



Rethinking Your Value Proposition to Attract Domestic Guests

Industry Topic Specialist

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Specialist Highlights

CRCO lost 95% of their business in April and May 2020 as a result of borders closing. They built it back by doing the following:

Changed the public's mind-set.

- Consider isolating in a different environment (cabins) and as a time for adventure (staff member's 2-month commute to work).

Shifted their thinking.

- It's not a discounted offer – it's a new product.

Created an experience built on the needs of a driving market.

- Eliminated elements targeted to an international market e.g., airport transfers, wilderness float plane ride, food and accommodations before/after the trip.
- Looking for a shorter 7-9 day experience.

Created new ways to stage the emotional feeling from a foundational experience element, such as the sense of isolation/wilderness guests had when the floatplane left, for local guests who paddled off from the road.

Results:

- Created a new profitable experience for a local audience.
- Gained an enhanced appreciation of the importance of the local market.

Discussion Ideas & Tips

COVID-19 has resulted in businesses reassessing what is truly valuable to their customers and redesigning key elements of their experiences in order to profitably attract a new customer base.

"We can prepare for the unknown by playing with scenarios you can execute."

– Ric Driediger

This summary highlights the discussion and ideas generated by 11 tourism operators/professionals regarding the shift in thinking required when adapting experiences to create value for domestic markets.

Tactical Practical Take Aways

- Let go of your old way of thinking – challenge those assumptions as CRCO did when reassessing the opportunity with the local market.
- The travel situation continues to change – review your assumptions from 2020 and identify which ones are still valid and if there are new ones you need to consider.
- Promote programs with the anticipation they will still be offered – it will show the market you are planning for the future. Make sure you have a fair cancellation policy.
- Continue to present experiences that target the international market – they offer a value comparison for locals and show international markets, and your marketing partners you are ready to welcome back international guests when the time is right.
- Continue to focus on the local market post-pandemic – they helped during these difficult times and will continue to do so if treated well.
- Don't put all your eggs in one basket – have a diversified product strategy it will make the business stronger. For example, the complete loss of the guided canoe trip business at the time of the financial crisis in 2008 was covered by increases in the equipment and cabin rental business. Furthermore, the growth that was kick-started in 2008 continued.

Ideas generated during the sessions

(Ideas from the most recent session are at the start of each section)

Businesses made a variety of assumptions in 2020 related to the decision to open. The following are some of the assumptions held and how they were addressed:

- Visitors prefer to be outdoors, focus on what people want and develop experiences accordingly as Escape Maze did in developing a number of new outdoor experiences.

- Consumers trust experts – while businesses all followed the regulations, Kawartha Marine Rentals took it a step further and invited the health regulator in to review what they were doing and get their approval. Working with and getting the approval of regulators can provide consumers with an additional layer of assurance.
- The Canadian Canoe Museum assumed visitors would not want to be indoors and successfully repositioned their experience by providing a safe indoor experience that connected visitors to the outdoors by evoking the feelings of serenity that occur on a canoe trip.
- All businesses assumed they would need to be open during the shoulder/low seasons in order to recoup revenues and created or ensured experiences were available year-round and when others are closed
- Fenlon Falls & District Chamber of Commerce assumed that people would disregard health orders and visit areas outside their region. While this resulted in health safety concerns in the community, the Chamber addressed what they could through marketing and communications and are now looking to address infrastructure and experience gaps that will help make the community safer for visitors and locals alike.
- Westben assumed their customer would be open to digital experiences and invested in providing them. Given the digital program has drawn an international audience they intend to continue developing that side of the business.

Additional assumptions being made in planning for 2021 included:

- At the beginning of the pandemic the sense was that things would be back on track for 2021, however, it is now looking like the domestic market will be key for a few years as international travel is expected to rebound at slower rates than originally anticipated. Given Canadians want to travel and are becoming more aware of and interested in the breadth of travel experiences available in Canada, investing in the domestic market is important.
- International bookings are unlikely to push their booking forward yet another year; they will likely wish to cancel their booking and obtain a refund.
- The move towards touchless travel will continue. Businesses are using technology to minimize the number of physical touch points. Not only is this now a key element in experience design it can be

a differentiator/attractor for some guests. The changes made over the last year are creating new standards and expectations.

- Visitors and staff, once vaccinated may continue to avoid close contact. Where possible provide a video orientation with a staff member available to answer questions.
- Operators indicated that word of mouth (WOM) continues to be key to obtaining new customers. Consider developing programs that will incent current customers to bring in new customers / make referrals.
- While many will be vaccinated, there will continue to be fears about variants. Be prepared to take people's fears – real and imagined – seriously and respond in a way that makes them feel they are being listened to.
- People will continue to have a preference for outdoor experiences.
- People may continue to pay the higher costs for small group experiences once things open up as they have enjoyed and found value in the depth and intimacy that comes from small group (bubble) experiences.
- There could be two summer seasons. The first a pre-season (April thru July) when the focus is an understanding of the variant and its impact on business' ability to fully open. The second season (August thru October) when business will ramp up if things go well or stay the course if need to stay the course.
- Shifts in the demographic segments likely to first return to travel. Some businesses assumed younger people would be the first to travel with older travellers returning later. However, early signals are suggesting it may be the older demographic, that has had the vaccine, that will be the first to travel. When planning, think about different demographic segments and how and when they are likely to return to travel.

Communication was seen as key to addressing a variety of issues:

- Communities can play a role in letting prospective visitors know where they can access safe and clean public facilities.
- Information showing how businesses are addressing provincial health orders needs to be easily found on websites. Videos were seen as a great way to show how things were being managed and set customer expectations.

- It can be helpful to communicate through a variety of channels as different visitor segments may use different channels. All channels must be aligned and show the same information.
- In some cases, humour can be used effectively to help people understand serious concepts, (i.e., using a paddle to show safe social distancing).

Businesses took a variety of approaches to providing new/additional value to the visitor and the community.

- Lake Field Music created a digital experience. While a zoom-based music camp will not replace the in-person program, the venture online resulted in the development of a new online winter weekend program that complements the in-person weeklong summer session.
- Travel trade are generally thought of as providing services to the international visitor, however some have begun to focus on introducing Canadians to domestic experiences
- Historically the travel trade offered one/two week itineraries to the international market, however with many businesses unwilling to commit to being open, they found it difficult to offer a lengthy itinerary. Additionally, the domestic market was not necessarily looking for the same type of experience. As a result they are now working with operators to develop micro-adventures – one-three day experiences. Partnering with the travel trade may also help operators reach new markets now and in the future as international travel opens.

- In addition to buying local, consider new ways to support the community, e.g., sponsorship of local events/issues. At this time these types of supports can be very helpful in building support with the community and the customer so make sure to communicate this support and the reasons for it, it will help others understand the values the business is build on.
- Consider applying for the Safe Travel Stamp for the business as part of a recognition with increasing importance.

An understanding of current consumer sentiment and how it is changing can be helpful in testing assumptions and designing experiences and marketing for domestic audiences. National, provincial, regional and destination marketing organizations have research that can help.

Additional Helpful Links

Canadian Resident Sentiment & Travel Related Measures research is available from [Destination Canada](#).

Individual tourism businesses and destinations can [apply through TIAO](#) for the *Safe Travel Stamp* created by WTTC (World Travel & Tourism Council) in conjunction with the industry.

Disclaimer: In providing your business with the information above and other support or advice, including information, support and/or advice relating to the Covid-19 crisis, the Tourism Café, session sponsors and topic specialists are not responsible or liable for decisions made, strategies adopted or third party program results, and specifically disclaim any responsibility for any consequences, financial or otherwise, of a business relying on our advice or using information we provide. Businesses must understand and agree that they are responsible for all actions they take and decisions they make and that they must do their own due diligence and seek appropriate legal, accounting, tax or other professional advice as they may require.