Introductory Guide to European Markets

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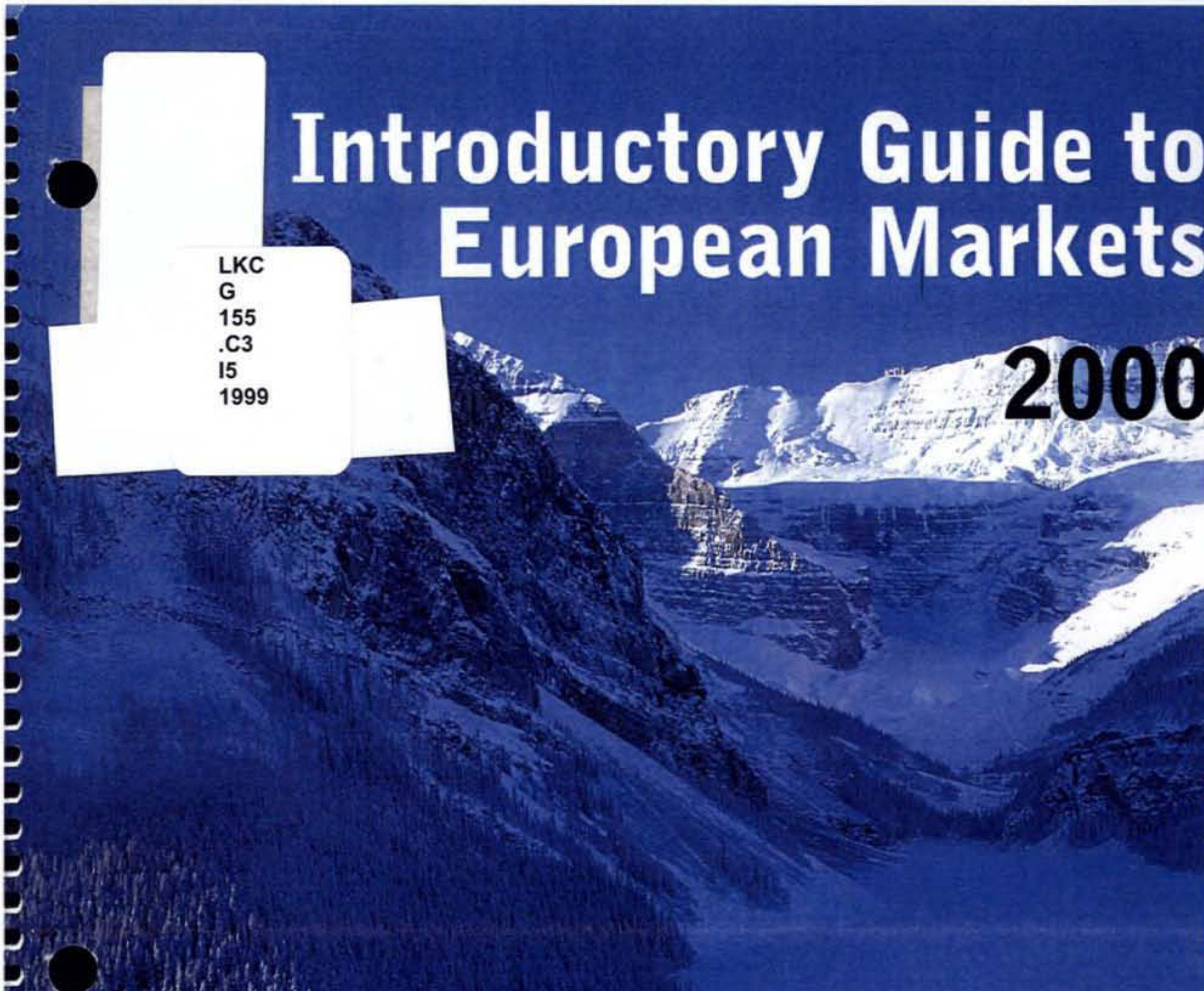

Discover our true nature

Canadian Tourism Commission
Commission canadienne du tourisme

Canada

This guide is an updated version of

Doing Business in the European Tourism Market

prepared for Tourism Canada

by Coopers & Lybrand in 1993.

The guide was updated by the

CTC European Marketing program team

as of December 2000.

Canadian Cataloguing in Publication Data
Main entry under title:
Introductory guide to the European markets
ISBN 0-662-27648-5
Cat. No. C86-95/1999E

1. Tourist trade-Canada-Handbooks, guides, etc.
2. Package tours-Canada-Marketing-Handbooks, guides, etc.
3. Travellers-Great Britain.
4. Travellers-France
5. Travellers-Germany
   I. Canadian Tourism Commission.

G155.C3157 1999 338.4'791'7104648 C99-980131-7

Table of Contents

INTRODUCTION

The purpose of this guide is to assist small to medium-sized Canadian tourism businesses interested in entering European markets, with particular emphasis on the United Kingdom, France and Germany.

These countries provide a significant number of tourists to Canada each year. Moreover, they represent increasing potential for the Canadian tourism industry. In 1999, the three countries accounted for 1,586,700 visits to Canada which injected $1,828,200,000 into the Canadian economy. Recognizing the potential for further growth, this guide is intended to help Canadian businesses cultivate these markets.

The guide provides information on the nature and structure of the tourism business in each of the countries, background information, suggested approaches to the markets, lists of trade shows, and other relevant material.

Who Should Use This Guide?

- Marketing in Europe is not for everyone. Generally speaking, this guide is intended for:
  - small to medium-sized tour operators and specialty tourism businesses such as resorts, ski operators, and hotels;
  - business people who have not done business in Europe, and who are interested in starting;
  - business people who have done some business in Europe and would like additional information; and
  - business people who are interested in knowing about the different ways of approaching the market, and want to know the most cost-effective initial strategy.

This document provides guidelines only. You will need to do your own research to determine if Europe is the market for you. This is especially true if you have a specialized product and are not sure whether it meets the demand of Europeans. To help you decide, we have included additional sources of information. We have also provided a checklist of factors to consider when contemplating entry into European markets.

The starting point is to assess your potential for doing business in Europe. The basic requirement is the ability to make several trips to Europe, if necessary, and to be willing to make a long-term commitment.

The guide was planned as a reference tool; it does not address issues pertaining to every type of product. We advise you to seek additional information about your particular type of business or product from sources listed.

Special Note for Beginners

If you are a beginner, in the sense that your business is relatively new, this guide should provide valuable information towards developing a long-term marketing strategy in Europe. Remember that it may take many years to build awareness and familiarity with foreign contacts before you can expect new business.

We suggest you begin by contacting your provincial or territorial government tourism office. They have experienced staff who can help you identify opportunities to increase your exposure and gain experience. They are responsible for screening and recommending applicants to Rendez-vous Canada, an annual tourism trade show, and other marketplaces.

Provincial and territorial tourism offices can also advise you about your product's suitability for Europe. For the most part, it is best to adopt a multi-market approach so you can increase your chances of penetrating European markets. When it comes to selecting representatives to trade shows, businesses that cater to only one market are not as desirable as businesses that take a multi-market approach.

Government contacts in provincial and territorial tourism offices may suggest when a team approach would be useful. They can put you in touch with potential partners, and can identify other opportunities at the provincial and territorial level that could give you exposure and experience dealing with international markets.

Doing business in Europe is not the same as doing business in Canada. To avoid costly mistakes and embarrassment, we strongly suggest that if you are new to Europe you become familiar with the basic expectations and proper channels for communicating with Europeans. Remember that damage can be done to the reputation of Canadian businesses at large by the actions of a few, ill-prepared people.

Use the information in this section as a "lead-in" to the more detailed sections on the United Kingdom, France and Germany. These countries are culturally different and have their own business practices and protocols. *Do not assume that what works in the United Kingdom will apply in Germany or France.* Although there are many similarities, each country must be treated as a distinct entity with particular idiosyncrasies, both in terms of doing business there and in terms of satisfying the preferences of the tourist.

GENERAL INFORMATION

Should You Be Marketing In Europe?

Use this Checklist to Help You Decide.

1. *Evaluate Your Export Potential*

- ✓ Do your products meet the needs of Europeans?
- ✓ Do you have sufficient financial resources?
- ✓ Are you looking for diversification?
- ✓ Do you have the ability to communicate with Europe?
- ✓ Are you able to travel to Europe periodically?
- ✓ If you are small, can you form associations or consortia to market your area/product?
- ✓ Do you have a long-term perspective for success in Europe?
- ✓ Do you have a clear marketing plan, strategy and budget for doing business in Europe?

2. *Research Your Target Foreign Market*

This guide is a starting point. You may need details on:

- ✓ lists of specialized contacts;
- ✓ competitive pricing;
- ✓ local taxes;
- ✓ distribution methods; and
- ✓ a knowledge of the culture.

3. *Choose an Entry Strategy*

- ✓ Contact provincial/territorial/federal and international tourism offices;
- ✓ Attend trade shows;
- ✓ Approach Canadian receptive operators; and
- ✓ Make direct personal contact with operators and agents.

4. *Promotion*

Be sure that you can ensure:

- ✓ good brochures, promotional material and advertising that meet international industry standards for quality and European Commission Directives;
- ✓ good translation of all materials, where applicable; and
- ✓ sufficient lead time for making contacts, attending trade shows and providing listings for trade journals.

Important Information on the European Commission Package Travel Directive

What Is the Travel Directive?

The European Commission (EC) Directive is a legislation on package travel that was adopted in June 1990. It is a form of consumer protection law aimed at regulating the sale of travel packages in the territory of the European Union.

What Is the Main Effect of the Directive?

There are four main effects:

- The Directive imposes certain requirements on EC tour organizers and travel agents regarding the performance of the contract;

- It provides for financial guarantees for the protection of prepayments;
- It provides for repatriation of the consumer in the event of insolvency; and
- It sets minimum standards for brochures.

What Exactly Is Meant by a Travel Package?

"Package" means the pre-arranged combination of at least two of the following components, when they are sold or offered for sale at an inclusive price and when the service covers a period of more than twenty-four hours or includes overnight accommodation:

- transportation;
- accommodation; and
- other tourist services which are not directly related to transportation or accommodation and which account for a significant portion of the package.

What Does Pre-arranged Mean?

"Pre-arranged" means that the package was put together before it was offered to the consumer. The term does not refer to packages that were tailor-made to suit the needs of an individual or group of consumers, put together at their request.

Who Carries the Ultimate Responsibility?

Regardless of how the components are billed, both organizers and retailers are legally responsible for fulfilling obligations according to the terms of the contract. This is true whether the organizer or another supplier performs the services. Therefore, European tour operators usually prefer to deal with Canadian receptive tour operators (who are well-known to the European tourism industry) rather than buy products directly from Canadian operators.

What Exactly should be in a Brochure?

Brochures for consumers should be legible, clearly worded, and accurate. They should give adequate information about the following subjects:

- the destination and the modes of transportation used;
- the type of accommodation, its location, comfort and safety features, and classification according to provincial, territorial, or national standards;
- the meal plan;
- the itinerary;
- pertinent health information; and
- how payment is to be made and cancellation policy in the event of insufficient registration.

What must I Do to Ensure Compliance?

Provide detailed and accurate information on your product and deliver accordingly.

What If I Need to or Am Forced to Make Changes?

Your brochure should explicitly state that if changes are made, they will be clearly communicated to the consumer before the contract is signed. When changes are made after the contract has been signed, the agreement of both parties is required.

What Are the Effects of Failure to Comply with the Directive?

Failure to comply with the Directive is considered a criminal offence. You could be sued directly, or the tour operator sponsoring you could be sued. Since this possibility exists, European tour operators are extremely cautious in selecting Canadian tour operators and businesses. For further information, contact the Canadian Tourism Commission office in the country where you intend to do business. The addresses are provided in the respective country sections.

Key Trade Shows

A few days spent at a trade show will introduce you to potential contacts and give you a good overall feel for the tourism products and prices offered by other vendors. You will also have the opportunity to view the style and sophistication of your competitors' sales and promotion methods. If you require assistance in selecting and planning to attend an international trade fair, provincial and territorial tourism offices can help you.

The chart presents the key trade shows and their dates in 2001 - 2002. Information on future dates can be obtained from the contacts listed below.

Name of Show	Country / Location	Timing	Details	Contact
Rendez-vous Canada	Toronto Halifax	May 12-16, 2001 May 18-22, 2002	Good contact with European operators and wholesalers appointment based	Provincial/Territorial Tourism departments
Top Résa	Deauville, France	September 20-23, 2001	Opportunity for Canadian sellers to meet with French buyers on a non-appointment basis	CTC/France
World Travel Market	London, United Kingdom	November 12-15, 2001 November 11-14, 2002	Opportunity for North American sellers to meet U.K. buyers on a non-appointment basis	Leroux & Associates (613) 741-9397
Borsa Internazional Del Turismo (BIT)	Milan, Italy	February 14-18, 2001 February 20-24, 2002	Opportunity for North American sellers to meet with Italian buyers on a non-appointment basis	Leroux & Associates (613) 741-9397
International Tourismus-Börse (ITB)	Berlin, Germany	March 3-7, 2001 March 16-20, 2002	4,050 exhibitors from 156 countries	Leroux & Associates (613) 741-9397
EIBTM	Geneva, Switzerland	May 29-31, 2001 May 21-23, 2002	Meeting & Incentive Travel Trade Show	Leroux & Associates (613) 741-9397

Rendez-vous Canada

Rendez-vous Canada is the premier international travel trade marketplace held each year in Canada. This is a high- profile event. It offers foreign buyers an opportunity to see the type and variety of Canadian export-ready products that are available. In addition, it helps the Canadian travel industry to become more aware of foreign opportunities. The sellers who participate in Rendez-vous Canada are recommended by the provincial or territorial tourism authorities. Participation is by invitation only. The buyers are nominated by CTC Offices abroad, in consultation with provincial and private sector partners.

In 2000, a total of 234 foreign organizations registered and 354 delegates representing foreign buyers attended Rendez-vous Canada.

If you wish to participate, please contact your provincial or territorial department of tourism or contact the Tourism Industry Association of Canada.

General Checklist For Exhibiting Overseas

Time Horizon		
One year	✓	Register with trade fair.
	✓	Allow one-year lead time to plan and implement participation as an exhibitor in a trade fair.
9 months	✓	Select team for overseas exhibit and make all travel and hotel reservations.
6 months	✓	Determine exhibit approach, arrange for locally hired staff (receptionist, interpreter), develop and translate sales and promotional materials, and order any necessary supplies.
4 months	✓	Recheck sales and promotional materials, prepare booth manning schedule, and train booth staff.
3 months	✓	Recheck supplies and equipment, arrange to insure and ship exhibit and promotional materials, make final approvals on local publicity and advertising, order badges for booth personnel.
2 months	✓	Send list of booth personnel to trade fair management, send invitations to potential customers and agents, recheck travel arrangements.
1 month	✓	Check on delivery of exhibit, equipment and supplies, arrange for exhibit repacking and return, and check on booth construction.
1 week	✓	Check hospitality arrangements, prepare list of important telephone numbers, inform your office in Canada of your exhibit and hotel telephone numbers.
2 days	✓	Arrive two days early to insure all is well.
1 day	✓	One day before show opens, make final checks and survey the entire fair.
During	✓	Begin each day with a breakfast meeting to brief staff on the day's activities.
	✓	Check on competition.
After	✓	At conclusion of fair, make planning notes for what could be improved the next time.
	✓	Follow-up on contacts made.

Role of Canadian Embassies, High Commissions and Consulates

While you are travelling in Europe, you can also contact Canadian embassies, high commissions and consulates for the following services:

- to help you if you lose your passport;
- to help you during emergencies such as natural disasters or civil uprisings;
- to ensure that you are treated fairly under local laws; and
- to provide lists of professionals, such as doctors and lawyers, who have assisted Canadians in the past.

Embassies, high commissions and consulates cannot:

- set aside local laws if you are charged with a criminal offence;
- provide legal assistance or post bail;
- provide the services of travel agencies or financial institutions;
- hold items for safekeeping;
- provide translation services;

- help you obtain visas, licenses or related permits;
- help you get a driver's license, residence permit, or visa to another country; or
- search for lost items.

Other Information Sources

Tourism Reference and Documentation Centre

The Tourism Reference and Documentation Centre (TRDC) in Ottawa has the largest collection of materials on the tourism industry in Canada.

The TRDC's holdings of more than 7,000 documents include over 420 journal titles, research papers, statistical reports, studies and conference proceedings as well as access to many databases of information and other electronic resources.

The staff of the TRDC offers reference services. They will respond to questions about the Canadian tourism industry and may suggest alternative sources of information.

The Centre is open from 8:30 to 16:30 EST, Monday to Friday. You may contact the staff by phone, e-mail, letter or fax. Materials held in the TRDC are available on interlibrary loan within Canada and the United States only. Whole journals, loose-leaf material, reference books and irreplaceable items are not lent.

To contact the TRDC:
Tel: (613) 954-3943
Fax: (613) 954-3945
E-mail: trdc.ctc@ic.gc.ca

For further information on the CTC's activities in Europe, please contact the Ottawa office. We will provide you with the European Strategic Plan for the year 2001/2002. Call Caroline Boivin at (613) 952-9849 or fax (613) 952-7906.

Role of Canadian Tourism Commission Offices Abroad

It is highly recommended that first time marketers to Europe establish contact with CTC offices for assistance and guidance.

Tourism Officers Can:

- provide information on market opportunities and business leads, local business conditions and structures, local business customs and distribution, and local contacts;
- assist in identifying local sales opportunities and arranging for participation in a local travel show or travel promotion;
- organize and implement co-operative tourism marketplaces and promotions that bring together sellers from Canada's tourism industry with potential local buyers and distributors;
- organize Canadian tours and site inspections for foreign tourism media, the travel trade and meetings/conventions organizers;
- publicize information about new Canadian tourism products and services; and
- represent the interests of Canadian provinces and territories in all foreign markets, especially in areas where there are no provincial or territorial representatives.

Tourism Officers Cannot:

- close the sale for you;
- be present at all your negotiations when you are closing a deal;
- serve as your translator or interpreter;
- act as your agent;
- train or supervise your agents;
- act as your debt collector; or
- act as your travel agent.

DOING BUSINESS IN THE BRITISH TRAVEL MARKET

Profile of the British Travel Market

Economic Climate

Following eight years of expansion, the UK economy expanded strongly in 1999 and growth continued in 2000. All major sectors strengthened during 1999, contributing to growth of the GDP at 2.0 percent. Inflation during 1999 was 2.3 percent. In 2000, economic growth increased approximately 2.75 percent. The trend is expected to continue and analysts predict growth to reach 2.7 percent by the end of 2001.

Despite this, 1999 was an uneven year. Economic growth picked up only in the second half of 1999. As a result, the average growth of 2.0 percent was slightly below projections. Growth was underpinned by the momentum of domestic demand. It was below potential mainly due to the deceleration of exports caused by the pound's sizeable appreciation from mid-1998 and the contraction in demand in a number of Asian economies.

Exchange Rate

During the first seven months of 1999, the pound appreciated by 5.0 percent against the Canadian dollar. By the end of 1999, it had depreciated by 2.2 percent compared to 1998. The exchange rate had an impact on overnight visitation from the United Kingdom to Canada.

Public Holidays 2001

January 1st	New Year's Day
April 13th	Good Friday
April 16th	Easter Monday
May 7th	May Day
May 28th	Spring Bank Holiday
August 27th	Summer Bank Holiday
December 25th	Christmas Day

Media

Print Media

Britain is a nation of dedicated readers. There are about 130 daily and Sunday newspapers, over 2,000 weekly newspapers, and some 7,000 periodical publications in Britain. That is more national and regional daily newspapers for every person in Britain than in most other developed countries. Many of these publications have a history dating back hundreds of years. The major papers, twelve national morning daily newspapers (5 qualities and 7 populars) and nine Sunday newspapers (4 qualities and 5 populars) are available in most parts of Britain and cater very much to their own target audiences in writing styles and content. British newspapers cater to a variety of political views, interests and levels of education among their readers. Whilst newspapers are almost always financially independent of any political party, their political leanings are easily discerned.

In Britain, the press operates with no interference by the state and free from censorship. Commissioning editors fight to assert editorial control. Within the quality press, there is a trend to commission an increasing number of travelogue pieces where writers focus more on local characters, fellow travellers and quirky facts than straightforward descriptive travel writing. Given the highly educated and discerning public many of these papers reach, editors endeavour to ensure that travel pieces are credible and balanced. Therefore articles may include what many in Canada would consider to be negative points. As long as writing is fair and balanced, this should not be a problem for tourism businesses. Writers are selected to suit the paper's audience and many writers use humour to enliven their pieces.

PUBLICATION	TYPE	CIRCULATION	SOCIO-ECONOMIC CLASS OF AUDIENCE
Financial Times	quality daily	319,766	A
Daily Telegraph	quality daily	1,110,816	A, B
The Guardian	quality daily	410,641	A, B
The Times	quality daily	761,040	A
The Independent	quality daily	263,716	A, B
Daily Mail	popular daily	2,211,673	A, B, C1
Daily Express	popular daily	1,224,850	B, C1
Daily Mirror	popular daily	2,369,351	C2, D, E
The Sun	popular daily	3,834,892	C2, D, E
The Star	popular daily	644,760	C2, D, E
Mail on Sunday	popular Sunday	12,179,269	A, B, C1
News of the World	popular Sunday	4,422,633	C2, D, E
The Observer	quality Sunday	452,779	A, B
Sunday Express	popular Sunday	1,169,844	A, B, C1
Sunday Mirror	popular Sunday	2,290,518	C2, D
The People	popular Sunday	1,924,541	C2, D
Sunday Telegraph	quality Sunday	890,915	A, B
Sunday Times	quality Sunday	1,330,542	A
Independent on Sunday	quality Sunday	282,019	A, B
Evening Standard	London regional	440,207	A, B, C1, C2

A	= 3% of population	Upper middle class /senior executives
B	= 13%	Middle class managers
C1	= 22%	Lower middle class - white collar workers
C2	= 32%	Skilled working class - blue collar workers
D	= 20%	Semi-skilled/Unskilled working class
E	= 9%	Subsistence and welfare class

The CTC, with input from the provinces and territories, operates an annual media plan which includes group trips and custom trips for key writers. UK journalists generally allow no more than 6 - 7 days for a press trip; the preferred time is 3 - 5 days. This is based on a fair financial return for time invested for freelance writers. The CTC accepts commissioned writers only and favours stories about products that are sold by UK tour operators. The aim is to achieve a balance of stories about different parts of Canada in proportion to the number of tourists they receive.

Television and Radio

British broadcasting has traditionally been based on the principle that it is a public service accountable to the people through Parliament. Following 1990 legislation, broadcasting embraced the new principles of competition and choice. Three public bodies are responsible for television and radio throughout Britain:

1. The British Broadcasting Corporation (BBC) broadcasts television and radio.
2. The Independent Television Commission (ITC) licences and regulates non-BBC television services including cable, satellite and digital services.
3. The Radio authority licenses and regulates all non BBC radio services.

Television viewing is Britain's most popular pastime with 95 percent of households possessing a colour television and 68 percent, a video recorder.

The government is not responsible for programming content or the day-to-day conduct of the business of broadcasting. Broadcasters are free to air the programs they wish with the only limit to their independence being the requirement that they do not offend good taste.

The BBC operates two complementary national television channels and five national radio services. In addition, the BBC has three regional radio stations and regional services in Scotland, Wales and Northern Ireland. BBC World Service transmits in English and 37 other languages worldwide. Regular listeners are estimated to number 120 million. BBC World Service Television, set up in 1992, provides three services: a subscription network in Europe, a 24 hour news and information network available throughout Asia, and a news and information channel in Africa. Both BBC overseas services have complete editorial independence.

BBC domestic services are financed by the sale of annual television licenses. BBC World Service is financed by a government grant.

In addition to the BBC, there are three channels received by everyone (Channel 4, Channel 5, and ITV or a regional channel). Every year an increasing number of people subscribe to cable, satellite and digital systems.

All five so-called "terrestrial" channels produce holiday and travel programs. The UK's CTC office liaises with producers of major television programs to offer story ideas and support for filming trips. Travel programs vary according to their audiences so certain stories or destinations may suit one program style more than another. The CTC can offer advice on this front. Based on our knowledge of Canadian stories that have been aired in the past, we can make sure that the right story is pitched at the right time. Many programs do not film year-round and this may limit the stories which can be pitched. In the future, as new channels are offered to the public, the biggest budgetary challenge will be to ensure that Canada reaches the best potential market segments.

With regards to radio, in addition to the BBC there are approximately 250 regional radio stations, some of which have dedicated travel programs. The CTC currently works with major radio channels to create travel radio programs to stimulate interest in Canada among listeners. Radio is a challenging medium. The best travel programs rely on the imaginative use of sound - instead of the video picture images of television - to convey the unique flavour of a destination. Only commissioned radio reporters are accepted by the CTC and preferred travel timings are the same as print journalists. When working out itineraries for radio journalists, we try to consider the demands of radio journalism and suggest destinations according to their sound possibilities. For instance, we may suggest interesting traditional music, colourful personalities for interviews, activities such as birding and whale-watching, and other good "sound"destinations.

How the TV Channels Compare

Channel	Av. Wkly hrs. per person	Market share (%)
BBC 1	5.8	21.8
BBC 2	1.8	6.8
Total BBC (1 and 2)	7.6	28.6
ITV	6.6	24.8
Channel 4	1.8	6.9
Channel 5	0.9	3.3
Total Independent TV	9.3	35.1
Total Terrestrial	16.8	63.6
Total Non Terrestrial	9.6	36.4
All Viewing	26.4	100

Points to Remember

- The CTC receives a limited number of media airline passes; budgets for individual writers are scooped up fast. Although we may not be able to support a trip with an air ticket one year, we would consider budgeting for it in the next year if the product or story is of interest to one of the target audiences in the UK.
- The CTC can help find a journalist to cover a particular story angle based on knowledge of which journalists are specialised in a particular field or have specific "travel beats" they write about regularly.
- The CTC can advise on the right time to pitch a television story based on knowledge of the particular programs and which Canadian stories they have featured. A program which recently featured skiing in Canada would probably not cover a similar Canadian ski story for between two to three years.
- When reading British travel stories, bear in mind that although we all speak English there are still linguistic and cultural differences that might affect our appreciation of a particular piece.
- The CTC London office produces a media newsletter which is sent out to all main media contacts on a regular basis. We are happy to receive news items and story ideas. Updates from the Canadian industry keep us informed of the latest in Canada and allow us to put forward new and interesting story ideas.

Profile of the British Traveller

In 1999, the UK was Canada's most important overseas market both in volume of visits and receipts.

British travellers made a total of 789,300 trips to Canada, an increase of 4.4 percent over 1998. Even more impressive, their spending increased to $882.5 million, 7.7 percent more than in 1998.

While visits from the United Kingdom to Canada have increased over the past five years, at the same time there have been even stronger increases in long-haul outbound travel in general. This has meant that Canada's share of the travel pie has diminished from 12.5 percent in 1995 to 11.8 percent in 1999.

The average spending per trip by UK visitors to Canada was $1,131, slightly below what the average European visitor to Canada spends, $1,142. This is because visitors from the UK tend to take shorter trips than other Europeans. Their average spending per day was $101 compared to $94 for Europeans in general.

Summer travel represented more than half of the UK visits to Canada. The market is also characterized by a relatively high percentage of travellers who visit friends and relatives. However this segment is decreasing.

Competition

The historic division of holidays into "short-haul" and "long- haul" and the higher costs of medium and long- haul holidays are changing. Consumers are travelling further afield for business and leisure purposes. Airfares to long-haul destinations are falling in real terms, as are the costs of accommodation. This has resulted in many more destinations competing with Canada for the British traveller.

New destinations such as the Dominican Republic and South Africa are gaining share. Asian destinations are offering cut-price deals on flights and ground arrangements as a result of their weakening economic situation and exchange rates. Some Asian markets - Thailand, for example - appeal to market segments that have been the mainstay of Canada's business in Britain. The group of older, affluent British travellers is a segment that traditionally was strong for Canada. Now this group is becoming interested in new destinations which are especially appealing because of their good value for money.

Target Segments and Product Clusters

Based on the latest market research, three segments have been identified as offering the best growth potential:

- Wide Open Species
- Culture Vultures
- Adventurers

The three segments represent the most affluent groups in British society. In the descriptions of the segments below, A refers to upper middle class and senior executives; B are middle class managers; and C1 are lower middle class-white collar workers. Together A, B, and C1 represent 36 percent of the total population of the UK.

Wide Open Species

Travellers in this group are looking for outstanding scenery, national parks, and wildlife. They also like visiting cities, small towns, villages and rural countryside - in short, they enjoy touring to take in all that a destination has to offer.

Demographically people in this segment are married/retired ABC1's, travelling without children, aged 45-65, with household incomes over £35,000 (C$87,000) per year. The potential market size for Canada is 2.636 million visitors. 73 percent of this number are interested in visiting Canada within the next five years.

This age group is projected to grow in size by 22 percent from 1987 to 2002. They are well-educated, with a tendency towards longer stays and independent travel and have high expectations of service levels and value for money. September is the main holiday-taking month. They prefer to plan their own itineraries (only 28 percent take traditional package tours). They do not enjoy experiencing new and different lifestyles and prefer to stick with what they know - a balance between the convenience of a package and the flexibility of independent arrangements needs to be kept.

Extended holidays to exotic destinations are more common as family and financial pressures ease up. City breaks are becoming increasingly attractive. This group spends a higher proportion of their income on holidays than younger age groups (5.4% compared to 2.9% by those under 30) and they spend more per person per day when on holiday. Their attitudes and behaviour are becoming similar to those of younger age groups.

Travellers in this group have a positive image of Canada. There is a large proportion of previous visitors to Canada as visiting friends and relatives is a strong link (33% have previously visited). However, there is concern that Canada is not good value for money.

Culture Vultures

This group of travellers is motivated by people and culture. They enjoy meeting people from a variety of cultures and ethnic backgrounds. They want to experience local cultures and events; they are interested in local crafts and foods. They also enjoy big city attractions such as nightlife and eating out.

Their demographic profile is similar to "Wide Open Species" - they tend to be married and retired ABC1's, travelling without children, aged 45-65, with household incomes over £35,000 (C$87,000) per year. The potential market size for Canada is 2.045 million visitors. 70 percent say they are interested in visiting Canada within the next five years.

This age group is projected to grow in size by 22 percent from 1987 to 2002. They are well-educated, and tend to enjoy longer vacations and independent travel. They have high expectations of service levels and value for money. September is the main holiday-taking month. They prefer to plan their own itineraries (only 28% take traditional package tours).

Just like the Wide Open Species, Culture Vultures spend a higher proportion of their income on holidays than younger age groups (5.4% compared to 2.9% by those under 30) and a higher amount per person per day. Their attitudes and behaviour are becoming more similar to younger age groups.

Although this group has a positive image of Canada, there is a low awareness level of the cultural attractions. People in this group also have concern that Canada is not good value for money.

Adventurers

People in this segment are looking for medium to hard adventure experiences - cycling, hiking, water sports, camping and wilderness experiences. They look for destinations such as national parks, lakes and mountains where they can pursue these activities. They also enjoy some of the same products as the other two segments.

Travellers in this group are ABC1's, travelling without children, aged 25-45, with household income over £30,000 (C$75,000) per year. The potential market size for Canada is 1.676 million visitors. 76 percent of this number are interested in visiting Canada within the next five years.

Looking at the UK as a whole, 11.2 million adults are in the pre-family life-stage (up from 10.5 million in 1992). They are well-educated and discretionary spend is rising as the recent increase in house prices has taken homeowners out of "negative equity." Disposable income has risen by 40 percent since 1990.

They buy fewer standard package tours than other segments (28%), but they do like packages which offer flexible activity choices.

Although there is knowledge of some of the outdoor activities in Canada, there is a high level of unawareness of the full range available. This presents a real challenge to Canadian businesses if they are to exploit the significant potential of this group.

Repeat Visitors

Another market segment that offers good growth potential is the group of repeat visitors to Canada. Research shows that past visitors to Canada feel a very high level of satisfaction with their first visit. For the majority, visiting friends and relatives was a key trigger in stimulating visits and this will continue.

Specific non-advertising activities will be directed at this market to rekindle their interest in revisiting, extending the length of stay, broadening the range of experiences, and travelling during shoulder seasons.

Meetings and Incentive Travel (M & IT)

A recent Haymarket Publications study showed that incentive travel is growing in importance among all business travel. Incentive travel now represents 49 percent of the total of MC&IT business. Pharmaceuticals are the second most important sector. The average cost for a delegate to travel to a long-haul destination is approximately $4,160.00.

Where are Groups Going

The US continues to dominate the field. A recent survey conducted by Meetings and Incentive Travel Magazine ranked the US, once again, as the top long-haul destination, up from 44 percent to 48 percent.

Canada continued to improve its standing. Among long-haul destinations, it moved from 4th place to 3rd place, with a market share of 7.2 percent, an increase of 1.7 percent over the previous year.

In the category of delegate-rooms, Canada enjoyed a phenomenal growth in market share, up from 1.9 percent in 1999 to 10 percent in 2000. This put Canada in second place behind first place US, with 42 percent market share.

After an absence of several years, Vancouver made it back to the top ten list of long-haul cities/states. Vancouver occupied 9th place, with Toronto at 7th place. Again, the US dominated the top ten list: New York, California and Florida took the first three spots.

Size of Groups

M&IT Magazine noted a number of significant changes affecting business travel. The average size of a typical long-haul group decreased from 191 clients in 1999 to 121 in 2000. The average length of a trip also declined, from 5.3 days to just 4.5 days.

Long-haul destinations continue to lose out to European destinations. The percentage of long-haul room-nights fell from 49 percent of the total in 1999 to 35 percent in 2000. The number of participants plummeted from 40 percent in 1999 to 30 percent in 2000.

The study suggests that meeting planners now consider that the programme, not the destination's location, is the crucial factor. They realize that groups do not have to travel to an exotic destination for a sensational event. Creativity is now the key word.

Tourism Industry Structure

Travel in the United Kingdom and Ireland is a massive industry. Each year approximately 8 million people over the age of 16 take a holiday abroad. Nearly 3/4 of all overseas visits by UK residents are made to European Community destinations. Spurred by a buoyant economic environment, long-haul outbound trips from the United Kingdom increased for the third consecutive year in 1999, up 5.5 percent over 1998. The average length of stay for British visitors to Canada is 11.1 nights, slightly lower than the general European average of 12.1 nights.

In a recent consumer survey, travel and, in particular, "having a good holiday" came top of the list of consumer intentions. To serve the millions of people who value travel so highly, there is a wide variety of travel trade companies in the UK. These can be broken down into the following categories:

Retail Travel Agencies

The main distributor of tourism products in the UK and Ireland are retail travel agencies - which number nearly 8,000. Retail travel agencies are commission-led - receiving a percentage of the sale from the originators of the product. Standard commission levels are 10 percent. However, this is changing and increased commissions are often given for multiple agents who promote a given operator's product. Retail travel agencies can be further sub-divided into three categories:

Multiple Travel Agencies

These are travel agencies which are franchised or have branches throughout the country. There are three major retail chains: Lunn Poly, of Thomson; Going Places (an amalgamation of Pickfords and Hogg Robinson), of Owners Abroad; and Thomas Cook, of the Thomas Cook Group. Together these agencies account for over 80 percent of travel revenue in the United Kingdom.

Miniple Travel Agencies

These are travel agencies with multiple branches, usually in a limited region of the country. A miniple may have as many as 10 to 50 branches, but they operate in a restricted territory or region.

Independent Travel Agencies

These are travel agencies with fewer than ten branches in a small area of the country. An independent is generally owner managed.

Tour Operators and Wholesalers

Tour operators and wholesalers can be defined as the primary and secondary contractors of tourism products. They bring together transportation services, accommodation and other tourism services into a cohesive program. Often a travel business operates as both a tour operator and wholesaler. There is no simple distinction between the two. Wholesalers and tour operators package different tourism products and sell the packages to other tour operators, retail travel agencies, and sometimes directly to consumers.

There are approximately 650 tour operators and wholesalers in the United Kingdom and Republic of Ireland. The variety among them is immense. Some specialize in a specific country or a specific activity. They offer a vast range of tourism products and destinations.

Protocol - Take Heed

Traditionally, there is a protocol which is followed when undertaking business with retail travel agencies, tour operators and wholesalers.

The retail travel agent is extremely important in the distribution process in the UK and accounts for the majority of travel sales. This has a direct bearing on the overall distribution process. A tour operator and wholesaler is either a direct-sell organization or sells predominately through the retail travel sector. The justification for this is that a tour operator or wholesaler should not be usurping the retail travel agent's business through direct selling to the agent's clients.

To some degree the protocol is changing. Increased competition is forcing all travel businesses to review their distribution channels and, in many instances, mix them. However, this long established protocol is important to keep in mind when dealing with the British travel trade.

This also applies to relationships with tour operators and wholesalers. If a tour operator or wholesaler has undertaken to represent your company or sell your products to the retail travel sector and/or direct to the public, bypassing this channel would be seriously frowned upon. **Warning:** This activity could seriously affect relationships with tour operators and wholesalers.

In addition, selling ground product to a retail travel agency which then adds an air component may have legal implications under UK statutes on package travel. The travel agent would require appropriate bonding and licensing; most agents do not possess such licensing.

Licensing and UK Legislation

To sell any tourism component in the UK and Ireland, a company must have the appropriate operating license and the appropriate bonding to protect clients' funds. This applies to all segments of the travel trade industry.

Traditionally, the main bonding authority was the Association of British Travel Agents (ABTA). Membership in this large organization ensured that the consumers' funds were protected if the travel agency, tour operator or wholesaler was unable to meet their commitments. Recently, other associations have formed offering similar bonding plans. This includes the Association of Independent Tour Operators (AITO) and the Association of British Tour Operators' Trust (ABTOT).

Travel trade companies were not legally bound to subscribe to these schemes or, in fact, any other. However, the public viewed membership in these associations, particularly ABTA, so favourably that most travel trade company considered membership a necessity.

In the late 1980s the European Parliament passed a Directive to all member nations on package travel. The Directive was passed into law in the United Kingdom, effective on January 1, 1991. The Directive loosely defined a package holiday as any travel arrangement which included two of the three following components: transportation, accommodation, and other tourism services. Any company which conforms to this definition is considered to be "Travel Organizer" and requires appropriate bonding.

This has proven problematic for many members of the travel trade. Under the terms of the Directive, almost every retail and business travel agents is a travel organizer. Thus, the Directive has broadened the scope for bonding. Travel organizers now may secure their clients' funds in trustee accounts where moneys will be held until travel has been completed. Many such schemes are offered through various financial institutions.

The Department of Trade and Industry (DTI) administers UK laws on package travel. The definitions of travel organizer are inadequate and unclear, and the DTI is unwilling to make further clarifications. They have left the policing of the laws to local trading standard authorities and have indicated that they will leave it to the law courts to make final clarifications.

Civil Aviation Authority (CAA)

While the legislation on package travel has led to the need for consumer protection bonds, other legislation has made protection for travel organizers who sell air seats or air inclusive packages necessary. The legislation has been in existence for many years but only recently has it been enforced.

Simply put, if any holiday package has an air component, the travel organizer may require an Air Travel Organisers' License (ATOL). This may not be necessary if the seller is the appointed agent of the airline for which it is ticketing. This point has caused uncertainty in the industry.

The Civil Aviation Authority (CAA) is vigorously enforcing ATOL requirements. The CAA has undertaken a large scale consumer education campaign.

It is advisable to ensure that any UK travel trade company with whom you undertake business complies to these ATOL statutes.

Vertical Integration

Vertical integration is a system in which one business owns preceding and/or subsequent levels in the channel of supply, manufacture and distribution.

In the travel industry, this is practised by joining tour operator to airline and retail travel agency. In the UK market, two of the biggest interests which are vertically integrated are:

- Thomson (tour operator) - Britannia Airways (airline) - Lunn Poly (agency)
- First Choice Holidays (tour operator) - Air 2000 (airline) - Going Places (agency)

Another example is Thomas Cook Holidays. As part of the Thomas Cook Group, Thomas Cook Holidays is only retailed via the Thomas Cook agency chain.

With more and more tour operations controlling either full or partial vertical integration, an ardent struggle for market share is being fought in the marketplace. This has led to highly competitive expansion and discounting of holidays. Simply put, this is throwing the market into a state of confusion. Purchasing trends are changing and sales patterns are erratic as the large super-companies fight to dominate the market.

Several years ago Roger Heape, managing director of British Airways Holidays, predicted the domination of the market by the three big operators. This is a complete reversal from the situation ten years ago when independents controlled 90 percent of sales. Reacting to this concentration of power in the market, independents have been looking at methods by which they can protect their position.

Allan Woolley, managing director of Experience Holidays and former owner of independent agency Sussex Travel, says that independents can only survive by grouping into consortia.

This is already happening. The National Association of Independent Travel Agents (NAITA) has created a master brand for all its members; the brand is called Travel Advantage. The Alliance of Independent Travel Agents Consortium (AITAC) has done the same and has launched the brand World Choice. Both associations carry out national campaigns to promote their brands. And, both associations negotiate with operators to obtain favourable commissions for their members.

With national brands, these organizations have put themselves on the same level as established multiples. Their intention is not only to be able to compete with the large players, but also to keep alive the tradition of flexible and personal service which an independent can offer its local market.

Approaching the Market

There are a number of ways of reaching the British market, depending on your type of business and whether or not there is need for an intermediary. The different options are presented below. Whichever option you select, it would not be advisable to enter the British market unless you have a long-term view and are willing and financially able to cultivate a good working relationship that may take years to achieve.

Intermediary Approach

The preferred approach is to go through a Canadian receptive company, especially if you are not familiar with the British market or have never been active on an international scale. With this approach you may become part of the itinerary of a package tour or a product inventory and achieve a good foothold in the British market. This will introduce you to the international market and you'll get feedback and reaction to your product. This approach allows some flexibility to assess your opportunities in the UK.

You should recognize, however, that you will have to adhere to the rules of the receptive company which can often be rigid.

It is often difficult and costly for a small entrepreneur to enter a foreign market on his own. One possibility is to join an association or consortium. The association represents you and other members abroad, researches foreign markets, and sends someone overseas to represent you at trade shows. One way to go about forming an association is to pick a region and form a regional group of like-minded business people - hoteliers, events planners, or animators, for instance. Another approach is to form a national organization of people who offer the same type of product, such as dog sledding or whitewater rafting. An example of an effective association is the Quebec Maritime Product Club, where a single executive represents five different regional tour associations in the Maritime region of Canada.

Direct Approach

With the growing trend towards customized packages, another approach would be to go through major tour operators in the UK who feature Canada. UK tour operators have recognized the trend away from the traditional full package towards a modular approach. They have adapted their brochure offerings accordingly.

If you wish to tackle the British market directly, the CTC in the UK has lists of British tour operators and specialists whom you can approach in writing. Send a letter introducing yourself and your product; explain the kinds of business opportunities you are looking for. Enclose a product brochure or leaflet. You may also contact your provincial or territorial office for similar information.

The direct approach may be effective if you already are dealing with other foreign countries or if you have a specific product or service to offer. However, the direct approach is not recommended to beginners. In many cases, British operators buy complete packages from Canadian receptives only. If you are a small to medium-sized company, it is recommended that you work through Canadian receptives in order to reach the British market.

Major Travel Events and Consumer Fairs

For the trade:

- World Travel Market, London (November)

For consumers:

- GMEX, Manchester (February)
- Destinations, London (February)
- Glasgow Holiday Show (February)

Reaching the Trade via the CTC

In order to expand the range of products on offer by tour operators, each year the CTC London office arranges several site inspection tours to various parts of Canada. The CTC invites operators who work with the airline company involved and operators who are likely to be interested in the particular Canadian destination or theme.

In order to satisfy the retail agencies' desire to 'specialize', the Canada Travel Specialist Programme (CTSP) was formed and currently has 170 member agents.

Accommodating the British Traveller

To ensure that the British traveller is well looked after and satisfied, you should consider the following:

No Surprises

The British expect exact delivery of the product/package tour they purchase. They do not like surprises. For example, if their schedule says that the ferry will leave at 2 p.m., they will be dissatisfied if it does not leave on time.

Aware of Consumer Rights

As a result of the European Commission Package Travel Directive, the British are very well-informed of their consumer rights. They know what they can claim and in which cases. Because it takes precedence over other British laws, the Directive is of crucial importance to the negotiating process between British buyers and Canadian suppliers. This creates additional pressures for British operators with the result that they will be even more cautious in selecting a Canadian supplier. Therefore, you must ensure that you supply everything that you promise.

Politeness

The British value politeness and discretion very highly.

Value for Money

The Canadian level of service is perceived to be sufficiently high. British travellers also tend to be pleased with Canadian tourism infrastructure. For example, they are often pleasantly surprised to find that hotel rooms are larger than those in Europe. These attributes can and should be used more as selling and marketing tools. British travellers want value for money in all aspects of their trip.

Feeling at Home

British travellers appreciate it when the historical link between Canada and the United Kingdom is emphasized, either during sightseeing trips or in the behaviour of their hosts. It makes them feel "at home".

Quick Service

In general, the British like to relax over dinner, although they appreciate quick service, especially when they are travelling.

Reliable Transportation

British travellers want a good travel infrastructure, which means that they can get to a destination quickly and safely and have access to regular transport services (bus, ferry, and airport shuttle). A complaint that is often heard concerns the lack of direct transportation links when people arrive at the airport and want to travel to the city.

All Inclusive Price

Most British travellers want one inclusive price, so tour operators must make sure that taxes are included in the price quoted and paid.

Quality and Variety of Food

The British population now consists of many ethnic groups and, consequently, different types of food are now commonly found in Britain. People have become more open to eating different cuisines. This creates the opportunity to include a variety of meals in travel packages, as long as high quality is ensured.

Choice of Alternative Activities

Weather conditions, such as snow or extreme cold, which cause delays and discomfort are perceived to be a barrier to visiting Canada. To reassure travellers who visit Canada in the winter, accentuate the positive and help them prepare by:

- educating consumers on the type of clothing to pack, such as parkas for a winter outdoor trip;
- offering alternative indoor activities; or
- describing expected weather conditions and making a special experience out of it.

Entertainment When Travelling Long Distances

European travellers are unaccustomed to the long distances and lengths of time required to get from one place to another in a country the size of Canada. The result is that they can easily become restless and discontent on a long road trip. Tour operators should plan accordingly. They should provide interesting information about the region and city that will be visited, show a video, and have knowledgeable personnel on the tour.

List Of Do's And Don'ts For The British Market

Canadian business people should keep the following in mind when dealing with British business people:

The Do's

✓ Provide a quality product that meets with acceptable standards.

✓ Attach product information in the form of a flyer/leaflet on the product/service you are offering.

✓ Be friendly, polite, discreet, both in personal conversations and in correspondence. For example, always state the name of the person to whom you are addressing your letter, not just their title. Such simple courtesy will ensure that your letter is dealt with promptly and carefully.

✓ Respond to faxes promptly: an often repeated complaint is that Canadian tourism industry representatives respond very slowly to faxes or do not respond at all. Faxes are sent when people need a prompt response. If you do not have a solution at hand, let your British colleague know you are working on it and will try to resolve the matter quickly.

✓ Provide accurate information: British tour wholesalers are very cautious in selecting their suppliers. This cautiousness is mostly due to the EC Package Travel Directive which holds British operators liable for almost anything that can go wrong on a trip. This also increases the need for up-to-date and accurate descriptions of products and services offered by Canadian suppliers (for example, if the hotel room description states "view on the lake", it is not acceptable to substitute a room with a parking lot view).

✓ Establish a good relationship: a good working relationship is based on effective interpersonal skills. When entering the British market, always ensure that you send someone who has skill and sensitivity working with other people.

✓ Written agreements: ensure that every aspect of your deal is clearly understood and written down. Do not rely on verbal agreements or understandings. This is nothing personal, but just the way business is best done in the United Kingdom.

✓ Maintain the relationship: once a good working relationship is established it has to be maintained by making regular trips to the United Kingdom, or by inviting your contacts to Canada, to discuss problems, stay up-to-date and strengthen the personal relationship.

✓ Be professional: know all the details about your product. A complaint often heard is that staff is not properly trained. This is something to watch for, particularly with temporary staff (such as summer students) who might need frequent reminding about what good service entails.

✓ Be patient and accept that success in this market will not happen overnight.

The Don'ts

× Don't use first names until a good personal relationship has developed. Wait for an invitation from the British person to call him or her by the first name.

× Don't show off. Leave the North American bluff out and do not oversell your product, as this will decrease your credibility and reliability.

Protocol and Expectations When Dealing with British Business People

Business people in the United Kingdom have a reputation for being conservative and reserved. While they do think in global terms, they are concerned about the substantial physical distance between the United Kingdom and Canada. They are also very conscious about the quality of the product. Therefore, careful preparation is essential before promoting a product in the United Kingdom.

The first step is to contact the CTC in the United Kingdom, and send any relevant literature so that they may advise on a course of action. Although this first step is not, strictly speaking, necessary in terms of proper protocol, it is nevertheless highly recommended, especially for beginners.

Useful Contacts

CTC Office in the United Kingdom

Ian Harrower
Director, Sales and Promotion
Canadian Tourism Commission
Canada House
Trafalgar Square
LONDON
SW1Y 5BJ
UNITED KINGDOM
Tel.: 44-207-258-6595
Fax: 44-207-258-6322
E-mail: ianharrower@ctc-uk.org

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Claire Leighton
Travel Trade Officer
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Sheila Smith
Finance & Administration Officer
Tel.: 44-207-258-6591
E-mail: sheilasmith@ctc-uk.org

Canadian High Commission in London

Canadian High Commission
Macdonald House
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Tel.: 011-44-207-258-6600
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DOING BUSINESS IN THE FRENCH TRAVEL MARKET

Profile Of The French Travel Market

Economic Climate

France is a prosperous and stable country. It is the fourth largest industrialized nation in the Western world, with a Gross National Product (GNP) approximately twice that of Canada. In 1999, the GNP was 9,188 billion francs, or C$1,914 billion.

Over the last two years, economic growth has gathered momentum. Growth has been fuelled by dynamic exports abroad coupled with invigorated domestic demand.

French Outbound Travel

In terms of maturity, the French long-haul travel market has not reached its peak. Compared with most other Western European markets, the French have a low propensity to travel long distances. In 1999 long-haul outbound travel from France declined by 5 percent over the previous year. The decrease may be attributed to a revival of interest in Mediterranean countries.

Economic constraints have also affected travel patterns; average lengths of stay are shorter and French travellers have become much more sensitive to prices.

French Travel to Canada

In 1999 France was ranked as the second most important European tourism market for Canada after the UK. Growth in overnight visits to Canada was small compared to the double-digit growth rates seen in the early 1990s.

In 1999, trips from France increased by 2.94 percent to 414,900 overnight visits. However receipts increased by 5 percent over the previous year. As a result, Canada increased its market share to 12.5 percent in 1999, an increase of 0.9 percent over 1998.

On average, French travellers spend $1,080.00 for their trips to Canada, not including airfare. They spend an average of $89.48 per person per day during an average 12-day stay. The figures are slightly below the European averages.

Canada's strongest competition for long-haul travel from France comes from the United States, the West Indies, Cuba and the Dominican Republic. For winter destinations, the French West Indies and French overseas territories, Mediterranean countries, and Turkey represent Canada's biggest competitors. The United States remains the strongest long-haul competitor.

Perceptions of Canada

The French perceive Canada to be a good destination for outstanding scenery, wildlife, and national parks. They are aware that Canada has unique Aboriginal cultures and friendly local people. Canada's reputation as a safe, secure, and clean destination is also appreciated.

In its promotional efforts in France, Canada positions itself as a destination where nature is a step away from the front door. All communications portray images of Canada's accessible outdoors with excellent opportunities for active vacations. As more and more French travellers seek "green" travel options and active vacations in the outdoors, Canada's emphasis on the proximity of unspoiled wilderness makes good sense.

Public Holidays 2001

January 1	New Year's Day
April 16	Easter Monday
May 1	Labour Day
May 8	Victory Day (Second World War)
May 24	Ascension Day
June 3/4	Pentecost Sunday and Monday
July 14	National Holiday (Bastille Day)
August 15	Assumption Day
November 1	All Saints Day
November 11	Armistice Day (First World War)
December 25	Christmas Day

Media

During the last twenty-five years, media habits of the French public have been changing. Television viewing has increased while readership of newspapers has dropped. There is a renewed interest in magazines among the young.

According to the France Strategic Segmentation Study (1999), television, of all media reaches the largest number of potential long-haul pleasure travellers in France.

Print media

Twenty years ago, 55 percent of the French read a newspaper every day. Today that number has fallen to 49 percent. Still the regional press is the most popular news medium in France, even ahead of television. There are just under a hundred national and regional dailies which print about 12 million copies every day.

National and Regional Dailies

Two of the top quality dailies - *Le Monde* and *Libération* - are also the most popular among long-haul travellers. 16 percent read *Le Monde*; 14 percent read *Libération*. The third quality daily is *Le Figaro*.

The top dailies - both national and regional - and their circulations are:

Le Monde	392,516
Libération	173,090
L'Equipe	388,914
Le Figaro	372,176
Le Parisien	365,082
Ouest-France	786,205
Sud Ouest	351,814
La Voix du Nord	341,976
Le Progrès	418,313
Le Journal du Dimanche	330,337

The periodical press is flourishing. France has the highest level of magazine readership in the world. There are specialist magazines dealing with every subject. There are twenty magazines devoted to gastronomy, travel, and tourism.

The top weeklies and their circulations are:

Le Nouvel Observateur	473,685
Paris Match	818,980
L'Express	543,744
VSD	311,170
Figaro Magazine	502,194
Marianne	227,388

Television and Radio

The French are enthusiastic television viewers. Among long-haul travellers, 94 percent say they regularly watch television.

France has a public television network with three channels, France 2, France 3, and La Cinquième/Art. France 2 provides national programming, France 3 provides regional programming, and La Cinquième/Art is dedicated to arts programs.

Private networks are TF1, M6 and Canal+. There are also cable networks available by subscription.

Among long-haul travellers, France 2 (65%) and TF1 (59%) are the most popular channels. Next in popularity are France 3 (42%), M6 (37%), La Cinquième/Art (35%), and Canal+ (25%). Cable channels attract just 12 percent of long-haul travellers.

Radio is also a popular medium, with 90 percent of long-haul travellers saying they regularly listen to radio.

Internet and Minitel

Approximately one-third of all travellers have access to a personal computer at home. Only 10 percent have access to the Internet, but the numbers are growing.

Forty of the tour operators who sell packages to Canada have Internet sites.

Minitel, a videotex system that has been available to the French public for about fourteen years, is a more popular source of information than the Internet. 23 percent of the travelling public use Minitel to obtain information about tourism and travel.

Just 1 percent of French travellers use the Internet to book travel reservations. By contrast, about 10 percent use Minitel to make travel reservations.

Population Characteristics

The most recent census put the population of France at 58,520,688. There are four large urban centres with populations over one million. In addition, there are twenty-five urban areas in France with populations over 300,000.

Still, it is noteworthy that there is one giant urban centre in France, which dwarfs all others in size: of course, that is Paris, with a population of more than ten million.

The ten largest metropolitan areas and their populations are as follows:

Paris	10,561,573
Lyon	1,597,662
Marseille/Aix-en-Provence	1,398,146
Lille	1,108,447
Toulouse	917,312
Bordeaux	882,156
Nantes	674,115
Strasbourg	557,122
Nice	556,525
Grenoble	504,849

It is also important to point out that Paris is significant in another important way: a very high concentration of France's travel professionals do business in the Paris region. According to one survey, roughly 80 percent of the country's 300 tour operators are based in Paris; 35 percent of the country's 5,200 travel agencies are located there.

Characteristics of French Travellers to Canada

This section concerns French pleasure travellers. Pleasure travellers are defined as travellers who have spent more than four days at a destination, primarily for purposes of pleasure or vacation.

The legal period of holidays in France is five weeks.

The average French traveller to Canada is an affluent, well-educated resident of Greater Paris, the region called the 'Île de France'. A smaller, but significant number come from the eastern part of France, including the Lorraine, Alsace, and Rhône-Alpes. A still smaller number, about one in ten, come from Provence, the Alpes, and the Côte d'Azur.

Socio-demographic Profile of French Visitors to Canada

Marital Status:		
	Married	61%
	Single	29%
	Others	10%
Sex:		
	Women	49%
	Men	51%
Age:		
	Younger than35	47%
	35 - 54	35%
	54 and older	18%
Main residence:		
65% come from cities of more than 100,000 inhabitants.		
Only 12.8% come from rural areas.		
Average income:		
C$4,068 per month		
25% have an average income above C$5,086.		
Education:		
61% have at least a high school diploma (BAC).		
13% have only primary education.		

It is important to note the following trends: the growing importance of young travellers and the emergence of retired travellers; the increasing number of travellers coming from the different regions of France and the diminishing number from the greater Paris area; the confirmation of the trend that French travellers to Canada live in cities of more than 100,000 inhabitants; and lastly, greater numbers of women and white collar workers are choosing to visit Canada.

Travel Preferences of French Travellers to Canada

Canadian Destinations	%
Quebec	59.7
Ontario	27.8
British Columbia	3.9
Alberta	3.3
Atlantic	3.7
Manitoba and Saskatchewan	1.0
Main Reasons for Travel to Canada	
Pleasure	58.0
Visit friends or relatives	27.0
Business	11.9
Other	3.1
Seasons of Travel	
January to April	17.1
May to June	18.1
July to August	32.1
September to October	24.2
November to December	8.5

Profile of the French Traveller

Visitor Profile of the French Traveller to Canada

The European Travel Monitor (ETM) indicates that the French made approximately 100,000 outbound incentive trips during 1998. According to them, Canada's market prospects are said to be "good", but there are now harsher market conditions: budgets are shrinking, customers (companies) are becoming more discriminating.

Always according to the ETM, French incentive travel organisers indicate that the most important criteria by far when selecting an outbound incentive destination are: uncomplicated accessibility; safety; quality of accommodation and provisions; reasonable prices; and professional partners at site. Certainly, a considerable advantage with regard to the French market is Eastern Canada's "francophone" composition. This factor often also represents an added attraction for the participants.

Characteristics

Nearly 70 percent of French travellers to Canada visit between the months of April and September, for an average stay of 5 nights. Just 19 percent of visits were taken during January and March.

The main destination region of these trips is Eastern Canada, above all is the region of Quebec, with the predominant type of trip being the so-called "Snow Programmes" which include snowmobiling, ice fishing, etc. At the present time, Canada is mainly considered and marketed on the French market as a "snow" destination. Other possibilities for incentive trips are hardly known.

Western Canada is perceived as being more expensive and there is also a lack of information on the possibilities to be found in Western Canada in the market.

Value for Money

The Travel Price/Value Perception Study (1991) indicated that French visitors were generally satisfied with the quality of their trips to Canada and with the goods and services they purchased. Over 90 percent stated that they received good value for money for accommodation, meals, recreational activities, gifts, clothes and merchandise, and package tours in Canada. In general, 79 percent of the respondents said that they were very satisfied with their trips, while 13.5 percent were mostly satisfied.

Recent trends in consumer behaviour show that travellers no longer hesitate in taking advantage of competition for their travel business. They are more willing than they used to be to wait until the last minute in order to get a good deal on transportation and lodging.

Likelihood of Recommending and Returning

To measure satisfaction with their trip to Canada, the study asked French visitors whether they would be likely to recommend Canada as a destination to their friends or relatives, and whether they would be likely to return to Canada themselves. All of the visitors stated that they were likely to recommend Canada as a destination, and 62 percent stated that they were likely to return to Canada themselves.

Foreign Language Study

According to the best sources, each year 300,000 to 400,000 young people from France spend two to four weeks abroad studying foreign languages. English is the most popular foreign language by far, with 90 percent of the market.

Canada is not mentioned in available statistics, but this is what we do know: The UK gets the lion's share of English language students - 60 percent. Ireland comes second, attracting 15 percent. North America picks up about 10 percent of the total business.

When we look more closely at the North American situation, 40,000 students travel to the US for English language training, out of a total of 800,000 French tourists who visit the US each year. Since Canada attracts 400,000 French tourists each year, we should expect between 15,000 - 20,000 language students. But the actual number who come to Canada to study English is closer to 5,000. This suggests there is potential to exploit the market for foreign language study travel.

The law which regulates the organization and sale of foreign language travel is strict. Only licensed travel agencies or accredited tourism associations are authorized to conduct this kind of trip (defined as having more than 2 components - transportation, lodging, activities). We recommend that Canadian suppliers work with licensed and accredited agencies only. Contact the CTC in Paris for a list.

Approximately 40 agencies now offer Canada as an option for this kind of travel.

Tourism Industry Structure

The tourism industry in France, as in other countries, consists of a number of different sectors. Four categories are of particular interest to Canadian businesses:

- Transportation - airlines, rail companies, maritime transport and car rentals
- Lodging - hotels, resorts, campgrounds
- Intermediaries - wholesalers, retailers, incentive agencies
- Peripheral organizations - attractions, guidebooks, the press

Since accessibility is crucial for the development of a destination, airlines play a determinant role. For Canadian suppliers, the most important airline partners are: Air Canada, Air France, Air Transat, and Canada 3000.

Paris has two main airports: Orly, which handles much of the domestic travel, and Charles-de-Gaulle, which handles international traffic. Other major airports in France are Nice, Lyon, Toulouse, Bordeaux, Strasbourg, Nantes, Mulhouse, and Marseilles. France is unique in having regional service that flies direct to Canada. This has been very important in developing markets outside of the Paris region.

Wholesalers and Retailers

The terms wholesaler and tour operator have similar meanings and are used interchangeably. In France a wholesaler can sell products in the following ways:

- to the consumer directly through its own retail outlets
- through travel agencies (whether independent or linked to a network)
- in both ways

The term retailer refers to the agency which sells tourism products exclusively. Agencies sell:

- airline tickets
- travel packages

If a retail agency decides to put together its own packages, it becomes, de facto, a wholesaler/tour operator. No additional permit is required by French law. There are 5,435 tourism retail outlets in France (including retailers and wholesalers). A great many already produce or sell Canada as a destination.

Categories of Wholesalers

Tour operators sell tourism products such as travel packages, theme tours, and "à la carte" services such as accommodations, rental cars, and attractions. Approximately 80 tour operators presently offer Canada as a destination.

Group Specialists: These agencies specialize in group tour packages for companies (through the companies' comités d'entreprises), associations, municipalities which offer travel to their constituents, sports clubs, retirement fund associations, and others. More than 100 offer Canada as a destination.

The **comités d'entreprises (CEs)** are unique to French businesses. Any company which has more than fifty employees can create a "comité d'entreprise"- a committee elected by the employees. These CEs, which are financed by a percentage of wages, participate to a certain extent in the management of the company. They allocate funds to different activities, and travel is one of them. Employees benefit by having the cost of their holiday package subsidized in part by the company.

The CEs tend to deal exclusively with group specialists because of the price advantage their buying power brings. They ask for bids and generally go with the lowest bidder. A great number of CEs are interested in Canada, but it is fruitless for a Canadian supplier to try and sell products to them directly. The best chance for success in this market is to make sure the receptives who deal with group specialists know your product well.

Incentive agencies specialize in unique travel experiences for companies which offer such travel to their employees or their clients. There are approximately 120 incentive agencies in France. This said, there are a number of more classical agencies who, from time to time, organize incentive trips.

Language study travel program operators number about 60. The UK and the US dominate the market.

Travel associations, called "associations de tourisme", are organized like wholesale operators, but they are subject to a different body of legislation. They are allowed to sell their products to members only. They cannot sell through travel agents. In France there are thousands of travel associations which members organize around common interests. They are especially popular with younger travellers. The associations can deal directly with similar Canadian organizations.

A new trend: Presently a majority of groups are travelling to Canada during the September-October period to take advantage of the autumn season. Fewer groups are coming during the months of May and June.

How Does A Wholesaler Find Suppliers in Canada?

The methods vary greatly from one European country to the next. In France, as in Belgium, wholesalers have a tendency to work through one or a number of receptive operators as opposed to seeking out specific suppliers. It is of crucial importance for Canadian suppliers to make themselves known to receptive operators. There is an exception to this general rule: operators who specialize in hunting, fishing, golf, and similar activities tend to deal with their Canadian counterparts directly.

Incentive agencies usually work with one or more receptives who specialize in incentive travel logistics. Since the agencies' clients are more and more demanding in terms of content, the receptives are seeking more imaginative and creative programs.

Language study travel operators look for programs which combine language training and activities. The demand for "summer camps" is increasing.

Licences and Financial Guarantees

In France, professionals in the travel trade need a travel agency licence to practice their profession. This licence permits them to produce and sell travel packages. Travel associations need special accreditation to do the same tasks.

The local police Préfectures issue the licences and accreditation. In order to fulfill the requirements, travel trade professionals need to meet the following criteria:

- possess the necessary bank guarantee
- possess an office which meets size requirements
- establish independence from other professional duties

In France just a single license is required and the one license permits you to do business as a retailer or wholesaler, or both. The minimum financial guarantee is in the order of 750 000 FF (C$190,000). Annual increases are required as business expands.

Other Approaches

Familiarization Trips (FAM)

Large French tour operators and travel agencies regularly send people to Canada on familiarization tours or sales trips. You can find out the schedule by contacting the CTC in France or the provincial and territorial tourism offices. If you know the French tour operators well, you can contact them directly to invite them to visit your business. Plans and contacts can also be made at trade shows.

Major Travel Events and Consumer Fairs

Some of the major consumer shows include:

- SITV - Colmar (November)
- Partir en Hiver - Paris (October)
- Salon du tourisme et des vacances de Rennes (January)
- Expolangues - Paris (end of January)
- Tourissima - Lille (February)
- Mahana Lyon (March)
- SMTV Paris (March)
- Rando Expo - Paris (April)

Among major tourism shows reserved for tourism professionals an important one is:

- Top Résa - Deauville (late September)

Trade Publications and Consumer Media

Canada has very high visibility in the French press. About 100 French journalists travel to Canada each year and write articles for various journals, magazines and TV and radio broadcasts. These articles raise awareness of Canada and have had a major impact on increasing the numbers of French visitors to Canada.

Some important titles in the trade press are:

- Echo Touristique (weekly)
- Tourhebdo (weekly)
- Le Quotidien du Tourisme (daily)
- Voyages Contact (bi-monthly)
- Voyages d'Affaires (monthly), business travel and incentive travel
- Voyage et Stratégie (monthly), business travel and incentive travel

Approaching the Market

There are a number of ways of reaching the French market, depending on your type of business and whether or not there is a need for an intermediary.

We suggest some contacts be made in Canada. They include:

- Provincial/Territorial tourism offices
- Canadian Tourism Commission in Ottawa
- Canadian receptive tour operators
- Rendez-vous Canada
- Tour operators
- Trade publications

Due to the structure of the tourism industry, the initial strategic approaches in France are limited. To sell package tours in France, you have to go through French tour operators or get a license to be able to operate and sell directly to the consumer. Without this license (which is issued by the Préfecture of the region), it is not possible for a Canadian operator to deal directly with the French travelling public. Still, except in the case of package tours, Canadian suppliers and French consumers can do business. A Canadian may offer a car rental or a hotel room, for example.

Because of these restrictions, it is advisable to approach the French market in the following manner:

1. Approach Canadian receptive tour operators

Small and medium-sized companies should initially go through Canadian receptive tour operators to get a foothold in the market and to limit the cost of travel, promotion and other marketing activities. Most French tour operators buy complete packages; they will not consider a hotel unless it is offered as part of a package. An up-to-date listing of Canadian receptive operators who do business in France can be obtained from the Canadian Tourism Commission in France.

2. Visit the Canadian Tourism Commission office in France.

The CTC can assist you in contacting French tour operators. They can also supply you with the necessary leads to facilitate your initiatives.

3. Visit French tour operators

Before you make a promotional visit to France, make appointments, by mail or by fax, to meet with your contacts.

Bring along clear and informative promotional brochures in French, indicating the following:

- the complete address of your company, including the fax number;
- the products and prices you offer, including the place of departure, the itinerary, and the types of transportation and accommodations;
- reservation and payment procedures;
- your commission rate, and whether or not it is included in the price; and
- general information such as the minimum and maximum number of passengers.

Be prepared to leave copies of your brochures with your contacts. If you use videos, make sure you use the SECAM format (not NTSC).

When making an initial contact, you must realize that it will take time before your products are featured in a French tour operator's brochure.

In summary, do not consider approaching the French market unless you agree with the following:

- You are prepared to wait to see a return on your investment;
- You are prepared to be professional and go through all the administrative details and public relations;
- You have a product that meets with client expectations;
- You have the ability to educate the buyer's staff about your product. This means making sales calls in France or inviting tour operators to Canada.
- Remember that going international will require a significant amount of your time.

Accommodating the French Traveller

Special/personal Touches

The typical French traveller is not interested in the ordinary. The typical traveller wants a unique travel experience. To satisfy the French customer, it is important to provide special elements, the little extras, such as activities or meals, that make the trip truly memorable. Canadian operators are urged to be more creative, and try to put in the little "touche personnelle". This is especially important with incentive travel and traditional packages. Examples of the special touches that appeal to French travellers include a typical Canadian meal served in a scenic location outdoors, a city tour that offers a day's excursion to the wilderness for rafting or canoeing, and a custom meal served in a museum or at an aquarium. Since French visitors are eager to tell their friends about what they did, the more special the surprise, the better.

Value for Money

In general the French want value for money. Travellers have become better informed than they were a few years ago. They know exactly what they want and are price sensitive.

Friendly Welcome

The French like to be welcomed in a friendly manner, so that they feel comfortable and at home.

Pampering

The French like to be reassured that everything is under control, especially with package tours. They do not like inconveniences, and want to be pampered. This requires good organization on the part of the tour operator.

Diversion While Travelling

French travellers, like other European travellers, are not accustomed to vast distances while travelling on a motorcoach tour in Canada. However, creative tour guides can use the time effectively to give the travellers insight into Canada's history and culture.

New Experiences

Increasingly, the French are seeking variety in their vacation experiences. They are willing to try new things, such as ice fishing, dog sledding, and other exotic activities.

French Speaking Guides

Tour guides must speak French. And of course they must be well-informed and educated about the areas they are visiting.

Information on the Area

Hosts and guides have to be knowledgeable about the services that they are providing. They should be familiar with the history and other pertinent information about any destination. For example, at a wilderness campsite, hosts and guides should be able to share interesting information about natural history, flora and fauna.

Efficient Service/Comfort

Make sure that hotels offer rapid registration and luggage handling. For coach tours, air conditioning and comfortable seats are appreciated.

Extras and Taxes Included

The French, like many travellers, prefer an all-inclusive price and do not wish to pay for extras, especially with a package deal. For example, they prefer to have all taxes included in the price. They also prefer to have coffee included with their meals.

City Experience

In the case of city tours, the French prefer downtown hotels, since they like to take a walk and experience city life first-hand.

Breakfast Options

The French like to have breakfast included, and they like a North American breakfast to "taste the culture". However, they also appreciate the option of a simple or continental breakfast.

Safety

The French want to travel in a secure environment. They do not want to be confronted with local problems. In cities and towns, they want to be able to go out in the evening and feel safe. When they are camping, they want to feel confident that their equipment will not be stolen. Therefore French travellers should be informed of security arrangements and what precautions they should take.

Quality of Meals and Accommodation

The French enjoy variety and good quality food. Even if the cost of the tour does not allow for gourmet dining, the meals can be made attractive and varied by offering, for example, a barbecue or a Chinese buffet. Do not forget the wine. This is an excellent opportunity to promote Canadian wines.

The French expect to stay in excellent quality hotels. Therefore, be sure to promote the quality features and rating of your hotel in brochures and other communications.

List Of Do's And Don'ts For The French Market

Canadian business people should keep the following list of do's and don'ts in mind when dealing with French business people:

The Do's

✓ Follow up: the French are more sensitive than most Europeans about lack of follow-up. Thank you notes and confirmation of arrangements should be sent to all people you meet, and copies of relevant correspondence should be sent to appropriate contacts. Be prompt; the French are rather impatient, and expect prompt answers to their questions. Always send a fax back, even if it is just to let someone know that you are working on the problem. Canadians are perceived as being slow in responding.

✓ Be patient with payments: it is common Canadian business practice to expect payment on a timely basis, whereas the French have the attitude that if you have established a relationship with your supplier, there has to be a certain level of trust.

✓ Communicate in French: do make sure that you can communicate in French both orally and in writing. If you cannot, make sure a member of your staff can. The reality is that companies that do not make the effort to communicate in French will not be successful in this market. Anecdotal information suggests that companies which do not have French language capabilities have had limited success in penetrating this market.

✓ Be familiar with common terminology: know the distinction between the various operators in France as previously outlined.

✓ Personal sales calls: with an initial contact, try to make your appointments about two weeks in advance. The French appreciate a personal visit, especially when your product is new.

✓ Always make an appointment, even after you have established a relationship with a French tour operator. It is acceptable to make an informal telephone call in the morning to arrange a lunch meeting, for instance. But never just drop in.

✓ In written correspondence it is appropriate to address each person by his or her last name and title. When communicating in person, it is advisable to use the person's last name.

✓ Know your product: be able to provide all relevant details, leaving nothing in doubt. The French buyer will want to know exactly what he/she will be able to offer his/her clients.

The Don'ts

- Don't say "tu" instead of "vous", until the French person gives you permission to do so. However, some French people find the use of the word "tu" charming, and part of the Canadian culture. Do not overdo it.
- Don't take the relationship for granted. The French buyer will still review his or her options, and will switch to the competition if your products and prices are not competitive.

Suggestions When Dealing with French Business People

Should you wish to do business in France, you must be prepared to do the following:

- Provide a quality product;
- Have your fax machine working 24 hours a day. Offer net prices or work on a commission; be familiar with the French distribution network (French tour operator / travel agent / final consumer), and follow it. Take into account the mark-up that will be added to your initial price, as it may affect the competitiveness of your product. In relation to public prices (rack prices), net prices should reflect at least a 20 percent discount if a supplier wishes to deal with the accepted tour operator-travel agent network;

- Be aware that the French are rigid in negotiations;
- Be aware that French tour operators may demand exclusivity. For example, they may demand that you reserve hotel rooms for them alone, and not for competing tour operators.

French business people respect a healthy aggressiveness and an appreciation of their market. To succeed, a Canadian business person must show a keen interest in doing business, and have a good knowledge of French business practices, history and geography. Careful preparation is essential before promoting a product in France.

Common French Terms

Tour operator	voyagiste
Travel professionals (wholesalers and retailers)	professionnels du voyage
Commercial wholesaler	grossiste
Association (non-profit)	association
Travel agency (retailer)	agence de voyages/agence détaillante
Trade show	salon
Operator license	licence
Tourism agreement (operating license for associations)	agrément de tourisme
Package tour	voyage à forfait
Canadian receptive tour operator (the company selling directly to the French tour operators)	agence réceptive
Supplier	prestataire
"Social committee" (organization)	comité d'entreprise (CE)

Useful Contacts

CTC Office in Paris

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DOING BUSINESS IN THE GERMAN TRAVEL MARKET

Profile of the German Travel Market

Economic Climate

The largest country in Western Europe, Germany's wealth matches its size. In terms of economic performance, in 1999 Germany had a gross output of 3,758.1 billion German marks (DM), (C$2,611.13 billion), which breaks down as follows: service industries: 1,368.38 billion DM (C$950.82 billion); manufacturing: 1,192.81 billion DM (C$828.76 billion); trade and transportation: 522.51 billion DM (C$363.04 billion); public and private consumption: 495.69 billion DM (C$344.41 billion).

The average rate of inflation in 1999 was 0.6 percent. The OECD predicted economic growth of 1.6 percent for 2001.

Unemployment remains a major economic problem in Germany. As of September 2000, 3.47 million people were jobless, making for an unemployment rate of 9.0 percent. The government recognizes the need to fight unemployment. Certainly Germany's economic outlook is positive, but it is partly founded on the reduction of the number of jobs. Production costs in Germany are high, so many companies transfer their production sites to other countries to save labour costs. It is difficult to foresee what long-term effects such practices will have.

Economic growth is continuing, but at a slower pace than predicted. It is expected that private consumption will rise and manufacturing output will increase, but without the creation of new jobs. There is hope that tax reform, which is being negotiated among major parties in Germany, will help create new jobs.

The average holiday period for Germans is six weeks.

Public Holidays 2001

In addition to the main public holidays, regional holidays take place throughout the year, especially in Catholic areas.

January 1	New Year's Day
February 26	Shrove Tuesday
April 16	Easter Monday
May 1	Labour Day
June 3, 4	Pentecost Sunday and Monday
June 14	Fronleichnam, a Catholic holiday
October 3	German National Holiday
December 25	Christmas

Media

The Press

Germans are among the world's keenest newspaper readers. Some 85 regional and national dailies (including Sunday newspapers) reach a total circulation of 31 million readers per issue. Four subscription papers with a national circulation are the Frankfurter Allgemeine Zeitung (conservative-liberal), the Süddeutsche Zeitung (liberal), Die Welt (conservative) and the Handelsblatt, about politics and business news. These dailies represent high standards of quality and up-to-date information.

An estimated 10,000 periodicals are published in Germany. They deal with every possible subject - entertainment, labour, housing, consumer issues, and special interests. This number includes journals published by small and large organizations with circulations ranging from only 250 to the 11.3 million subscribers of the ADAC motoring club magazine.

The three leading weekly newsmagazines are Spiegel with a circulation of 1.3 million, STERN with a circulation of 1.2 million, and Focus with a circulation of 1 million per issue.

There are about twenty travel trade publications. Some treat the travel trade in general and others concentrate on subjects such as business travel, conventions, motorcoach touring, and air travel.

The leading travel trade magazine is the Fremdenverkehrswirtschaft (FVW). It is published every two weeks and has a circulation of approximately 22,000. It covers all aspects of the German travel market.

Broadcasting

The eleven regional radio-television corporations are linked together in a Standing Conference of German Public Law Broadcasting Corporations. Each broadcasts several radio programs and together they operate a national television channel, referred to as Erstes Program (ARD or First Channel). In addition, they produce regional Third Channel television programs. The Mainz-based Zweites Deutsches Fernsehen (ZDF) is a television-only station that transmits Channel Two nationwide. These two public corporations have a great deal of competition from several leading private stations which dominate commercial advertizing on television. Via satellite and cable (provided by the German Postal System), Germans receive a broad range of radio and television programs from as many as fifty private German-owned and foreign stations.

T-Online

The German computer on-line network, T-Online (Telekom-Online), is available for business and public use, and offers access to the Internet. A small number of the German travel trade use T-Online for bookings, reservations with wholesalers and hotels, and to order promotional material from tourism offices. Approximately 1000 suppliers from the travel industry offer their services to 1 million German users via T-Online.

Internet

The Internet is rapidly gaining importance in the German market. Currently about 17 million Germans use the Internet regularly, mainly as a source of information. Most users are still reluctant to buy products via the Internet, but that is changing. The travel trade is very up-to-date and nearly all tour operators provide their own Web site. Some larger operators even offer consumers booking opportunities via the Internet.

Population Characteristics

In 1999 the population of Germany was 82 million, the largest in Western Europe. Unlike other European countries, there is no one "major" city. Some seventy cities have a population in excess of 100,000. More typical than self-contained cities are various conurbations which form industrial regions. For example, the Ruhr area is the largest industrial region in all of Europe; it is a conglomeration of cities and towns with more than 11 million inhabitants. The Rhine-Main area around Frankfurt has some 3 million inhabitants.

Germany is a federal system, with sixteen federal states, or Bundesländer.

The major cities and their populations are:

Berlin	3.4 million
Hamburg	1.7 million
Munich	1.19 million
Cologne	0.96 million
Frankfurt	0.64 million
Essen	0.60 million
Dortmund	0.59 million
Stuttgart	0.58 million
Düsseldorf	0.57 million
Bremen	0.54 million
Duisburg	0.52 million
Hanover	0.52 million
Numberg	0.49 million
Dresden	0.45 million
Leipzig	0.44 million

(Source: Federal Statistics Office, 2000)

Profile Of The German Traveller

The German Market in General

Germany remains the second largest spender after the US for travel and holidays. While the average German still out-travels and out-spends the typical American tourist by a country mile, the fact cannot be altered that there are three times as many Americans as Germans. Yet recent figures suggest that Germany may gradually close even this gap!

In 1999, Germans spent a record DM 82.6 billion (C$57.39 billion) on foreign travel, up 7.5 percent from 1998, according to a Dresdner Bank analysis. Germany comes out on top when the total spending for travel is calculated as a share of private consumption. Even during the recession in 1993, Germans spent a total of DM 62.7 billion (C$ 53.48 billion) on foreign travel. If they have to economize, Germans would rather spend less on cars, entertainment, and hobbies, but they do not want to cut back on travel. In fact, travel ranks just behind food, shelter and clothing on their list of priorities.

Comparing the primary European travel markets, the affluent Germans spend more than twice as much money on foreign travel than do the British and French combined. Most of the money stays in Europe because the preferred travel destinations are Austria, Italy, Spain, France, and Switzerland. The US ranks sixth among all destinations.

It is important to note that in recent years the largest growth in spending has occurred in long-haul destinations outside of Europe, which rose by 12.7 percent between 1995 and 1996. The reasons for this growth include the Germans' increasing experience as travellers, low airfares, and new and attractive destination areas. According to a survey by U + R (Urlaub + Reisen) in 1995, around 10 percent of the entire population of Germany would like to visit North America within three years. Previous surveys have shown that two-thirds of people who plan long-haul vacations do, in fact, make good on their plans.

A new trend is the growing popularity of individually organized vacations. Increasingly, environmental considerations are becoming a part of the travel decision-making process. According to a recent survey, two out of five tourists prefer to spend their holiday in an unspoilt environment, or environmentally friendly vacation spot. In terms of holiday activities, touring/excursions are accorded the highest priority (70%), followed by physical activities, such as water sports and hiking (54%), and shopping (50%). Germans consider travel one of the basic values of a "good life". They believe a vacation restores a person's motivation and energy. 72 percent of German travellers are looking for outstanding natural scenery, 68 percent expect good value for money, 48 percent want cleanliness and a healthy climate, and 41 percent are looking for a safe destination. Safety now ranks higher in the minds of German tourists than the wish for sunshine (40%) or a good tourist infrastructure (38%).

The German Travel Market to Canada

Potential

Among European markets, Germany remains a market with strong growth potential for Canada, in spite of 1999's decline in German visitors to most long-haul destinations.

In 1999, 394,000 Germans visited Canada. This was an increase of 3.2 percent compared to 1998. Still, the number of visits remains below the 1996 record of 450,000 visits. In 1995, Canada held an 8.6 percent share of the German long-haul travel market. In 1999, among non-European long-haul destinations Canada occupied fourth place after the US, Dominican Republic, and Thailand. With an approximate 40 percent share of the German long-haul market, the US tops the list far above all other long-haul destinations. However, recent problems in the US such as natural disasters and crime could help Canada. The large percentage difference in favour of the US is not necessarily a drawback, since combined visits to the US and Canada are popular. Half of all German visitors to Canada arrive via the US. Combination visits to the US and Canada represent a good potential for Canada.

Germans who have already visited the US and enjoyed their trips often turn to Canada and plan all-Canadian vacations. Germans spent $481 million while visiting Canada in 1999 (excluding trans-Atlantic flights). This makes Germany a half billion dollar market for Canada.

While peak travel time continues to be the summer months of July, August and September, winter travel is growing and now accounts for approximately 18 percent of all travel from the German market. The year 1996 showed an increase of 5.6 percent in winter travel compared to 1992. Hence, there is ample potential for future expansion of winter travel packages with "exotic" winter adventures. A marketing priority is to encourage travel during shoulder seasons to make Canada a year-round destination. Vacations to experience Canada's autumn, springtime, and city trips during winter's entertainment season are products with good potential.

In 1999, German tourists visited these regions of Canada: Ontario (23%), British Columbia (22.1%), Alberta (18.8%), the Atlantic Provinces (16.79%), Quebec (12.4%), Yukon, Nunavut and the Territories (3.8%), and Saskatchewan and Manitoba (3.2%).

Approximately 90 percent of German tourists who come to Canada travel for pleasure alone, or they combine pleasure and business. The proportion of VFR traffic (visiting friends and relatives) is declining. It now represents 19 percent of the market. In 1999, German tourists stayed an average of 13.1 days in Canada. The highest spenders of European travellers, they spent $1,226 per trip, excluding airfare.

Trip Types/Product Clusters

The major reason Germans travel to Canada is for pleasure. A CTC study identified five types of products which offer significant potential in the German market. In order of importance, they are:

1. soft outdoor adventure
2. winter experiences
3. cities
4. touring
5. hard outdoor adventure

German tourists enjoy a variety of activities, ranging from wilderness experiences to farm and ranch holidays and Aboriginal culture. There is excellent potential for specialist operators and suppliers - especially in light of the new trend towards individualized packages.

Youth travel, with its emphasis on budget travel, has a generally low priority for Canada.

Senior travel

A growing target group for the travel industry is the seniors' market. 23 percent of the German population is over the age of 60. The new seniors in Germany are well-educated, healthy, and mobile. They are relatively affluent with good pensions, and they are willing to spend. According to recent studies, the travel intensity of seniors in Germany is growing faster than travel intensity overall, and the percentage of senior travellers is quickly approaching the percentage of German travellers in general. As seniors tend to book fewer trips in the high season, there is a great potential for shoulder and off-season trips. Short-haul vacations within Europe are popular among this age group, as long-haul travel remains more strenuous for seniors than for younger travellers. However, organized motorcoach tours and fly-drives with hotel accommodation are appealing for the new seniors. Other tours designed especially for the seniors market should offer attractive activities such as "spa stays," soft hiking, and tailored study tours.

Socio-Demographics

Research shows that German visitors to Canada tend to be in the 25-44 age bracket, married, middle-income earners in professional and technical occupations. About 50 percent of these visitors have already visited Canada in the past. They are the sort of people who like to put together an independent vacation package comprised of various elements. The typical German tourist tends to favor a combination of culture and nature experiences.

Image

Canada's greatest competitive advantage is the Great Outdoors. The diversity of cultures, especially French, English, and Aboriginal, is another big draw. These are the strengths which Canadian travel businesses should be promoting:

- outstanding scenery, national parks, forests and wildlife
- exciting sports such as hiking, canoeing, kayaking, rafting, snowmobiling, and dog sledding
- a very safe, civilized destination with friendly local people
- interesting cities
- variety of cultural possibilities
- a good "value-for-money" destination, offering high quality accommodation and restaurants for competitive prices

Nature and natural attractions are still Canada's biggest strength - Canada offers an opportunity for wilderness experience that Germans do not have in their own country and they value it highly.

There is a downside to this: there are German tourists who are interested in a more sedate or comfortable experience of nature - such as relaxing by the beach - and they may not be aware that Canada offers such destinations.

Canada is so well-known for its wilderness that Germans may not know about other types of products - experiences that combine city visits with wilderness excursions and outdoor activities, for instance.

At the same time, while Germans perceive Canadian cities to be interesting and safe, they do not see them as exciting and fascinating, especially compared to the great cities of Europe and the US. Another perceived weakness in Canada is the lack of budget accommodations.

Competition

Competition for a share of the lucrative German travel market is intense. Some 100 national tourism offices (NTOs), together with their national and private carriers, vie with Canada for market share. Long-haul competitors are the US, followed by Asian destinations (Thailand, Hong Kong, Singapore, Indonesia), Mexico and Caribbean destinations, Australia, and South Africa. Within Europe, Scandinavia is a major competitor. Competitors emphasize many of the same types of products as Canada, concentrating more and more on the combination of urban and nature/outdoors, and emphasizing value for money. Some of the competition's key products are national parks (in South Africa), the motorhome (in Australia), fly-drive (in the US), and cottage holidays (in Scandinavia). The similarities to what Canada has to offer are obvious.

Tourism Industry Structure

The tourism industry in Germany can be segmented into many different sectors. These are the four most significant categories:

- Transportation (airlines, rail companies, maritime transport, car rentals)
- Lodging (hotels, resorts, campgrounds)
- Intermediaries (wholesalers, retailers, incentive agencies)
- Peripheral organizations (attractions, guidebooks, the press)

Air Travel

Since accessibility is crucial for the development of a long-haul destination, airlines and routes are the determining factor. Scheduled flights to Canada are offered by Air Canada and Lufthansa from Frankfurt and Munich. Charter flights are offered by Canada 3000 from Düsseldorf, Hamburg, Stuttgart and Munich, Air Transat flies from Frankfurt and Berlin; Condor from Frankfurt; and LTU International Airways flies from Düsseldorf.

Travel Distribution Channels

Wholesalers and Retailers

The term wholesaler refers to packaging. In Germany a wholesaler can sell his packaged product in these ways:

- Directly to the consumer
- Only through travel agencies (whether independent or linked to a network)
- Simultaneously to both

The term retailer refers to the travel agency. The products sold in agencies are:

- Airline tickets
- Wholesalers' travel packages

If a retail agency decides to put together its own packages, it becomes, de facto, a wholesaler. No additional permit is required by German law. There are 18,009 tourism retail outlets in Germany (retailers and wholesalers) and a great many of these already produce or sell Canada as a destination.

Four Categories of Wholesalers

1. Tour operators sell tourism products such as travel packages, theme tours and "à-la-carte" services such as hotel stays, rental cars and attractions. Approximately 100 tour operators presently offer Canada as a destination.
2. Group specialists: These agencies specialize in group tour packages for companies, associations, municipalities who offer travel to their constituents, sports clubs, and other groups.
3. Incentive agencies specialize in unique travel experiences for companies which offer incentive travel to their employees or their clients. There are approximately 50 full-service incentive agencies. Approximately 100 other agencies provide organization of the tour only. There are a number of more traditional agencies who, from time to time, are asked to organize such trips as well.
4. Language travel program operators number about 110 in Germany. Great Britain, Spain, France and the US are the main destinations in this market.

The German Wholesale Market

The German wholesale market is dominated by large operators led by Touristik Union International (TUI), NUR-Touristik, LTU Touristik, DER Deutsches Reisebürp, and International Tourist Services (ITS). Together they represent over 50 percent of the market share.

More characteristic of the market, however, are the medium-sized regional operators. This is probably due to their good knowledge of the local consumer market and increased destination and product specialization.

In addition, some 500 specialist operators cover the country, most with fewer than ten employees, and each with a high degree of product, transport or market segment orientation.

Although Canadian products are represented by several of the top 22 tour operators (TUI, NUR, DER, ADAC, LTU, airtours), Canada receives more attention within the medium and specialist operator categories.

The largest operators pursue a diversified selling strategy, selling through their own agencies, through contractors or through other travel agents. Some medium-sized operators sell directly to the consumer, and almost all specialist operators sell directly.

There are some 18,000 travel agencies in Germany, dominated by major chains which double as operators as well, such as DER, ADAC, TUI, and Amexco. Approximately 4,500 agencies hold IATA appointments.

Tour Program Development

Tour operator catalogues are printed twice annually. For the summer catalogue published in November/December, content is generally decided by mid-July, and final plans are completed by September. For the winter catalogue, basic content is decided in March with final planning completed by mid-June.

Canadian suppliers should note that German operators cannot increase tour prices within a four-month period from the date of catalogue publication. As well, stringent consumer protection laws make the operator and travel agent responsible for all services mentioned in the tour program, even if these are performed by a foreign agent or a secondary agent.

For these reasons, it is recommended that Canadian suppliers work through or with German tour operators to market their product rather than attempt to market it on their own.

How Does a Wholesaler Find Suppliers in Canada?

Methods vary greatly from one European country to the next. In Germany, wholesalers tend to work through one or more receptive operators as opposed to seeking out a number of specific suppliers. It is therefore of crucial importance for Canadian suppliers to make themselves known to receptive operators. An exception to this general rule concerns specialized operators in activities such as hunting, fishing, and golf, who often deal directly with their Canadian counterparts.

Incentive agencies work with one or a number of receptives specialised in incentive travel logistics. Since clients are more and more demanding in terms of content, the agencies are seeking more imaginative and creative programs.

Approaching the Market

There are various ways to reach the German market, depending at which level you wish to do business and whether or not there is a need for an intermediary. The different options are:

Contacts That Can Be Made In Canada

Contact	Nature of contact
Provincial/territorial tourism offices	Visit, phone, write
Canadian Tourism Commission	Visit, phone, write
Canadian receptive tour operator	Visit, phone, write

Rendez-Vous Canada (RVC)

See "General Information"

Canada West Marketplace
Quebec/Ontario Marketplace

Both trade shows are attended by European operators. Contact provincial tourism offices.

Approaches in Germany

International Tourism Bourse (ITB)

One of the world's premier international trade fairs, the ITB is held annually in Berlin at the beginning of March. Buyers and sellers from around the world meet to promote and sell their products and services during a five day period.

In 2000, the ITB registered 7,434 exhibitors representing operators, hotels, tourism organizations, car rental companies, and air carriers. They came from 189 countries. Total visitor attendance was almost 116,000. 60,000 trade visitors from 195 countries attended. The media, always well represented, sent 6,136 journalists from 87 countries.

Canada is represented at the ITB with an "umbrella" stand where provincial, territorial and Canadian private sector interests rent work stations. In order to maximize participation benefits and to avoid disappointment, sellers (particularly new ones) should observe the following points:

- Do as much homework about the market as is possible in advance. Local provincial/territorial tourism offices can help;
- Notify potential buyers and other contacts in advance of your attendance in writing, by mail or by fax. Include a description of your products and services;
- Be prepared to identify and follow up new leads while at the fair. Temporary stand absences can be covered by notifying the front desk or by a sign;
- Consider the advisability of a pre- or post-ITB business visit to cover further market outlets; and
- Note that virtually all trade professionals in German-speaking Europe are able to speak English.

Major Tourism Fairs 2001

Consumer Tourism Fairs	Date 2001	Attendance
CMT Stuttgart	January 20-28	220,000 visitors (2000)
CBR Munich	February 17-25	197,000 visitors (2000)
Reisen Hamburg	February 10-18	140,000 visitors (2000)
Reisemarkt Cologne	TBA	37,000 visitors (2000)
TC Leipzig	November 21-25	82,000 visitors (2000)
Trade and Consumer Fair		
ITB Berlin	March 3-7	116,000 visitors (2000)

Approach Canadian Receptive Tour Operators

For small and medium-sized companies it is advisable to work with Canadian receptive operators to get a foothold in the market, and to limit the cost of travel, promotion and other marketing activities. Most German tour operators buy complete packages and will not look for a specific hotel unless it is offered as part of a package. An up-to-date listing of Canadian receptive operators who do business in Germany can be obtained from your province or territory or from the Canadian Tourism Commission in Düsseldorf.

Visit the Canadian Tourism Commission In Germany

The CTC can assist you in contacting German tour operators. Arrange for a visit. Staff may be able to supply you with the necessary leads.

Visit German Tour Operators

Before making a promotional visit to Germany, make appointments, by mail or by fax, to meet your contacts.

Bring along promotional brochures in English or German with the following information provided in a clear way:

- the complete address of your company, including fax number and e-mail address;
- the products and prices you offer, including the place of departure, the itinerary and the types of transportation and accommodation to be used;
- reservation and payment procedures;
- your commission rate and whether or not it is included in the price. With respect to pricing, the commission expected is about 20 percent, with 10 percent going to the retail agent for the sale;
- general information such as the minimum and maximum number of passengers.
- Leave extra copies of your brochures with your contacts. If you use video, make sure you use the PAL format (not NTSC).
- To increase the chance of getting products featured in an operator catalogue, suppliers should provide sales aids, such as colour slides and transparencies, and brochures.

Keep in mind that you must realize that it will take a certain time before your products are featured in the German tour operators brochure.

In summary, do not consider approaching the German market unless you agree with the following:

- You are prepared to wait to see a return on your investment;
- You are prepared to be professional and go through all the administrative details, and public relations;
- You have a product that meets with client expectations; and
- You have the ability to educate the buyer's staff on your product - this means making sales calls in Germany or inviting tour operators to Canada

Promotional Visits

The success of a promotional visit depends largely on the timing and the thoroughness of the advance planning.

As the needs of the European traveller and operator are not always identical to those of North Americans, suppliers and sellers should first acquaint themselves with the markets as thoroughly as possible. Again, provincial and territorial offices and other suppliers with European experience can help.

Suppliers should also have, or be ready to open, a well-equipped office. German operators are professionals with years of experience in a competitive environment. Fax and e-mail are important. You should be able to handle bookings, reservations and vouchers quickly and efficiently. Accounting procedures must be precise. Above all, consistent quality of products and services is a prerequisite.

Payments in Europe are generally made by bank transfer rather than by cheque. Wholesalers' accounting systems need to be set up accordingly. Canadian suppliers may find it beneficial to quote their bank and account number on their invoices (as their European counterparts do).

Documentation

There is no common format when it comes to vouchers from travel agents and wholesalers. Although they are generally different in appearance, most contain the following information:

- name of the customer;
- originating tour operator;
- detailed description of services booked including reservation details and arrival times;
- form of payment (but not the amount paid by the customer); and
- booking number.

A reservation will be forwarded to the supplier well in advance of the customer's arrival. The "release time" (period of time between the date of the reservation and the customer's arrival) may vary and has to be negotiated. Possibilities are: 7/14/21/28 days in advance, sell and report, and request bookings (no wholesaler likes request bookings - large wholesalers usually refuse to work without a room allotment). The reservation should contain the same information as the customer's voucher. The "release time" allows for correction of any possible errors. It is vital that the supplier's staff recognize and accept each wholesaler's voucher. Money should not be collected from the guest for the services indicated on the voucher, as the final settlement for these should be made between the supplier and the wholesaler. Usually large tour operators do not agree to pre-payments. A deposit at the beginning of the season has to be negotiated.

Check-in

If the supplier does not have a German-speaking employee, the supplier should ensure that an interpreter can be reached at anytime. This is particularly important in the case of an emergency.

Accommodating the German Traveller

Special/personal Touches

Like French travellers, German travellers are interested in travel experiences that are unique and memorable. We urge Canadian operators to find ways to be more creative, to put in little personal touches that make a trip special. This is most important with incentive travel. Just like so many travellers, German tourists are eager to tell their friends back home about their holiday experiences, so the more special the surprise, the better.

Most German travellers are very conscious of environmental issues. They may be surprised and displeased by excessive air-conditioning or heating. They do not feel comfortable in an overheated bus, restaurant or hotel room. They do not like it when the air conditioning is running full force. Many Germans do not like the individual plastic containers of jam in the morning. To them it seems wasteful, especially when the same hotels ask their clients to try to use fewer towels to conserve water and electricity for laundry.

German travellers who buy traditional motorcoach packages are a somewhat older group, in the 50+ age group. They do not like to pay for lots of extras. They prefer to have breakfast included in their rate. They are not used to having breakfast supplied separately and having to pay for it every day. Although many of them are aware that this is usual in North America, they prefer to have an all-inclusive price that covers breakfast as well as entrance fees, tips for the bus driver and guide, and all taxes. TAUCK TOURS, an upscale inbound operator for motorcoach tours in North America, always include all meals, tips and entrance fees. They are expensive (because of the five-star accommodations) but extremely successful. Some German tour operators already include breakfast in their calculation for motorcoach tours.

Value for Money

In general, Germans want value for money. Travellers have become better informed than they were a few years ago. They know exactly what they want and are price sensitive.

Friendly Welcome

The Germans like to be welcomed in a friendly manner, so that they feel comfortable and at home.

Pampering

The Germans like to be reassured that everything is under control, especially with package tours. They do not like inconveniences and want to be pampered. This requires good organization on the part of the tour operator.

Entertainment and Activities While Travelling

German travellers, like other Europeans, are not accustomed to travelling vast distances on motorcoach tours. Use their time constructively and creatively with tour guides who can talk knowledgeably about Canada's history, climate, Aboriginal people, and culture.

Guided tours in German only (not bilingual German and English) are very important. More and more travellers prefer to travel in smaller groups and are willing to pay a little bit more for this.

Hotels

Germans like to be able to open the window of their hotel room. Canada has the best air in the world, but usually the windows in hotel rooms cannot be opened, even for fresh air while sleeping at night.

New Experiences

Individual German travellers seek exciting vacation experiences and are willing to try new activities such as dog sledding, canoeing, and whale watching.

Information on the Area

Be careful with so-called "historical sites." In German terms, a 100-year old building is not really an historical attraction, as their own history goes back many centuries.

Try to avoid telling German travellers how expensive a bridge, building or interpretive centre was to construct. They do not find such figures interesting, and some people will be bored.

Instead, be prepared to share your knowledge of the places you visit. German travellers are especially interested in knowing about the human history of a city or town, the wildlife and vegetation they see in the wilderness, the geology of the land, and other relevant information.

Efficient Services/comfort

In hotels, make sure there is a system of efficient and quick registration and luggage handling. For motorcoach tours, air conditioning (moderate temperatures!) and comfortable seats are appreciated.

City Experience

In the case of city tours, Germans prefer downtown hotels so they can take a walk and explore the city on their own.

Breakfast Options

Germans do not care for the typical "Continental breakfast" (coffee and muffin). They prefer a hearty breakfast, which should be included in the price.

Safety

Germans want to travel in a safe and secure environment. In the city, they want to be able to go out in the evening and feel safe. At a campsite, they want to know that their equipment is secure from theft. Inform them of precautions they should take.

Quality of Meals and Accommodations

Germans like a variety of good quality food. Even if the cost of the tour does not allow for fine dining, the meals can be varied by offering a barbecue, picnic or a buffet to vary the usual sit down meal. Do not forget the wine and beer. This is an excellent opportunity to promote Canadian wines and beers.

Germans expect to stay in clean and safe hotels in a good location. Therefore, promote the quality features and rating of hotel accommodations.

List of "Do's" For the German Market

Canadian companies should keep the following in mind when dealing with German business people:

- ✓ Follow up: The Germans are more sensitive than most Europeans about lack of follow-up. Thank you notes and confirmation of arrangements should be sent to all people met, and copies of relevant correspondence should be sent to appropriate contacts. Be prompt; the Germans are rather impatient and expect prompt answers to their questions. Always send a fax back, even if it is just to let them know that you are working on the problem. Canadians are perceived as being slow in responding.
- ✓ Be familiar with common terminology: know the distinction between the various operators in Germany as previously outlined.
- ✓ Personal sales calls: For an initial contact, try to make your appointment about two weeks in advance. The Germans appreciate a personal visit, especially when your product is new.
- ✓ Always make an appointment: Even after you have established a relationship with a German tour operator, you should always make an appointment to meet in person. It is acceptable to make an informal telephone call to arrange a meeting that day, but do not just drop in.
- ✓ Punctuality is a virtue in Germany
- ✓ Addressing correspondence: In written correspondence, it is appropriate to address each person by both last name and title. When communicating in person, use the person's last name.
- ✓ Sales trip timing: this should correspond to the operator's schedule for producing catalogues. Generally, the period from April to early June is ideal. This allows for itinerary confirmation and possible site inspection in the July - August period. Catalogue production takes place in the fall, with publication in November or early December.
- ✓ Suppliers who plan overseas visits should write or fax directly to selected wholesalers and operators. Request a meeting and refer to introductory letters and promotional materials previously sent - or to any previous meetings (during RVC or ITB, for example).
- ✓ It is advisable to use a similar approach for visits to tourism offices abroad (CTC and provincial) as well as carrier, hotel or other trade representatives for market briefings. Arrange your hotel accommodations through normal channels before you depart.
- ✓ Know your product well: Be able to provide all relevant details, leaving nothing in doubt. The German buyer wants to know exactly what he or she may offer his or her client.
- ✓ It is customary to shake hands when you arrive and when you leave. First-name usage is slowly becoming more popular, but follow the lead of your client in this respect.
- ✓ It is not necessary to offer a gift. However, a small token such as a Maple Leaf pin is appreciated.
- ✓ Learn what you can of your business contacts in advance. After the meeting, ensure that any follow-up is taken care of immediately.

✓ Reservations: As one booking may involve up to 10 separate reservations, the supplier should avoid altering any confirmed booking for European visitors. Last minute changes are time-consuming and expensive, and can result in losing a customer.

✓ When reservations come in from the wholesaler, suppliers should reply immediately, even if it is to advise that the reservation cannot be confirmed at that moment. Suppliers should always give alternatives and a deadline for the wholesaler's confirmation or cancellation.

Useful Information

Suggestions When Dealing with German Business People

Should you wish to do business in Germany, you must be prepared for the following:

- Provide a quality product.
- Have your fax machine working 24 hours a day and have it stocked with paper!
- Offer net prices or work on commission.
- Be familiar with the German distribution network (tour operator / travel agent / final consumer) and follow it. Take into account the mark-up that will be added to your initial price, as it may affect the competitiveness of your product. In relation to public prices (rack prices), net prices should reflect at least a 20 percent discount if a supplier wishes to deal with the accepted tour operator/travel agent network.
- Be aware that the Germans are rigid in negotiations.
- Be aware that the German tour operators may demand exclusivity.
- German business people respect a healthy aggressiveness and an appreciation of their market. A business person must show a keen interest in doing business and have a good knowledge of German business practices, history and geography. Careful preparation is essential before promoting a product in Germany.
- Remember that going international will require a significant amount of your time!

Getting Around

In German cities, both taxis and extensive public transportation services are available at reasonable cost.

Between cities, rail travel is recommended because it is frequent, convenient, and reliable. Car rental and airline services are available, but they are more expensive than in North America.

Communication with Germany

The fax is ideal. It is fast and helps maintain proper records. Suppliers can use faxes not only to exchange product information, confirm offers, bookings or reservations, but also to inform wholesalers about developments in Canada that might effect the status of the product (strikes or bankruptcies, for example). Finally, suppliers should ensure that their telephone and fax numbers are on their business cards, stationery letterhead and tariff schedules.

When phoning, remember the time difference. Although overseas phone calls from Germany became less expensive in 1998, remember that hotel phones are very expensive. Telephone or calling cards offering Canadian long-distance rates are available in Canada for overseas travel and are ideal in this respect.

Publicity/promotion

There are numerous ways to promote travel products and services in the German market. These include consumer and trade advertising, direct mail and marketing, trade seminars, brochures and display materials, and participation in major consumer travel fairs. However, it is not recommended that Canadian suppliers take this route to market on their own, but rather co-operate with a local German trade partner/wholesaler to capitalize on their expertise and contacts, and to keep costs in line. Moreover, the majority of German tourists prefer to book with a local travel agency or tour operator, rather than book with an overseas supplier.

Some suppliers will require that you list your business in trade and travel media listings. In this respect, a host of useful information can be obtained by purchasing the current issues of the following publications. Please note that most of the publishers require payment in advance when mailing overseas.

For Germany (tour operators, hotels, airlines, and trade media):

TID Touristik-Kontakt 2001

(Guide to Germany's Travel Industry)
TourCon Hannelore Niedecken
Jungfrauenthal 47
20149 Hamburg
Germany
Tel: (040) 41 44 8-0
Fax: (040) 41 44 8-999
Cost: DM 75.00 (incl. tax/mailing)
Airmail Overseas: DM 97.00
(credit card debits also accepted as payment)

For Germany and international markets:

Condor Taschenbuch 2000/2001

Travel Writers' Guide
BEMA-Buchvertrieb
Aubachstr. 17 a
82229 Seefeld/Obb.
Germany
Tel: (08152) 7 96 02
Fax: (08152) 7 92 53
Cost: DM 53.95
Airmail Overseas: DM 72.00

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40213 Düsseldorf
Tel.: 0211 / 1 72 17-0
Fax.: 0211 / 35 91 65
E-mail: ddorf@dfait-maeci.gc.ca

Canadian Consulate
Ballindamm 35, 5th floor
20354 Hamburg
Tel.: 040 / 46 00 270
Fax.: 040 / 46 00 27 20
E-mail: hmbrg@dfait-maeci.gc.ca

Canadian Consulate
Tal 29
80331 Munich
Tel.: 089 / 21 99 57-0
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DATE DE RETOUR

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