Fulfilling The Promise Of Cultural And Heritage Tourism In Canada: A Discussion Paper

Prepared for: Industry and Product Development Directorate - Chairman's Round Tables on Cultural and Heritage Tourism

September 1997

Canadian Tourism Commission
Commission canadienne du tourisme

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"The relationship between tourism and culture is not a newly formulated but a newly advocated one..."

Annals of Tourism Research
Vol. 23 No. 4, 1996

1, Preamble

Culture and heritage speaks to, and of Canada -- from every hamlet in the far reaches of the country, to every major metropolis, and all places in between.

In a practical sense many elements of Canada's culture and heritage now have or could have 'draw potential' to entice significantly more international tourists to the country. They also have the promise to attract increasing numbers of Canadians to experience the diversity, interest and excitement of the country's cultural and heritage offerings, and to benefit from new opportunities for learning and personal enrichment. Indeed, cultural and heritage tourism is increasing in importance as a major travel motivator throughout the world.

37% of all international trips include a cultural component, and these types of trips are expected to increase by 15% annually to the turn of the century....

World Tourism Organization

Thus, as with other offerings, there is the touristic appeal of culture and heritage, along with its capacity to generate travel receipts from Canadians and foreigners.

Success in cultural and heritage tourism requires the development of a mutually reinforcing relationship between the culture, heritage and tourism sectors. Aside from the obvious economic benefits that result, in tourism, and increasingly in the culture and heritage sectors, partnerships between both traditional and non-traditional players are vitally important as a means of offering diversified experiences to tourists and in contributing to the quality of their visit.

These factors have not gone unnoticed -- by the Canadian Tourism Commission, the Department of Canadian Heritage, the provinces and territories, nor our tourism, arts, cultural and heritage industries and institutions.

Canada needs an intelligent, sensitive, organized and spirited approach to developing, protecting, marketing and offering its culture and heritage to Canadians and to international tourists. If it is to work it must have not only social and intellectual goals, but a positive business outcome.

This discussion paper has been prepared for the Canadian Tourism Commission with the collaboration of the Department of Canadian Heritage. The purpose of the document is to promote dialogue and seek ideas, both from the tourism industry and the cultural and heritage sectors, with a view to creating a vision that will contribute to the sensitive development and sustenance of the touristic appeal of Canada's cultural and heritage assets.

2. Definition - Singing from the Same Song Sheet

A generally accepted definition or description of what we mean by cultural and heritage tourism is as useful a starting point as any. But if we debate this for too long we will be left standing at the starting gate while others move full speed ahead.

What is needed, therefore, is a reasonably comprehensive description that is acceptable to the majority and that will serve both the practical and intellectual needs of all parties concerned. In doing so we might bear in mind the words in the preamble:

> *Canada needs an intelligent, sensitive, organized and spirited approach to developing, protecting, marketing and offering its culture and heritage to Canadians and to international tourists. If it is to work, it must have not only social and intellectual goals, but a positive business outcome.*

Though a business outcome is essential, there are some words of caution:

- o The tourism objectives of most cultural and heritage places and events usually must be determined with respect to resource protection and artifact conservation, as well as in light of local community involvement and attachment;
- o The long-term sustainability of culture and heritage assets and the quality of related experiences should be a precondition to any viable offering;
- o It should be carried out in a socially sensitive way.

The bottom line for many community and cultural heritage tourism stakeholders centres around ensuring a quality, reciprocal, mutually respectful relationship between guest and host -- with both parties adding value to their lives as a result of the interaction.

Cultural and heritage tourism is not a new phenomenon, but is becoming recognized increasingly as offering new and more varied experiences to domestic and foreign tourists.

Successful cultural and heritage tourism ventures help define the unique history and character of a place, and relate to the contributions of past generations and the cultural dynamics of today. Added services, especially interpretive activities, help make the offering 'come alive' and ensure that tourists enjoy and appreciate their experiences, tell others about them, and even return. Offerings include:

- o visits to museums, galleries, historic sites, performing arts centres, science centres
- o attending festivals and special celebrations, fairs, exhibitions, competitions

- experiences focusing on the lifestyle or heritage of groups, communities or regions expressed in such forms as heritage or themed districts, heritage trails, street scapes, monuments, customs, language, food, arts and crafts
- learning experiences focusing on the history of interaction between humans, their societies and the natural environment

In addition, products such as crafts, music, museum retailing and interpretation are tangible means of reinforcing and enhancing travelers' experiences of a community's culture and heritage.

What should be the success indicators for cultural and heritage tourism?

What are the barriers to success?

How do we ensure social sensitivity and the integrity of the cultural experience?

3. Cultural and Heritage Tourism Markets

*See Appendix A for market information.

While culture and heritage tourists share some characteristics with other travelers, in other ways they differ significantly. Lord Cultural Resources has pointed out that, comparatively, culture and heritage tourists:

- o have higher than average incomes, particularly among long haul travelers
- o spend more money during their trips
- o spend more time in a given area and spend more money in the area
- o are more likely to stay in hotels and motels, and often choose a bed and breakfast inn
- o are more likely to shop
- o are more likely to be women

Until relatively recently, cultural and heritage experiences were seen primarily as part of a larger set of products sought by tourists as part of their trips, not the major travel motivator. But times are changing. Culture and heritage are seen as increasingly important by international travelers to Canada. (See Appendix B, Table 1).

Similarly, there is increasing interest among Canadians. (See Appendix B, Table 2). Approximately 13.8 million leisure trips taken by Canadians in 1994 included at least a visit to a festival, museum or art gallery, cultural performance, historic site or Aboriginal cultural site.

As well, the further Canadians travel from home for leisure, the more likely they are to include a visit to cultural or heritage places/events as part of their trip.

a. Culture-Nature Market

Trips that combine natural and cultural experiences represent an important segment of the international and domestic travel market in Canada.

A 1994 consumer survey in seven major US and Canadian cities revealed a combined market potential of more than 13 million people for nature-culture-adventure type of travel. The study also showed that of 12 activities undertaken during this type of travel, the three most important were, in order of importance, casual walking, wildlife viewing and learning about cultures.

The domestic market also points to a strong demand for experiences that combine nature and culture-based activities. In 1994 more than three million trips taken by Canadians included nature and cultural appreciation activities.

b. <u>Emerging Markets</u>

The changing ways consumers think, feel and behave are important to the tourism industry. Below, is a summary comparison of the so-called *old tourists* and *new tourists*. (Source: *Tourism Technology and Competitive Strategies,* by Auliana Poon)

Old tourists	**New tourists**
Search for the sun	Experience something different
Follow the masses	Want to be in charge
Here today, gone tomorrow	See and enjoy, but not destroy
Just to show that you had been	Just for the fun of it
Having	Being
Superiority	Understanding
Like attractions	Like sports
Precautions	Adventurous
Eat in hotel	Try local fare
Homogeneous	Hybrid

Canada is well positioned to respond to the new tourists, although specialists argue that more work in promotion and packaging is needed to translate the potential into tangible benefits.

While major tourism indicators suggest a significant and sustained growth in demand for cultural and heritage experiences, more information is needed to further understand the dynamics behind the demand, and to develop a more sophisticated understanding of the motivations, expectations and needs of prospective clients. There is also a need for more specific project-related information.

Because cultural and heritage tourism often requires that several. different types of organizations work together, reliable economic and market research data are especially important to provide the basis for establishing and sustaining partnerships.

What emerging trends do you see in tourist demand for cultural and heritage experiences?

What information is needed to support cultural and heritage tourism, and how can the cultural and tourism sectors get it?

4. Canada's Cultural and Heritage Tourism Offerings

The assets on which cultural and heritage tourism is based are quite varied.

In 1995, more than 80 per cent of heritage establishments -- and 61 per cent of all attractions -- catered in part to tourists seeking a cultural experience.

The number of Canadian heritage institutions (such as museums and historic sites) grew from 1,414 in 1984 to 2,122 in 1994. There are close to 500 performing arts companies and literally thousands of festivals of various kinds across the country.

Cultural and heritage assets are part and parcel of a larger set of natural and cultural places and events that play a key role in defining Canada as an international destination of choice. As the Canadian Tourism Commission's *Challenges* document points out:

> "It is important to note the difference between heritage tourism and manufactured attractions. Heritage tourism focuses on the experience of visiting a place with genuine historic, cultural or natural significance. The quality of the setting, whether natural or cultural, is most important to someone wishing to experience their own heritage or that of another country. Heritage sites are not designed for tourism - they are a 'road' to discovery and a way to learn about Canada's land, people, culture and history."

a. Emerging Products

On the eve of the 21st century the development of new experiences represents one of the main tasks facing Canada's tourism industry. Culture and heritage tourism constitutes one key priority area for new product development.

'Animation' of the tourism product has also been identified as an important goal.

Canada has a few well-kept secrets that have the potential to form part of the next generation of tourism drawing cards.

The country's linguistic and ethno cultural diversity represents one such source of unique cultural experiences for tourists. In fact, some minority communities across Canada are actively developing and marketing opportunities for domestic and foreign tourists to experience their lifestyles, history and culture.

Language learning tourism also represents an interesting niche market. More than 20,000 people visited the Canadian stand at Expolangues 1997, a languages, culture and tourism fair held in Paris earlier this year.

Festivals historic sites and other cultural places and events that celebrate Canada's cultural diversity offer the potential for growth in new products available to tourists seeking learning opportunities.

Learning vacations, combining travel and education, enjoyment and appreciation of nature and history are emerging as one of the fastest-growing components of the global tourism industry. They cater to an increasing number of travelers seeking unique opportunities for personal fulfilment, learning, understanding, aesthetic pleasure and deeper appreciation of nature and cultures.

And, experiences focusing on Aboriginal culture and history are increasingly recognized as a key component of Canada's tourism offerings. In many cases spearheaded by the Canadian Tourism Commission and Aboriginal Business Canada, Aboriginal businesses and communities are working closely with government and industry partners in giving shape and momentum to this unique and most promising sector.

The packaging of cultural places and events with other similar assets, with other heritage resources or with other types of programs, activities or services, is an increasingly recognized means of reaching cultural enthusiasts within different travel markets. It often implies, and indeed requires, the establishment of partnerships between a range of potentially very different parties from the public, not-for-profit, and private sectors.

What innovations in product development (e.g. packaging, animation) are needed to meet existing and emerging market demand for cultural and heritage tourism products?

b. <u>Seasonality</u>

Seasonality has long been considered a major problem for the Canadian tourism industry, and is one to which the CTC has been devoting considerable time and effort.

Researchers have noted the potential for cultural activities, particularly the arts, to stimulate tourism activities during off-peak or shoulder seasons, especially in October and May. For example, in recent years the Stratford and Shaw festivals in Ontario have vigorously promoted their fall seasons, which run well into November.

Opportunities exist to tap into the shoulder season market by developing and marketing activities focusing on culture (See Appendix A). There are also packaging opportunities for this market, a large portion of which comprises older travelers -- one-third are at least 60 years of age.

Winter tourism is also a growing priority. While places like Quebec City are excellent examples of the potential for selling winter, it is recognized that much more can and should be done. Vancouver, for example, has introduced winter as 'the entertainment season,' with cultural activities forming part of the attractions featured in promotions around this innovative concept. The CTC, too, is committed to a much more aggressive approach to creating, developing and marketing Canada's non-ski winter tourism products.

What opportunities are there for increasing cultural and heritage tourism activities in the shoulder and winter seasons? How should they be tapped into?

c. Socio-economic Impact

While there is no overall analysis of the economic impact of cultural and heritage tourism in Canada, several studies point to its economic importance, and highlight one of the main reasons for the growing interest in joining the movement.

- A study of the economic impact associated with visitors to the 1994 Barnes Exhibit at the Art Gallery of Ontario showed that attributable consumer expenditures totalled $38 million, with visitors from outside Toronto accounting for $15.4 million in spending. In addition, a total of 1,100 person-years of employment were required to produce the goods and services directly associated with the Barnes Exhibit.

- A recent study estimated that province-wide gross economic impacts of onsite and offsite expenditures associated with various Nova Scotia festivals totalled $150 million.

- A study on the economic impacts of four major festivals in Montreal -- Just for Laughs, the International Jazz Festival, Francofolies and the World Film Festival -- estimated that tourist expenditures totalled more than $52 million. Importantly, while tourists represented nearly 16 per cent of visitors, their expenditures accounted for more than 37 per cent of total spending associated with these events. Moreover, average daily expenditures by tourists were much higher at $279 than those of local residents, at $87.

How do we get information on the socio-conomic benefits of cultural and heritage tourism to decision makers?

5. Future Outlook

According to the World Tourism Organization (WTO) the growth of international tourism accelerated in 1996, with a worldwide increase of 4.6 per cent in arrivals and 7.6 per cent in earnings. This is right on target to meet WTO's forecast of one billion international tourist arrivals and US $1.5 trillion annually in revenues by 2010.

Tourism focusing on the appreciation of culture and/or nature is expected to grow at a faster pace than tourism in general. As noted in the preamble, trips with a cultural component will increase by 15 per cent annually to the end of the century.

A recent analysis of future trends in tourism by the Conference Board of Canada, the CTC and Baxter Publications states "the kind of tourism products that will hold the most appeal are those that add value to the individual's life experience." Cultural, Aboriginal and heritage tourism feature prominently among this next generation of tourism experiences with growth potential.

a. Socio-economic Trends

The most salient factors likely to influence tourism in the coming years and, by extension to have some bearing on cultural and heritage tourism trends into the next century are:

- rising education levels - suggested by some as the most important factor
- the aging of the baby boomer generation
- the increasing economic role of women
- growing interest in environmental protection and conservation, and sustainable development
- a reduction in leisure time and changing leisure patterns in industrialized society
- the growing number of middle aged people who will receive inheritances when they have the time and inclination to travel
- an increase in non-traditional families, and an increase in empty-nesters
- advancements in global communications and technology
- the global economy and the importance of international tourism
- the growth in travel by members of certain ethno cultural communities in North America
- a shift away from escapism and towards active involvement, enrichment and learning as a reason for traveling
- the decline of mass markets and growth of niche markets
- the proliferation of travel options
- the importance of quality

- o the potential for growth in off-season travel
- o the demand for new and innovative packages.

The fluctuation of the Canadian dollar against other currencies, especially the US dollar, will also likely have some bearing on international tourism trends, both in terms of international visitors traveling to Canada and vice versa.

6. Making it Work

Cultural and heritage tourism has the potential to create new businesses and create jobs in addition to serving its broader goals. It offers many opportunities for the development of new ventures centred around the production of new and innovative goods and services for delivery to lucrative markets in Canada and around the world.

But success is dependent on our ability to capitalize on the opportunities before us., and in order to build our capacity a number of actions might be considered.

1. Improved business and service skills in the offering of cultural and heritage experiences to tourists.

2. Much improved communication between the cultural and heritage communities and the tourism industry is critical if the promise is to be fulfilled, including the development of better communications skills and tools.

3. Dedicated, clearly identified and larger tourism marketing budgets for cultural and heritage organizations.

4. Specific cultural and heritage tourism ventures initiated by the tourism industry.

5. Consortia and partnerships among cultural and heritage players and more broadly with other communities of interest.

6. Making the most effective use of technology in support of cultural and heritage tourism.

Also critical to success is creating partnerships, as a means to ensure high quality, diversified experiences through better coordinated and shared involvement at all stages of an initiative. The nature of the tourism industry, with its multitude of mostly small and medium size businesses, lends itself particularly well to partnered initiatives -- as could cultural and heritage tourism offerings.

Through these measures and through continuing interaction between committed players, cultural and heritage tourism will become a premier tourism offering.

The sector and its institutions also will flourish and preserve its vital role in expressing Canada to Canadians and the world.

How can we build bridges between cultural and heritage providers and tourism operators?

How can communities get involved?

What knowledge, skills and tools do we need?

7. The Round Tables

To further our capacity to develop, market and deliver cultural and heritage tourism offerings a series of six one-day round tables are being organized by the CTC in conjunction with the Department of Canadian Heritage.

Toronto - September 23
Moncton - September 25
Montreal - October 1
Saskatoon - October 3
Edmonton - October 6
Vancouver - October 8

The workshops will examine:

- o barriers/issues hindering the development of cultural/heritage tourism, including SMEs and secondary locations vs. gateway cities (barriers/issues may include product development, training, human resources, etc.)
- o potential strategies for collaboration within the cultural/heritage tourism sector to overcome barriers
- o current and new consortia with the potential to help cultural/heritage attractions gain better access to tourism markets
- o potential opportunities for partnerships between the tourism industry, arts/heritage organizations, businesses and all levels of government
- o key strategies, creative approaches and opportunities for pilot projects related to regional and national cultural tourism marketing and promotional opportunities for the future

The intended outcome of the session will be to develop actions for improving communications between the cultural and heritage sectors and the tourism industry, and mechanisms to build and maintain these collaborative relationships with a view to the enhancement of cultural and heritage experiences in Canada.

APPENDIX A
MARKET INFORMATION

International markets

The key international tourism markets for Canada remain the United States, Japan, the United Kingdom, France and Germany. The following section presents recent travel information on these countries and identifies segments within each country that could be drawn to Canada by opportunities to experience culture.

The US Market

In 1996, Americans made 12,951,000 trips of one or more nights to Canada, a drop of more than 4% from 1995. Culture is one of the top 4 reasons they travel To Canada Three key segments of US market are of interest to cultural and heritage tourism proponents, namely:

- Retired mature travellers
- Working middle-aged travellers
- Baby boomers

The UK, French and German Markets

In 1996, Canada received 701,000 visitors from the United Kingdom, an increase of nearly 9% over 1995. Segments of interest to cultural and heritage tourism include:

- travellers interested in experiencing culture; they seek arts and cultural attractions, archaeological and historic sites and buildings, and museums and art galleries.
- those interested in visiting natural sites, but also small towns and coastal attractions, and experiencing Aboriginal culture

The number of visitors from France reached 461,000 in 1996, an increase of more than 6% over 1995. According to a 1995 survey of over 20,000 French residents who had not travelled to Canada in the previous two years, about 20% of the adult French population 15 years of age or older was considering taking a trip to Canada over the next five years. Of these, over half would be drawn at least partly by Canadian culture. They belong to the following segments:

- Dreamers
- Adventurers
- Explorers
- Tourists
- Cultural tourists

A total of 454,000 German travellers came to Canada in 1996, an increase of more than 6% from 1995. The German market is more interested in nature and wildlife. However, Aboriginal culture in Canada is a very big area of interest for German travellers. There is also increasing interest in learning more about Canada's cultural mosaic

The Japanese Market

The number of Japanese visitors to Canada totalled 650,000 in 1996, a 10% increase over 1995 volumes. Japanese people are increasingly internationalized with a strong desire to understand foreign cultures and learn new languages. Important culture-related travel segments include:

- middle-aged travellers
- older travellers
- students (subsidized travel to encourage them to increase their understanding of other cultures)
- some of the fully independent travellers (experienced travellers), a growing segment

The domestic market

Canadians represent the bulk of all trips taken in Canada every year and they account for 75% of all tourism spending. In 1994, about 13.8 million leisure trips (for pleasure or for the purpose of visiting friends and relatives - or VFR) taken by Canadians included a visit to at least a festival, museum or art gallery, cultural performance, historic site, or Aboriginal cultural site or event. The further Canadians travel away from home for leisure, the more likely they are to include a visit to such cultural places and events as part of their trip. The relationship between distance travelled and the likelihood of experiencing cultural heritage places and events is very significant. For example, while only 9% of leisure person-trips of 80 to 249km (one-way) away from home included a cultural activity, the proportion of trips of 800km or more including this type of activity increased to 37%. Culture is therefore a significant tourism draw, especially for long-distance travellers.

Canada's rich ethnocultural diversity may be a source of as yet untapped market opportunities. For example, the findings from a recent survey on the Chinese Canadian community in Toronto and Vancouver conducted on behalf of Canadian Heritage indicate that a significant proportion (47% of respondents) of Chinese Canadian adults from Toronto and Vancouver undertook at least one overnight pleasure trip within Canada during the year preceding the survey. This proportion is somewhat lower than that of the overall Canadian population (about 68% according to the Coopers & Lybrand study completed last year for the CTC). However, considering the fact that two-thirds of respondents had been in Canada for less than ten years, these findings suggest that significant potential may exist for this sub-segment of the domestic market.

The results of the survey point to other equally interesting and valuable information on travel behaviour among Chinese Canadians, as well as on the significant levels of ownership and use of high technology products (about twice the Canadian average), for a variety of purposes, including obtaining travel information. Although the survey targeted only one specific ethnocultural community, the findings suggest that there may be value in paying increased attention to various ethnocultural populations as a potentially untapped segment of the domestic tourism market. Furthermore, reaching this segment with a cultural experience offer may be successful, given that many new Canadians are keen to learn about and participate in Canadian society.

Markets and Seasonality

Spring, fall and winter travel represents an important component of yearly tourism activity. For example, the total number of international travellers to Canada during the months of May, June, September and October is more than 125% higher than the combined number of July and August travellers. In addition, the number of such travellers in June is only 25% lower than in July; a similar ratio exists between September and August volumes. Nevertheless, the types of activities in which individuals participate and the goods and services they require may vary significantly from one season to the next.

The seasonality of the domestic tourism demand is somewhat better documented. Recent analyses have shown that the distribution of pleasure travel by Canadians across seasons, has practically not changed since 1984. About 2.2 and 2.6 million Canadians travel during the fall and spring respectively. The winter season market accounts for 1.6 million travellers However, from the perspective of cultural and heritage tourism, fall season travellers appear to be of greatest interest. Indeed, the arts and other cultural attractions are popular with a large segment of domestic fall travellers. In addition, a significant proportion of the fall market have indicated relative interest in visiting the U.S.

APPENDIX B
PARTICIPATION IN NATURE AND CULTURE-BASED ACTIVITIES BY TRAVELLERS IN CANADA

Table 1
Participation in Natural and Cultural Heritage Activities by International Travellers, 1994

	person-trips ('000s)[1]
Person-trip including attendance at -	
Festival or fair	1,430
Cultural events (plays, concerts, etc.)	2,864
Visits to -	
Museum zoo or natural exhibit	4,615
National or provincial park	6,463

1 This is a multiple response item. Travellers may have participated in more than one activity per person-trip (e.g one visit to a national park and one visit to a museum during the same trip are counted once in each category). It is not possible to derive a total for the actual number of activities participated in by these travellers. No data is available for attendance at Aboriginal/Native cultural events or for visits to historic sites and galleries

Source: Statistics Canada, "Culture on the Go", *Focus on Culture*, Vol. 9, No 1, Spring 1997, p. 9

Table 2
Participation in Natural and Cultural Heritage Activities by Canadian Travellers, 1994

	person-trips ('000s)[1]
Person-trip including attendance at -	
Festival or fair	6,593
Cultural events (plays, concerts, etc.)	4,819
Aboriginal/Native cultural event	936
Visits to -	
Museum or gallery	5,466
Zoo or natural exhibit	4,503
Historic site	5,720
National or provincial park	10,012

Source: Statistics Canada, "Culture on the Go", *Focus on Culture*, Vol. 9, No. 1, Spring 1997, p. 9

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