



QUESTION 5:
WHO WILL BUY YOUR EXPERIENCE?

QUESTION 4: Who will buy your experience?

In this section, we will find out who will buy your experience. We have already figured out what your business will offer and why people will buy it. The next step is to understand who will actually take advantage of your offering. This is known as identifying your target markets.



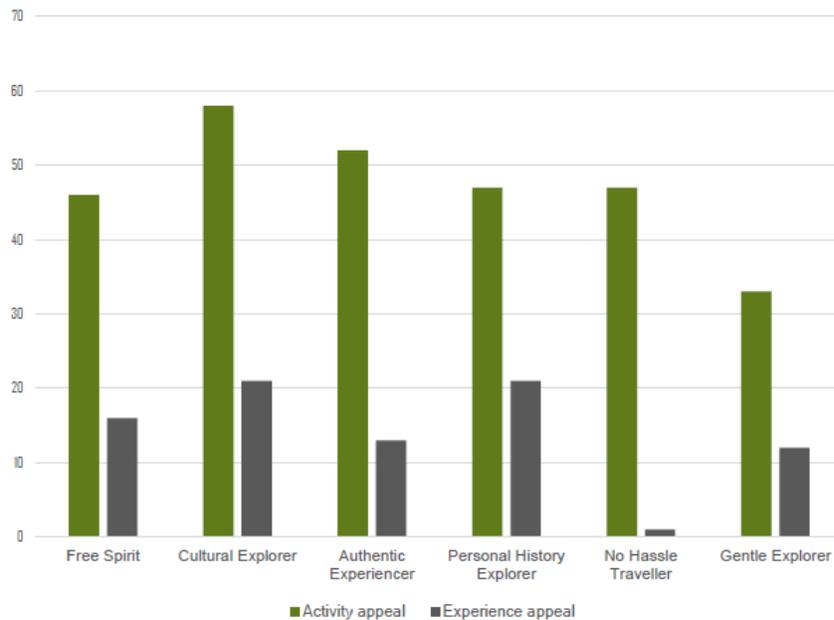
The Explorer Quotient (EQ) provides tourism businesses with valuable insights into why and how different people like to travel. Travel Alberta has identified Free Spirit Millennials as Alberta's primary target market outside the province. Within the province, Cultural Explorers represent another strong market who are attracted to the types of experiences available in Alberta. Cultural Explorers are also the strongest target market for Indigenous tourism experiences. Take some time to become familiar with the various traveller profiles developed by Destination Canada, which are available at:

<https://www.destinationcanada.com/en/tools#explorerquotient>

Free Spirits represent 13 percent of global travel markets and come from all demographic groups (age, income, education). They are youthful adventurers that come from all over the world, and they are also represented in Alberta's domestic and regional markets. They research their travel destinations, seek trustworthy marketing sources, and plan trip itineraries around Top 10 or "best of" lists. They are significantly more likely to visit many locations in a single trip, and share their travel experiences, both online and offline.

Cultural Explorers represent 12 percent of global markets. They are always planning for their next trip and are likely to travel with friends and family. They want to immerse themselves in the culture, people and settings of the places they visit. They enjoy the history, but also look to experience modern culture. Prior to every trip, they research their destination to better understand it, and once they are there, they prefer to let things unfold spontaneously. They want their trips to go beyond just seeing the tourist sites, so they strive to leave the beaten path and explore out-of-the-way places. As such, they are considered most likely to visit a rural location in Alberta.

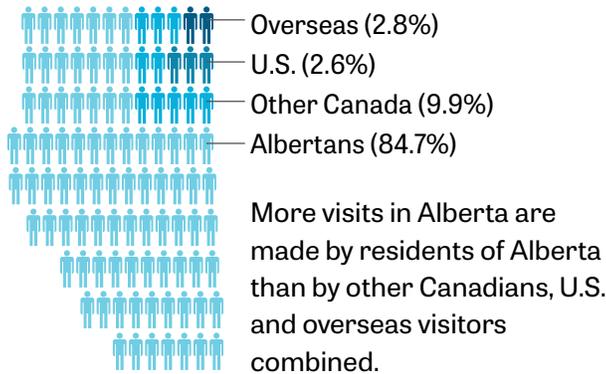
Indigenous Tourism Appeal



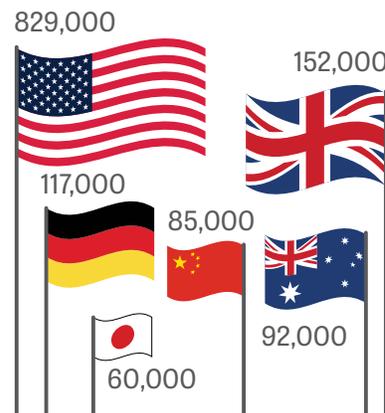
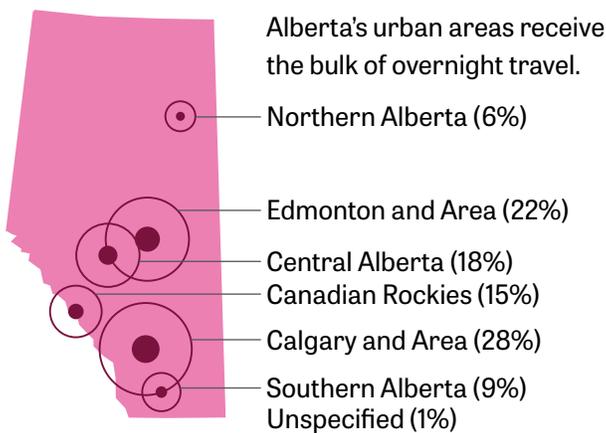
Market Characteristics of Alberta's Tourism Sector

Alberta's tourism industry has many unique market characteristics. Having a keen understanding of Alberta's market characteristics can help your tourism business succeed. When making business decisions, consider how these characteristics might impact or change how you do business.⁶

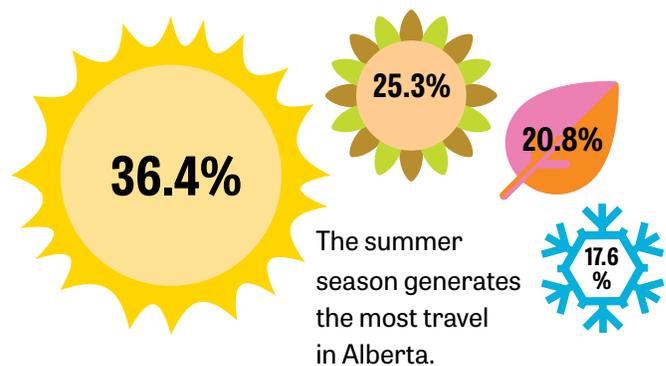
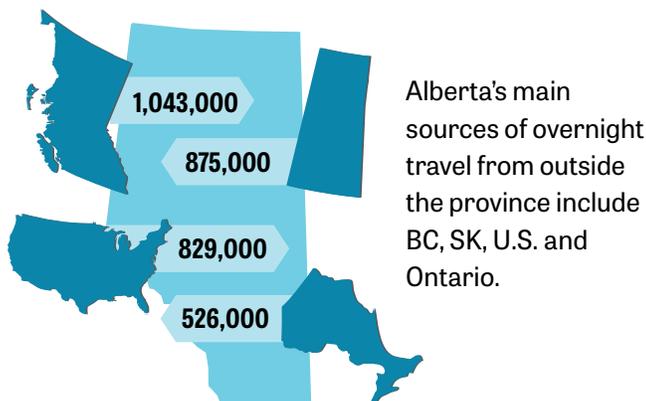
Unique tourism market characteristics in Alberta:



Visiting friends and relatives (VFR) is the primary motivation of overnight travel in Alberta across all tourism markets.



Alberta's key international tourism markets include the U.S., U.K., Germany, Australia, China, and Japan.



⁶ Alberta Culture and Tourism. (2017). A Summary of 2015 Visitor Numbers and Expenditures.

Alberta Economic Development, Trade and Tourism, Travel Alberta, and Statistics Canada provide detailed research and up-to-date data on tourism markets for free on their websites. ITAC and their partners also provide up-to-date market research for Indigenous tourism potential. You can use this information to help identify who will buy your experiences.

Alberta Economic Development, Trade and Tourism Market Research:

<https://www.alberta.ca/statistics-links-resources.aspx>

Travel Alberta Market Research: <https://industry.travelalberta.com/visitor-market-insight/tourism-indicators>

Statistics Canada Research: https://www150.statcan.gc.ca/n1/en/subjects/travel_and_tourism

Indigenous Tourism Association of Canada Research:

<https://indigenoustourism.ca/corporate/industry-research/>

Visitors are at the core of tourism businesses. Without enough visitors your business cannot survive. Therefore, it is vital to understand who your visitors are and what makes them tick (i.e. their wants, needs, motivations, and willingness to pay). Knowing who your visitors are will allow you to gauge market demand, tailor your experiences and engage with the right people. Completing Activity 7 below will help you think about who will buy your experience.



ACTIVITY Who will buy your experience?

The market identification table below will help you identify visitors that are attracted to your experience (examples of suitable answers have been provided in italics). Feel free to jot down your own answers directly in the workbook!

Market Identification Table	
Demographics	Gender: Age: Education: Income:
Where do they live? <i>local? Alberta? Canada? International?</i>	
How do they travel? <i>in a group or on their own?</i>	
What are their interests <i>hands on activities?</i> <i>nature/wildlife viewing?</i> <i>cultural immersion? Etc.</i>	• • • • •
How will your experience satisfy their interests?	
What is their willingness to pay? <i>\$10 or \$1000? What do visitors pay for similar experiences?</i>	



As tourism businesses grow, there is opportunity to begin attracting interprovincial and international visitors. Even though you may want to start with local markets - it is very important to ensure you are preparing and pricing to accommodate future markets. You need to be aware of pricing structures for market ready products so you are not under-priced as your business grows.

Little Chief Restaurant at Grey Eagle Resort and Casino: Executive Chef Bill Alexander

Grey Eagle, which sits on the Tsuut'ina Nation, has proven to be the perfect fit for Executive Chef Bill Alexander to make his mark on the growing market of Indigenous culinary experiences across Canada. Alexander oversees the menus for the entire hotel and banquet room, but Little Chief, the restaurant, is his baby with a menu in favour of an Indigenous-cuisine concept, with dishes like bison, elk, and fresh fish.

His plan with Little Chief is to tell the stories behind his dishes so that guests understand the significance of First Nations traditions without feeling like they're sitting in history class. He feels he has a real opportunity to reinvent what has been done at Grey Eagle, and put a modern twist on the food while also underscoring the importance of heritage to First Nations people, while making it easily accessible to everyone.



Executive Chef Bill Alexander



Primary Target Market: A primary target market is a segment of a marketplace that is most likely to buy a business' product or service. Members of a primary target market are a business' best customers, and make up most of the customer base.



Secondary Target Market: A secondary target market is a segment of a marketplace that is likely to buy a business' product or service, but has less demand for the product or service than the primary target market. Members of a secondary target market are still important to the business' bottom line, and may have growth potential in the future.

MILESTONE 8



MILESTONE

Now that you have thought about who your customers are, you should identify primary and secondary target markets for your business. The description of your target markets should be a brief summary of who your customers are, where they come from and why they are attracted to your experience.

Primary Target Market

Secondary Target Market



Victoria Settlement
Travel Alberta / Roth and Ramberg

QUESTION 6:
WHO ARE YOUR
COMPETITORS?

QUESTION 6: Who are your competitors?

In this section, we will identify *who your competitors are*. The existence of competitors signals that there is existing demand for your experience. Having a sound understanding of your competition will help you make key business decisions, such as what your experience will offer and how much you should charge. You will need to consider *direct* and *indirect* competitors in order to identify who your competition is.

Direct Competitors

Direct competitors include businesses that offer experiences that are essentially the same as what your business offers

Indirect Competitors

Indirect competitors include businesses that offer different experiences that could satisfy the same visitor needs as your experience (see tip below for an example).



In tourism, your competitors are any business that attracts your primary and/or secondary target markets. This means that they may not even offer the same experiences that you do. For example, horse-drawn sleigh rides and dog sled tours both attract visitors who want to be transported around a destination in a unique way, so they can take in the sights and sounds. These are different experiences, but they both attract similar markets. Take this into consideration when identifying your competition.

Activity 8 on the next page shows you what kind of information you should gather on your competition.



ACTIVITY Who are your competitors?

The competitor identification table below will help you identify your competition. Feel free to jot down your answers directly in the workbook!

Competitor Identification Table				
Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
1.		Experience 1:		
		Experience 2:		
		Experience 3:		

Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
2.		Experience 1:		
		Experience 2:		
		Experience 3:		

Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
3.		Experience 1:		
		Experience 2:		
		Experience 3:		



Tourism is a unique industry as it is important to collaborate with similar tourism experiences, even though they may appear to be your competition, to help make the destination more appealing to your target market. Whenever a competitor is identified, it is worthwhile to think about how you can work cooperatively for the benefit of both businesses. For example, when similar experiences are clustered together, that place can become known as a location to do that activity (e.g. skiing in the Rocky Mountains). Clustering experiences can be an excellent way to attract additional visitation to a destination.



Take some time to think about how you can work together with your direct and indirect competitors. Are there any joint packages or experiences you can create? Share in promotional activities? You can write your ideas down in the space below.



QUESTION 7:
WHAT IS YOUR
COMPETITIVE
ADVANTAGE?

QUESTION 7: What is your competitive advantage(s)?

In this section, we will identify what your competitive advantage(s) is. Your competitive advantage is what sets you apart from the competition and differentiates your offering in the eyes of visitors. It can be one thing, or a combination of things, that gives your business an edge over the competition and makes your business more attractive to visitors (e.g. includes Indigenous perspective, more value for money, best location, high quality customer service, etc.)



ACTIVITY What is your competitive advantage?

Answer the questions below to find out what your competitive advantage will be. Think back to your answers in Question 4 (pg. 35) and Question 6 (pg. 44) to help you think about how your offering will be unique. Feel free to jot down your answers directly in the workbook!

1. What will your customers see as the main value your business provides?

2. What is unique about your business that makes you stand out from your competition?

3. Have you incorporated an Indigenous cultural experience that is authentic and something they cannot experience anywhere else?

Brainstorm some other key words that describe what your competitive advantage will be in the space below.



Unforeseen events such as changes in visitor preferences, a downturn in the economy, government policy changes, major currency fluctuations or new competitors entering the market – can affect the startup of your business. You should keep close tabs on the latest market and industry research in order to maintain your competitive advantage.



Successful tourism entrepreneurs minimize and manage risk through proper business planning and assessment of their venture's prospects for success. Consider common issues and problems that may arise in your business, such as community challenges/access, human resource issues, poor weather, equipment malfunction, etc.

MILESTONE 9



MILESTONE

Now that you have brainstormed some ideas, summarize your competitive advantage below. Your answer should be short, clear and compelling.

What is your competitive advantage?
