

Group Tours for the 21st Century

2009 Utah Tourism Conference

Layton, Utah

Keith Griffall

Western Leisure Tours

Patti Denny

Utah Office of Tourism

Becki Lewis

Xanterra Parks & Resorts

Haybina Hao

Western Leisure Tours

Audience Participation

- This is an interactive seminar and we will be looking for ideas from the audience. New ideas and pitfalls are best learned from our peers in Utah and this is the time to share your experiences with your fellow Tourism Professionals.

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Why Change Your Business- it's worked for 30 years!

Tourism entities owe it to themselves, their companies and their employees to implement a business plan that gives them the opportunity to grow and be profitable in a rapidly changing tourism industry.

The World is changing around you -
Open your eyes to new opportunities

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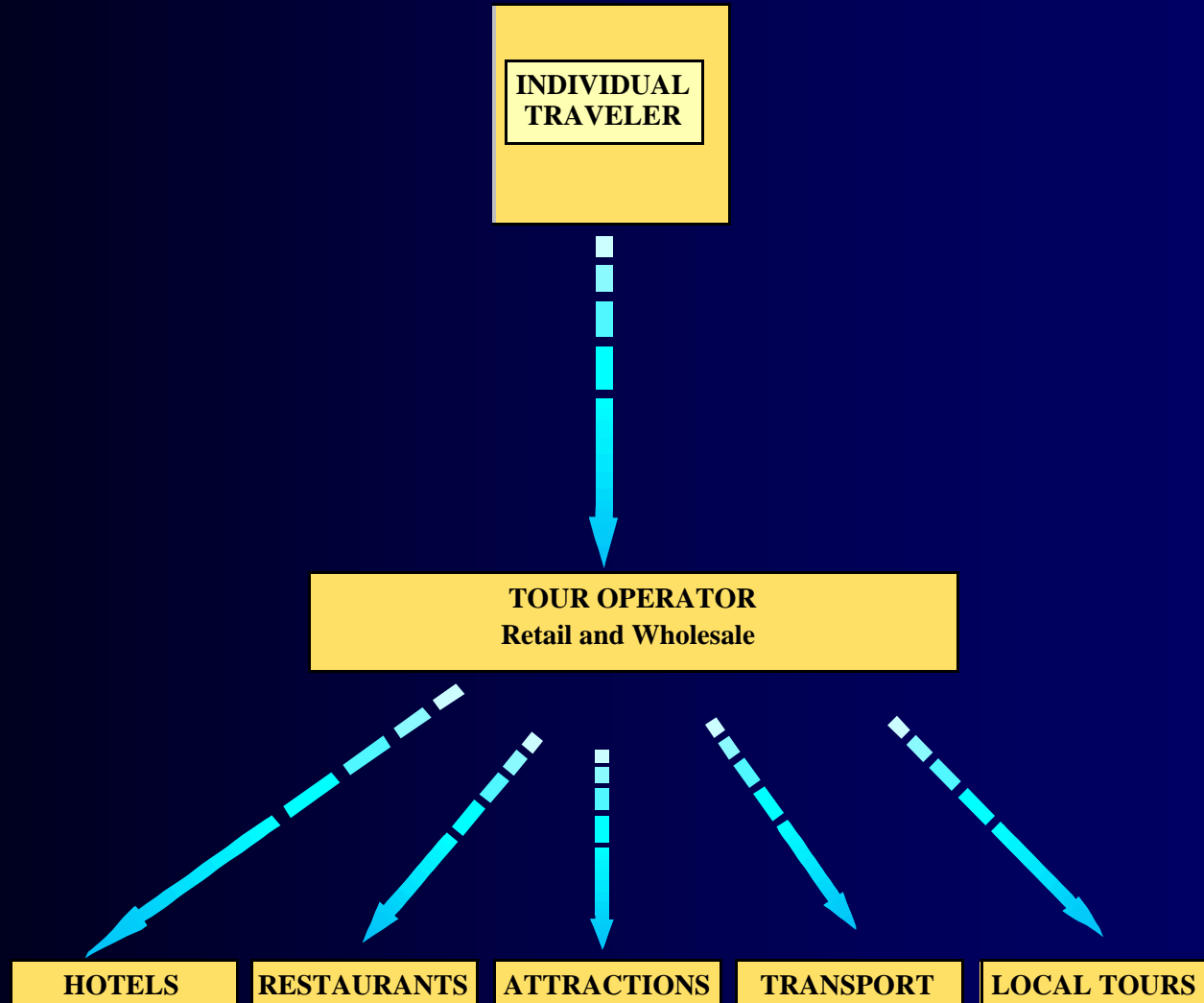
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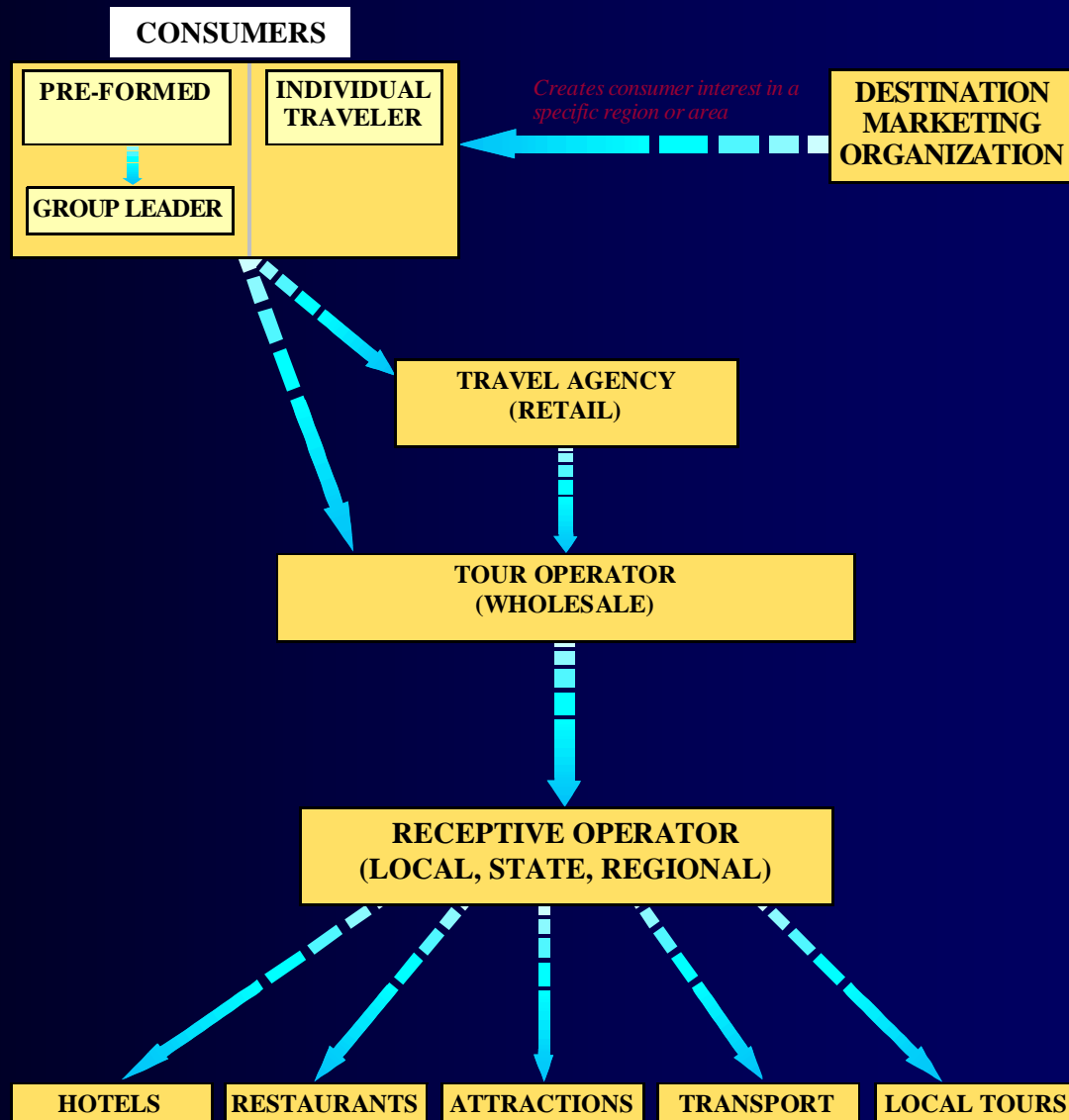
TOUR MARKET OVERVIEW

Past



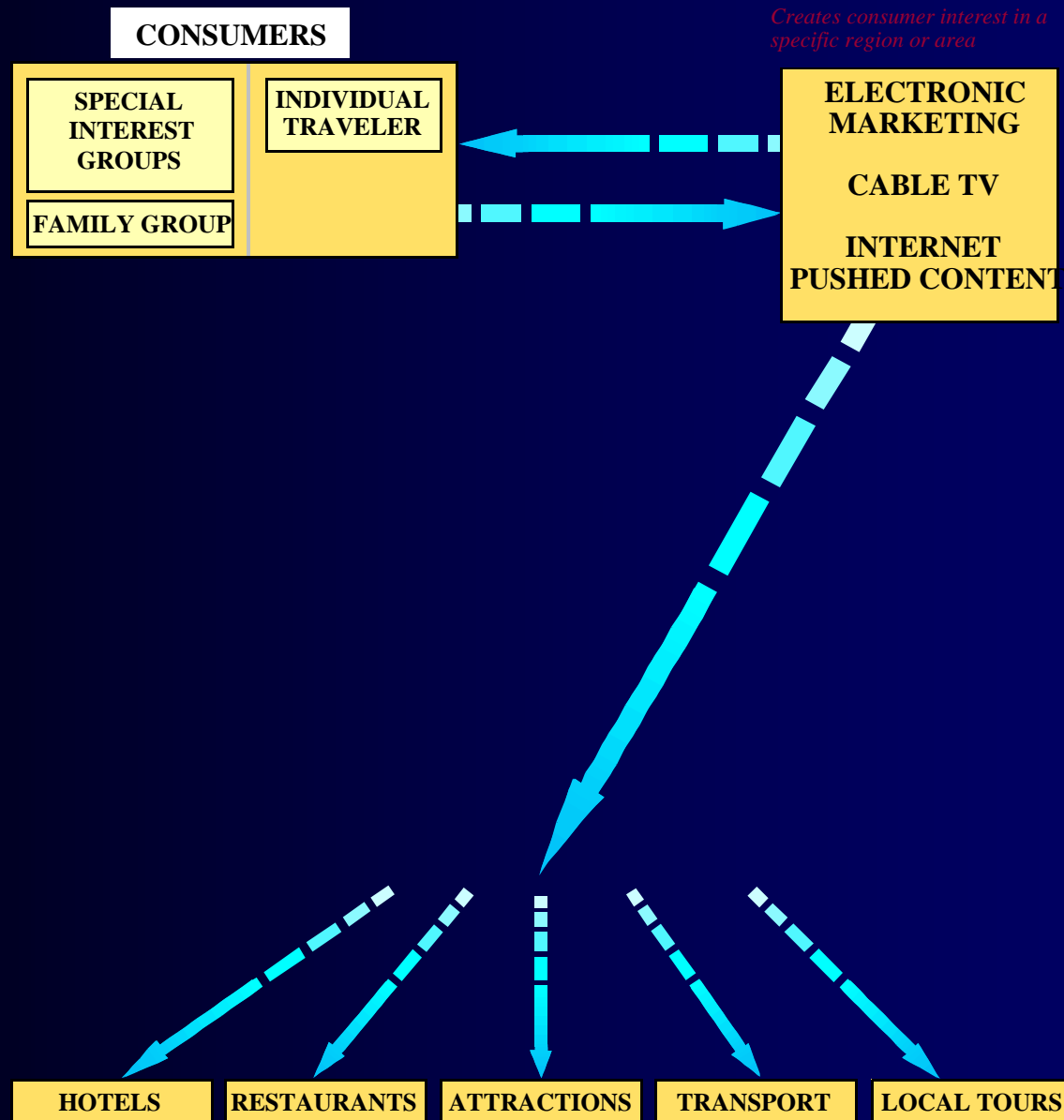
TOUR MARKET OVERVIEW

Present Time




TOUR MARKET OVERVIEW

Possible Future Market



A detailed view of the spiral galaxy NGC 3370, showing its central core and multiple arms of stars and dust. The galaxy is set against a dark background filled with numerous other stars and distant galaxies. The text "Looking into the Future" is overlaid in a golden-yellow serif font.

Looking into the Future

Spiral Galaxy NGC 3370  HUBBLESITE.org

Maintain Relationships

- Peaks and Valleys
- 1-2 years before recovery
- Rates

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Sell Your Area First!

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Be Flexible in Your Policies

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Is China in Your Future?

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THE TRAVELERS

- Government officials
- Business travelers
- Leisure travelers
- Student summer camps
- Special interest groups
- Average budget \$6,000 p.p.

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THE PLAYERS

- 20,000 Chinese tour companies -10% are licensed for outbound
- Biggest players: CTS, CITS, CYTS, CKH...
- Small but legitimate players
- Ambitious entrepreneurs

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THE CHALLENGES

- Visa
- On-going regulations/interventions
- Extremely price conscious
- Last minute booking
- Tempo & expectations
- New Technologies

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THE FUTURE

- Expect roller coaster ride
- Promote sense of unity
- Develop unique products
- Adaptability
- Balance marketing/delivering
- Update technology
- Increase cultural awareness

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INVESTING IN THE FUTURE

MOTOR COACHES are the **GREENEST** way to travel -

Buses average 206.6 passengers per mile per gallon

Cars average 27.2 miles per gallon

American Bus Association

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RETURN ON INVESTMENT

**1 Bus Tour + 1 Night in 1 Destination
= stimulation of local economy with up to**

\$12,000 in spending

**on hotels, dining, attractions and retail purchases
that generate tax revenue and create jobs.**

American Bus Association

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UOT GROUP TRAVEL DEVELOPMENT ACTIVITIES

- *Trade Shows – Addison Canada, ITB Asia & Berlin, World Travel Market, NTA, Go West, Pow Wow*
- Sales Missions
- FAM Tours
- ABA Top 100 Event Listings
- Member of NTA
- Advertising - TV & Print

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UTAH GROUP BUSINESS GETTING STRONGER

The Outlets at Zion

- 1st Quarter 2009 Stats

<u>2008</u>	<u>2009</u>	<u>Increase</u>
48	59	22.92%

- Passenger Comparison

<u>2008</u>	<u>2009</u>	<u>Increase</u>
1,978	2,258	14.16%

- Countries: Germany, France, Denmark, China, UK, The Netherlands, Hungary, Other

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UOT PARTNER EXPERIENCE

Neil Wilkinson, Temple Square Hospitality:

“We are very excited for the start to the 2009 group season. We have new tour companies, increased bookings and more interest/bookings for optional sells. We also have an increased interest in media from the French Market, and look forward to a Japanese market increase, due to the direct flight coming from Tokyo.”

Rachel Bremer, Shilo Inn, Salt Lake City:

“Group and Motor Coach Tours have more than doubled from 2008 and interest is high for 2010 bookings. International is stronger than domestic.”

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UOT PARTNER EXPERIENCE

Dennis Copyak, Le Bus:

“Tours are down about 30% but we have 50 solid tours on the books. We are seeing a bounce back factor, with companies booking later. Receiving many requests from China and interest from niche markets such as military tours. Business is there, we just have to dig a little harder and deeper.”

Dennis Porter, Red Lion:

“Despite the doom and gloom announcements by government, media and economic experts, the Red Lion Hotel is expecting a surprisingly healthy tourist season. We have **NOT** experienced any more or fewer cancellations than in previous, non-recessionary years. We are currently trending to be on par with the 2008 season and are optimistic the current trend will continue through the remainder of 2009.”

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SALT LAKE CITY TO HOST MEETING PROFESSIONALS INTERNATIONAL (MPI)

**World Education Congress
July 10 to 14, 2009**

3,500 Delegates from 20 countries

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The Future of Group Tours

2009 Utah Tourism Conference

Layton, Utah

Keith Griffall

keith@westernleisure.com

www.westernleisure.com

Patti Denny

pdenney@utah.gov

<http://travel.utah.gov>

Becki Lewis

blewis@xanterra.com

www.xanterra.com

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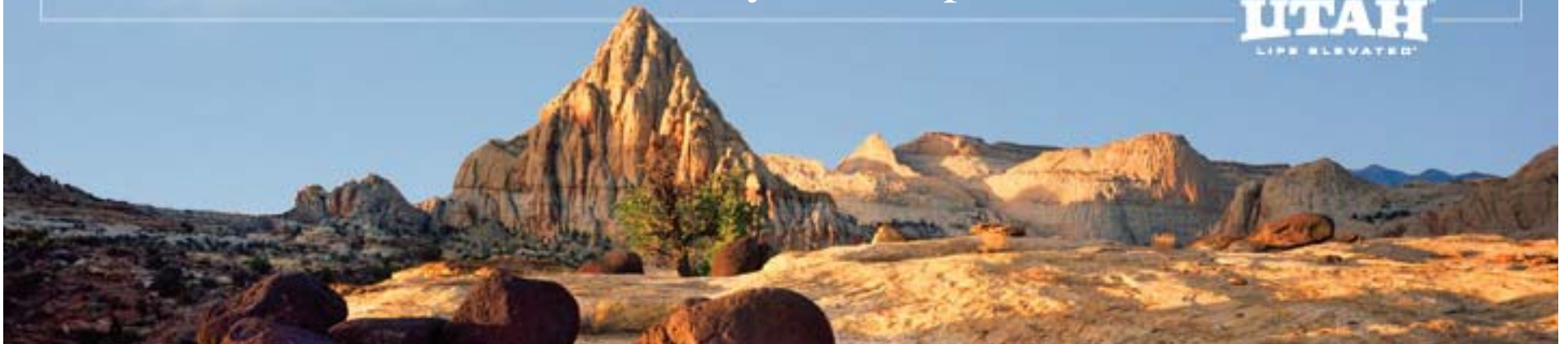
haybina@westernleisure.com

www.westernleisure.com

Issues Affecting Travel

- Outside Influences
 - Travel Alerts/Terrorism/Political Unrest
 - Currency Flucuations
 - Health Alerts (Sars/MadCow/SickPig?)
- Industry Issues
 - Keeping up with Technology
 - Changing Demographics
 - Changing Buying Patterns
 - Globalization of your competitors

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Technology

Communication

Automated Office Systems

CRM and Database mining

Internet

Consumer Knowledge

Industry Marketing

Mobility of Travelers

Passenger Comfort



Market Trends

- More active vacations
- Inter-generational tours
- Cause related marketing and events
- Special interest tours
- Out of the ordinary experiences “real”
- Need for convenience, affordable, different
- Looking for more Diverse, Flexible, Independent

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Changing Customer Needs

- Time constraints due to longer work hours
- Demands of value conscious consumers.
- Change in basic values with greater concern for the environment
- Quality over cost
- Increased demand for lifelong learning
- Comfort, safety, security and convenience will be key psychological needs of older consumers
- Later retirement and more part-time work.
- Interpersonal relationships will be more likely among several generations of parents and adult children who have become peers.
- Grandparents account for nearly 30% of money spent on toys
- Average American woman can expect to spend more years caring for her parents than she did caring for her children.

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Maximizing Your Opportunities

- **Opportunities** abound where people are in the pursuit of uncharted experiences.
- Have several **Creative Products** ready to take off the shelf when necessary.
- Keep your **mind open**, your **dreams alive** and your **common sense** close at hand.

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Business Environment

- Pace of Change
- Tight Government Promotional Budgets
- Lack of Trained Personnel
- Increasing Industry Taxation and Regulation
- Consolidation
- Sustainable Tourism
- Safety
- Global Economy

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