cruise industry was born.

The Cruise Sector

We've come a long way since the *Olympic* class of steamship. Today, the world's largest cruise ship, MS *Oasis of the Seas*, has an outdoor park with 12,000 plants, an 82-foot zip wire, and a high-diving performance venue. It's 20 storeys tall and can hold 5,606 passengers and a crew of up to 2,394 (Magrath, 2014). A crew on a cruise ship will include the captain, the chief officer (in charge of training and maintenance), staff captain, chief engineer, chief medical officer, and chief radio officer (communication, radar, and weather monitoring).

Spotlight On: Cruise Lines International Association

Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association with representation in North and South America, Europe, Asia, and Australasia. CLIA represents the interests of cruise lines and travel agents in the development of policy. CLIA is also engaged in travel agent training, research, and marketing communications (CLIA, 2014). For more information on CLIA, the cruise industry, and member cruise lines and travel agencies, visit the Cruise Lines International Association website.

Cruising the World

According to CLIA, 30 million passengers were expected to travel worldwide on 63 member lines in 2019. Projections for 2020 were 32 million passengers expected to cruise (CLIA, 2020). Given increased demand, 24 new ships were expected in 2014–15, adding a total capacity of over 37,000 passengers.

Over 55% of the world's cruise passengers are from North America, and the leading destinations (based on ship deployments), according to CLIA, are:

- The Caribbean (37%)
- The Mediterranean (19%)
- Northern Europe (11%)
- Australia/New Zealand (6%)
- Alaska (5%)
- Asia (4%)
- South America (3%)

River Cruising

While mass cruises to destinations like the Caribbean remain incredibly popular, river cruises are emerging as another strong segment of the industry. The key differences between river cruises and ocean cruises are (Hill, 2013):

1. River cruise ships are smaller (400 feet long by 40 feet wide on average) and can navigate narrow passages.
2. River cruises carry fewer passengers (about 10% of the average cruise, or 200 passengers total).
3. Beer, wine, and high-end cuisine are generally offered in the standard package.

The price point for river cruises is around the same as ocean trips, with the typical cost ranging from $2,000 to $4,000, depending on the itinerary, accommodations, and other amenities.

From 2008 to 2013, river cruises saw a 10% annual passenger increase. Europe leads the subcategory, while emerging destinations include a cruise route along China's Yangtze River. As the on-board experience differs greatly from a larger cruise (no play areas, water parks, or on-board stage productions), the target

demographic for river cruises is 50- to 70-year-olds. According to Torstein Hagen, founder and chairman of Viking, an international river cruising company, "with river cruises, a destination is the destination," although many river cruises are themed around cultural or historical events (Hill, 2013).

Figure 7.3.2 Uniworld's River Beatrice in Passau, Germany. Image credit: Gary Bembridge.

Cruising in Canada

According to a study completed for the North West & Canada Cruise Association (NWCCA) and its partners, in 2012, approximately 1,100 cruise ship calls were made at Canadian cruise ports generating slightly more than 2 million passenger arrivals throughout the six-month cruise season (BREA, 2013). The study found three key cruise itineraries in Canada:

1. Canada/New England
2. Quebec (between Montreal and Quebec City and US ports)
3. Alaska (either departing from, or using, Vancouver or another BC city as a port of call)

These generated $1.16 billion in direct spending. Cruising also generated almost 10,000 full- and part-time jobs paying $397 million in wages and salaries. The international cruise industry also generated an estimated $269 million in indirect business and income taxes in Canada, and the majority of this spending was in British Columbia (BREA, 2013).

Cruising isn't the only way for visitors to experience the waters of Canada. In fact, the vast majority of our water travel is done by ferry. Let's take a closer look at this vital component of transportation infrastructure.

Ferries

Canada is home to over 180 different ferry routes with a route presently operating in each province and the majority of the territories. These ferries represent a mix of private and publicly operated routes and well as a mix of passenger, freight, and mixed-use ferries.

Transportation through waterways has always been a crucial part of Canada's history. From the First Nations

traveling by canoes through rivers, lakes and parts of the oceans to the early explorers, there has always been an emphasis on the transportation of people by boats.

The British and French colonies saw the development of more modern types of transportation on waterways including ferries that functioned to transport the public (usually private ferries) and troops (public ferries).(Canadian Ferry Association, 2021)

Figure 7.3.3 BC Ferries Spirit of Vancouver Island. Image credit: Craig Bennett.

In 2011, *Travel + Leisure Magazine* profiled several notable ferry journeys in the article "World's Most Beautiful Ferry Rides," including:

- An 800-mile ferry voyage through Chile's Patagonian fjords
- A three-mile trip from the Egyptian Spice Market to Istanbul, Turkey
- Urban ferry rides including Hong Kong's Victoria Harbour, Australia's Sydney Harbour, and New York City's Staten Island Ferry

The article also featured the 15-hour trip from Port Hardy to Prince Rupert on British Columbia's coast (Orcutt, 2011).

While cruising is often a pleasant and relaxing experience, there are a number of safety concerns for vessels of all types.

Cruise and Ferry Safety

One of the major concerns on cruise lines is disease outbreak, specifically the norovirus (a stomach flu), which can spread quickly on cruise ships as passengers are so close together. The US Centers for Disease Control's (CDC) vessel sanitation program is designed to help the industry prevent and control the outset, and spreading, of these types of illnesses (Briggs, 2008).

Accidents are also a concern. In 2006, the BC Ferries vessel MV *Queen of the North* crashed and sank in the Inside Passage, leaving two passengers missing and presumed dead. The ship's navigating officer was charged

with criminal negligence causing their deaths (Keller, 2013). More recently, a "hard landing" at Duke Point terminal on Vancouver Island caused over $4 million in damage. BC Ferries launched a suit against a German engineering firm in late 2013, alleging a piece of equipment failed, making a smooth docking impossible. The Transportation Safety Board found that staff aboard the ship didn't follow proper docking procedures, however, which contributed to the crash (Canadian Press, 2013).

Spotlight On: The Transportation Safety Board

The **Transportation Safety Board (TSB)** investigates marine, pipeline, rail, and air incidents. It is an independent agency that reviews an average of 3,200 events every year. It does not determine liability; however, coroners and medical examiners may use TSB findings in their investigations. The head office in Quebec manages 220 staff across the country. For more information, visit the Transportation Safety Board website.

We've covered the skies, the rails, and the seas. Now let's round out our investigation of transportation in tourism by delving into travel on land.

Image Credits

7.4 Land

While much of this text has placed significance on the emergence of the railways as critical to the development of our industry, roadways have also played an integral role. Our roads have evolved from First Nations trails, to Fur Trade and Gold Rush routes, to Wagon Roads and Trunk Roads — finally becoming the highway system we know today (British Columbia Ministry of Transportation and Highways, n.d.).

Today, land-based travel is achieved through a complex web of local transit, taxis, rentals, walking, and short-term sightseeing. This section briefly explores these options.

Scenic and Sightseeing Travel

It's common for visitors to want to explore a community and appreciate the sights. We've already learned a little about the rail-based sightseeing company, Rocky Mountaineer. Many destinations also offer short-term, hop-on-hop-off bus and trolley tours. Others feature trams and trolleys. Outside of impromptu excursions, sightseeing tours are often put together by inbound tour operators.

Transit and Destination Infrastructure

Many Tourism Master Plans acknowledges the importance of transportation infrastructure for the tourism industry. Priorities for future development by the city include (Tourism Vancouver, 2013):

- Improving accessibility for people with disabilities
- Creating a transit loop between downtown attractions
- Supporting ferries
- Providing late-night transit
- Investigating and implementing a public bike share
- Developing more transit options
- Working with taxi companies to explore a strategic plan for taxi operations
- Enhancing walkability by implementing recommendations from the Pedestrian Safety Study and Action Plan

These action items were developed in consultation with industry stakeholders as well as residents, and reflect the interrelated elements that make up a destination's transportation infrastructure.

Rentals and Taxis

Today, when travellers aren't using their own cars, automobile travel is traditionally split between rental vehicles, taxis (including limousines), or ride sharing.

Rentals

In North America, there are three main brands that represent approximately 85% of the rental car business: Enterprise (includes National and Alamo), Hertz (includes Dollar and Thrifty), and Avis. One of the reasons that brands have consolidated over time is the high fixed cost of operation as vehicles are purchased, maintained, and disposed of. Fierce competition means prices are checked and updated thousands of times a day. The business is also highly seasonal, with high traffic in summer and spring, and so fleet management is critical for profitability. Rental companies tend to use enplanements (the numbers of passengers travelling by air), as a measurement of market trends that influence rental usage (DBRS, 2010).

Taxis

In Vancouver, the right to operate a taxi is based on a permit system, and each permit costs the original holder $100. But because of the limited number of permits available, those who hold one are able to auction it off for over $800,000 and keep the profit. As a result, passengers in Vancouver paid an average of 73% more for the equivalent trip in Washington, D.C. Drivers from areas outside the city depositing passengers in Vancouver are also not permitted to pick up fares on the return trip, having to drive across their boundaries (Proctor, 2014).

Ridesharing appslike Uber, which allow people to find a ride using their mobile phone, have emerged to exert influence on car travel in key destinations. In most major cities where ridesharing is available, these apps have rapidly undercut the taxi industry. In SanFransico for example, according to the city's transit authority, per month, trips by taxi have plummeted from 1,424 in 2012 to 504 in 2014, even though taxi operators maintain a monopoly over rides from the airport (Kuittinen, 2014). In New York City, however, the price of medallions (similar to Vancouver's taxi permits) continues to hover above $950,000. In large markets like Manhattan, passengers continue to hail cabs on the street at the moment, with e-hails (electronic taxi hails) at 0.17% of the market (Brustein & Winter, 2014).

Uber is available in hundreds of cities internationally so you may already be familiar with the app, or may even already have it downloaded to your phone. Uber offers a variety of vehicles, with UberX being the most affordable, standard sedan option all the way up to Select which includes more stylish rides. As this and other examples illustrate, the transportation sector is vulnerable to regulatory, technological, operational, and business trends. Let's look at these in more detail.

7.5 Trends and Issues

This section explores issues directly relating to transportation today including fuel cost, labour, and environmental impacts. For more information on one of the biggest trends in tourism, online travel agencies (**OTAs**), and how online bookings impact the transportation sector, please see Chapter x.

Fuel Cost

When it comes to moving people, fuel cost is critical. The cost of jet fuel is one of the single highest factors in airline profitability. In 2013, the average cost was around $125 per barrel, which was $5 less than the previous year (IATA, 2014a). Cruise ships consume a lower grade of diesel than do land vehicles, but they consume a lot of it. The *QE2*, for example, consumes roughly 380 tonnes of fuel every day if travelling at 28.5 knots (Briggs, 2008).

Labour

As in all tourism-related sectors, cyclical labour shortages can significantly impact the transportation industry. In the aviation sector, a forecast found that by 2032 the world's airlines will need 460,000 additional pilots and 650,000 new maintenance technicians to service current and future aircraft. The drive to find employees also extends to the maritime sector, where the International Maritime Organization (IMO) launched a "Go to sea!" campaign to attract more workers to the field (PWC, 2012).

Environmental Impacts

In addition to fuel and labour costs, and regulations we've covered already, the transportation sector has a significant impact on the natural environment.

Air Impacts

According to the David Suzuki Foundation (2014), the aviation industry is responsible for 4% to 9% of climate change impacts, and greenhouse gas emissions from flights have risen 83% since 1990. Airline travel has a greater emissions impact than driving or taking the train per passenger kilometre, which caused a bishop in the UK to famously declare that "Making selfish choices such as flying on holiday [is] a symptom of sin" (Barrow, 2006).

Rail Impacts

Rail travel is widely regarded as one of the most environmentally friendly modes of transportation due to its low carbon dioxide emissions. Railways come under fire outside of the tourism realm, however, as freight shipping can produce hazards to resident health including an increased risk of developing cancer and noise pollution (The Impact Project, 2012).

Cruise Impacts

Cruise ships can generate significant pollution from black water (containing human waste), grey water (runoff from showers, dishwashers, sinks), bilge water (from the lowest compartment of the ship), solid waste (trash), and chemical waste (cleaners, solvents, oil). One ship can create almost a million litres of grey water, over 113,000 litres of black water, and over 140,000 litres of bilge water every day. Depending on the regulations in the operating areas, ships can simply dump this waste directly into the ocean. Ballast tanks, filled to keep the ship afloat, can be contaminated with species which are then transported to other areas, disrupting sensitive ecosystems (Briggs, 2008).

Land Impacts

A recent study found that the impact of travel on land is highly dependent on the number of passengers. Whereas travelling alone in a large SUV can have high emissions per person (as high as flying), increasing the number of passengers, and using a smaller vehicle, can bring the impact down to that of train travel (*Science Daily*, 2013).

For more information on the environmental impacts of the transportation sector, and how to mitigate these, read Chapter 8 – Environmental Stewardship.

Weather

As you've learned, the transportation sector can have an effect on climate change, and changes in weather have a strong effect on transportation. According to Natural Resources Canada (2013), some of these include:

- More drastic freeze-thaw cycles, destroying pavement and causing ruts in asphalt
- Increased precipitation causing landslides, washing out roads, and derailing trains
- Effects and costs of additional de-icing chemicals deployed on aircraft and runways (over 50 million litres were used worldwide in 2013)
- Delayed flights and sailings due to increased storm activity
- Millions of dollars of infrastructure upgrades required as sea levels increase and flood structures (replacing or relocating bridges, tunnels, ports, docks, dykes, helipads and airports)

The threat of climate change could significantly impact sea-level airports such as YVR, and some 50 additional registered airports across Canada that sit at five metres or less above sea level (Natural Resources Canada, 2013).

For this reason, it's important that the sector continue to press for innovations and greener transportation choices, if only to ensure future financial costs are kept at bay.

7.6 Conclusion

Tourism, freight, and resource industries such as forestry and mining sometimes compete for highways, waterways, and airways. It's important for governments to engage with various stakeholders and attempt to juggle various economic priorities — and for tourism to be at the table during these discussions.

This chapter has taken a brief look at one of the most complex, and vital, components of our industry. Chapter 3 covers accommodations and is just as essential.

Key Terms

- **Ancillary revenues:** money earned on non-essential components of the transportation experience including headsets, blankets, and meals
- **Blue Sky Policy:** Canada's approach to open skies agreements that govern which countries' airlines are allowed to fly to, and from, Canadian destinations
- **Cruise Lines International Association (CLIA):** the world's largest cruise industry trade association with representation in North and South America, Europe, Asia, and Australasia
- **International Air Transport Association (IATA)**: the trade association for the world's airlines
- **Low-cost carrier (LCC):** an airline that competes on price, cutting amenities and striving for volume to achieve a profit
- **National Airports Policy (NAP):** the 1994 policy that saw the transfer of 150 airports from federal control to communities and other local agencies, essentially deregulating the industry
- **Open skies:** a set of policies that enable commercial airlines to fly in and out of other countries
- **Passenger load factor:** a way of measuring how efficiently a transportation company uses its vehicles on any given day, calculated for a single flight by dividing the number of passengers by the number of seats
- **Railway Safety Act:** a 1985 Act to ensure the safe operation of railways in Canada
- **Ridesharing apps:** applications for mobile devices that allow users to share rides with strangers, undercutting the taxi industry
- **Transportation Safety Board (TSB):** the national independent agency that investigates an average of 3,200 transportation safety incidents across the country every year
- **Ultra-low cost carrier (ULCC):** an airline that competes on price, cutting amenities and striving for volume to achieve a profit

Exercises

1. When did the first paid air passenger take flight? What would you say have been the three biggest milestones in commercial aviation since that date?
2. If a flight with 500 available seats carries 300 passengers, what is the passenger load factor?
3. Why is it difficult for new airlines to take off in Canada?
4. What are the key differences between river cruises and ocean cruises? Who are the target markets for these cruises?
5. Which cities attract more than 50% of the cruise traffic in Canada?
6. What are some of the environmental impacts of the transportation sector? Name three. How might these be lessened?

Case Study: Air North

Founded in 1977 by Joseph Sparling and Tom Wood, Air North is a regional airline providing passenger and cargo service between Yukon and destinations including BC, Alberta, and Alaska. In 2012, Air North surpassed one million passengers carried. Employing over 200 people, the airline is owned in significant part by the Vuntut Development Corporation, the economic arm of the Vuntut Gwitchin First Nation (VGFN). In fact, one in 15 Yukoners owns a stake in the airline (Air North, 2015).

The ownership model has meant that economic returns are not always the priority for shareholders. As stated on its website, "the maximization of profit is not the number one priority," as air service is a "lifeline" to the VGFN community. For this reason, service and pricing of flights is extremely important, as are employment opportunities.

Visit the corporate information portion of the Air North website and answer the following questions:

1. What is the number one priority of Air North? How is the company structured to ensure it can meet its goals in this area?
2. What does Air North consider to be its competitive advantage? How does this differ from other airlines?
3. Describe the investment portfolio of the Vuntut Development Corporation. What types of companies does it own? Why might *they* have selected these types of initiatives?
4. List at least three groups that have a stake in the airline. What are their interests? Where do their interests line up, and where do they compete?
5. In your opinion, would this regional airline model work in your community? Why or why not?

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Chapter 8. Environmental Stewardship

Learning Objectives

- Define commonly used environmental stewardship terminology
- Explain how the destination life cycle works and how it affects tourism destinations
- Articulate the impacts of climate change on tourism
- Identify other environmental impacts caused by, and affecting, tourism and hospitality sectors
- Describe various frameworks and models for environmental stewardship in the tourism industry including sustainable tourism, responsible tourism and ecotourism
- Describe a variety of initiatives to mitigate the impacts of environmental damage
- Illustrate the conflicts that exist between tourism and resource extraction in Canada

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8.1 Definitions and Environmental Stewardship Ideas

One of the main reasons people travel is to visit areas that are unspoiled, natural, beautiful, or unique in terms of their local environment. Unfortunately, through our actions either as tourism businesses or as visitors, we risk damaging the natural environments we depend on (Hardin, 1968; Williams & Ponsford, 2008). Establishing management practices in tourism that limit harm and damage to the environment is a key priority for most tourism destinations. For this reason, **environmental stewardship** in tourism is of paramount importance.

Environmental stewardship can be defined as "the responsible use (including conservation) of natural resources in a way that takes full and balanced account of the interests of society, future generations, and other species, as well as of private needs, and accepts significant answerability to society" (Worrell & Appleby, 2000, p. 263). Further to this, indigenous peoples within Canada see people and communities as integral pieces to the land management and caretaking process. As noted by the Assembly of First Nations (2020):

> Indigenous peoples are caretakers of Mother Earth and realize and respect her gifts of water, air and fire. First Nations peoples' have a special relationship with the earth and all living things in it. This relationship is based on a profound spiritual connection to Mother Earth that guided indigenous peoples to practice reverence, humility and reciprocity. It is also based on the subsistence needs and values extending back thousands of years. Hunting, gathering, and fishing to secure food includes harvesting food for self, family, the elderly, widows, the community, and for ceremonial purposes. Everything is taken and used with the understanding that we take only what we need, and we must use great care and be aware of how we take and how much of it so that future generations will not be put in peril.

This chapter explores the concept of environmental stewardship, the impacts of tourism on the natural environment (and vice versa), and ways we can minimize these impacts.

Figure 8.1.1 Grizzly Bear at Namu, BC. Image credit: A.Davey.

Generally speaking, environmental education, research, stewardship and practice have been informed by the traditions of western, Euro-centric culture. It is critical to note that Indigenous peoples throughout the world, including the various Indigenous Nations

throughout the land now known as British Columbia have always been the original stewards of their Territories and lands.

Stewardship is often defined as having the duty of and then actively participating in the careful management of resources. Resource stewardship concepts have roots in a diversity of early practices, often founded on intimate connections between humans, their unique cultural practices and nature (McMillen et. al., 2020). Indigenous knowledge and practices of stewardship concepts were pushed aside for decades as European and white settlers in Canada removed Indigenous people from their Lands and implemented Euro-centric systems of land management (Kimmerer, 2013; Wildcat et. al., 2014). Indigenous peoples are often ideally suited to implement stewardship of lands due to in-depth knowledge of their Territories and the stewardship practices developed over centuries of ecosystem management and land connection (Bird & Nimmo, 2018; Kimmerer, 2013).

The topic of stewardship entered Western thought in the middle of the last century in the works of writers such as Aldo Leopard (*A Sand Country Almanac*), Garret Hardin (*The Tragedy of the Commons*), and Rachel Carson (*Silent Spring*). Building on this growing consciousness, concepts of sustainability and sustainable development was introduced into mainstream policy and thought.

One of the first commonly accepted definitions of **sustainable development** came from the World Commission on Environment and Development, later renamed the Brundtland Commission. It defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987, p. 41). Sustainable development models include aspects that interconnect components of social, economic and environmental sustainability, and how these components can work together for long-term, intergenerational outcomes.

A related concept is **environmental management**, where the natural resources of the environment are managed through policies designed to protect natural values while providing a framework for use. In tourism, this management may be the responsibility of many groups including individual operators, tourism industry organizations, non-governmental organizations, or government agencies (Mercer, 2004; Williams & Ponsford, 2008).

Figure 8.1.2 United Nations Photo UN Climate Change Conference Opens in Durban, South Africa. Image credit: United Nations

The Need for Change

Experts around the world agree that the need for stewardship has never been greater, as there exists overwhelming evidence that the environment is being irrevocably damaged by human actions. Climate change caused by increased greenhouse gas emissions (World Tourism Organization, 2008a) and the loss of biodiversity due to declining habitat loss are just two compelling issues.

Tourism, in particular, relies on environmental resources of land, waters, wildlife, air, etc. and often abuses these resources at the detriment to local people and ecological systems. Tourism continues to grow globally, and many tourists are in pursuit of pristine, natural environments. Development of tourism products results in increased urbanization, overuse, exceeding carrying capacity, and contamination of natural resources (Williams & Ponsford, 2008). Later in this chapter, we'll provide several examples of specific tourism and hospitality impacts and approaches to mitigating them.

There is one issue that is currently taking precedence over all others: climate change. The next section focuses specifically on this critical global issue and its relationship to the tourism industry.

Image Credits

8.6 Conclusion

Numerous studies suggest society will face increasing pressure for scarce resources and a changing natural environment due to habitat destruction, pollution, and climate change (Hardin, 1968; Mercer, 2004; Williams & Ponsford, 2008; Wong, 2004; World Tourism Organization, 2008b). The tourism industry must recognize its considerable contribution to this global challenge and take aggressive steps to mitigate the impacts.

Figure 8.6.1 Bertram Beach near Kelowna, one of many B.C. sites the industry should strive to keep beautiful. Image credit: Stuart Madden

On a global scale, the tourism industry needs to recognize its release of significant carbon emissions and explore ways to reduce these while maintaining the mobility needed for travel. On a local scale, tourism stakeholders need to recognize the risk they pose to the destruction of local pristine environments and take steps to ensure the sustainability of their operations. Only by working together can we ensure a future for tourism and our society as a whole.

This chapter has addressed a major risk to the tourism industry — the threat of environmental impacts and disasters on businesses and communities. Chapter 10 addresses the concept of risk management and legal liability in the industry.

Key Terms

- **BC Parks:** the agency responsible for management of provincial parks in British Columbia
- **Carbon offsetting:** a market-based system that provides options for organizations to invest in green initiatives to offset their own carbon emissions
- **Carrying capacity:** the maximum number of a given species that can be sustained in a specific habitat or biosphere without negative impacts
- **Crown land:** land owned and managed by either the provincial or federal governments; Crown land also lies within First Nations Territories and much of this land is unceded by First Nations
- **Crown land tenure:** rights given to commercial organizations to operate on Crown land
- **Direct climate impacts:** what will occur directly as a result of changes to the climate such as extreme weather events
- **Ecological footprint:** a model that calculates the amount of natural resources needed to support society at its current standard of living
- **Environmental accreditation or certification:** a voluntary system that establishes environmental standards and regulates adherence to reducing environmental impacts
- **Environmental Assessment Office:** the provincial agency responsible for reviewing large projects occurring on Crown land in BC
- **Environmental management:** policies and procedures designed to protect natural values while providing a framework for use
- **Environmental stewardship:** the practice of ensuring natural resources are conserved and used responsibly in a way that balances the needs of various groups
- **First Nations land:** land under Aboriginal title or that is managed by First Nations
- **Greenwashing:** the act of claiming a product is "green" or environmentally friendly solely for marketing and promotional purposes
- **Indirect environmental change impacts:** what will occur indirectly as a result of climate change, including damages to infrastructure
- **Ministry of Environment:** the provincial ministry responsible for the environment in BC
- **Monoculture:** a farming practice that depletes the soil and encourages the use of pesticides and fertilizers for increased production
- **Parks Canada:** the federal agency responsible for management of national parks, historic sites, and marine conservation areas
- **Private land:** any land where private property rights apply in BC
- **Responsible tourism:** a tourism management approach that focuses on identifying important issues to local people and their environments, addressing those issues and reporting/monitoring those issues in an effort to "make better places for people to live in and better places for people to visit"
- **Stewardship:** having the duty of and then actively participating in the careful management of resources
- **Sustainable development:** planning and development that is mindful of future generations while meeting society's needs today
- **Sustainable tourism:** a set of guidelines and management practices applied to all forms of tourism and destination types wherein areas of environmental, economic and socio-cultural aspects are addressed
- **Tourism carrying capacity (TCC):** the maximum number of people that can visit a specific habitat in a set period of time without negative impacts, and without compromising the visitor experience

- **Tourism paradox:** the concept that tourism operations destroy its very requirements for success — a pristine natural environment
- **Tragedy of the commons:** the tendency of society to overconsume natural resources for individual gain

Exercises

1. What does carrying capacity mean? Provide an example from your local tourism industry.
2. List five impacts that climate change will create and five corresponding implications for the tourism industry.
3. Articulate the difference between provincial Crown land, federal Crown land, private land, and Indigenous land.
4. Use the carbon footprint calculator to determine your household carbon footprint. How many tonnes of greenhouse gas (GHG) do you emit per year? Name three actions you could take to reduce your footprint.
5. Explain what the tourism paradox is, giving examples from your local tourism industry.
6. What is sustainable tourism and what are some important things to consider within a tourism destination for sustainable tourism to work? How is a sustainable tourism approach similar and/or different to a responsible tourism approach?
7. This video from the David Suzuki Foundation presents the case that insurance companies are reacting to climate change because it is impacting them financially through claims after extreme weather events. Watch the video Your insurance is being affected by climate change, here's how. What do you think? Will insurance companies continue to offer coverage in the face of increasing extreme weather events and large-scale insurance payouts?
8. Visit the website of The Story of Stuff Project. Watch the movies and review the fact sheets. Reflect on the message that the organization is delivering and answer the following questions:
    a. What is the core message of the organization? Why is it important?
    b. How can you as an individual make a real change to mitigate consumptive behaviour?
    c. Relating these principles to tourism, how would you implement them in a tourism company?

Case Study: Qat'muk / Jumbo Mountain Resort

The proposed Jumbo Mountain Resort within Ktunaxa Territory near Invermere BC had long been one of the most controversial tourism developments in BC. Proponents claimed that it will add a world-class skiing resort product to the economy. Opponents argue that the environmental impacts are not worth the limited economic return it offers, including threatening grizzly bears and other sensitive species (Lavoie, 2014). The Ktunaxa Nation did not consent to the development and fought the proposal in court. Ultimately, the Nation was victorious in court, and the final statement from the Ktunaxa Nation, including outcome of the 2020 decision [PDF], may be found online.

The planning process for the resort had taken over 20 years with initial permits issued in 2004. Since then the project faced several delays in order to clear conditions of its environmental assessment, one of which was to receive consent from the Ktunaxa Nation. In December 2014, the project was delayed again as the government asked for more time to evaluate whether the newly poured foundations for lodge buildings were located in avalanche zones (Shaw, 2014). Ultimately, the proposed ski resort area became part of a new Indigenous Protected and Conserved Area spanning approximately 70,000 hectares.

Conduct your own research about Qat'muk and the originally proposed Jumbo Mountain Resort using a minimum of three sources, and answer the questions below.

1. What are some of the negative socio-cultural and environmental impacts listed by those opposed to the resort?
2. How might those impacts have been mitigated? Did the company take any steps to do this?
3. What did this case study teach you about informed consent with Indigenous peoples?
4. Given documented record warm temperatures and low snowfall in other resort areas of the province, do you think new ski resorts are a good long-term investment? Why or why not?
5. What is the progress of the project today or any new resorts being developed in BC today? Do a scan of social media and news sites and try to determine where public opinion lies on new resort developments within BC.

Image Credits

Bertram Beach – Kelowna by Stuart Madden on Flickr is licensed under a CC BY 2.0 licence.

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8.5 Mitigating Tourism and Hospitality Impacts

Figure 8.5.1 Wolverine tracks in the snow. Image credit: Mount Rainier National Park

In recent years in Canada, the tourism industry has felt the impacts of climate change, habitat destruction, biodiversity loss, and increased conflicts over the use of natural areas. The winters of 2013/2014 and 2014/2015 were two of the warmest on record, and numerous low-elevation coastal mountain resorts were forced to close in the middle of the winter season (Hager, 2015). As well, the country is experiencing increased pressure on endangered wildlife species that draw tourists and residents alike.

Take a Closer Look: The Future of Mountain Resorts

With their dependence on quality snow conditions for guests, ski areas will likely be among the first to be impacted by climate change. Read an article on this topic from the *Tyee*, "Peak Snow? BC Ski Resorts Brace for Warmer Era."

In the face of this negative environmental news, there are a variety of initiatives underway that have the potential to implement real change. These include:

- Carbon offsetting
- Energy conservation
- Water conservation

- Food production management
- Waste management
- Accreditation

This section explores these potential solutions.

Carbon Offsetting

Carbon offsetting is a standardized, regulated system that provides organizations with the ability to invest in green initiatives that will counterbalance their emissions, hence creating a carbon neutral situation (David Suzuki Foundation, 2009).

The concept of **carbon offsetting** stems from a recognition that despite a desire to entirely eliminate carbon emissions, sometimes doing so isn't immediately feasible. Consequently, carbon offsetting has proven popular with tourism companies that can offset some or all of their emissions, either by themselves or by providing the opportunity for customers to do so. Examples are most commonly found in the transportation sector, where the reliance on traditional fossil fuels makes it challenging to completely eliminate carbon emissions.

Take the small B.C. airline Harbour Air, for instance. Since 2007, the company has completely offset all of the emissions produced by its airplanes by investing in energy-efficiency and fuel-switching projects in BC. The cost of the projects is passed on to passengers through a small levy added to the ticket price, and despite the cost increase, passenger traffic increased by 12% to 15% in the following year (Offsetters, n.d.).

Take a Closer Look: Carbon Offsetting and the Vancouver 2010 Winter Olympics

The Vancouver 2010 Winter Olympics were the first carbon-neutral Olympic Games. For more information, read the discussion paper, *Meeting the Challenge: A Carbon Neutral 2010 Winter Games*.

Carbon offsetting isn't just for the transportation sector, however. Tinhorn Creek Winery in Oliver has become a tourism destination for wine and culinary tourists and has some innovative conservation concepts. In addition to having an offsetting program, the winery runs its vehicles on biodiesel. It also holds virtual tastings with travel media over the web (media obtain samples of the product ahead of time), eliminating travel to the Okanagan to have a Tinhorn experience. The property remains dedicated to exploring sustainability concepts as its survival is based on mitigating climate change and the negative effects of drastic weather changes on wine production (Tinhorn Creek Winery, 2014).

Energy Conservation

It benefits all operators to do their part by reducing consumption and greenhouse gas emissions. Not only is this the right thing to do for the physical environment, it's also a means to save money.

For example, the Four Seasons in Vancouver reduced their electricity consumption by 4,000 megawatt hours in the period between fall 2012 and spring 2014. They did this by installing timers and photocells on lights, auditing

appliances, ensuring proper maintenance of the furnace and HVAC systems, and cleaning light fixtures and fans so these operated at their best. The energy reduction represented a savings of $135,000 for the property (Hui, 2014).

Take a Closer Look: Energy Conservation in the Hospitality Sector

BC Hydro's PowerSmart program for businesses has helped operators large and small — from BC Ferries to the Pear Tree Restaurant in Burnaby — to reduce their footprint and save money. Read success stories, check out helpful tools, and learn more about the program by visiting Hospitality: Increase profits by reducing energy costs.

BC Ferries is another organization that has realized energy savings. It did this with the help of BC Hydro education programs and incentives, retrofitting lighting and installing radiant heat in a workshop and toll booths. These efforts yielded an energy savings of over 335 megawatt hours in one year. That represents enough energy to power 31 average homes over the same time period (BC Hydro, 2013).

Water Conservation

British Columbia is home to 25% of Canada's fresh water, and so to many it appears that water conservation is not an issue in the province. However, water is not evenly distributed across regions, nor is it equally available all seasons of the year (BC Ministry of Environment, n.d.b). This is especially evident on Salt Spring Island, a popular tourist destination with numerous small accommodation properties. The island experiences water shortages in the peak summer season when lake and groundwater levels drop and demand is highest.

In 2006, a number of local water conservation groups on Salt Spring Island surveyed 117 accommodation providers to determine what measures might be taken to alleviate the summer pressure on freshwater systems. They were pleasantly surprised to find that several properties had already taken steps, including installing low-flow toilets and flow restrictors on shower heads, requiring minimum two-night stays (which reduces the amount of laundry required), and offering visitor education campaigns. The combined efforts of properties on the island have proven to make a significant difference to the collective capacity of 1,500 guests per night (O'Callaghan, 2006).

Food Production and the Environment

As discussed in Chapter 4 on food and beverage services, there is increasing awareness among the general public about the importance of healthful eating. This goes hand in hand with an increased understanding of food production issues including environmental impacts such as pollution, soil depletion, and the toxicity (both to humans and the environment) of industrial food growth practices. Over the last 30 years, American (and to an extent, Canadian) food growth has centred on the mass production of inexpensive staple foods such as corn and soy, which are used in unhealthy foods like high-fructose corn syrup and soybean oil, and are fed to the animals we eat (University of Minnesota, 2009).

Spotlight On: Island Chefs Collaborative

The **Island Chefs Collaborative (ICC)** is an organization that supports connections between local agriculture and the food and beverage industry. Its vision is a local and sustainable food and agriculture system for Vancouver Island. For more information, visit the Island Chefs' Collaborative website.

Farming mass amounts of one crop is known as **monoculture**, a practice that depletes the soil and encourages the use of pesticides and fertilizers for increased production. The impacts of these chemicals to date include the creation of a "dead zone" at the outflow of the Mississippi River into the Gulf of Mexico, where no fish or other animals can live (University of Minnesota, 2009).

The soil in which food is grown is becoming less rich as commercial fertilizers focus only on building specific nutrients. Combined with the long distances that foods are shipped (sometimes causing nutrients to be depleted), consumers are becoming wary of commercially produced foods (University of Minnesota, 2009).

The 100-Mile Diet and Farm to Table

In 2005, two BC-based journalists, J.B. MacKinnon and Alisa Smith, began chronicling the challenges of only eating food produced within 100 miles of their homes, as part of a serial of articles for the *Tyee*. Their posts became a book, *The 100-Mile Diet*, launched in 2007 and heralded as a vanguard of the local food movement (*Tyee*, 2005).

Spotlight On: Circle Farm Tour

Created through a partnership between destination marketing organizations in the Fraser Valley communities of Abbotsford, Chilliwack, Agassiz-Harrison, and Maple Ridge-Pitt Meadows, the Circle Farm Tour brings awareness to farming practices and farmland conservation while creating a collaborative tourism product. Self-guided tours are made possible through a series of branded maps, brochures, and a central website. For more information, visit the Circle Farm Tour website.

Organizations such as FarmFolk CityFolk, a not-for-profit organization dedicated to food sustainability in the province, have been promoting farm-to-table dining for over 20 years. Their efforts include working with restaurants to bring quality ingredients to the sector, and hosting annual events that celebrate the "feast of fields" in regions such as the Okanagan (FarmFolk CityFolk, 2014).

Waste Management

In 2012 in BC, the amount of garbage generated was equivalent to 570 kilograms per person. With landfills and treatment sites filling to capacity (and sometimes beyond), it's imperative that communities and businesses work together in the practice of proper waste management through implementing recycling programs, reducing

garbage, properly treating industrial and hazardous waste, and treating sewage and wastewater (Government of BC, n.d.).

One very effective means of reducing garbage taken to the landfill is implementing a food waste program in which food scraps are placed in a green bin and collected by the community for composting. The City of Vancouver initially introduced such a program to single family households from 2011 to 2013 and saw a 30% drop in garbage generated. In 2014, the program was expanded to include all households and businesses and placed a ban on food scraps in the garbage. The program met resistance from the BC Restaurant and Foodservices Association, which viewed the initiative as placing an extra cost and being a logistical challenge for members (Nagel, 2014). Individual restaurateurs were hopeful, however, that the city would help businesses by increasing pickup and expanding the efficiency of their other recycling programs (Robinson, 2014).

Plants & Wildlife

The impact of tourism to plant-life and wildlife in Canada is immense, and the impacts range from habituation of animals to humans to the actual destruction of ecosystems and habitats as well as the hastening of species decline. Tourism can affect plant-life through acts of trampling sensitive ecosystems, gathering branches for campfires, over-collecting flowers and plants, litter, and/or careless acts with backcountry use that have sparked uncontrolled forest fires in BC especially this past decade. Wildlife are also affected wherein many animals have become habituated and tolerate tourists wherein feeding and breeding habits are disrupted, habitats are destroyed/access is limited, and food systems are altered greatly.

Accreditation and Certification

Environmental accreditation or certification is a type of voluntary regulation where an organization agrees to follow a set of standards, predefined processes, or regulations. These are generally developed by independent non-governmental organizations with a goal of reducing the environmental impact within an industry. Accreditation can encompass any of the practices discussed so far — from carbon offsetting to energy and water conservation to waste management.

Beyond the value of making the ethical decision of working to reduce environmental impacts, organizations receive value by being able to promote themselves as being environmentally friendly and therefore attracting consumers (Font, 2002). And for guests, choosing an independently accredited business may help them avoid companies that are guilty of **greenwashing**, which is the promotion of environmentally friendly tourism products without actually achieving the environmental standard promised (Lelenicz & Simoni, 2012; Self, Self, & Bell-Haynes, 2010).

Spotlight On: Green Key Global

Green Key Global is an international certification body that evaluates the accommodations and meetings industries on the basis of their sustainable initiatives. Headquartered in Ontario, its Green Key Eco-Rating Program awards from 1 to 5 keys to hotels, with 47 properties currently holding the highest rating. Green Key Global conducts an on-site assessment and provides operators with suggestions for improving their sustainability efforts. Awarded keys are then used as marketing and promotional tools. A similar program serves the meetings and events sector. For more information, visit the Green Key Global website.

Organizations join such programs voluntarily. This typically involves going through an audit to prove adherence to a set of environmental standards (Font, 2002). Generally, an audit consists of an independent third party visiting a business or operation and reviewing its practices against a checklist of standards; those that pass earn the certification or accreditation.

It is estimated that over 100 different tourism environmental certification programs exist, each with different standards and criteria (Self, Self, & Bell-Haynes, 2010).

Spotlight On: Sustainable Tourism

Sustainable Tourism is an environmental tourism certification program where tourism operators are assessed for adherence to sustainability principles. It offers ongoing support and consultation so that operators may work to achieve a high level of environmental sustainability. For more information, visit Sustainable Tourism.

Whether it be through carbon offsetting, energy and water conservation, increased use of local and organic food products, or official accreditation programs, the tourism industry has a number of options for lessening the impacts of businesses on the physical environment.

Image Credit

8.4 Environmental Management in BC

Environmental impacts in Canada are managed by a variety of governmental organizations and should always be in consultation with and by the consent of First Nations people and governments. Each of these agencies at indigenous, provincial and federal government levels have a role to play, from regulation of land access and resource extraction to environmental monitoring and cleanup. To understand how the impacts are managed, let's review the basic categories of land use.

Land Use

There are essentially four broad land categories: Indigenous land, private land, provincial Crown land, and federal Crown land.

Indigenous land includes any area where "Aboriginal title" has been established and responsibilities for management lie with the relevant First Nations group. Large areas of designated Crown land in BC are considered by First Nations groups as traditional, and these are currently going through the treaty negotiation process, which will likely result in a larger proportion of the BC land area coming under First Nations management.

In 1997, the Supreme Court of Canada ruled in the Delgamuukw case that Aboriginal title is "a right to the land itself—not just the right to hunt, fish and gather." This case confirmed that "Aboriginal title still exists in BC and that when dealing with Crown land the government must consult with and may have to compensate First Nations whose rights are affected" (BC Treaty Commission, 2020).

Private land in any land where private property rights apply. This includes residential, commercial, and agricultural zoned land. If private property rights apply, the owner has more rights over that land for development and use than any other classification of land. Tourism companies wishing to operate on private property need to gain ownership of the land, or failing that, permission to operate on the land.

The term **Crown land** applies to any land that is owned by either the provincial or federal government. Provincial Crown land is available for a wide range of activities that encourage recreation and economic development, including tourism.

Figure 8.4.1 A BC Parks ranger conducts an interpretive program. Image credit: Park Ranger.

Designated park areas are managed by **BC Parks**, the agency that reviews and issues permits for tourism companies to operate within a park. Other provincial Crown land is managed by a variety of government agencies, such as the Ministry of Forests, Lands, and Natural Resource Operations (MFLNR).

Federal Crown land is all land that is owned by the Government of Canada. It primarily consists of parks and protected areas that are managed by **Parks Canada**, the federal agency that has a mandate to preserve and share "natural and cultural heritage" and help ensure enjoyment and appreciation "for present and future generations" (Parks Canada, n.d.).

Take a Closer Look: Parks and Protected Areas in BC

Two examples of pristine parks in BC are Pacific Rim National Park and Garibaldi Provincial Park. Pacific Rim is operated by Parks Canada. It covers a beautiful stretch of land along the west coast of Vancouver Island. Visit the webpage at Pacific Rim National Park Reserve.

Garibaldi is managed by BC Parks. It is located just north of Vancouver and protects a pristine mountainous region. Learn more at the Garibaldi Provincial Park website. Both parks serve as significant natural attractions for tourism in BC.

Land Use for Tourism and Hospitality

Businesses and organizations wishing to use Crown land for economic development must apply and be approved

for Crown land tenure. Examples of the types of tourism operations that might seek tenure include mountain resorts, golf courses, backcountry lodges, tour operators, resort development, and marina construction.

Any tourism business wishing to operate on Indigenous land requires permission from the local First Nation. Companies wanting to operate in a National Park also need to apply for a permit. Although resource extraction is restricted, national parks often encourage tourism development that is sustainable and appropriate for the local environment.

Figure 8.4.2 Logging sites visible from the air in Jervis Inlet. Image credit: McKay Savage.

The current land management system in Canada has led to numerous conflicts between tourism operators and resource extraction operations such as mining and forestry. Often, overlapping tenure is given to multiple companies with conflicting operational goals. Tourism operators typically require a clean environment, high-quality viewscapes, intact biodiversity, and an environment free of industrial scars. To maintain these values, any resource extraction needs to occur far from where tourism operators conduct their activities. In recent years, tensions have been building as access to wilderness areas becomes scarcer, with tourism values often falling second to resource extraction under the existing system (Webster, 2013).

Take a Closer Look: Conflicts Between Tourism and Resource Extraction in BC

Tourism companies complain that despite being part of the $1.6 billion nature-based tourism industry in BC, the government favours traditional logging values. This article discusses one example on northern Vancouver Island where a kayaking operator feels logging is threatening its livelihood. Learn more by reading the article, "Logging Threatens Tourism, Kayaking Company Charges."

The issues discussed above provide a framework for thinking about environmental management and the impacts of the tourism industry in Canada. As part of the industry, we have an important responsibility to recognize impacts and take steps to reduce them. The next section addresses how we might do just that.

Image Credits

8.3 Environmental Stewardship Theory in Tourism

Some basic concepts of environmental management and ethics, especially as they apply to tourism, include carrying capacity, footprint, tragedy of the commons, and the tourism paradox. This section also outlines some of the key approaches to dealing with environmental and sustainability issues in the tourism industry including sustainable tourism, ecotourism, and responsible tourism management.

Carrying Capacity

Carrying capacity is "the average maximum number of individuals of a given species that can occupy a particular habitat without permanently impairing the productive capacity of that habitat" (Rees, 2001, p. 229).

Figure 8.3.1 A tourist's snapshot of a "full moon party" in Thailand, where bottles, trash, and human waste litter the beach for days afterward and noise and light pollution are common. Image credit: Dav Yaginuma

This concept has been applied to tourism in the context of a **tourism carrying capacity (TCC)**, "the maximum number of visitors which an area can sustain without unacceptable deterioration of the physical environment and without considerably diminishing user satisfaction" (Salerno, Viviano, Manfredi, Caroli, Thankuri, & Tartari, 2013, p. 116).

Take a Closer Look: Vehicle Congestion in Banff National Park

In late 2014, the Town of Banff approved $70,000 to study the feasibility of introducing a gondola network to connect the Banff Centre, the Banff Springs Hotel, the Upper Hot Springs, and the existing mountain gondola. That summer the town experienced 54 days of congestion that exceeded its threshold of 20,000 vehicles per day, with vehicle waits and idle times of up to 1.5 hours during peak periods. To learn more about the issue and proposed solutions, read "Banff Considers Potential of Gondola Network."

Carrying capacity factors are determined within a scientific framework and must adapt to various changes and needs of local people and ecosystems. There are many examples of **TCC** being applied in tourism globally and it is important to note that no two areas have the same set of factors to determine carrying capacity. In Canada, national parks use the concept to ensure visitor numbers are restricted to a sustainable level along with other wilderness areas, protected areas, Indigenous Territories and waterways, campgrounds, and front country experiences.

Although **TCC** is a theoretical concept that is often discussed and utilized for analysis, in reality it can be challenging to restrict the numbers of tourists arriving at a destination. Both determining and managing the carrying capacity of a destination requires input from local peoples and environmental data. One successful approach is to limit access to an area or to simply limit tourist numbers.

Ecological Footprint

Ecological footprint is essentially a tool to analyze the impact of a population on Earth (Rees, 2001). The model calculates the total area of land and water resources used to support the population, presenting it in a manner that can be easily related to — usually in terms of the amount of land needed to support an individual at the standard of living that person is used to.

Many countries and people of those countries use more natural resources within and beyond their own borders than ecosystems can regenerate (biocapacity). Because of this, these countries and people are essentially running an "ecological deficit." Nations and people can run these ecological deficits by overusing their own (and other Nations'/peoples') resources, such as by overfishing, taking resources from other areas, and/or emitting higher levels pf carbon dioxide into the atmosphere than can be absorbed (Global Footprint Network, 2020).

Tragedy of the Commons

Tragedy of the commons is an economic theory first proposed by Garrett Hardin in 1968, which states that if individuals are given the chance to overuse a common property, they will, in order to realize the maximum personal benefits. If every person does this, common property quickly becomes overused and damaged (Hardin, 1968).

For example, a group of tourism operators may look at a pristine natural area and see a chance for economic profit, and in the race for development, little or nothing is done to protect the area. If this unchecked development were to continue, the damage to the environment could reach a point where the elements that attracted tourists in the first place are irreversibly damaged, thus resulting in the "tragedy" that Hardin discusses (Hardin, 1968).

The tragedy of the commons leads to something known as the **tourism paradox**, a concept that describes the paradoxical nature of tourism's relationship with the environment.

The Tourism Paradox

A common theme promoted by many tourism destinations is their location in some of the most ecologically fragile environments in existence — coastal, mountain, and river environments (Williams & Ponsford, 2008). Tourism requires these areas to be intact to serve as an attraction to visitors. Tourists expect a clean physical environment, appropriate seasonal conditions, and diversity of wildlife. Destinations failing to provide at least some of these elements risk losing their competitive edge in the global market; visitors will steer clear of polluted, barren landscapes with unpredictable or uncomfortable weather.

Spotlight On: The Resort Municipality of Whistler

The community of Whistler relies heavily on natural resources for its local tourism products, such as skiing, and has long been active in sustainability initiatives. The plan, Whistler 2020, sets out integrated community strategies for enhancing community life, enhancing the resort experience, ensuring economic viability, protecting the environment, and partnering for success. For more information about the plan and Whistler's progress with these initiatives, visit the Whistler2020 website.

At the same time, the tourism industry is itself causing environmental damage through its own development in pristine areas, consumption of resources, and contribution to climate change. This is the paradox: as an industry, tourism both creates damage and suffers from it. That's why it's critical for the industry to be proactive about environmental sustainability in tourism; failing to do so may result in our downfall (Williams & Ponsford, 2008).

Before we gain a better understanding of the ways the tourism industry and individual operators can try to mitigate their impacts, let's take a closer look at the overall management of BC's environmental resources.

Sustainable Tourism

The UNWTO sees sustainable tourism as a set of guidelines and management practices that can be applied to all forms of tourism (from small-scale to mass tourism) and in all destination types (2005). When referring to sustainable tourism, sustainability principles relating to environmental, economic and socio-cultural aspects of tourism development must be addressed. As such, sustainable tourism development requires the informed consent and input from local people and stakeholders and must address the need to:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation (UNWTO, 2005, p. 11–12).

Many industry leaders feel that the sustainable tourism movement is fragmented and lacks leadership and accountability due to the fragmentation of the tourism industry itself (Mullis, 2017). Tourists themselves have a large role to play in this equation in that their experiences are generally more positive when experiences incorporate sustainability principles and it has been found that tourists are more likely to visit or make purchases from tourism companies that have sustainability practices in place (Mandala Research, 2015).

Responsible Tourism

Responsible Tourism is an approach to tourism development that was defined through the Cape Town Declaration in 2002 in an effort to provide practical, evidence-based solutions that sustainable tourism approaches have not succeeded to do. Responsible tourism is defined as "making better places for people to live in and better places for people to visit" (Cape Town Declaration, 2002). Responsible tourism approaches focus on identifying important issues to local people and their environments, addressing those issues and transparently reporting and monitoring on those issues.

The Cape Town Declaration recognizes that Tourism can provide numerous benefits to people and destinations however tourist and industry behaviour must be managed in a way that is defined by local people who know what they need best.

The Responsible Tourism approach is defined by tourism that:

- minimizes negative economic, environmental and social impacts;
- generates greater economic benefits for local people and enhances the well-being of host communities, improves working conditions and access to the industry;
- involves local people in decisions that affect their lives and life changes;
- makes positive contributions to the conservation of natural and cultural heritage, to the maintenance of the world's diversity;
- provides more enjoyable experiences for tourists through more meaningful connections with local people, and a greater understanding of local cultural, social and environmental issues;
- provides access for people with disabilities and the disadvantaged;
- is culturally sensitive, engenders respect between tourists and hosts, and builds local pride and confidence (Harold Goodwin, 2014).

Image Credits

8.2 Tourism and Climate Change

Figure 8.2.1 Melting Toe of Athabasca Glacier. Image credit: Wing-Chi Poon

The Intergovernmental Panel on Climate Change (IPCC) concluded the "observed increase in global average temperatures since the mid-20th century is very likely (> 90% probability) the result of human activities that are increasing greenhouse gas concentrations in the atmosphere" (World Tourism Organization, 2008a, p. 38). Climate change should be considered to be one of the most important challenges currently facing the tourism industry.

Take a Closer Look: Climate Change and Tourism

The report entitled *Climate Change and Tourism: Responding to Global Challenges*, published by the World Tourism Organization (2008b), discusses the implications of climate change to the global tourism industry. It also suggests climate change adaption measures to be undertaken. Find the full report as a PDF at *Climate Change and Tourism: Responding to Global Challenges*.

Impacts of Climate Change

According to the World Tourism Organization, impacts from climate change on tourism include the following (2008a):

Direct climate impacts are changes that occur as a result of warming trends, cooling trends, or extreme weather events. Examples include a lack of snow to operate mountain resorts, melting glaciers in mountainous regions, and floods, landslides, and wildfires that could affect tourist areas.

Figure 10.4 The aftermath of Hurricane Sandy, which destroyed large sections of coastline in New York and New Jersey, including popular tourist attraction Coney Island (seen in the distance). Image credit: drpavloff

Indirect environmental change impacts are the byproducts of climate change. Global temperature changes may create water shortages, a loss of biodiversity, impacts to landscape aesthetics, and damage to infrastructure through extreme weather events. Examples in tourism include the inability to maintain resort facilities in desert environments due to water shortages, erosion of tropical atolls from rising sea levels, extinction of valuable wildlife species due to changes in habitat, and increased costs of maintaining infrastructure in the face of environmental change.

Impacts of mitigation policies on tourist mobility will become apparent as the tourism industry adjusts to environmental changes. Environmental impact mitigation strategies may create challenges for the long-term sustainability of the tourism industry. Tourism products may be offered over a shorter season, prices may increase due to a rise in operating costs, and there may be a shortage of pristine natural areas available for visits.

Indirect societal change impacts will slowly become apparent. Economic growth may be stunted in some areas and increase in others, creating societal inequality between nations. Political instability may arise in areas that are facing drastic environmental impact. All these changes will present new challenges to the industry and may threaten the long-term security of the industry (Watson, Zinyowera, & Moss, 1997; World Tourism Organization, 2008a).

Table 10.1 provides a detailed list of these impacts and their implications for tourism, as compiled by the World Tourism Organization.

Table 10.1 Major climate change impacts and implications for tourism destinations

[Skip Table]	
Impact	**Implications for Tourism**
Warmer temperatures	Altered seasonality, heat stress for tourists, cooling costs, changes in plant-wildlife-insect populations and distribution, infectious disease ranges (e.g., mountain pine beetle infestation in BC)
Decreasing snow cover and shrinking glaciers	Lack of snow in winter destinations, increased snow-making costs, shorter winter sports seasons aesthetics of landscape reduced (e.g., early closure of Lower Mainland mountain resorts due to lack of snow in 2014)
Increasing frequency and intensity of extreme storms	Risk for tourism facilities, increased insurance costs/loss of insurability, business interruption costs (e.g., superstorm Hurricane Sandy and its destruction of parts of Coney Island)
Reduced precipitation and increased evaporation in some regions	Water shortages, competition over water between tourism and other sectors, competition for water between visitors and residents, desertification, increased wildfires threatening infrastructure and affecting demand (e.g., drought in California)
Increased frequency of heavy precipitation in some regions	Flooding damage to historic architectural and cultural assets, damage to tourism infrastructure, altered seasonality (e.g., flooding in Souris, Manitoba, causing washout of swinging bridge attraction)
Sea level rise	Coastal erosion, loss of beach area, higher costs to protect and maintain waterfronts (e.g., threat to PEI's historic West Point Lighthouse; now close to falling off cliff due to erosion)
Sea surface temperatures rise	Increased coral bleaching and marine resource and aesthetics degradation in dive and snorkel destinations, increased invasive species in waterways (e.g., threat from yellow perch driving out salmon in BC rivers and lakes)
Changes in terrestrial and marine biodiversity	Loss of natural attractions and species from destinations, higher risk of diseases in tropical-subtropical countries (e.g., heavy rainfall leading to an increase in dengue fever and malaria)
More frequent and larger forest fires	Loss of natural attractions; increase of flooding risk; damage to tourism infrastructure (e.g., destruction of Kettle Valley Railway bridges used by cyclists in 2003 BC forest fire)
Soil changes (e.g., moisture levels, erosion, and acidity)	Loss of archaeological assets and other natural resources, with impacts on destination attractions
Data source: World Tourism Organization, 2008a, p.61	

To understand how we might begin to address these impacts and other environmental issues, it's helpful to understand the fundamentals of environmental stewardship theory, which is explored in the next section.

Image Credits

Melting Toe of Athabasca Glacier by Wing-Chi Poon on Wikimedia Commons is licensed under a CC BY-SA 2.5 licence.

Dirty Boat: view of Coney Island from the beach after Hurricane Sandy by drpavloff on Flickr is licensed under a CC BY-NC 2.0 licence.

Chapter 9. Indigenous Tourism

Learning Objectives

- Describe the socio-political context for Indigenous tourism development at local and global scales
- Describe the way tourism is entangled in colonialism (history, processes, perspectives, etc.), and the associated relationships it has to reconciliation movements and objectives
- Identify steps taken to uphold Indigenous rights and title in relation to tourism
- Discuss the evolution of Indigenous tourism in Canada and its connection to cultural, heritage and nature-based tourism
- Describe approaches taken to strengthen and increase the number of Indigenous tourism businesses in Canada and BC
- Describe the stages of community and market readiness and how these relate to Indigenous tourism products and experiences
- Explain the concept of authenticity and the challenges this advances to communities in the delivery of authentic visitor experiences
- Articulate the importance of community involvement and effective partnerships in developing Indigenous tourism
- Recognize the value of Indigenous tourism to BC, Canada and internationally and provide an overview of key agencies responsible for its development
- Relate success stories in Indigenous tourism business operations and collaborations in BC, Canada, and internationally

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Adapted from original works by: Keith Henry and Terry Hood

9.1 Indigenous People in Canada

In previous chapters, you've learned that **Indigenous tourism** is an increasingly central part of BC's tourism economy. In Canada, tourism operations that are majority owned and operated by First Nations, Métis, and Inuit people comprise this segment of the industry (Butler and Hinch, 2007; ITAC, 2020). This chapter explores the global context for Indigenous tourism development, the history of the sector, and important facts about Indigenous tourism in BC, Canada and Internationally.

Figure 9.1.1 A Haida sculpture welcomes people arriving at Vancouver International Airport. Image credit: Caribb

Today's travellers are attracted to many global destinations because of the opportunity to interact with, and learn from, other cultures. Visitors to Australia can meet an Aboriginal guide who will help them feel a spiritual connection through a memorable outback experience. In New Zealand (Aotearoa in the Maori language), tourists are often welcomed into a ceremonial community **marae**, a communal or sacred centre that serves a religious and social purpose in Polynesian societies (New Zealand Maori Tourism Society, 2012).

In the mountainous region of northern Vietnam, traditionally dressed ethnic minority villagers are now opening their homes to international trekkers, thus generating new income for the community. In the United States, visitors to the ancient desert wonders of Monument Valley can enhance their experience in a Navaho-run hotel, enjoying Indigenous cuisine while learning about the cultures of the Native American groups that have lived there for centuries.

Spotlight On: International guidelines

In 2016, global tour operator G Adventures, Planeterra Foundation, and the International Institute of Tourism Studies at the George Washington University collaborated to develop a set of practical, international guidelines, "that can be used by any travel company wishing to offer experiences with Indigenous communities." Read more about responsible travel with Indigenous people on the G Adventures website.

Explore these guidelines as part of reflecting on your own travel experiences and choices, and better integrating this into tourism product development and delivery: *Indigenous People and the Travel Industry: Global Good Practice Guidelines* [PDF].

Those readers familiar with the first edition of this textbook may have realized the chapter title change from "Aboriginal Tourism" to "Indigenous Tourism." This adjustment mirrors the official change in Prime Minister Justin Trudeau's newly elected Liberal Government — a decision that reverses the change made by the Conservative Government in 2011 which at the time abolished the use of Indigenous to Aboriginal (from the former Liberal Government). The more recent 2015 change was reported as being sanctioned by the Assembly of First Nations (AFN), as well as Truth and Reconciliation Commission (TRC) Chair Justice Murray Sinclair (Lum, 2015). The shift in terminology from "Aboriginal Tourism" to "Indigenous Tourism" has also recently occurred in many leading tourism organizations and education institutions within Canada.

For the purposes of this revision there are times when the terms "Aboriginal" and "Indigenous" are used interchangeably, particularity when referring to valuable industry resources created prior to the more recent practice. The changes to the terminology used to identify and refer to Indigenous peoples globally, and in Canada is fraught with challenges, and many of these difficulties are embedded in the oppressive structures or systems associated with colonialism, past and present.

Within the international context, it is worth noting that "Aboriginal" is still commonly used to refer to the Indigenous people of mainland Australia — though its use there is also critiqued for the way it simplifies Australian Indigenous history (Common Ground, 2020). Similar to Indian and Eskimo, the tangled use of Aboriginal is embedded in the power relationships with colonial governments and history. These perspectives point to the geographic and culturally based discrepancies, which affirm the exceptional diversity within and between Indigenous groups.

Take a Closer Look: Understanding the use of "Indigenous" in Canada

For additional background and a national media perspective on the use of "Indigenous" in Canada, view this short video: From "redskin" to Indigenous: Unreserved takes a look at what Indigenous Peoples have been called and what they call themselves (CBC, 2016).

According to the United Nations (UN), there are 370 million Indigenous people globally, representing 5 per cent of the world's population, and living across 90 countries.The UN defines **Indigenous peoples** as "inheritors and practitioners of unique cultures and ways of relating to people and the environment", who have "retained social, cultural, economic and political characteristics that are distinct from those of the dominant societies in which

they live" (npn). Notwithstanding the uniqueness of Indigenous peoples around the globe, they are considered to be among the most disadvantaged and vulnerable groups in the world, and therefore share common challenges related to the protection of their rights as distinct peoples (UN, 2020). The nature of oppression experienced by Indigenous peoples around the globe has been documented, notably by the UN Permanent Forum on Indigenous Issues and their commissioned research and awareness-building campaign, the State of the World's Indigenous people (SOWIP) (SOWIP, 2010, 2019).

In 2016 there were 1,673,785 Indigenous people in Canada, this number accounts for 4.9% of the total population, which is up from 3.8% in 2006, and 2.8% in 1996 (Statistics Canada, 2016). Indigenous peoples have lived across present-day Canada for thousands of years and have numerous languages, cultures, and spiritual beliefs. In 2020, there are more than 630 First Nation communities in Canada, which represent more than 50 Nations and 50 Indigenous languages (Statistics Canada, 2016).

What's in a Name?

There are three groups of Indigenous peoples recognized in the Canadian Constitution Act: Inuit, Métis, and First Nations. **Indian (or Native Indian)** is still an important legal term in Canada given the on-going, if highly contested and emotionally charged, relevance of the 1876 Indian Act (Gray, 2011).

Recognized as an assimilation tool used by the Dominion of Canada under the British North America Act, the Indian Act gave the federal government jurisdiction over Indigenous lands and was entwined with significant negative impacts on Indigenous cultural and spiritual expression tied to that land that persist to present day (Joseph, 2018).

The Indian Act also held important identity granting consequences, both legally and culturally. As a result many Indigenous people associate "Indian" with government regulation and colonialism, and its use has gone out of favour; this practice is unlike usage in the United States where **North American Indian** (or Native American) is still common (Wilson & Henderson, 2014).

Inuit have lived in the Arctic region of Canada for countless years. Many Inuit continue to rely on the resources of the land, ice, and sea to maintain traditional connections to the land. The old ways of life were seriously compromised, however, when Inuit began to participate with European settlers in the fur trade. The Government of Canada accelerated this change by requiring many Inuit communities to move away from their traditional hunting and gathering ways of life on the land and into permanent, centralized settlements (Wilson & Henderson, 2014). Today, in spite of social and economic hardships created by this change, many Inuit communities focus on protecting their traditional way of life and language.

Not so long ago, it was common for non-Inuit people in Canada to use the term **Eskimo** ("eaters of raw meat") to refer to Inuit people; however, the use of "Eskimo" within the Canadian context is now widely considered insulting and should be avoided (Wilson & Henderson, 2014). That said, this is not the case in Alaska, where the use of "Eskimo" is still common practice (University of Alaska at Fairbanks [UAF], 2020).

Spotlight On: Inuit Tapiriit Kanatami

Inuit Tapiriit Kanatami (ITK) is the national Inuit organization in Canada. It represents four regions: Nunatsiavut

(Labrador), Nunavik (northern Quebec), Nunavut, and the Inuvialuit Settlement Region in the Northwest Territories. It is an advocacy organization that represents the interests of Inuit in environmental, social, political, and economic affairs, including economic and tourism development. For more information, visit the Inuit Tapiriit Kanatami website.

Métis comes from the words *to mix*. In the 1600s and 1700s, many French and Scottish men migrated to Canada for the fur trade. Some of them had children with First Nations women and formed new communities, and their descendants became the first to be called Métis. The distinct Métis culture is known for its fine bead-work, fiddling, and jigging. Canadian and international tourists can learn from and enjoy participating in a large number of Métis festivals in most provinces across the country. Today, the infinity symbol on the Métis flag symbolizes the joining of two cultures that will live forever.

Spotlight On: Louis Riel Institute

The Louis Riel Institute in Winnipeg is dedicated to the preservation and celebration of Métis culture and supporting Métis in achieving their educational, career, and life goals. Its website features photographs and descriptions of Métis art and handicrafts as well as information about community programs. For more information, visit the Louis Riel Institute website.

Take a Closer Look: Métis Nation Gateway

This portal site features information about the Métis Nation, including healing, economic development, environment, electoral reform, veterans' issues, and more. The portal on economic development leads to information on community development, including a Métis Tourism Policy Paper [PDF]. To explore these resources, visit Métis Nation Gateway website.

First Nations people are Indigenous peoples who do not identify as Inuit or Métis. They have lived across present-day Canada for thousands of years and have numerous languages, cultures, and spiritual beliefs. For centuries, they managed their lands and resources with their own governments, laws, and traditions, but with the formation of the country of Canada, their way of life was changed forever. The government forced a system of governance on First Nations so that they could no longer use their system of government.

Figure 9.1.2 First Nations performer at the opening of the Aboriginal Pavilion for the 2010 Winter Olympic and Paralympic Games in Vancouver. Image credit: Province of British Columbia.

Colonial settlement has left a legacy of land displacement, economic deprivation, and negative health consequences that First Nations communities within Canada are actively striving to overcome (Wilson & Henderson, 2014). However, many First Nations communities are working hard to reclaim their traditions, and in many places there is an increasing pride in the resurgence of Indigenous culture.

The entanglement of self-identification preferences used by Indigenous people to name themselves points to an increasingly politically fuelled and culturally empowered Indigenous identity landscape. There is a parallel tension and range of terminology used when referring to people who are not Indigenous to a place. In Canada, these terms include “non-Indigenous” and “Settlers” (Battell Lowman & Barker, 2015). Language and terminology are particularly interesting and important to be aware of and reflect on in the context of tourism studies and activities. There is significant diversity in terms are used across Canada, including within regions and communities.

There is an increasing appreciation that intercultural exchanges can help strengthen cultures at risk and biological diversity, if managed thoughtfully. For example, the growing niche of Arctic cruise tourism has brought both opportunities and challenges to the isolated small communities of Canada’s rugged Arctic coast. In recognition, the World Wildlife Fund produced a Code of Conduct for Tour Operators in the Arctic, and for Arctic Tourists. In part, it reads:

> Respect Local Cultures:
>
> - Learn about the culture and customs of the areas you will visit before you go.
> - Respect the rights of Arctic residents. You are most likely to be accepted and welcomed if you travel with an open mind, learn about local culture and traditions, and respect local customs and etiquette.

- If you are not travelling with a tour, let the community you will visit know that you are coming.
- Supplies are sometimes scarce in the Arctic, so be prepared to bring your own.
- Ask permission before you photograph people or enter their property or living spaces.

(WWF International Arctic Programme, n.d., p. 2)

Wilson & Henderson's (2014) *First Peoples: A Guide for Newcomers* [PDF] serves as an excellent introductory resource for tourism professionals who want to know more about the complex socio-political issues surrounding Indigenous peoples in Canadian history and present in society today.

Take a Closer Look: Foundations Guide

This *Pulling Together: Foundations Guide* is also an excellent resource for understanding more of the background and context about Indigenous people within Canada, and changes underway. This was created as "part of an open professional learning series developed for staff across post-secondary institutions in British Columbia to support Indigenization of institutions and professional practice…[and is intended as] a beginning step for those looking to broaden their knowledge about Indigenous peoples across Canada and British Columbia" (Wilson, 2018).

To review this guide for yourself, access *Pulling Together: Foundations Guide*.

Tourism can promote community and economic development; while preserving Indigenous culture and protecting ecological integrity. However, it is vital for tourism practitioners, scholars, students and policy makers to carefully consider how tourism is involved in the complexities related to colonialism, Indigenous human rights and reconciliation within Canada.

Image Credits

9.2 Tourism, Colonialism, Indigenous Human Rights and Reconciliation

For centuries, **Indigenous peoples** managed their lands and resources with their own governments, laws, and traditions, however with the formation of the country of Canada, their way of life was changed forever. Among the many assimilation tools used against Indigenous people, the government forced a system of governance on First Nations so that they could no longer use their system of government. The resultant harms from the explicit and systemic strategies of cultural assimilation afflicted upon Indigenous peoples within Canada continue to be documented (Joseph, 2018) and are increasingly recognized in wider society (see Regan, 2011).

The current state of self-determination of Canada's Indigenous peoples illuminates a growing momentum of cultural resurgences across the Canadian political landscape. In 2020, there are 25 self-government agreements across Canada involving 43 Indigenous communities, and approximately 50 self-government negotiation tables across the country (CIRNAC, 2020a).

Take a Closer Look: Map of Modern Treaties and Self-Government

Review the current Modern Treaties and Self-Government Agreements map [PDF], or to find out what Indigenous Traditional Territory you live, work or play on, go to the Native Land interactive map.

There are increasing examples of Indigenous self-governance, achieved in parallel or complementary processes that involved settling land claims. Self-government refers to the ability of Indigenous people to govern themselves within the framework of the Canadian Constitution (Government of British Columbia, 2020). According to the federal body mandated to modernize Government of Canada structures, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) self-government is:

> Negotiated agreements put decision-making power into the hands of Indigenous governments who make their own choices about how to deliver programs and services to their communities. This can include making decisions about how to better protect their culture and language, educate their students, manage their own lands and develop new business partnerships that create jobs and other benefits for their citizens. (CIRNAC, 2020)

Different forms of governance and agreements have been negotiated in Canada. Looking to the Canadian north provides noteworthy examples of early ground-breaking modern day treaties.

In 1993 Nunavut negotiated a comprehensive land claim agreement, a modern treaty, with the Canadian Government. The agreement is unique because in this case it represents all the people residing in the territory (CIRNAC, 2020). In the western territory of Yukon, 11 of the 14 First Nations have negotiated a self-government and land claims agreement with the federal government. The journey began in 1973, when a delegation of Yukon First Nations Chiefs presented *Together today for our Children Tomorrow: A Statement of Grievances and an Approach to Settlement by the Yukon Indian People* (1973) to then Canadian Prime Minister Pierre Trudeau. Twenty years later, in 1993, the historic Umbrella Final Agreement (UFA) was signed, and provided the template to negotiate individual land claim agreements with each Yukon First Nation.

Take a Closer Look: Yukon First Nations Self-Government

Learn more about the journey taken by Yukon First Nations and about key milestones in their Mapping the Way website, which also features several informative videos.

Notwithstanding the weight of Canada's colonial past and its violently negative impacts on Indigenous people, there is some evidence that Canada's historical trajectory can be challenged and a better future can be imagined. The United Nations Declaration on the Rights of Indigenous People (UNDRP, 2007) was officially adopted by the Canada in May 2016, and the provincial government of British Columbia followed suit in November 2019 (Government of British Columbia, 2019).

Take a Closer Look: UN Declaration on the Rights of Indigenous Peoples

In 2007, the United Nations passed a declaration to address human rights violations against Indigenous peoples. The document, sometimes known as UNDRIP, contains 46 articles, one of which is "Every indigenous individual has the right to a nationality" (United Nations, 2007, p. 5). For more information, read the UN Declaration on the Rights of Indigenous Peoples [PDF].

Canada's Truth and Reconciliation Commission (TRC) confirmed the UNDRIP as its framework for reconciliation. The TRC was created to provide an opportunity for those directly or indirectly affected by the legacy of the Indian Residential Schools system to share their stories. The Indian Residential Schools system was set up as a way to manage objectives outlined in the Indian Act (Gray, 2011; Joseph, 2018; Regan, 2011). The commission's work resulted in 94 actions, known as the 'Calls to Action', which aim to 'redress the legacy of residential schools and advance the process of Canadian reconciliation' (NCTR, 2015). You can also watch Senator Murray Sinclair introduce some of the issues involved in Truth and Reconciliation in the following video.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://pressbooks.nscc.ca/introtourism2e/?p=276#oembed-1

Take a Closer Look: Resources that Support Reconciliation

In recent years, a variety of guides and toolkits have been developed that aim to support reconciliation and heal relationships between settlers, newcomers and Canada's Indigenous peoples. Below are just a few examples of these emerging resources:

- Indigenous Ally Toolkit [PDF]
- 10 ways to be an ally to Indigenous people
- Back pocket reconciliation action plan
- Kitchen table guide for reconciliation [PDF]
- Whose land is it anyway? A manual for decolonization [PDF]
- How to do a territorial acknowledgment

Colonial settlement through the use of tools such as the Indian Act have left a legacy of land displacement, cultural and economic deprivation, and negative emotional and physical health consequences, including tremendous and violent loss of life that Canada's Indigenous peoples are still striving to overcome. That being said, Indigenous people are working hard to reclaim their traditions, and for many there is an increasing pride in a revitalized culture. Reconciliation, land claims, and increased self-determination support these transformations. Tourism presents an opportunity that, under the right circumstances, can facilitate Indigenous empowerment movements.

The history of tourism has seen considerable exploitation of Indigenous peoples. Land has been expropriated, economic activity suppressed by outside interests, and cultural expressions (such as arts and crafts) have been appropriated by outside groups. **Appropriation** refers to the act of taking something for one's own use, typically without the owner's permission. Specific to overlapping challenges of reconciling appropriation related to land title, and how we proceed in tourism in the BC and Canadian context, it is essential to be aware that:

> Ninety-five percent of British Columbia, including Vancouver, is on unceded traditional First Nations territory. Unceded means that First Nations people never ceded or legally signed away their lands to the Crown or to Canada (Wilson, 2018).

Figure 9.2.1 The sign expresses the traditional laws of Australian Aboriginal people and asks that tourists not climb Uluru (once known as Ayers Rock). In the background people continue to climb.

In 2012, the Pacific Asia Travel Association organized a gathering of global Indigenous tourism professionals to establish guiding principles for the development of Indigenous tourism. That gathering created both the World Indigenous Tourism Alliance (WINTA) and the **Larrakia Declaration**. A global network, the WINTA it is made up of over 170 Indigenous and non-Indigenous organizations in 40 countries, such as tourism associations, businesses, service providers, and government groups.

Spotlight On: World Indigenous Tourism Alliance

World Indigenous Tourism Alliance (WINTA) was formed in Australia in 2012 during the same gathering that created the Larrakia Declaration. The WINTA global network, with 6 founding Indigenous tourism associations, is made up of over 170 Indigenous and non-Indigenous organizations in 40 countries, such as tourism associations, businesses, service providers, and government groups. For more information, visit World Indigenous Tourism Alliance.

The **Larrakia Declaration** on the Development of Indigenous Tourism, named after the Larrakia Nation, the Australian Aboriginal host community for the meeting (PATA & WINTA, 2014). Key principles were adopted as resolutions at the gathering and form the Larrakia Declaration, which aims to guide all culturally respectful Indigenous tourism business development (World Indigenous Tourism Alliance, 2012, pp. 1–2):

- Respect for customary law and lore, land and water, traditional knowledge, traditional cultural expressions, cultural heritage that will underpin all tourism decisions.

- Indigenous culture, the land and waters on which it is based, will be protected and promoted through well managed tourism practices and appropriate interpretation.
- Indigenous peoples will determine the extent, nature and organisational arrangements for their participation in tourism and that governments and multilateral agencies will support the empowerment of Indigenous people.
- Governments have a duty to consult and accommodate Indigenous peoples before undertaking decisions on public policy and programs designed to foster the development of Indigenous tourism.
- The tourism industry will respect Indigenous intellectual property rights, cultures and traditional practices, the need for sustainable and equitable business partnerships and the proper care of the environment and communities that support them.
- Equitable partnerships between the tourism industry and Indigenous people will include the sharing of cultural awareness and skills development which support the well-being of communities and enable enhancement of individual livelihoods.

Using these guiding principles, it becomes clear that Indigenous tourism development can be considered successful only if the rights of Indigenous people are upheld.

Notwithstanding the possibilities that may occur when following the guidelines described above, tourism at the intersection of reconciliation is a new and complex undertaking. Higgins-Desbiolles (2012) explored tourism as a force for peace, and by extension, its ability to achieve reconciliation mandates. Among other things, she noted that tourism's economic motivations challenge the social attributes related to meeting reconciliation mandates. Grimwood et al.'s (2019) explorations question tourism's ability to contribute to reconciliation aspirations given the underlying entanglement tourism has with colonization. Any approach that considers tourism as force that can benefit Indigenous peoples must by necessity ask — sometimes uncomfortable — questions and "learn to tell new stories."

This ability to understand one's own position and contribution in relation to tourism as force for reconciliation, through decolonization, is as true for tourism researchers and educators, as it is for non-Indigenous tour operators and other sector workers. Decolonization can refer to making space for Indigenous perspectives (Grimwood et al., 2019). In an Indigenous tourism context, it also refers to ensuring we all play a part in supporting the production of tourism experiences that are controlled by, and that directly benefit, the Indigenous peoples whose lands and cultures are featured for the enjoyment of visitors.

The history of tourism at the intersection of Indigenous peoples is embedded in colonial power (Higgins-Desbiolles, 2012; Grimwood et al., 2019). Nonetheless, the allure and promise that tourism holds for positively moving forward is compelling. Moreover, there is an increasing appreciation for the way intercultural exchanges can help strengthen cultures at risk, if managed thoughtfully. Despite the risks due to cultural appropriation, there is also growing evidence — that under certain conditions, foremost Indigenous control and ownership – that tourism can promote community and economic development while helping to preserve and strengthen Indigenous culture (OECD, 2019). With that in mind, let's have a look at some of the features supporting Indigenous tourism in Canada.

Image and Video Attributions

9.3 Indigenous Tourism in Canada

Evolution of Indigenous Tourism in Canada

While there has always been some demand among visitors to Canada to learn more about Indigenous heritage, driven by the strong interest of Europeans in particular, until recently there has been no concerted effort to focus on defining and strengthening **Indigenous cultural tourism**. However, over the last 25 years or so, steps have been taken to support authentic Indigenous cultural products and experiences and to counter decades of appropriation of Indigenous symbols and arts and crafts by non-Indigenous Canadians and others elsewhere in the world.

Indigenous exhibits and displays were developed for tourism attractions and museums by well-meaning non-Indigenous people who did not consult with local communities. Souvenir shops were often filled with inexpensive overseas-made replicas of authentic Indigenous arts and crafts, and some still are. To this day, we see the Canadian Prairie Indigenous headdress being used as a way of (mis)representing First Nations across Canada. As an example of how things have changed, in August 2020 the *Yukon First Nations Arts Brand* was created to promote and celebrate 'all forms of art made by Indigenous artists living in Yukon Territory'. Developed and controlled by the Yukon First Nations Culture and Tourism Association (YFNCT), the brand program will showcase arts and crafts made by Yukon First Nations people. For more information, go to the Yukon First Nations arts website.

As the number of Indigenous tourism businesses started to increase in the 1980s and 1990s, the federal government initiated discussions on Indigenous tourism. The outcome was the formation of national organizations that provided a coordinated industry voice for operators: Aboriginal Tourism Team Canada (ATTC), Aboriginal Tourism Canada, and Aboriginal Tourism Marketing Circle (ATMC), and others. These groups started the trend of defining Indigenous cultural tourism standards and promoting the establishment of regional, provincial, and territorial organizations to develop and market more successful businesses. Today, these functions are performed by the **Indigenous Tourism Association of Canada (ITAC)**.

Spotlight On: Indigenous Tourism Association of Canada

Indigenous Tourism Association of Canada (ITAC) is a consortium of over 20 Indigenous tourism industry organizations and government representatives from across Canada. It was formed to create a unified voice and was formalized in 2014 as the Aboriginal Tourism Association of Canada (ATAC) and built from the ATMC established in 2009. ITAC continues to evolve to support marketing, product development and training standards, and other initiatives. For more information, visit the Indigenous Tourism Association of Canada.

Indigenous Tourism in Canada Today

Thanks to the growing visitor demand for authentic cultural experiences and the strong leadership of ITAC, Indigenous tourism in Canada continues to mature and has proven to be a major economic and cultural driver for Indigenous communities across Canada. In early 2020 there were a reported 1,900 Indigenous tourism businesses

employing 40,000 workers and generating $1.9 billion of direct GDP contributions to the Canadian economy (ITAC, 2020).

Take a Closer Look: Canada's Indigenous Tourism Sector: Insights and Economic Impacts

This 2019 report through the Conference Board of Canada was "commissioned by the Indigenous Tourism Association of Canada (ITAC) to profile and assess the economic impact of Canada's Indigenous tourism sector. The report delivers an updated direct economic footprint of the Indigenous tourism sector in 2017, including GDP, employment, and business growth. In addition, the report provides strategic insights from a 2018 survey of Indigenous businesses that participate in the Indigenous tourism sector in Canada."

To review the report, visit *Canada's Indigenous Tourism Sector: Insights and Economic Impacts* [PDF].

In 2019 the Indigenous Tourism Association of Canada published a comprehensive set of guidelines developed in consultation with industry members, Elders and community that endorsed the following definitions of Indigenous Tourism with the recognition that each nation, culture or community can choose to adopt or adapt these definitions to best suit their needs (ITAC, 2019, p.8):

> **Indigenous Tourism** is defined as a tourism business majority owned, operated and/or controlled by First Nations, Métis or Inuit peoples which demonstrates a connection and responsibility to the local Indigenous community and traditional territory where the operation is based.
>
> **Indigenous Cultural Tourism** not only meets the Indigenous tourism criteria (above) but in addition a significant portion of the experience incorporates a distinct Indigenous culture in a manner that is appropriate, respectful and true. Authenticity lies in the active involvement of Indigenous people in the development and delivery of the experience.

With these definitions, ITAC also provides the vital clarification that, "There are tourism businesses which are neither majority owned nor operated by Indigenous People who offer 'Indigenous tourism experiences'. *Authentic Indigenous Cultural Tourism is by Indigenous peoples, not about Indigenous peoples*" (italics added; ITAC, 2019).

Take a Closer Look: National Guidelines – Developing Authentic Indigenous Experiences in Canada

This 2019 document from ITAC was designed as a self-assessment and reference tool and created in consultation with Elders, industry and the community to give guidance and direction for all involved within the Canadian Indigenous tourism industry. The Indigenous Tourism Association of Canada continues to provide guidance for Indigenous and non-Indigenous communities, business leaders and other Indigenous tourism stakeholders on standards.

To view the report, visit National Guidelines: Developing Authentic Indigenous Experiences in Canada [PDF].

Strengthening Indigenous Tourism in Canada

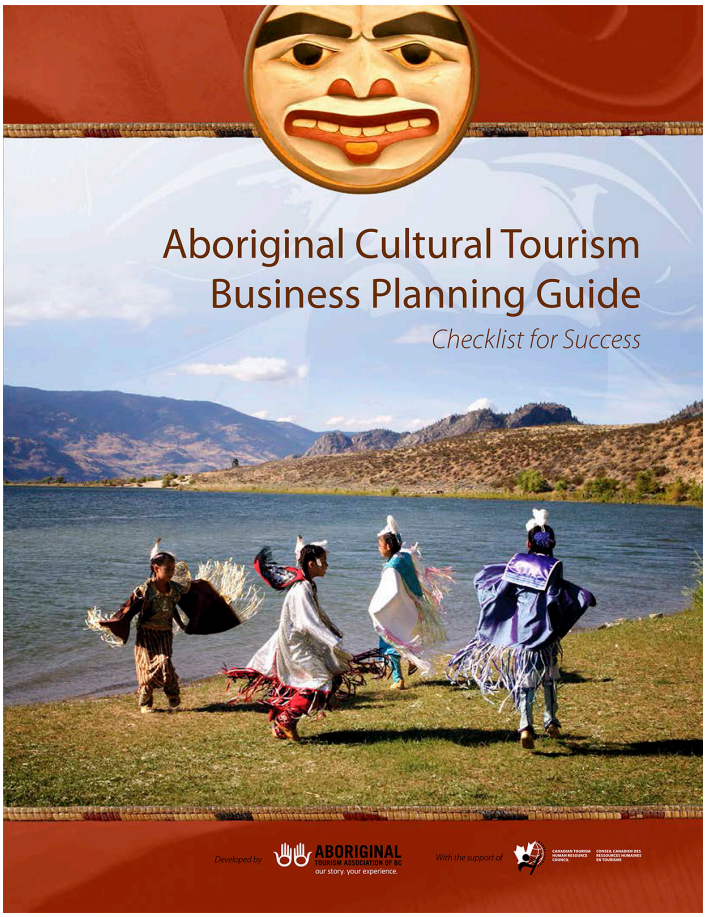

Figure 9.3.1 Cover of the Aboriginal Cultural Tourism Business Planning Guide.

Tourism is of significant interest to growing numbers of Indigenous communities in Canada. If developed in a thoughtful and sensitive manner, it can have potential positive economic, cultural, and social impacts. Many communities have undertaken tourism development activities to support cultural revival, intercultural awareness, and economic growth. This growth brings jobs and career opportunities for Indigenous people at all skill levels.

The *Aboriginal Cultural Tourism Business Planning Guide* suggested the following as the foundational building blocks necessary to run a successful and authentic Indigenous tourism business:

- Understand the industry, learn about cultural tourists, and develop products carefully
- Ensure experiences are culturally authentic
- Involve the community's 'culture keepers' and Elders
- Practice environmental sustainability
- Prepare an Indigenous cultural tourism business plan
- Meet visitor expectations through staff training and excellent hospitality, provided from a cultural perspective

- Ensure an effective web and social media presence
- Build personal support networks

The guide also highlights the importance of place to the Indigenous tourism experience. It suggests that guests leave an authentic tourism experience with a memorable collection of feelings, memories, and images that all contribute to a unique sense of place and help guests understand the culture being shared (Kanahele, 1991). In order to highlight this sense of place, operators are encouraged to reflect on and impart aspects of their culture with the following elements of their business (Indigenous Tourism BC & CTHRC, 2013):

- Decor such as signage, displays, art, photography
- Company name
- Branding elements such as logo and website design
- Employee uniforms or dress code
- Food and beverage
- Traditional stories shared with guests
- Key words and expressions from the Indigenous host language shared in guest interactions

These touch points create a richer, and more authentic, experience for the visitor.

As an Elder once stated, Indigenous tourism businesses showcase "culture, heritage and traditions," and "because these belong to the entire community, the community should have some input" (Aboriginal Tourism BC & CTHRC, 2013, p. 19). For this reason, the guide suggests operators consider the extent to which:

- Community members understand the project or business as it is being proposed
- Keepers of the culture are engaged in the development of the idea
- The business or experience reflects community values

Take a Closer Look: Indigenous Cultural Tourism Checklist (Canada) and Maori Tourism Checklist (New Zealand)

Review the *Aboriginal Cultural Tourism Business Planning Guide* at Aboriginal Cultural Tourism Business Planning Guide [PDF].

The Maori tourism organization in New Zealand has developed a similar guide for Indigenous tourism development. Visit the New Zealand Maori Tourism Road Map.

By following these guidelines, Indigenous tourism businesses can honour the principles outlined in the Larrakia Declaration and other similar documents.

Indigenous Tourism's Interconnection with Land Stewardship

The intersection of conservation, tourism and Indigenous cultural resurgence is receiving growing attention in

the Canadian context, particularly within British Columbia. Indigenous peoples' connection to the land is well documented and is widely understood as central to Indigenous cultural identity and future prosperity (Brown & Brown, 2009). As explained earlier in this text, the tourism industry is dependent upon the natural and cultural environment, yet tourism can be a direct threat to the health and quality of these essential tourism destination components. Indigenous tourism development is even more sensitive to risks associated with mismanagement given the relational interdependence of Indigenous culture and identity to the places and types of experiences that are increasingly sought after by visitors.

Take a Closer Look: National Indigenous Guardians Network in Canada

The Indigenous Leadership Initiative is a key supporter of a federally funded, Indigenous-led National Indigenous Guardians Network in Canada that supports development and employment of guardians across the country. Indigenous-led Guardian programs play a vital role in monitoring ecological changes and protecting sensitive cultural and environmental areas from the pressures related to Indigenous tourism development.

For more information, visit this web page on the Indigenous Guardians Program on the Indigenous Leadership Initiative website.

Additionally, review this web page on the Indigenous Guardians Pilot Program on the Government of Canada website.

There are a number of innovative responses to ecological threats to Indigenous lands that have emerged and evolved in recent years such as; co-management agreements of protected areas between public agencies and Indigenous people; the designation of new protected areas, best illustrated by the 1984 Meares Island Tribal Park declaration made by the Tla-o-qui-aht and Ahousat First Nations on the West Coast of Vancouver Island (British Columbia); and the establishment of Indigenous-led Guardian initiatives, such as the Coastal Guardian Watchmen program.

Take a Closer Look: Coastal Guardian Watchmen

The Coastal Guardian Watchmen program, active along the North and Central Coast, and Haida Gwaii region of British Columbia, illustrates the invaluable knowledge that is held within Indigenous communities and the role Indigenous people continue to play in protecting the cultural and natural resources of specific territories.

For more information, visit this web page on Coastal Guardian Watchmen Support on the Coastal First Nations: Great Bear Initiative website.

Examples of Canadian Indigenous Tourism Development

Over the past decades, hundreds of Indigenous-focused tourism experiences have developed in Canada. Examples include:

- The Head-Smashed-In Buffalo Jump interpretive centre in Alberta

- Northern lights viewing with Indigenous hosts at Aurora Village in Yellowknife, Northwest Territories
- Essipit whale watching with the Innu in Quebec
- Driving the Great Spirit Circle Trail of Indigenous experiences on Manitoulin Island in Ontario
- Cultural activities and wilderness adventures during summer and winter in the traditional territory of the Champagne & Ashihik First Nation, Yukon

Figure 9.3.2 A group of visitors listen to an Indigenous guide at Head-Smashed-In Buffalo Jump, Alberta. Image credit: Roland Tanglao.

Take a Closer Look: Indigenous Tourism Canada's consumer website

Get curious and explore the many Indigenous tourism and cultural tourism businesses and experiences throughout Canada, including those close to where you live or places you're otherwise familiar with. The interactive map on the ITAC website provides a great way to dive into this!

For an in-depth exploration of a Canadian Indigenous tourism destination, see the case study at the end of this chapter on the Trails of 1885 project. This and other initiatives have been successful across the country, including some in British Columbia, which has emerged as a premier destination for Indigenous tourism experiences.

Image Credits

Figure 9.3.1 Cover of the Aboriginal Cultural Tourism Business Planning Guide by LinkBC is used under a CC-BY-NC-ND 2.0 license.

Head-Smashed-in-Buffalo-Jump by Roland Tanglao on Flickr is licensed under a CC BY 2.0 licence.

9.4 Indigenous Tourism in BC

The Aboriginal Tourism Association of British Columbia (ATBC), now recognized as **Indigenous Tourism BC (ITBC)**, was founded in 1996 and was spurred by a research project that detailed the changing motivations of visitors to BC. The research results identified that specific target markets were particularly motivated to visit BC to experience local or regional Indigenous culture. Leveraging this information and initial organizational momentum, ITBC has matured to become a stable and effective organization by establishing funding partnerships with governments, developing a stakeholder membership model, and initiating a range of development strategies and tactics outlined in regularly updated action plans.

ITBC provides recognized leadership to support the estimated 401 Indigenous tourism related businesses operating in BC. These businesses generate $705 million indirect gross domestic output and provides 7,400 direct full-time jobs for Indigenous and non-Indigenous residents in BC through their activities (ITBC, 2019).

Spotlight On: Indigenous Tourism BC

Indigenous Tourism BC (ITBC) has gained an international reputation for effectiveness. Its role is to encourage the professional development of Indigenous cultural experiences and destinations in the province and to then support marketing those businesses to the world.

For more information featuring market-ready Indigenous tourism experiences within BC visit the external consumer-focused ITBC website.

For more details about ITBC's history, structure and planning tools visit the ITBC internal corporate and stakeholder-focused website.

Since its inception, ITBC has grown to represent a diverse range of stakeholder businesses and organizations, including campgrounds, art galleries and gift shops, hotels, eco-lodges and resorts, Indigenous restaurants and catering services, cultural heritage sites and interpretive centres, kayak and canoe tours, adventure tourism operations, and guided hikes through heritage sites (Aboriginal Tourism BC, 2012). It has also proven adept at online promotion and social media, has also become world renowned for its strategic approach to Indigenous tourism development.

Take a Closer Look: Indigenous Tourism Trip Planner App

Indigenous Tourism BC marketing staff are regularly updating not just their consumer website, but also their social media platforms with rich visual assets, including promotional videos for the sector, regions, and specific companies.

In 2020, they also released a new app for Indigenous Tourism trip planning, which includes some virtual experiences. Learn more by downloading it on your digital device at Indigenous BC Trip Planner App.

A Strategic Approach to Growth

In 2017, the organization now known as ITBC released its five-year strategic plan, entitled "Pulling Together," which identified targets for Indigenous cultural tourism industry success in BC. Its goals by 2022 included:

- Increased provincial revenue of $75 million
- Employment at 4,950 full-time equivalent positions
- 128 market-ready Indigenous cultural tourism businesses

To achieve these targets, the plan focused on five distinct strategic performance areas:

- Marketing
- Experience Development
- Partnerships
- Leadership
- Organizational Excellence

Following good overall tourism planning principles, ITBC ensured its plan aligned with Destination BC's strategy, *Welcoming Visitors—Benefiting Locals—Working Together, A Strategic Framework for Tourism in BC,* as well as Canada's federal tourism strategy. Consistent with this sustained alignment, recent efforts have placed renewed emphasis on the need for market readiness.

Push for Market Readiness

As we've learned elsewhere in this textbook, today's travellers are more complex than in the past and have higher expectations. Potential guests are well acquainted with technology and have the world at their fingertips. For this reason, it's important that Indigenous operators ensure they are sufficiently ready to run as a tourism business and compete in an increasingly crowded tourism marketplace.

There are three categories of readiness, each with a set of criteria that must be met (Aboriginal Tourism Association of Canada, 2013):

- A **visitor-ready operation** is often a start-up or small operation that might qualify for a listing in a tourism directory but not be considered ready for cost-shared promotions with other businesses due to lack of amenities or predictability.
- A **market-ready business** must meet visitor-ready criteria plus demonstrate a number of other strengths around customer service, marketing materials, published pricing and payments policies, short response times and reservations systems, and so on.
- **Export-ready criteria** include the previous categories, plus sophisticated travel distribution trade

channels to attract out-of-town visitors. They provide highly reliable services to all guests, particularly those traveling with groups.

By educating cultural tourism businesses about these standards, and then creating incentives for marketing opportunities, ITBC helps to raise the bar for BC Indigenous cultural tourism experiences. Its goal is to support as many operators toward market readiness (the second category) as possible so that they may eventually become export ready alongside other BC tourism experiences.

Take a Closer Look: Authentic Indigenous

Authentic Indigenous is a marketing initiative by Indigenous Tourism BC (ITBC) – a successful designation program that identifies strong cultural Indigenous tourism experiences as Authentic Indigenous. With this designation, ITBC meets the demands of travellers seeking unique, educational, eco-friendly and culturally appropriate experiences within Indigenous communities across BC. Find out more by visiting the Authentic Indigenous web page.

FirstHost

Figure 9.4.1 Cover to the FirstHost program workbook.

Another key component of the Indigenous tourism experience is the host. In BC, the **FirstHost** program supports the development of Indigenous hosts who are well trained, know what guests are looking for, and who can help provide an authentic cultural experience. The one-day tourism workshop is offered through ITBC and delivered throughout British Columbia

FirstHost was inspired by Hawaiian tourism pioneer, Dr. George Kanahele (1913-2000), who saw the impact tourism was having on indigenous culture and set out to educate the industry that "the relationship between place, host and guest must be one of equality" (Native Education College, 2014, p. 28). Participants learn about hospitality service delivery and the special importance of the host, guest, and place relationship. This well-received workshop, delivered by Indigenous trainers, is another reason Indigenous tourism continues to grow stronger in the province.

Take a Closer Look: Aboriginal Ecotourism Training Program

The Aboriginal Ecotourism Training Program (AETP) was born through a desire to increase workforce and community capacity for Indigenous tourism in coastal BC and developed in partnership between Vancouver Island University (VIU), North Island College (NIC), and the Heiltsuk Tribal Council (HTC), with support from Indigenous Tourism BC (ITBC) and funding through the Canada-British Columbia Job Fund.

Since 2014, 70 graduates from over 27 First Nations have successfully completed the Aboriginal Ecotourism Training Program (AETP) that features an innovative place-based, culturally relevant and experiential design to post-secondary learning. Many of these students have continued in the tourism sector or are engaged in ongoing post-secondary education in business and tourism.

Learn more through a video on the Aboriginal Ecotourism Training Program and the article Adventures in Ecotourism: Building Partnerships, Collaborations and Trust through Aboriginal Education.

Examples of BC Indigenous Tourism Development

Spotlight On: Moccasin Trails

Many exceptional leaders and entrepreneurs in Indigenous Tourism wear multiple hats. Besides family, community, and cultural responsibilities, this often includes many other complex roles within Indigenous Tourism development through sector, regional, and national associations, plus outreach as consultants beyond their own tourism business — sharing expertise that bridges cultures and systems.

One dynamic example is through the suite of tourism experiences, services and leadership offered by Frank Antoine and Greg Hopf of Moccasin Trails in the Kamloops area.

They describe that, “We wanted to bring people from around the world on the ancestral paths our people walked, have them taste the food we ate, sing the songs we sang, hear the stories that were passed down orally from generations ago, and travel down the rivers we canoed. In order to truly learn about our culture we felt the only way was to touch, smell, see, hear, and feel it. Our journey started hundreds of years ago but your journey will start right now with us at Moccasin Trails.

Their vision and motivation is very representative of the tangible, tireless and authentic energy that underlies much of Indigenous Tourism development.

Indigenous tourism in BC offers diverse visitor opportunities that range from arts and cultural attractions to authentic food and beverage experiences to wildlife tours that highlight the spiritual significance of BC’s natural places for Indigenous people.

Take a Closer Look: Indigenous Experiences — A Journey

The consumer website for Indigenous Tourism BC features things to do, places to see, trip planning tools, featured itineraries and stories. For more information, visit the Indigenous Tourism BC website.

Figure 9.4.2 SGang Gwaay mortuary poles. SGang Gwaay Llanagaay, is a UNESCO World Heritage Site, on the south western edge of Gwaii Haanas, Haida Gwaii Image credit: Dale Simpson

Examples of BC Indigenous tourism enterprises include:

- The Bill Reid Gallery of Northwest Coast Art in the heart of downtown Vancouver, home of the permanent collection of Bill Reid as well as contemporary exhibitions.
- St. Eugene Golf Resort & Casino, a First Nation-owned 4.5-star hotel with a golf course and casino, outside of Cranbrook in the Kootenay Rockies.

- Cariboo Chilcotin Jetboat Adventures, offering exciting and scenic tours of the Fraser River.
- Salmon n' Bannock Bistro, offering authentic Indigenous food in urban Vancouver.
- Spirit Bear Lodge, in the Great Bear Rainforest, specialize in wildlife and Indigenous cultural experiences.
- Talaysay Tours offering Indigenous cultural and eco-tourism experiences in and around Vancouver, Squamish and the Sunshine Coast.
- Skwachàys Lodge, a downtown Vancouver luxury hotel, art gallery and store operating as a social enterprise and supporting Indigenous artists.

Take a Closer Look: UNESCO World Heritage List

This list, evolving from 1972 World Heritage Convention, identifies outstanding significant sites across the globe, linking the concepts of nature conservation and the preservation of cultural properties. The convention sets out the duties of governments in identifying potential sites and their role in protecting and preserving them. The list features an interactive map and an alphabetical list. To explore the more than 1,100 properties on the list, including 20 sites in Canada, visit the UNESCO World Heritage List.

The village of SG̱ang Gwaay Llnagaay (formerly Ninstints or Nan Sdins) is a prominent example of a UNESCO World Heritage Site in Canada, located on a small island off the west coast of Haida Gwaii.

While ITBC members are too numerous to detail here, one BC First Nation is often in the spotlight for its significant tourism and economic development activity, thanks to its physical and cultural assets and positive leadership. Let's take a closer look at this example.

Osoyoos Indian Band

The Osoyoos Indian Band (OIB) is located in the Interior of BC. A main goal of the OIB has been to move from dependency to a sustainable economy like that which existed before contact (Centre for First Nations Governance, 2013).

Take a Closer Look: Centre for First Nations Governance Success Stories

The Centre for First Nations Governance is a non-profit organization dedicated to providing self-governance support to First Nations communities across Canada. It helps with planning, governance, the establishment of laws, and nation-rebuilding efforts. Its website features success stories, in video format, that highlight these efforts. For more information, visit the Centre for First Nations Governance website for Success Stories.

Okanagan First Nations once travelled widely to fish, gather, and hunt. Each year, the first harvests of roots, berries, fish, and game were celebrated during ceremonies honouring the food chiefs who provided for the people. During the winter, people returned to permanent winter villages. The names of many of the settlements in the

Okanagan Valley — Osoyoos, Keremeos, Penticton and Kelowna — come from Indigenous words for these settled areas and attest to the long history of the Syilx people on this land.

Forty-five years ago, the OIB was bankrupt and living off government social assistance. In 1988, it sought to turn the tide on this history and created the Osoyoos Indian Band Development Corporation (OIBDC). Through focused leadership and initiative, the band has been able to develop agriculture, eco-tourism, and commercial, industrial, and residential developments on its 32,200 acre reserve lands. It does have the good fortune to be located in one of Canada's premier agricultural and tourism regions; however, it has also taken a determined and well-crafted effort to become an example of Indigenous economic success.

The OIBDC manages a number of tourism-related businesses including the Nk'Mip Campground and RV Park, Nk'Mip Canyon Desert Golf Course, Nk'Mip Desert Cultural Centre. In addition, the OIBDC have several prominent tourism-related partnerships, including with Baldy Mt. Ski Resort, Nk'Mip Cellars, Spirit Ridge Resort, and others (OIB, 2020). The area attracts about 400,000 visitors per year, and at peak tourist season there is essentially full employment among the more than 470 members of the Osoyoos reserve.

In addition to the core businesses and partnerships, many secondary businesses have formed. For example, the award-winning Nk'Mip Desert Cultural Centre promotes conservation efforts for desert wildlife and has also helped to create several spinoff businesses, including a landscaping business, a greenhouse for indigenous plants, a website development business, and a community arts and crafts market (LinkBC, 2012).

Image Credits

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SG̱ang Gwaay mortuary poles by Dale Simonson on Flickr is licensed under a CC BY-SA 2.0 licence.

9.5 Conclusion

Examples like the Nk'Mip suite of businesses and partnerships through the Osoyoos Indian Band demonstrate that BC is on track to become one of the world's leading destinations for Indigenous tourism experiences. Across Canada, Indigenous peoples and their partners are using Indigenous-developed standards to help preserve and strengthen cultures while building economic benefits for their communities. This is directly in line with the global trend toward linking tourism with the need to uphold Indigenous rights.

An aim of this chapter was to inspire respectful curiosity among students of tourism and offer a glimpse at the complexity and connectedness of Indigenous tourism in the historic and contemporary spheres of the public and private lives of non-Indigenous and Indigenous peoples in Canada, with a primary focus on British Columbia. Frankly, one chapter can never fully reveal the diversity, resiliency, and cultural richness of Indigenous peoples, nor can it fully reveal the depth of harm wrought by past, and ever-present colonial systemic forces that remain entangled with the phenomenon of tourism.

The promise of Indigenous tourism can provide a basis for conversation — and action — among stakeholders with potentially competing aims and differing worldviews. It is important to recognize that these conversations can be emotionally charged, complex and personally unsettling. Nevertheless, the progress that has been made thus far by individuals, communities, businesses, agencies, organizations and governments in developing quality Indigenous tourism opportunities for visitors to British Columbia, Canada and around the world is encouraging. The cumulative results of these efforts demonstrate that properly supported, and most importantly Indigenous-led, Indigenous tourism development can be a powerful force for positive change. Indigenous tourism not only has the potential to contribute to a healthier, more respectful and more prosperous shared future for all, it is arguably one of the best positioned and most appropriate global force to do so.

In recent years, the momentum, growth, and evident growth-potential of Indigenous tourism within the tourism sector has had some of the most significant and genuine change and influence on policy, product, destination development within tourism in BC, Canada, and internationally. These changes — catalyzed through Indigenous tourism — are integral for augmenting and repositioning the role of tourism in general within larger provincial, national and international objectives and efforts for reconciliation and sustainable development. Whether a person or business is Indigenous or otherwise, becoming genuinely engaged in moving Indigenous tourism forward is at the front edge of helping tourism reach it's positive societal and economic potential both domestically and internationally.

Figure 9.5.1 Sunrise at St. Eugene Mission Resort owned by the Ktunaxa, the Samson Cree, and the Mnjikaning First Nations. Image credit: Province of British Columbia

Key Terms

- **American Indian:** a term used to describe First people in the United States, still used today
- **Appropriation:** the action of taking something for one's own use, typically without the owner's permission
- **Declaration on the Rights of Indigenous People:** a 2007 statement that set forth the minimum standards for the survival, dignity, and well-being of the indigenous peoples of the world
- **Eskimo**: a term once used by non-Inuit people to describe Inuit people; no longer considered appropriate in Canada (however, still used in Alaska, US).
- **Export-ready criteria:** the highest level of market readiness, with sophisticated travel distribution trade channels, to attract out-of-town visitors and highly reliable service standards, particularly with groups
- **First Nation:** one of the three recognized groups of Canada's Indigenous peoples (along with Inuit and Métis)
- **Indian (or Native Indian):** a legal term in Canada, once used to describe Indigenous people but now considered inappropriate
- **Indigenous cultural experiences:** experiences that are offered in a manner that is appropriate, respectful, and true to the Indigenous culture being portrayed
- **Indigenous cultural tourism:** Indigenous tourism that incorporates Indigenous culture as a significant portion of the experience in a manner that is appropriate, respectful, and true

- **Indigenous tourism:** tourism businesses that are majority owned and operated by First Nations, Métis, and Inuit
- **Indigenous peoples:** groups specially protected in international or national legislation as having a set of specific rights based on their historical ties to a particular territory, and their cultural or historical distinctiveness from other populations. Indigenous peoples are recognized in the Canadian Constitution Act as comprising three groups: First Nations, Métis, and Inuit
- **Indigenous Tourism Association of BC (ITBC):** the organization responsible for developing and marketing Indigenous tourism experiences in BC in a strategic way; marketing stakeholder members are over 51% owned and operated by First Nations, Métis, and Inuit
- **Indigenous Tourism Association of Canada (ITAC):** a consortium of over 20 Indigenous tourism industry organizations and government representatives from across Canada
- **Inuit:** one of the three recognized groups of Indigenous peoples in Canada (along with First Nation and Métis), from the Arctic region of Canada
- **Larrakia Declaration:** a set of principles developed to guide appropriate indigenous tourism development
- **Marae:** a communal or sacred centre that serves a religious and social purpose in Polynesian societies
- **Market-ready business:** a business that goes beyond visitor readiness to demonstrate strengths in customer service, marketing, pricing and payments policies, response times and reservations systems, and so on
- **Métis:** one of the three recognized groups of Canada's Indigenous peoples (along with First Nation and Inuit), meaning "to mix"
- **United Nations Declaration on the Rights of Indigenous People (UNDRIP):** a 2007 United Nations statement that set forth the minimum standards for the survival, dignity, and well-being of the indigenous peoples of the world
- **Visitor-ready business:** often a start-up or small operation that might qualify for a listing in a tourism directory but is not ready for more complex promotions (like cooperative marketing); may not have a predictable business cycle or offerings

Exercises

1. Reread the **Larrakia Declaration** mentioned earlier in this chapter. Find one statement that resonates with you either for personal reasons or as a future tourism professional. Why do you feel this principle is important?
2. Why have the terms used to describe Indigenous people changed over time? Why is it important for tourism professionals to respect these terms?
3. Who are the local Indigenous groups in your community? Are these First Nations, Métis, or Inuit? What are their languages called?
4. Suggest three reasons why Indigenous tourism is different from product-based sub-sectors of the industry (e.g., golf tourism, cuisine tourism).
5. With trends showing increased numbers of Indigenous Tourism businesses and employment, do you anticipate this having continued sustainable growth within tourism? Why? Why not?
6. Are there Indigenous tourism businesses in your area? Try to find at least two (you can use the Indigenous

Tourism BC website to locate them). How would you rate their market readiness? Give three reasons for your assessment.

7. Complete online research to identify four international (non-US or Canada) Indigenous tourism experiences/attractions. Create a table to record the following information:
    a. Indigenous group represented
    b. Ownership
    c. Products or services provided
    d. Years of operation
    e. Indigenous hosts
    f. Authenticity of experience
    g. Market readiness (based on website/marketing materials)
    h. Notable features
8. Compare and contrast the experiences you summarized in question 7. Which businesses do you think are the most successful, and why? Which might be struggling? Which would you like to visit? Why or why not?

Case Study: Tourism and the Red Dzao and Black Hmong in Vietnam

In the Sa Pa region of Vietnam, ethnic minorities, including the Hmong and Red Dao, once depended solely on subsistence farming, timber harvesting, and opium cultivation for their income. The Hmong are indigenous to Southern China, however they were forced to migrate to areas in Myanmar, Thailand, Laos and Vietnam in the mid-1800's.

As tourism to the region has increased since the early 1990's, so to has the economic opportunities as well as potential and real impacts. However, the benefits of tourism have not been equitably shared with everyone. Many of Sa Pa's ethnic minorities either do not gain from the burgeoning sector, or are limited to selling handicraft-souvenirs to tourists on the streets.

Community-based tourism projects supported by Capilano University, North Island College, and Ha Noi Open University, and funded by the Canadian International Development Agency and the Pacific Asia Travel Association Foundation, led to an evolution in sustainable practices as well as increased tourism revenues coming into the ethnic minority communities. Projects such as training and homestay development began in the villages of Ta Van and Ta Phin, and after some promising steps forward there, a project was replicated in Black Hmong village of Lao Chai.

Lao Chai used to be just a lunch stop for tourists trekking through the beautiful, mountainous region. Over a period of many years, training and capacity-building activities were undertaken by the local Black Hmong people with the support of project volunteers. The fascinating culture, the hospitality of the community, and new trekking routes changed the role of Lao Chai. With the development of homestays the village is now seen as a suitable place for an overnight stay.

A potential threat to the rights of the ethnic minorities and the village products has been the lack of inclusion and participation in decision making and tourism planning. This was evident during the development of Hoang Lien Son National Park. To protect this regional mountain range, authorities increased the borders of the park, encroaching on traditionally important natural resources for local villages. Additional challenges have arisen because the Vietnamese hold the majority of government positions and own the majority of tourism businesses in the region. Large scale tourism

development projects, such as a gondola, have shifted economic priorities to attracting mass tourism markets. Access to education, language and racism are just some of the factors hegemonizing minority people like the Black Hmong.

Despite these challenges, and with the support of students and faculty from Capilano University and Ha Noi Open University, residents of Lao Chai have set up small shops and a restaurant that attract visitors. Homestays have been certified, allowing guests to enjoy an overnight experience in the village as part of a Black Hmong family. Partnerships have been fostered between private sector tour operators and the local communities. Local government and regional tourism authorities have been supportive of tourism development in the villages. As entrepreneurial activities by the local ethnic minorities have proved successful, other individuals and communities have worked to train and make investments in their own tourism ventures.

Watch the video *The Black Hmong of Lao Chai Village* and the video *The Black Hmong and a Different Way of Life* on YouTube and answer the following questions:

1. What were some of the challenges to establishing tourism in the Lao Chai community?
2. Review the Larrakia Declaration mentioned earlier in this chapter. What, in your opinion, are the most important of these principles that need to be understood in order for a project like this to succeed?
3. What stakeholders do you think are critical to bring to the table to ensure equitable tourism development?
4. Whose responsibility is the ongoing success and sustainability of tourism in Lao Chai village? How might success be measured?
5. What lessons from the Sa Pa Case Study could be applied to Indigenous tourism development in BC? List five strategies used or actions taken in Vietnam that could be applied here.

Case Study: Trails of 1885 Bridges Cultures and Builds Tourism

Western Canada in the 1880s was facing a time of rapid change as the buffalo disappeared and the established way of life was rocked to its core. Tensions rose between European settlers and the Métis, whose rights had been eroded. In 1885, the North-West Resistance (formerly known as the North-West Rebellion) concluded with the hanging of resistance leader Louis Riel and eight other Indigenous leaders (Trails of 1885, 2015).

In the years since, residents of Saskatchewan have protected areas from major interpretive centres to remote meadows and hillsides where solitary historic markers recount stories from an almost mythical past.

In 2006, a small group of tourism developers and historic site managers gathered in Saskatoon to discuss how these locations and their stories could be brought together and enhanced to collectively attract more visitors to the region.

As detailed in *Cultural and Heritage Tourism: A Handbook for Community Champion*s, their project included:

- Creating an inventory of 1885-related sites and stories
- Meeting with site stakeholders to gauge interest in the project
- Acknowledging that First Nations and Métis stories had been previously overlooked
- Creating the 1885 coalition (Elders, accommodations, tourism organizations, tourism attractions, museums, tour operators)
- Reaching beyond Saskatchewan (the site of the main historical event) to Alberta and Manitoba sites related to the story of the North-West Resistance
- Finding funding, striking a steering committee, and finding a project manager

- Navigating culturally sensitive issues including the language of program delivery
- Creating visuals and branding (including the Trails of 1885 brand itself)

The project relied on the participation of various stakeholder groups and the leadership of a local champion. As a result of their efforts, an elk-hide proclamation was signed by First Nations, the Métis Nation, and federal and provincial governments.

Numerous other major events were held throughout the year including the first-ever reenactment of the Battle of Poundmaker Cree Nation and other 1885 ceremonies in communities across the region. The added impact of Trails of 1885 resulted in the largest attendance of the annual Métis homecoming festival (Back to Batoche Days).

To support long-term tourism benefits to the region, these activities were reinforced by capital projects such as highway improvements (to the sites), highway and site signage, large maps at various 1885 sites, and multi-million dollar improvements at Batoche. After this multi-year project, a new non-profit corporation, Trails of 1885 Association, was created to extend the work into the future and promote the region as a long-term tourism draw.

According to one of the initiative's leaders, "the project has certainly met one of its main goals—to increase visitation and visitor satisfaction, while developing First Nations and Métis cultural awareness locally, regionally, provincially, and nationally" (LinkBC, 2012, p. 66).

Visit the site at Trails of 1885 website and answer the following questions:

1. List two attractions in each of the three provinces that span this project. What do they have in common?
2. List five stakeholder groups who participated in the development of Trails of 1885. How might their interests differ? How might they align? Name three benefits of having these partners work together.
3. What kind of tours are available to visitors wanting to learn more about this time in Canada's history?
4. Based on the website, where would you say the Trails of 1885 falls on the readiness scale (visitor ready, market ready, export ready)? Why would you classify it in this way?
5. Go back to the Larrakia Declaration and create a checklist made up of the statements. In what ways did this project adhere to the principles set out in the declaration? Are there any ways the project could have done better?

Image Credit

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Chapter 10. Risk Management and Legal Liability

Learning Objectives

- Define the concepts of risk and risk management
- Apply the four core steps of a risk management process to a tourism operation
- Identify potential liabilities and develop mitigation strategies to minimize the impact of these liabilities
- Identify the four elements of a negligent action and common defences to negligence
- Describe the components of a valid contract under Canadian contract law
- Assess the statutory requirements for a tourism or hospitality operator as required in BC
- Demonstrate a working knowledge of occupational health and safety in tourism

Original author & revisions: Don Webster

10.1 Overview

This chapter examines the concepts of risk management and legal liability within the context of tourism and hospitality. We'll review theoretical risk concepts and practical risk management applications while exploring applicable areas of statute, tort, and contract law. Insurance and occupational health and safety are also discussed. Examples from tourism and hospitality will be used throughout. Please note that the content provided in this chapter is provided for educational purposes, and should not be relied on in the event of legal action.

What is Risk Management?

Risk is defined as the potential for loss or harm (Destination Canada [publishing as CTC], 2003a). This could be experienced as a financial loss, damage to property, or injury to workers or guests. Understandably, tourism operators are interested in preventing these events from occuring, which is why practicing risk management is an essential business skill.

Figure 10.1 Signage indicates a risk for people wanting to fish in this stream near Waneta, B.C., due to turbulent flows and rapidly rising water levels.

Risk management refers to the practices, policies, and procedures designed to minimize or eliminate unacceptable risks (Cloutier, 2000; Destination Canada [DC], 2003a; Heshka & Jackson, 2011). Depending on the type of operation undertaking the risk management process, these may vary greatly. Vastly different risks exist across the breadth of tourism and hospitality businesses; there are significant differences in the operation of a hotel as compared to delivering an adventure tourism activity. Consequently, it is helpful to think of risk management as being a process of determining the exposure to risk, and then initiating action to either minimize or eliminate the risk specific to your operation (Enterprise Risk Management, 2004). Mastering a generic model of risk management allows you to apply that model to all operations.

Why Practise Risk Management?

There are generally two core objectives in the practice of **risk management** by tourism operators: to avoid injury to guests and employees, and to protect their business operations from financial or physical ruin. Keeping guests

and employees safe is a moral, ethical and legal responsibility; this is not to be taken lightly. Protecting business operations includes protecting against damage to property, damage to reputation, and any financial impacts occurring from litigation (Centre for Curriculum, Transfer, and Technology [CCTT], 2003a). By practising this twofold approach, operators demonstrate that they are prioritizing the health and safety of individuals, while still taking steps to protect the operational sustainability of their company.

Figure 10.2 Media scrutiny after an incident can be damaging to a business that has not demonstrated effective risk management.

On a larger scale, practising effective risk management can be seen as an important business skill. Destination Canada (2003a) suggests that risk management:

- Reduces the likelihood of an unwanted and unplanned event
- Reduces the consequences of the event
- Enhances your ability to access comprehensive and cost-effective insurance

Risk management can be undertaken at any scale. Individuals, companies, societies, communities, cities, regions, and even governments can follow the process in order to protect themselves from risks, which may range from company-specific risks associated with the operation or significant international risks such as climate change and civil disturbances.

Some risk management initiatives are more straightforward to implement than others; they are required by law and enforced by government agencies. For example, companies providing transportation services (such as commercial motor vehicle transport) have clearly defined requirements as set out by their local motor vehicle branch in government. They are required to use appropriately licensed commercial drivers, submit to regularly scheduled commercial vehicle inspections, and insure their vehicles as required. Failing to adhere to these standards may result in suspension of operating privileges, fines, or even imprisonment. Similar to this is occupational health and safety; this is discussed later in the chapter.

However, other aspects of risk management are not regulated. This is characteristic of the majority of tourism and

hospitality activities offered in Canada today. Operators offer services to the general public and self-regulate in terms of safety. If injury to a guest occurs, and that guest feels that he or she has grounds for a financial claim, that person can initiate a lawsuit against the tourism operator. If this claim is found valid in court, then the tourism operator may be responsible for a financial settlement to that claimant for damages – physical, financial or otherwise. To prevent, or to respond adequately to scenarios such as this, operations need to be both proactive and diligent in the practice of risk management.

In short, tour operators must comply with applicable statutory requirements and be sure to self-monitor to determine if the standard that they are operating at is acceptable to society and their peers. Failing to do so may result in a range of consequences including fines, suspension of operations, or a lawsuit.

Concepts of Risk

Before we proceed deeper into an examination of the risk management process, let's look at three theoretical concepts of **risk**: real risk, perceived risk, and inherent risk.

Real risk is the actual statistical likelihood of an incident occurring. This is typically established through reviews of statistics and other relevant data, and by an analytical process and use of expertise in the field. There is little ambiguity or subjectivity in real risk (DC, 2003a).

Perceived risk is the perception of risk by those undertaking or evaluating the risk itself; it may vary greatly based on their level of apprehension, anxiety, or experience with the specific risk. Perceived risk can also vary greatly from the real risk of an activity; it can be higher or lower than the actual risk. In Adventure Tourism, successful management of perceived risk may include operators promoting the risk of activity as high, even if in reality the risk is minimal (Dowling, 1986).

Inherent risk is the risk that must exist for the activity to occur; examples include the risk of drowning whilst swimming and the risk of falling during skiing. It is impossible to eliminate inherent risk from these activities because it would preclude participating in them. However, operators should take steps to minimize inherent risk; this could include, for example, conducting safety inspections, providing appropriate safety equipment for guests, training staff, and informing participants of the hazards of the activity (CCTC, 2003b).

Figure 10.3 An ambulance outside a Vancouver hotel.

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Figure 10.2 Larry O'Brien Verdict press core-0219 by David Carroll is used under a CC BY 2.0 license.

Figure 10.3 Not a good thing to move from a hotel room to a hospital room by Canadian Pacific is used under a CC BY-NC 2.0 license.

10.2 Risk Management Process

There are a variety of risk management models that have been utilized and promoted. Each is generally a variation on the same theme, with each having a slightly different approach to the analysis. You'll find that large operations, government agencies, military, search and rescue all have their own proprietorial processes. Outlined below is the model from Destination Canada for small and medium enterprises. It has four stages: risk identification, risk analysis, risk control, and risk treatment (DC, 2003a).

Risk Identification

The initial stage of the risk management process is systematically identifying risks facing the organization. This step is often referred to as risk assessment. An organization can identify risks in the following ways (CTC, 2003a, p. 6):

- On-site inspections and discussions with management and staff
- Review of products, services, processes, and contracts
- Review of historical activities and losses
- Identification of possible risk scenarios

Once an exhaustive list of the risks is compiled, the next step is to ensure a thorough analysis occurs.

Risk Analysis

A typical risk analysis compares the probability (frequency) of any risks occurring by the consequence (severity) if they do occur. This can be done either in a qualitative or quantitative manner, with either numerical values or descriptors applied. For example, an analysis of the risk of the catastrophic failure of a ski lift at a resort resulting in passengers falling to the ground would likely indicate that the *probability* of this incident occurring is low due to historical records of use, and required maintenance for safety. However, the *consequence* would likely be high, considering there could be a large number of passengers involved in a significant fall, resulting in multiple casualties.

Operators need to respond (*through risk control, see section below*) if the analysis determines any of the following: 1) the probability of the risk occurring is unacceptable; 2) the consequence of the risk occurring is unacceptable; or 3) the combined impact of the probability and consequence is deemed unacceptable (Cloutier, 2000).

Figure 10.2.1 Technical safety equipment needs to be regularly inspected as part of the risk management process. Image credit: Dana McMahan.

Risk Control

Once the risks are identified and analyzed, the next step is implementing mitigation strategies for any unacceptable risks. This step is called risk control, and it comprises two primary concepts: exposure avoidance and loss reduction.

Exposure avoidance involves any mitigation strategies used to avoid the exposure to the risks. Examples are eliminating particularly hazardous activities or services, avoiding certain areas due to environmental threats, or changing a tour destination due to political unrest.

Loss reduction is a different approach; it assumes that you have acknowledged the risk of a particular activity or service, and choose to continue to offer it, but will take steps to mitigate the severity of damage that may occur (CCTT, 2003a). An example is requiring all participants in a ski lesson to wear helmets; the risk of falling still exists, but you have taken action to reduce the severity of any fall.

Risk Treatment

Failing the ability to control all risks identified, the next step in the process is risk treatment. This includes the concept of risk transfer and risk retention. **Risk transfer** refers to the transfer of responsibility to another party, either contractually or by insurance. Risk can be transferred through contract either by entering into a contract for service, or by requiring participants to sign a waiver. Risk is transferred through insurance by paying premiums to an insurer, wherein they absorb the financial risk of an incident. **Risk retention** refers to the level of risk that is retained by the company through a conscious decision-making process. Examples of this may include the decision

to increase the size of insurance deductible to use, the use of self insurance, or consciously not transferring risks due to an inability to do so (CTC, 2003b).

Take a Closer Look: Emergency Response Plans/Emergency Action Plans

Part of a robust risk management process is either an Emergency Response Plan (ERP) or Emergency Action Plan (EAP). These documents are plans designed assist staff in responding to emergency situations. You will find an EAP in virtually every public building in BC. Your classroom most likely has one posted by the exit. The idea behind having such a plan prepared in advance is that it will help staff respond in a consistent, effective manner if an emergency occurs. The scope and nature of the activities dictate what type of plan is required. For more information on specific plans check with accrediting or licensing agencies related to the specific activity.

Image Credit

10.3 Laws and Regulations

Tort Law and Negligence

Figure 11.5 The plaza at B.C.'s provincial law courts.

Tort law in Canada refers to the "body of the law which will allow an injured person to obtain compensation from the person who caused the injury" (Tort Law, n.d.). Two categories of torts exist: intentional and unintentional. **Intentional torts** consist of assault, battery, trespass, false imprisonment, nuisance, and defamation. **Unintentional torts** primarily consist of negligence (Tort Law, n.d.). In tourism, most lawsuits involve negligence, with one party seeking financial compensation.

Take a Closer Look: *Crocker v. Sundance Northwest Resorts Ltd.*

The ruling in *Crocker v. Sundance Northwest Resorts Ltd.* provides an examination of the elements of a negligent action. The case describes an incident where a ski/snowboard resort hosted a tubing competition and allowed an intoxicated customer to participate. An accident occurred, and the customer was paralyzed as a result. The resort was found to be negligent as it failed to maintain an appropriate standard of care. Damages were awarded to plaintiff (the person suing) but were reduced for "contributory negligence on behalf of the plaintiff," which means the injured person was also held partly responsible. The ruling can be found here: *Crocker v. Sundance Northwest Resorts Ltd.*

Tourism operators must consider their exposure to unintentional torts, primarily negligence. **Negligence** can be defined as "the omission to do something which a reasonable man, guided upon those considerations which ordinarily regulate the conduct of human affairs, would do, or doing something a prudent and reasonable man would not do" (Cloutier, 2000, p. 13). In other words, if the safety standards of a business fall below an established standard and injury occurs as a result, the injured person may sue for negligence.

Pursuing legal action against an operation for negligence is a process that needs to be initiated by the party who has been injured (plaintiff). To be successful, four elements have to be proved: injury, duty to care, breach in the standard of care, and causation.

The first of these, **injury**, means that it must be shown that the person suing did, in fact, receive an injury that resulted in damages. This might be physical damage, such as a bodily injury, or it may be damage to property.

The concept of **duty to care** refers to the relationship between the plaintiff and the defendant, a relationship requiring the defending party to care for the plaintiff. For example, in tourism, duty to care relationships exist between hotels and guests, tour guides and tour participants, and instructors and students. Is it expected that the person or organization in the relationship is responsible for ensuring the other person is safe from reasonable harm.

Take a Closer Look: The Steveston Hotel Case

The Steveston Hotel Case, made famous in 1999, still serves as a warning to establishments serving liquor. A hotel was held liable for 50% of the damages that occurred when it permitted a patron to drive home intoxicated. The case demonstrated that the hotel had a duty of care to stop serving an already intoxicated person, and to prevent the intoxicated party from driving. You can read more details of the case by visiting Hotel Held Liable for Drunk Driving Accident.

Once a duty has been established, the next step is proving negligence is to show that there was a **breach in the standard of care**. Can it be shown that the defendant failed to work to the recognized standard? The standard may be established by professional organizations or simply by the "reasonable person test," which is an assessment of what other individuals or operations would have done in the same situation. Tourism operators are responsible for determining what current standards in industry are; not being aware of industry standards is not be an acceptable defence in the courts.

The last element that needs to be proved is **causation**. This means that there must be a strong link between the actions of the defendant that caused injury to the plaintiff. As an example, if a ski resort failed to clear the ice off its pathways, and a guest fell and was injured on the icy path, it is likely that causation could be proved (Heshka & Jackson, 2011).

Take a Closer Look: *Bindseil v. McDonald's Restaurants of Canada Limited*

The ruling in *Bindseil v. McDonald's* illustrates the importance of causation. While Mr Bindseil developed colitis

(a serious stomach condition) in the time following a meal at a McDonald's restaurant, he was unable to prove that the meal had caused the colitis because the testimony of his medical experts was countered with experts testifying for McDonald's. The ruling can be found here: *Bindseil v. McDonald's Restaurants of Canada Limited*.

Contract Law

Figure 11.6 Signing a contract.

Contracts are frequently used by tourism operators. Common types of contracts include contracts for service, employment agreements, rental agreements, and legal releases [waivers] (Cloutier, 2000). Given the importance of all of these types of agreements, it is vital that operators use documents that are valid and based in contract law. For a contract to be valid and legally enforceable, it must contain all of the following components: an offer and acceptance, consideration, an intent to enter into a legal relationship, and sufficient **capacity** (understanding) of those involved involved (Longchamps & Wright, 2007). Each of these is described below.

Offer and acceptance means that the "offer" (e.g., a rental car agency will advertise a car for rent) must be clear, unequivocal, and include all of the important and relevant terms in the contract. The acceptance also must be clearly expressed (e.g., the renter agrees to rent the car according to the terms and conditions offered by signing the contract). Once the offer is accepted, it becomes a promise with both parties being bound by the terms of the contract.

Consideration refers to the value that is exchanged between parties in the contract, such as money or services (e.g., the renter pays for use of the rental car). Sometimes consideration is waiving your legal rights for a right to participate in an activity.

Capacity refers to the ability of individuals to enter the contract. If a person signing a contract does not have sufficient capacity, the contract will not be binding. The most common reason for not having sufficient capacity is age. In most cases, a person who has not reached the legal age of majority cannot contract with someone else. Other requirements for capacity include having sufficient mental capacity, and being the authorized signatory (the person with the authority to sign on behalf of an organization) (Longchamps & Wright, 2007).

The implications of contract law to the tourism and hospitality industry are extensive; any contact signed needs to have unambiguous terms, be clearly accepted, have an exchange of value, and be signed by an adult with full mental capacity or by an authorized signatory of the organization. Failing to adhere to any of these conditions will likely result in the contract being considered void.

Waivers

For many tourism operators, **waivers** are considered a key part of their risk management process. Waivers are particularly important in the adventure, outdoor, and sport tourism sectors where there is a greater risk of personal injury, and have been proven as an effective risk management tool.

Take a Closer Look: Sample Waiver

Waivers are frequently made available by businesses online. To view a sample of a waiver for a snowcat operator on the Valhalla Powdercats website.

A waiver is a form of contract that transfers acceptance of the risk to the participants by requiring them to acknowledge the risks present in the activity. It also requires participants to waive their right to take legal action if an accident occurs. In Canada, these have been repeatedly successful in defending against lawsuits. Despite their effectiveness, there have been cases where waivers have failed to protect an organization, often because the waiver was poorly written or delivered incorrectly (Importance of Waivers in Recreation Programs, n.d.).

To be effective, a waiver should include the following four components:

1. It should clearly outline the risks in the activity; this is ‘voluntary acceptance of risk’ in that the signee accepts the risks of the activity.
2. It should waive the participant’s right to pursue legal action against the tourism operation in case of negligence; this is a ‘waiver of claims’ in that the signee agrees not to pursue legal action.
3. It should be relatively short and easy to read, be easily recognized as a legal document, and include a place for signature that can be witnessed by a company employee. Current best practices indicate a waiver should not be signed by a friend of the signee or another guest.
4. It should be signed by participants only when they have been given ample time to read and understand it well in advance of the event or activity. Failure to provide enough time may be interpreted by the courts as signing under duress, which would make the contract void and mean that the waiver could not be used as a defence against negligence

The components above are brief summary of what components should be included in waiver documentation; legal

counsel should be sought to draft a waiver for specific operation (Importance of Liability Waivers in Recreation Programs, n.d.; *Karroll v. Silverstar Resorts*, 1988).

Take a Closer Look: *Loychuk v. Cougar Mountain Adventures Ltd.*

This case illustrates the effectiveness of a waiver program for a tourism operation. It involves two participants in a zip-line tour in Whistler, BC. A mistake made by an employee of Cougar Mountain Adventures resulted in the participants colliding on the zip-line at high speed. Negligence was admitted, but because of the effectiveness of the waiver in both the way it was drafted and delivered, the courts dismissed the claim. The ruling can be found here: *Loychuk v. Cougar Mountain Adventures Ltd.*

Statutory Requirements for Tourism and Hospitality in BC

All tourism companies must adhere to the laws in the jurisdiction in which they operate. In BC there are certain statutes (laws) that are particularly relevant to tourism and hospitality. These are outlined in brief below.

Hotel Keepers Act

The **Hotel Keepers Act** allows an accommodation provider to place a lien on guest property for unpaid bills, limits the liability of the hotel keeper when guest property is stolen and/or damaged, and gives the provider the authority to require guests to leave in the event of a disturbance (Hotel Keepers Act, 1996).

Take a Closer Look: Hotel Keepers Act

The Hotel Keepers Act is posted online as a resource for managers and staff at BC accommodation properties. Take a closer look at the act by visiting *Hotel Keepers Act*.

Hotel Guest Registration Act

The **Hotel Guest Registration Act** requires hotel keepers to register guests appropriately, which includes noting a guest's arrival and departure dates, home address, and type and licence number of any vehicle (Hotel Guest Registration Act, 1996).

Liquor Control and Licensing Act

The sales and service of alcohol in BC hospitality establishments is highly regulated by the provincial government through the **Liquor Control and Licensing Branch (LCLB)**.

Spotlight On: BC Liquor and Cannabis Regulation Branch

The **Liquor and Cannabis Regulation Branch (LCRB)** is responsible for regulation of liquor service, private and public liquor stores, the importing and manufacture of alcoholic products, and distribution of those products. For more information, visit the Liquor and Cannabis Regulation Branch.

Hospitality operators and their staff must be aware of fundamental requirements of the **Liquor Control and Licensing Act**, which defines the ways in which alcohol can be made, imported, purchased, and consumed in BC. As these requirements change frequently, it is the responsibility of operators and staff to keep up-to-date on the particulars of liquor legislation.

Take a Closer Look: BC Liquor Law Handbook

The Government of BC has put together a handbook of information regarding the selling of liquor. View Liquor Primary Licence: Terms and Conditions [PDF] online.

Travel Industry Regulation

As part of the Business Practices and Consumer Protection Act, the **Travel Industry Regulation** outlines the requirements for licensing, financial reporting, and the provision of financial security for travel sales. Additionally, it requires licensed travel agents to contribute to the Travel Assurance Fund, which compensates consumers if a travel provider is unable to provide the purchased product due to insolvency (Travel Industry Regulation, 2009).

Occupiers Liability Act

The **Occupiers Liability Act** specifies the responsibilities of those that occupy a premise such as a house, building, resort, or property to others on their property. It includes a definition of a premise, as well as the duty of care the occupier has to care for the condition of the premises, activities on the premises, and the conduct of other people (third parties) on the premises. It also outlines when occupiers liability is excluded, such as on Crown land or private roads (Occupiers Liability Act, 1996).

Figure 11.7 An abandoned hotel outside Radium Hot Springs, B.C.

Take a Closer Look: *Cempel v. Harrison Hot Springs Hotel Ltd.*

The legal ruling in this case highlights the responsibility of a hospitality organization under the Occupiers Liability Act to keep premises in safe condition even for trespassers. Ms. Cempel had trespassed onto hotel property, fell into a particularly dangerous hotspring, and suffered severe burns as result. The hotel was found partly responsible for her injuries and was required to pay damages. The ruling can be found here: *Cempel v. Harrison Hot Springs Hotel Ltd.*

Resort Associations Act

The **Resort Associations Act** was developed to provide opportunities to fund a variety of promotional services for a resort community. It outlines the organizational structure for the community and allows funding through member fees for activities such as marketing, planning special events, developing signage, and acting as a central booking agency (Resort Associations Act, 1996). To meet the criteria for this Act, resort areas are required to be within a designated resort region, have alpine ski lift operations, and provide year-round recreational facilities or commercial overnight accommodation (Government of BC, 2015).

Spotlight On: The BC Laws Website

All BC statutes are available online at the BC Laws website, operated by the Government of British Columbia. For more information, visit the BC Laws website.

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Figure 11.6 Day 207: I've Contracted An Agreement by Juli is used under a CC BY-NC-ND 2.0 license.

Figure 11.7 Motel No Mo' by Jerry Bowley is used under a CC BY-NC-SA 2.0 license.

10.4 Insurance

Obtaining and maintaining appropriate insurance coverage is an important part of the risk management process. Insurance transfers the financial risks to a third party — the insurance company. Operators pay premiums that are established by the insurer based on the risk of the coverage. If the likelihood or the uncertainty of claims is high, the premiums will be higher. There are a variety of reasons why a tourism company requires insurance: to control the risk of offered activities, to meet statutory requirements, because industry partners require it, to protect business and assets, and to protect employees (DC, 2003b, p. 3). Insurance does not prevent accidents from happening, nor does it make an operation safer. It does, however, provide a reasonable amount of financial protection if an accident does happen.

Common types of insurance policies required by tourism operators include **commercial general liability** (CGL), property insurance, and accounts receivable insurance. CGL insurance can be one of the most important coverages, but unfortunately it can also be one of the most difficult and expensive to obtain. CGL policies cover operators for liability if an accident occurs, including bodily injury, medical payments, and personal injury. Property insurance provides coverage for the financial risks associated with loss of assets such as buildings, equipment, and merchandise. Accounts receivable insurance can cover a large proportion of account receivables if a customer fails to pay due to default or insolvency, thus providing a considerable safeguard to any tourism operation (DC, 2003a; DC, 2003b; Destination BC, 2013).

Some insurance coverage is optional, and operators may decide to self-insure on assets such as property and accounts receivable. **Self insuring** is the practice of an operation retaining the risk rather than transferring through insurance; it may be a conscious choice or a necessity based on lack of available coverage. Other insurance coverage may be required, such as motor vehicle insurance or liability insurance (required by most industry partners and some statutory requirements). In the end, the tourism operator must determine what coverage is required and what optional additional coverage is desired.

Spotlight On: go2HR Certificate of Recognition (COR)

As part of its mandate to support human resources best practice in BC's tourism and hospitality industry, go2HR works in the field of occupational health and safety. In partnership with WorkSafeBC, it offers the Certificate of Recognition (COR) in safety. For more information, visit Certificate of Recognition (COR) Program.

10.5 Occupational Health and Safety in Tourism

So far we have primarily discussed risk management from a client/guest perspective. However, substantial effort in a tourism and hospitality operation must be put into managing worker safety as well. Responsibilities for worker safety are generally legislated by occupational health and safety laws, which clearly dictate safety standards. Employers who fail to adhere to these standards may be penalized or fined (WorkSafeBC, 2015a).

WorkSafeBC is the provincial organization for occupational health and safety in BC. It is an independent agency managed by a board of directors who are appointed by government. The mandate of WorkSafeBC is to:

- Promote the prevention of workplace injury, illness, and disease
- Rehabilitate those who are injured and provide timely return to work
- Provide fair compensation to replace workers' loss of wages while recovering from injuries
- Ensure sound financial management for a viable workers' compensation system (2015b)

There was an average of 4300 tourism and hospitality WorkSafeBC claims each year from 2014 to 2018, which is slightly below the average of all sectors within BC. (WorkSafeBC, 2020c). To reduce these claims and protect workers, WorkSafeBC has an extensive worker safety program with educational resources and training programs available. A partnership with go2HR — the tourism and hospitality human resources organization — has been developed to raise awareness in tourism and hospitality about worker safety, particularly for young, vulnerable workers (go2HR, 2015).

Figure 10.8 Kitchen accidents are a common workplace injury in hospitality. Many are more serious than this. Image credit: Franz Walter.

The nature of tourism and hospitality often means operations need to employ a considerable number of employees;

these are often entry-level positions, requiring little experience. Employers need to be cognizant of the requirements for worker safety under WorkSafeBC; failing to do so may result in fines for the operation, or far worse — workplace injuries to employees.

Spotlight On: WorkSafeBC BC Tourism and Hospitality Resources

WorkSafeBC has extensive resources for tourism and hospitality workers to avoid workplace injury. These include prevention tools for accommodation, adventure tourism, food and beverage, and events. WorkSafeBC also explains updates and changes to workers' compensation in BC, and provides opportunities for courses and training in first aid and injury prevention. For more information, visit WorkSafeBC BC Tourism and Hospitality website.

In addition to concerns about safety, employers and employees must be aware of the **Employment Standards Act**. This act defines the legal requirements around employment such as minimum wage, breaks, meal times, vacation pay, statutory holidays, age of employment, and leave from work (British Columbia Ministry of Labour, 2015).

Take a Closer Look: Employment Standards Act FAQs

This list of frequently asked questions provides quick answers to inquiries about employment standards in BC, including whether employers are required to pay for sick leave, time in meetings, and coffee breaks. You can read more about them at the Employment Standards Act FAQs.

Image Credit

10.6 Conclusion

Risk management in tourism and hospitality is complex, involving aspects of adhering to statutory requirements, taking steps to ensure occupational health and safety requirements are met, and undertaking an analytical approach to mitigating potential liabilities. Most of the actions required need to be proactive by the operators; failing to do so may result in negative impacts to reputation, damage to property, fines, lawsuits, or in the most tragic result — injury to guests or employees. Companies not only have a moral and ethical responsibility to practise effective risk management, failing to do so can result in financial ruin and the cessation of operations.

This chapter reviewed an important consideration for tourism and hospitality professionals. Chapter 9 addresses another key component of the industry in BC, Indigenous Tourism.

Key Terms

- **Breach in the standard of care:** failure of the defendant to work to the recognized standard
- **Capacity:** the ability of a person to enter into a legal agreement; depends on the age and mental state of the person (among other factors)
- **Causation:** a strong link between the actions of the defendant and the injury to the plaintiff
- **Commercial general liability insurance:** the most common type of liability insurance that provides coverage for litigation; generally, legal costs and personal injury settlements arising from a lawsuit are covered
- **Consideration:** the value exchanged between parties in the contract (money, services, or waiving legal rights)
- **Duty to care:** the relationship between the plaintiff and defendant (monetary, supervisory, custodial, or otherwise) that requires a responsibility on behalf of one party to care for the other
- **Employment Standards Act:** defines legal requirements around employment such as minimum wage, breaks, meal times, vacation pay, statutory holidays, age of employment, and leave from work
- **Exposure avoidance:** a risk control technique that avoids any exposure to that particular risk
- **Hotel Guest Registration Act:** requires hotel keepers to register guests appropriately, which includes noting a guest's arrival and departure dates, home address, and type and licence number of any vehicle
- **Hotel Keepers Act:** allows an accommodation provider to place a lien on guest property for unpaid bills, limits the liability of the hotel keeper when guest property is stolen and/or damaged, and gives the provider authority to require guests to leave in the event of a disturbance
- **Inherent risk:** risk that is inherent to the activity and that cannot be removed
- **Injury:** proof the plaintiff did in fact receive an injury resulting in damage; can be bodily injury or property damage
- **Intentional torts:** assault, battery, trespass, false imprisonment, nuisance, and defamation
- **Liquor Control and Licensing Act:** defines the ways in which alcohol can be made, imported, purchased, and consumed in BC

- **Liquor Control and Licensing Branch (LCLB):** the BC government agency responsible for legislation and control of alcohol sales, service, manufacture, import, and distribution in the province
- **Loss reduction:** a risk control technique that reduces the severity of the impact of the risk should it occur
- **Negligence:**failing to meet a reasonable standard of care toward others despite being required to do so
- **Occupiers Liability Act:** specifies responsibilities for those that occupy a premise such as a house, building, resort, or property to others on their property
- **Perceived risk:**the perception of the risk level of the practice, activity, or event; varies greatly from person to person
- **Real risk:**the actual risk of the practice, activity, or event; generally determined by statistical evidence
- **Resort Associations Act:** developed to provide opportunities to fund a variety of promotional services for a community; the Act defines what it means to be a resort community
- **Risk:** the possibility for loss or harm
- **Risk management:** practices, policies, and procedures designed to minimize or eliminate unacceptable risks
- **Risk retention:** the level of risk that is retained by the company through a conscious decision-making process
- **Risk transfer:** a risk mitigation strategy where the risk is transferred to a third party through contract or insurance
- **Self insuring:** the practice of an operation retaining the risk rather than transferring through insurance; may be a conscious choice or a necessity based on lack of available coverage
- **Travel Industry Regulation**: part of the Business Practices and Consumer Protection Act that outlines the requirements for licensing, financial reporting, and the provision of financial security for travel sales
- **Unintentional torts:** primarily consist of negligence
- **Waiver:** a document used as a risk management technique where the responsibility for the risk is transferred to the participant through contract and voluntary acceptance of risk
- **WorkSafeBC:** BC's occupational health and safety organization

Exercises

1. What is your personal level of risk tolerance? Would you consider it low or high? How does this change when you have responsibility for others?
2. Think of a time when you have had a duty to care for someone. What was the relationship?
3. Think of a tourism company you are familiar with. Develop a thorough list of all of the risks applicable to the company. Which ones concern you the most? How would you figure out which risks are the most concerning?
4. What are four items that should be included in a waiver for it to be effective?
5. Name three types of insurance relevant to tourism operators.
6. Name the four elements of a negligence action that have to be proved in the courts in order for a claim of

negligence to be successful.

7. Under contract law, what does the concept of capacity mean? How does it relate to the issue of minors and their ability to sign a waiver?
8. List and describe four BC statutes that apply to tourism and hospitality operations.
9. Imagine you are working at the front desk of a hotel and you get a complaint that fighting and loud singing can be heard coming from a guest's room. According to the Hotel Keepers Act, what steps are you required to take? What is the penalty to the hotel if you do not take the proper steps?
10. Take a look at the frequently asked questions for the Employment Standards Act. List three benefits of the Act for employers and employees.

Case Study: Tort Law

In January 2015, a Kamloops woman sued Sun Peaks Resort Corporation after incurring a leg injury on the resort's tubing terrain. The incident took place in 2013.

In court documents, Pamela Boileau said she visited the resort with her husband and two young children to use the tube park, where, she claimed, no signs were posted restricting the age of children allowed to use the facility. She then took a ride with her husband and their baby.

According to her filing, "the ride was very fast and bumpy and the tubes went high on the berm and then hit a big bump and the plaintiff's infant daughter went flying out of her tube" (Petriuk, 2015). In order to help her daughter, Boileau stopped the tube she was riding in abruptly and broke her leg in multiple places.

According to Boileau, the next day the resort erected signage prohibiting children under four years of age from using the tubing park. She sued for general damages, special damages and interest, and money for past and future health care. The lawsuit named Sun Peaks Resort Corporation and four employees in the claim.

Based on this description of the claim, as circulated in the media, answer the following questions to the best of your ability:

1. What evidence is there that staff at the resort had engaged in the four stages of risk identification? For each stage, note what the resort could have done differently.
2. What were the real, perceived, and inherent risks of using the tube park? How would these be different for an adult participating in tubing and a small child?
3. In your opinion, has the plaintiff established the following? Why or why not?
    a. Injury
    b. Duty to care
    c. Breach in the standard of care
    d. Causation
4. Search online (terms: boileau, sun peaks resort) to find the updates on what happened with the parties involved. Did the outcome of the lawsuit differ from what you expected?
5. What is your personal feeling about who is responsible for the injury in this case? How does that differ from what the law has to say?

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Chapter 11. Customer Service

Learning Objectives

- Analyze the importance of customer service and its relationship with hospitality and tourism
- Describe the characteristics of exceptional customer service and its benefits
- Explain how the quality of customer service differentiates a business
- Describe communications strategies in any service- related situations
- Explain how technology impacts customer service delivery

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11.6 Conclusion

Key Terms

- **Customer lifetime value (CLV):** a view of customer relationships that looks at the long-term cycle of customer interactions, rather than at single transactions
- **Customer orientation:** positioning a business or organization so that customer interests and value are the highest priority
- **Customer relationship management (CRM):** a strategy used by businesses to select customers and to maintain relationships with them to increase their lifetime value to the business
- **Loyalty programs:** programs that identify and build databases of frequent customers to promote directly to them, and to reward and provide special services for those frequent customers
- **Moment of truth:** when a customer's interaction with a front-line employee makes a critical difference in his or her perception of that company or destination
- **Service recovery:** what happens when a customer service professional takes actions that result in the customer being satisfied after a service failure has occurred
- **SERVQUAL:** a technique developed to measure service quality
- **Total quality (TQ):** integrating all employees, from management to front-level, in a process of continuous learning, which leads toward increasing customer satisfaction
- **Total quality management (TQM):** a process of setting service goals as a team

Exercises

1. Complete the checklist for Service Professionals (SuperHost). On a scale of 1–5 (with 5 being highest), rate yourself on the following customer service skills. You can use a recent customer interaction or one from a previous service role. Add any other criteria that relate specifically to your position.

Qualities of a Remarkable Service Professional	Score
Treat all colleagues with courtesy and respect.	
Treat all customers with courtesy and respect.	
Create a positive first impression for all customers.	
Communicate clearly when sharing directions or information.	
Be aware of the impact of voice and body language during communications.	
Use open-ended questions to clarify.	
Listen in an active and engaged way.	
Listen without judgment to gain understanding.	
Demonstrate empathy to customers.	
Take initiative to deal with challenging situations.	
Solve problems effectively.	
Speak highly of the organization's products and services on a consistent basis.	
Provide positive recognition to customers.	
Provide constructive feedback using assertive language.	
Look for ways to improve as a customer service professional on an ongoing basis.	
Look for ways to provide remarkable, out-of-the-ordinary service on an ongoing basis.	

2. What are three key benefits of customer service training for employers? What are three benefits to employees?
3. Identify and discuss three ways how tourism and hospitality businesses can maintain a long-term relationship with their guests.
4. What kinds of training and credentials are available to tourism and hospitality professionals? What are some of the benefits to both employees and employers of these credentials?
5. Take a moment to list all of the loyalty programs you belong to (using cards from your wallet or apps on your phone). Next to each, write the following: the reason you joined the program, the benefits you receive from it, and your estimate of the benefits the issuing company receives.
6. Name five instances in which a guest might interact with each of the following types of tourism and hospitality business:
    a. A tour operator
    b. A hotel
    c. An airline
    d. A ski resort
7. Choose a tourism business, hotel, or restaurant that has received excellent reviews, and determine which comments can be linked either directly or indirectly to the quality and level of employee training and customer service. Find at least one example of each of the dimensions of RATER.

Case Study: Accent Inn and WorldHost Training Service (now rebranded as SuperHost)

Accent Inns is an award-winning, family-owned and operated company based in Victoria with hotels located in Victoria, Richmond, Burnaby, Kelowna, and Kamloops. All Accent Inns have developed a reputation for their quality, reasonable rates, and excellent service. Guest and staff satisfaction are key components of their service culture to treat every guest like family. The team at Accent Inns put great effort into making every customer interaction memorable.

In 2013, Accent Inns committed to incorporating customer service training at each property to be delivered by Accent Inns assistant general managers (AGMs). Core outcomes were to raise the level of service, empower front-line staff with the tools to exceed guest expectations, and strengthen the facilitation and coaching skills of the AGM team. Building on the business's existing training culture and strong corporate values, WorldHost Training Services created a customized half-day program for the AGMs to use in their hotels.

To prepare, the AGMs completed an experiential 1.5-day train-the-trainer session. An emphasis on coaching support and a team facilitation approach led many to gain confidence in this new role. One trainer excelled and was selected as the full-time trainer for Accent Inns. Working with the human resources team from Accent Inns, WorldHost also completed a needs analysis at each property to ensure staff had input into future training. Training continues to be developed and delivered internally.

According to Kathy Gaudry, human resources manager for Accent Inns, "The WorldHost team was fantastic; they worked hard to ensure the training was completely relevant to our employees and our culture. The results were phenomenal — our junior leaders have acquired the skills they need to deliver training locally to their own teams — we couldn't be happier."

Visit the Accent Inns website and review the information to answer the following questions about their customer service culture:

1. What kind of experience do you expect by reading the website's information and looking at the pictures? What kind of service do you feel the inns provide?
2. Visit TripAdvisor and look up any of the Accent Inn locations.
    a. Select a review for families. What does the reviewer say about the property? How does Accent Inns respond?
    b. Select a review for solo travellers. What does the reviewer say about the property? How does Accent Inns respond?
    c. Are there any negative reviews? If so, how does Accent Inns respond?
3. Now that you've reviewed the case study, the website, and TripAdvisor for Accent Inns, use the RATER dimensions to provide examples of how Accent Inns is using the SERVQUAL model.

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11.5 Summary

Figure 11.11 British Columbia set the bar high when it welcomed the world to the 2010 Winter Olympic Games.

This chapter has explored the importance of customer service and its relationship with hospitality and tourism, particularly in the industry in BC. Using the **SERVQUAL** technique to describe characteristics of exceptional customer service and its benefits explain how the quality of customer service differentiates a business. Communication strategies in any situation has been reviewed with the **service recovery**, and proactively through **Total Quality (TQ)**, the **Moment of Truth** process as well as how to retain and attract new customers through the analysis of **customer lifetime value (CLV)** and Net Promoter scores (from the SuperHost "Foundations of Service Quality").

BC tourism and hospitality employers named customer service as the most beneficial training topic in a number of surveys. These skills are integral to customer satisfaction, employee engagement, organizational performance, and a destination's competitive position (Freeman, 2011; Tourism Vancouver Island, 2010).

Employers can either commit to creating a learning organization or undermine their business depending on their investment (or lack thereof) in training. Essentially, employers get out of training what they put into it, often by attracting and retaining better, more motivated employees. Ultimately, this investment results in a better customer experience with improved levels of customer loyalty and organizational profitability. Prudent employees seek employers who value investment in training.

We know there are a variety of ways to ensure quality of service and recover when things go wrong. A key

factor of success is understanding that customers want to be listened to — they would like an apology, a solution, at times compensation, and often follow-up and reassurance. And when a complaint is expertly handled, the customer can be converted from a potential social media detractor to a loyal advocate for the business.

Technology is working at a furious pace, and BC's tourism and hospitality industry has worked to keep up with the latest opportunities. As a leader in customer service and a well-established international destination, now more than ever, BC's tourism industry will pivot to ensure its continued success.

Image Credits

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11.4 Loyalty and Customer Relationships

Industry Conversation: Ben Day, Director of Sales and Marketing, Blackcomb Springs Suites by Clique

What are the benefits of exceptional customer service?

"In hospitality, word of mouth is incredibly powerful tool to drive increased sales and profitability — even more so with the number of review sites online. Positive customer service leads to repeat business and lots of referrals. For team members, there is a natural euphoria when you make someone else's day."

Figure 11.10 Customer loyalty cards are very common in the hotel industry. They are often paired with credit cards. Image credit: Jonathan Rolande

With competition between tourism destinations and businesses continuing to grow, organizations are increasingly focusing on retaining existing customers, which is often less expensive than attracting new ones. This focus forces tourism businesses to look at the customer relationship over the long term, or the customer lifetime value (CLV) cycle, rather than at single transactions only.

It has been proven that it is much less expensive for a company to retain an existing customer than acquire a new one (Beaujean, Davidson & Madge, 2006). Ultimately, successful organizations will strive to build a base of loyal customers who will provide repeat business and may influence other potential customers. Building positive

relationships with loyal customers requires planning and diligence for all customer touch points. This may include (Lovelock & Wirtz, 2007):

1. Managing service encounters: training staff to provide personal service to customers
2. Providing customer incentives: inducing customers to frequent the business
3. Providing special service options: offering enhanced services or extra offerings to loyal customers
4. Developing pricing strategies to encourage long-term use: offering repeat customers special prices or rate
5. Maintaining a customer database: keeping an up-to-date set of records on customer purchase history, preferences, demographics, and so on.
6. Communicating with customers: reaching individual customers through direct or specialized media, using non-mass media approaches

Loyalty programs pull together several of these elements to help a business identify, maintain contact with, and reward frequent customers.

Examples of Outstanding Service

If one uses the definition of quality in service as "meeting or exceeding customer expectations" (Kapiki, 2012), then the following examples certainly fit the description. These embody a concept known as a moment of truth (Beaujean, Davidson & Madge, 2006) when a customer's interaction with a front-line employee makes a critical difference in his or her perception of that company or destination. The characteristics of employees that are best able to create these moments include self-empowerment and self-regulation, a positive outlook, awareness of their feelings and the feelings of others, and the ability to curb fear and anxiety while being able to access a desire to help others. These past winners of the WorldHost customer service award demonstrate this concept in action (WorldHost, n.d.):

> Tamara Turcotte of the Sidney Airport Travelodge was nominated after she came into work on her day off after hearing that hundreds of travellers had been stranded after a bomb threat led to the cancellation of ferry trips from nearby Swartz Bay. Reporting for duty, she helped coordinate accommodations for these travellers, looking beyond the hotel (which was full) to the homes of coworkers and friends. Her compassion and swift actions helped turn a negative experience for these guests into a moment of truth about visiting British Columbia.
>
> Agazzi Abbay received word that JetsGo, a small airline and his employer, had suddenly gone out of business, and he was out of a job. Concerned for the passengers that would be stranded by this abrupt end for the airline, he went to the airport to give them the opportunity to share their frustration. Even though he was unable to help their situation, he was able to demonstrate empathy and provide a listening ear as the only former JetsGo employee available across Canada.
>
> Andrea Chan, a guest services supervisor at the Holiday Inn and Suites in Vancouver, received a call from a hotel guest who said she was ill. Concerned because the caller sounded disoriented, Andrea recommended a visit to the hospital. To be sure her guest was safe, Andrea accompanied her to the emergency room and stayed with her until her health and safety were assured — working well beyond the hours of her shift, and returning home the next morning. By treating every guest like family, Andrea created a lasting impression about Holiday Inn and its customer service value.

Image Credit

11.3 Exceeding Expectations with Remarkable Service

Figure 11.3.1 Tour buses parked at the Halifax Seaport. Image credit: 35mmMan

Kim defines **customer orientation** "as the set of activities, behaviours, and beliefs that place high priority on customers' interests and continuously create superior customer value" (2008, p. 195). Even when employees have positive attributes, it may not be enough to ensure positive customer engagements unless they are specifically trained toward customer orientation (Kim, 2008).

Customer Service and Competition: The Customer-Oriented Organization

According to Masberg and colleagues, "to the customer, only service may distinguish a business from its competition" (Masberg, Chase, & Madlem, 2003, p. 19). While specific customer service jobs require different skills, building an overall customer-oriented organization may better meet customer expectations. One way to ensure quality service may be to encourage tourism and hospitality professionals to acquire industry certifications. Businesses can also choose to implement tools to determine customer satisfactions levels, such as the **SERVQUAL** technique that compares customer perceptions of quality against customer expectations (Morrison, 2010). Under the SERVQUAL model, the five dimensions of service are:

1. Reliability: where the quality and level of service is consistent
2. Assurance: knowledge and courtesy of staff and their ability to convey trust and confidence
3. Tangibles: the organization's physical facilities, equipment, and appearance of staff
4. Empathy: the degree of caring, individualized attention that the organization's staff provide to its customers
5. Responsiveness: the willingness of staff to help customers and provide prompt service

You can remember these five dimensions by using the acronym RATER. When these dimensions are consistently met, a company is well on its way to becoming customer oriented.

Spotlight On: Skills BC

Skills Canada BC engages a rich network of educators, labour, industry and government partners to deliver its programs and host its annual Regional and Provincial Olympic-style competitions. For more information, visit the Skills Canada BC website.

So far we've explored the reasons good customer service is critical to our industry. And with the acronym RATER, we now understand the basics of what a customer might expect from an organization. Together, these concepts can form part of a **customer relationship management (CRM)** strategy for tourism and hospitality businesses. CRMs are tools used by businesses to select customers and maintain relationships with them to increase their lifetime value to the business.

There are a number of points in time where this relationship is maintained. For example:

- The first time potential guests visit a website and leave their email address to receive more information
- The moment a reservation is made and the company captures their personal details
- The in-person service encounters from the front desk to the parking lot
- Welcome notes, personalized menus, friendly hellos, and other touches throughout the interaction
- Background messages including clean facilities and equipment in good repair, pleasant decor and ambiance (flowers, etc.)
- Follow-up communications like a newsletter
- Further interactions on social media

All of these touch points are opportunities to maintain strong relationships with customers and to increase the likelihood of positive word of mouth sharing. Let's take a closer look at the role of social media in customer satisfaction.

The Role of Service and Social Media in Customer Satisfaction

While the basics of great service haven't changed, social media and networking have raised the stakes in the service industry. The cost of a negative experience is higher — but so is the value of a positive experience. In fact, the opportunities of social media reviews and ratings far outweigh the risks.

Businesses that take time to "listen" to social media are going to be more successful at leveraging the power of online interactions. These companies effectively read review sites such as TripAdvisor, Yelp, and others and respond to guest comments both good and bad.

Many factors contribute to how people rate businesses, including value, quality, and convenience. More than anything, however, service influences customer impressions. Whereas a lapse in quality or convenience can be overcome with excellent service, it is especially challenging to overcome the effects of bad service.

Image Credit

11.2 Communication Strategies

Figure 11.3 A family checks in at a hotel where they're provided with an engaging customer service experience. Image credit: LinkBC

Quality customer service is an experience of feeling valued or heard. Sometimes it's an intangible component of why a guest may prefer one tourism or hospitality provider over another. There is something about quality customer service that you often can't put your finger on — but you know it's there. And it's a critical factor for tourism success, both as a means of satisfying ever-increasing customer expectations, and as a way to achieve business profitability (Erdly & Kesterson-Townes, 2002).

In 2019, A Forbes article from Blake identified that, "Companies with a customer experience mindset drive revenue 4-8% higher than the rest of their industries. Two-thirds of companies compete on customer experience, up from just 36% in 2010" (Blake, 2019).

Industry Conversation: Ben Day, Director of Sales and Marketing, Blackcomb Springs Suites by Clique

In your own words, how you describe customer service?

Customer service for me is the discipline and some would say the art of the following…. Listening, Understanding, Delivering

- **Listening**: Find out by listening, asking questions and watching for non-verbal cues (i.e., body language) what kind of service your guest requires
- **Understanding**: Once you have absorbed the verbal and non-verbal cues, takes a moment to

understand what it is that the guest really wants and anticipate additional touches that will go above and beyond.

- **Delivering the service**: The key to delivering great customer service is in the first two steps. By listening and understanding the guests you can anticipate the type of service that might just make a lasting impression. Sometimes great service is provided by empowering the guest to take action themselves, don't assume your guest will want you to do everything for them. Some guest may prefer that you send them a link to a website or an app so that they research their options independently.

Training is critical to ensuring quality service and meeting these objectives (Brown et al., 2009). On a global scale, Canada ranks high in human resources capabilities. Unfortunately, due to the seasonal nature of many tourism and hospitality positions, and limited access to affordable and accessible training, the industry isn't always able to take advantage of this position (Blanke & Chiesa, 2009), as it can be difficult to attract, train, and retain reliable and qualified staff year-round.

Spotlight On: Tourism HR Canada and go2HR

Tourism HR Canada is a pan-Canadian organization with a mandate aimed at building a world-leading tourism workforce. Tourism HR Canada facilitates, coordinates, and enables human resource development activities that support a globally competitive and sustainable industry and foster the development of a dynamic and resilient workforce. Tourism HR Canada has developed a number of programs and services to help students, employers and tourism workers. For more information go to the Tourism HR Canada website.

go2HR is BC's tourism human resource association, responsible for playing a lead role in executing the BC Tourism Human Resources Strategy. Established in 1979, go2HR helps employers with their HR needs in areas such as occupational health & safety, customer service training, recruitment, retention and labour shortages, employment-related policy and legislation, and labour market research. go2HR also promotes jobs and careers in tourism, hosts the BC tourism job board and helps businesses provide remarkable customer experiences through its signature **SuperHost** suite of training (former WorldHost Training Services). For more information, visit the go2HR website.

The concept of **total quality (TQ)** refers to an approach by businesses to integrate all employees, from management to front-level, in a process of continuous learning, with a goal of increasing customer satisfaction. It involves examining all encounters and points of interaction with guests to identify points of improvement. **Total quality management (TQM)** in tourism and hospitality is a process where service expectations are created by the entire team, with a collaborative approach between management and employees (Kapiki, 2012).

Spotlight On Pacific Asia Travel Association (PATA)

Founded in 1951, the Pacific Asia Travel Association (PATA) is a not-for profit association that is internationally acclaimed for acting as a catalyst for the responsible development of travel and tourism to, from and within the Asia Pacific region. The Association provides aligned advocacy, insightful research and innovative events to its member organizations, comprising 95 government, state and city tourism bodies, 25 international airlines and airports, 108 hospitality organizations, 72 educational institutions, and hundreds of travel industry companies in Asia Pacific and beyond. See more on the PATA website.

Employers understand the positive impacts of training on their bottom line. Key benefits may include improved employee attraction/recruitment, retention, engagement, and innovation. Saunders (2009) suggests that to be most effective, training should be oriented to develop employee potential versus addressing deficiencies.Customer service training provides employees with a foundation for effective service delivery. Potential benefits of this training include:

- improved skills and attitudes
- better communication skills
- better understanding of workplace practices
- increased morale, confidence, self-satisfaction and work satisfaction
- increased participation
- greater job/career advancement potential
- greater interest in and willingness to participate in further training
- more independence (Grey, 2006).

As employees acquire certifications and credentials, and these are recognized by employers, both groups benefit. Employees have a tangible way of demonstrating mastery of service knowledge and skills, and employers have tools to assist with the recruitment and screening of potential staff.

Spotlight On SuperHost

SuperHost® is a suite of quality, affordable customer service training courses for front-line employees. Delivered online and in classroom, SuperHost offers relevant, up-to-date content and best practices that meet the current needs and expectations of employers and visitors. First launched in 1985, SuperHost is recognized as the standard for customer service excellence in BC. For more information, visit the SuperHost website.

Overview of Net Promoter Score

Net Promoter Score (NPS) is a method of calculating how customers are talking about your company and their

willingness to recommend your organization to others. NPS breaks down customers into groups based on how they answer a question similar to this:

"On a scale of 1 to 10, how likely are you to recommend our company (or product) to a friend or colleague?"

Based on the score they give you, they are sorted into Detractors (scores of 1–6), Passives or Neutral (scores of 7–8), or Promoters (scores of 9–10). Detractors can harm businesses.

They are not only likely to not return, but they may also urge others to do the same (i.e., they will give bad reviews).

Passives are satisfied. Satisfaction is desirable of course, but passives may or may not come back to a business. Passives are not likely to go out of their way to recommend the business (and also likely won't complete a review).

Promoters are very satisfied or delighted customers. They can help your business — they come back repeatedly and will recommend your business to others. These are the people who give you 4 or 5 star ratings!

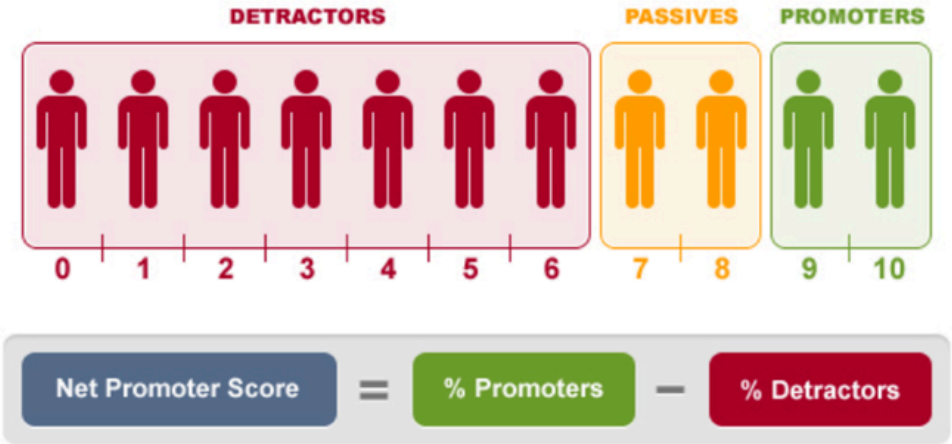

Figure 11.4 Net Promoter Score. [Long Description]

To calculate the Net Promoter Score, which is an index ranging from **−100 to +100,** follow these steps:

- Break down the responses by Detractors, Passives, and Promoters
- Add up the total responses from each group
- To get the percentage, take the group total and divide it by the total number of survey responses (you might have received 100 responses)
- Now, subtract the percentage total of Detractors from the percentage total of Promoters — this is your NPS score (which is a numerical unit, i.e., 40, 50 or −20)

Most businesses are looking for a positive number — more promoters than detractors. (Example: If all of your scores would be promoters, you get a +100. If all of your scores would be detractors, you get a −100.)

Given the NPS range of −100 to +100, a "positive" score or NPS above 0 is considered "good", +50 is "Excellent," and above 70 is considered "world class." Based on global NPS standards, any score above 0 would be considered "good." This simply means that the majority of your customer base is more loyal.

Action/Goal: Once you know your Net Promoter Score, you can then make every effort to appease detractors and to create promoters. (go2HR, 2018, p. 16)

Total Promoters (9-10) (Wow)

$$\frac{\text{total promoters}}{\text{total statements}} \times 100 = \_\_\_\_\_\ \%$$

Total Neutrals (7-8) (Okay)

$$\frac{\text{total neutrals}}{\text{total statements}} \times 100 = \_\_\_\_\_\ \%$$

Total Detractors (0-6) (I am out of here)

$$\frac{\text{total detractors}}{\text{total statements}} \times 100 = \_\_\_\_\_\ \%$$

Net Promoter Score

$$\underset{\text{(Wow)}}{\underset{\text{\% of promoters}}{\_\_\_\_\_}} - \underset{\text{(I am out of here)}}{\underset{\text{\% of detractors}}{\_\_\_\_\_}} = \text{NPS}$$

Figure 11.5 Calculate Net Promoter Score. [Long Description]

According to Kim (2008), customer-oriented interactions between consumers and tourism employees influence the quality of the tourism experience. Let's take a closer look at the concept of customer orientation and what this means in today's tourism businesses.

Recovery from Service Failures

Figure 11.6 Handle customer complaints before guests take them online.

If a business fails to meet customer expectations, there's a risk the customer will tell others about it, often through social media networks. An on-location problem that turns into an online complaint, going from private to public, can become far more damaging to business than the original issue. To avoid any problem from escalating, organizations and staff must work hard to resolve issues before the customer walks out the door — or pulls out a smartphone to make an online posting.

Of course, it's not always possible to resolve issues on the spot. A customer's expectations may go beyond the service the business is able to provide, or staff might not be authorized by management to provide the means necessary to resolve the complaint. In these cases, staff must still step up as service professionals, realizing that the actions they take when faced with a complaint can have a significant impact.

Online complaints highlight this point; reviewers are often more upset about how a problem was handled than about the problem itself. As well, potential guests who read online complaints are looking for reassurance that the same thing won't happen to them. If they don't find it, they may dismiss the business as an option and move on. How a business respond to complaints, face-to-face and online, is critical to ensuring successful recovery from service failures.

Service recovery occurs when a customer service professional takes action that results in the customer being satisfied after a service failure has occurred. Often service failures are not the fault of front-line staff, and at times, may not even be the fault of the business. Failure may be the result of an error made by another employee, by the guest him- or herself, or by a technical error. Regardless of where the problem originated, when customers bring it to the attention of the staff, they have certain expectations for resolution.

Figure 11.7 Listen, understand, act: the building blocks for resolving disputes.

Disappointed customers often want:

- An empathetic ear. Sometimes they simply want to vent. They want to know that the employee or manager is listening and cares.
- An apology. In some cases a sincere apology is enough.
- A solution. Typically customers bring issues to the attention of staff because they want them fixed.
- Compensation. Upset customers are looking for compensation, but not always.
- Follow-up. For some people, it's important to know that their concerns are brought to the attention of management and are fixed for future customers.
- Reassurance. Customers want to know they're in good hands.

Skilled service recovery is especially important in the age of social media. Customers who are active on social networks are likely to be equally vocal about their satisfaction with service recovery when a problem is expertly handled as they are with their displeasure when they are disappointed with service (WorldHost Training Services, 2013).

While service recovery is a critical skill, all tourism and hospitality professionals should approach each encounter with the goal of providing remarkable service. The next section explores how this is accomplished.

Image Credits

Figure 11.3 Family Checking In – WorldHost by LinkBC is used under a CC BY-NC-ND 2.0 license.

Figure 11.4 Review Pro. (2016, January 28). What us the net promoter score? [blogpost]. ReviewPro.com https://www.reviewpro.com/blog/what-is-the-net-promoter-score/

Figure 11.6 Complaints button by SEO is used under a CC BY SA 2.0 license.

Figure 11.7 Listen, Understand, Act by Stephen Shorrock is used under a CC BY-NC-SA 2.0 license.

11.1 Customer Experience

Overview

While there are many other factors that contribute to the success of a tourism business, one of the easiest to control is customer service levels.

Many of BC's tourism operations have mastered high and consistent customer service levels. Why and how are they able to do this? What are the characteristics of exceptional customer service and the benefits to the business and the employees? How does technology apply to customer service and how is it constantly evolving?

This chapter will answer these questions as we explore the fundamentals of customer service in the context of a competitive global tourism environment. We will interview experienced tourism professionals, as well study the success of BC's own customer service program, SuperHost, which has been training BC hospitality professionals for over 35 years.

We will be introducing concepts such as Total Quality (TQ), Net Promoter score and Customer lifetime value (CLV) used to measure customer service impact.

Customer service delivery and experience in today's economy is becoming increasingly significant owing to change in demographics and psychographics. Words such as "authenticity", "unique," "one of a kind," and "memorable" are being widely used by BC hospitality and tourism businesses to describe their customer experience.

Experience in the hospitality and tourism industry is a word that has been defined by various authors since 1982 until now. In the published article from Godovykh & Tasci (2020), the literature review explores the definition of the word "experience" spanning across various periods of time (Table 11.1).

Table 11.1 The evolution of "experience"

Authors	Defined "Exp
Holbrook and Hirschman (1982, p. 132)	"a steady flow of fantasies, feelings, and fun"
Pine and Gilmore (1998, p. 99)	"…are inherently personal, existing only in the mind of a physical, intellectual, or even spiritual level"
Prahalad and Ramaswamy (2004, p. 8)	"an environment in which consumers can have active dia
Gentile, Spiller, & Noci (2007, p. 397)	"experience originates from a set of interactions between organization, which provoke a reaction"
Bagdare and Jain (2013, p. 792)	"the sum total of cognitive, emotional, sensorial, and bel
Godovykh and Tasci (2020, p. 8)	"the totality of cognitive, affective, sensory, and conative evoked by all stimuli encountered in pre, during, and pos brand-related factors filtered through personal difference outcomes related to consumers and brands"

The above word "experience" has seen an evolution in terms of its description where now this is further expanded across the customer journey through various interactions. In the next section, Ben Day sheds some light on what customer service is and how critical it is to the industry.

Industry Conversation: Ben Day, Director of Sales and Marketing, Blackcomb Springs Suites by Clique

What makes customer service exceptional in the hospitality and tourism, from a provider point of view and a customer point of view?

"Exceptional service is most often delivered by people who care. Poor service from a poorly trained staff member is made much worse if the guest doesn't feel like the employee cares.

Team members who care start by paying attention to what the guest needs and taking the time to think of ways to go above and beyond. From a customer point of view the next most important thing is for the person providing the service to be well trained and know what they are doing.

From a provider viewpoint hiring the right team members who like to help others and take the time to listen is critical. The next big step is to provide extensive training so that team members are comfortable to help in every situation and empowered to think out of the box and come up with solutions on the spot."

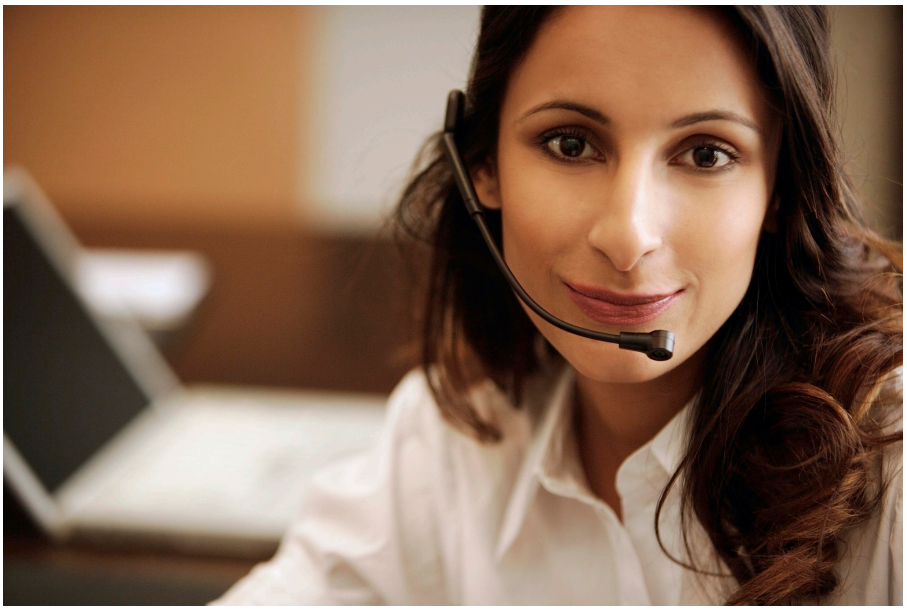

Figure 11.2 Great customer service and experience takes place across many platforms and is critical for tourism and hospitality employers.

Image Credits

Figure 11.2 Woman on Headset – WorldHost by LinkBC is used under a CC BY-NC-ND 2.0 license.

Chapter 12. Services Marketing

Learning Objectives

- Explain the meaning of services marketing
- Describe the differences between marketing services and marketing products
- Describe the characteristics of a marketing orientation and its benefits
- Define key services marketing terminology
- Explain the PRICE concept of marketing
- Provide examples of the 8 Ps of services marketing
- Gain knowledge of key service marketing issues and trend

Original author: Ray Freeman and Kelley Glazer
Edited by: Garrett Stone

12.1 The Evolution of Marketing

Figure 12.1 A vintage ad marketing the cost-effectiveness of Econo-Travel hotels from the July 1978 National Geographic. [Long Description]

Marketing is a continuous, sequential process through which management plans, researches, implements, controls, and evaluates activities designed to satisfy the customers' needs and wants, and meet the organization's objectives. According to Morrison (2010), **services marketing** "is a concept based on a recognition of the uniqueness of all services; it is a branch of marketing that specifically applies to the service industries" (p. 767). In general, the aims of marketing are to "create value for customers," "build strong relationships" and "capture value from customers in return" (Kotler, Armstrong, Trifts, & Cunningham, 2014, p. 2).

Marketing in the tourism and hospitality industry requires an understanding of the differences between marketing goods, services, and experiences. To be successful in tourism marketing, organizations need to understand the unique characteristics of their tourism experiences, the motivations and behaviours of travelling consumers, and the fundamental differences between marketing goods, services, and experiences.

Until the 1930s, the primary objective of businesses was manufacturing, with little thought given to sales or marketing. In the 1930s, a focus on sales became more important; technological advances meant that multiple companies could produce similar goods, creating increased competition. Even as companies began to understand the importance of sales, the needs and wants of the customer remained a secondary consideration (Morrison, 2010).

In 1944, the first television commercial, for Bulova watches, reached 4,000 sets (Davis, 2013). The decades that followed, the 1950s and 1960s, are known as an era when marketing began to truly take off, with the number of mediums expanding and TV ad spending going from 5% of total TV revenues in 1953 to 15% just one year later (Davis, 2013).

Figure 12.2 A 1970s Peter Max–designed ad for the American Cancer Society, urging people to not smoke.

The era from approximately 1950 to around 1970 was known as a time of **marketing orientation** (Morrison, 2010). Customers had more choice in product, which required companies to shift focus to ensure that consumers knew how their products matched specific needs. This was also the time when quality of service and customer satisfaction became part of organizational strategy. We began to see companies develop internal marketing departments, and in the 1960s, the first full-service advertising agencies began to emerge.

Societal marketing emerged in the 1970s when organizations began to recognize their place in society and

their responsibility to citizens (or at least the appearance thereof). This change is demonstrated, for example, by natural resource extraction companies supporting environmental management issues and implementing more transparent policies. This decade saw the emergence of media we are familiar with today (the first hand-held mobile phone was launched in 1973) and the decline of traditional marketing through vehicles such as print; the latter evidenced by the closure of *LIFE Magazine* in 1972 amid complaints that TV advertising was too difficult to compete with (Davis, 2013).

The 1990s ushered in the start of the online marketing era. **E-commerce** (electronic commerce) revolutionized every industry, perhaps impacting the travel industry most of all. Tourism and hospitality service providers began making use of this technology to optimize marketing to consumers; manage reservations; facilitate transactions; partner and package itineraries; provide (multiple) customer feedback channels; collect, mine, analyze, and sell data; and automate functions. The marketing opportunities of this era appeared limitless and paved the way for the maturation of social media marketing and a number of other marketing shifts including the increased use of big data, mobile technology, and short- and long-form video content in marketing, as well as a more empowered and engaged consumer. Table 8.1 summarizes the evolution of marketing over the last century and beyond.

Table 12.1 Evolution of marketing in the 20th century and beyond

[Skip Table]

Timeframe	Marketing Era
1920–1930	Production orientation
1930–1950	Sales orientation
1950–1960	Marketing department (marketing orientation, internal agency)
1960–1970	Marketing company (marketing orientation, external agency)
1970–Present	Societal marketing
1990–Present	Online marketing
2000–Present	Social media marketing
2010–Present	Several competing and interwoven trends (big data, customer-centricity, content strategy, mobile, etc.)

Data source: Morrison, 2010; Callahan 2020

Typically, the progression of marketing in tourism and hospitality has been 10 to 20 years behind other sectors. Some in the industry attribute this to the traditional career path in the tourism and hospitality industry where managers and executives worked their way up the ranks (e.g., from bellhop to general manager) rather than through a post-secondary business education that is more the norm today. It was previously commonly believed that to be a leader in this industry one had to understand the operations inside-out, so training and development of managers was based on technical and functional capabilities, rather than marketing savvy. And, as we'll learn next, marketing services and experiences is distinct and sometimes more challenging than marketing goods. For these reasons, most businesses in the industry have been developing marketing skills for only about 30 years (Morrison, 2010).

Image Credits

Figure 12.1 Vintage Ad #1,203: This Cheap Hotel Does Not Compute by Jamie is used under a CC BY 2.0 license.

Figure 12.2 1970s Advertising – Poster – Peter Max Don't Smoke Cigarettes (USA) by Daniel Anyes Arroyo is used under a CC BY-NC 2.0 license.

12.2 Differences Between Goods and Services

Figure 12.3 Selling a moment like this one, captured over the holidays in Victoria's inner harbour, is different from selling a tube of toothpaste.

There are four key differences between goods and services. According to numerous scholars (cited in Lovelock & Patterson, 2015) services are:

1. **Intangible**
2. **Heterogeneous**
3. **Inseparable**
4. **Perishable**

The rest of this section details what these concepts mean.

Intangibility

Tangible goods are ones the customer can see, feel, and/or taste ahead of payment. **Intangible** services, on the

other hand, cannot be “touched” beforehand. An airplane flight is an example of an intangible service because a customer purchases it in advance and doesn’t “experience” or “consume” the product until he or she is on the plane.

Heterogeneity

While most goods may be replicated identically, services are never exactly the same; they are **heterogeneous**. Variability in experiences may be caused by location, time, topography, season, the environment, amenities, events, and service providers. Because human beings factor so largely in the provision of services, the quality and level of service may differ between vendors or may even be inconsistent within one provider.

Inseparability

A physical good may last for an extended period of time (in some cases for many years). In contrast, a service is produced and consumed at the same time. A service exists only at the moment or during the period in which a person is engaged and immersed in the experience. When dining out at a restaurant, for instance, the food is typically prepared, served, and consumed on site, except in cases where customers utilize takeout or food courier options such as Skip the Dishes.

Figure 12.4 These empty seats represent lost revenue for the airline.

Perishability

Services and experiences cannot be stored; they are highly **perishable**. In contrast, goods may be held in physical inventory in a lot, warehouse, or a store until purchased, then used and stored at a person’s home or place of work. If a service is not sold when available, it disappears forever. Using the airline example, once the airplane takes off, the opportunity to sell tickets on that flight is lost forever, and any empty seats represent revenue lost (Figure. 12.4).

Image Credits

Figure 12.3 British Columbia Parliament Christmas Lights by James Wheeler is used under a CC BY-NC-SA 2.0 license.

Figure 12.4 Empty Flight by Rex Roof is used under a CC BY 2.0 license.

12.3 Planning for Services Marketing

To ensure effective services marketing, tourism marketers need to be strategic in their planning process. Using a **tourism marketing system** requires carefully evaluating multiple alternatives, choosing the right activities for specific markets, anticipating challenges, adapting to these challenges, and measuring success (Morrison, 2010). Tourism marketers can choose to follow a strategic management process called the **PRICE concept**, where they:

- P: plan (where are we now?)
- R: research (where would we like to be?)
- I: implement (how do we get there?)
- C: control (how do we make sure we get there?)
- E: evaluate (how do we know if we got there?)

In this way, marketers can be more assured they are strategically satisfying both the customer's needs and the organization's objectives (Morrison, 2010). The relationship between company, employees, and customers in the services marketing context can be described as a **services marketing triangle** (Morrison, 2010), which is illustrated in Figure 8.5.

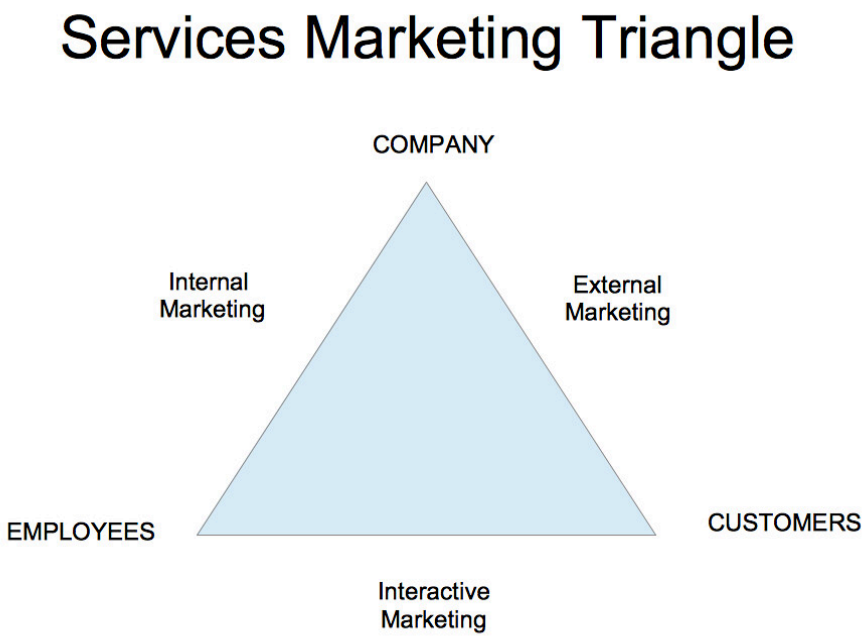

Figure 12.5 Services marketing triangle (adapted from Morrison, 2010). [Long Description]

In traditional marketing, a business broadcasts messaging directly to the consumer. In contrast, in services marketing, employees play an integral component. The communications between the three groups can be summarized as follows (Morrison, 2010):

1. External marketing: promotional efforts aimed at potential customers and guests (creating a promise between the organization and the guest)
2. Internal marketing: training, culture, and internal communications (enabling employees to deliver on the promise)
3. Interactive marketing: direct exchanges between employees and guests (delivering the promise)

The direct and indirect ways that a company or destination reaches its potential customers or guests can be grouped into eight concepts known as the **8 Ps of services marketing**.

8 Ps of Services Marketing

The **8 Ps** are best described as the specific components required to reach selected markets. In traditional marketing, there are four Ps: price, product, place, and promotion. In services marketing, the list expands to the following (Morrison, 2010):

- Product: the range of product and service mix offered to customers
- Place: how the product will be made available to consumers in the market, selection of distribution channels, and partners
- Promotion: specific combination of marketing techniques (advertising, personal sales, public relations, etc.)
- Pricing: part of a comprehensive revenue management and pricing plan
- People: developing human resources plans and strategies to support positive interactions between hosts and guests
- Programming: customer-oriented activities (special events, festivals, or special activities) designed to increase customer spending or length of stay, or to add to the appeal of packages
- Partnership: also known as cooperative marketing, increasing the reach and impact of marketing efforts
- Physical evidence: ways in which businesses can demonstrate their marketing claims and customers can document their experience such as stories, reviews, blog posts, or in-location signage and components

It is important that these components all work together in a seamless set of messages and activities known as integrated marketing communications to ensure the guests receive a clear message and an experience that meets their expectations.

Integrated Marketing Communications

Figure 12.6 During the 2010 Winter Olympics in Vancouver, many marketing partners came together to deliver an integrated experience to guests, including shopping malls disguised as igloos.

Integrated marketing communications (IMC) involves planning and coordinating all the promotional mix elements (including online and social media components) to be as consistent and mutually supportive as possible. This approach is much superior to using each element separately and independently.

Tour operators, attractions, hotels, and destination marketing organizations will often break down marketing into separate departments, losing the opportunity to ensure each activity is aligned with a common goal. Sometimes a potential visitor or guest is bombarded with messaging about independent destinations within a region, or businesses within a city, rather than one consistent set of messages about the core attributes of that destination.

It is important to consider how consumers use various and multiple channels of communication and reach out to them in a comprehensive and coherent fashion. As a concept, **IMC** is not new, but it is more challenging than ever due to the numerous social media and unconventional communication channels now available. Each channel must be well maintained and aligned around the same messages, and selected with the visitor in mind. Too often businesses and destinations deploy multiple channels and end up neglecting some of these, rather than ensuring key platforms are well maintained (Eliason, 2014).

In order to better understand our guests, and the best ways to reach them, let's take a closer look at the consumer as the starting and focal point of any marketing plan.

Image Credits

Figure 12.6 Pacific Centre igloo by Janis Behan is used under a CC BY-NC-SA 2.0 license.

12.4 Consumer Behaviour in Tourism and Hospitality

Customers use their senses to see, hear, smell, and touch (and sometimes taste) to decipher messages from businesses, deciding on a product or service based on their perception of the facts rather than, at times, the actual facts. A number of factors have been shown to impact the choices the consumer makes, including **personal factors**, which reflect needs, wants, motivations, previous experience, and a person's lifestyle, and **interpersonal factors**, such as culture, social class, family, and opinion leaders.

Perception Is Reality

The area of perception can be further broken down to screens and filters, biases, selective retention, and closure (Morrison, 2010). Let's look at these concepts in more detail.

Figure 12.7 All people view things through their own perceptual filters. Image credit: US Army.

The world is filled with things that stimulate people. People are exposed to thousands of messages every day. Some stimuli come from the people around us; for example, a person on the bus might be wearing a branded cap, the bus may have advertising pasted all over it, and free newspapers distributed at the bus station could be filled with advertising. The human brain cannot absorb and remember all of these messages; people will screen out most of the stimuli they are exposed to. They may remember a piece or segment of a message they have seen or heard.

Take a Closer Look: 100 BC Moments Vending Machine

As part of a 2012 integrated campaign, Destination BC (then operating as Tourism BC) created a vending machine that offered users the opportunity to experience moments that could be part of their visit to British Columbia. At 14 feet tall, this vending machine dispensed free items like bikes, surfboards, and discounts on flights to encourage people to travel British Columbia. This experiential innovation was a way to provide a tangible element to intangible services. It was complemented by an online and social media campaign using the hashtag #100BCMoments and special web landing page at 100BCMoments.com. A video of the San Francisco installation earned hundreds of thousands of views on YouTube; cutting through the clutter both in person and online. Watch it here: "Giant Tourism BC Vending Machine comes to San Francisco" on YouTube.

Figure 12.8 A "vending machine" in San Francisco entices people to experience 100 BC Moments. Image credit: davitydave.

Perceptual Biases

Everyone has perceptual biases; each person sees things from his or her own unique view of the world. An advertising message can be received and changed to something very different from the marketer's intended statement.

Selective Retention

Once messages have made it through the screens, filters, and biases, they still may not be retained for long. Customers will practice selective retention, holding on only to the information that supports their beliefs and attitudes.

Closure

Figure 12.9 People use multiple filters to process information. Image credit: Dave Sutherland.

The brain does not like incomplete images. There is a state of psychological tension present until the image is complete (closure). Where information is unavailable to round out the images, the mind adds the missing data. Over time, through the use of imagery and music (such as jingles), messages are ingrained in a customer's mind, and he or she automatically adds the company's name, whether it is mentioned or not.

Applying Psychology to Marketing

Marketers may determine a degree of predictability about customer perceptions. Customers are likely to:

- Screen out information that they are already familiar with
- Notice and retain information to satisfy a need they are aware of (want)
- Purchase services that reflect the image they perceive themselves to project
- Notice and retain things out of the norm

- Attach credibility to personal information rather than commercially generated information

Customers are less likely to:

- Use perceptual biases to distort information received on an interpersonal basis
- Absorb complicated information that requires effort to comprehend
- Notice and retain information about a competitive service or product if they are satisfied with another brand

Tourism marketers are in the business of reminding and making customers aware of their needs. Customers have to be motivated to act on satisfying their wants and needs, while marketers need to trigger the process by supplying objectives and potential motives.

Spotlight On: Nova Scotia – #ShineOnTourism

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://pressbooks.nscc.ca/introtourism2e/?p=185#oembed-1

Consumer Decision-Making Process

Figure 12.10 The Victoria Visitor Centre (at the base of the tower), located in downtown's bustling harbour, helps consumers through the decision-making process. Image credit: Gord McKenna.

In 1968, Kollat, Blackwell and Engel released the first edition of a book called *Consumer Behavior* where they identified a distinct five-step pattern for consumer decision-making (1972). These steps are: need recognition, information search, pre-purchase evaluation, purchase, and post-purchase evaluation.

Here are some critical components at each stage:

- Need recognition: For this process to start there needs to be a stimulus; a need must be triggered and identified.
- Information search: The customer begins to consult different sources of information; personal (marketer dominated) and intrapersonal (non-marketer) factors will likely be used.
- Pre-purchase evaluation: After researching the choices, the customer starts to evaluate options using both objective criteria, such as price and location, and subjective criteria, such as the perceived status of the product or service.
- Purchase: The customer intends to buy the product or service that best matches the criteria, although he or she can still be influenced by a number of factors, such as friends and family who disagree with the purchase, or a change in personal finances.
- Post-purchase evaluation: After use, the customer evaluates the purchase against expectations; if these don't match, the customer will be either dissatisfied (expectations not met) or impressed (expectations

exceeded). For this reason, it's best for hospitality and tourism providers to "under promise" and "over deliver."

Destination Canada Marketing Video

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://pressbooks.nscc.ca/introtourism2e/?p=185#oembed-2

In order to reach consumers and stimulate need, tourism marketers can employ a number of traditional and online channels. These are detailed in the next section.

Image Credits

Figure 12.7 Army Photography Contest – 2007 – FMWRC – Arts and Crafts – Eye of the Holder by US Army is used under a CC BY 2.0 license.

Figure 12.8 BC Tourism Vending Machine by davitydave is used under a CC BY 2.0 license.

Figure 12.9 Precious Treasure by Dave Sutherland is used under a CC BY-NC-SA 2.0 license.

Figure 12.10 Victoria's Inner Harbour at Night 2012 by Gord McKenna is used under a CC BY-NC-ND 2.0 license.

12.5 Reaching the Consumer

Marketers have more choices than ever when it comes to broadcasting their message to consumers. Potential travellers and guests will respond, in varying degrees, to traditional channels and emerging online communications tools. There are many choices in marketing and communication channels, each with strengths and weaknesses. Determining the right mix, frequency, and message depends heavily on establishing objectives, completing research, performing a situational analysis, and creating a positioning approach (Morrison, 2010). Let's take a closer look at communications channels that may form part of the marketing mix.

Traditional Channels

Mass Media

Mass media is best described as the use of channels that reach very large markets. Examples include national newspapers and radio or television advertising. The immediate advantage of using mass media is the ability to reach multiple target markets in significant numbers. Disadvantages include the high expense and difficulty in effective target marketing and measuring return.

Figure 12.11 This is an out-of-home ad for Grouse Mountain, in a downtown Vancouver rapid transit station, targeting people working in the area. Note the special web address for the campaign: grousemountain.com/night-ski.

Out-Of-Home (OOH)

Out-of-home (OOH) channels refer to four major categories: billboards, transit, alternative outdoor, and street furniture. OOH advertising plays an important role in the tourism and hospitality industry as it provides an opportunity to inform travellers in unfamiliar territory. Transit advertising includes airports, rail, and taxi displays.

Alternative outdoor refers to arenas, stadiums, and digital media. Street furniture includes bus shelters, kiosks, and shopping malls.

Take a Closer Look: Tourism Business Essentials: *Travel Media*
Travel journalists, freelance writers, social influencers, editors, and broadcasters play an important role in ensuring a destination is well represented in the press. As part of their travel media relations strategy, many DMOs use tools such as Familiarization Trips (FAMs). Media is invited on the FAM tour so they can experience first hand all the amazing things a destination has to offer first hand. Tourism Nova Scotia has an entire team dedicated to Travel Media. For more information visit their website.

Print Media

Print media includes newspapers, magazines, journals, and directories. There is an increased trend away from traditional purchased print advertising toward editorial features, as these are more trusted by consumers. A print ad and an editorial feature created together is known as an **advertorial**.

Spotlight On: Beattie Tartan

In 2017, Britain's Beattie Communications Group merged with Canada's No. 1 travel public relations firm, the Tartan Group, to become one of the world's most successful integrated communications consultancies, serving tourism and hospitality clients across Canada. The staff have extensive experience working in the industry, and the organization has relationships with multiple tourism associations and press groups. For more information, visit the Beattie Tartan Website.

Online Channels

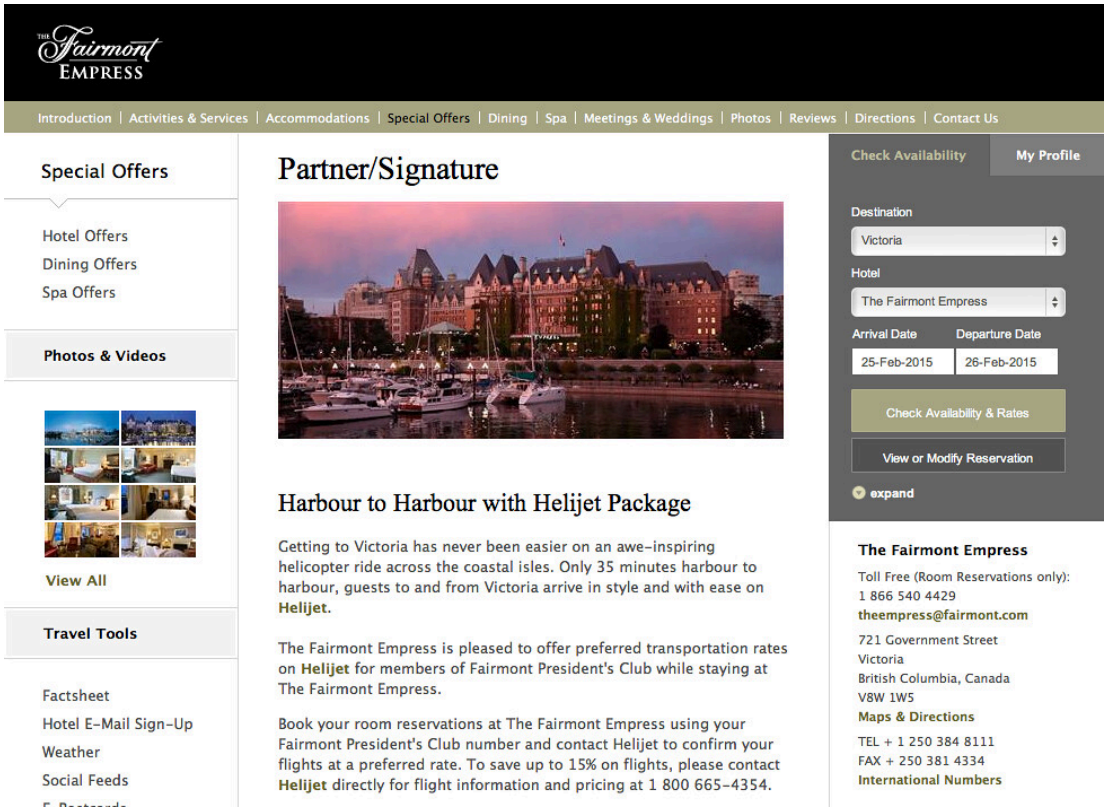

Figure 12.12 This is a web page detailing cross-promotion and partnership between the Fairmont Empress Hotel and Helijet. Consumers are being offered this transportation option next to the hotel booking info.

As discussed in Chapter 2, the internet is nearly twice as important as travel agents as an information source for travel (Deloitte, 2015). There are an estimated 4.5 billion people around the globe with internet access, and social media has become truly integrated into the travel and hospitality industry. TripAdvisor and similar sites have become the customer's first point of connection with tourism and hospitality products and experiences. This can be both an opportunity and a threat: an opportunity to open the channels of communication, but a threat if negative information about the travel or hospitality organization is widely spread. As online distribution expands, empowered and savvy travellers are unbundling the booking component and self-booking directly (Deloitte, 2015).

Internet and mobile technology are referred to as **interactive media**. For tourism and hospitality businesses, an online presence is crucial: it's cost effective, it provides global reach, it allows a business to be available 24/7, and it provides a reciprocal communication platform for customers. An online presence can also produce instant access to critical consumer data such as click through rates on websites, views of social media posts and pages, paths-to-purchase, and much more.

Social Media and Reputation Management

There are also challenges with online marketing, including being noticed within the volume of information customers are exposed to, and loss of control in delivering a message. Despite these challenges, as more consumers seek real-time information online, tourism marketers are responding with increasingly sophisticated

online marketing strategies, such as search engine optimization, personalized content, and social media monitoring and analytics.

Social Media

Social media is a broad term that refers to web-based and mobile applications used for social interaction and the exchange of content (Zheng & Gerritsen, 2014). Social networking is the act of using social media to "communicate directly with people you're already connected to or with whom you wish to be connected with" (Zheng & Gerritsen, 2014, p. 28). Unlike traditional media such as newspapers, magazines, and television, social media is largely powered by user-generated content. This refers to content created and shared by consumers rather than by marketers, journalists, experts, and other paid professionals, although they too contribute to social networks. **Influencers** also play a major role in generating content and hype about tourism products, services, and experiences, ultimately affecting consumer purchasing decisions. Tourism marketers are increasingly leveraging influencer authority, knowledge, and relationships to reach and capture new markets.

Word of Mouth in the Age of Social Media

Social networking has transformed how many people interact with businesses and share experiences with others, in a communication channel known as electronic **word of mouth** where customers share directly with each other in an online environment. Consumers now have a variety of channels (e.g., Twitter, Instagram, Facebook, Tik Toc) and formats (e.g., videos, blogs, reviews) on which to leave ratings, express preferences, and share stories. Many of these platforms have large audiences, and much of this commentary is made in real time, on a smartphone, while the customer is still in the business.

Advertising and Trust

Social networks, and review sites in particular, are used more and more to seek information and advice on things to do and products and services to purchase. Travellers and locals alike check out these sites for ideas on where to stay, eat, relax, shop, and explore. These channels are highly trusted. A survey of over 28,000 consumers in 56 countries found that consumers trust the advice of people they know (92%) and consumer opinions posted online (70%) more than any other advertising source (Nielsen, 2012). A more recent survey of over 31,000 consumers in 36 countries confirmed that personal recommendations and internet sties are the most important planning sources for travellers (Skift, 2014).

Online Reviews = Business Success

Research shows a direct correlation between consumer reviews and purchase decisions. A 2019 survey by BrightLocal found that 92% of consumers made decisions based on online reviews and 76% trusted online reviews as much as personal recommendations (BrightLocal, 2019). A 2011 study conducted by Harvard Business School found that, for independent restaurants, a one-star increase in Yelp ratings led to a 5% to 9% increase in revenue (Luca, 2011). According to a study by the Cornell Center for Hospitality Research, if a hotel increases its review score on Travelocity by 1 point on a 5-point scale, it can raise its price by 11.2% without affecting demand (Anderson, 2012). Finally, a report published by TripAdvisor and Oxford Economics claims that TripAdvisor was responsible for $US 546 billion in traveller spending in 2017 alone (Tourism Economics, 2020).

Understanding Customer Needs

As we have discussed, service plays an important role in shaping customer impressions, where the ultimate goal of a tourism or hospitality business is to exceed expectations. Every customer has different wants and needs, but virtually all customers expect the following basic needs to be taken care of:

- Quality
- Value
- Convenience
- Good service

To fully satisfy customers, businesses must deliver in all four areas. If they meet the basic needs listed above, they'll create a **passive customer** — one who is satisfied, but not likely to write a review or mention a business to others.

Figure 12.13 This unhappy customer is likely to broadcast news of her bad experience across multiple platforms.

On the other hand, failure to deliver on the promise can result in a disappointed customer undoing all the efforts of the marketing plan. For this reason, the entire process must be well coordinated and well executed.

Image Credits

Figure 12.11 Out of Home Advertising for Grouse Mountain by LinkBC is used under a CC BY 2.0 license.

Figure 12.12 Fairmont Empress and Helijet Partnership by LinkBC is used under a CC BY 2.0 license.

Figure 12.13 Wreath makin' – an unhappy customer (pas moi) by Katy is used under a CC BY-NC-ND 2.0 license.

12.6 Bringing it All Together

The Role of Destination Canada

The role of Destination Canada is to "promote Canada as a premier four-season leisure and business tourism destination around the country and world in Australia, Canada, China, France, Germany, Japan, Mexico, United Kingdom and the United States". (Destination Canada, 2021). As we learned in the last chapter, this **destination marketing organization** has been mandated to fulfill several key marketing and leadership responsibilities critical to the long-term sustainable growth of the tourism industry.

Take a Closer Look: Online Reputation Management

This guide from Destination BC's Tourism Business Essentials series helps businesses understand how to manage their online reputation and includes tips for responding to reviews and other best practice. To get a copy of the guide, visit the *Online Reputation Management Guide* [PDF].

Market Segmentation

Tourism marketers, choose target markets for their efforts through **market segmentation** techniques, where potential visitors are separated by:

- Demographics
- Countries of origin
- Trip purposes
- Trip planning and arrangements
- Psychographics and lifestyles
- Special interests
- Technology uses

Destination Canada's award-winning Explorer Quotient program provides tourism marketers with detailed **psychographic** and travel motivations information (Destination Canada, 2013). It allows destinations and experiences to market themselves to target audiences based on psychographic profiles (their psychological tendencies) rather than geographic segments.

Take a Closer Look: EQ (Explorer Quotient)

Destination Canada's EQ tool allows businesses to segment their customers in a new and innovative way. EQ offers a range of online resources from an EQ Quiz (so you can identify what type of traveller you are) to business toolkits and more. Explore this new tourism marketing tool by visiting the Explorer Quotient toolkit [PDF].

Spotlight On: Indigenous Tourism BC

As cited on their website: **Indigenous Tourism BC (ITBC)** honours the value of Indigenous knowledge in tourism. More than 200 distinct Indigenous communities, with more than 30 living languages, offer unique perspectives and thriving Indigenous businesses ready to host visitors in major urban centres, down fast rivers, before hereditary totem poles, in award-winning cafes and restaurants, and on pristine beaches under the stars. Indigenous tourism hosts in British Columbia invite visitors to come and share their love for this land. Recognizing that indigenous tourism experiences are a primary draw for many visitors, ITBC aims to grow this industry in a "sustainable, authentic, and culturally rich" way. For more information, visit the Indigenous Tourism BC website.

Effective planning, research, customer understanding, integrated marketing communications, and using online customer service strategies to support effective marketing are fundamental requirements for successful services marketing. However, it is critical that marketers understand the key trends and issues that will help to identify tomorrow's marketing strategies (Government of Canada, 2012).

12.7 Trends and Issues

Figure 12.14 Social media trends are just one of the influences that marketers need to monitor.

Tourism marketers need to monitor trends in the following areas that may impact the success of their marketing efforts:

- Demographic shifts (aging population, the rise of millennials), and socioeconomics (cultural changes, economic decline/growth)
- Political, economic, and geographic changes (emerging or declining economies)
- Trip purpose (growth of multipurpose trips and microtrips)
- Psychographic changes (special interests, healthy lifestyles, sustainability)
- Behavioural adaptations (free independent travel, decreasing brand loyalty)
- Product-related trends (emerging niches)
- Distribution channels (online travel agencies, virtual travel)

Remaining abreast of information in these areas is critical to the success of any services marketing plan, which should be continually monitored and adapted as the landscape changes.

Image Credit

Figure 12.14 Twitter escultura de arena by Rosaura Ochoa is used under a CC BY 2.0 license.

12.8 Conclusion

Effective services marketing in the tourism and hospitality sector requires marketers to gain a solid understanding of the differences between the marketing of goods, services, and experiences. Successful organizations use market research to learn the preferences and behaviours of key customer segments. Through a strategic planning process, organizations and destinations develop a marketing orientation designed to identify **customer needs** and trigger their wants, while striving to meet organizational objectives. Activities are designed to support integrated marketing communications across multiple platforms with reciprocal communications — that is, not just broadcasting information, but having conversations with customers. Savvy marketers will leverage these conversations to keep up with evolving customer interests while seeking an understanding of emerging trends in order to anticipate needs and wants. Engaged marketers also know that social media and **integrated marketing communications** must be complemented with remarkable customer service, which ultimately supports successful marketing strategy.

- **8 Ps of services marketing:** refers to product, place, promotion, pricing, people, programming, partnership, and physical evidence
- **Advertorial:** print content (sometimes now appearing online) that is a combination of an editorial feature and paid advertising
- **Customer needs:** gaps between what customers have and what they would like to have
- **Customer wants:** needs of which customers are aware
- **E-commerce:** electronic commerce; performing business transactions online while collecting rich data about consumers
- **Emerging markets:** markets for BC that are monitored and explored by Destination BC — China, India, and Mexico
- **Heterogeneous:** variable, a generic difference shared by all services
- **Influencers:** individuals with a strong online presence and following who can use their knowledge, authority, and relationships with followers to share brand-aligned content and inspire travellers to visit or purchase
- **Intangible:** untouchable, a characteristic shared by all services
- **Integrated marketing communications (IMC):** planning and coordinating all the promotional mix elements and internet marketing so they are as consistent and as mutually supportive as possible
- **Interactive media:** online and mobile platforms
- **Interpersonal factors:** the influence of cultures, social classes, family, and opinion leaders on consumers
- **Marketing:** a continuous, sequential process through which management plans, researches, implements, controls, and evaluates activities designed to satisfy the customers' needs and wants, and its own organization's objectives
- **Marketing orientation:** the understanding that a company needs to engage with its markets in order to refine its products and services, and promotional efforts

- **Market segmentation:** specific groups of people with a similar profile, allowing marketers to target their messaging
- **Mass media:** the use of channels that reach very large markets
- **Nearby markets:** markets for BC, identified by Destination BC as BC, Alberta, and Washington State, characterized by high volume and strong repeat visitation; sometimes referred to as 'short haul' markets
- **Net promoter score (NPS):** a metric designed to monitor customer engagement, reflecting the likelihood that travellers will recommend a destination to friends, family, or colleagues
- **Out-of-home (OOH):** channels in four major categories: billboards, transit, alternative outdoor, and street furniture
- **Passive customer:** a guest who is satisfied (won't complain, but won't celebrate the business either)
- **Perishable**: something that is only good for a short period of time, a characteristic shared by all services
- **Personal factors:** the needs, wants, motivations, previous experiences, and objectives of consumers that they bring into the decision-making process
- **PRICE concept:** an acronym that helps marketers remember the need to plan, research, implement, control, and evaluate the components of their marketing plan
- **Psychographics:** psychological characteristics, such as an individuals attitudes, beliefs, values, motivations, and behaviours
- **Print media:** newspapers, magazines, journals, and directories
- **Services marketing:** marketing that specifically applies to services such as those provided by the tourism and hospitality industries; differs from the marketing of goods
- **Services marketing triangle:** a model for understanding the relationship between the company, its employees, and the customer; differs from traditional marketing where the business speaks directly to the consumer
- **Social media:** refers to web-based and mobile applications used for social interaction and the exchange of content
- **Societal marketing:** marketing that recognizes a company's place in society and its responsibility to citizens (or at least the appearance thereof)
- **Tangible:** goods the customer can see, feel, and/or taste ahead of payment
- **Top priority markets:** markets for BC identified as a top priority for Destination BC — 'long haul' markets such as Ontario and California, as well as international markets such as Germany, Japan, United Kingdom, South Korea, Australia — characterized by high revenue and high spend per visitor
- **Tourism marketing system:** an approach that guides the planning, execution, and evaluation of tourism marketing efforts (PRICE concept is an approach to this)
- **Word of mouth:** information about a service experience passed along orally or through other social information sources from past customers to potential customers

Exercises

1. Fill in the blanks for the acronym **PRICE**. During a successful marketing planning process, management will:
    a. **P**
    b. **R**
    c. **I**
    d. **C**
    e. **E**
2. Should services be marketed exactly the same as manufactured products and packaged goods? Why or why not?
3. Name at least three reasons for tourism marketers to do marketing research.
4. Why is segmentation so important to effective marketing?
5. What does integrated marketing communications achieve?
6. What stages do customers usually go through when they make decisions about buying travel services?
7. What is the net promoter score (NPS) for a destination with 20% detractors and 80% supporters?
8. Why is delivering great experiences an important part of services marketing? Give five reasons.
9. Take the Explorer Quotient (EQ) test. Review the EQ profile document to learn more about your traveller type.
    a. What characteristics do you agree with, which ones do you not? Why?
    b. Select one of the experiences matched to your profile and determine how it fits your type.
    c. How does the website of that company market to your traveller type? What visuals or key words do they use to get your attention?

Case Study 1: The Wickaninnish Inn

Located in Tofino, the Wickaninnish Inn (or "the Wick," as it's affectionately known) is a world-recognized high-end property famous for offering four seasons of luxury experiences on BC's "wild coast." But how does the Wick stay top-of-mind with tourism consumers? A quick look at their marketing mix offers some answers:

- Product: The inn has long been a leader in offering experiences that go above and beyond a room in a luxury hotel, starting with their storm-watching packages in the late fall, a time that was once their off-season.
- Place: Reservations can be made online on the inn's website, via a toll-free number, through OTA sites including TripAdvisor (where reviews are constantly monitored in order to engage with customers), and other reservation services including the HelloBC program. The staff constantly engages with, and monitors their customers, tracking trends in traveller purchasing behaviour to ensure it is front and centre with the inn's target markets.
- Promotion: The inn has a well-maintained, visually rich website and social media presence on Instagram, Twitter, Facebook, YouTube, Pinterest, Google+, and Flickr (a presence that shifts constantly depending on where consumers can be found online). Its site features a media page with blogs, press releases, and high-

resolution photos and videos to ensure journalists can easily post a story at any time.

- Pricing: The inn has a comprehensive revenue management and pricing plan that includes packaging and promotions for all seasons. The pricing reflects offering value to guests, while confidently staying at the higher end of the scale.
- People: Not only does the inn attract and train staff who deliver on its promise of exceptional experiences, the Wick also has a multi-person team responsible for sales, marketing, and media (blogging, press releases, photography, hosting familiarization tours).
- Programming: Programs include packaging under themes such as elopement, natural, seasonal, romantic, spa, and culinary. Many packages include the involvement of hotel personnel such as an elopement coordinator or concierge to help guests plan specific value-added and memorable components of their experience, such as a last-minute wedding (Wickaninnish Inn, 2020).
- Partnership: The Wick partners with other experience providers and events such as the Tofino Saltwater Classic — a fishing tournament hosted by Brendan Morrison of the Vancouver Canucks. By supporting the event as a platinum sponsor (Tofino Saltwater Classic, 2020), the representatives from the inn meet new potential guests and solidifies its place in the community.
- Physical evidence: In addition to **familiarization tours**, the media team ensures the inn is considered for a number of high-profile awards, and celebrates wins by broadcasting these as they occur (e.g., Travel and Leisure Awards World's Best Winner 2014). Prize logos are placed on the inn's home page online, in print ads, and in physical locations on the property. The inn also has a regular consumer newsletter that celebrates achievements and shares promotions with past and future guests.

Thinking about this example, answer the following questions:

1. Imagine the inn received a review on TripAdvisor that showed a customer was not satisfied. How might it deal with this?
2. Visit the Wickaninnish Inn's website. Who are the target customers? How is this conveyed on the site?
3. What are the prices for packages and accommodations? What does the price signal to you about the experience you might have at this hotel?
4. Do an online search for "Wick Inn" using your favourite search engine. What are the first five links that come up? How do these present the property? What hand does the inn's staff have in these results?
5. Look at the community of Tofino as it is presented online and name five potential partners for the Wick.

Case Study 2: Crisis Communication

Destination BC has faced its fair share of marketing challenges over the years including an ongoing homelessness crisis, devastating fires and, in 2020, the novel coronavirus pandemic. What can we learn about how they respond(ed) to these crises and communicate(d) with their range of stakeholders? The service marketing triangle can be a useful tool to examine Destination BCs response to the coronavirus pandemic:

- Internal marketing: Destination BC, in tandem with regional DMOs, provided regular bulletins, up-to-date website content, 24-hour email and call center assistance, live webinars and more to help industry partners access provincial and federal resources and align their consumer-facing messaging with provincial and federal travel guidelines.

- External marketing: In the early stages of the pandemic, Destination BC worked with provincial health authorities and regional DMOs, to leverage social media such as Twitter to send simple, clear messages directly to visitors and residents. For example, in March 2020, at the height of the crisis, they released messages with the hashtag: #ExploreBCLater… In early May 2020, as provincial restrictions lessened, they released messages with the hashtag: #ExploreBCLocal… And, as restrictions continued to lift in late May 2020, they revived a staple hashtag: #BCTourismMatters.
- Interactive marketing: Industry partners did their part by making the difficult decision to close their doors to visitors or operate in alignment with the provincial health guidelines. For example, Butchart Gardens provided a COVID-19 update on their website reminding visitors to enjoy the beauty of the gardens while maintaining appropriate physical distance (2m), following directional arrows on pathways, and listening to staff. Though regularly changing, these guidelines at time of publication can be found on the Butchart Gardens' website.

Thinking about this example, answer the following questions:

1. Analyze Destination BCs response. What did they do well and what could they have done differently during this particular crisis, or others?
2. How did Did Destination BC use various communication channels to create, enable, and deliver on their promise to keep people safe and businesses solvent during the coronavirus pandemic?
3. Visit California had a series of devastating fires in the late 2010s. Even though 99% of California's wine country was still intact during a good portion of this time, the press was sending out the message that "Wine Country" had become "Fire Country". What role does the media have on visitor perceptions of destinations?
4. Look for examples online of how Visit California, like Destination BC, may have utilized the services marketing triangle to control the media narrative and deliver on its promise of safe and secure travel. As a starting point, you might look at Visit California's Grateful Table experience, Share the Love video, Power of Love public service announcement, or West Coast Travel Facts to answer this question.

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Glossary

8 Ps of services marketing

Refers to product, place, promotion, pricing, people, programming, partnership, and physical evidence.

adventure tourism

Outdoor activities with an element of risk, usually somewhat physically challenging and undertaken in natural, undeveloped areas.

advertorial

Print content (sometimes appearing online) that is a combination of an editorial feature and paid advertising.

agritourism

Tourism experiences that highlight rural destinations and prominently feature agricultural operations

ancillary revenues

Money earned on non-essential components of the transportation experience including headsets, blankets, and meals.

appropriation

The action of taking something for one's own use, typically without the owner's permission.

art museum

Museums that collect historical and modern works of art for the educational purposes and to preserve them for future generations.

Asia-Pacific Economic Cooperation (APEC)

A forum that brings together countries from the Asia Pacific region (including Canada), and which has a Tourism Working Group that looks at policy development in a tourism context.

assets

Items of value owned by a business to be used in the production and service of the experience.

Association of Canadian Mountain Guides (ACMG)

Canada's only internationally recognized guiding association, offering a range of certifications.

Association of Canadian Travel Agencies (ACTA)

A trade organization established in 1977 to ensure high standards of customer service, engage in advocacy for the trade, conduct research, and facilitate travel agent training.

Authentic Indigenous Artisan Program

Protects Indigenous artists by identifying three tiers of artwork based on the degree to which Indigenous people have participated in their creation; a tool to combat cultural appropriation.

authenticity of experience

A hot topic in tourism that started with MacCannell in 1976 and continues to today; discussion of the extent to which experiences are staged for visitors.

Avalanche Canada

A not-for-profit society that provides public avalanche forecasts and education for back country travellers venturing into avalanche terrain, dedicated to a vision of eliminating avalanche injuries and fatalities in Canada.

average cheque

Total sales divided by number of guests served.

average daily rate (ADR)

Average guest room income per occupied room in a given time period.

back of house

Food production areas not accessible to guests and not generally visible; also known as heart of house

BC Hospitality Foundation (BCHF)

Created to help support hospitality professionals in their time of need; now also a provider of scholarships for students in hospitality management and culinary programs.

BC Hotel Association (BCHA)

The trade association for BC's hotel industry, which hosts an annual industry trade show and seminar series, and publishes *InnFocus* magazine for professionals.

BC Lodging and Campgrounds Association (BCLCA)

Represents the interests of independently owned campgrounds and lodges in BC.

BC Parks

The agency responsible for management of provincial parks in British Columbia.

BC Restaurant & Foodservices Association (BCRFA)

Representing the interests of more than 3000 of the province's foodservice operators in matters including wages, benefits, and liquor licenses, and other relevant matters.

beverage costs

Beverages sold in liquor-licensed operations; this usually only includes alcohol, but in unlicensed operations, it includes coffee, tea milk, juices, and soft drinks.

Blue Sky Policy

Canada’s approach to open skies agreements that govern which countries’ airlines are allowed to fly to, and from, Canadian destinations.

botanical garden

A garden that displays native and/or non-native plants and trees, often running educational programming.

breach in the standard of care

Failure of a defendant to work to the recognized standard.

BRIC

An acronym for the growing economies of Brazil, Russia, India, and China.

BRICS

The acronym for the BRIC countries with the addition of South Africa.

British Columbia Golf Marketing Alliance

A strategic alliance representing 58 regional and destination golf resorts in BC with the goal of having BC achieve recognition nationally and internationally as a leading golf destination.

British Columbia Government Travel Bureau (BCGTB)

The first recognized provincial government organization responsible for the tourism marketing of British Columbia.

British Columbia Guest Ranchers Association (BCGRA)

An organization offering marketing opportunities and development support for BC's guest ranch operators.

British Columbia Lottery Corporation (BCLC)

The crown corporation responsible for operating casinos, lotteries, bingo halls, and online gaming in the province of BC.

British Columbia Snowmobile Federation (BCSF)

An organization offering snowmobile patrol services, lessons on operations, and advocating for the maintenance of riding areas in BC.

Business Events Industry Coalition of Canada (BEICC)

An advocacy group for the meetings and events industry in Canada.

Camping and RVing British Columbia Coalition (CRVBCC)

Represents campground managers and brings together additional stakeholders including the Recreation Vehicle Dealers Association of BC and the Freshwater Fisheries Society.

Canada West Ski Areas Association (CWSAA)

Founded in 1966 and headquartered in Kelowna, BC, CWSAA represents ski areas and industry suppliers and provides government and media relations as well as safety and risk management expertise to its membership.

Canada's West Marketplace

A partnership between Destination BC and Travel Alberta, showcasing BC travel products in a business-to-business sales environment.

Canadian Association of Tour Operators (CATO)

A membership-based organization that serves as the voice of the tour operator segment and engages in professional development and networking in the sector.

Canadian Pacific Railway (CPR)

A national railway company widely regarded as establishing tourism in Canada and BC in the late 1800s and early 1900s.

Canadian Ski Guide Association (CSGA)

Founded in British Columbia, an organization that runs a training institute for professional guides, and a separate non-profit organization representing CSGA guide and operating members.

Canadian Sport Tourism Alliance (CSTA)

Created in 2000, an industry organization funded by the CTC, now Destination Canada, to increase Canadian capacity to attract and host sport tourism events.

Canadian Tourism Commission (CTC)

The previous (old) name for Destination Canada.

capacity

The ability of a person to enter into a legal agreement; depends on the age and mental state of the person (among other factors).

captured patrons

Consumers with limited selection or choice of food or beverage provider given their occupation or location.

carbon offsetting

A market-based system that provides options for organizations to invest in green initiatives to offset their own carbon emissions.

career planning

A series of deliberate steps with outcomes to help individuals achieve their short- and long-term career goals.

carrying capacity

The maximum number of a given species that can be sustained in a specific habitat or biosphere without negative impacts.

causation

A strong link between the actions of the defendant and the injury to the plaintiff.

co-op education

A special program offered by a college/university in which students alternate work and study, usually spending a number of weeks in full-time study and a number in full-time employment away from the campus.

collaborative consumption

Also known as the sharing economy, a blend of economy, technology, and social movement where access to goods and skills is more important than ownership (e.g., Airbnb).

Commercial Bear Viewing Association of BC (CBVA)

Promoters of best practices in sustainable viewing, training, and certification for guides, and advocating for land use practices.

commercial foodservice

Operations whose primary business is food and beverage.

commercial general liability insurance

The most common type of liability insurance that provides coverage for litigation; generally legal costs and personal injury settlements arising from a lawsuit are covered.

community destination marketing organization (CDMO)

A DMO that represents a city or town.

community gaming centres (CGCs)

Small-scale gaming establishments, typically in the form of bingo halls.

competitive set

A marketing term used to identify a group of hotels that include all competitors that a hotel's guests are likely to go to consider an alternative to the company (minimum of three).

conferences

Business events that have specific themes and are held for smaller groups than conventions.

conflict management

The practice of being able to identify and handle conflicts sensibly, fairly, and efficiently.

conscious consumerism

Refers to consumers using their purchasing power to shape the world according to their values and beliefs.

consideration

The value exchanged between parties in the contract (money, services, or waiving legal rights).

conventions

Business events that generally have very large attendance, are held annually in different locations each year, and usually require a bidding process.

costs per occupied room (CPOR)

All the costs associated with making a room ready for a guest (linens, cleaning costs, guest amenities).

cross-utilization

When a menu is created to make multiple uses of a small number of staple pantry ingredients, helping to keep food costs down.

Crown land

Land owned and managed by either the provincial or federal governments.

Crown land tenure

Rights given to commercial organizations to operate on Crown land.

Cruise BC

A multi-stakeholder organization responsible for the development and marketing of British Columbia as a cruise destination.

Cruise Lines International Association (CLIA)

The world's largest cruise industry trade association with representation in North and South America, Europe, Asia and Australasia.

culinary tourism

Tourism experiences where the key focus is local and regional food and drink, often highlighting the heritage of products involved and techniques associated with their production.

cultural commodification

The drive toward putting a monetary value on aspects of a culture.

cultural/heritage tourism

When tourists travel to a specific destination in order to participate in a cultural or heritage-related event.

customer lifetime value (CLV)

A view of customer relationships that looks at long-term cycle of customer interactions, rather than at single transactions.

customer needs

Gaps between what customers have and what they would like to have.

customer orientation

Positioning a business or organization so that customer interests and value are the highest priority.

customer relationship management (CRM)

A strategy used by businesses to select customers and to maintain relationships with them to increase their lifetime value to the business.

customer wants

Needs of which customers are aware.

Declaration on the Rights of Indigenous People

A 2007 statement that set forth the minimum standards for the survival, dignity, and well-being of the indigenous peoples of the world.

Destination BC

The provincial destination marketing organization (DMO) responsible for tourism marketing and development in BC, formerly known as Tourism BC.

Destination Canada

Destination Canada, is a Crown corporation previously known as the Canadian Tourism Commission (CTC). Destination Canada is responsible for promoting Canada in both domestic and foreign markets. Destination Canada also works with private companies, travel services providers, meeting professionals, and government organizations to help leverage Canada's tourism brand and provide the industry with valuable visitor data.

destination management company (DMC)

A company that creates and executes corporate travel and event packages designed for employee rewards or special retreats.

destination marketing organization (DMO)

Also known as a destination management organization; includes national tourism boards, state/provincial tourism offices, and community convention and visitor bureaus.

destination mountain resorts

Large-scale mountain resorts where the draw is the resort itself; usually the resort offers all services needed in a tourism destination.

dine-and-dash

The term commonly used in the industry for when a patron eats but does not pay for his or her meal.

direct climate impacts

What will occur directly as a result of changes to the climate such as extreme weather events.

Dive Industry Association of BC

A marketing and advocacy organization protecting the interests of divers, dive shops, guides, dive instructors, and diving destinations in BC.

diversity

A term used by some in the industry to describe the makeup of the industry in a positive way; acknowledging that tourism is a diverse compilation of a multitude of businesses, services, organizations, and communities.

domestic independent traveller (DIT)

A person travelling in their home country who creates their own itinerary and travel plans without the aid of a travel agent or organization. This may include using the resources of online and brick-and-mortar suppliers.

duty to care

The relationship between the plaintiff and defendant (monetary, supervisory, custodial or otherwise) that requires a responsibility on behalf of one party to care for the other.

e-commerce

Electronic commerce; performing business transactions online while collecting rich data about consumers.

ecological footprint

A model that calculates the amount of natural resources needed to support society at its current standard of living.

emerging markets

Markets for BC that are monitored and explored by Destination BC — China, India, and Mexico.

Employment Standards Act

Defines legal requirements around employment such as minimum wage, breaks, meal times, vacation pay, statutory holidays, age of employment, and leave from work.

entertainment

(As it relates to tourism) includes attending festivals, events, fairs, spectator sports, zoos, botanical gardens, historic sites, cultural venues, attractions, museums, and galleries.

environmental accreditation or certification

A voluntary system that establishes environmental standards and regulates adherence to reducing environmental impacts.

Environmental Assessment Office

The provincial agency responsible for reviewing large projects occurring on Crown land in BC.

environmental management

Policies and procedures designed to protect natural values while providing a framework for use.

environmental stewardship

The practice of ensuring natural resources are conserved and used responsibly in a way that balances the needs of various groups.

Eskimo

A term once used by non-Inuit people to describe Inuit people; no longer considered appropriate.

ethnic restaurant

A restaurant based on the cuisine of a particular region or country, often reflecting the heritage of the head chef or owner.

event

A happening at a given place and time, usually of some importance, celebrating or commemorating a special occasion; can include mega-events, special events, hallmark events, festivals, and local community events.

excursionist

A same-day visitor to a destination. Their trip typically ends on the same day when they leave the destination.

experiential learning

Learning that takes place when a student directly participates in experiences designed for a learning purpose. Takes place both inside and outside of the classroom, and involves reflection as well as action.

export-ready criteria

The highest level of market readiness, with sophisticated travel distribution trade channels, to attract out-of-town visitors and highly reliable service standards, particularly with groups.

exposure avoidance

A risk control technique that avoids any exposure to that particular risk.

fad

Something taken up in a finite, short amount of time. Can represent a valuable business opportunity, but investment can be risky.

familiarization tours (FAMs)

Tours provided to overseas travel agents, travel agencies, RTOs, and others to provide information about a certain product at no or minimal cost to participants. The short form is pronounced like the start of the word "family" (not as each individual letter).

family/casual restaurant

A restaurant type that is typically open for all three meal periods, offering affordable prices and able to serve diverse tastes and accommodate large groups.

festival

Public event that features multiple activities in celebration of a culture, an anniversary or historical date, art form, or product (food, timber, etc.).

fine dining restaurant

Licensed food and beverage establishment characterized by high-end ingredients and preparations and highly trained service staff.

First Nations

One of the three recognized groups of Canada's Indigenous peoples (along with Inuit and Métis).

First Nations land

Land under Aboriginal title or that is managed by First Nations.

FirstHost

An Indigenous tourism workshop focusing on hospitality service delivery and the special importance of the host, guest, and place relationship.

food and beverage (F & B)

Type of operation primarily engaged in preparing meals, snacks, and beverages, to customer order, for immediate consumption on and off the premises.

food cost

Price including freight charges of all food served to the guest for a price (does not include food and beverages given away, which are quality or promotion costs).

food primary

A licence required to operate a restaurant whose primary business is serving food (rather than alcohol).

foodie

A term (often used by the person themselves) to describe a food and beverage enthusiast.

foreign independent traveller (FIT)

A person travelling outside their home country who creates their own itinerary and travel plans without the aid of a travel agent or organization. This may include using the resources of online and brick-and-mortar suppliers.

fractional ownership

A financing model that developers use to finance hotel builds by selling units in one-eighth to one-quarter shares.

fragmentation

A phenomenon observed by some industry insiders whereby the tourism industry is unable to work together towards common marketing and lobbying (policy-setting) objectives.

franchise

Enables individuals or investment companies to build or purchase a business and then buy or lease a brand name under which to operate; also can include reservation systems and marketing tools.

franchisee

An individual or company buying or leasing a franchise.

franchisor

A company that sells franchises.

front of house

Public areas of the establishment. In quick service, it includes the ordering and product serving area.

full-service restaurants

Casual and fine dining restaurants where guests order food seated and pay after they have finished their meal.

fully independent traveller (FIT)

A traveller who makes his or her own arrangements for accommodations, transportation, and tour components and is independent of a group.

globalization

The movement of goods, ideas, values, and people around the world.

greenwashing

The act of claiming a product is "green" or environmentally friendly solely for marketing and promotional purposes.

Guide Outfitters Association of BC (GOABC)

Established in 1966 to promote and preserve the interests of guide outfitters, who take hunters out into wildlife habitat; publishers of *Mountain Hunter* magazine.

HelloBC

Online travel services platform of Destination BC providing information to the visitor and potential visitor for trip planning purposes.

heterogeneous

Variable: a generic difference shared by all services.

hidden job market

Employment opportunities that aren't posted through traditional channels, but rather arise because of a person's connections and relationships.

homogenizing

Making the same, i.e., the effect of tourism helping to spread Western values, rendering one culture indistinguishable from the next.

hospitality

The accommodations and food and beverage industry groupings.

Hotel Association of Canada (HAC)

The national trade organization advocating on behalf of over 8,500 hotels.

Hotel Guest Registration Act

Requires hotel keepers to register guests appropriately, which includes noting the guest’s arrival and departure dates, home address, and type and licence number of any vehicle.

Hotel Keepers Act

Allows an accommodation provider to place a lien on guest property for unpaid bills, limits the liability of the hotel keeper when guest property is stolen and/or damaged, and gives the provider authority to require guests to leave in the event of a disturbance.

hotel type

A classification determined primarily by the size and location of the building structure, and then by the function, target markets, service-level, other amenities and industry standards.

in country

A term to describe using a local-ownership approach in order for the wealth generated from tourism to stay in a destination.

inbound tour operator

An operator who packages products together to bring visitors from external markets to a destination.

incentive travel

A global management tool that uses an exceptional travel experience to motivate and/or recognize participants for increased levels of performance in support of organizational goals.

Indian (or Native Indian)

A legal term in Canada. It has been used to describe Indigenous people, but is now considered inappropriate.

Indigenous cultural experiences

Experiences that are offered in a manner that is appropriate, respectful, and true to the Indigenous culture being portrayed.

Indigenous cultural tourism

Indigenous tourism that incorporates Indigenous culture as a significant portion of the experience in a manner that is appropriate, respectful, and true (see Indigenous cultural experiences).

Indigenous peoples

Groups specially protected in international or national legislation as having a set of specific rights based on their historical ties to a particular territory, and their cultural or historical distinctiveness from other populations. Indigenous peoples are recognized in the Canadian Constitution Act as comprising three groups: First Nations, Métis, and Inuit.

Indigenous tourism

Tourism businesses that are majority owned and operated by First Nations, Métis, and Inuit.

Indigenous Tourism Association of Canada (ITAC)

A consortium of over 20 Indigenous tourism industry organizations and government representatives from across Canada.

Indigenous Tourism BC (ITBC)

The organization responsible for developing and marketing Indigenous tourism experiences in B.C. in a strategic way. Marketing stakeholder members are over 51% owned and operated by First Nations, Métis, and Inuit.

indirect environmental change impacts

What will occur indirectly as a result of climate change, including damages to infrastructure.

influencers

Individuals with a strong online presence and following who can use their knowledge, authority, and relationships with followers to share brand-aligned content and inspire travellers to visit destinations or purchase products.

informational interview

A short appointment where you learn about an employer or a specific role from someone already established in the field.

inherent risk

Risk that is inherent to the activity and that cannot be removed.

injury

Proof the plaintiff did in fact receive an injury resulting in damage; can be bodily injury or property damage.

inseparable

In relation to goods and services. Services cannot be separated from the service provider as the production and consumption happens at the same time.

intangible

Untouchable: a characteristic shared by all services.

integrated marketing communications (IMC)

Planning and coordinating all the promotional mix elements and internet marketing so they are as consistent and as mutually supportive as possible.

intentional torts

Assault, battery, trespass, false imprisonment, nuisance, and defamation.

interactive media

Online and mobile platforms.

International Air Transport Association (IATA)

The trade association for the world's airlines.

International Civil Aviation Organization (ICAO)

A specialized agency of the United Nations that creates global air policy and helps to develop industry capacity and safety.

International Festivals and Events Association (IFEA)

Organization that supports professionals who produce and support celebrations for the benefit of their respective communities.

internship

Short-term, supervised work experience in a student's field of interest for which the student may earn academic credit.

interpersonal factors

The influence of cultures, social classes, family, and opinion leaders on consumers.

Inuit

One of the three recognized groups of Canada's Indigenous peoples (along with First Nation and Métis), from the Arctic region of Canada.

Larrakia Declaration

A set of principles developed to guide appropriate Indigenous tourism development.

Liquor and Cannabis Regulation Branch (LCRB)

The BC government agency responsible for legislation and control of alcohol and cannabis sales, service, manufacture, import, and distribution in the province.

Liquor Control and Licensing Act

Defines the ways in which alcohol can be made, imported, purchased, and consumed in BC.

liquor primary licences

The type of licence needed in BC to operate a business that is in the primary business of selling alcohol (most pubs, nightclubs and cabarets fall into this category).

loss reduction

A risk control technique that reduces the severity of the impact of the risk should it occur.

low-cost carrier (LCC)

An airline that competes on price, cutting amenities and striving for volume to achieve a profit.

loyalty programs

Programs that identify and build databases of frequent customers to promote directly to them, and to reward and provide special services for those frequent customers.

marae

A communal or sacred centre that serves a religious and social purpose in Polynesian societies.

market segmentation

Specific groups of people with a similar profile, allowing marketers to target their messaging.

market-ready business

A business that goes beyond visitor readiness to demonstrate strengths in customer service, marketing, pricing and payments policies, response times and reservations systems, and so on.

marketing

A continuous, sequential process through which management plans, researches, implements, controls, and evaluates activities designed to satisfy the customers' needs and wants, and its own organization's objectives.

marketing orientation

The understanding that a company needs to engage with its markets in order to refine its products and services, and promotional efforts.

mass media

The use of channels that reach very large markets.

Meeting Professionals International (MPI)

A membership-based professional development organization for meeting meeting and event planners.

meetings, conventions, and incentive travel (MCIT)

All special events with programming aimed at a business audience.

Métis

One of the three recognized groups of Canada's Indigenous peoples (along with First Nation and Inuit), meaning "to mix."

Ministry of Environment and Climate Change Strategy

The provincial ministry responsible for the environment in BC.

MINT

An acronym for the countries of Mexico, Indonesia, Nigeria, and Turkey.

moment of truth

When a customer's interaction with a front line employee makes a critical difference in their perception of that company or destination.

monoculture

A farming practice that depletes the soil and encourages the use of pesticides and fertilizers for increased production.

motel

A term popular in the last century, combining the words "motor hotel"; typically designed to provide ample parking and easy access to rooms from the parking lot.

National Airports Policy (NAP)

The 1994 policy that saw transfer of 150 airports from federal control to communities and other local agencies, essentially deregulating the industry.

nature-based tourism

Tourism activities where the motivator is immersion in the natural environment; the focus is often on wildlife and wilderness area.

nearby markets

Markets for BC, identified by Destination BC as BC, Alberta, and Washington State, characterized by high volume and strong repeat visitation.

negligence

Failing to meet a reasonable standard of care toward others despite being required to do so.

net promoter score (NPS)

A metric designed to monitor customer engagement, reflecting the likelihood that travellers will recommend a destination to friends, family, or colleagues.

networking

Creating relationships within a sector for the purpose of enhancing and developing one's professional identity.

Next Eleven

A term for the countries Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey, and Vietnam.

non-commercial foodservice

Establishments where food is served, but where the primary business is not food and beverage service.

North American Indian

A term used to describe First people in the United States, still used today.

North American Industry Classification System (NAICS)

A way to group tourism activities based on similarities in business practices, primarily used for statistical analysis.

occupancy

Percentage of all guest rooms in the hotel that are occupied at a given time.

Occupiers Liability Act

Specifies responsibilities for those that occupy a premise such as a house, building, resort, or property to others on their property.

off-road recreational vehicle (ORV)

Any vehicle designed to travel off of paved roads and on to trails and gravel roads, such as an ATV (all-terrain vehicle) or Jeep.

online travel agent (OTA)

A service that allows the traveller to research, plan, and purchase travel without the assistance of a person, using the internet on sites such as Expedia.ca or Hotels.com.

open skies

A set of policies that enable commercial airlines to fly in and out of other countries.

operating supplies

Generally includes reusable items including cutlery, glassware, china, and linen in full-service restaurants.

Organisation for Economic Co-operation and Development (OECD)

An organization of 31 member countries who gather to discuss a range of policy issues, with a special committee dedicated to tourism.

organizational culture

Ways of acting, values, and beliefs shared within an organization.

out-of-home (OOH)

Channels in four major categories: billboards, transit, alternative outdoor, and street furniture.

outbound tour operator

An operator who packages and sells travel products to people within a destination who want to travel abroad.

outdoor recreation

Recreational activities occurring outside; generally in undeveloped area.

Outdoor Recreation Council of BC (ORC)

A not-for-profit organization that promotes the benefits of outdoor recreation, represents the community to government and the general public, advocates and educates about responsible land use, provides a forum for exchanging information, and connects different outdoor recreation groups.

Parks Canada

The federal agency responsible for management of national parks, historic sites, and marine conservation areas.

passenger load factor

A way of measuring how efficiently a transportation company uses their vehicles on any given day, calculated for a single flight by dividing the number of passengers by the number of seats.

passive customer

A guest who is satisfied (won't complain, but won't celebrate the business either).

perceived risk

The perception of the risk level of the practice, activity, or event; varies greatly from person to person.

perishable

Something that is only good for a short period of time, a characteristic shared by all services.

personal attributes

Descriptions of what someone is like as a person/employee, such as their attitude, personality type, and so on.

personal factors

The needs, wants, motivations, previous experiences, and objectives of consumers that they bring into the decision-making process.

PESTLE

An acronym for political, economic, social, technological, legal and environmental forces.

pop-up restaurants

Temporary restaurants with a known expiry date hosted in an unusual location, which tend to be helmed by a well-known or up-and-coming chef and use word-of-mouth in their promotions.

practicum

Practical experiences outside the classroom, supported by professionals in a workplace environment.

PRICE concept

An acronym that helps marketers remember the need to plan, research, implement, control, and evaluate the components of their marketing plan.

primary costs

Food, beverage, and labour costs for an F&B operation.

print media

Newspapers, magazines, journals, and directories.

private land

Any land where private property rights apply in BC.

profit

The amount left when expenses (including corporate income tax) are subtracted from sales revenue.

psychographics

Psychological characteristics, such as an individuals attitudes, beliefs, values, motivations, and behaviours.

public gallery

An art gallery that does not generally collect or conserve works of art. Rather, it focuses on exhibitions of contemporary works, as well as programs of lectures, publications, and other events.

quick-service restaurant (QSR)

An establishment where guests pay before they eat; includes counter service, take-out, and delivery.

Railway Safety Act

A 1985 Act to ensure the safe operation of railways in Canada.

real risk

The actual risk of the practice, activity, or event; generally determined by statistical evidence.

receptive tour operator (RTO)

Someone who represents the products of tourism suppliers to tour operators in other markets in a business-to-business (B2B) relationship.

recreation

Activities undertaken for leisure and enjoyment.

regional destination marketing organization (RDMO)

In BC, one of the five DMOs that represent a specific tourism region.

regional mountain resorts

Small resorts where the focus is on outdoor recreation for the local communities; may also draw tourists.

Resort Associations Act

Developed to provide opportunities to fund a variety of promotional services for a community; the act defines what it means to be a resort community.

Restaurants Canada

Representing over 30,000 food and beverage operations including restaurants, bars, caterers, institutions, and suppliers.

revenue

Sales dollars collected from guests.

revenue per available room (RevPAR)

A calculation that combines both occupancy and ADR in one metric.

ridesharing apps

Applications for mobile devices that allow users to share rides with strangers, undercutting the taxi industry.

risk

The possibility for loss or harm.

risk management

Practices, policies, and procedures designed to minimize or eliminate unacceptable risks.

risk retention

The level of risk that is retained by the company through a conscious decision-making process.

risk transfer

A risk mitigation strategy where the risk is transferred to a third party through contract or insurance.

Sea Kayak Guides Alliance of BC

Representing more than 600 members in the commercial sea kayaking industry, providing operating standards, guide certification, advocacy, and government liaison services.

self insuring

The practice of an operation retaining the risk rather than transferring through insurance; may be a conscious choice or a necessity based on lack of available coverage.

self-assessment

Informal and formal methods of gathering information about yourself to make career decisions.

service learning

Course-based, credit-bearing educational experience in which students participate in organized service that meets community needs, and reflect on the service.

service recovery

What happens when a customer service professional takes actions that result in the customer being satisfied after a service failure has occurred.

services marketing

Marketing that specifically applies to services such as those provided by the tourism and hospitality industries, differs from the marketing of goods.

services marketing triangle

A model for understanding the relationship between the company, its employees, and the customer; differs from traditional marketing where the business speaks directly to the consumer.

SERVQUAL

A technique developed to measure service quality.

sharing economy

An internet-based economic system in which consumers share their resources, typically with people they don’t know, and typically in exchange for money.

SMERF

An acronym for the social, military, educational, religious, and fraternal segment of the group travel market.

social exchange theory

A theory that describes how tourists' and hosts’ behaviours change as a result of the perceived benefits and threats they create during interaction.

social media

Refers to web-based and mobile applications used for social interaction and the exchange of content.

societal marketing

Marketing that recognizes a company's place in society and its responsibility to citizens (or at least the appearance thereof).

Society for Incentive Travel Excellence (SITE)

A global network of professionals dedicated to the recognition and development of motivational incentives and performance improvement.

sport tourism

Any activity in which people are attracted to a particular location as a participant, spectator, or visitor to sport attractions, or as an attendee of sport-related business meetings.

stewardship

Having the duty of and then actively participating in the careful management of resources.

sustainable development

Planning and development that is mindful of future generations while meeting society's needs today.

tangible

Goods the customer can see, feel, and/or taste ahead of payment.

technical skills

Skills and knowledge required to perform specific work.

third space

A term used to describe F&B outlets enjoyed as "hangout" spaces for customers, where guests and service staff co-create the experience.

tip-out

The practice of having front-of-house staff pool their gratuities, or pay individually, to ensure back-of-house staff receive a percentage of the tips.

top priority markets

Markets for BC identified as a top priority for Destination BC — Ontario, California, Germany, Japan, United Kingdom, South Korea, Australia — which are characterized by high revenue and high spend per visitor.

total quality (TQ)

Integrating all employees, from management to front-level, in a process of continuous learning towards increasing customer satisfaction.

total quality management (TQM)

A process of setting service goals as a team.

tour operator

An operator who packages suppliers together (hotel + activity) or specializes in one type of activity or product.

tourism

Tourism according the the UNWTO is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes.

tourism carrying capacity (TCC)

The maximum number of people that can visit a specific habitat in a set period of time without negative impacts, and without compromising the visitor experience.

Tourism Industry Association of BC (TIABC)

A membership-based advocacy group formerly known as the Council of Tourism Associations of BC (COTA).

Tourism Industry Association of Canada (TIAC)

The national industry advocacy group.

tourism marketing system

An approach that guides the planning, execution, and evaluation of tourism marketing efforts (PRICE concept is an approach to this).

tourism paradox

The concept that tourism operations destroy its very requirements for success: a pristine natural environment.

tourism services

Other services that work to support the development of tourism and the delivery of guest experiences.

tourism supply chain

The combination of sectors that supply and distribute the needed tourism products, services, and activities within the tourism system.

tourism world-making

The way in which a place or culture is marketed and/or presented to tourists.

tourist

someone who travels at least 80 km from his or her home for at least 24 hours, for business or leisure or other reasons

tourist attraction

A places of interest that pulls visitors to a destination, open to the public for entertainment or education.

trade show or trade fair

Allows a range of vendors to showcase their products and services either to other businesses or to consumers. Can be a standalone event or adjoin a convention or conference.

tragedy of the commons

The tendency of society to overconsume natural resources for individual gain.

transferable skills

Skills required to perform a variety of tasks that can be transferred from one type of job to another.

Transportation Safety Board (TSB)

The national independent agency that investigates an average of 3,200 transportation safety incidents across the country every year.

travel

Moving between different locations for leisure and recreation.

travel agency

A business that provides a physical location for travel planning requirements.

travel agent

An individual who helps the potential traveller with trip planning and booking services, often specializing in specific types of travel.

Travel Industry Regulation

Part of the BC Business Practices and Consumer Protection Act that outlines the requirements for licensing, financial reporting, and the provision of financial security for travel sales.

travel services

Under NAICS, businesses and functions that assist with planning and reserving components of the visitor experience.

trend

A phenomenon that influences things for a long period of time, potentially shifting the focus or direction of industry and society in a completely different direction.

unintentional torts

Primarily consist of negligence.

United Nations Declaration on the Rights of Indigenous People (UNDRIP)

a 2007 United Nations statement that set forth the minimum standards for the survival, dignity, and well-being of the indigenous peoples of the world

United Nations World Tourism Organization (UNWTO)

UN agency responsible for promoting responsible, sustainable, and universally accessible tourism worldwide.

upscale casual restaurant

Emerging in the 1970s, a style of restaurant that typically only serves dinner, intended to bridge the gap between fine dining and family/casual restaurants.

values

An individual's ways of living and making decisions that is congruent with his or her beliefs and principles.

VFR

An acronym for visiting friends and relatives; a tourism consumer market.

visitor centre

A building within a community usually placed at the gateway to an area, providing information regarding the region, travel planning tools, and other services including washrooms and Wi-Fi.

visitor-ready operation

Often a start-up or small operation that might qualify for a listing in a tourism directory but is not ready for more complex promotions (like cooperative marketing); may not have a predictable business cycle or offerings.

volunteering

Performing a service without pay in order to obtain work experience, learn new skills, meet people, contribute to community, and contribute to a cause.

waiver

A document used as risk management technique where the responsibility for the risk is transferred to the participant through contract and voluntary acceptance of risk.

Western Mountain Bike Tourism Association (MBTA)

A not-for-profit organization working towards establishing BC, and Western Canada, as the world's foremost mountain bike tourism destination.

Wilderness Tourism Association (WTA)

An organization that advocates for over 850 nature-based tourism operators in BC, placing a priority on protecting natural resources for continued enjoyment by visitors and residents alike.

wine tourism

Tourism experiences where exploration, consumption, and purchase of wine are key components.

word of mouth

Information about a service experience passed along orally or through other social information sources from past customers to potential customers.

WorkSafeBC

BC's occupational health and safety organization.

Versioning History

NSCC Edition

The NSCC Edition is adapted from *Introduction to Tourism and Hospitality in BC – 2nd Edition* by Capilano University, licensed under a Creative Commons Attribution 4.0 International License. Selected chapters are used and reordered. See table below for chapter mapping.

NSCC Edition Mapping

NSCC Version	Selection & Reorder of Chapters from *Introduction to Tourism and Hospitality in BC – 2nd Edition*
Chapter 1	Chapter 1
Chapter 2	Chapter 7 – Travel Services
Chapter 3	Chapter 3 – Accommodations
Chapter 4	Chapter 4 – Food & Beverage
Chapter 5	Chapter 5 – Recreation
Chapter 6	Chapter 6 – Events, Culture, Heritage and Sport (Entertainment)
Chapter 7	Chapter 2 – Transportation
Chapter 8	Chapter 10 – Environmental Stewardship
Chapter 9	Chapter 12 – Indigenous Tourism
Chapter 10	Chapter 11 – Risk Management & Legal Liability
Chapter 11	Chapter 9 – Customer Service
Chapter 12	Chapter 8 – Service Marketing

Introduction to Tourism and Hospitality in BC – 2nd Edition Changes

During the spring of 2020, a team of collaborative post-secondary educators from across British Columbia and industry professionals came together to give the *Introduction to Tourism and Hospitality in BC* textbook a fresh update. These revisions focused on updating data and statistics as well as provided some needed content updates.

At the same time as the plan for the second edition of the textbook started to come together in early 2020, the COVID-19 pandemic was announced by the World Health Organization. The ultimate impacts of COVID-19 on the tourism and hospitality industries at the time of editing is unknown, although it is clear that COVID-19 is a defining moment for tourism and hospitality locally in British Columbia, across Canada, and around the world. So much is unknown as to what the imminent tourism and hospitality landscape might bring. As such, the chapter edits have been kept predominantly pre-COVID. Several chapters refer to the crisis, but no assumptions are made as to what might lie ahead.

All chapters now contain updated statistics, revised content, and added references, all of which provide a more relevant and up-to-date reading experience. Crucial tourism organizations that have recently undergone name changes have been brought up to date, such as the Canadian Tourism Commission name change to Destination Canada and Aboriginal Tourism Canada and Aboriginal Tourism BC being revised to Indigenous Tourism Canada and Indigenous Tourism BC, respectively.

Several chapters — such as Chapter 9 on customer service, Chapter 10 on environmental stewardship, and Chapter 12 on Indigenous tourism — have been substantially rewritten, as these areas have changed considerably over the last several years. Internet links throughout have been reviewed and updated, along with several modernized end-of-chapter exercises and case studies throughout the text. Lastly, glossary terms have been hyperlinked.

This page provides a record of edits and changes made to this book since its initial publication in the B.C. Open Textbook Collection.

Version	**Date**	**Change**	**Details**
1.00	April 18, 2015	Book added to the B.C. Open Textbook Collection	
1.01	June 5, 2019	Updated the book's theme	The styles of this book have been updated, which may affect the page numbers of the PDF and print copy.
1.02	October 22, 2019	The following changes were part of a project to standardize BCcampus-published books.	• Added additional publication information • Updated copyright information • Renamed "About the book" to "About BCcampus Open Education" and updated the content • Updated the book cover
1.03			• Broke chapters up into sections
2.0	September 1, 2020	2nd Edition published	• Data, statistics and content update throughout, with significant updates to Chapters 9, 10 and 12 • Glossary terms hyperlinked • Key organizational name changes updated (such as CTC changed to Destination Canada and Aboriginal Tourism Canada changed to Indigenous Tourism Association of Canada) • Updated end of Chapter Exercises • Updated book cover