Economic Development & Tourism
Research
Policy, Planning and Human Resources

The NWT's Tourism Market in Europe and Asia

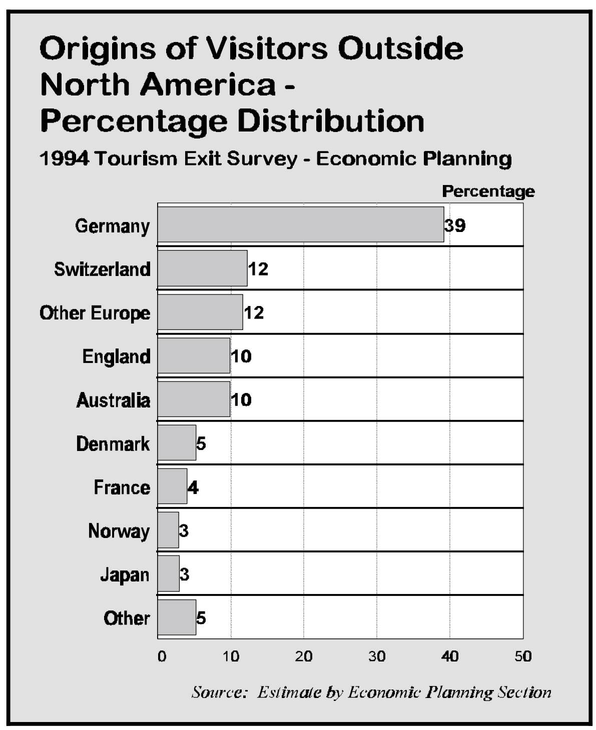
Introduction

Visitors from countries outside Canada or the United States accounted for 7.7% of total visitations in 1994. Although this market is still relatively small, it has increased its share from 6.9% in 1989. Most of these visitors originate in Europe, which accounted for 82% of this market segment and 6.3% of all visitors to the NWT.

Within Europe, three countries stand out as the largest sources of travelers to the NWT - Germany, Switzerland and England. During the summer tourism season, these 3 European countries account for 60% of all visitors from outside North America. Figure 1 shows the percentage origins of the "Non-North American" market.

Summer visitations from Asian nations (Japan, Australia, New Zealand, etc.) was relatively low, accounting for only about 13% of the European market, and about 1% of the total market. Of these, Australia is the largest summer market accounting for 10% of the total "Non-North America" market. Although a significant number of Japanese visit the NWT during the winter, summer visitations are low, accounting for only 3% of the combined European and Asian market. *(For more information on Japanese winter travel, refer to the Departmental publication "NWT Aurora Borealis Tour - 1993".)*

Figure 1



Major Visitor Markets by Survey Zone

Three survey areas were used to tabulate the 1994 Exit Survey carried out by Economic Development and Tourism. The map in Figure 2 describes the survey areas (for a more detailed explanation on the Exit Survey, refer to the report entitled “1994 Exit Survey”).

The pie charts in Figure 2 show the major markets for each of these three; the destinations of European and Asia travelers are shown in the bottom left pie.

As shown in the pie for Europe and Asia, people from these market areas are more likely to visit the Inuvik area than either the Fort Smith or Nunavut regions of the NWT. This market has the lowest rate of visitations to regions in Nunavut.

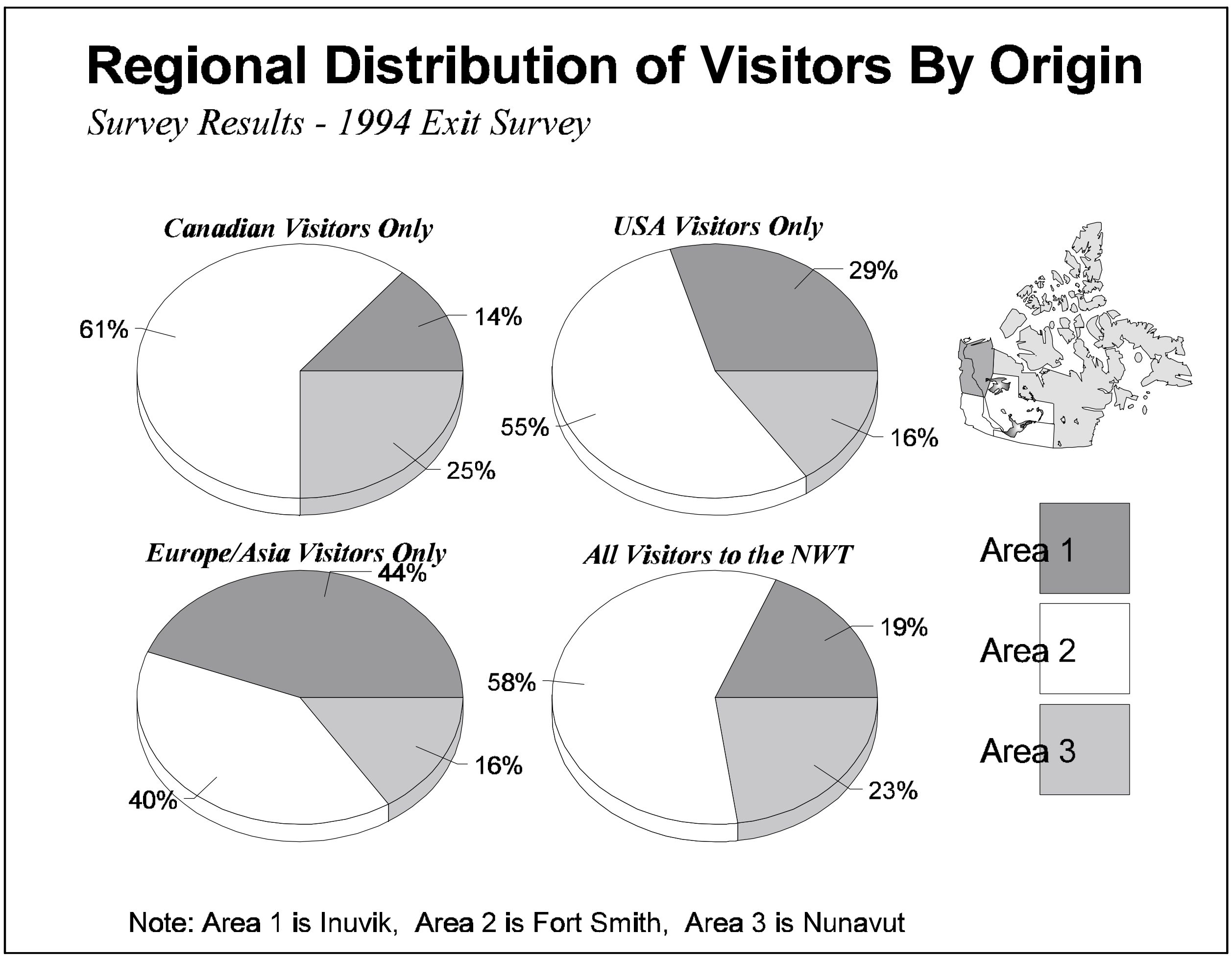
The reason for travel indicated most often by visitors from Europe or Asia was for leisure purposes (91.5%), with holiday/vacation being the most likely response. 8.5% of travelers indicated business as their primary purpose of travel to the NWT.

Method of Travel and Party Size

The method or mode of transportation was divided almost evenly among respondents, with 52% of European and Asian visitors traveling by air and 48% traveling by road. The overall average party size was 2.8, with an average stay of 13 days.

Reason for Travel

Figure 2



Influences on Travel Decisions

Understanding what influences potential travelers to visit the NWT is important in determining where marketing efforts are most effective, and what new efforts should be considered.

The most common reason for visiting the NWT was a *"Desire to see the Arctic"*; almost 23% of respondents chose this as a primary influence. *"Magazine articles"* and *"Visiting friends and relatives"* were also popular influence's, accounting for 17% and 13% respectively. Figure 3 shows the percentage distribution of travel influences reported by European and Asian visitors surveyed during the summer of 1994.

Income and Employment

Information provided by respondents indicated a fairly uniform representation from all major income groups, with the highest number of respondents placing their income at *over $80,000* per year; see Figure 4. As for employment situation, 73% of respondents indicated some form of employment (either employed, self-employed or professional), while students and retired persons (15% and 8% respectively) made up the remaining responses.

Activities

An important aspect in developing a profile of a segment of non-resident travelers to the Northwest Territories is determining what activities these visitors enjoyed while visiting the NWT. Figure 6 on the following page outlines the major activities of European and Pacific nation visitors to the NWT.

As shown in Figure 6, visitors from Asia and Europe were most interested in enjoyment of the outdoors. Canoeing/boating and hiking were most frequently indicated at 24% and 18% respectively.

Figure 3

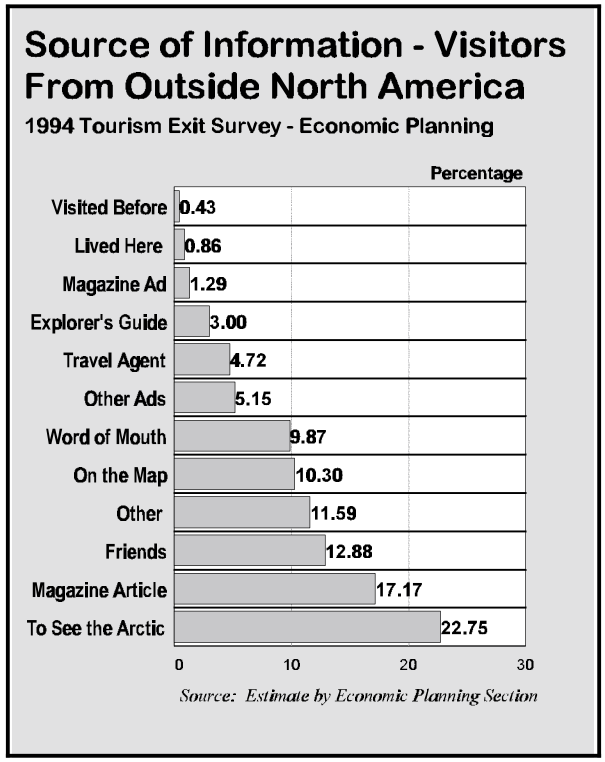


Figure 4

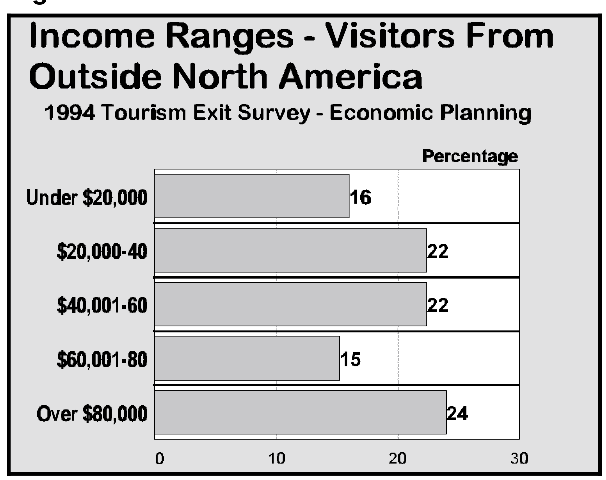


Figure 5

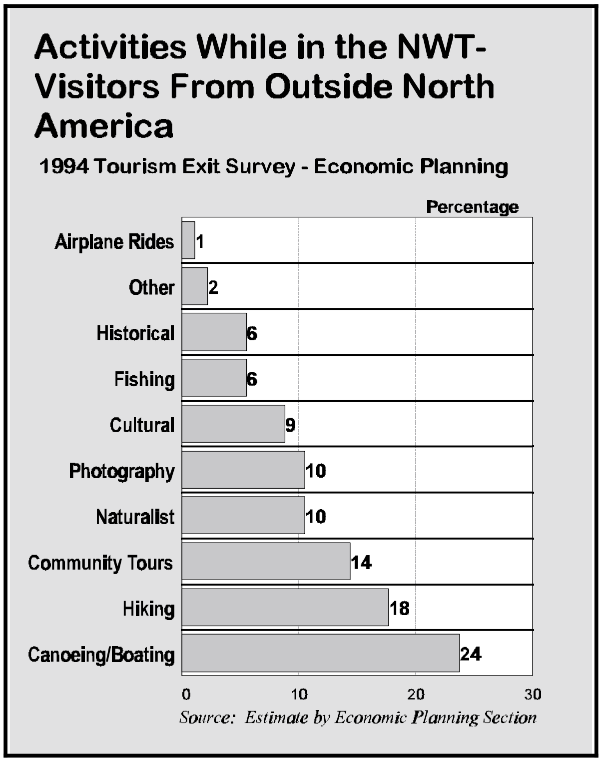
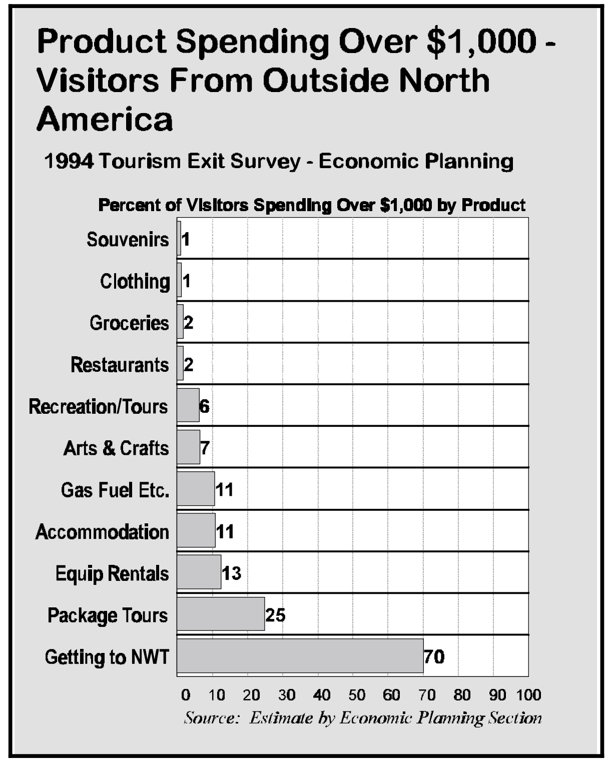


Figure 6



Spending Patterns

Based on the NWT diary, which requested tourists to list their daily expenditures, visitors from Europe spend the least of any major market group in the NWT. A vast majority, 85%, of visitors indicated that their expenditures within the NWT totaled less than $1,000, with 50% of respondents placing this figure at less than $100.

The highest expenditure associated with the NWT was travel; over 70% of visitors from Pacific and European nations spend over $1,000 *"Getting to the NWT"*.

Other expenditures were relatively low. For example, 89% of respondents placed accommodation expenditures below $1,000, with 40% reporting less than $100 spent. This likely indicates relatively a high incidence of camping.

Although they usually spend under $100, almost every visitor from Europe or Pacific nations purchased clothing or gifts while in the NWT.

Figure 7 outlines the major groups of expenditures. As mentioned, getting to the NWT was the major expense, with 70% of all travellers spending more than $1,000 on this item. The next highest level of expenditures was on "Package tours", with 25% spending more than $1,000 on this item.

Rating Services and Attractions

Visitors from Pacific and European nations were asked to rate their perceptions of the NWT's attractions and services. Not only does this information allows us to highlight specific aspects of the NWT when marketing a potential visitor group, but it also helps to identify areas which require improvement.

Of the services rated, visitor centers and campgrounds were thought of as "above average" by 87% and 71% of respondents respectively; see Figure 8. At the other end of the scale, a number of services/products recieved a failing grade. These included:

- **Value of accommodation**
- **Roads/Highways**
- **Value of crafts**
- **Value of restaurant meals**
- **Availability of shopping**

In some cases, these low ratings may reflect a limited understanding of the NWT. For example, visitors may not comprehend the added costs associated with building and operating a hotel or restaurant in a small, relatively isolated, market.

Rating the NWT's Attractions

The most highly rated attractions for this market segment related to the natural beauty of the NWT; the highest ratings were for:

- **Hiking/Camping**
- **National Parks**
- **Camping**
- **Fishing**
- **Geography**
- **Points of Interest (e.g.: Arctic Circle)**

Hunting, nightlife and community events were of limited importance to this market in choosing a tourism destination.

Figure 7

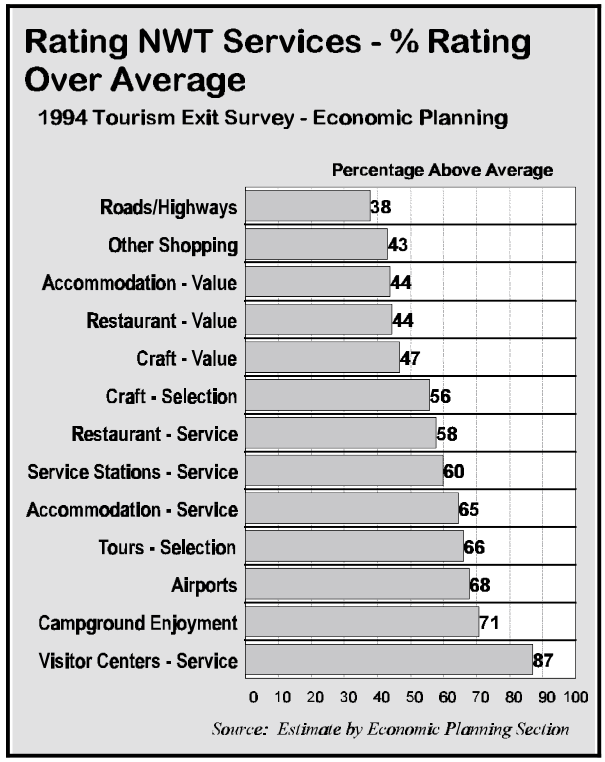
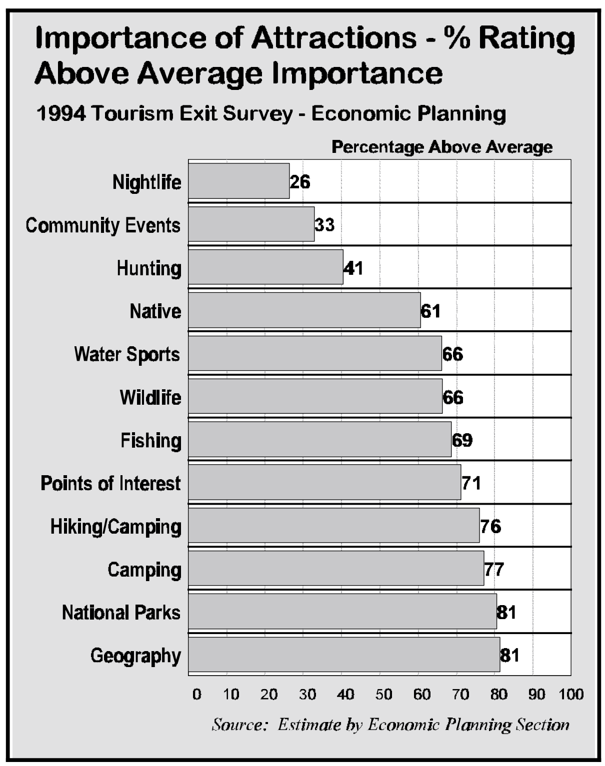


Figure 8



Conclusions

The "Non-North American" travel segment at present represents only a small proportion of visitors to the NWT. Evidence from the 1994 Exit Survey indicates that visitation is largely represented by three countries - Germany, Switzerland and England. Summer travel from Asian nations is relatively small, with Australia being the largest source of visitors within this market area.

Japan had minimal representation for the summer survey (July to September). However, Japanese visitation tends to concentrate in the "winter" season, with aurora borealis tours being a major draw of tourists over the December to April season. A 1993 survey indicated that approximately 400 Japanese participated in some 40 separate tours.[1]

The NWT's association with the Arctic, the natural beauty and the rugged and pristine wilderness experience are a major draw for the "Non North American" market. In terms of attracting this market, most became aware of the NWT through a magazine article or from friends.

While the overall market is small, we can report with some satisfaction that the vast majority were impressed with the NWT. When asked to compare their experiences in the NWT with their initial expectations, 48% of respondents indicated that their expectations were exceeded, while 49% said their expectations were met. Only 3% indicated that their expectations were not satisfied.

Understanding the likes and dislikes of this travel segment will work towards increasing visitor satisfaction. In turn this will result in more *"word of mouth"* reommendations; a very important source of toursim for this and other markets. For this market, satisfaction would be increased through:

- **Improved roads;**
- **Lower accommodation and resaurant costs;**
- **Improved range of arts/crafts**

The expenditure patterns of foreign visitors - derived from the Exit Survey and the Diary project - indicate that most visitors from these regions spend relatively little in the NWT. This may be due, in part, to the high cost of travelling to the NWT. Also, naturalist activities (i.e.., camping, hiking, fishing, etc.) tend not to involve large expenditures once they have reached their destination. For example, tourists planning an independent canoe trip may purchase all their equipment and supplies in Winnipeg or Edmonton.

1. Refer to the NWT Aurora Borealis Tour Survey; copies are available from the Department of Economic Development and Tourism or use the coupon on the back of this newsletter.

Notes

Publications

The following publications are available from the Planning Section, Economic Development and Tourism, Government of the NWT. Refer the attached coupon at the bottom of page.

1) N.W.T. Aurora Borealis Tour. Report. 23 pages. Describes the results of a 1990 survey that was conducted on Japanese tourists who bought the aurora borealis tour package offered by Raven Tours of Yellowknife.

2) A Survey of Japanese Tourists in Yellowknife. Newsletter. 4 pages. Highlights the results of the 1990 report entitled “NWT Aurora Borealis Tour.”

3) 1994 Northern Tiers State Study. Report. 82 pages. March 1994. Four western provinces and the two territories jointedly funded this comprehensive market research study on the travel patterns of residents in the northern United States.

4) Northern Tiers State Study, NWT Chapter - 1994. Report. 24 pages. This report is based on the “1994 Northern Tiers State Study” and details characteristics of northern United States resident travel patterns that are specific to the Northwest Territories.

5) Trends at the 60th Parallel. Newsletter. 12 pages. Describes the origins and N.W.T. destinations of driving visitors who stopped at the 60th Parallel Visitor Centre.

6) Results from the 1994 Travel Diary. Newsletter. January 1995. 16 pages. Outlines the results of an experimental entrance survey that was conducted during the 1994 summer tourist season.

7) Tourism Along the Canol Trail. Newsletter. April 1995. 8 pages. Reports the results of a special survey of visitors using the Canol Trail during the 1994 summer tourist season.

8) 1994 NWT Exit Survey. Report. May 1995. 54 pages. Provides the results of the territorial-wide exit survey that was conducted during the 1994 summer season.

9) The NWT’s Tourism Market in Europe and Asia. August 1995. 8 pages. Provides a description of overseas visitors and their trip characteristics.

10) 1993 NWT Campground User Survey - Economic Impact of the Operation and Use of Campgrounds. Report. November 1994. 6 pages. Reports the results of a study whose purpose was to determine the economic impacts associated with the use of N.W.T. campgrounds. The survey was conducted at campgrounds located in the Inuvik, South Slave and North Slave regions.

11) Benefit/Cost Analysis of the Parks and Visitor Services Program, Economic Development and Tourism. Report. 31 pages. Reports the results of a study whose purpose was to estimate the benefits assocated with the GNWT parks program and then compare these benefits with the associated costs.

12) Economic Impact Analysis of the Parks and Visitor Services Program - Economic Development and Tourism. Report. September 1994. 37 pages. Reports on the economic impacts of the program in the areas of capital spending, O&M spending and spending associated with visitation to parks and visitor centres.

13) 1994 Exit Survey, Supplemental Report. A comparison of Liesure and Business Travellers. Report. August, 1995. 9 pages. Based on data collected for the 1994 Exit Survey.

EXTRA, EXTRA ... READ ALL ABOUT IT!

For additional copies of this review or information on the Exit Survey, please return this coupon to:

Policy & Planning
Economic Development & Tourism
Government of the NWT
Box 1320
Yellowknife NT X1A 2L9
Fax: (403) 873-0434
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Phone:	
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