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On-Line Readiness Assessment & Strategic Plan

For Atlantic Canada's Tourism Industry

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EXECUTIVE SUMMARY

The Atlantic Canada Tourism Partnership (ACTP) is a nine member pan-Atlantic partnership comprised of the Atlantic Canada Opportunities Agency (ACOA), the four Atlantic Provinces, and the four Atlantic Region Tourism Industry Associations. The ACTP has established a 10-member taskforce to undertake research into the On-line Readiness of the region's fixed roofed accommodation providers (SMEs).

In the spring of 2006, this task force engaged schark! to undertake research into the On-line Readiness of the region's fixed roofed accommodation providers (SMEs). The focus of the research was to provide a clear picture of the industry's current state of on-line capability, and is also meant to draw an in-depth picture of industry trends as well as consumer preferences and habits in key market segments. The gap between industry capability and consumer demand is to be the focus of a strategic plan designed to close the gap and significantly enhance the On-line Readiness of the fixed roof sector (SME) of the tourism industry in Atlantic Canada.

The research was conducted in three stages:

Secondary Research Review

- This phase involved a high level scan of secondary research relevant to the online travel industry and future trends in the market. The objective was to develop a synopsis that covers the three main themes of this research report: consumer expectations, SME sector focus and future strategic trends.

Consumer Research

- In order to carry out the primary research we began with consumer focus groups in relevant geographic markets for the Atlantic Tourism Industry: Boston, Toronto and Montreal. These markets were agreed upon by the ACTP Steering Committee as geographic locations targeted by all four Atlantic Canadian Provinces Tourism departments. Our objective was to establish a benchmark of consumer needs of a fixed roof accommodation provider's website, which can be compared to the current options in the marketplace.

  The respondents in each focus group session were household travel decision makers who have booked travel at least occasionally online. In Toronto and Boston, the group breakdown was a group of Generation X travelers (age 30-45); and one group of Baby

Boomer travelers (age 46-60). In Montreal one group was conducted in French and one group in English. There was a mix of ages and gender in each group.

SME Research

- Stage two of the primary research involved ten-minute phone surveys with small fixed roof accommodation providers in Atlantic Canada. Each provincial representative from the steering committee provided a provincial database of fixed roof accommodation providers for our use.

  We had anticipated completing 750 surveys within a two week period. However response rates were low. Over 2,145 phone calls were made, with 59 refusals, 58 'closed for the season' messages and 1,645 no answers, listings only, or disconnected numbers. Phone numbers were called at least three times in an effort to reach respondents. The result was the completion of 374 phone surveys.

  The regional breakdown of the successful phone surveys was:

New Brunswick	66 completed surveys
Nova Scotia	161 completed surveys
Newfoundland & Labrador	93 completed surveys
Prince Edward Island	55 completed surveys
TOTAL	374 completed surveys

SME Website Evaluation

- The third stage of the primary research was to conduct an evaluation of SME websites. Once the interview was complete the interviewee conducted an evaluation of the SME website based on the criteria outlined by the consumer groups. The team conducting the interviews and reviewing the sites are experts in website content, and are referred to as content experts. Please refer to Appendix 8 for the Website Evaluation Questions, and Appendix 9 for the results data.

THE CONCLUSIONS OF THE ONLINE READINESS STUDY ARE:

1. There is a large gap between what consumers expect from an SME website and what is currently being delivered.
2. There is a need to address the elements quickly. Users are constantly being exposed to new technology and better user experiences; in so doing they are constantly updating their requirements to qualify a good user experience.
3. Education and training are necessary with the SMEs to have them adapt appropriately.
4. SME websites will need to include online booking functionality in order to start meeting consumer demands. Solutions that help SMEs stay one step ahead of what consumer's currently expect to find online will help achieve a 9/10 user satisfaction level on their sites and will book more rooms.
5. It is important to start evaluating and considering, on behalf of the SMEs, online booking alternatives that will meet their needs and stay within their website maintenance budgets.
6. If the actions outlined within the suggested strategy are implemented in a timely fashion, we believe it will improve the online user experience of potential travelers and help 'close the deal' in terms of booking.

Below is a review of other major findings.

The research confirmed the rising use of the Internet in tourism and travel planning. The majority of transactions will occur on-line within the next 3-5 years. SME websites need to be in a position to provide online booking on their websites to stay competitive in the marketplace. (Emarket.com anticipates that up to 62% of travelers will book directly with the supplier by 2010.)

Inspiration, the first step in travel planning is still the domain of internal or human factors such as advertising or consulting with friends and family. However, once their imagination has been captured consumers quickly turn to the Internet to research, plan and increasingly, book travel. Once consumers have narrowed their vacation or travel options, individual operator websites become increasingly important as potential travelers toggle between these sites and central or aggregator sites hunting for information, deals and other opportunities that meet their needs.

This is the jump-on point for operator sites, and it is at this point that consumers' needs and preferences must be met or they will quickly click on to another site.

Consumers are clearly looking for as much relevant information as possible to make a well informed decision for their vacation. The more relevant and timely information that can be found on one site (or connected sites), the more it demonstrates to the user the SME's attention to detail and service. Respondents wanted to know local information, calendar of events, restaurants, shops, night life… not only *contact us* and room details.

Specifically, they want to see a fairly complete picture of the property, what rooms are available, when and at what rate, as well information about the surrounding area to help them make their choice.

In comparing these consumer and market trends to current industry capability the gap is clear. Many operators either do not provide, or do not make easily available (defined as available where/when/how consumers desire) the core elements desired by consumers to entice a sale.

Overall, the findings indicate there is a large variance between:

1) Perception
   a) The difference in viewpoint between consumers and operators as to the role, value and effectiveness of their website.
2) Content
   a) The difference between consumers' expectations and industry's presentation of the type, quality, positioning and usability of the information elements provided on their websites.
3) Ability to book on-line
   a) The difference between traveler's preferences for on-line booking functionality including the availability of associated information such as rates, room availability and packages, and what operators are currently providing in this regard.

KEY LEARNINGS TO IMPROVING THE ONLINE READINESS OF ATLANTIC SMES:

1. On-line booking is one of the major booking mechanisms in use today, and trends indicate that it will become the largest single mechanism within the next three to five years.
2. Consumers place a high importance on operator websites. If they do not like what they see, they will not book with you.
3. This trend is increasing fast.
4. Atlantic Canadian SMEs are not meeting the standards expected by consumers today.
5. This is having a negative impact on bookings.
6. As the expectations of consumers increase, this impact will continue, and grow.
7. If this trend is not reversed *now*, bookings will be impacted even more negatively than they are today.

In considering how to plan to close these gaps, several implications are clear;

- *Start now.* The time to start closing the gaps in content, presentation and capability is now. If operators wait too long they will be left behind and consumers will be choosing other destinations.
- The initial barrier to change at this point is perception. SMEs must see the need to change before they will be receptive to any message about how to do so.
- Consumers are buying experiences, yet the industry is still selling product. There is an immediate need for a fundamental shift in orientation towards a consumer oriented, experiential sale. This task involves not only a shift in orientation, but also in action. As such, it will be important to present options to industry that are effective and affordable when addressing this gap to ensure that activity is taken and the gap is in fact closed.
- Emerging trends, such as online booking on SME websites, must be considered by ACTP to ensure proper adoption and implementation of the tool by the majority of SMEs by 2010.
- The orientation of this study, and the gaps discussed all refer to the present day. Programs that contain elements of on-going training, a focus on sustainable technology and problem solving approaches that are designed to evolve forward with time must all be considered if the industry is to establish and maintain a leadership position.

The plan to close these gaps is composed of three basic elements, educating, training and delivery of capability.

Education

Industry needs to be provided with a clear picture of where it stands, as well as the key issues and trends that make up the compelling story for change. The education piece must "sell" the operator on the need to change, and not just focus on the basic facts. To support this "sales pitch" a professionally crafted and delivered series of seminars should be considered to make sessions engaging and to ensure key messages get through.

Training

Once an operator understands the need to change, many questions will need to be addressed to assist them in doing so. Costs, options, priorities and next steps from here will all be on their minds as they grapple with how to close the gaps in their own websites. A stepped approach is suggested whereby operators are supported in making changes through information about viable options, as well as the implications and benefits of each.

Capability

Due to the nature and complexity of the various technical options available today, we do not provide an exhaustive list of options in terms of how to deploy the functionality required to close the gaps in content, on-line booking and other key elements of a best practices website.

Rather, we provide a process for establishing an appropriate list of solutions which could be recommended to operators to close the key gaps in capability discussed thus far. The first step is to make sure that the solution satisfies the needs of consumers, the second is to make sure it fits from all of the other stakeholder perspectives such as industry, ACTP, TIAs, and any funding partners. In this way any proposed solution, be it an existing or a new one can be objectively assessed for overall fit and ability to truly solve the problem.

By using this multi-step process, solutions can be examined from the many different perspectives that need to be considered in order to determine if they are able to provide a best practices approach, and can they do so while also meeting the many other requirements that have to be satisfied.

Advances in technology, rising consumer expectations and the continuing efforts of the competition all create and atmosphere of continuous change, and therefore the need for continuous improvement. Executing this plan alone will not result in the immediate and sustained success of the Atlantic Canadian SME sector. Overall, it has become obvious that an on-going sustained effort will be required in order to move, and keep industry at the forefront of competitiveness.

Following are specific actions to be considered and taken in order to improve the online readiness of the Atlantic Canadian SME websites. The actions have been broken down into the planning and buying cycle of the traveler. With that said, specific deliverables could and should be co-managed by two or more ‘owners’. The actions follow the required improvements/changes of the planning cycle to increase the likelihood of a consumers’ to choose and book with an Atlantic SME.

Inspiration

Owner: Provincial Tourism Departments and ACTP

Role: To create the interest and desire amongst travelers to travel to Atlantic Canada.

Execution Elements:

Strategic Marketing Communication Plans that cover all mediums of communication. Advertising, Direct Mail, Collateral Material, Out of Home, Public Relations are all tools that are currently used to inspire travelers. This is the much needed spark that is required to put Atlantic Canada on a tourist’s ‘wish list’.

Research

Owner: Provincial Tourism Department, Tourism Association

Role: To provide an online experience that delivers to the inspiration created through traditional advertising and public relations. And to provide a complete picture of a jurisdiction so as to help the traveler narrow their choices of which Province or Region they wish to travel.

Execution Elements:

1. Strategic search engine marketing strategy that ensures that consumers are finding the Provincial or Association websites.
2. Effective Provincial Tourism websites that are easy to navigate, search and sells the experience of the Province to draw the traveler in to wanting to know more.
3. Lead by example by offering functionality and rich content that anticipates the user’s needs as discovered in our consumer focus group sessions. Examples include: interactive mapping, itinerary planning based in Time and Distance.

Narrowing Options

There are three f actions and owners to improve the narrowing options to ensure improvement of the current SME's user satisfaction rating.

Owner: Tourism Associations

Role: To manage the execution of a seminar program that address the wide perception gap of what consumers expect from SME websites and what is currently being delivered.

Execution Elements:

1. It is recommended that a communication plan and program be set in place to 'sell' the SMEs on the merit of a seminar program to learn about what consumers expect from an SME website, and what the SMEs should expect from their own website.
2. The seminar sessions objective is to change the perception of the SME owners of what they need to deliver as an experience through their website. The sessions should be facilitated by someone who has experience in user centered design and usability. This, we believe, will ensure that the content of the seminars is coming from an 'expert' in the field.
3. A specific seminar on the emerging trend of online booking would help set the stage with the SMEs that it is an emerging trend that will effect them directly.
4. Timing is imperative to move quickly in communicating the facts from this study to the SME owners. The further time removed from the explanation and importance of the findings the less relevant it will appear.

Owner: Tourism Associations

Role: To manage a training program that addresses moving the current consumer website satisfaction level from a 6/10 to a 9/10.

Execution Elements:

1. We would recommend a training model of one-on-one sessions with individual SME owners/operators. This would ensure that the content is relevant to helping them meet their objectives.
    a. We suggest the trainer provide an assessment of their current website by conducting a specific heuristic evaluation of their website before sitting down with the SME owner.
    b. Feedback would be categorized based on a severity rating of the user experience. This allows us to help the SME categorize the urgency level of the changes being discussed.

c. The heuristic evaluation could be conducted after a specific period of time to assess if an improved user experience was achieved.
d. Training would also cover discussion points of future trends and best practices to consider for online booking and enriching content.

Owner: TourismTechnology.com

Role: To manage the requirement gathering of Best Practice information on specific functionality that will improve the user experience on SME websites.

Execution Elements

1. Two clear functionality to improving the online experience for the user includes online booking and enriching the content of the SME websites. As with many technology integrations there are many recommendations to be considered and vetted from the different players at the table. It is important that we look at the most viable options for the SME owner that will also meet the user needs.
2. A requirements and implication document would be developed through the help of a technology provider. By going through the process outlined in the strategy section, a best practice list of suggested options and cost for the SMEs would be created.

Booking

Owner: SME and ACTP

Role: To consider the best long term solution for online booking capabilities for the SME owner.

Execution Element:

1. The investments into online booking will be substantial for the SME. It is recommended that while the education and training into improving the current online readiness of the SME market, that ACTP review the feasibility options and best approach to delivering the functionality so that the majority of SMEs in Atlantic Canada are offering online booking on their website by 2010.
2. Develop an incentive program which will ensure the adoption of online booking offering within the SME market. This would circle back to the training offered in online delivery to ensure a consistent message of providing a good user experience.

RESEARCH

The following section is an overview of the research reviewed and conducted during this study. The objective is to provide a comprehensive and detailed overview on which ACTP and their partners may make strategic decisions generally, as well as specifically improving the online readiness of fixed roof accommodation providers' websites in Atlantic Canada.

The presented research while being all-encompassing, has been undertaken from a Usability and Design perspective, focusing in particular on understanding consumers' expectations of accommodation websites, the current state of the Atlantic Canadian SME websites and our understanding of future trends and directions for SME websites.

The research has been conducted in three stages: Secondary Research Review, Consumer Expectations and SME Website Evaluation through SME phone surveys and Content Expert reviews of surveyed SME's websites.

A gap analysis concludes this section of the report and provides a summary of the key issues faced by Atlantic Canadian Fixed Roof Accommodations providers in meeting consumer expectations of their websites.

IMPORTANT NOTE:

The research indicates there is currently a large gap between consumer expectation and what SMEs are delivering as an online experience. The findings indicate there is an alarming variance between:

1. What consumer's expect from fixed roof accommodation websites, and what is currently being delivered.
2. The caliber of on-line experience SME's in Atlantic Canada perceive they are providing and what consumer's indicate they are looking for.
3. The caliber of on-line experience SME's in Atlantic Canada perceive they are delivering and what content experts perceive they are delivering vis-à-vis consumer expectations.
4. The preparedness and ability of the SME to offer on-line booking in order to meet the overwhelming market trend in that direction. Consumers indicate that they will not book-online on a site they perceive as unprofessional, or of poor quality overall. Given that SMEs will first need to address these issues before consumers will even want to book on-line with them, it will take some time for SMEs to be able to effectively entice consumers to book with them
5. *The time to start is now*.

The key area of concentration for the gap analysis stem from the variance in perception of what is required to develop and maintain an effective fixed roof accommodation website, be it through the eyes of a consumer, a provider, or a content expert.

Following is a synopsis of each stage of research, with a view of key findings, followed by the detailed findings from the research study itself.

SECONDARY RESEARCH

This phase involved a high level scan of secondary research relevant to the online travel industry and future trends in the market. The objective was to develop a synopsis that covers the three main themes of this research report: consumer expectations, SME sector focus and future strategic trends.

Key findings from the secondary research have been used throughout this report to support findings from our primary research, and validate the identified gaps and strategies. A bibliography of all reviewed secondary research can be found in Appendix 1.

Following are three tables (Tables 1-3) of importance to our research study, as they highlight and profile findings relevant to the consumer expectations of SME websites. The tables cover such topics as branding, closing the sale, content requirements and technology. These tables set the ground work for the primary research findings. For a detailed synopsis of the findings, please refer to Appendix 2.

Table 1 - Consumer Expectations

- **The Importance of Brand Trust**
    - “At the time of making a travel purchase decision, approximately four in ten online travelers (39%) indicated that the brand of the travel product was import to their purchase decision” (Estis-Green, pg. 24)
    - The promotion and use of accommodation grading services, payment method brands (Visa/MasterCard/etc), Provincial Tourism Association memberships, and other membership participation helps leverage other brand to create creditability.

- **The Target Group**
    - “There appears to be a trend towards a more diverse economic group entering into the practice of online planning. Another shift in the last year, supported by the shift

in more women using the Internet in general, is towards a higher percentage of women doing online travel planning.” (Estis-Green, pg. 16)

- **Success Factors**
  - Currently when travelers are researching and booking online they want to have a readily accessible toll-free number on the website to use. By 2010 they will be looking to book online.
  - For improved scanability of information during research and usability during transaction activities, linking of information, primarily accommodation availability is often quoted as a success factor.
  - A previous research suggests travelers use and enjoy just-in-time delivery of services - (12%) claim that they have taken a trip they otherwise would not have taken based on an emailed travel promotion, discount, or offer.” (Estis-Green, page 40).

Table 2 – SME Sector Focus

- The SME make up a majority of the accommodation sector in Atlantic Canada appear to have challenges meeting the online customer’s expectations. Selling of the experience is a required element on SME websites to help close the deal.
  - Innovative technologies are often slow in moving into the SME environment. The SME operators identified many reasons to prevent them from moving forward with new technologies, most often sighted is costs (23%), while close behind is unsure of any barriers (22%) and lack of knowledge (10%). (TourismTechnlogy.com Program Evaluation, pg. 27)
  - Having the technology and using it effectively are separate items. Less than half (46%) of the tourism operators surveyed consider themselves somewhat (31%) or very (15%) knowledgeable about computers and technology in general”. (Tourism Technology.com, Program Evaluation, pg 15.)
  - Leveraging brands that the SME’s associates with such as provincial or regional associations, will help in creating a comfort level for online purchasing, as it has with other industries. Branding really helps online purchases (Estis-Green, 2005)

Table 3 – Future Trends

- **Transactional**
    - Current research shows that online travel purchases are expected to grow at somewhere between 20% and 30% in the next three years (In Road for Online Travel, 2005)
    - Emarket.com anticipates that up to 62% of travelers will book directly with the supplier by 2010.
- **Emergent Technologies**
    - Travel providers in Atlantic Canada have recently (2005) reported costs, lack of technology knowledge, and lack of training as barriers to using online technology more effectively to better their business. (Tourism Technology.com, Program Evaluation, pg. 19).
    - Property management online booking services are typically under used because of cost (usually a monthly maintenance and % booking fee) and because of challenges to integrating into the properties current website.
    - We have witnessed the larger players integrate greater visual representation into their travel products in the last 3 years. Virtual tours are now starting to become standard with larger hotels, high-end package tours, cruises and destinations. PhoCus Wright reports in 2006 that because of broadband penetration increases with consumers, Rich Media has the potential to differentiate hotel rooms, and general sales.
    - Moderated chat rooms, tagging sites and blogs are extending the experience of travel and provide personal insights from traveler direct to traveler. PhoCus Wright calls this “social web technologies” and reports it to be an ever-increasing influence for researching travel and influencing travel purchases. Providing independent third party endorsements often works towards closing the sale. (Hsieh, Ting-Chun 2006).
    - PhoCus Wright puts RSS in with other trends that allow for snacking or bit size customization of content to users for consumption. PhoCus Wright is most interested in watching its delivery into personal portable devices, including mobile telephones, PDAs and iPods. (Bray, John, Pg. 4)

PRIMARY RESEARCH

This section of the research was developed to gather explicit, timely and relevant information specific to the Atlantic Canada fixed roof accommodation online travel industry, and consumers' expectation of accommodation websites. The primary research was divided up into three stages: Consumer Focus Groups, SME phone surveys, SME website evaluations.

Following is a description of each stage of primary research, the high level findings, followed by the detailed findings.

Stage One - Consumer Focus Groups

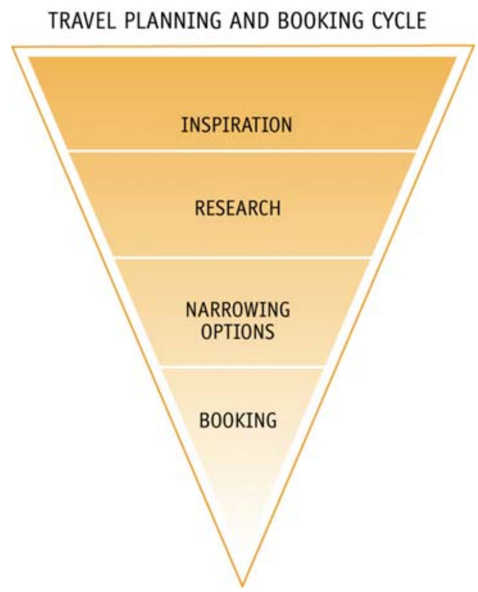
In order to carry out the primary research we began with consumer focus groups in relevant geographic markets for the Atlantic Tourism Industry: Boston, Toronto and Montreal. These markets were agreed upon by the ACTP Steering Committee as geographic locations targeted by all four Atlantic Canadian Provinces Tourism departments. Our objective was to establish a benchmark of consumer needs of a fixed roof accommodation provider's website, which can be compared to the current options in the marketplace.

The respondents in each focus group session were household travel decision makers who have booked travel at least occasionally online. In Toronto and Boston, the group breakdown was a group of Generation X travelers (age 30-45); and one group of Baby Boomer travelers (age 46-60). In Montreal one group was conducted in French and one group in English. There was a mix of ages and gender in each group. For more details on the participants, please review the screener found in Appendix 3.

Prior to the specific group discussions, respondents completed a pre-task assignment in which they described how they get inspiration, research, and plan and ultimately book their travel/vacations. This formed the tone and direction of the discussions, and gave insight into their travel planning and booking cycle. Please refer to Appendix 4 for the discussion guide.

Table 4 - Consumer Focus Group Key Findings

As the graphic below depicts, respondents describe a cycle of inspiration, research, narrowing of options and then booking as the buying cycle for travel and tourism products. Below is further insight into each of these phases of the process.



- **Inspiration**
    - Respondents are inspired to travel by a number of factors including: “must see destinations”, activities and interests, friends’ recommendations, marketing initiatives (advertising, public relations, and promotions), to mention a few.
    - The Internet, however, is not often a source for the inspiration for respondents.
- **Research**
    - The Internet plays a pivotal role in the trip research and booking stages, along with advice from friends, travel books, media articles and travel agents.
    - For small fixed roof accommodation, posting room availability on the website is a strong consumer want; especially considering Emarket.com's prediction that 62% of all traveller’s will book online directly with suppliers by 2010
    - Small fixed roof accommodation websites ought to look professional, yet not too corporate – they should showcase the charm and beauty of their environment.
    - Americans expect more from a website than Canadians in terms of content, appearance and functionality.
    - Shopping around for deals and finding out detailed information about specific properties is the ‘jump on’ point to the accommodation website – many are predisposed to booking direct from an Inn versus going through a travel agent.
    - Consumers are willing to spend considerable time searching for the best deal, and the Internet is a primary tool that is used for finding the best deal.
- **Narrowing the Decision**
    - Websites must be easy to navigate and provide information in a straightforward manner.
    - Direct links to rates, specials, photos and activities off the homepage are essential.

- Trust is an additional factor when booking with independent accommodation providers. Photography, information about the owners and the property itself and ensuring the style reflects a respectable, quality accommodation are all important success factors.
- Virtual tours are a great way to familiarize a user with a location.

- **Closing the Sale – Booking**
  - When booking travel, price is of fundamental importance.
  - There are currently mixed opinions across all industries on the security of purchasing online. Many organizations, such as Online Marketing Association, are working hard to minimize this fear.

KEY LEARNINGS TO IMPROVING THE ONLINE READINESS OF ATLANTIC SMES:

Consumers have a pattern to their planning cycle and now expect a great deal of content on an SME website to not only book a room, but sell the experience of the location. It is important that the Province and ACTP create the inspiration for the destination as a whole through their traditional communication channels. It is imperative, however, that the SMEs switch their sales approach to selling a whole experience rather than a room night.

The ten bottom line critical website success factors for creating a good user experience on a SMEs website can be found in *Section 8. Bottom Line Critical Website Success Factors*. These elements will ensure that the consumers are accessing the information they require to make travel decision.

The current Provincial and Association tourism websites, to an extent, act as the aggregate website. It is important that they provide rich, relevant content to sell the experience of the location, while providing direct links to SME sites for further consumer research needs and qualifications.

Research indicates travelers are increasingly more inclined to book with the SME directly than with an intermediary. SMEs need to be in a position to deliver online booking capabilities for the industry and region to remain competitive.

Detailed Findings – Consumer Focus Groups

The following section provides detailed findings from the focus group sessions. The data has been organized into eight topics. The first topic reviews overall website use. Topics two to five describes details specific to the planning and booking cycle, and the last three sections address market differences and key success factors in developing and maintaining a compelling user experience.

1. General Website Use:

From our findings we established that most respondents use the Internet on a daily basis at home or at work (or both), with the majority having access to high speed Internet connection.

Respondents typically use the Internet for a wide variety of activities, including:

- Research and information gathering
- Reading newspapers, online news services
- E-mailing and blogging
- Online banking
- Browsing for and purchasing goods and services (appears to be more prevalent in the US).

Respondents' general frustrations with the Internet were also fairly consistent in each jurisdiction:

- Pop-ups
- Spam e-mail
- Websites that are slow to load
- Websites with outdated information
- Links that crash or fail to load
- Fraud and hacking

2. Inspiration

Relatively few people cited the Internet as a source for generating ideas and inspiration for travel. They rely more on specific internal and external factors to generate their 'wish list' of locations to visit/vacation. One internal factors which shaped their inspiration included knowing their ideal vacation - be it beach, skiing and/or adventure related.

The respondents confirmed that external factors such as Marketing Communications (including promotions/packages), Advertising and Public Relations play a key role in inspiring the idea of a 'must see' destination. The growth of Specialty Television to include Travel Television (The Travel Channel) and Travel Trade Shows were also mentioned as key mediums for inspiration.

Respondents also rely heavily on friends/family as a trustworthy resource for inspiring travel. If friends/family have had a good experience on their travels, the respondents were more willing to begin their research of that specific destination. *"Friends are the best resources since you know how they measure up against your own needs."*

3. Research

Once respondents decide on a general destination, the Internet plays a critical role in qualifying their options and finding the right location(s) and/or activities for further investigation. Consumers appear to use the Internet to find the best deals on travel and visit a number of sites to gather information. This can be a time consuming process, but a valuable step in planning travel.
Most respondents mentioned that they have a travel budget in mind before they begin their research into a specific travel destination. The Forrester study noted that 45% of their respondents let their budget dictate where they go on a trip.

Search engines and aggregate travel sites appeared to be the entry point for researching travel destinations online. Respondents began their search with either the general area and or city name where they would like to travel or the specific event they would like to attend. This search provides them with a laundry list of websites to explore.

Following are websites visited in the early stages of research:

In terms of aggregate sites, i.e., www.gotraveldirect.ca, consumers appear to go the extra step of validating a resort they are considering by going direct to the resort website to ensure the quality of the location, rooms, and amenities. Aggregate sites provide direct links to the resort sites, increasing the consumer experience by anticipating the consumers' need to get further information on the resort, direct from the resort.

After respondents conduct a quick visual evaluation of a website to see if the site/accommodation is suitable to their taste and standards, consumers seem to gravitate towards finding content on deals and promotions specific to their chosen vacation dates. Their focus appears to be to determine accommodations, activities and events that will fit within their set budget range and their desired itinerary.

When looking for activities, excursions, attractions in the area, the respondents appear to rely mainly on provincial/state and city websites; however, they would like the information to be available on the accommodation website as well to make their research initiatives as easy as possible.

Respondents also rely on secondary sourcing such as newspapers and travel guides to qualify their options. *"Newspaper articles are the best objective source since they often give you info which is quirky but well-researched. They often mention references, namely books, which you can then look at for further information."*

Respondents did speak of websites like www.tripadvisor.com, which provide third-party evaluation of an accommodation or tour and provide the ability to book online. Respondents appreciated the un-biased, third-party advice from other travelers. Evaluations listed directly on accommodation sites, however, carry the obvious potential for bias. Respondents were not as trusting of these comments.

The use of travel agents appears to be decreasing. With the introduction of the Internet and the ease of 'doing it yourself' there is more skepticism towards travel agents: *"Travel agents get a commission, so I wonder if they are being truthful."* A March 2006 Forrester Research study with their US adult 'Ultimate Consumer Panel', noted that 88% of the 2,488 respondents like to have control over making their travel arrangements.

4. Jump On Point – Narrowing Options

Once respondents refine their plans (specific location, dates), they typically shopped around for deals – this is often the 'jump on' point to the accommodation websites. Respondents appear to visit between three and six sites to ensure that they are getting the best deals, information and advice. Some respondents noted that they do not want to have to enter firm travel dates in order to get pricing, because they may be willing to be a little flexible with their dates to save money.

At this stage of the discussion we began to hear specific requirements respondents' look for in a tourism website, specifically, accommodation websites to help them along the planning and booking cycle to the point where they are motivated to contact the accommodation. This point is supported by Estis-Green, pg.29:

> "… the phenomenon of Look Online – Book Offline is the number of 'online bookers' who may conduct most of their research and part of their booking online but call a 1-800 number at a travel vendor to finalize all or part of a booking. The results showed one in three online bookers completed their bookings by conducting research online and then finalizing the reservation by calling a 1-800 number for at least one online booking in the last year."

IMPORTANT NOTE:
Seven of ten consumers are completing their transaction *without using a 1-800 number*. As future trends indicate, *the need for online booking will become paramount for the success of SME websites.*

The Key Success factors discussed were:

4.1 Price/Rates -

All price-related information must be immediately visible by the traveler. They would like to see pricing/rate information in conjunction with a visual and description of the room type. They specifically liked the idea of a 360 degree tour of the room, as well as a way of identifying if the room is available on their chosen dates. Having this information easily accessible and easily displayed enriches the user experience and helps the respondent avoid 'hunting' for information.

If there are specials or promotions available, it is important to have the content easily accessible. Once again, it is clear that the majority of respondents look for deals and promotions early on once a travel accommodation website.

Specific to the US market, they expect to see currency rates clearly posted. For example, they would need to know that the prices on the Atlantic Canadian SME websites are in Canadian and US dollars.

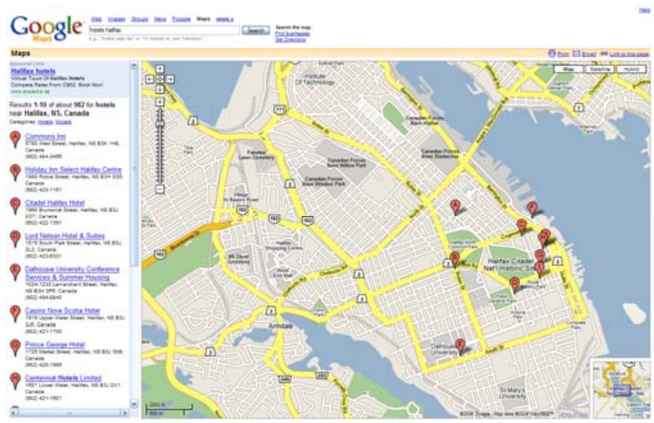
4.2 Star Ratings

Although most respondents agree that star ratings can appear misleading, they do give a general context of the caliber of the location. The promotion and use of accommodation grading services, payment methods brands (Visa/MasterCard/etc), Provincial Tourism Association memberships, and other membership participation helps leverage other brands to create creditability. This can heighten their brand status in the eyes of the consumer and help ‘close the sale’.

4.3 Mapping

Respondents described the need for detailed, accurate maps to be found on accommodation websites. They use the maps as a resource to determine if the property is, for example, in the right area in town and how closely they will be to specific locations they want to visit.

As the graphic at right demonstrates, new location intelligence tools developed originally by search engines and mapping companies to gather location and topic preferences together are being used in travel industry.



Beyond adding interactivity of accommodation properties to a map, these tools use previous searches to identify likely accommodation, attractions and travel services into maps, driving directions, and call out advertising of sites. This current trend in online travel mapping technology will become more prevalent in the years to come. Phocus Wright calls these new services ‘mapping mashups’, and reports it to be one of the top trends in 2006 to watch, as new content gets ‘mashed’ into the mix of information.

4.4 Local Interest

Providing additional contextual information, such as key landmarks, their significance and the distance (in Time and Distance) to the landmark, provides the consumer with additional information to help develop their vacation plan/itinerary. Identifying and displaying points of interest on a website communicates a high level of guest service and attention to detail. Such details moves a websites from usable to emotionally engaging.

4.5 Amenities

Specific to the features of the accommodation itself, respondents were interested in the In-room features, such as air conditioning, and the amenities within the accommodation – restaurants, fitness centre, business centre, spa, and laundry service. Policies such as cancellations and allowing pets were also mentioned by the respondents, specifically Americans.

4.6 Photography

For Accommodation websites, the homepage photography as well as its overall look and feel must showcase the appeal of the property. *"I want to see what is so special about this part of the world and how this B&B fits into the scenery."* In the US focus group, The Camden Inn in particular was cited as a good example of this.

As shown at right, photography, it appears, is able to communicate a level of trust of what consumers can expect from the fixed roof accommodation provider. The use of virtual tours and as many other visual elements as possible on the site seem to provide a level of comfort on the quality of the location and the service provided.

5 Closing the Sale

In terms of 'closing the sale' online, respondents had a few concerns. For some, the commitment aspect of booking through any site is 'unknown' : *"I don't like the lack of human contact. I want to talk to someone and have them confirm things for me."* We compare this to the introduction of bank machines. Initially there was resistance to change, specifically by an older population. We believe the adoption rate for online booking will grow substantially during the next few years and the fear of the 'unknown' will subside.

The brand of the SME is important towards closing the sale. "At the time of making a travel purchase decision, approximately four in ten online travelers (39%) indicated that the brand of the travel product was important to their purchase decision" (Estis-Green, pg.24). With that said, others believe that the Internet is now generally safe and want to purchase online in order to save time; this is especially true of American respondents.

In general, most respondents prefer to have the option of booking online or calling a toll-free number. When travelers are researching and booking online they want to have a readily accessible toll free number on the website to use. A 2005 travel consumer study by Travel Industry Association of America (TIA) study found that 34% of travelers that said they completed all their travel booking online, also used the travel sites 1-800 numbers.

Although respondents like to have the option of emailing, they find the process unappealing as it is a slow and relatively unsecured option. Of the respondents who are willing to book online, they felt they were able to get better rates; greater flexibility if changes are made to a reservation, and they prefer to go direct to the smaller properties so the small independent businesses avoids paying third party agent fees. Key within the growth predictions is travel purchases direct with the travel operators as opposed to via agent intermediaries. Emarketer.com has suggested that this is where the growth will be greatest.

More important to today's traveler is the ability to easily access 'real-time' room availability online. *"The key for me is the ability to know if the room I want is available; this means that I won't waste any time if it isn't."*

6. Market Differences

Respondents' point of view were somewhat consistent across all three markets. Following are the few points of differentiation particular to Montreal and Boston.

Montreal

French Canadians expect certain website to be bilingual, specifically larger National brands of airlines, hotels, and major travel search engines (Expedia). They clearly expect any website based in Quebec or Federal government websites to be available in French. Quebecers do appreciate a site that offers an online experience in their language of choice. They particularly liked an example, www.marcopolohostel.com which provided a multilingual experience and a currency converter.

Although they would like to see all sites available in French, they do not expect it – it is not a 'deal breaker' in choosing a destination. There are other criteria that is more important, such as the quality of the property, promotions and pricing.

Boston

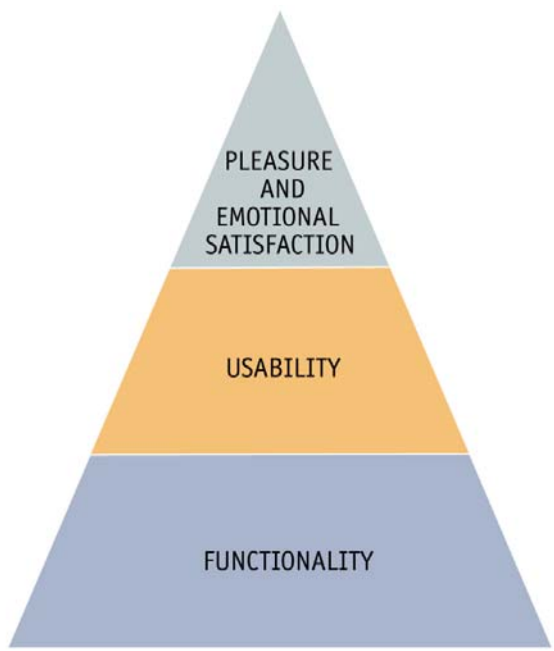
In general, Americans appear to have a higher expectation level in terms of small accommodation websites. They were quick to comment on a site looking unprofessional – *"like my 15 year old could do…"*, than Canadians. Canadians would describe a site more as 'quaint'.

A key technical feature expected by Americans was the ability to see and scan room 'real time' availability on a website. Again, the Camden Inn website as shown at right was highlighted as a good example of how they prefer to see this information presented.

7. Creating an Experience

Similar to an approach for providing exceptional guest service, the attention to detail in a website is what separates the satisfactory user experience from the excellent. In today's competitive market it is no longer enough to just have a site. It is important now to deliver more enriched content to help consumers plan and book their travel.

An excellent user experience creates an emotionally engaging site that anticipates the information needs of the user to help them make that decision.



As the Internet improves, consumer expectation increases. It use to be acceptable to have a functioning site on which consumers could find basic information. As requirements increased, usability became another requirement further raising the bar of on-line success.

In today's world, especially for an

emotionally defined sector such as tourism, the need for a comprehensive well represented and engaging site is necessary if one is to compete effectively in the marketplace.

8. Bottom Line Critical Website Success Factors:

The following ten points are the critical websites success factors mentioned by respondents during the focus group sessions. The consideration and implementation of these elements on the SMEs websites will provide a better user experience for the traveler.

1. The website must look professional, yet not too sterile or corporate. The respondents want to be able to experience the 'personality' of the accommodation.
2. Incorporate a simple navigation system with key tourism naming protocols for ease of use and researching for the user. Showcasing a summary of features particular to the location or the accommodation will also improve the user experience.
3. The homepage should have a direct link to packages and deals.
4. Links to local information restaurants, shops, night life…help sell the location and confirm the booking.
5. Good photography will make or break a booking. Photos are a trust-building mechanism. They allow consumers to book with an informed opinion of what the destinations looks like. Photos that flatter the destination will compel more consumers to book. Photos that do not flatter the destination will compel consumers to look elsewhere.
6. Respondents want to see pictures of various aspects of the property, including bedrooms, kitchen and dining room, washrooms, exterior of building, grounds and nearby attractions.
7. 360 degree videos of the bedroom, the building and the grounds is a desired feature within the website.
8. A Weather Network summary box and link would be a thoughtful addition as would a link to mapping software, for example Map Quest, for driving directions.
9. In terms of structuring the site, respondents would rather scroll down a page than attempt to access information that isn't intuitively found beneath several layers of links. They would like to avoid 'digging'.
10. Respondents would like the ability to scan availability online before booking an accommodation.

STAGE TWO - SME PHONE SURVEYS

Stage two of the primary research involved ten-minute phone surveys with small fixed roof accommodation providers in Atlantic Canada. Each provincial representative from the steering committee provided a provincial database of fixed roof accommodation providers for our use.

We had anticipated completing 750 surveys within a two week period. However response rates were low. Over 2,145 phone calls were made, with 59 refusals, 58 'closed for the season' messages and 1,645 no answers, listings only, or disconnected numbers. Phone numbers were called at least three times in an effort to reach respondents. The result was the completion of 374 phone surveys.

The regional breakdown of the successful phone surveys was:

- New Brunswick 66 completed surveys
- Nova Scotia 161 completed surveys
- Newfoundland & Labrador 93 completed surveys
- Prince Edward Island 55 completed surveys
- TOTAL 374 completed surveys

The survey can be found in Appendix 5, and the raw data findings per question can be found in Appendix 6. Following are the key findings followed by the detailed findings of the phone surveys. The satisfaction rating scale used in analyzing results can be found in Appendix 7.

The SME Phone Survey Key Findings:

- **Satisfaction of Websites is High**
    - 99% of respondents have an independent website, of which 52% have the ability to edit/change their sites.
    - They are strongly satisfied with their website presence, with an average score of 8/10 throughout the satisfaction section of the survey.
    - Respondents don't view many roadblocks to improving their websites. The two most popular answers were 'none' or 'other'.
    - Over half of respondents use search engines as a form of marketing.
    - Over half of respondents use site visits and email inquiries to measure success of their website.

KEY LEARNINGS TO IMPROVING THE ONLINE READINESS OF ATLANTIC SMES:

SMEs currently perceive that they are delivering a good user experience, however looking at the low response to the specific satisfaction questions, it is clear the majority of SME websites in Atlantic Canada are not meeting consumer demand.

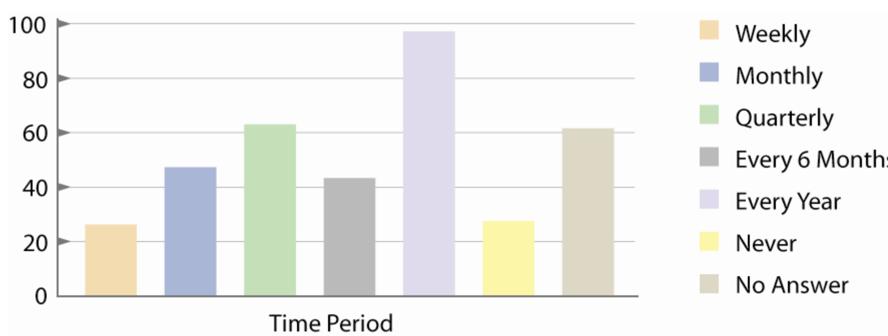
The most evident roadblock to success is the current approach to SME websites. A change in focus from the importance of 'having' a website to delivering an online experience is an imperative first step

Education and Training will be a key element in helping the SMEs improve their current websites and prepare them for future trends, such as online booking.

DETAILED FINDINGS

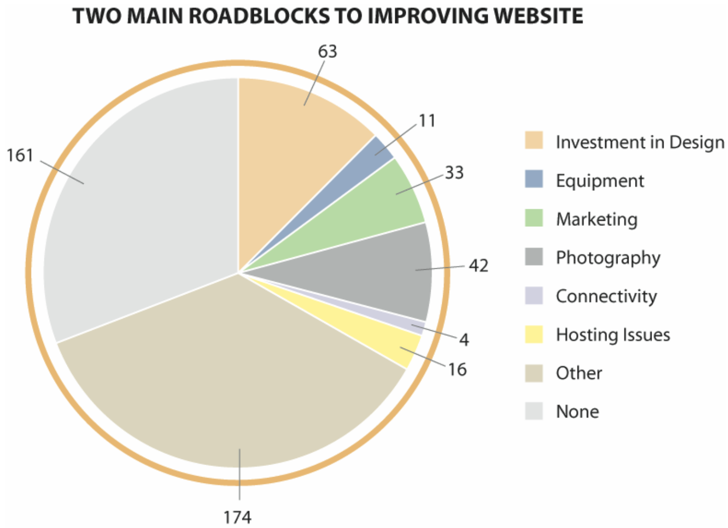
General Website Findings:

Of the 371 interviews, 369 were conducted in English and 5 were conducted in French. 99% of fixed roof accommodation providers have an independent website for their business, of which 52% have the ability to edit/change their site. As illustrated in the graph below, the SMEs do not update their sites on a regular basis, only 24% of those who answered, update their site at least monthly.



Satisfaction Level is High:

When asked specifically for their satisfaction level with their current website. The SMEs were strongly satisfied with their current websites; please see Appendix 7 for the scale ratings. On average, those who answered, gave themselves an 8/10 on satisfaction, where 1 was extremely dissatisfied and 10 was extremely satisfied. The return on investment from the sites provided high praise as well, with an average of 8/10 satisfaction level.



Roadblocks to improving their websites appear to be minimal. 'None' and 'Other' were the two most common answers followed distantly by adequate photography and marketing initiatives. Similar to the Tourism Technology.com study, this may reflect the industry's lack of knowledge to identify the barriers to use of the technologies the consumers want to see on the websites. In the Tourism Technology.com Program Evaluation study, 32% were unaware or lack the knowledge to identify such barriers.

Those interviewed were also asked to assess their satisfaction level of specific elements identified in the consumer research as key success factors for accommodation websites. Interestingly once again, those who answered provided high satisfaction levels. As illustrated the table below, the response rates, however, were specifically low on most elements.

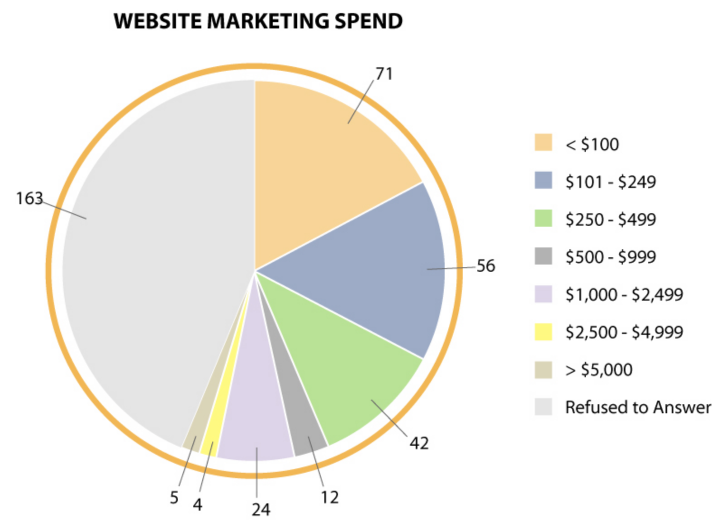
Low Response Rates

Images –	2% of respondents did not answer
Well Written Content –	6% of respondents did not answer
Maps –	35% of respondents did not answer
Room Availability –	76% of respondents did not answer
Booking Online –	63% of respondents did not answer
Promotions -	74% of respondents did not answer
Timely Response to email	16% of respondents did not answer

When asked if considering implementing online booking in the near future, 46% said no, 40% refused to answer and 14% said yes.

Marketing Initiatives –

An important element to building a successful website is building awareness of the website. When asked how much annually the SMEs were investing in promoting and maintaining their websites 80% of those who answered said less than $500 a year. This investment covers the cost of hosting, maintaining and advertising their website. The adjacent graph provides a complete breakdown.

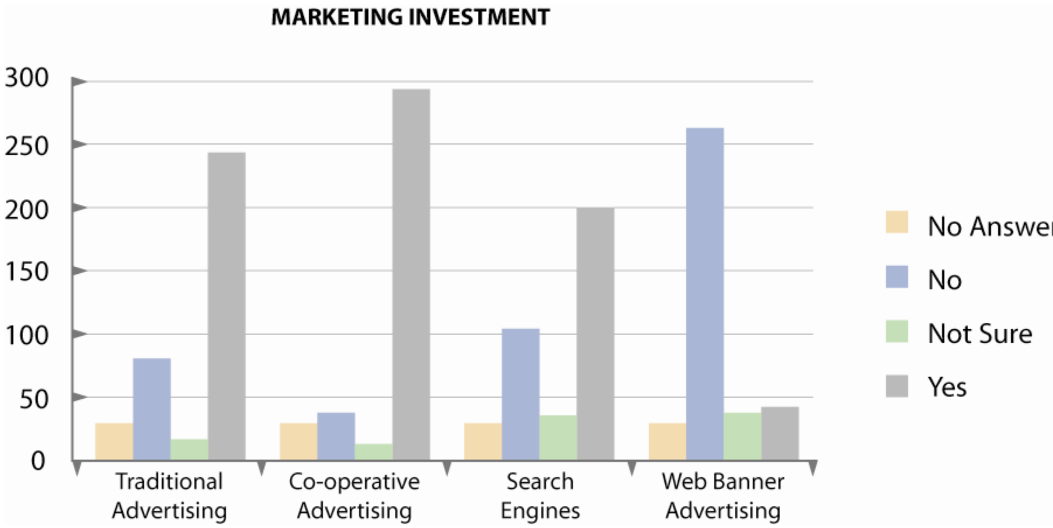


Communication initiatives include the following elements:

67% of respondents list their property on at least two other tourism sites to increase the visibility of their accommodation. The most prominent websites were Provincial and Regional websites. It is important to note that 71 respondents, 19% of those surveyed, listed Travel Portals, such as Expedia, as a site they use. The 19% was somewhat surprising, as research has indicated that small fixed roof accommodation providers were wary of the option due to monthly maintenance and % booking fees. The volume and size of the large web portals also discourages SME approaches to travel distribution, with training and other soft barriers to consider this an option for consideration.

The following graph illustrates the current ways the SMEs in Atlantic Canada are promoting their business. Traditional advertising, be it coop advertising with the Province or Tourism Association or independent remain the most prominent mediums. The growth and interest in search engines, however, appears to be an emerging trend. This may be the result of the effort of the Tourism.Technology.com team of coordinators, who are actively helping SMEs in the promotion and development of their websites. It is believed that search engine optimization and paid key word search will continue to grow as a marketing tool.

The high search engine response by Atlantic Canadian SMEs may be one of terminology between having a site that is search engine friendly versus actual paid search engine marketing.



64% of evaluated sites, when googled, appeared in the top five listings. This is of particular interests if friends and family are providing advice to users on where they have recently traveled. We found that respondents in the focus groups would suggest that we 'Google' a name of a property (for example, Peg Leg Inn) to find the right website.

Measuring Results

An important aspect of having a website is the ability to understand and correlate activity on that site in order to determine how to maximize bookings. Currently 33% of the respondents do not measure results from their website. Of the 67% of respondents who currently run analytics on their websites, 65% use unique visits to measure success of their website, while 57% use email inquiries and 46% use actual bookings to confirm the success of their website.

STAGE THREE - WEBSITE EVALUATION

The third stage of the primary research was to conduct an evaluation of SME websites. Once the interview was complete the interviewee conducted an evaluation of the SME website based on the criteria outlined by the consumer groups. The team conducting the interviews and reviewing the sites are experts in website content, and are referred to as content experts. Please refer to Appendix 8 for the Website Evaluation Questions and Appendix 9 for the results data.

Following are the key findings from the evaluations following by more detailed findings.

Website Evaluation Key Findings

- Key findings from the evaluations indicate that elements described within the consumer focus groups are not currently found on a majority of SME websites.
- User experience was evaluated with at an average of 6/10, which is a slightly satisfactory score, compared to the average 8/10 provided by the SME owners/manager of their own websites.
- There is substantial room for growth within the Atlantic Canadian SME online readiness to move the majority of websites from functional to emotionally pleasing.

KEY LEARNINGS TO IMPROVING THE ONLINE READINESS OF ATLANTIC SMES:

Through a professional review of the SME website there is a clear need to raise the bar in terms of online delivery capability at the SME level. Action must be taken quickly to improve the online experience of the SME websites for consumers and prepare the industry to appreciate the power of an effective website.

Detailed Findings

On average the team of content experts provided a somewhat satisfactory score of 6/10 for the website experience of sites which had the desired elements, compared to the very satisfied (8/10) average provided by the SME owners/managers. These differences would indicate that there is a gap between the sites and consumer expectations.

The first step in the evaluation for the content experts was to evaluate if all global navigation elements suggested by the consumer groups were easily found on the sites.

From the following table it is evident that the majority of sites have a section within the navigation dedicated to Contact Us information and Room information, where many of the websites did not have Specials or Amenities in their global navigation. Consumers look for specific titles in the global navigation which make sense to them. Having a consistent naming protocol would improve the efficiency of the websites.

Table 10 – Navigational Items

Navigation Items	Yes	Yes, under another navigation name	No	% of No's
Rates	147	66	158	43%
Maps	76	114	182	49%
Contact Us	195	74	103	28%
Specials	34	35	303	82%
Rooms	131	136	105	28%
Amenities	56	84	232	63%
Local Attractions	95	112	165	44%

The two principal areas for improvements are the inclusion of promotions and amenities in the global navigation, and having the correct content to support it. As outlined in the consumer research Specials/Promotions are key drivers for consumers when looking to find and book travel.

As the travel industry continues to grow its use of the Internet, the SMEs will need to provide not only a well organized site, but one that is emotionally engaging that anticipates the consumers' content requirement to make their travel planning and booking decisions.

The following sections of the evaluation looks specifically at the key success factors outlined in the consumer focus group sessions. The content experts evaluated the user experience of each element.

1. Promotions and Specials

Consumers are looking for deals and value add opportunities when researching and booking their travel. This would include seasonal packages, tour experience packages, value add. Unfortunately less than a quarter of the evaluated websites had information on Specials or Promotions. The sites that did provide such content on average received a 6.5/10 for its experience. This score is based on their language, relevance, timeliness and usability.

2. Mapping

Within this exercise the content expert dug a little deeper into the websites to determine if there were any maps available on the site. Although only 51% of evaluated websites had Maps or another word indication Maps (Location) in their global navigation; 59% of the evaluated websites had at least one map on their site. Less than half the websites had a locator map, and of those that did, they received a somewhat satisfactory score of 6/10.

Maps are a contextual tool in helping consumers decide if the location is the right one for them. A well defined map helps users plan their travel and their itinerary.

New location intelligence tools developed originally by search engines and mapping companies to gather location and topic preferences together will be important in the future. ‘Mapping mashups’, are seen as a trend to watch, as they provide logical information in scan able formats that encourage purchasing decisions.

40% of the evaluated websites also had driving instructions, which once again, only scored a 6/10 satisfactory experience.

3. Local Interest

67% of the websites have content on local attractions and suggestions on what to do, which was evaluated at 7/10. 48% have links to other attractions, which was evaluated at 6.5/10. 43% have photos of local attractions, which was evaluated at 6/10. 27% list other restaurants, which was evaluated at 6/10. 22% do provide distances to other key locations. 16% have weather information, which was evaluated at 6/10. 14% have a Calendar of Events, which was evaluated at 6/10.

4. Amenities

55% of the evaluated websites had descriptions of their amenities. The description was given on average a score of 6/10. 26% of the evaluated websites had information on policies. The description of the policies was provided a 6.5/10. 63% of the evaluated websites had their menus online. The menus, on average, scored a 6/10. Enriching the content and presentation of the content would improve the evaluation of this section.

5. Photography

As described previously, photos are a trust-building mechanism. They allow consumers to book with an informed opinion of what the destinations look like. In each of the six focus group sessions, there was mention of 360 degree or virtual tours as a key selling feature for an accommodation website. Currently only 2% of evaluated websites used 360 degree or virtual tours.

Consumer expectation was also to find photos of each type of bedroom located within the accommodation. From the evaluations 38% of SMEs have photos of each bedroom type on their website, and only 24% are linked to the rates and description of the rooms. The ability to see photos, read a description, know the rates and see availability is an ideal scenario for respondents.

The final point on photography was the quality of the images. Although the SME's, on average, perceive their photography to be very good, the content experts ranked the quality of imagery at somewhat good (6.5/10). Respondents in the focus group sessions mentioned if they encountered a somewhat satisfactory image on a site, they would close out of the site and not call the accommodation provider.

The research reviewed and conducted during this study has provided a wealth of knowledge to assess the current gaps between consumer expectations from small fixed roof accommodation websites and what is currently being offered from the Atlantic Canadian market.

The following section discusses those gaps, and their implications for planning on how to close them. Following this, a strategic plan is presented to provide the ACTP and its key stakeholders with the ability to move forwards.

THE GAP

In the first phase of our research we identified consumer preferences, perceptions, and emerging industry trends with respect to websites similar to those in the SME sector of Atlantic Canada. This was done via focus groups as well as through a review of secondary research materials. This established the benchmark or yardstick for the ideal "to be" or future state consumers wished to see.

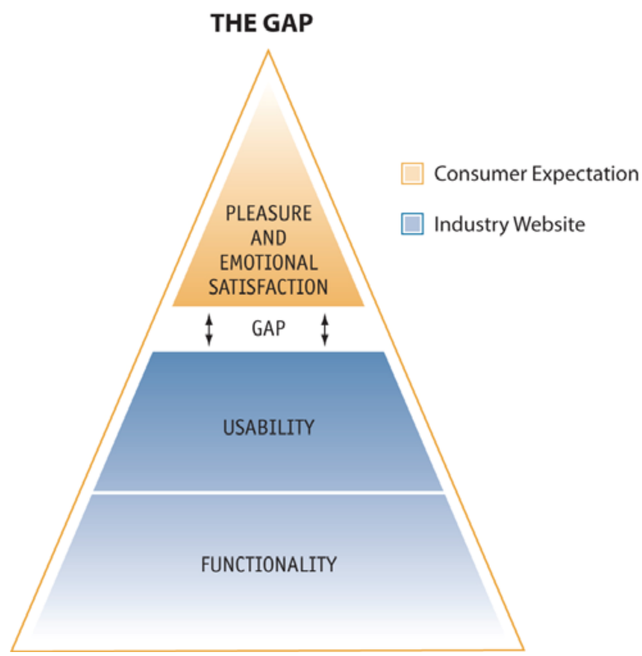
Following this, research was conducted with SME's to determine how they are developing, maintaining, using their websites, and their satisfaction level not only with their overall site, but with the different elements consumers focused on such as photography, specials, amenities, etc. This analysis also included expert assessments of sites owned by the SME owner/managers with whom we spoke to determine the presence, level and quality of the various elements deemed important by consumer.

The difference between what consumers wanted to see and what operators were currently delivering represented the gaps. As outlined in the research, there is clearly a need for change within the industry to improve the overall online readiness of the SMEs.

Overall, the gaps between consumer expectation and current industry standards fell into three areas: Perception, Content and the Capability to view and book online. Below is a discussion of each. Following this a strategic plan is provided that will allow the ACTP and other relevant stakeholders to address the core issues underlying each gap, and create a program to move forwards and bring the industry up to a best practice position.

PERCEPTION

Overall, we define this gap as the difference in perception between consumers and operators as to the role, value and effectiveness of their website. While there are several specific elements that contribute to this discussed below, overall it can be described by the following graphic:



In effect, this diagram not only depicts the gap but the history or evolution of how it came to be. When websites were still a relatively new thing, most operators were well served by simply having a website. Known as "brochure-ware", these sites were static representations of existing brochures, perhaps augmented by a few additional details. As technology evolved, websites did too adding features such as e-mail, links to other sites and a whole host of additional features as they became available.

Because consumers were now being exposed to a variety of sites at a variety of different levels, gaps emerged between what some businesses were able to produce and what consumers expected based on their rising general knowledge and exposure to technology and its capabilities. Tourism operators have obviously invested in websites with virtually all (over 99%) indicating they have a website. However, consumers are constantly exposed to an ever more sophisticated array of on-line sites. As such, their expectations of all sites, including tourism related ones are rising.

Overall, operators were quite happy with their websites giving themselves an average 8/10 overall score. Our own in-depth assessments of operator sites, however, told a different story with average scores dropping to 6/10 when rated by our expert assessment team. Moreover, when rating the presence and quality of specific elements of a site such as rates, maps, or specials the gap widened further with these elements either missing or not easily accessible 50% of the time.

Not surprisingly, the research on this is quite clear. Consumers as represented either by secondary research or through the focus groups conducted as part of this project do place a high degree of importance on a website. Not only from the perspective of overall usage which is on the rise, but also as the first point of contact with a specific property. Often, the website is what makes the first impression. It either entices them to spend some time to look further, or it does not.

Professional looking websites with rich, attractive content were all deemed critical by consumers as a first point of contact. In addition, simple navigation, the location and availability of specific content and particular focus paid to room availability as well as 360 degree shots all help draw the consumer further along, build trust and ultimately prompt them towards a purchase.

Without these elements consumers can and do make the decision to go elsewhere. In an on-line environment this is easy, however, in this case it is particularly so due to the consumer buying process. Specifically, consumers tend to select a location or activity for their vacation before they select accommodation. Most of the tools they use to investigate accommodation such as search engines, DMO sites or aggregators usually generate several possibilities that meet the consumer’s criteria of date, location, amenities, price-range etc. If one website is not enticing, they simply refer back to their original list and click on the next one that met their criteria until they find a site that is appealing. As such, it is especially important for operators to present well “at first click” if they are to be successful in this environment.

IMPORTANT NOTE:

Consumers will go elsewhere if they continue to receive the current level of experience on SME websites. A change in perception of the SME is mandatory to the success of any program.

CONTENT

The content gap is focused on the difference between consumers' expectations and industry's presentation of information on their websites. Specifically, it refers to the type, quality, positioning and usability of the information elements provided.

Consumers are clearly looking for as much relevant information as possible to make a well informed decision for their vacation. The more relevant and timely information that can be found on one site (or connected sites), the more it demonstrates to the user the SME's attention to detail and guest service. Respondents wanted to know local information, calendar of events, restaurants, shops, night life… not only contact *us* and room details.

The following were deemed as the critical websites elements.

1. Content
    a. Professional looking, able to experience the 'personality' of the accommodation, not too sterile or corporate
    b. Flattering pictures and good photography of various aspects of the property
    c. Direct link to packages and deals on homepage
    d. Links to other local events, restaurants, shops, night life
2. Usability
    a. Simple navigation, ease of use, showcase a summary of features
    b. Scroll down pages, no 'digging'
    c. 360 degree videos of the bedroom, the building and the grounds
    d. Weather information
    e. Mapping, driving directions
3. Reservations
    a. Room availability and price online
    b. Secure website to take reservations[1]
    c. 1-800 number

Simply put, consumers are looking for a fairly complete picture of the property, what rooms are available, when and at what rate, as well information about the surrounding area to help them make their choice. Upon reflection, this information is not that surprising as it mimics the preferences of consumers off-line as well. Specifically, people tend to determine if what they

[1] This capability stems from secondary research and emerging trends in the growing use of on-line booking engines. As such, it is seen as important near-future consideration.

want is available at a cost they can afford before they move to pay. Once at a property, they almost always venture beyond their door to see "what is there to do nearby". Our results simply confirm that as technology evolves, people do not necessarily change!

IMPORTANT NOTE:

Many operators either do not provide, or do not make easily available (defined as available where/when/how consumers' desire) the core elements desired by consumers to entice a sale.

Current research would indicate that unless action is taken quickly, this will get worse, not better having a negative impact on bookings.

The following table summarizes the results by specific navigational items from our own research. The content may be found on the site, but it was not initially easy to find within the navigation.

Navigation Items Provided on Operator Site *(that were deemed important by consumers)*	% of No's
Rates	43%
Maps	49%
Contact Us	28%
Specials	82%
Rooms	28%
Amenities	63%
Local Attractions	44%

While details vary by specific website element (content, maps, rates, etc.) the research indicates that many operators do not see the importance of these features. Specifically, relatively few respondents to the SME survey mentioned that improvements were planned to their site when asked about these and other specific areas. Of those who are providing the elements consumers expect to see, most only slightly satisfactory score in terms of delivery.

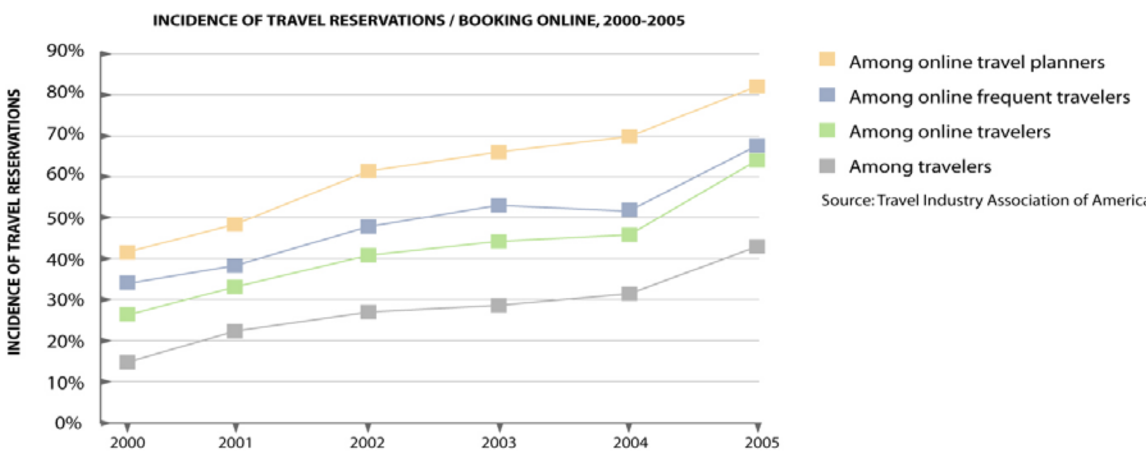
Ironically, most of the changes consumers want to see are not that difficult to deliver. A few would involve new functionality or technology, but many do not. In fact, most simply involved richer content or better positioning of existing content in order to provide a more emotionally engaging website. Similar to providing excellent guest services, it is extending the consumer experience by anticipating their needs and ensuring the content is there (or easily linked to) to make their decision to stay and easy one.

IMPORTANT NOTE:
A successful website is one that is easy to use and anticipates the content needs of the user. Travelers want to experience the complete location experience on an SME website, not just receive information on a room. They are demanding more than what is being delivered.

CAPABILITY TO VIEW AND BOOK ONLINE

The on-line booking gap is defined as the difference between traveler's preferences for on-line booking functionality including the availability of associated information such as rates, availability and packages, and what operators are currently providing in this regard.

The overwhelming trend is moving in the direction of on-line bookings. As shown below, online travel booking continues to grow across all segments, especially those that are already using the Internet for some form of travel research and planning.



It is reasonable to expect that this trend will continue and eventually overtake more and more of the travel industry, including the SME sector of Atlantic Canada. It is also important to note that many industry researchers feel that current trends in disintermediation of travel agents and other "middle-men" will continue. The implication is that more and more of these bookings will occur directly on property websites (*eMarketer: 62% of travelers will book directly with the supplier by 2010*) further putting the onus squarely on the operator to provide a compelling, competitive and capable site if he or she is to capture their fair share in this increasingly on-line industry.

IMPORTANT NOTE:
Industry needs to act now if it is to meet current and emerging consumer trends in on-line booking.

Undoubtedly there are a myriad of factors that influence comfort with booking on one website versus another. Our focus groups results shed some light upon the issue with the following findings;

- There are mixed opinions on the security of booking and purchasing travel online
    - *While some are weary of fraud and will not provide their credit card online, others believe the Internet is generally trustworthy – for them, booking online is simple and save time and money*
- Trust is an additional factor when booking with independent accommodation providers
    - *Respondents want to be assured that they are booking with a respectable, quality accommodation provider*
    - *In this respect, it is important to provide information about the owners and the property itself*
    - *Photographs are also of fundamental importance – because each property is unique, respondents want as much visual information as possible before booking*
        - *Where feasible, a virtual tour or web cam would be an ideal way to familiarize visitors with the property*
    - *Brand association with other companies or association is important to build a level of trust. For example links to the Provincial, Regional or Association sites would be deemed valuable, as well as organizations like CAA and AAA.*

Ironically, some of the key issues that factor into trust in on-line booking are also related to the previous gaps in overall presentation and content. By projecting a professional image, establishing a connection with a potential guest, and providing essential information about the property itself in an engaging and meaningful way, operators can assure guests that they are booking with a respectable, quality accommodation provider.

In short, a good website can engender trust. And trust, as virtually all studies on the matter have shown is at the core of any on-line transaction where the buyer does not meet the seller in person.

The conclusion from this effort therefore, is that the gap in on-line booking capability can not be closed by simply having the capability available on SME website. Rather, the gap is more to do with consumers' criteria to deem a website trustworthy enough to provide their credit card information. Before consumers book on-line, it is clear that they look on-line extensively at different option to determine which location meets their desired travel experience. If they do not see engaging content, easy to use and pleasant features, and a site that communicates something of the brand or experience it has to offer they will simply move on, even if the technology is there to book online.

Of course consumers comfort level with website technologies and their expectation level for a good user experience will increase each year. SMEs require a robust, secure capability with all of the attendant industry best practices regarding on-line payment and security to full-fill consumer needs for today and into the future.

IMPORTANT NOTE

Building a level of comfort and trust through a professional, well organized website will help users move towards booking online. two streams of activity should happen concurrently to ensure that the website experience satisfaction level moves from a 6/10 to a 9/10 at the same time that the technical and educational elements of online booking are explored by ACTP.

The following section turns its attention towards how to close these gaps. It provides a strategy that could be used to address these gaps and starts narrowing the distance between consumer expectations and market trends, and the Atlantic Canadian SME.

STRATEGIC PLAN

The previous section discussed the gaps which exist between industry's current capability (represented by the SME sector of Atlantic Canada) and consumers' current preferences as well as overall market trends.

The gaps were grouped into three main areas;

1) Perception
   a) The difference in viewpoint between consumers and operators as to the role, value and effectiveness of their website.
2) Content
   a) The difference between consumers' expectations and industry's presentation of the type, quality, positioning and usability of the information elements provided on their websites.
3) Ability to book on-line
   a) The difference between traveler's preferences for on-line booking functionality including the availability of associated information such as rates, room availability and packages, and what operators are currently providing in this regard.

IMPLICATIONS

Stemming from these gaps are several key implications that begin to form the basic elements of the plan necessary to close them. They provide us with direction as to the sequence of steps that need to be taken, as well as information about the underlying issues that need to be addressed in order to close each gap, and how to successfully move the industry from where it is today to a best practices position of a 9/10 user experience satisfaction rating.

As the Key findings within the document indicate. There is a requirement to put an action plan in place to close the gap and ensure a good user experience on the SME websites.

The following is a summary of key planning implications, followed by the recommended action plan define by role and 'owner'.

Change Attitudes and Perceptions before Technology

SMEs do not seem to see the need to change, or if they do there is no clear evidence that they are willing to do so. The key barrier to change does not seem to be cost, complexity or the availability of technology it is industry's desire to do so. To close this gap, SME's must first be "sold" on the need for change, before they would be receptive to any program focusing on how to change.

One potential barrier may be operators' perception that they do not have enough technical skill or knowledge to make the necessary changes. Recent Tourism Technology.com research would suggest that operator's perception, and therefore perhaps confidence in their technical ability is low. As such, an education program that focuses on the need to change must be combined with some training on what options are available to close gaps, and what the basic process, including roles and responsibilities of the operators would look like. In that way, operators would first be convinced of the need to change and then provided with relevant information on how to do so. This information would have to include options that meet the core consumer needs, are affordable and realistic in that they do not put the onus on them to become technical gurus overnight.

Interestingly, many consumer preferences uncovered in this study are relatively simple to deliver. Repositioning existing information, moving links to the front page and providing additional, richer content would close many gaps and would not involve lengthy, expensive projects. As such, some of the "low hanging fruit" could be presented as part of the training and education program in order to focus attention on some early wins.

What Are You Selling?

Consumers are buying experiences, yet the industry is still selling product. There is a need for a fundamental shift in orientation towards a consumer oriented, experiential sale. At the core, there needs to be an overall improvement in the quality, consistency and availability of rich, comprehensive information on SMEs websites. Details about rooms, amenities and the surrounding areas, and any other pertinent information about the operation that may factor into the decision making process of a potential customer must be provided in order to properly convey the desired experience. In addition, consumers must be able to easily navigate and obtain the specific pieces of information they are after.

This task involves not only a shift in orientation, but also in action. Creating rich, high quality content for a website is not always easy. Additionally, properly architecting and weaving that content into the other elements of a website such as navigation, design and other pieces of functionality may seem daunting. As such, it will be important to present options to industry that are effective and affordable when addressing this gap to ensure that activity is taken and the gap is in fact closed.

Start Now

Many of the gaps discussed so far are not just technical. Preliminary barriers in particular are human, organizational and or have to do with other contextual factors beyond the control of any one stakeholder. As such, they will take time to close.

As mentioned previously, the time to start closing the gaps in content, presentation and capability is now. If operators wait too long and then simply add a "book now" button as a last minute fix they will be left behind. Professional appearance, rich content, functionality and other elements must first be present to entice the consumer, and to engender enough trust for them to book on-line in the first place. If a last minute band-aid approach is taken it will be too late, as consumers will favour sites that cater to their preferences and provide the information and comfort they need to book on-line.

Given that it takes years to move an industry forward even a few steps, the time to start in earnest is now. Education and Training will help prepare the industry to make the required changes to their websites today to meet today's expectations. But to ensure we stay ahead of the curve, we need to think about the needs of tomorrow's consumers.

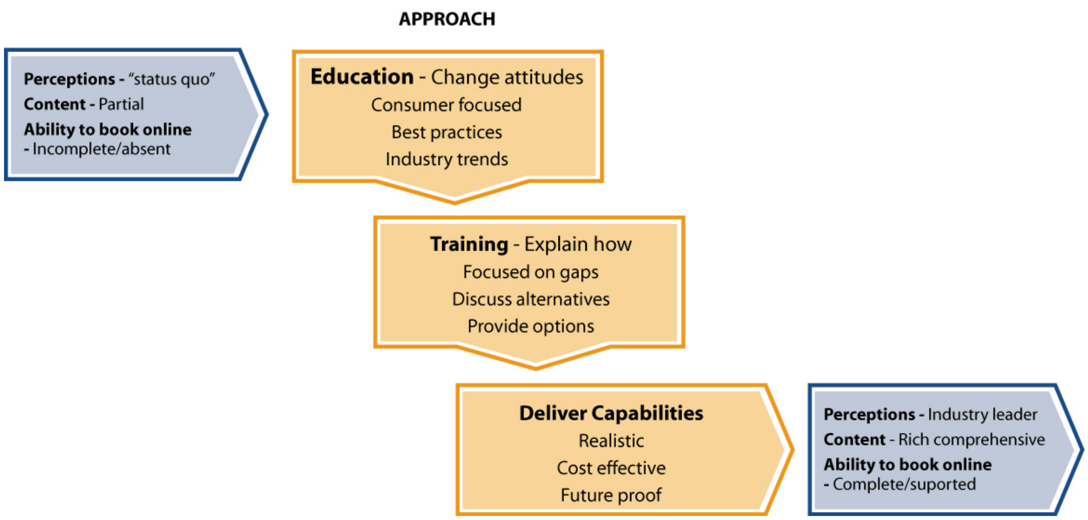
What About Tomorrow?

Finally, it is important to note that the orientation of this study, and the gaps discussed all refer to the present day. Respondents were asked what their preferences are today, with little formal thought given to what they might be tomorrow. As such, it will be important to incorporate an element of forward thinking into any strategy in order to "future proof" the industry to the greatest extent possible.

Therefore, programs that contain elements of on-going training, a focus on sustainable technology and problem solving approaches that are designed to evolve forward with time must all be considered if the industry is to establish and maintain a leadership position.

APPROACH

The approach to delivering the plan is summarized in the graphic below and is composed of three basic elements, educating, training and delivery of capability.



EDUCATION

Given our understanding of the difference between operator's and consumers' when it comes to on-line perceptions and priorities, the first step in the program must be education. The education program needs to focus on providing industry with the latest information about consumer preferences, usability, industry trends as well as projections. The focus of the education will need to be on what their consumers are expecting today and in the future and steps they can take to improve their online readiness.

Industry needs to be provided with a clear picture of where it stands, as well as the key issues and trends that make up the compelling story for change.

Much of this information is broadly available today through sources such as the ACTP research library and the Internet. As such, simple information delivery will probably not be an effective approach.

The education piece must "sell" the operator on the need to change, and not just focus on the basic facts. To support this "sales pitch" a professionally crafted and delivered series of seminars could be considered to make sessions engaging and to ensure key messages get through. Managed through the Tourism Associations, the contracting of a professional tourism website expert to deliver the seminars to association members

TRAINING

The next phase in the plan should focus on training. Specifically, once operators have bought into the rationale and understand the need to change, they need to be supported in how to change.

Once an operator understands the need to change, many questions will need to be addressed such as;

1) There seems to be so much to do, where do I start, and what is the most effective way to manage the process?
2) What sort of support will my industry or provincial association provide and is there any funding available to help me through this?
3) How do I know that what I am doing is right?
4) What sort of commitment is involved in terms of time and money and what kind of results can I expect in return?

This list could easily become quite long even at this writing. While some barriers have been identified in this and other studies, it is clear a more comprehensive understanding of these issues should be undertaken beforehand to ensure that the right messages are provided as part of the training program.

CAPABILITIES

While we have not focused on technology as part of the solution to date, it clearly has a role to play. As has been mentioned before, however, it is only relevant once operators see the need for it in the first place. As such, it would be useful to start examining the options today so that when the education program starts to turn industry towards looking for a best practice solution several have been identified, vetted and can be recommended to industry.

Due to the nature and complexity of the various technical options available today, we do not provide an exhaustive list of options in terms of how to deploy the functionality required to close the gaps in content, on-line booking and other key elements of a best practices website.

Rather, we provide a two step process for establishing an appropriate list of solutions which could be recommended to operators, and close the key gaps in capability discussed this far. The first step is to make sure that the solution satisfies the needs of consumers, the second is to make sure it fits from all of the other stakeholder perspectives such as industry, ACTP, TIAs, and any funding partners. In this way any proposed solution, be it an existing or a new one can be objectively assessed for overall fit and ability to truly solve the problem.

The first step examines any proposed solution from a consumer perspective to see if it meets their needs and wants as discussed in this study. Specifically, does it provide solutions in the following areas?

1. Content
    a. Professional looking, able to experience the 'personality' of the accommodation, not too sterile or corporate
    b. Flattering pictures and good photography of various aspects of the property
    c. Direct link to packages and deals on homepage
    d. Links to other local events, restaurants, shops, night life
2. Usability
    e. Simple navigation, ease of use, showcase a summary of features
    f. Scroll down pages, no 'digging'
    g. 360 degree videos of the bedroom, the building and the grounds
    h. Weather information
    i. Mapping, driving directions
3. Reservations
    j. Room availability and price online
    k. 1-800 number
    l. Secure website to take reservations[2]

The second step would be to examine the short-listed set of solutions from the perspective of other stakeholders such as operators, ACTP, funding partners and the Provincial DMO as appropriate.

This step would not be about the functional details of the solution (content, navigation, reservations) as that was done in the first step; rather it focuses on the attendant details of each option to ensure that there are no barriers to its adoption "in the real world".

[2] This capability stems from secondary research and emerging trends in the growing use of on-line booking engines. As such, it is seen as important near-future consideration.

This checklist is broader than the previous one, and is focused on determined overall fit from all of the other perspectives that need to be considered once consumers have been satisfied. It should contain key questions that allow each stakeholder to determine if any one particular option is viable or not, regardless of how well it may score in step #1 above. A proposed checklist organized by stakeholder group might be as follows:

1) Operators
   a) Cost
   b) Requirements for on-site technical infrastructure such as PCs, network connectivity (high-speed or dial-up), software, etc.
   c) Requirements for support or other activity in order to maintain solution
   d) Future evolution – does the solution provide a mechanism for adding new features and functions as technology advances. For example mapping, analytics and reporting, RSS feeds, etc.
2) Provincial DMOs
   a) Ability to integrate with operator sites and share functionality and or information to enable the seamless transition of consumers from one site to the other?
   b) Ability to share management and other information on trends and reports and analytics to measure the success of campaigns, promotions and other activities
3) Funding Partners
   a) Cost effectiveness of the solution either per operator or overall
   b) Effectiveness at raising the overall capability of industry to meet and do business with its customers on-line
   c) Effectiveness at increasing the gross revenues of industry

By using this multi-step process, solutions can be examined from the many different perspectives that need to be considered in order to determine if they are able to provide a best practices approach, and can they do so while also meeting the many other requirements that have to be satisfied.

As part of this approach, industry may also want to consider a check-up or audit process of sorts that provides operators with a self –serve capability to allow them to asses how they are doing compared to standard.

The process would mimic Step # 1 described above by providing operators with a checklist that relates to various aspects of their website, and gives them some objective measures they could use to score themselves against current best practices.

TECHNOLOGY DEPLOYMENT OPTIONS

The following is a high level review of options for the deployment of solutions to close the two major gaps identified in this report:

Gap #1 - The overall quality of operator websites as described previously in this report, and
Gap #2 - The ability to offer consumers the choice to book on-line when, where and how they want.

From both technology and program delivery perspectives these two capabilities do not go hand in hand. Website content, navigation and overall presentation can and should be addressed completely separately from on-line reservations solutions. As such we have separated these two in this analysis for purposes of clarity, and to ensure that appropriate delivery scenarios are examined for each.

Each major gap (website quality and presentation, online reservations) is reviewed below with suggested scenarios for addressing them and the pros and cons of each. It is important to point out that the purpose of this section is not to determine a final answer; rather this sort of analyses are often used as inputs to the creative generation of possible strategies. They are useful early on in the planning process at either eliminating alternatives that do not meet the needs of the organization, or by promoting others as possible solutions that bear further investigation.

In the following section, where there are references to ACTP it is often a generic reference to ACTP and/or its member organizations. The appropriateness of each organization (ACTP, ACOA, the TIAs, and the provincial Tourism ministries) or a combination thereof to undertake these activities is a function of mandates, budgets, provincial differences, available human resources and skill sets. It is not within the realm of this report to determine which of these organizations can best deliver the suggested services. Rather, we focus on the roles of ACTP (and its member organizations), tourism operators and third-party solution providers.

GAP #1: CONTENT, NAVIGATION AND OVERALL PRESENTATION

Two scenarios are examined for closing this gap. The first continues to depend on the Operators to find and manage the various aspects of a best-practices website. The second sees ACTP playing a significant role in finding and procuring a single solution to this problem, that can then be offered to Operators.

Gap#1: Scenario #1 – Operators "Do-It-Yourself"

Operators maintain responsibility for improving the quality of their individual websites. To deliver results beyond the status quo, ACTP would deliver on-going educational and training programs. Financial support or incentives granted to individual operators could also be part of this program.

Under this scenario, Operators would be encouraged, through education and training, to improve their individual websites. They may or may not be financial assistance provided to implement some of the suggested best practices. Ultimately, each Operator would determine what, if any, changes they would make to their websites.

Pros:

- **Custom fit**. Each Operator can determine what measures and improvements are appropriate for themselves.
- **Low centralized "program costs."** Costs to ACTP are limited to training and education programs. This "pro" may go away if there was a financial incentive aspect to this program, distributing monies to many operators.
- **Self determination.** Operators are responsible for all aspects of their competitive strength (or weakness).

Cons:

- **Inertia.** Fundamentally, this option has always been available and yet operators (most) are not taking these measures today. Why? The most likely reason is common across all SME's: they do not have the technical resources to understand what to do and how to do it. And as the pace of change in this space continues to accelerate, this problem will only get worse.
- **Inconsistency.** This approach may do little to raise the overall online readiness of Atlantic Canada's tourism operators. As in the past, some will do and achieve much more than others. Overall quality of online presentation of the industry will remain scattershot.
- **Inefficiency.** In aggregate, Operators will spend more (both time and effort) as each one replicates work done by many others.
- **Ineffectiveness.** If left to individual operators, the quality and appropriateness of the selected solutions will vary greatly and some will end up with wrong or ineffective solutions.
- **One-time improvement.** This type of program may only effect a one-time improvement. If so, it will do nothing to maintain a best-practices state. In fact, maintaining a best-

practices state in this rapidly changing environment will be almost impossible under this scenario.

Financial Implications:

The financial aspect of this scenario is difficult to detail. ACTP will incur costs of developing and delivering education and training. However, the costs of implementing changes will sit with the operators. They will vary substantially and be difficult to impossible to manage and track.

There may be a direct cost if an incentive program was put in place. This could either be in the form of a "grant" to all operators, or an assistance payment given only to those who undertook some or all of the suggested changes.

Gap#1: Scenario #2 – ACTP Identifies and Procures Solution(s)

Under this scenario, ACTP identifies, procures, and possibly manages a best-practices solution (or set of solutions) and vendor(s) on behalf of industry. The solution can then be made available to industry on a voluntary basis. The financial model for this scenario could vary: ACTP could bear all costs, or perhaps they could make the upfront solution investment and then have industry pay for any ongoing costs.

An example of this scenario would be the identification and procurement, by ACTP, of a service that would deliver turn-key best-practices tourism websites directly to operators. Distinctly different from a central portal-like system that that would blend all operators into one large site similar to that of current DMO sites, this would allow for each operator to maintain their own individual, distinctive sites with their own look and feel, separate content, navigation and usability.

Pros:

- **"Centralize" the expertise required to identify best-practices solution(s).** Time and effort to identify, procure and manage the solution(s) need only be done once. The best available resources can be brought to bear on this aspect of the program.
- **Consistency.** "Level the playing field. Raise the tide." This approach is the best alternative to lessen the gap between those that are doing it right and those that are not. It will also go further to raise the online readiness of the industry as a whole.
- **Efficiency.** Through a centralized, aggregate purchase from one vendor (or a handful of vendors), best prices can be achieved and time and effort can be minimized.

- **Continuous Improvement.** It may be possible to design a solution in which the vendor(s) is delivering continuous improvements to the operators' online presence and capabilities. This ensures best-practices are achieved … and maintained.
- **Easier to measure, monitor, and manage the program.** The ongoing management of this program is much easier to comprehensively manage. ACTP will have full visibility into the success of the program including: number of websites effected, direct program costs, etc.

Cons:

- **Risk of low participation, 1.** Historically, operators have not favoured any solution perceived to be centralized. As such, it would be important to present this as distinctly different from a central portal-like system.
- **Risk of low participation, 2.** Given the perception gap (operators don't yet see the problem with their online presence), there is a risk that few operators will actually see the need to participate in such a program.
- **Competitive interference.** Many operators, particularly those who already maintain a strong online presence, may see this as diminishing their hard fought competitive advantage.

Financial Implications:

This scenario would most likely see ACTP making an upfront investment in the procurement of a solution (or solution set). Then operators would be free to participate on a voluntary basis. That participation would likely involve ongoing costs that would be paid by the operators to the solution vendor(s).

Again, ACTP may encourage participation further, by assisting with the payment of the ongoing costs.

Conclusion

Based upon this high level evaluation of the pros and cons for closing this gap, it appears that a more centralized approach is best. While not all criteria required to make this decision have been exposed as part of this study, the following would be they key points that lead to this initial conclusion.

- Making a change – a centralized approach relieves the operator from the responsibility of managing the deployment of the technology solution. This removes the barriers currently faced dues to the complexity of managing one or more different technology solutions to create a single, best practice website.

- Closing the gap – a centralized approach allows for a more comprehensive, turn-key offering to be presented to industry making it more accessible to all. This will likely have a broader impact on industry by ensuring that not just early adopters and industry leaders participate in the program.
- Ensuring quality – a centralized approach allows for greater control over quality, consistency and measurement of results. As such, it provides a higher likelihood that improvements are based on best practice approaches, and that program measurements (eg. take-up) can be monitored and corrective action, if nay, can be effected based on a better understanding of overall program status.

GAP#2: RESERVATIONS

Two scenarios are examined for closing this gap.

Gap#2: Scenario #1 – Tourism.Technology.com Identifies and Promotes System

The first sees the ACTP or one of its member organizations such as Tourism Technology.com identify a best practices solution and assist in making sure that it is available for any industry member who chooses to participate.

To remove some of the barriers to adoption, Tourism.Technology.com would take on a central responsibility in identifying and selecting vendor(s) that met best practice requirements, and perhaps establish favourable terms and conditions on behalf of operators as part of an umbrella contract. This option would also include the development and delivery of a training and education program to ensure that operators understood the requirements for implementing reservations capability overall.

We took a high level view of five current vendors offering the services to small independent businesses. We would recommend within this scenario that a more formalized list of relevant ‘best practice’ vendors be provided to the Operators for their individual implementation.

The following table provides a glance of a few of the current vendors and their capabilities. Further details on the vendors can be found in Appendix 10.

Online Reservation Vendors

	Real Time Availability On Vendor Site	Real Time Availability on Property Website	Book/manage reservation on Vendor website	Book/manage reservation on Property Website
Slumberland	√ tourism PEI site	√ if operator chooses to do so	√reservation email request to property	√ if operator chooses to do so
Checkin Nova Scotia	√	√ link to check-in website	√	√ link to check-in website
Canvisit.com	√	√	√ Reservation Request	√ Reservation Request
Accommodation Availability		√		√ Reservation Request
Guest Serve		√ on # of sites		√ on # of sites

Before any final selection would be made, a more formal and thorough market scan would need to be conducted in which a more comprehensive list of possibilities was made, assessment criteria established, an reviews conducted to ensure the best fit between each vendor’s capabilities and local market needs.

Travel agency websites such as Expedia.ca and itravelcanada.ca, should also be investigated, however, the ruling is still out if the return on investment of working with an aggregate site are beneficial for small fixed roof accommodation providers.

Once a reservation solution was identified and contract details confirmed, a communication would be sent out to industry informing them about the opportunity, perhaps as part of a program that included the ability to “sign-up” for on-line reservations via these arrangements. Sign-up would occur on an individual basis, and contracts would be between operators and the vendor directly, with favourable terms and conditions potentially established beforehand as described above.

Gap#2: Scenario #2 – Governments and or the Provincial TIA Identifies and Procures Solution(s)

The second scenario would see either the Provincial Governments and or the Provincial TIA’s procure, manage and deliver a reservation capability on behalf of their respective jurisdictions. In this scenario, Provincial organizations would identify, procure, manage and deploy reservation functionality to operators, in effect acting as the service provider for the capability.

While the potential for one or more provinces to share one system always exists, we have assumed that this will not be the case. Should this option come up for discussion, the pros and cons discussed below would largely remain unchanged, with the exception that economies of scale in purchasing and managing the solution would result in cost savings.

The following tables describe the main differences between these two options.

Scenario #1: Tourism.Technology.com Identifies and Promotes System

	Procure technology	manage technology and or vendor	Book/manage reservation on website	Book/manage reservation on phone
ACTP	√	√		
Province/TIA				
Operator		√	√	√

Scenario #2: Governments and or the Provincial TIA Identifies and Procures Solution(s)

	Procure technology	manage technology and or vendor	Book/manage reservation on website	Book/manage reservation on phone
ACTP				
Province/TIA	√	√	√	√
Operator		√ (small effort required to implement reservations on website)	√	√

The following is a more in-depth look at the pros and cons of these two options.

Scenario #1 – ACTP Assists Operators in Managing Reservation Solution for Themselves

The ACTP would assist by identifying a best practice solution, and negotiating and managing some aspects of the contract such as group pricing, and other terms and conditions that would need to accompany the solution to ensure that it was affordable and delivered the requirements necessary to close this gap. If there was a significant upfront cost to this initiative, ACTP may bear some or all of this expense.

Once established, this contract would then allow industry to implement a defined, standardized best practice solution for themselves if and when they chose to do so.

Pros:

- **"Centralize" the expertise required to identify best-practices solution(s).** Time and effort to identify, procure and manage the solution(s) need only be done once. The best available resources can be brought to bear on this aspect of the program.
- **Less likely to be perceived as a centralized system.** This option does not involve a central system per se, just a centrally selected list of approved vendors.
- **Less direct involvement required by DMOs.** This option does not require the significant involvement and participation of Provincial DMOs, thereby lessening the amount of resources required to coordinate.

Cons:

- **No integration with DMO or other central sites.** This option will only provide for booking capabilities on operator websites, and will not allow for integration between operators and their respective DMO sites. Best practices dictate that closing the gap requires operators to meet their customers on-line, and transact with them when, where and how they want. Some customers do not feel comfortable booking online with smaller businesses. However, they may do so if the transaction was supported by a Provincial government or other DMO. Full integration of reservation capability between operators and DMOs would allow this to occur, and ensure that those potential revenues are not lost.
- **Risk of low participation.** Given the perception gap (operators don't yet see the problem with their online reservation capability), there is a risk that few operators will actually see the need to participate in such a program.
- **Competitive interference.** Many operators, particularly those who already maintain a strong online presence, may see this as diminishing their hard fought competitive advantage.

Financial Implications:

This scenario would most likely see the ACTP making an upfront investment in the identification and potentially the procurement (or subsidy) of a solution. That participation would likely involve ongoing costs that would be paid by the operators to the solution vendor(s).

Total costs for this solution versus the next can not be known until detailed requirements have been defined, vendors contacted and negotiations concluded for both. However, if we assume similar functionality and broad levels of participation under both scenarios, this option will likely cost more than the other. This conclusion is based on the fact that this option involves far more effort to both implement and maintain, for both industry and the vendor involved.

Scenario #2 – Province/TIA Manages Reservation Solution

Similar to the model of Check-Ins Nova Scotia, a central capability would be procured and managed, and then used to provide service to operators within that particular province on an individual basis.

Of course, our recommendation herein assumes that a best practice reservation system is used to ensure that room availability is exposed on-line, real-time secure transaction capabilities are present, and integration of booking capabilities is available at both provincial and operator sites (if desired by that province) so that consumer and best practice requirements are met.

As with all scenarios, Operators would be encouraged, through education and training, to improve their individual websites. They may or may not be provided financial assistance to implement some of the suggested best practices. Ultimately, each Operator would determine what, if any, changes they would make to their websites.

Pros:

- **"Centralize" the expertise required to identify, develop and deliver best-practices solution(s).** Time and effort to identify, procure and manage the solution(s) need only be done once. The best available resources can be brought to bear on this aspect of the program.
- **Integration with DMO or other central sites.** This option will allow for potential integration between operators and their respective DMO sites. This is consistent with best practices and allows operators to meet their customers on-line, and transact with them when, where and how they want.
- **Efficiency.** A centralized service is capable of achieving economies of scale in terms of money, time and effort.
- **Continuous Improvement.** It is possible to architect a central solution that can deliver continuous improvements to the operators' online reservation capabilities over time. This ensures best-practices are achieved … and maintained.

Cons:

- **Risk of low participation, 1.** Historically, operators have not favoured any solution perceived to be centralized.
- **Risk of low participation, 2.** Given the perception gap (operators don't yet see the problem with their online presence), there is a risk that few operators will actually see the need to participate in such a program.
- **Competitive interference.** Many operators, particularly those who already maintain a strong online presence, may see this as diminishing their hard fought competitive advantage.

Financial Implications:

As mentioned above, the financial aspects of this scenario are difficult to detail. The costs of implementing a system like this will entirely depend on the various elements of functionality and contract negotiations associated with any one vendor. Nevertheless, it is highly likely that a centralized system will incur fewer costs over the long term (assuming similar capabilities and usage across both options) due to the inherent economies of scale in the program.

As mentioned previously, if two or more provinces share in a central system, costs go down accordingly. Fully realized, this approach could dramatically reduce overall program costs should all four jurisdictions choose to support one system.

CONCLUSION

It is not clear at this time which option would be more effective at closing the gap. Best practices, costs and overall control favour a centrally purchased and managed system (Option #2), however, history advises that this may not be practical given previous experience and the reluctance of operators to participate in any "central" system.

Both options have the potential of closing the gap, and both hinge upon a strong education and training foundation to ensure that industry perceives the need and share the sense of urgency that this report conveys.

Nevertheless, deploying solutions of this nature must take into account real world issues that are typical of situations such as this. Specifically, multiple stakeholders with differing points of view, differing agendas (on some issues) and an overall difference in perspectives. As such, it would not be appropriate to recommend one option over the other absolutely, without further evaluation of other program alternatives, as well as further investigating into options for launching and managing a broad based reservations solution.

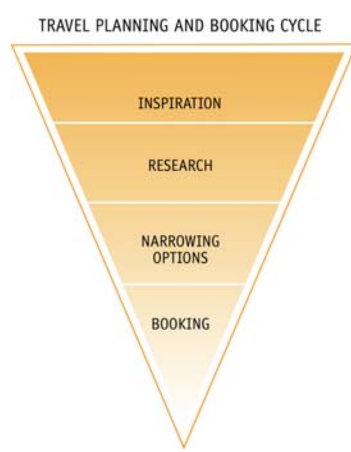
Having said that it is clear that the need is present and it behooves all stakeholders to make reservations a priority now, and in years to come if industry is going to meet and do business with their customers on-line.

OTHER CONSIDERATIONS

The following section provides a few final considerations regarding the strategic plan.

Overall, it has become obvious that an on-going sustained effort will be required in order to move, and keep industry at the forefront of competitiveness. Advances in technology, rising consumer expectations and the continuing efforts of the competition all create and atmosphere of continuous change, and therefore the need for continuous improvement.

Executing this plan alone will not result in the immediate and sustained success of the Atlantic Canadian SME sector. It will take a multi-year, multi-phased approach. As has been the case with other programs, the ACTP can anticipate a phased take-up of the program with the usual cast of early adopters signing-on first. These operators should be leveraged to the fullest extent possible and used as walking advertisements that help lure the fence sitters, the next group of potential participants to come on board. One technique that is often used when launching a program such as this is to co-opt early adopters and have them help you design the program. In that way, early buy-in from a core group is assured, and the program benefits from the all important voice of industry, those that are out their doing it every day.



Also, it is important to point out the need to coordinate this activity with the other on-going efforts and investment of all key stakeholders in order to provide consumers with the overall experience they are looking for.

Throughout this report we have taken a consumer centric approach. As such, these efforts should also be coordinated along these same lines to ensure that as consumers move through the buying cycle from inspiration to research, from research to planning and planning to action that

The actions and activities of the ACTP, Provincial and Regional DMOs, Associations as well as individual operators are all coordinated to provide a seamless, engaging and ultimately successful experience.

PLAN OF ACTION

Following are actions we believe must be considered and taken to improve the online readiness of the Atlantic Canadian SME websites. The actions have been broken down into the planning and buying cycle of the traveler. With that said, specific deliverables could and should be co-managed by two or more 'owners'. The objective is tracking the required improvements/changes of the planning cycle to improve the likelihood of a consumer to choose and book with an Atlantic SME.

Inspiration

Owner: Provincial Tourism Departments and ACTP

Role: To create the interest and desire amongst travelers to travel to Atlantic Canada.

Execution Elements:

1. Strategic Marketing Communication Plans that cover all mediums of communication. Advertising, Direct Mail, Collateral Material, Out of Home, Public Relations are all tools that are currently used to inspire travelers. This is the much needed spark that is required to put Atlantic Canada on a tourist's 'wish list'.

Research

Owner: Provincial Tourism Department, Tourism Association

Role: To provide an online experience that delivers to the inspiration created through traditional advertising and public relations. And to provide a complete picture of a jurisdiction so as to help the traveler narrow their choices of which Province or Region they wish to travel.

Execution Elements:

1. Strategic search engine marketing strategy that ensures that consumers are finding the Provincial or Association websites.
2. Effective Provincial Tourism websites that are easy to navigate search and sells the experience of the Province to draw the traveler in to wanting to know more.
3. Lead by example by offering functionality and rich content that anticipates the user's needs as discovered in our consumer focus group sessions. Examples include: interactive mapping, itinerary planning based in Time and Distance.

Narrowing Options

There are three f actions and owners to improve the narrowing options to ensure improvement of the current SME's user satisfaction rating.

Owner: Tourism Associations

Role: To manage the execution of a seminar program that address the wide perception gap of what consumers expect from SME websites and what is currently being delivered.

Execution Elements:

1. It is recommended that a communication plan and program be set in place to 'sell' the SMEs on the merit of a seminar program to learn about what consumers expect from an SME website, and what the SMEs should expect from their own website.
2. The seminar sessions objective is to change the perception of the SME owners of what they need to deliver as an experience through their website. The sessions should be facilitated by someone who has experience in user centered design and usability. This, we believe, will ensure that the content of the seminars is coming from an 'expert' in the field.
3. A specific seminar on the emerging trend of online booking would help set the stage with the SMEs that it is an emerging trend that will affect them directly.
4. Timing is imperative to move quickly in communicating the facts from this study to the SME owners. The further time removed from the explanation and importance of the findings the less relevant it will appear.

Owner: Tourism Associations

Role: To manage a training program that addresses moving the current consumer website satisfaction level from a 6/10 to a 9/10.

Execution Elements:

1. We would recommend a training model of one-on-one sessions with individual SME owners/operators. This would ensure that the content is relevant to helping them meet their objectives.
    - e. We suggest the trainer provide an assessment of their current website by conducting a specific heuristic evaluation of their website before sitting down with the SME owner.
    - f. Feedback would be categorized based on a severity rating of the user experience. This allows the consultant to help the SME categorize the urgency level of the changes being discussed.
    - g. The heuristic evaluation could be conducted after a specific period of time to assess if an improved user experience was achieved.
    - h. Training would also cover discussion points of future trends and best practices to consider for online booking and enriching content.

Owner: TourismTechnology.com

Role: To manage the requirement gathering of Best Practice information on specific functionality that will improve the user experience on SME websites.

Execution Elements

1. Manage the team through the process outlined within the strategy.
2. Two clear functionality to improving the online experience for the user includes online booking and enriching the content of the SME websites. As with many technology integrations there are many recommendations to be considered and vetted from the different players at the table. It is important that we look at the most viable options for the SME owner that will also meet the user needs.
3. A requirements and implication document would be developed through the help of a technology provider. By going through the process outlined in the strategy section, a best practice list of suggested options and cost for the SMEs would be created.

Booking

Owner: SME, ACTP and TourismTechnology.com

Role: To consider the best long term solution for online booking capabilities for the SME owner.

Execution Element:

1. The investments into online booking will be substantial for the SME. It is recommended that while the education and training into improving the current online readiness of the SME market is conducted; TourismTechnology.com review the feasibility options and best approach to delivering the functionality so that the majority of SMEs in Atlantic Canada are offering online booking on their website by 2010.
2. Develop an incentive program which will ensure the adoption of online booking offering within the SME market. This would circle back to the training offered in online delivery to ensure a consistent message of providing a good user experience.

CONCLUSION

The conclusion of the online readiness study was that there is a large gap between what consumers expect from an SME website and what is currently being delivered. If the actions outlined within the suggested strategy are implemented in a timely fashion, we believe that it will improve the online user experience of potential travelers and help close the deal in terms of booking.

The need is to address the elements quickly. Users are constantly being exposed to new technology and better user experiences, in so doing they are constantly updating their requirements to qualify for a good user experience. Education and training are necessary with the SMEs to have them adapt appropriately.

A goal of having excellent user satisfaction on SME websites will need to include online booking functionality. Solutions that help SMEs stay one step ahead of what consumer's currently expect to find online will help achieve a 9/10 user satisfaction level on their sites and will book more rooms.

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APPENDIX 2: DETAILED LITERATURE REVIEW

Summary

- Recent travel forecast have total travel increasing modestly, between one and four percent, while current forecast for online travel is expected to grow between 20% and 30%.

- Key within this growth these predictions, is travel purchases direct with the travel operator as opposed to via agent intermediaries. Emarketer.com looking at many of the forecast has suggested that this is where the growth will be greatest.

- Customers have some key expectations when booking with SME properties directly. Recent research from TIA reported that branding and alternative contact methods if incorporated on travel websites would help travel companies in 'closing a sale' on-line.

- The brand of the SME is important towards closing the sale. "At the time of making a travel purchase decision, approximately four in ten online travelers (39%) indicated that the brand of the travel product was important to their purchase decision"(Estis-Green, pg. 24)

- Linking to information primarily accommodation availability is often quoted as a success factor in research pieces from two perspectives; Scanability of information during research activities, and usability during transaction activities of the consumer.

- Professional design of the information hierarchy is in the development of the information architecture, and is key to best results in customer usability that can fully the customer's needs for information in expected formats.

- Closing the transaction on-line continues to be a current challenge for SME properties, however security concerns do not seem to be the barrier. Branding is important towards creating a trust factor with the customers. Travel associations and accommodation associations and standard grading system will play a part in creating the trust, which will translate to increased online sales.

- Clearly there is an information gap with the SME operators, with 32% unaware or lack the knowledge to identify the barriers to use of the technologies the consumers have current expectations of seeing.

- Online distribution creates tremendously exciting opportunities to facilitate more revenue, some will gain with more sales, some with longer seasons, and some with decrease costs from other channels.
- Building the capacity for SME properties to book travel directly via their property sites and others websites is crucial to success and will sell more room nights and generate more income for the SME property owner.

- New location intelligence tools developed originally by search engines and mapping companies to gather location and topic preferences together will be important in the future. 'Mapping mashups', are seen as a trend to watch, as they provide logical information in scanable formats that encourage purchasing decisions.

- Syndicated information will also play a significant role in providing 'just in time' content to travelers, to encourage purchases. Syndicated information will also be used by the tourism industry to better communicate within their associations, both formal and non-formal.

Customer Literature Review

- Recent customer research reports that branding and alternative contact methods if incorporated on travel websites would help travel companies in 'closing a sale' on-line.

- The brand of the SME is important towards closing the sale. "At the time of making a travel purchase decision, approximately four in ten online travelers (39%) indicated that the brand of the travel product was important to their purchase decision" (Estis-Green, pg. 24). Brand recognition has been an increasing trend within the SME hotel sector across Canada; the Hotel Association keeps statistics for hotels with 100 or more rooms (on the larger side of SMEs) and has reported steady 2% increase in branded hotels.

- SME's accommodation properties can achieve branding status without joining a brand, by the frequent use and promotion of like services with a branded identity. The promotion and use of accommodation grading services, payment method brands (Visa/ MasterCard/ etc), Provincial Tourism Association memberships, and other membership participation helps leverage other brands to create creditability.

- When travelers are researching and booking online they want to have a readily accessible toll free number on the website to use. A 2005 travel consumer study by Travel Industry Association of America (TIA) study found that 34% of travelers that said they completed all their travel booking online, also used the travel sites 1-800 numbers. This points to a blurring line when speaking with travelers about online activity. Booking via the 1-800 number found on a website, may also considered online booking with travelers in the recent 2005 consumer online travel research study by TIA study.

- Promotion of a properties toll free number is well understood and documented to assist with those uncomfortable with closing the accommodation purchase online, "the phenomenon of Look Online—Book Offline is the number of "online bookers" who may conduct most of their research and part of their booking online but call an 800 number at a travel vendor to finalize all or part of a booking. The results showed one in three online bookers completed their bookings by conducting research online and then finalizing the reservation by calling an 800 reservation number for at least one online booking in the last year." (Estis-Green, pg. 29)

- Linking to information primarily accommodation availability is often quoted as a success factor in research pieces from two requirements; Scanability of information during research activities, and usability during transaction activities of the consumer.

- Travelers want to see the room availability in "scanable" and consumable formats. Research points to traveler's wants for; pictures of every room, virtual tours, and property pictures. Second when travelers make the change from interest to desire to action, research suggest need to have room availability of prices, room availability and additions in clear and assessable formats. Research reports this insatiable appetite for information from the traveler as a trend that "technology is playing a greater role in behind the scenes in travel e-commerce by encouraging repeat and just-in-time purchases." (Bray, John, 2006). PhoCusWright research continues the information trend with consumers directs towards rich media experiences that includes, location "mapping mashing" rich media including movies and virtual tools. (Bray, John 2006)

- Previous research suggests travelers use and enjoy just-in-time delivery of services with "(12%) claim that they have taken a trip they otherwise would not have taken based on an emailed travel promotion, discount, or offer". (Estis-Green, page 40)

- Not surprisingly recent research of consumers about security issues related to online purchases has decreased. TIA online consumer survey in 2005, (the most comprehensive annual consumer travel survey available to the pubic) did not ask a question about the security of making a purchase online in 2005. Lack of recent research suggests that this previous concern has been sufficiently mitigated.

- Recent research suggests, "there appears to be a trend toward a more diverse economic group entering into the practice of online planning. Another shift in the last year, supported by the shift in more women using the Internet in general, is toward a higher percentage of women doing online travel planning." (Estis-Green, pg. 16) This makes sense in terms of market growth. Online travel growth has matured and consumers from a broad base are using the online tools.

SME Accommodation Sector Literature Review

- The Small to Medium size Enterprises (SME) that make up a majority of the accommodation sector in Atlantic Canada appear to have challenges meeting the online customers expectations.

- Should gaps exist between the customer's online expectations and the SME's ability meet these expectations, should not be surprising. Innovative technologies are often slow in moving into the SME environment. The SME operators identified many reasons for prevent them from moving forward with new technologies, most often sighted is costs 23%, while close behind is unsure of any barriers (22%) and lack of knowledge (10%). (Tourism Technology.com, Program Evaluation, pg. 27.)

- Clearly there is an information gap with the SME operators, with 32% unaware or lack the knowledge to identify the barriers to use of the technologies the consumers have current expectations of seeing.

- A recent European Tourism report summarized the challenge experienced in the SEM environment as gap in the 'limited dissemination of information to harness the appropriate technologies'. While it goes on to discuss larger hotel sector companies have access to technologies providers that help feed the information gaps. (Structure, Competitiveness…2003)

- The 2005 survey of tourism operators, conducted as part of the program review for TourismTechnology.com, identified that 85% of companies have a web presence. With 48% of these using a professional web design company to help them design the site. However, the study did not explore the timeliness of the site, the level of professionalism.

- Having the technology and using it effectively are separate items, 48% of the respondents responded they we interested in getting website and Internet marketing. (Tourism

Technology.com, Program Evaluation, page 4.) Which suggests that those that have adapted the technology recognize they need training to accomplish more.

- There appears to be a gap in understanding definitions and simple best practices from previous research. Processing online transactions and security research with SME's as an example demonstrates these knowledge gaps. In the Atlantic Canada research from 2005 "Approximately four in ten (41%) operators with a dedicated website use their website to process financial transactions/orders or reservations. Of those operators who use their website for this purpose, 55% using secure technology" (TourismTechnology.com, Program Evaluation, page 3). 45% of operators are not likely process transactions, but receiving orders /reservations and not payments. So the knowledge gap, which extends into a common definition gap, within the SME sector is makes interpreting SME's previous survey responses a challenge towards achieve accurate actionable results.

- Knowledge and definition gaps exist with customers as well, who report using search engines to book travel, something that is not currently possible. (Estis-Green, page 4)

- Internet marketing interest from the SME's and the gap in general knowledge of the technology creates a double capacity challenge for achieving success. "Tourism operators have a moderate to low level of knowledge of computers and technology. Less than half (46%) of the tourism operators surveyed consider themselves somewhat (31%) or very (15%) knowledgeable about computers and technology in general". (TourismTechnology.com, Program Evaluation, pg. 15)

- Any solution provided to SME's to bridge the technology gap would need to leap frog both the technology and knowledge gaps, or circumvent them completely.

- Branding is an issue with customer purchasing of SME's accommodation services. SME have little room in profits to provide royalties or fees to branded parents companies. However, branding really helps online purchases (Estis-Green, 2005). Leveraging brands that the SME's associates with will help in creating a comfort level for online purchasing, as it has with other industries.

- Best practices with Internet marketing for the accommodation section vary greatly depending upon desired output, the desire out comes are always the same though increased profit.

- This game is not won by getting more bookings through your website, but by getting more bookings. Online distribution creates tremendously exciting opportunities to facilitate more revenue. How this new revenue comes will vary by resort. Each resort can use online utilities to support its business plan in different ways. Some will gain more through retention, some will gain more through improved dispersal of information, some will create a machine that channels bookings through existing call centers, and some will rely on third parties for incremental business during need periods. Some will win by higher yields through reductions in sales and advertising costs. The possibilities and the combinations for success are extensive. (Best Practices for …,Oct,2005)

- There are many strategies as expressed by best practices that can increase profit for the SME accommodation sector, the key is identify which strategies can be supported by the ACTP partnership.

Strategic Trends Literature Review
Emergent Trends

- Current research shows that online travel purchases are expected to grow at somewhere between 20% and 30% in the next three years (In Road for Online travel, 2005). Online purchases are expected to be significantly above the industry outlook, created by the Conference Board of Canada in Q4 2005, for which forecasted total travel growth of 3.5% for domestic markets and only 1.6% for USA market to Canada.

- While the growth of online travel is not growing at the multiples of a couple of years ago the maturity and volume is now important to the smaller medium size enterprises (SME) in the accommodation sector.

- Research with consumers is reporting that consumers are increasingly likely to use accommodation site directly for purchasing travel products, as opposes to travel agent sites. (In Road for Online travel, 2005) Emarket.com anticipates that up to 62% of travelers will book directly with the supplier by 2010.

- Building the capacity for SME properties to book travel directly via their property sites and others websites is crucial to success and will sell more room nights and generate more income for the SME property owner.

- Technology allows for SMEs to use Internet booking capacity in many ways, which complicates the decision making process of SMEs. Travel providers in Atlantic Canada have recently (2005) reported costs, lack of technology knowledge, and lack of training as barriers to using online technology more effectively to better their business. (TourismTechnology.com, Program Evaluation, pg. 19)

Emergent Technologies

- Currently property management systems, purchased as software modules directly from a variety of vendors, offer an online module to provide for booking capabilities via the property management systems website. These online services are typically under used because of cost (usually a monthly maintenance and % booking fee) and because of challenges to integrating into the properties current website.

- SME properties can currently subscribe and use larger web portals and travel agencies to incorporate booking capability for their property online, however costs (usually a monthly maintenance and % booking fee) as well as, limited promotion and awareness has discouraged this option. The volume and size of the large web portals also discourages SME approaches to travel distribution, with training and other soft barriers to consider this an option for consideration.

- Integrated marketing and Customer Relationship Management (CRM) tools are becoming widely used in accommodation businesses online. (Hsieh,Ting-Chun, 2006) SME's appear slow in using these technologies that integrate a customer's information, with customer transactions and customer responses to marketing activities. We know from research conducted by TIA that (12%) claim that they have taken a trip they otherwise would not have taken based on an emailed travel promotion, discount, or offer (Estis-Green, pg. 40). With improvements in customer relationship management tools and communication tools, we can expect SME properties to record increased business from previous customers or previous contacts to the property.

- We have witnessed the larger players integrate greater visual representation into their travel products in the last 3 years. Virtual tours are now starting to become standard with larger hotels, high-end package tours, cruises and destinations. Providers like VRX Solutions from Vancouver have changed the pricing and delivery model so that SME travel and accommodation providers can sign up for these services with little technical skills. PhoCusWright reports in 2006 that because of broadband penetration increases with consumers, Rich Media has the potential to differential hotel rooms, and generate sales. This is a competitive edge to explore, with under-brand recognized SME properties in Atlantic Canada.

Emerging Technologies

- New location intelligence tools developed originally by search engines and mapping companies to gather location and topic preferences together are being used in travel industry. Beyond the adding interactivity of accommodation properties to a map, these tools use previous searches to identify likely accommodation, attractions and travel services into maps, driving directions, and call out advertising of sites. PhoCusWright calls these new services ‘mapping mashups’, and reports it to be one of the top trends in 2006 to watch, as new content gets ‘mashed’ into the mix of information.

- Experience is still a key driver to travel product research and eventually purchases. Whale watching first, then in Atlantic Canada. Tour operators are starting to provide flexibility on first decision point for travelers. Gap Adventures asks about activities at the same level as destination. Providing the right information hierarchy of material and the flexibility to rotate this hierarchy based upon the traveler’s click response when researching is key. This decision making process by the traveler, collected with CRM tools that capture the online activity to build interest variables is part of the data mining and technology trend identified by PhoCusWright as to top current importance of Travel professionals in 2006. Professional design of the information hierarchy is the art of information architecture, and is key to best results in customer usability.

- Moderated chat rooms, tagging sites and blogs are extending the experience of travel and provide personal insights from other traveler to traveler. PhoCusWright calls this “social web technologies” and reports it to be an ever-increasing influence for researching travel and influencing travel purchases. Providing independent third party endorsements often works towards closing the sale. (Hsieh, Ting-Chun 2006).

- Metasearch engines, such as SideStep and Kayak, which compare fares from numerous competing travel sites, have not been as well received as promoted. Only 3% of the consumers surveyed by Jupiter reported using them. (Bray, John. Pg. 4) However, GNEs or the GDS New Systems are expected to expand the distribution channels beyond the current agent relationship into the affiliate market place that is currently expanding in other sectors.

- Syndicated material (via RSS feeds this time) has returned. Syndication was going to be the be all and end all for news syndication in the late 90’s. RSS allows for much easier distribution of syndication for a broader audience. Many blogs and smaller websites are using these ‘simple syndication’ techniques to add content created by others to their sites. While news and updated events seems to still be the content of choice, it is possible to syndicate travel specials, survey requests, really anything you can link to. Hawaii.com and Marriott.com are among many testing syndication of travel coupons to partner sites.

- PhoCusWright puts RSS in with other trends that allow for snacking or bit size customization of content to users for consumption. PhoCusWright is most interested in watching its delivery into personal portable devices, including mobile telephones, PDAs and iPods. (Bray, John. Pg.4)

- Mobile technology is starting to have the impacts on travel promised years ago. Mobile telephones with camera and video cameras are common. Purchasing is increasing via mobile technology in Asian and Europe, North American markets are lagging behind. In North America PDA are increasing in use, although web usage is limited, calendar and e-mail functions are mature with the business travel market. Integrating content and communications using new devices may be key to longer-term success of strategies.

APPENDIX 3: CONSUMER FOCUS GROUP SCREENER

Good morning/afternoon/evening. My name is ________________ of _______________, an independent research firm. We are not selling anything. We are conducting a short survey in this area and would like to speak with an adult in the household. May I have a few moments of your time? Thank you.

1.To start off, we are interested in the occupations of people. Do you or anyone living in your household work for any of the following?

An advertising agency	o	TERMINATE
A newspaper or magazine	o	TERMINATE
A market research or opinion company	o	TERMINATE
A radio or television station	o	TERMINATE
A travel agency	o	TERMINATE
A government ministry or agency responsible for tourism	o	TERMINATE
An organization that sells or markets tourism (e.g. a destination marketing organization, a hotel, a major tourist attraction, theme park, etc.)	o	TERMINATE

2.Have you personally participated in any market research focus group discussions in the past 6 months?

Yes	o	TERMINATE
No	o	

3. Have you ever participated in a travel or tourism focus group?

Yes	o	TERMINATE
No	o	

4. [RECORD GENDER]

Male	o
Female	o

TORONTO AND MONTREAL – AIM FOR 60F / 40M
BOSTON – AIM FOR 50/50 SPLIT

5. Into which of the following age ranges do you fall? Are you…? [READ LIST]

Under 30	o	TERMINATE
30 – 45	o	NEED ONE GROUP PER MARKET (GENERATION X)
46 – 60	o	NEED ONE GROUP PER MARKET (BABY BOOMERS)
60+	o	TERMINATE

6a. Have you travelled for pleasure, meaning a vacation or weekend getaway, within the past year?

Yes	o	
No	o	TERMINATE

6b.When you travel for pleasure, meaning vacations and weekend getaways, with whom do you most often travel? Do you travel…? [READ LIST]

Alone	o	TERMINATE
As a couple	o	BOSTON – AIM FOR COUPLES ONLY
With adult friends / family members	o	MTL & TOR – CONTINUE – ALSO CONTINUE WITH "AS A COUPLE"
As a family with children under the age of 18	o	
As a family with children over the age of 18	o	

6c.[ASK MONTREAL ONLY] Within the next two years, how likely are you to travel for pleasure outside of the province of Quebec. Are you…

Very likely	o	CONTINUE
Somewhat likely	o	
Not very likely	o	TERMINATE
Not at all likely	o	

7.For each of the following tasks, can you tell me if this is something that you typically do by yourself, something you do jointly with your spouse or partner, or if this responsibility typically falls to your spouse or partner, or someone else in your household? [READ LIST]
NOTE: TO QUALIFY, ALL MUST SAY THAT THEY DO THESE TASKS EITHER THEMSELVES OR JOINTLY WITH THEIR SPOUSE/PARTNER

	I do it	Jointly with Spouse / Partner	My Spouse / Partner does it	Someone else in household
Decide where to go for a vacation or a get-away	o	o	o	o
Research vacation destinations for things to do and see	o	o	o	o
Make the specific travel arrangements	o	o	o	o

Do you have Internet access at home or at work?

Yes	o	
No	o	TERMINATE

For trip planning, do you always, frequently, occasionally or never use the Internet as a research or idea generator tool?

Always	o	
Frequently	o	
Occasionally	o	TERMINATE
Never	o	

When you make travel purchases, such as airline tickets, do you always, frequently, occasionally or never make these purchases online?

Always	o	NO MORE THAN 1-2 "OCCASIONALLY"S PER GROUP
Frequently	o	
Occasionally	o	
Never	o	TERMINATE

Which of the following best describes your current employment status? Are you…? [READ]

Employed full time or part time	o	CONTINUE
A homemaker	o	
Retired	o	
Unemployed	o	TERMINATE
A student	o	

What was the total income of your household before taxes in 2005? Was it…? [READ LIST]

Under $50,000	o	TERMINATE IN ALL CITIES
$50,000 - $69,999	o	TERMINATE IN BOSTON UNLESS RETIRED
$70,000 - $99,999	o	CONTINUE
$100,000+	o	

Which of the following best describes the highest level of education you have completed? [READ]

Some high school	o	MAY PERMIT IN MTL & TOR IF RECRUIT IS DIFFICULT
Completed high school	o	
Some college / university / trade school	o	
Completed college / university / trade school	o	GO TO INVITATION
Post graduate	o	

INVITATION

We would like to extend an invitation to you to attend a marketing research session scheduled at (Time) on (Date) at (Facility). The objective is to obtain your feedback on some ideas about travel. There will be absolutely no attempt to sell you anything. We are interested only in your thoughts and opinions. The discussion will last about 2 hours. We think you will find it interesting and enjoyable and you will receive _______ as a token of our appreciation.

Would you be interested in attending?

Yes	o	
No	o	TERMINATE

At this session, you will be asked to read some documents. Is there any reason why you could not participate?

Yes	o	TERMINATE
No	o	

PLEASE bring any items, such as eyeglasses, that you require for reading. Additionally, you will be asked to show photo when you sign-in for the focus group.

Thank you very much for your participation. We look forward to having you join our research session. Someone from our office will be calling you at a later date to remind you.

NAME		
ADDRESS		
CITY	ZIP / POSTAL CODE	
RESIDENCE PHONE	BUSINESS PHONE	
RECONFIRMED BY	DATE	DATE

INCENTIVE NOTE
Montreal = $60
Toronto = $75
Boston = TBD

RECRUITMENT INFORMATION

TOTAL NUMBER OF FOCUS GROUPS:	6 – two in each market (Toronto, Montreal, Boston)
GROUP RECRUIT:	Ten for eight to show
GROUP DATES	Toronto: Mar. 20, Montreal: Mar. 21, Boston: Mar. 22/06
GROUP TIMES:	6:00pm and 8:00pm
DURATION OF GROUPS:	2 hours
TOPIC:	Use of Internet for travel
FACILITY LOCATIONS:	Toronto: Consumer Vision (416) 967-3480 Montreal: Espace Marketing (514) 286-8274 Boston: Focus Pointe (617) 573-0808

RECRUITMENT SPECS FOR ALL RESPONDENTS

- Respondents are not sensitively employed (Q1)
- Respondents must not have participated in market research focus groups in past 6 months (Q2)
- Respondents must have never participated in travel or tourism focus groups (Q3)
- Mix of genders (Note: slight female skew is acceptable in Toronto and Montreal) (Q4)
- One group must be between ages of 30-45, one group must be between ages of 46-60 (Q5)
- Respondents must have traveled for pleasure in the past year (Q6)
- Boston respondents should travel "as a couple" most often; Boston, Toronto and Montreal respondents cannot travel alone (Q6b)
- Montreal only: respondents must be "very likely" or "somewhat likely" to travel for pleasure outside of the province of Quebec in the next two years (Q6c)
- All respondents must be primary decision makers when it comes to trip planning – defined as person who does the research and one other function listed in (Q7)
- All respondents must have Internet access at home or at work (Q8)
- All respondents must always or frequently use the Internet to research travel (Q9)
- All respondents must always, frequently or occasionally make travel purchases online – limit "occasionally" to 1-2 per group (or less) (Q10)
- Respondents must be employed full or part time, a homemaker or retired – cannot be a student or unemployed (Q11)
- Boston respondents must have an annual household income of at least US $70,000, unless they are retired, in which case income must be $50K+ – Toronto and Montreal respondents must have an annual household income of at least Cdn $50,000 (Q12)
- Respondents must hold college diploma, university degree or trade school certificate – willing to budge on this in Toronto and Montreal if recruit is difficult (Q13)

APPENDIX 4: CONSUMER GROUP DISCUSSION GUIDE

Methodological Note: our approach to this guide is to have respondents simulate the actual experience (and steps) they go through when researching, planning and booking a vacation. We have designed a pre task assignment that will engage the respondents in the subject matter prior to the discussion, and the basic framework of the discussion guide will form the core framework for the ensuing discussion.

LOBBY PRE TASK ASSIGNMENT (estimated time to complete 10 minutes)
When you were recruited to participate in this discussion group, one of the things we asked you about was your travel – tonight we want to explore how you get inspiration, research, plan and ultimately book your vacation/ travel.

In order to get you thinking about how you research, plan and book your vacation, we have a few questions that we would like you to answer prior to the start of the group discussion.

Imagine that you are just starting to think about your summer vacation for this year (or XMAS or Spring vacation if you rarely take summer vacations). I want you to walk us through all of the steps that you would go through including what resources you would be consulting – including talking with friends, responding to a promotion, visiting travel websites, general Google/Yahoo searches, travel agent, etc.

Step 1: Inspiration
How do you decide which destinations to consider for your vacation? Where do you begin and where do you get your information?

Step 2: Narrowing the scope and selecting a destination
Once you have focused your list of destinations down to a smaller number, what do you do next?
What resources do you turn to and whom do you consult (please be as specific as possible)?
For the resources you turn to, what are the best and worst things about each?

Step 3: Making a booking/reservations
When it comes time to booking and reservations, how do you do this/ whom is this done through (if you use more than source please list them all)?
If booking online, where do you start and what do you look for?
What are the best and worst things about booking this way?

Step 4: Planning an itinerary when on vacation
When you are thinking about what you will do (places to see and go, activities, restaurants, etc) when you will be on vacation, what do you expect from an accommodation website??

I. INTRODUCTION
Moderator introduction: ‘purpose of the discussion’, neutrality and confidentiality, room specifics, and ‘rules’ for discussion’.
Respondent introductions: name, age, occupation, household details and interests.
Vacation overview:
Where did you go for your last short getaway? (1 to 3 nights) - Why that destination?
And where was you last longer vacation (1+ week)? - Why that destination?
For your next vacation (either a short getaway or a longer trip), what are you considering?
Probe for specific locations, tourist destinations, activities, etc.
Optional: probe for Nova Scotia, PEI, New Brunswick and Newfoundland
On-line buying habits:
Can you briefly tell me about how you use the Internet to make purchases of any sort?
What sites do you make transactions on regularly and occasionally?
Are there any transactional sites that you visit that you are not comfortable purchasing from, if so which ones and why?

FOR THE REMAINDER OF THE SESSION I WOULD LIKE TO WALK THROUGH THE TOPICS WE ASKED YOU TO THINK ABOUT IN THE WAITING AREA. BECAUSE OF THE LIMITED TIME WE GAVE YOU TO COMPLETE THE TASK, PLEASE DO NOT FEEL LIKE YOU ONLY CAN TALK ABOUT WHAT YOU WROTE DOWN – PLEASE TELL ME EVERYTHING THAT COMES TO MIND. IN DISCUSSING EACH TOPIC, IT MAY BE HELPFUL TO THINK BACK TO THE LAST VACATION YOU BOOKED AND THINK ABOUT WHAT SOURCES YOU RELIED UPON AT EACH STAGE.

II. INSPIRATION
When you are thinking about a vacation, where do you start, where does you inspiration for a come from? LIST ON FLIPCHART
PROBE IF NECESSARY: Is it destination driven, activity drive, or other?
IF INTERNET MENTIONED - Be as specific as possible about the sites you visit.
FOLLOW UP WITH THE PROBES BELOW ONLY AS NECESSARY
Who do you talk with? (friends, colleagues, travel agent, etc)
How does the Internet figure in this inspiration (search engines, travel sites, tourism sites, hotel sites, etc)
How about non-Internet related travel specific resources? (Travel agent including discounters – in person, 1 800 numbers, printed travel guides such as Fodor’s, Frommers, Lonely Planet, etc)
How about emails or other promotional offers?
What are the strengths and weaknesses of each source?
FOR WEB RELATED MENTIONS, THE MODERATOR WILL BRING UP THE SITE ON A SCREEN AND PROBE FOR RESPONDENT IMPRESSIONS – IF CLIENT HAS SPECIFIC BENCHMARK SITES OF INTEREST PLEASE ADVISE AND THEY CAN BE INCLUDED (Disney.com, Florida.com)
Content
Experience (interactivity, presentation, ease of navigation, virtual tours, booking online, etc)

III. NARROWING THE SCOPE AND SELECTING A DESTINATION (NOTE: IT MAY BE POSSIBLE TO COMPRESS III WITH II ABOVE – TBD AFTER THE INITIAL GROUP)
Once you have focused your consideration list of destinations down to a smaller number, what do you do next? LIST ON FLIPCHART
IF INTERNET MENTIONED - Be as specific as possible about the sites you visit.
FOLLOW UP WITH THE PROBES BELOW ONLY AS NECESSARY
Who do you talk with? (friends, colleagues, travel agent, etc)
How does the Internet figure in this inspiration (search engines, travel sites, tourism sites, hotel sites, etc)

How about travel specific resources? (travel agent including discounters – in person, 1 800 numbers, printed travel guides such as Fodor's, Frommers, Lonely Planet, etc)
How about emails or other promotional offers?
What are the strengths and weaknesses of each source?
FOR WEB RELATED MENTIONS, THE MODERATOR WILL BRING UP THE SITE ON A SCREEN AND PROBE FOR RESPONDENT IMPRESSIONS – IF CLIENT HAS SPECIFIC BENCHMARK SITES OF INTEREST PLEASE ADVISE AND THEY CAN BE INCLUDED (i.e. Disney, Florida, Las Vegas).
Content
Experience (interactivity, presentation, ease of navigation, etc)

IV. MAKING A BOOKING/RESERVATION
Now that you have decided where and when you want to go, how do you make your booking (accommodation, flight, vehicle, etc) LIST ON FLIPCHART
IF INTERNET RELATED MENTIONED - Be as specific as possible about the sites you visit.
FOCUS ON ACCOMODATION: Why do you use this method as opposed to other methods?
Go to specific site and probe for likes and dislikes
Sites of interest include: online travel agents, search engines, tourism sites (e.g. governmental), hotel/B&B sites – OTHER TBD
In general, are their some sites you trust more than others – give examples, why?
Are there some sites that offer you the option of booking/reserving but you are reluctant to – which ones, why?
Are there any sites where you would like to be able to make bookings but cannot? Which ones, why?

V. Consumers to take us to specific sites of their choice.
How would you figure out what you want to do in these locations?
How would you figure out where to stay in these locations?
If specific websites mentioned, let respondents initially determine which sites visited.
Take them to one or two of these sites:
New Brunswick – www.captainsinn.ca
Newfoundland – www.Cozycornercottages.com
PEI – www.peivacations.ca
Nova Scotia – www.maplebirdhouse.ca
Go to specific site and probe for likes and dislikes

SPECIAL TOPICS
To compare the current sites we have just visited, let's look at a few additional sites for your opinion of what you like and dislike.
Review the following sites:
New Brunswick – Auberge Gabriele - http://www.aubergegabriele.nb.ca/
Newfoundland - Cambellhouse B&B Retreat - http://www.trinityvacations.com/
Nova Scotia - Hubbards Cove Inn - http://www.hubbardscoveinn.com/

TBD – if time allows:
We may want to consider an ideation exercise where respondents are asked to come up with the ideal content and experience for a specific type of website.

Group		COMPOSITION	Market	Gender
1.	March 20th 6:00 p.m.	46 – 60 years of age	Toronto	MIX
2.	March 20th 8:00 p.m.	30 – 45 years of age	Toronto	MIX
3.	March 21st 6:00 p.m.	Mix of Gen X and Baby Boomers - English	Montreal	MIX
4.	March 21st 8:00 p.m.	Mix of Gen X and Baby Boomers - French	Montreal	MIX
5.	March 22nd 6:00 p.m.	46 – 60 years of age + travel mainly as a couple	Boston	MIX
6.	March 22nd 8:00 p.m.	30 – 45 years of age+ travel mainly as a couple	Boston	MIX

APPENDIX 5: SME SURVEY

English

French

Good Morning/afternoon/evening, can I speak to the owner or manager for ____________ (PROPERTY NAME).

Good Morning/afternoon/evening. My names is _________________ calling on behave of the Atlantic Canada Tourism Partnership and (TIANS, etc) I am conducting a short survey with regards to on-line readiness of Atlantic Canada's Accommodation sector. The survey will take approximately 6 minutes and we are not trying to sell products or services. All your responses will remain confidential. May I have a few moments of your time? Thank you.

1. To start off, we are interested if you currently have a website for __________________ (PROPERTY NAME)?
Yes
No

1B What other websites is your property listed with?
Provinces Website
Regional Website
Associations Websites
Travel Portals such as Expedia…
Other ______________________
None -

THANK AND TERMINATE IF THEY SAID NO TO Q1

2. Please describes how your website was developed?
Friends/Family
Packaged website solution like Aliant DIFY
Web developer/Communication firm
Other –

3. On a scale of 1-10 how satisfied are you with your web presence? (1 being extremely dissatisfied and 10 being extremely satisfied)

1 2 3 4 5 6 7 8 9 10 I don't know, don't want to answer

4. On a scale of 1-10 how satisfied are you with the return on investment of your current website? (1 being extremely dissatisfied and 10 being extremely satisfied)

1 2 3 4 5 6 7 8 9 10 I don't know, don't want to answer

5. On a scale of 1-10 (1 being extremely poor and 10 being extremely good) please rank the following elements on your current website:

Images 1 2 3 4 5 6 7 8 9 10 Don't Have
Well written Content 1 2 3 4 5 6 7 8 9 10 Don't Have
Maps 1 2 3 4 5 6 7 8 9 10 Don't Have
Room Availability 1 2 3 4 5 6 7 8 9 10 Don't Have
Booking Online 1 2 3 4 5 6 7 8 9 10 Don't Have
Are you considering implementing online booking Y/N
Promotions 1 2 3 4 5 6 7 8 9 10 Don't Have
Timely response to enquiries 1 2 3 4 5 6 7 8 9 10 Don't Have

6. Do you have the ability to edit and change the website?
Yes – go to Q7
No – go to Q9

7. How often is your website updated?
Weekly
Monthly
Quarterly
Every 6 months
Every Year
Never

9. What content do you update most often?
room availability
room descriptions
images of the rooms
events and activities in the area around my establishment
other______?

10. How are you promoting your website?
Traditional Advertising Y/N I don't know
Co-operative advertising with the Province or the Association
Y/N I don't know
Search engines Y/N I don't know
Banner Advertising Y/N I don't know
Other? ______________________
None.

11. How do you currently measure the success of your website?
Visits Y / N I don't know
Page views Y / N I don't know
E-mail enquiries Y / N I don't know
Bookings Y / N I don't know
Others Y / N I don't know
None Y / N I don't know

12.On average how many emails do you receive from interested travelers?
RANGE based on weekly (Summer/Winter Season)

more than 100
between 50 and 99
between 25 and 49
between 16 and 24
less that 15
none

13. What are the two main roadblocks, if any, to improving your website?
Investment in design
Equipment
Marketing
Photography
Connectivity
Hosting issues
Other
None

14. On average, how much do you spend on marketing and maintaining your website annually? (is asked we are considering hosting, domain registration, time, and advertising costs)
Less than $100
$100 - $249
$250 - $499
$500 - $999
$1,000 – $2,499
$2,500 - $4,999
Over $5,000
Refused to Answer

15. Our final question is if you currently have high speed or dial up connection?

Thank you very much for your time today. We appreciate your input. The summary of this survey and the focus groups with their market's clients will be made available in June 2006 on Traveltechnology.com

APPENDIX 6: SME SURVEY RESULTS

April 13, 2006

English – 369

French – 5

Total 374 surveys

Q1 – Do you currently have a website?
Yes – 371
No - 3

1B What other websites is your property listed with?
Provinces Website - 251
Regional Website - 156
Associations Websites - 103
Travel Portals such as expedia… - 71
Other - 128
None - 34
122 were listed only on one site
124 were listed with two sites
76 are listed with three sites
43 are listed with four sites
7 are listed with five sites

2. Please describes how your website was developed?
Friends/Family - 136
Packaged website solution like Aliant DIFY - 7
Web developer/Communication firm - 189
Other – 39

50% of the 374 sites were developed by web developer/communication firms36% of the 374 sites were developed by friends/family

3. On a scale of 1-10 how satisfied are you with your web presence? (1 being extremely dissatisfied and 10 being extremely satisfied)

1 2 3 4 5 6 7 **8** 9 10 (10 didn't want to answer)

4. On a scale of 1-10 how satisfied are you with the return on investment of your current website? (1 being extremely dissatisfied and 10 being extremely satisfied)

1 2 3 4 5 6 7 **8** 9 10 (29 didn't want to answer)

5. On a scale of 1-10 (1 being extremely poor and 10 being extremely good) please rank the following elements on your current website:
Images 1 2 3 4 5 6 7 **8** 9 10 Don't Have/Didn't Answer (9) (97% answered)
Well written Content 1 2 3 4 5 6 7 **8** 9 10 Don't Have/Didn't Answer (23) (94% answered)
Maps 1 2 3 4 5 6 7 **8** 9 10 Don't Have/Didn't Answer (128) (66% answered)
Room Availability 1 2 3 4 5 6 7 **8** 9 10 Don't Have/Didn't Answer (282) 24% answered)
Booking Online 1 2 3 4 5 6 7 **8** 9 10 (232 Don't Have/Didn't Answer) 38% answered
Are you considering implementing online booking
No – 173
Refused to Answer – 147
Yes - 51
Promotions 1 2 3 4 5 6 **7** 8 9 10 (274 Don't/ Have/Didn't Answer) 27% answered
Timely response to enquiries 1 2 3 4 5 6 7 8 **9** 10 (61 Didn't Answer) 84% answered

6. Do you have the ability to edit and change the website?
Yes – 194 52% have the ability to edit/change their site
No – 180 48%

7. How often is your website updated?
No answer - 62
Weekly – 25
Monthly – 49
Quarterly – 63
Every 6 months - 45
Every Year – 98
Never – 29
24% of those who answered update their site at least Monthly.
9. What content do you update most often?
room availability - 13
room descriptions - 33
images of the rooms - 80
events and activities in the area around my establishment - 32
other - 209

10. How are you promoting your website?
Traditional Advertising
No Answer – 30
No – 80
Not Sure – 15
Yes – 245
72% who answered use traditional advertising
Co-operative advertising with the Province or the Association
No Answer – 28
No – 33
Not Sure – 13
Yes – 297
86% who answered participate

Search engines
No Answer – 30
No – 106
Not Sure - 34
Yes - 201
58% who answered use search engine marketing.

Banner Advertising
No Answer -30
No – 264
Not Sure - 35
Yes – 42
12% who answered use banner advertising

None - 30
8% do not promote their website.

11. How do you currently measure the success of your website?
Visits
- No – 83
- Not Sure – 7
- Yes – 157
- No Answer - 124

65% of those who answered use visits to measure success of website

Page views
- No – 154
- Not Sure – 21
- Yes – 72
- No Answer – 124

29% of those who answered use visits to measure success of website

E-mail enquiries
- No 95
- Not Sure - 9
- Yes – 143
- No Answer – 124

57% of those who answered said they use email inquiries to measure success of site
Bookings

d. Bookings
No – 121
Not Sure – 10
Yes – 116
No Answer - 124

46% of those who answered said they used bookings to measure success of site.

12.On average how many emails do you receive from interested travelers?
RANGE based on weekly (Summer/Winter Season)
0-15 – 152
16-24 – 31
25-49 – 28
50-99 – 32
100+ - 101
None – 27

64% of interviewed received none – 49 emails on a weekly basis.

13. What are the two main roadblocks, if any, to improving your website?
Investment in design (63)
Equipment (11)
Marketing (33)
Photography (42)
Connectivity (4)
Hosting issues (16)
Other (174)
None (161)

14. On average, how much do you spend on marketing and maintaining your website annually? (is asked we are considering hosting, domain registration, time, and advertising costs)
Less than $100 - 70
$100 - $249 - 55
$250 - $499 - 41
$500 - $999 - 12
$1,000 – $2,499 - 23
$2,500 - $4,999 - 4
Over $5,000 - 5
Refused to Answer - 161

80% of those who answered said they spend less than $500 on marketing and maintaining their website annually.

15. Our final question is if you currently have high speed or dial up connection?
Dial Up – 99
High Speed – 255
Not sure – 17
68% of respondents use high speed.

APPENDIX 7 SATISFACTION SCORES

A 10-point scale was used to evaluate SME's evaluation of their own site, as well as the content experts review of the websites. The benefits of the 10-point scale is that it is easily understood, avoids a numeric mid-point, and can indicate a level of change over time, if used consistently.

Not at All Satisfied									Completely Satisfied
1	**[2**	**3**	**4]**	**5**	**6**	**[7**	**8**	**9]**	**10**

As outlined on www.surveytools.com, The five numeric values on each side of the scale might be: Completely, Extremely, Strongly, Moderately and Slightly.

A score of 8 would indicate strong satisfaction and also signal that there is room for improvement. A score of 6 would indicate slight satisfaction and signal that there is substantial room for improvement.

1 – Extremely dissatisfied
2 Very dissatisfied
3 Strongly dissatisfied
4 Moderately dissatisfied
5 Slightly dissatisfied

6 Slightly satisfied
7 Moderately satisfied
8 Strongly satisfied
9 Very satisfied
10 Extremely satisfied

APPENDIX 8: WEBSITE EVALUATION

Google Search
Google the name of the property. If it appears within the top five returns provide the property with one point.

Does the site have in the following navigation items?

- ☐ Rates
- ☐ Maps
- ☐ Contact Us
- ☐ Specials
- ☐ Rooms
- ☐ Amenities
- ☐ Local Attractions
- ☐ History of Inn or B&B (specific)

Images

Does the site have?

- ☐ 360 degree or virtual tours
- ☐ Photos of Each Bedroom
- ☐ Linked to the rates and description?
- ☐ Photos of Inn or B&B keeper
- ☐ Map
- ☐ How Many
- ☐ Locator map
- ☐ Driving instruction map

On a scale of 1-10 how would you evaluate the quality of the photos.

1 2 3 4 5 6 7 8 9 10 I don't know, don't want to answer

Evaluate the following

Rates

Rates by room by season
Description of the rooms
Photos

Maps

Description	1 2 3 4 5 6 7 8 9 10
Quality of map(s)	1 2 3 4 5 6 7 8 9 10
Number of maps	
Directional	
Placement	

Contact Us

Email 1 2 3 4 5 6 7 8 9 10
1-800 number 1 2 3 4 5 6 7 8 9 10
Transactional booking 1 2 3 4 5 6 7 8 9 10

Specials

Seasonal Specials (in appropriate area) 1 2 3 4 5 6 7 8 9 10
Package deals 1 2 3 4 5 6 7 8 9 10
Description 1 2 3 4 5 6 7 8 9 10
Quality of Photos 1 2 3 4 5 6 7 8 9 10

Rooms (per room Type)

Description 1 2 3 4 5 6 7 8 9 10
Quality of Photos 1 2 3 4 5 6 7 8 9 10
Price 1 2 3 4 5 6 7 8 9 10
Availability 1 2 3 4 5 6 7 8 9 10

Amenities

Description 1 2 3 4 5 6 7 8 9 10
Quality of Photos 1 2 3 4 5 6 7 8 9 10
Policies 1 2 3 4 5 6 7 8 9 10
Menus 1 2 3 4 5 6 7 8 9 10

Local Attractions

Calendar of Events 1 2 3 4 5 6 7 8 9 10
Local attractions and suggestions of what to do 1 2 3 4 5 6 7 8 9 10
List of Restaurants 1 2 3 4 5 6 7 8 9 10
Photos of Local attractions 1 2 3 4 5 6 7 8 9 10
Weather 1 2 3 4 5 6 7 8 9 10
Links to other attractions 1 2 3 4 5 6 7 8 9 10
Distance to key locations

Additional
History of B&B and Inn (description and photo).
Bio of Inn or B&B Owners 1 2 3 4 5 6 7 8 9 10
History of the Inn or B&B 1 2 3 4 5 6 7 8 9 10
Quality of Photos 1 2 3 4 5 6 7 8 9 10

APPENDIX 9: WEBSITE EVALUATION RESULTS

Google Search

Google the name of the property. If it appears within the top five returns provide the property with one point.

Navigation

Does the site have in the following navigation items?

Rates 187 39% yes
Maps 133 20% yes
Contact Us 232 52% yes
Specials 51.5 9% yes
Rooms 199 35% yes
Amenities 98 15% yes
Local Attractions 151 25% yes
History of Inn or B&B (specific) 66 12% yes

Images

Yes – 1 point
Yes, but of not all the rooms - .5 point
No - 0 point

Does the site have?
360 degree or virtual tours 11.5 2% yes
Photos of Each Bedroom 197.5 38% yes
Linked to the rates and description? 121.5 24% linked
Photos of Inn or B&B keeper 88 22%
Map 59% of sites have maps
How Many 69% of sites how had photos had 1 photo, and 85% of those how answered had 1 or 2 images on their site.
Locator map 46% had a locator map.
Driving instruction map 40% have driving instructions.

On a scale of 1-10 how would you evaluate the quality of the photos.

1 2 3 4 5 **6 7** 8 9 10 I don't know, don't want to answer

Content Evaluation

Does it have, and how applicable is the following areas of content?

Rates
Description of the rooms - 45% of the sites have descriptions
Photos

Maps
Description 1 2 3 4 5 **6** 7 8 9 10
Quality of map(s) 1 2 3 4 5 **6** 7 8 9 10

Contact Us
Email 1 2 3 4 5 6 **7 8** 9 10 71% had
1-800 number 1 2 3 4 5 6 **7 8** 9 10 52% had
Transactional booking 1 2 3 4 5 6 **7** 8 9 10 22% had

Specials
Seasonal Specials (in appropriate area) 1 2 3 4 5 **6** 7 8 9 10 24% had
Package deals 1 2 3 4 5 6 **7** 8 9 10 24% had
Description 1 2 3 4 5 6 **7** 8 9 10 24% had
Quality of Photos 1 2 3 4 5 **6** 7 8 9 10 40% had

Rooms (s)
Description 1 2 3 4 5 **6** 7 8 9 10
Quality of Photos 1 2 3 4 5 **6** 7 8 9 10
Price 1 2 3 4 5 **6** 7 8 9 10
Availability 1 2 3 4 5 **6** 7 8 9 10

Amenities
Description 1 2 3 4 5 **6** 7 8 9 10 55% had
Quality of Photos 1 2 3 4 5 **6** 7 8 9 10 N/a
Policies 1 2 3 4 5 **6** 7 8 9 10 26% had
Menus 1 2 3 4 5 **6** 7 8 9 10 63% had

Local Attractions
Calendar of Events 1 2 3 4 **5 6** 7 8 9 10 14% had
Local attractions and suggestions of what to do 1 2 3 4 **5 6** 7 8 9 10 67% had
List of Restaurants 1 2 3 4 **5 6** 7 8 9 10 27% had
Photos of Local attractions 1 2 3 4 5 **6** 7 8 9 10 43% had
Weather 1 2 3 4 **5 6** 7 8 9 10 16% had
Links to other attractions 1 2 3 4 5 **6 7** 8 9 10 48% had
Distance to key locations 22% had distances to other key locations.

Additional
History of B&B and Inn (description and photo).

Bio of Inn or B&B Owners	1 2 3 4 5 6 7 8 9 10
History of the Inn or B&B	1 2 3 4 5 6 7 8 9 10
Quality of Photos	1 2 3 4 5 6 7 8 9 10

APPENDIX 10: ONLINE AVAILABILITY AND ONLINE RESERVATION VENDORS

The following is a brief sampling of Reservations solutions in use by or available to the industry. These are provided as examples of available services. These are not recommendations. schark! strongly recommends that a more thorough analysis of requirements and a proper market/solution scan be performed before a solution is selected or recommended to industry.

Slumberland

Website: www.slumberland.ca
The online reservation system provides tourism operators with an online booking system that announces availability to the traveling public in real-time. As well, the system allows the visitor information centres to more efficiently search for the types of accommodations that travelers are requesting.

A key benefit is that the vacancy and online booking information is not limited to being displayed on a single portal web site. This information can easily be integrated into an operator's web site or into other tourism web sites or destination web sites.

Slumberland's current offering is notification of reservation, but not a complete online booking offering.

Currently, this offering is only for Prince Edward Island small fixed roof accommodation providers, however, they do hope to grow into the Atlantic region

Check-in Nova Scotia

Website: www.checkinnovascotia.com

Check In is Nova Scotia's complete visitor information and reservation system. This website allows you to make reservations for a wide variety of accommodations including hotels, motels, inns and B&B's throughout the province. Check-in Nova Scotia also has other Atlantic Canadian properties in their database, which will be available online in the next few months.

It is up to the discretion of the properties to link to www.checkinnnovascotia.com or the Provincial Tourism Website.

Currently, there is a lengthy profiling questionnaire for the user to use if they choose to make a reservation through the system.

Canvisit.com

CanVisit is a website that focuses on matching requirements to the available properties. The vendor is targeted to the B&B and Inn industry, with no more than five rooms.

CanVisit will give you detailed information on every property, including availability, with an easy and reliable way to make a booking request.

Once again, it is up to the property to link to the CanVisit.com website for online reservation request and availability. The offering can be imbedded into the Property's website.

AccomodationAvailability

Website: www.accommodationavailability.com

AccommodationAvailability is an application service provider designed specifically for country inns, bed and breakfasts, hotels and motels. It provides the ability to the property to add and change their accommodation calendar online, and it provides an online booking tool.

If the property does not have a website, as templates have been developed for the operator. If, the operator does have a website the calendar and reservations are integrated into the current website. The two main components to the service include an online accommodation availability calendar, and a secure online reservation request form. Both of these services are customized by the property, leaving the control in their hands.

GuestServe.com

Wedbsite: www.guestserve.com
GuestServe is both a webpage management tool and also a reservation service system for promoting and reserving lodging's space on a property’s website. It is incorporated into the property website, to create a seamless offering.