



ROADS Market Readiness Assessment

December 31, 2006

Methodology

To determine the Market Readiness of the tourism industry along the Iron Horse Trail, Leger Marketing utilized a two-pronged methodological approach.

The first step was conducting a tourism environmental scan to determine market readiness criteria for a variety of different tourism products. Leger Marketing researched market readiness criteria employed by provincial Destination Marketing Organizations across the country, as well as the Alberta Hotel and Lodging Association.

Through the examination of the various provincial documents, Web sites and discussions with product development officers across the country as well as a review of the Alberta Hotel and Lodging Association criteria, Leger Marketing compiled a document outlining suggested criteria for an assortment of tourism products.

Once the criteria were established, a survey instrument was designed in close consultation with the REACH Corporation project team to determine the market readiness of the tourism industry along the Iron Horse Trail.

The REACH Corporation provided Leger Marketing with a sample database of tourism businesses along the Trail. Participants were faxed a copy of the questionnaire and were given the option of faxing the survey back, e-mailing back or entering their responses on a secure Web site.

In addition, Leger Marketing called all forty eight businesses to inform them of the study and gave the option of completing the interview by telephone.

A response rate of 31% was achieved resulting in 15 completed interviews. It should be noted that many of the sample records were not tourism businesses, while some contacts in the base were from seasonal organizations which were not open or no longer in business.

Those who did not reply to the fax, telephone calls or e-mail invitations to participate in the study were contacted up to five times.

Tourism: an economic development tool

All participants strongly agreed that tourism can be a tool to enhance the economic development of their region.

“Yes, because of what we have; it is phenomenal. We have everything if you are an outdoors person. We have resources.”

Some felt that tourism provides the opportunity for “outside dollars” to come into the region, rather than continuing to spread “local dollars” around.

Others felt that tourism is the only real draw to the region. However, most felt that the true potential for tourism has yet to be tapped.

Many feel there is tremendous natural beauty to the area, which residents take for granted. Moreover, for many rural communities, the scenery and natural wonders (landscapes) have yet to be exploited.

“Yes, tourism is an industry that affects all rural communities. We haven’t tapped our tourism resources.”

Most feel that the region has the tourism resources and the industry has the potential to help the region grow.

Perhaps one of the most intriguing by-products of the discussion of tourism as an economic development was the intense pride in the region participants displayed. Even those who were not operators commented on the natural beauty and mentioned the Iron Horse Trail region as spectacular and worth visiting.

Product opportunities

When participants were asked if they can see opportunities to develop new tourism products for the region, very few held back. Many felt there are tremendous opportunities due to the untapped resources in the area such as landscapes, agricultural tours and history. However, almost all participants noted whatever opportunity exists, it should fit with the region.

“Yes, as long as it fits in the area.”

Some felt certain types of tourism, such as Cowboy and Agricultural tourism, were more developed in their areas than other types like Eco-tourism.

“There are opportunities everywhere, but maybe not for Eco-tourism.”

However, many indicated that there is tremendous opportunity for developing Aboriginal tourism product. Participants mentioned the region has diverse Aboriginal communities such as the Métis. These communities have the potential to draw interested tourists to the region if the product can be established.

“The North Saskatchewan River and the Iron Horse Trail as well as large Aboriginal communities are already here...”

Other mentioned the opportunity to further develop the concept of Agricultural tourism.

Some participants did note the labour market as a potential challenge to developing the industry. With high paying jobs in the oil fields, it is really difficult to attract people to work in service jobs, particularly in an area with low population density.

Product opportunities

Participants were asked to identify potential opportunities for a variety of tourism products. The following pages are dedicated to their opinions on the potential for:

- Aboriginal Tourism;
- Heritage Tourism;
- Cowboy Tourism;
- Agricultural Tourism;
- ATV Snow Machine Tourism;
- Sport and Recreation Tourism; and
- Eco-tourism.

“If you build it they will come, but they have to know about it...”

Many spoke openly about the various forms of tourism cited above. Some talked about potential product offerings or attractions, while others discussed how to communicate or market these new potential product offerings.

In many cases, the participants were not completely sure in their answers, particularly the non-tourism operators. Many agreed that opportunities exist in the above segments, but were unable to describe, how the region can take full advantage of the opportunities they present.

If managed properly, all of the participants agreed that there is opportunity in the Iron Horse Trail region to develop the seven tourism segments identified in this project. When probed to what participant meant with respect to managed properly, some indicated having an organization whose job it is to market and organize the tourism industry. However, most did not have a response.

Aboriginal tourism

With large Aboriginal communities located within close proximity to the Trail, Aboriginal tourism was the segment participants identified as having the most potential.

Many participants felt there is an opportunity for communities and agencies to work with Aboriginal communities to develop new product and generate more interest in their region of the province.

“Haven’t scratched the surface. We have talented aboriginals.”

“The area would benefit from a museum promoting Aboriginal culture (dancing and crafts).”

The majority of participants agreed that for Aboriginal tourism product to be developed, it has to be in conjunction with Aboriginal communities.

“The Aboriginal community has to be involved, if not, it will be hard.”

Some cited that specific activities, such as Pow-Wows, should be advertised to let tourists know they are welcome to experience first hand the unique Aboriginal culture the region has to offer.

Many others indicated the construction of a new marina or “outdoorsman” lodge with guides would be an interesting opportunity.

Heritage tourism

Most participants agree that the region’s heritage is unique. There is a tremendous amount of pride in the region and its history and, many feel their history is a major selling point to the region which is not currently being taken advantage of.

“We don’t promote our heritage enough...”

When asked to comment further on opportunities for Heritage tourism, participants jumped straight to marketing. They feel there are opportunities to increase visitation to the region by advertising historical and cultural sites.

“Lots of it! (history) ...Low awareness and need better organization.”

“We can use a professional brochure or put something in the local information centre to make people aware.”

When probed to give examples of these sites, most mentioned Fort George, Buckingham House, Peter Fiddler and local historical museums.

Interestingly, churches and local architecture (farm houses, barns and downtowns) were not mentioned by participants. However, Leger Marketing recommends adding these two elements in any potential Heritage product development strategies.

Other products not mentioned which could be included under the Heritage tourism umbrella include, local culinary delights (restaurants), markets and festivals and events.

Cowboy tourism

Cowboy tourism is a segment which many felt is developing well within the region. Participants agree that the product is there, however, they are uncertain as to how much further it can be developed.

Some of the ranchers interviewed mentioned that with the labour market as it is, it may be difficult to get people to do the work. Their first concern is the job of ranching before hosting guests.

Many others mentioned the region hosts rodeo events which draw people from outside the region. The rodeo is an event that brings communities together, however, some feel that the message is not getting out, that this product is available within the region.

There is an opportunity to incorporate Cowboy and Heritage tourism together. The Cowboy segment is a major part of the region’s identity. There also seems to be an opportunity to grow this segment through increased awareness of the rodeos and guest ranch product.

“We have gotten away from our old values of community like ‘Farmer Day’. We need to promote more rodeos and let the general population know.”

“Increase awareness about jamborees and dances...”

Leger Marketing recommends increasing awareness of these products by advertising in the Provincial Travel Guide.

Agricultural tourism

There were mixed feeling toward the opportunities in Agricultural tourism. Some mentioned that Agri-tourism thrived in the past and is experiencing a decline. However, others share a completely different opinion.

Agri-tourism is viewed by many as a popular new non-traditional tourism product. Some indicated that small agricultural operators are partnering up to create tours for interested visitors to the region.

Many mentioned “Haying in the 30s”, a popular local attraction as an example of a successful Agri-tourism product.

Others indicated the region is unique to Alberta as it has both organic farms and wineries. Participants feel that this (organic) is an attractive selling point to tourists and that it is unique to Alberta. This product offering has been a tremendous success in British Columbia

The opportunity also exists for Agri-tourism self driving tours. This concept of self guided tour is popular with many tourists who wish to take in a region from the comfort of their vehicle.

“Agricultural tours and looking at non traditional product opportunities to create unique tourism product.”

Participants recognize the opportunity in Agri-tourism; however, many indicate uneasiness towards establishing new product. Essentially, they are unsure how to create new product.

“There are some organic farmers...But not sure how to do it (create product)”

ATV Snow Machine Tourism

As a four season activity, ATV and snow machine users represent an interesting opportunity for the region. Operators of these recreational vehicles enjoy exploring new terrain and are willing to travel to discover new trails and scenery.

When asked about the potential opportunities for ATV and snow machine product, most participants felt that the Iron Horse Trail is ideal for this tourism market segment, however, there needs to be some more development with respect to facilities and amenities on the trail for users.

Some indicated that facilities for users are being built in Elk Point, while other mentioned the need to have facilities built at the beginning and end of particularly challenging trails.

“The Iron Horse Trail can be further developed. For example, put up facilities at the start and stop point for challenging trails.”

Most believe the Trail is ready to be a real four season tourism destination for all-terrain vehicle and snow machine users. The natural beauty of the country side and level of difficulties of the trail system make for an enjoyable outdoor adventure. In terms of market readiness, the local trail system meets the minimal requirements set forth in the Market Readiness handbook. Promotion of the trail as an excellent outdoor adventure for ATV and snow machine users is paramount for participants to grow this segment. Many feel that people just don't know what the area has to offer.

“The Iron horse Trail needs to be promoted more. ATV and Snow Machine - that is how people like to recreate today...”

Sports and Recreation tourism

Most of the participants share a positive view on sports and recreation. Many feel that tournaments and outdoor activities yield benefits for the regional economy.

In terms of tournaments, many feel that they bring “outside dollars” into the local economy. Many cited slow pitch and soccer tournaments in the summer and how they fill up campgrounds and local hotels and motels.

The challenge this segment faces is awareness. Participants feel that that due to the low awareness of the region as a sport and recreation destination, the region's facilities are not being used to their full potential.

“We see our snow as a nuisance, but we should be exploiting it.”

“We have the facilities; let's let people know about them...”

Many believe there is room to grow this sector by attracting more tournaments. An opportunity exists to incorporate the Cowboy tourism sector into the sports and recreation segment.

With the popularity and interest in rodeo, it is possible to attract sporting organizations to hold their tournaments in the region at the same time as the rodeo. This can lead to packaging opportunities, advertising opportunities and more “outside dollars” being spent within the region.

Eco- tourism

Eco-tourism is quickly becoming one of the fastest growing global tourism segments. Many travelers want to experience the natural untouched environments different locations have to offer.

With respect to the concept of Eco-tourism, there was an observed confusion among participants. Some understood the segment to be more along the lines of Agricultural tourism by concentrating on organic farming and touring organic farms.

Other understood the segment to be the region's natural products such as hiking trails and rivers.

Many felt there is an opportunity to further develop this sector, particularly around the banks of the North Saskatchewan River in the form of river tours, kayaking, canoeing and fishing, to name a few.

Even with the confusion around the concept of Eco-tourism, most participants agree that more can be done to develop the sector, be it in terms of adding additional trails to the system, developing natural interpretive centres along the North Saskatchewan River, or creating an organic farm scenic route.

“Yes there is the ability to provide that, but it needs to be developed more.”

“We have lakes and trails, but need more...”

Awareness of Market Readiness Criteria

Determining the market readiness of tourism product in the region is an important first step towards building a sustainable tourism industry along the Iron Horse Trail.

Market Readiness Criteria are developed to determine if a particular product is ready for visitation by the consumer. The criteria are also used in the development of experiential packages, listings in provincial publications, Web site database listings and highway signage.

Although measures are customized for each specific product area, all Market Readiness Criteria examine the same critical aspects of product delivery. These include, but are not limited to:

- Safety requirements and legal regulations;
- Accessibility issues;
- Signage specifications;
- Amenities and services; and
- Visitor expectations.

Through the implementation of Market Readiness Criteria, the Iron Horse Trail is empowered with delivering experiences that meet and exceed consumer expectations. This allows the region to build competitive advantages as a result of offering the highest quality of vacation experiences to visitors.

It is essential that all Market Readiness Criteria are reviewed on an ongoing basis to ensure consumers' expectations and the needs of the tourism industry are met.

Awareness of Market Readiness Criteria

Participants were asked a series of questions designed to determine the “Market Readiness” of the industry. It should be mentioned that due to sample constraints, the following section should be viewed as directional and might not be an accurate reflection of the industry as a whole.

Most of the participants were unaware or did not know of the Alberta Hotel and Lodging Association's criteria for market readiness.

Those who were unaware of the criteria did mention that it was “something” they would like to look into as they consider it a “tool” for developing the tourism industry within the region.

The first key question posed to participants was how many people can their establishment accommodate at any given time. The purpose of this question is to determine whether the establishment can actually serve multiple guests. If an establishment is unable to do so, then it might not be worth marketing it as an attraction.

Being forced to turn guests away does not leave a favourable impression in the minds of the traveling public.

Of the participants in the study who qualify as tourism operators, the majority are able to accommodate between 6 to over 500 guests at any given time. Clearly, the operators who participated in the study are able to accommodate groups of visitors which is a major consideration for market readiness.

Restroom facilities are extremely important for market readiness. It is essential to provide guests with facilities. On average, operators indicated having 2.64 restrooms on their premises. Many indicated having individual restrooms for men, women and handicapped individuals.

Market Readiness Criteria– Liability Insurance

Liability insurance is coverage that pertains to claims arising out of the insured's liability for injuries or damage caused by ownership of property, manufacturing operations, contracting operations, sale or distribution of products, the operation of machinery, as well as professional services. It differs from other types of insurance because it protects companies other than one's self from actions one might take that cause harm to others.

In the tourism industry this type of insurance is essential for operators who will be having guests on their property. It protects the operator from being sued if a guest were to somehow injure themselves while on their site. In most cases, liability insurance can protect the operator with coverage ranging between one and three million dollars.

Virtually all of the participants in the study have some form of liability insurance. There were some who were not sure as insurance did not fall within their role in the organization.

If an establishment does not have some form of liability insurance, it should not be deemed market ready due to the potential risk it could incur.

Market Readiness Criteria– Food Service

Not all operators offer food services at their attraction. There was an even split among participants who did serve and who did not. In the province of Alberta, it is required to have an Alberta Food Serving Certificate to be able to serve food.

All of the establishments with restaurants on premise indicated having an up-to-date Alberta Food Serving Certificate. There were some operators who indicated they serve food but do not have an Alberta Food Serving Certificate. Upon further probing it was discovered that the food they "serve" comes from a vending machine and does not fall under the same category as food service.

Market Readiness Criteria– First Aid

When asked if there is somebody on staff who is trained in first aid, participants' responses were divided between those who do have certified staff members, those who do not, and those who do not know.

Of the larger operators who took part in the study, first aid is a concern. These participants mentioned that they do have first aid certified staff on duty.

First aid training is important to ensure that guests to the region have a safe and entertaining time. It is understandable that some of the smaller operators may not have the staff or the budget to participate in this type of training.

A first aid module might be an interesting addition to any tourism information conference organized by an association like the REACH Corporation.

Market Readiness Criteria– Directional signage

Directional signage is an important aspect of market readiness. If the visitor cannot find the establishment there is a high likelihood they will continue without visiting their intended destination.

Many participants indicated having adequate directional signage however, others did not. In some cases signage is not warranted. Others mentioned not being a tourist attraction as the reason for their response.

Wheel chair accessibility

Most of the participants indicated they are wheel chair accessible. Some did mention however, that not all of their facilities are 100% accessible. "I have a farm and the main house and display are, but when you get into the field it could be a little difficult."

Parking

Parking is often overlooked as a condition of market readiness. If guests are going to come there has to be adequate space for their vehicles. Moreover, if tours are going to be developed there has to be adequate space for a motorcoach to park and manoeuvre.

Nearly all of the participants indicated having ample space for parking and the ability to serve potential coach tours.

Market Readiness—Conclusions

By examining the responses provided by the participants, it is evident that they do indeed meet the minimum requirements set forth in the Market Readiness Secondary Research provided to the REACH Corporation on December 8, 2006.

However, it should be mentioned that due to sample constraints, the data in this report might not reflect the entire industry as a whole and should be considered directional.

Leger Marketing was provided a sample database of forty eight businesses. Not all of the businesses identified in the sample were "tourism" businesses and some were no longer in business altogether.

Market Readiness is constantly evolving as the needs and standards of travelers change. To ensure that these standards are adhered to, it is recommended to establish a Market Readiness Mystery Shop program which will provide operators with feedback as to how their product and services fare.

A mystery shop is a site visit by a potential consumer. This person is provided a detailed questionnaire pertaining to service, quality, appearance and cleanliness of a given establishment. Before this consumer visits a site, they receive a briefing as to what they should be looking for. Once the mystery shopper visits the site and interacts with the staff and the products, he or she fills out the detailed questionnaire and provides examples of positive and/or negative observations.

The operator is unaware that the mystery shop is actually taking place and does not receive notice of when it will happen. However, it is recommended to let operators know in advance that such a program is being created.

It is important to ensure the operator that this program is designed with the intent of helping operators meet Market Readiness criteria as well as assess the levels of service being offered. This program can also be used as a tool for training staff on customer service. Moreover, it will provide the operator with a list of items which need to be addressed to enhance the experience visitors feel when they frequent their establishment.

Education is extremely important for maintaining Market Readiness and marketing tourism product. Many operators indicated there are opportunities for new product development and promotion, yet they were unsure as to how to actually do it.

Organizations such as the REACH Corporation and the Lakeland Community Development Corporation should develop industry training materials which would help operators, or potential operators develop new products, ensure market readiness and ultimately, promote their product.

Creating the training materials can most effectively be achieved by working with organizations such as Alberta Tourism, Parks, Recreation and Culture, Travel Alberta and the Canadian Tourism Commission.

In terms of strengths, nature and history represent the two key areas which participants noted. There is an opportunity to further develop the natural product in terms of trails and tours. A scenic drive itinerary through the region could be a draw for the touring market who enjoy taking in the sites and experiences that a destination has to offer.

With respect to history and culture, operators feel the product is there but the awareness is virtually non-existent. Efforts could be made to further promote the history and culture of the area. This can be accomplished through partnerships with Travel Alberta and representatives from Alberta Tourism, Parks, Recreation and Culture.

Directional signage to local attractions is limited. Many participants indicated that more signage is required. Efforts could be concentrated on working with the Alberta Department of Infrastructure and Transportation to try to increase the amount of directional signage on area highways.

Perhaps the greatest weakness facing operators is a perceived lack of organization. In many cases, tourism operators are on an island. There does not seem to be a central organization or association assisting in the promotion of the region as a single destination. As a result, each operator is working on their own to develop new product offerings and marketing opportunities.

Efforts to encourage operators to work together are proven to benefit the industry and region as whole. This can be done through packaging or by establishing a local recommendation network. The network works as follows. If a visitor frequents an establishment, on their way out, operators can recommend another area attraction or restaurant. These simple recommendations can lead to extra time spent in the region. This extra time is also strongly correlated with extra "outside" dollars being spent within the region. It can also lead to an extra night stayed.

However, none of this can happen if training opportunities are not available for businesses in the region. As mentioned above, it is essential for organizations such as the REACH Corporation and the Lakeland Community Development organization to take a leading role for providing operators with the training opportunities for product development and message dissemination. As one participant noted "if you build it they will come, but they have to know about it..."