

TOURISM

The outlook for British travel will be bright as it is estimated that more than 45 million trips will be taken outside of the U.K. in 1997. The available research suggests that we have a potential long-haul audience of roughly 4.7 million British travellers who would like to visit Canada and 50 percent of them are returning customers. Based on available forecasts, these numbers will translate into 760,000 Britons coming to Canada, compared with about 645,000 in 1995; receipts are predicted to be \$720 million in 1997, compared with \$585 million left behind in this country last year.

Notwithstanding the positive trends in travel from the U.K. to Canada, we face some major challenges over the next 2-3 years. In the past, we have relied on a heavy flow of "friends and relatives" who are mainly in older age brackets and are now no longer in the market or have few familial ties with our country. Low awareness levels of Canada must be overcome, along with negative perceptions that we are cold, dull, boring, and expensive. Our market share and average length of stay for U.K. travellers are also key to our success in the future, and we must work with partners with available air capacity in both the peak and off-peak seasons.

Canada's share of the long-haul travel market in the U.K. has fallen from 8.4 percent in 1985 to 7.7 percent in 1995, and the average length of stay has dropped from 14.7 to 11.5 days over the same period. Competitors such as the United States, Australia, Hong Kong, and Singapore have all gained share at our expense, and their competitive indices are 3 to 26 points higher than ours. At the same time, the major scheduled carriers have limited seats available to attract more customers from May to October and are looking to manage demand in the November-to-March time frame. Charter carriers tend to operate principally in the peak season, and while ground capacity, particularly in the accommodation sector, exists in the peak period, it tends to be available in lesser-known regions or destinations. If we succeed in attracting 115,000 more British visitors and 50 percent of them follow traditional travel patterns for arriving

in the summer, we will be looking to find air seats and services for 57,500 people and it is unclear how this can be accomplished.

Market Opportunities

With favourable exchange rates and direct air access, Canada is a desirable and competitive travel destination in the U.K. The mature population (50-65 years old) represents a key consumer segment, as these travellers tend to spend more and many of them have been to Canada in the past. These consumers can be influenced to visit lesser-known products in the peak season or to travel in November and early December when air capacity is available and prices are lower.

Canada has a positive outdoor image that can influence first-time customers interested in green or eco-tourism. This image can also appeal to a younger audience, interested in getting away from it all, and new or enhanced menu options can provide them with greater selection to customize their vacation purchases.

As well, the new "open skies" policy will increase air capacity and frequencies via the United States, and with 51 percent of our European arrivals coming through U.S. gateways, we can introduce Canada-U.S. packages to draw a broader cross-section of customers.

Increased promotions with non-traditional partners and Canadian exporters in the U.K. will increase our reach and present a coordinated image for our product offerings; and expanding our efforts with trade partners to close the sale or provide a call to action will help consumers in their vacation planning and purchase decisions.

Market Strategy

The 1997 strategy for the U.K. is part of a European Marketing Program agreed with partners, which will target 70 percent of the total European

The Canadian Tourism Commission is working with provincial, territorial and private sector partners to regain market share among long-haul British travellers.
