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A Product Development Plan For The Northwest Territories Tourism Industry - Draft

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A PRODUCT DEVELOPMENT PLAN FOR THE NORTHWEST TERRITORIES' TOURISM INDUSTRY

Prepared for:

The Tourism Industry Association
of the Northwest Territories

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FOR DISCUSSION PURPOSES ON

1.0 INTRODUCTION

Tourism has gained increasing importance to the economy of the Northwest Territories. It is currentiy the second largest private sector empioyer in the NWT, second only to mining. The industry has been developing steadily since the 1960's with improvements in transportation systems linking the NWT to the south. The completion of the MacKenzie Highway system made the south-western NWT accessible to auto tourism travei from the south. During the 1970's air services improved dramatically with the introduction of jet service from the south.

it was not until the 1980's that tourism was strategically addressed by both government and industry. Since 1980 elements for a Northwest Territories tourism industry strategy have begun to emerge. Tourism studies have been carried out at a regional and community level basis. A consensus between Government, industry and communities as to the direction of the industry's development has also emerged. For the Northwest Territories, there is a broad agreement that the development of the industry should be community-based. This is to ensure that the development of the industry results in income and employment opportunity at the community levei. Historically the development of the Northwest Territories' tourism industry has not resuited in significant benefits for communities. Southern operators, language, entry skills and concentration of the tourist piant in oniy a few communities have all been barriers to more effective community-based tourism in the NWT.

A second area of consensus for the industry's development is that it must be regional. Existing development has been largely concentrated in the southwest. This area already accounts for over

60% of total tourism expenditure in the Northwest Territories. As a result, an effective tourism strategy must result in a greater distribution of economic benefits throughout the entire Northwest Territories. The mechanism to accomplish this goal was the development of regions with tourism destination zone strategies. Regional tourism strategies have been prepared for the Keewatin, Baffin and Arctic Coast areas and regional studies are underway in the Western Arctic region and the Liard Highway Corridor. In the last few years there have been encouraging signs at the regional level. Planning, development and marketing are leading to increased pleasure travel visitation. This is particularly true of the Keewatin and Baffin where there have been significant increases in pleasure travel since 1985.

The Tourism Industry Association (T IA) of the Northwest Territories was formed to provide both a territorial and regional focus for industry and community co-ordination in the planning, marketing and development of a Territorial Tourism Industry. Under the TIA umbrella there are six tourism zone organizations:

- Northern Frontier Visitors Association
- Big River Travel Association
- Arctic Coast
- Western Arctic Visitor Association
- Baffin Visitors Association
- Travel Keewatin

In 1986, the TIA and the Tourism Zone Associations of the NWT adopted a three-year marketing strategic plan to be implemented in three year Intervals of 1986-87, 1987-88 and 1988-89. The 1986-87 implementation plan has now been completed and TIA and the Zone Associations are now entering the 1987-88 year of the strategy.

The plan represents a consensus between the industry, **TIA** and Zone Associations, as to the direction that the marketing of the NWT and its tourism products should take. In addition to the development of individual zone marketing strategies, Travel Arctic has prepared a strategic marketing plan to position the NWT industry in the marketplace.

With the adoption of the three-year tourism industry marketing strategy, both the Government of the NWT and TIA have recognized that a compatible product development strategy must now be prepared. The Northwest Territories has a diverse product and resource **base.** In many instances the resource base is outstanding, however, this resource potential has not been matched by appropriate tourism product development. Pursuit of many of the market opportunities identified to date are expected to require capital expenditure in facility development and infrastructure as well as human resource development at all levels of the industry. Product development has been constrained by a number of problems which should be addressed in a product plan. Several of these constraints were identified in the Three-Year Marketing Strategy and are as follows:

- inconsistency of approaches and imbalance of industry development across the various tourism regions of the territories.
- lack of collaboration and co-operation among the various tourism regions.
- inconsistency of image in marketing efforts and lack of consistent product/brand identification in marketing efforts.
- the existence of large data gaps, inexperience within the industry in using data effectively and lack of emphasis in evaluation efforts in support of product and market development activities.
- lack of organization and the packaging and promotion of product experiences to key market segments.

2.0 OBJECTIVES

2.1 Background

The development of a feasible tourism product development plan for the Northwest Territories' Tourism Industry **is a** major undertaking. If it is to be of real value it must provide specific direction to communities, regions and both private and public **"stakeholders"** of the Northwest Territories' Tourism Industry. It should establish a framework for industry development in both the short and long runs. Lastly, it should be a market driven strategy that specifically addresses market opportunities for the Northwest Territories' "products and tourism travel services. This last point is an important one as the strategy should be a measurable one in terms of anticipated market penetration and market penetration actually realized.

The structure of the Northwest Territories' Tourism Industry is undergoing a maturation process. Unlike other more mature travel regions specific travel generators are not clearly defined. In many cases tourism service infrastructure has only been partially developed. Little strategic information exists in terms of good visitor data and the market impact of a diverse set of travel products. In some cases, although the resource base is outstanding, companion product and tourist service delivery has not developed to a point where a consistent travel experience can be marketed and delivered. This is particularly true of the industry's human and community resources.

Given the current nature of the Northwest Territories' Tourism Industry, the plan must address the **"basics"** of the travel industry. As this is the first product development plan ever prepared for the Northwest Territories it is essentially a baseline document. It is a baseline against which the results of future initiatives can be measured as well as providing direction for future development. It should also assess the current industry in terms of the basic requirements of a tourism travel industry. These include:

- Transportation
- Accommodate ion
- Food and Beverage Services
- Attractions and Events
- Travel Trade
- Human Resources

These are the key elements of tourism expenditure. A mature industry links together and coordinates each of these key elements from both market and product sides. It is a continuous process of matching product with markets, with the result being tourism expenditure for the destination area.

The adoption of marketing strategies at both the territorial and zone levels by Travel Arctic and **TIA** have given the industry new momentum. The success of the **NWT's** pavilion at Expo '86 has created considerable Interest in the Territories that **should** be built upon in terms of capturing new tourism travel for the NW T. The development of a new tourism subsidiary agreement will also provide a major Incentive to further industry development. As a result there is a pressing need for a product development plan to guide the industry's development over the next three years. The purpose of a product development plan is really to address the supply side of the **NWT's** tourist industry. This is particularly key as the

NWT is currently entering its third generation of Federal-Territorial-Agreements aimed at stimulating the tourism industry. As a result a product development plan could play a valuable role in providing strategic direction for industry development.

2.2 objectives

Prior to the initiation of a product development plan for the Northwest Territories tourism industry, it was agreed that the plan would focus on the following three principal objectives:

1. A comprehensive inventory of tourism infrastructure in the NWT, concentrating on: availability of basic components, quality, deficiencies, potential requirements and required capital.
2. An identification and **priorization** of existing and potential tourism products offering significant development potential for the Northwest Territories.
3. To develop guidelines for tourism product development in the NWT.

The focus of the product development plan is on the non-resident pleasure **traveller.** However, it should be recognized that the tourism industry **in** the NWT, and elsewhere, includes both resident and non-resident travel. The Canadian definition of a tourist is any one who travels, for whatever reason, a distance of 80 kilometres or greater from their principal residence. As a result hotels serve both resident and non-resident as well as persons who are traveling for pleasure, business reasons, visiting friends and relatives or non-resident construction workers who may be working in an area. The logic of concentrating tourism product development on the non-resident pleasure market, is that it is considered to have the greatest potential for future growth in the NWT. Essentially it offers the best potential for export development, as opposed to the resident market, which is entirely dependent upon resident travel and population growth. Other than convention and business conferences, the NWT has little control over the development of business travel. Further, business travel is closely tied to the performance of the NW T's economy.

This document represents the initiation of tourism product planning for the NWT. It begins with a critique of the NWT's current tourism market performance at the territorial and zone levels. Essentially this is a baseline that describes existing industry performance. Secondly, the document defines what the NWT's developed, developing and undeveloped pleasure travel products are. In other words what travel product experiences does the NWT have to offer the marketplace. Thirdly, in order to provide some measure of opportunity for the NWT's defined travel products, a market analysis has been prepared to indicate the market potential for product development in the NWT. Lastly, product supply in each of the zones is analyzed and recommendations are made in regard to product development strategies at the zone level.

3.0 APPROACH AND METHODOLOGY

In addressing these three objectives, the following phased work program was undertaken.

1.0 Data and Information Base Assessments
2.0 Development of a Product Inventory System
3.0 Implementation of a Territorial-Wide Product Inventory
4.0 Development of Data and Information Base
5.0 Product/Market Analysis
6.0 Product Development Strategy

Phase 1.0 - Data and Information Base Assessment

A review of all information and data that related to NWT tourism markets and products was undertaken. This included a review of the following:

- TIA and Travel Arctic Marketing Strategies
- Tourism Product and Market Information Contained in Regional Planning Studies
- Canada-NWT Tourism Subsidiary Agreement
- EDA Evaluation
- Consultations with Travel Arctic and Regional Tourism Officers
- Interviews with TIA Zone Managers and Tour Operators

Phase 2.0 - Development of a Product Inventory System

As tourism is still a relatively new industry in the NWT, there are significant information gaps about the structure and performance of the NWT's tourism industry. For example, there is no occupancy data for the accommodation sector. Without such data It is difficult to assess the potential for expansion. Tourist visitation data is **only** partially available. At present the Northwest Territories is not part of the Canadian Travel Survey which records Canadian resident travel by destination and origin. However, it should be pointed out that even if the **NWT** was part of this survey, the sample would likely not yield meaningful results for the NWT as travel volume is very low relative to the rest of Canada.

A tourism product development strategy largely focuses on the supply or product side of the industry. Whereas a marketing strategy focuses on the demand or market side. In order to assess the constraints and opportunities for the supply side of the NWT tourism industry, an inventory of its structure, capacity and performance characteristics is necessary. This would include the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
  - Airlines
  - Bus Companies
  - Vehicles
- Attractions
  - Events
  - Parks
  - Community Resources
  - Crafts
- Services and Programs
  - Wholesale Travel Trade
  - Retail Travel Trade
  - Tour Packages
  - Outfitting Services
  - Support Programs

Data and information on each of these sub-sectors is either non-existent or maintained at a very general level. As a result, an inventory system was designed to collect information. A survey instrument was prepared and a territorial wide survey of the following sectors was carried out:

- Accommodation
- Outfitting
- Food and Beverage
- Airlines
- Vehicle and Equipment Rentals

information on other sectors was obtained through a review of primary sources such as regional tourism studies and the data and information developed by TIA Zone Managers and the GNWT Regional Tourism Officers.

Phase 3.0 - Implementation of a Territorial-Wide Product Inventory

A territoriai-wide tourism product inventory was carried out under the direction of a steering committee consisting of representatives of the TIA, GNWT Tourism and Parks and the Consultant. It was based principally on inventory survey instruments prepared by the Consultant and approved by the Steering Committee. The questionnaires were administered through a combination of personal and teiephone interviews. Two co-ordinators were established for the Eastern and Western Arctic to distribute and col iect completed questionnaires through T IA's zone offices. Tourist facilities owners /managers not resident in the NWT were interviewed by teiephone.

In general the results of the survey were a **major** disappointment. The response rate in some zones was very poor. in many cases the **lack** of operator information was replaced by information from persons knowledgeable about a region's tourism plant such as **Regional** Tourism Officers. **Still** in other cases, oniy educated guesses **could** be made.

In hindsight, the survey instrument that was prepared, was far too complex. in some regions, **language** was aiso a major barrier. **Still** in other cases, some operators simply do not want to share information about the operation of their facilities.

Without good information and data it is next to impossible to **evaluate** and pian tourism product development. it is important for the industry to provide tourism **planners** with good information. Uit **imatel** y the information they provide **will** benefit them. Good soi id information **al** iows industry associations to become more effective advocates for the development of the industry in their regions. in the case of government, politicians must aiso advocate for scarce government funds. Without **credible** measures of economic impact and opportunist y, it becomes difficult for **pol iticians** to be effective advocates. Lasti y, federai-territor iai agreements aiso require evaluation. Without good information it becomes impossible to **evaluate** the effectiveness of programs. Without this kind of information it then becomes increasingly **difficult** to secure future funding for program initiatives in the NWT.

Phase **4.0** - Development of Data and Information **Base**

Based on the **results** of the survey, existing data and information obtained through the Department of Economic Development and Tourism and interviews with industry and government **officials** at the zone **level,** a data information base for each zone was prepared.

Phase **5.0 -** Product/Market Analysis

A market opportunity **profile** was prepared for each zone. Product development was then **priorized** on the basis of market demand. Based on a priorization of product demand, each zone's capacity to deiiver marketable tourism products was assessed. This **included** a review of tourism support infrastructure in **place** for product deiivery as weii as an identification where expansion **would** be necessary to capture increased tourism travei.

Phase 6.0 - Product Development Plan

in this **final** phase, a product development pian was prepared for each zone. The structure of the report for each zone was based **largely** on program categories contained within the new Tourism Development Subsidiary Agreement. These categories inciude:

- Market Development
- Product and **Facility** Development
- Tourism industry Support
- Human Resources
- Research and Evacuation

4.0 EXISTING TRAVEL INDUSTRY CHARACTERISTICS

In this chapter a review of currently available data and information on the NWT's travei industry is undertaken. The intent of the chapter is to establish a context for the industry in terms of its size and expenditure impact at both the territorial and zone ieveis. As the product development strategy will focus on the non-resident pleasure traveller, a baseline estimate is made of current pleasure travei voiume to the NWT.

Travel Volume To and In the NWT Is Estimated To Be 180,000 Trips Annually

Unlike other Canadian provinces there is no annual travei data for the NWT. The NWT is not part of Statistics Canada's Canadian Travei Survey. There are no recorded travei statistics for resident travei and statistical data for non-resident travel is oniy available for the months of June through September. This data is based on exit surveys of road and air travellers for the months of July and August, then extrapolated to the months of June and September. As a result oniy an estimate of annual travei voiume can be made. The following table indicates that there are slightly over 180,000 trips made annually to and in the NWT by resident and non-resident traveiiers:

TABLE 1

Estimated Annual Resident and Non-Resident Travel Volume

Travel Market	Person-Trips
Resident Travei	101,200
Non-Resident Travei	
. Business Travei	46,730
. Non-Business Travei	33,688
Total Person Trips	181,618

The estimate of resident travel is derived from the Canadian average for annual resident travel where Canadians, on average, make 4.6 trips within Canada annually. This average has been arbitrarily reduced by half to 2.3 trips annually for NWT residents. The lack of inexpensive road travel corridors would greatly reduce the number of resident trips by NWT residents. At an average of 2.3 resident trips annually, this would place the NWT well below other provinces in terms of resident generated travel. For example, in the case of Saskatchewan, residents in the province take an average of 7.5 trips annually within their home province. Perhaps more comparable to the NWT, Newfoundland residents take an average of 3.1 trips annually. Based on an average of 2.3 trips per capita, and a population of 44,000 people, annual resident travel within the NWT would be 101,200 trips. These trips would be made largely for government and business travel as well as resident travel throughout the NWT.

The estimate of non-resident travel to the NWT is based on the June through September travel data recorded by Travel Arctic. For 1986 it was estimated by Travel Arctic that 52,000 non-residents travel led to the NWT. The ratio of non-business travel to business travel was 55. 1% to 44.9%.

Based on the Yukon's experience, June through September accounts for 85% of all pleasure travel to the Yukon. This is a reasonable estimate to apply to NWT pleasure travel as the peak season for most destination areas is relatively short.[1] Many fishing lodges and camps experience only a 6 to 8 week season from July to

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[1] This may not be characteristic for specific zones such as the Baffin, where 70% of all pleasure travel is generated during the June to September period.

August. As a result it is estimated that annual non-business travel volumes is 33,688 trips. Lastly it has been assumed that the June to September season generates 50% of the annual non-resident business travel volume to the NWT which includes pleasure travel, visiting friends and relatives in the NWT and other personal reasons.

In most cases tourism facility development evolves through phases. During the initial phases, tourism infrastructure is built to serve the local resident and business markets. This is particularly true for hotel/motel accommodation and restaurants. For the most part tourism facility development within the NWT has been built to serve the resident market. This is particularly true of smaller communities outside of Yellowknife. In some cases accommodation operators have indicated that only 15% to 20% of their guests during the summer travel season are pleasure travelers.

Non-Resident Trip Expenditure Captured by the NWT is Substantially Greater than in the Case of the Yukon

The value of non-resident travel expenditure to the Yukon in 1986 was $91.2 million. Comparative y the NWT recorded a June to September non-resident trip expenditure of $47.5 million or 52.1% of the value of the Yukon's travel industry. However, a startling difference between the two travell destinations are the number of trips that produced that travel expenditure. In the case of the Yukon the number of trips captured is substantially greater at 486,405 compared to only 52,000 for the NWT. In terms of the average trip expenditure captured, Yukon non-resident travel is $187.57 per person trip compared to $912.50 in the case of the NWT.[1] Trip expenditure to the NWT is almost 5 times greater than to the Yukon. The Yukon's tourist industry is characterized by "low-spend" rubber tire touring markets. On the other hand the NWT's industry is characterized by low-volume but substantially higher trip expenditures tourism with a much greater length of stay than in the case of the Yukon. Clearly a tourism strategy for the NW T should not necessarily y be based on volume but more so on pursuing a market seeking valued tourism experiences.

The Fort Smith Region Accounts for the Vast Majority of Non-Resident NWT Travel Volume (62.5%) and Travel Expenditure (60.0%1

Table 2 has been obtained from Travel Arctic data for the June through September peak season travel period. Clearly, the Fort Smith region captures the vast majority of non-resident (business and non-business) travel, accounting for 62.5% of all trips and 60.0% of all travel expenditure. This is not surprising as Fort Smith contains the capital of the NWT, Yellowknife, which also functions as the principal government and business service centre for the NWT. The area has two National Parks and is accessible by both road and air. According to a 1983 Evaluation of the Impact of Summer Tourism on NWT Businesses, the Fort Smith region contains 70% of the NWT's tourism-related businesses.

The Current Level of Pleasure Travel to the NWT is 26,000 Parson Trips

At present both Travel Arctic and T 1 A's marketing strategies are largely focused on the summer (June through September) pleasure

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[1] Based on Travel Arctic Data for 1986.

TABLE 2

NWT **Non-Resident** Tourist **Travel** and Expenditure

(June - September) -1982-1986

Number of Visitors

	Fort **Smith**			**Inuvik**			**Kitikmeot**			**Keewatin**			**Baffin**			**NWT**		
	1982	**1984**	1966	1362	**1984**	1366	1982	**1984**	**1986**	**1982**	**1984**	**1986**	1362	**1984**	**1986**	1332	**1984**	**1986**
Air	19,300	14,000	21,500	7.000	11,740	9,000	400	400	1,200	600	**400**	1,500	2,500	3,250	3,500	29,800	29,800	36,700
Road	10,000	8.000	11.000	**4,000**	**4,000**	4* 300	-	-								14.000	12.000	15,300
	29,306	**22,000**	**32,500**	11,666	**15,740**	**13,300**	**400**	**400**	**1,200**	606	**400**	1.s66	**2,500**	**3,250**	**3,500**	**43,800**	**41,800**	**52,000**

Estimated Tourist Expenditures (in $000's)

	1982	**1984**	**1986**	**1982**	**1984**	1966	1362	1364	**1986**	1362	**1984**	1366	1962	**1984**	**1986**	1982	**1984**	**1986**
Air	18,103	•	23,000	14,511	•	9,000	440	•	1,700	660	•	2,500	2,703	•	3,500	**36,417**	•	39,700
Road	2,180	•	5.500	516	•	2.250	-	•	-		•			•		2.696	•	7. 7s0
Total	20,263	**24,000**	**28,500**	**15,027**	**17,000**	11,2s6	**440**	666	1.706	**660**	666	2,s66	***2,733***	**3,500**	3,s96	**39,113**	**46,000**	● 7,Qw

• Breakdown by ● Ir and road **travel** not **available.**

Source: Tourism Facts: A **Statistical** Report **of Tourism/Travel** In the Northwest **Territories;** Department of Economic Development ● nd Tourism, January, 1987.

travelers. This is not entireiy true as marketing strategies have been deveioped for the **shoulder** seasons both at the territorial **level** and at the zone **levels** as weli. The foi **lowing table** presents an estimate for 1986 of the **NWT's** pleasure travei:

TABLE 3

Estimate of NWT Pleasure Travel Trips - 1986
June **Through** September

	Total Trips	% Pleasure* Travel Trips	% Pleasure Travel Trips	%
Fort Smith	32,500	58%	18,850	73.3%
Inuvik	13,300	27%	3,591	14.0%
Keewatin	1,500	76%	1,140	4.4%
Kitikmeot	1,200	76%	912	3.5%
Baffin	3,500	35%	1,225	4.8%
Total	52,000	**49.5%**	25,718	100.0%

•Source: Visitors to the NWT, 1984.

The estimates of **pleasure** travei **volume** for Fort Smith, **Inuvik** and **Baffin** were obtained from **Travel** Arctic surveys which were **com**pieted by Canadian Facts. **In** the case of the Keewatin, for 1986, it was reported that there were 1,000 chartered **pleasure travel**iers to the Keewatin. A 1984 visitor survey of Keewatin travei indicated that 27% of non-charter travei was **pleasure** travel (i.e. 27% of 500 or 140 **pleasure** travelers). There is no data that describes the reason for travei to **Kitikmeot.** As a **result,** it has been assumed that it **would** be **similar** to the Keewatin.

As these estimates for pleasure travel to the zones are based on independent surveys conducted by Travel Arctic, it is assumed that they are the "official numbers". However, in three cases, Keewatin, Baffin and Inuvik, other surveys of those regions indicate higher levels of pleasure travel -- over 1,500 pleasure travelers to the Keewatin, 1,788 to the Baffin and 5,131 to Inuvik.

Previous studies have shown that there is considerable variation between the zones in terms of the expenditure impact that results from travel. In the 1984 visitor survey it was shown that while the Baffin has a comparative y low level of pleasure travel, the trip expenditure is more than twice as much as the average trip expenditure to the Inuvik and Fort Smith regions. This is due to a longer length of stay as well as a proportionately higher use of hotels/motels. Travel costs in the Baffin are also amongst the highest in the NWT.

The Value of Summer Pleasure Travel to the NWT is $24.6 Million

Previous studies (1984 Visitors Survey) have found that the average expenditure impact associated with summer pleasure travel is higher than business travel to the NWT. For 1986 the average trip expenditure to the NWT was $912.50 per person. This is an average for both business and pleasure travel. Based on previous surveys pleasure travel expenditure is 5% greater than the average per trip expenditure to the NWT or $958.10 per trip. Based on the estimate of pleasure travel to the NWT for 1985 of 25,718 visitors, then, the value for summer pleasure travel would be $24,640,416.

In 1983 the Department of Economic Development and Tourism carried out a survey to determine the impact of summer tourism on NWT businesses.[1] The survey determined that almost 40% of al l businesses in the NWT derive 25% or more of their revenues from

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1 An Evaluation of the Impact of Summer Tourism on NWT Businesses: Report of Findings, December, 1985.

non-resident travelers. The gross revenue derived from tourism expenditures for 1984 was estimated to be $46 million. The employment impact generated was estimated to be 1,500 full-time and 2,200 part-time jobs of which some 800 jobs were filled by non-NWT residents.

conclusions

Total non-resident and resident travel to and in the NWT is approximately 180,000 trips per year. The largest travel market is resident travel which accounts for 55.7% of all trips. In essence the NWT Is no different than southern provinces where the resident travel market is the largest travel market. The resident travel market is important to the tourist industry. In fact, in the study of the impact of summer tourist travel on NWT businesses referred to previously, it was determined that resident NWT travel expenditure was equivalent to 45% of the value of non-resident travel expenditure for NWT tourism related businesses.

While the resident travel market has been important to the NWT in establishing tourism infrastructure such as air services, hotels and restaurants, it will be the non-resident pleasure travel market that will provide opportunities for growth and export development. Although no statistics are currently available it would be reasonable to assume that the trip expenditure impact of non-resident travel is substantially greater than resident travel. One reason for this would be that the trip length would be considerably greater than resident travel.

At the present time non-resident travel volume to the NWT represents only 11% of the travel volume to the Yukon. However, in terms of **actual** visitor expenditure captured the NWT does **significantly** better than the Yukon as the average trip expenditure is **almost** five times as great as in the case of the Yukon. **Clearl**y the NWT **should** not necessarily be seeking **volume** as much as it should be seeking markets for the type of **higher-valued** tourism experience **it** has to **sell.** This is aiso desirabie in terms of the **NWT's** community structure as many NWT communities **could** not accommodate (nor would they want to) **large** volumes of tourists.

For 1986 it was estimated that the NWT captured 25,718 pieasure trips from non-resident NWT travelers with an estimated trip expenditure of $24.6 **million.** The Fort Smith region captures the vast majority (73. 3%) of pleasure **travel** to the NWT. However, it should be recognized that the value of pleasure travel to other regions such as the **Baffin** and Keewatin is substantially greater. The average trip expenditure for **pleasure travel** to the **Baffin** is two times as great as the average trip expenditure to the Fort Smith area.

For 1986, it was estimated that the **value** of non-resident **pleasure travel** to the NWT was $24.6 **million.**

S.0 NORTHWEST TERRITORIES PLEASURE TRAVEL PRODUCTS

5.1 Introduction

This chapter describes the NWT's tourism products or essentially what does the NWT have to sell to the pleasure traveller. It is based on a review of Travel Arctic's Strategic Marketing Plan, individual zone marketing strategies and interviews with persons familiar with both developed and developing products at the zone level.

5.2 NWT Pleasure Travel Products Classification

Travel Arctic's existing marketing strategy focuses on two broad travel products -- outdoor/adventure and touring:

Outdoor/Adventure Travel

. Consumptive

- Fishing
- Hunting

. Non-Consumptive

Wildlife Viewing
Outdoor Recreation (Camping, Hiking, Canoeing)
Naturalist Expeditions
Photo Safaris
Adventure Experiences (Rafting, Kayaking, Dog Sledding)
General Interest

Touring

. Outdoors Orientated

- Wildlife Viewing
- Special Interest

. Arts/ Cuiture/History

The NWT is an immense geographic area. It is difficult to establish a uniform marketing strategy for such an enormous area where there are major differences in tourism products between the zones. The zones have aiso taken varying approaches to describing their tourism products. In some cases this had ied to rather sophisticated product characterizations such as generai interest tours, special interest tours, adventure travel, naturalist tours, photographic tours, fishing and hunting.

For purposes of this document it is intended to stay within the two product definitions established by Travel Arctic with some modifications - outdoor/adventure travel both consumptive and non-consumptive and generai touring. Table 4 displays an estimate of pleasure travel volume to each of the zones by product type. As shown in Table 4, general touring is the NWT's principal product.

5.2.1 — Outdoor/Adventure Travel

5.2.1.1 — Fishing and Hunting

Fishing and hunting products are the most established pleasure travel products in the NWT. Fishing generates a greater number of trips than hunting but the two products are roughly equal in terms of their trip expenditures, which is largely due to the high costs where a hunting package can exceed $10,000 per person-trip.

The Fort Smith area is the primary destination for fishing. The NWT's lodging industry is highly concentrated in this area. The largest lodges in the NWT (in terms of bed

TABLE 4

Zone Pleasure Travel Products by Type of Trip Taken

(Estimate for 1986-87)

(Person Trips)

	Baffin		Keewatin		Fort Smith		Inuvik		Kitikmeot		Total NWT	
	#	%	#	%	#	%	#	%	#	%	#	%
Outdoor Adventure Travel												
. Fishing/Hunting	200	12.3%	708	47.0%	4,000	22*2%	637	14.5%	200	33.3%	5,745	21.8%
. Adventure Trave	700	50.7%	45	3.0%	5,000	27. 8%	50	1.1%	400	66.7%	6,195	23.5%
General Touring	900	37.0%	752	50.0%	9,000	50.0%	3,720	84.4%	0	0.0%	14,372	54.6%
Total	**1,800**	100.0%	1,505	**100.0%**	18,000	**100.0%**	4,407	**100.0%**	600	**100.0%**	26,313	**100.0%**

Sources: Baffin and Keewatin - Economic Development and Tourism. Regional Offices.
Western Arctic - Consultants Estimate, Western Arctic Tourism Development and Market Strategy (Draft) - Mac Laren Piansearch.
Fort Smith, Kitikmeot - DMCA estimates.

Note: Baffin pleasure travel includes non-peak pleasure travei. The shoulders, especially Spring, account for 30% of the Baffin's annual pleasure travel visitation. Aiso in the case of Baffin these estimates are based on 1987 packaged pleasure travei.

capacity) are located in the Great Bear and Great Slave Lake areas. The following table shows the relative distribution for the sale of fishing licenses to non-resident tourists.

TABLE S

Sales of **Sportfishing** Licenses to Non-NWT Residents
198S

	Canadians	other Foreign	Total Non-Resident sales
Fort Smith	2,613	2,805	5,418
Inuvik	187	418	605
Keewatin	695	419	1,114
Baff in	108	525	633
Kitikmeot	23	159	182
	3,626	4,326	7,952

Source: Travel Arctic.

The growth in the NWT's fishing lodge industry appears to have peaked in 1981. This is largely attributable to a decline in non-Canadian markets. The following table compares the growth in lodge facilities against the sale of non-Canadian resident fishing licenses which are largely sold to Americans. It should be noted that lodges include all lodges, some of which are not totally dependent upon fishing. However the number of lodges not dependent on fishing in the NWT would be very small (i.e. naturalist lodges).

TABLE 6

Comparison of Non-Resident Fishing License Sales and the Number of NWT Lodges

	Number of Lodges	Non-Resident Fishing Licenses
1986	54	3,626
1985	51	3,363
1984	51	3,421
1983	47	3,289
1982	50	3,962
1981	53	4,.468
1980	49	4,011
1979	47	3,938
1978	48	4,264
1977	43	3,681
1976	31	3,659

There does appear to be some turnaround in 1986 from fal ling fishing license sales to non-residents. Further, in 1987, a number of lodges reported having a good season. It should be pointed out that other areas such as Northern Saskatchewan have also been reporting slow sales, particularly in southern markets such as Texas. This is likely a reflection of economic circumstances such as the depressed southern oil economy. It may also be a reflection of marketing initiatives or lack thereof.

5.2.1.2 — Adventure Travel

Adventure travel products are the type of tourism product that really distinguishes the NWT as a unique North American pleasure travel destination for "world-class adventure". Fishing and hunting are actually adventure travel products. However, due to their consumptive nature and the fact that they are clearly segmented travel products, for the purposes of analysis they are best dealt with separately. The NWT has an excellent product base for adventure travel. These products include:

NWT Adventure Travel Products

- Naturalist Trips/Wildlife Viewing/Photo Safaris
- Hiking/ Backpacking/Skiing/Dog Sledding/Camping
- Canoeing/ Kayaking/Boating/Rafting

In most cases these products require guiding and outfitting services as part of a package tour. There is some independent adventure travel but it is very small and in some cases it is really not that advisable. For the NWT the growth in adventure travel has come through the development of packaged product experiences.

Since 1983 the NWT's outfitting industry has undergone tremendous growth. The following table shows the dramatic growth in outfitting since 1982.

TABLE 7

NWT Outfitting — Growth and Location

			1987 Zone Distribution	
Year	Number of Outfitters	Estimated* Employment	zone	Number of **Outfitters**
1987	82	558	**Baffin**	23
1986	85	578	Keewatin	12
1985	80	544	Northern Frontier	17
1984	62	422	Arctic Coast	7
1983	29	197	Big River	12
1982	28	190	Western Arctic	9

• Based on industry survey where average employment is 6.8 persons of which '20% is **in** management; 60% is 'guiding and 20% are support services such as cooks, maintenance, etc.

The above data for outfitters also includes outfitting/ guiding services provided to packaged tours as well as for **hunting/fishing.** However, the majority of outfitting/guiding services are associated with the adventure product market.

While hotels, motels, restaurants and airlines serve the resident **traveller,** business **traveller** and pleasure **traveller,** outfitting and guiding services have been exclusively deveioped for the NWT pleasure **traveller.** For the Keewatin, **Baffin** and Arctic Coast outfitting has become one of the largest employers related to pleasure travel. There has been a direct relationship between the growth of packaged tours and the growth of the **NWT's** outfitting industry. This fact has not been lost at the zone level. The outfitter is at the very heart of the adventure travel experience. Outfitting and guiding are the key focal points for interpreting and experiencing northern adventure products. There has been a tremendous demand for guide training in both the Keewatin and Baffin and interest is beginning in the Western Arctic. The success of packaged adventure products is critical ly dependent upon the quality and availability of guiding services. For a number of products it becomes a skill and knowledge base to be passed on through successive generations of outfitters and guides. A trained guide greatly enriches the adventure travel experience. Aside from the requisite skills in providing guided tours, tourism experiences are greatly enriched by almost the sheer “experience” value that an experienced guide can provide through stories about the area’s culture, its people, legends and generally bringing the whole product experience to life for the tourist.

The following section discusses adventure travel products at the zone level.

Baffin Adventure Travel Products

In addition to sports fishing/hunting and general tours the Baffin currently has over 30 packaged tours that could be described as adventure travel. They are currenti y described as special interest tours, naturalist tours and adventure tours. Compared to the other zones the Baffin has the most diverse range of adventure products currently available in the NWT. They also extend over the shoulder season, particularl y in the spring with dog sled and ski packages.

Naturalist/ Wildlife Viewing/Photo Safaris

. North **Baffin** Wildlife Safaris
. Polar Bear /Whale Watching - Broughton Island/Clyde River
• Flow Edge Viewing - Arctic Bay
. Polar Bear Pass Nature Tours
. Arctic Mammals and **Ornithdogg** - Pond Inlet
. **Auyuittuq** National Park

Hiking/ Backpacking/ Skiing/ Dog Sledding/ **Snowmobiling**

. **Ellesmere** Island Backpacking
. **Auyuittuq** Backpacking
. Skiing - **Iqaluit, Qaumaarviit**
. Dog Sledding - North Pole
. Dog Sledding - **Igloolik**
. Dog Sledding - Resolute Bay, **Grise** Fiord

Canoeing/ Kayaking/ Boating/ Rafting

. Sea Kayaking - **Isabella** Bay, Clyde River, North **Ellesmere**
. Whitewater Rafting
. Kayaking - **Iqaluit** Area
. **Frobisher** Bay Boat Cruises
. **Ellesmere** Island Boat Cruises
. **Qaumaarviit** Historic Park - Boat Tours
• Pond Inlet - Boat Tours

In terms of both diversity and numbers of tourists, adventure **travel** has been driving the **Baffin** pleasure travel Industry. The high travel volume associated with general tours of which there were 10 with a total of 900 tourist clients in 1987 is deceiving. Two of those travel packages account for 500 visitors **(Goliger's** Arctic Circle Tour - 357 clients and **Bl** ythe and **Compan** y's New York to **Iqaluit/** Cape **Dorset**). Both are essentially day-trips with an average expenditure of $400/person. The average price of most **Baffin** adventure tour products exceeds $2,000. Adventure travel is characterized by smaller group tours which many of the Baffin communities can accommodate. A major tour exceeding 100 people would have extreme difficulty in finding accommodation in most Baffin communities. As a result large group travel for the foreseeable future will be day trips.

Keewatin Adventure Travel Products

At the present time, the Keewatin offers 24 travel packages of which 5 are hunting/fishing, 5 are general interest and 14 would be classified as adventure travei:

Naturalist/Wildlife Viewing/Photo Safaris

- McConnell Bird Sanctuary Tour
- Wager Bay Natural ist Lodge
- Big Game Wildlife Safaris - Coral Harbour/ Coats Island
- Arctic River Expedition - Baker Lake, Theion Game Sanctuary
- Spring Adventure Tour - East Bay Bird Sanctuary
- Magure River Expedition - Eskimo Point - Magure River
- Hudson Bay Coastal Tour - Eskimo Point Coastal Area

Hiking/ Backpacking/Skiing/Dog Sledding/ Snowmobiling

- Arctic Spring Adventure - Ski-doo Trip out of Eskimo Point
- Dog Team Skiing Adventure - Eskimo Point to Fiow Edge

Canoeing/ Kayaking/Boating/ Rafting

- Air Land Sea Expedition - Boat Tour of Chesterfield Inlet to Baker Lake

These are all newly created packages that have been developed. Total visitation for 1987 was iow with oniy 41 tourists. Projected visitation for 1988 is over 200 tourists.

Western Arctic Adventura Travel Products

Outside of hunting and fishing, the Western Arctic is almost completely devoid of adventure travel products that are being actively marketed. This could be the result of a lack of market awareness and/or the lack of guiding services to deliver adventure travel products. Given the success of the Yukon in this market and with a projected growth of 75.8% over the next ten years, the Western Arctic is missing a real market opportunity to develop adventure travel products. Given the low expenditure impact that results from independent touring the development of adventure travel products could increase the expenditure impact of Western Arctic pleasure travel by increasing the length of stay and pulling tourists out of Inuvik to other destinations that offer a diverse mix of products such as:

- Hiking
- Kayaking/Canoeing
- Boat Cruises
- Wildlife Viewing/Photo Safaris

These opportunities have been identified in the draft Western Arctic Strategy. The market potential identified by the draft strategy is 1,430 adventure travel visitors by 1990. Depending upon the development of guiding services and packaged tour products this could be increased.

Arctic Coast Adventure Travel Products

Visitation to the Arctic Coast is very low at 1,200 visitors. Although there is no information to indicate the reason for travel to the Arctic Coast, in 1984 it was estimated that 50% of visitors were pleasure travel visitors. As a result it has been assumed that for 1986 there were 600 pleasure travel visitors to the Arctic Coast. Further, it has been assumed that 200 visitors have travel led to the Arctic Coast for purposes of fishing and hunting and 400 for purposes of adventure travel. In 1985 there were only 180 fishing licenses sold to non-NWT Canadians and non-residents in the Kitikmeot area. Outfitting services in the region serve both consumptive and non-consumptive markets. Non-consumptive adventure travel is largely based on wildlife/nature and culture and visiting historic sites.

There has been very little development of non-consumptive package tours to the Arctic Coast. However the product base is unique and would appeal to the "high" Arctic adventure traveller particularly in exploring the area's history, culture and natural resources:

Naturalist/Wiidiife Viewing/Photo Safaris

. Bathhurst Inlet - Wilderforce Folly
. Coppermine - Arctic Coastal Tours
. Cambridge Bay - Nature Tours

Hiking/Backpacking/ Skiing/Dog Sledding

- Spring Dog Sled Expedition - 650A
. Mount Pelly Backpacking Treks
. GJOA Havin - Dog Sled Excursion

Canoeing/Kayak **ing/Boating/Rafting**

- **Hollman** - Print Making
- Cambridge Bay/ **Spence** Bay - History of the Roman Catholic Church
- Franklin Expedition - **Spence** Bay
- **Pelly** Bay - Craft Production/ Traditional Lifestyles

Fort Smith **Adventure** Travel Products

The Fort Smith region is the principal destination for pleasure travel to the NWT. The region contains two separate tourism zones - Big River (**Nahanni** National Park, MacKenzie Bison Sanctuary, the **Liard** Highway, southern Great Slave Lake, Wood Buffalo National Park and Fort Smith) and Northern Frontier (**Yellowknife** and Great Bear Lake). The region's estimated 18,000 pleasure travelers are accounted for almost equally by air and road (principally the MacKenzie Highway).

Although the region has significantly higher air travel only 42% of air travelers are pleasure travelers where 77% of road travelers are pleasure travelers. **Yellowknife** is the primary destination area for the vast majority of pleasure travelers. Of the two zones it could be assumed that Northern Frontier, by virtue of the fact that Yellowknife **is** located there, as wel l as containing a significant y greater lodge industry, would account for over 60% of the region's pleasure travel visitation.

An estimate of adventure travel to the Fort Smith Region is difficult to obtain. In the case of the other zones it was possible to obtain data through adventure travel package tours for specific adventure products. However comparable data is not available for the Fort Smith region. As a result an estimate of adventure travel was really arrived at as a residual calculation where the number of visitors to fishing **lodges** and sports hunters (estimate 4,000) and independent road touring (9,000) was taken away from **total** pleasure travel visitation to the zone. This then leaves a residual of 5,000 adventure travel visitors. However the figure would also **include** visitors to events and festivals in the zone region as **well** as other pleasure travel activities. This **would** reduce the adventure **travel** segment to possibly 4,000 visitors.

The Fort Smith region contains the greatest concentration of outfitting services in the NWT. However, a number of outfitters in the Fort Smith area provide both consumptive and non-consumptive outfitting services. In the case of Big River outfitters, **almost** haif are hunting/fishing outfitters while iess than 20% of Northern Frontier outfitters address that market.

The **following** listing is illustrative of the types of adventure products **available** in the Fort Smith Region.

Naturalist/ Wildlife Viewing/Photo Safaris

- **Nahanni**
- Aiexander Fai 1s / Louise Fails
- MacKenzie Bison Sanctuary
- Bison Viewing - Wood **Buffalo**

Hiking/ Backpacking/Skiing/Dog Sledding

- international Ski-Races - **Yellowknife**
- Barren Lands Trekking by ATV
- **Ingraham Trail**

Canoeing/Kayaking/ Boating/Rafting

- **Rafting**
- Abundant Canoeing Opportunities throughout the Region
- Boat Trips - Great Slave, MacKenzie
- Jet Boat Tours

With the exception of hunting and fishing, adventure **travel** in the Fort Smith Area is iess defined as in the case of other zones. The **Nahanni is** the best defined adventure **tra-**vei product in the region. However, given its relative isolation, visitation is only 1,000 visitors a year.

At the zone level both Northern Frontier and Big River have recognized the need for development of packaged tours.

5.2.2 — General Touring

General touring is the **NWT's largest** market. For the NWT there are two types of touring -- independent and **packaged** touring trips. Independent touring is more characteristic of the Yukon and southern markets. it is dominated by the rubber-tire **traveller** which accounts for over 75% of the touring market. This market accounts for **almost** half of the Yukon's tourism expenditure. For the NWT it is the largest market for the **Inuvik** and Fort Smith pleasure travel industries. in the case of the Western Arctic, independent pleasure travel accounts for over 60% of all pleasure travel visitation. In the case of Fort Smith It accounts for 50% and is **largely** due to auto touring associated with the MacKenzie Highway. However, although the rubber-tire touring market accounts for a significant portion of travel volume, it is a "low-spend" market. For **example,** while independent touring travel accounts for over 60% of the Western Arctic's travel volume it accounts for only 20% of its total pleasure travel expenditure.

General touring to the Baffin and Keewatin is characterized by packaged touring. Independent touring is minimal to these regions as guiding is usually required.

Packaged touring to both the Keewatin and Baffin is still a relatively new product experience. General packaged touring contains the most overall product providing a broad interpretation of the zone's wildlife, scenery, culture and history. Both zones have had excellent success in developing general packaged tours over the last two years. Tours that have been developed range from day-trips to five-day tours. Unlike the the Western Arctic and Fort Smith area general touring to the Baffin and Keewatin has a much greater expenditure impact. The average expenditure associated with current general touring packages is 7.5 times greater than the rubber-tire touring market captured by the Western Arctic (i.e. $1,200 per visitor compared to $160 per visitor associated with the Dempster Highway). In other words it would take only 400 visitors on general touring packages to the Baffin and Keewatin to capture the same level of visitor expenditures that 3,000 Dempster Highway visitors would for the Keewatin. The development of general touring packages has become the Zone's principal tourist product. Prior to the development and aggressive marketing of these packages, the only measurable tourism product for the Keewatin were fishing lodges, most of which were owned by southerners with little NWT resident employment.

5*3 Conclusions

The NWT's tourism products could largely be described as adventure travel products. There is an element of adventure in all NWT travel. There are two broad product segments:

. Outdoor Adventure Travel
. General Touring

General touring can be described as touring trips where a number of activities are engaged in including fishing and adventure travel as well as camping, sightseeing and purchasing crafts, and visiting historic sites. At both the territorial and zone level it often involves participating in the principal tourism and recreation products that are offered. It is best characterized by the independent road travelier. For the non-road-accessible regions, such as the Keewatin or Baffin, it is packaged travel that involves the region's principal tourism products. Essentially they are general interest trips.

Outdoor adventure travel is a more specialized travel product where tourists are drawn to the area because of particular activities or attractions such as visiting a national park, fishing, hunting, river rafting or wildlife viewing.

For the NWT the outdoor/adventure market has been further refined into consumptive (fishing/hunting) and non-consumptive segments such as:

- Naturalist Trips /Wildlife Viewing/Photo Safaris
- Hiking/Backpacking/Dog Sledding
- Canoeing/ Kayaking/Boating/Rafting

In most cases these products are packaged tours where guiding and outfitting services are required for the tourist to properl y experience them. In essence these are clearly not independent touring trips or self-guided tourism.

For al i NWT products, the Fort Smith region clearly dominates the NWT's market impact, accounting for a significant portion of the NWT's pleasure travel visitation.

General touring accounts for slightly over 50% of total pleasure travel visitation to the NWT. This is largely accounted for by independent road travel on the MacKenzie and Dempster Highway. The Liard Highway, largely due to its condition and awareness, generates very few pleasure trips. There have been significant increases in generai touring in the Baffin and Keewatin areas. Market awareness for those zones has increased considerably in the past two years.

Although the Baffin and Keewatin receive only 19% of the amount of general touring visitors that the Fort Smith Region receives, the expenditure impact is substantiality higher. As a result it would take significantly less visitors to those zones to produce the same level of expenditure impact for the tourism industry.

Outdoor adventure travel accounts for almost 50% of the pleasure travel to the NWT. Of this amount 21.9% relates to fishing/hunting and 23.4% relates to more specialized adventure travel products such as wildlife viewing/canoeing/kayaking/hiking/backpacking. The growth in adventure travel to the NWT has been a very strong stimulation to the outfitting industry. For regions such as the Baffin, it has resulted in sizable increases in employment. On the other hand the fishing and hunting segment has experienced little new growth in market demand.

6.0 THE MARKET POTENTIAL FOR NWT PLEASURE TRAVEL PRODUCTS

6.1 Introduction

The North American pleasure travel market is the NWT's primary market. Canadians take an estimated 50 million pleasure travel trips annually within Canada. Americans take an estimated 275 million pleasure trips annually of which oniy 5.6 million are to Canadian destinations. This chapter examines the existing market structure of the NWT's industry within the context of the North American market. It concludes with an assessment of future market potential for the NWT's pieasure travel product.

6.2 Existing Market Structure

Table 8 displays the most recent estimate of market origin for NWT travel. in the case of the Baffin oniy pleasure travei has been reported. in the case of Fort Smith there is no separate breakout for pleasure travel by market origin. However, in the case of road travei, most road travel iers are pleasure travellers. As a result the road travel estimates may be a closer estimate of the market origin of pleasure travel to the Fort Smith region. The same qualification could also apply to Inuvik. Business travel to that region would be heavily skewed towards Aiberta and Ontario due to the region's mineral exploration. No market origin data is available for pleasure travei to the Keewatin or Kitikmeot regions.

In general, NWT pleasure travel is largely dominated by the Canadian pleasure traveiler. However, it is suspected that

TABLE 8

Market Origin of NUT Travel

	Baffin	Fort Smith			Inuvik	
Canada	Pleasure Travel Only	Air	Road	Total	(Road Only)	Total
Ontario	45%	22%	6%	14%	7%	20%
Quebec	11%	1%	1%	1%	1%	2%
Maritimes	4%	4%		2%	1%	1%
Manitoba	1%	8%	2%	s%	2%	3%
Saskatchewan	0%	3%	6%	4%	3%	1%
Alberta	1%	39%	52%	47%	12%	45%
B.C.	1%	12%	16%	14%	15%	14%
Yukon					16%	4%
Total Canada	63%	90%	85%		57%	83%
Foreign/U. S.	37%	9%	13%		43%	17%

due to the nature of the surveys that have been carried out, that the generai touring market segment is over-represented in exit surveys and outdoor adventure markets are under-represented. In the case of fishing, the ratio of U.S. /Canadian fishing license sales is 67% to 33%. Previous studies of the lodging industry have indicated that the NWT lodge industry is decidedly U. S.-based with U.S. residents accounting for 76% of lodge clientele, Canadians 19%, NWT residents 4% and other foreign 1%.

Foreign visitation to the NWT Is largely accounted for by Americans. In the cases of Fort Smith and Inuvik, California, Washington and Texas have been the largest markets for road travel to the NWT. However there are some differences between the two regions as Inuvik attracts a high proportion of Alaskan visitors while Fort Smith attracts a reasonable number of visitors from Minnesota. Generally, the American west coast has been the single largest market for both regions.

In the case of Baffin, American visitation is of a decidedly different market origin with the Atlantic States being the largest American market followed by the Central U.S.A.

6.3 Outdoor Adventure Travel

6.3.1 — Fishing/Hunting/ Adventure Travel

Fishing trips generate significantly higher visitation to the NWT than does hunting. In some cases the two products are inseparable as a number of lodges and outfitters serve both markets. For the most part the analysis in this section is largely concerned with fishing markets. Table 9 illustrates the size of the North American fishing market for tourism.

Pleasure travel to and in Canada based on fishing is 7.8 million person trips of which Canadians account for 83% and Americans 17%. At first glance there appears to be a glaring anomaly between the market base for NWT fishing lodges which have a decidedly American customer base and the current market profile for fishing trips to and in Canada that are largely dominated by the Canadian traveller.

TABLE 9

North American Sportfishing Market
Annual Person Trips and Market Origin

	Canadian Market	U*S. Market	Total
Person Trips (000,000)	6.5	10.1	16.6
Person Trips to Canada	6.5	1.3	7.8

Market Origin %

Ontario	48.7%	West North Central	33%
Quebec	17.5%	East South Central	30%
Manitoba	9.5%	Mountain	29%
Alberta	8.7%	West South Central	29%
B.C.	7.6%	South Atlantic	26%
Saskatchewan	4.8%	Pacific	24%
Other	3.2%	New England	19%
		Middle Atlantic	15%

Source: Statistics Canada; Canadian Travel Survey, A Strategic Marketing Plan for Tourism for the Government of the NWT, 1984.

Table 10 provides a comparison between the NWT and other Western Canadian sportfishing industries. Regarding the lodging component of the sportfishing industry, Alberta really does not have an industry. This is largely due to a lack of a resource base that would attract people for a remote fishing lodge experience. Saskatchewan and Manitoba have developed sizable lodge industries. The road accessible lodges largely serve the resident market while remote lodges serve the non-resident market. Canadians are less inclined

TABLE 10

Comparative Indicators
Western Canadian Sportfishing Industry

	Manitoba	Saskatchewan	Alberta	NWT[1]
Facilities/Operators				
Lodges	106	180	9	41
. Road Accessible	69	112		
. Remote	37	68	9	41
Lodge Guest Nights	247,202	360,000	6,600	40,557
Average Guest Nights	4.8	4.2	4.1	6.4
Lodge Market Origin of Guests	51,252	84,900	1,600	6,372
. Resident	54. 6%	78%	72%	4%
. Non-Resident (Canadian)	3.5%	5%	2%	19%
. Non-Resident (Other)	41.9%	16%	6%	77%
Total Angling Population (1985)	187,170	200,545	343,310	16,907
. Resident	78.8%	78.6%	96.5%	53.0%
. Non-Resident (Canadian)	3.8%	12.1%	1.8%	25.6%
. Non-Resident (Other)	17.4%	9.3%	1.7%	21.4%

Source: Federal Department of Fisheries and Oceans, Winnipeg, Manitoba.

[1] Regional Income Analysis of NWT Fishing Lodges - Western Region, Department of Fisheries and Oceans, 1982.

to spend the money to travel to remote fishing lodges, whereas Americans are because they feel they are getting value for money from a product experience not available in their own state. Alberta residents are a possible exception to this. Canadians simply don't see Canadian fishing products to be that unique. As an example, southern **U.S.** fishermen are really attracted to Northern Pike, whereas Canadian residents view this to be an inferior species and not that unique.

The success of Northern Canadian remote lodges has been largely dependent on the U.S. market. The further north or more remote the facility the more important the American market becomes. The following table compares the non-resident market origin for the Western Canadian lodge industry.

TABLE 11

Comparison of Non-Resident Lodge Markets

	Manitoba		Saskatchewan		NWT	
	#	%	#	%	#	%
Non-Resident Canadian	**1,794**	7.7%	4,245	23.8%	1,211	19.8
Non-Canadian Residents	21,475	92. 3%	13,584	76.2%	4,906	81.2
Total	23,269	100.0%	17,829	100.0%	6,117	100.0

Both Saskatchewan and Manitoba represent strong competitors to the **NWT's** lodge industry. Manitoba's northern fishing lodges have been very successful in the U.S. market. The Government of Manitoba's policy has been to encourage quality facility development to maximize investment in the resource base and not to encourage a number of smaller investments in small establishments. At the present time there is an estimated $6 - $7 million investment program in the Manitoba lodge industry in eight properties. These investments are being made largely to upgrade and diversify existing lodges.

As indicated elsewhere in this document, the **NWT's** lodging industry has been experiencing little or no growth since 1981. This is not really a reflection of the market. In North America the historic annual growth rate for fishing products between 1980 to 1985 was 23.6%. This growth rate is projected to grow at an annual rate of 24.3% to 1990.[1] There are recent indications that the market captured by the NWT is once again growing. Fishing will continue to offer a significant adventure travel product opportunity for the NWT for both lodges or as part of a series of activities that the outdoor/adventure **traveller** participates in. However, future growth for the NWT'S lodge industry may require a **repositioning** of the product along the same lines as Manitoba's northern fishing lodges which will require upgrading and improvements to the product base offered by lodges. In other words, as opposed to developing new small lodges, existing lodges should improve their facilities and offer a greater

[1] Source: Tourscan.

variety of experiences in addition to fishing. In general all outdoor experience travel, with the exception of hunting, is enjoying strong growth. There is increasing complementarily between fishing and other outdoor activities such as wildlife viewing. The following section examines non-consumptive outdoor adventure travel markets.

6.3.2 -- Non-Consumptive Outdoor Adventure Travel

The non-consumptive outdoor adventure travel market is substantially larger than the fishing/hunting market. For both Canada and the U.S. the non-consumptive outdoor adventure market is twice as large as the consumptive outdoor adventure market. It is also a market that the NWT has unique adventure travel products to sell to. The following table indicates the size of the North American outdoor adventure market.

TABLE 12

North American Outdoor Adventure Market
Person Trips

	Canada*	U.S. ●*	Total
Person Trips (000,000)	14.6	83.2	97.8
Person Trips to Canada (000,000)	14.6	1.6	16.2

* Source: Statistics Canada; Canadian Travel Survey.

●* Source: A Strategic Marketing Plan for Tourism for the Government of the NWT, 1986.

Although the American market for outdoor adventure is substantially greater than the Canadian market, Canada's market penetration is very low at only 1.9%. In the case of fishing trips, Canada does much better with a penetration rate of 12.9%.

The low penetration rate in the non-consumptive adventure market is **largely** due to American's perception of Canada. There has been a iong standing misconception that Americans are drawn to Canada because of the unique appeal of its **natural** resources. However, a recent study of the U. S. **pleasure** market undertaken for Tourism Canada indicated that Americans view the **natural** resources of their own country to be the same as Canada's but cioser. in other words Canada was **really** not seen to have a superior product. However the study did find a reai market niche that is of direct reievance to the NWT.

> "if Canada is seen as a bit too rugged and tough for mainstream America, there is definitely a segment of the outdoors market that prefers it that way. By pinpointing that segment and targeting our messages more effectively to it, Canada may have some upside **potential** within the outdoors market. "

Source: U.S. **Pleasure Travel** Market - Canada **Potential:** Highlights Report; Tourism Canada.

The principal attributes that **would** trigger outdoor/adventure trips to Canada are:

- Real Adventure
- Hunting/Fishing
- **Seclusion/Privacy**
- Different Lifestyle
- **Natural** / Untouched

The NWT presents an excel ient match with each of the above **travel** attributes being sought by American outdoor/adventure travelers.

That same study found that largely based on existing awareness, 2% of American outdoors travelers stated a preference to **travel** to the Canadian Arctic. Even with current market awareness the NWT should be capturing 32,000 adventure **pleasure** **travel** trips from the U.S. At present the NWT captures 11,928 trips from the **outdoor/adventure** market of which half are fishing trips from both the Canadian and American markets. Assuming haif those trips are attributable to Canadians, then the **NWT** is only capturing **6,000** trips from the U.S. adventure travel market.

Table 13 provides an estimate of seiected outdoor/adventure demand for the NWT. It is based on what **could** be considered as **"achievable"** penetration rates for the NWT. By achievable it means that the NWT can deliver the products in a packaged manner with good services, particularly in guiding, outfitting and accommodation.

Although it is **currently** a **small** market for the NWT, the **outdoor**/adventure market has significant **potential** for growth. Within North America this market is growing at a **substantially** greater rate than the general touring market. This market has caused a major expansion in the **NWT's** outfitting industry. Outfitting and guiding employment have increased significantly. Compared to the Yukon the NWT is in a much better position to capitalize on this market. The Yukon has oniy 20 licensed outfitters compared to 82 in the NWT.

Those persons who buy outdoor/adventure **travel** packages are general l y upscale income, **singles** and **couples** between the ages of 24 and 44. They are predominant y from professional occupations. The **profile** of outdoor/adventure **travel** iers is summarized as shown in Table 14.

TABLE 13

Estimated Potential **Outdoor/ Adventure** Travel **Demand** for the **NWT** by Type of **Activity**

Activity	**Potential** Number of Person-Trips	**Historic** Growth Annual **Average** Rate 1980-198S	Projected **Annual Average** Growth Rate 1985-1990	Season of Demand	**% of All** Activities
Hiking/Backpacking	18,700	26,7%	23.3%	June - September	25%
Fishing	17,800	23.6%	24.3%	June, August	24%
Hunting	10,300	0%	0%	September - November	14%
Rafting/Canoeing	8,700	38.1%	46.6%	July - August	12%
Photograph y	13,500	77. 1%	28.6%	June - September	18%
Ski Touring	2,700	15.85	11.3%	December, April-May	4%
Mountaineering	3,000	13.3%	11.7%	June - September	4%
	74.700				

TABLE 14

Profile of Outdoor/Adventure Travelers

Origin	- Western Canada, Ontario and Quebec Major U.S. Cities West Germany
Age	- 25-44
Income	- High and Upper Middle - $45, 000+
Transportation	- Fly/Drive
Lifecycle	- Young singles, couples (Only a few will bring children if they have children)
Education	- Degrees, Diplomas, Better Educated
Occupation	- Professionals, Managers, Business Owners
Accommodation	- Hotels and Private Cottages
Trip Planning	- Use Travel Agents, Will Plan Trips in Advance

Travel Philosophies, Benefits and Amenities Sought:

- They feel money spent on a vacation is money well spent
- They have travel led a lot to international destinations
- Want to participate in sporting activities
- They are physically active
- Travel to get away from the demands of a busy job
- Interested in good food

6.4 General Touring

General touring comes closest to describing a general pleasure travel product. It is the type of pleasure traveller that most southern destinations seek to attract. Generally most marketing strategies are based on an area's generic products that appeal to general touring. It 1s a horizontal market whereas outdoor/adventure is a vertical market. In the case of the NWT it is difficult to separate outdoor adventure from general touring. By virtue of its location and product base, virtually all trips to the NWT really involve some element of adventure. In fact the NWT's marketing strategy is based on a theme of "World-Class Adventure".

For the NWT general touring involves the most overall NWT touring product which is characteristically outdoor/adventure in nature. A general tour involves consumption of several of the NWT's products as well as general sightseeing. Activities pursued on a general touring trip to the NWT would involve several of the NWT's products. However in the case of outdoor/adventure, travelers are attracted by more specialized products that are usually packaged and require guiding.

Outside of visiting friends and relatives, general touring is the largest pleasure travel market in North America.

TABLE 15

North America's General Touring Market

	Canada*	U.S.**	Total
Person Trips (000,000)	15.6	55.0	70.6
Person Trips to Canada	15.6	2.3	17.9

* Source: Statistics Canada; Canadian Travel Survey.

** Source: A Strategic Marketing Plan for Tourism for the Government of the NWT, 1986.

For the NWT there are two broad categories of touring -- independent touring and packaged touring. Independent touring is more characteristic of road accessible zones such as **Inuvik** and Fort Smith, whereas packaged generai touring is more characteristic of the **Kitikmeot,** Keewatin and **Baffin** zones.

Given the immense size of the **NWT** it is impossible to do a generai tour of the NWT. **General** touring of the NWT is decidediy **regional** and the market origin of **travel** is **largely** based on transportation access and geography as indicated in the **following table.**

TABLE 16

Market Origin of Touring Trips to the NWT

	Western Arctic	Central/* **High Arctic**	Eastern** **Arctic**
Canada			
. Aiberta	12%	52%	1%
. B.C.	15%	16%	1%
. Ontario	7%	6%	45%
. Man. **/Sask.**	5%	14%	1%
. **Maritimes**	2%	0%	4%
. Quebec	2%	1%	11%
. Yukon	16%	0%	0%
U*S.	43%	13%	37%

* Fort Smith and **Kitikmeot.**

•* Baffin and **Keewatin** (Based on Baffin **Travel** Data).

The Western Arctic is evolving a similar travel market profiie to that of the Yukon. General touring is largely associated with road travel on the Dempster. The Dempster is beginning to evolve as a known Canadian travel corridor. However, it is far from the brand-name familiarity of the Alaska Highway. The future of tourism in the Western Arctic will largely be associated with this travel corridor. At present there are an estimated 50,000 tourist trips captured annually by Dawson City, the vast majority of which are American from west coast states. With continued improvements to the Dempster, marketing and development of Inuvik as a destination with destination attractions, the Western Arctic has the potential to capture significantly greater tourism trips from the touring market segment. if the Western Arctic were to capture even 10% of the Yukon's present travel (which is largely characterized as a touring market) it would increase pleasure visitation to the region by almost three times its current level.

The Central/ High Arctic is largely dependent upon the Alberta market for generai touring. At present this area captures most of the NWT's generai touring market, which is decidedly Canadian in market origin.

Statistics Canada's Canadian Travel Attitudes and Motivation Survey is an excellent analytical tool on which to evaluate both market awareness and market potential of Canadian adult pleasure travel attitudes towards Canadian destinations. it is a survey that is representative of the entire Canadian adult population. Table 17 indicates the current size of the market that has a stated intention of travailing to the NWT and the origin of that market.

TABLE 17

Potential Canadian Touring Market for the NWT

	Number of Adult Trips	Person* Trips	%
Alberta	20,727	37,309	63.5%
Ontario	5,016	9,029	**15.4%**
Saskatchewan	2,489	4,480	7.6%
Manitoba	2,270	4,086	7.0%
B.C.	992	1,786	3.0%
Maritimes	1,142	2,056	6.5%
Quebec	0	0	0.0%
Yukon	0	0	0.0%
Total	32,636	**58,745**	100.0%

* Average party size of 1.8 persons.

Sources: Statistics Canada - Canadian **Travel** Attitudes and Mot ivat ion Study.

Based on current market awareness amongst **adult** Canadians who intend to **travel** (8. 1 **million** Canadians) the **NWT's principal** touring market is **Alberta** (63.5%) **followed** by Ontario (15.4%) and Saskatchewan/Manitoba (14.6%). Surprisingly, British **Columbia** is not that important a market. Possibly, B.C. residents are more **inclined** to **travel** to the Yukon as opposed to the **NWT.** The **relative values placed** on trip activities by Canadians interested in visiting the NWT are shown in **Table** 18.

interestingly, 80% of the adult Canadians surveyed indicated the availability of travel packages or the need to use a **tra**vei agent were not considered important in planning a trip to the NWT. This is not surprising given **large** numbers of **Albertans** interested in **travel** to the NWT and that the preferred route **would** be to **travel** by road to the NWT. Lastly, the market for the NWT is decidediy a young market as 47.5% of adult Canadians interested in **travel** to the NWT were **below** the age of 34.

TABLE 18

Profile of Canadian Adults Interested in **Visiting** the NUT
Travel Activities Considered to be Somewhat to Very Important

Activity	Rating
Wilderness/ Undisturbed Nature	92.7%
Visiting Historic Sites	71.5%
Visiting National Parks	71.3%
Local Festivals/ Events	65.3%
Purchasing Local Crafts	54.7%
Experiencing New and Different Lifestyles	45.1%
Age Profile	
20 - 34	47. s%
35 - 54	31.97%
55+	13.95%

At present the "packaged" general touring market represents a smaller component of the general touring market. For the U.S. touring market one in five trips are package tours. The same ratio also applies to Canadian travel as well. In the case of the NWT, packaged tours can not really be considered in the same context as packaged tours normally consumed in North America. This is largely due to the uniqueness of the **NWT's** product and its principal underlying theme of adventure. The principal market for packaged general tours to the NWT is really the U. S., followed by Ontario. For Americans, the strongest reasons for **favouring** Canada over the United States are:

- Beautiful Scenery
- Safe to Travel
- Different Cultures
- Wildlife
- Natural/Untouched Environment
- Not Too Expensive

At first glance it appears that the NWT is also a good market for those Canadian destination activities sought by Americans on touring trips. Assuming the same northern penetration rate for outdoor adventure products of 2% would also apply to general touring, the American market potential for general touring to the NWT would be 46,000 trips. However in examining the top 20 touring activities that are participated in there are a number of activities that the NWT is weak in. As shown in Table 19 the NWT is strongest in exploring wilderness areas which is a lower ranked touring activity, taking guided tours (which at this point would only be considered a developing product in the NW T), seeing unusual wildlife and visiting national parks.

TABLE 19

Ranking of the NWT's Touring Products Against the Top 20 Touring Activities

Top 20 Touring Activities (Rank Order)	NWT Touring Products Match Strong	Medium	Weak
1. Walking and Strolling About		x	
2. Visiting Small Towns and Villages		x	
3. Dining at a Variety of Restaurants			x
4. Sampling Local Cuisine		x	
5. Visiting Natural Parks	x		
6. Seeing Wildlife 1 Don't Usually See	X		
7. Being Close to Mountains		X	
8. Being by the Ocean			x
9. Being by a Lake		X	
10. Taking Guided Tours	x		
11. Going to Zoos and Wildlife Exhibits			x
12. Visiting Big Cities			x
13. Shopping			x
14. Attending Festivals or Ethnic Events		x	
15. Visiting Museums and Galleries			x
16. Visiting Science Exhibits			x
17. Swimming			x
18. Exploring Wilderness Areas	x		
19. Sunbathing			x
20. Dining at Elegant, Sophisticated Restaurants			x

This analysis of the **NWT's** tourism products may appear to be harsh. However the NWT is **really appealing** to a **small** niche within the packaged touring market. The NWT cannot be **all** things to **all** people. **It** certainly isn't an area for city trips. Community touring is a developing product for the NWT. There are some categories where the NWT **could** improve such as encouraging restaurants to offer more native dishes (i.e. such as in the case of the Wiid Cat Cafe) packaging community tours with interpreters and community hosts.

For a number of NWT communities, accommodation represents a constraint for developing packaged tours both in terms of size and quality. **Table** 20 shows the **results** of a recent survey of tour operators that rank the attributes sought in the type of accommodation' for package tours to Northern Canada. The **table strongly** indicates that package tour **travel-iers** seek quality accommodation.[1] With the exception of oniy a **handful** of **hotels** located principally in **Yellowknife,** most accommodation in the NWT **falls** far **below** the **level** of **quality** and services sought by packaged tour operators. This table is not meant to discourage the NWT from developing this market. Rather, it points towards the type of accommodation that **should** be deveioped to successfully attract this market. it does not mean that because the NWT has no Westin **Hotels** it **will** never get any packaged tours. Rather, it indicates the attributes that hotels **should** have. Fuii service **dining** is important and it **should** be supplemented with **local** dishes with **excellent** service. These shouid not be major cost items for most hoteis. **Clearly** the packaged tour **traveller** wants to buy **local** crafts. Hotels **should** contain crafts shops and **displays.** Again this is not a major constraint. First class accommodation **will** continue to be a constraint. Only one

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1 This is more so the case with generai package tour products as opposed to specialized adventure **travel** product packages.

TABLE 20

Tour Operators Ranking of Components Sought for Accommodation

	Canada	U.S.A.	International	Total
Full Service Dining	66.7%	77.8%	20.0%	69.8%
Local Crafts	75.0%	55.6%	20.0%	56.6%
First-Class Accommodation	25.0%	44.4%	20.0%	37.7%
Lounge with Fireplace	41.7%	33.3%	20.0%	34.0%
Guide and Outfitter Services		38.9%	60.0%	32. 1%
Double Doubles/ Twin Beds	41.7%	27.8%		28.3%
Double Occupancy	25.0%	30. 6%		26.4%
Swimming Pooi	25.0%	27.8%	20.0%	26.4%
Recreational Services	8.3%	25.0%	20.0%	20.8%
Reasonable Costs	16.7%	19.4%	40.0%	20.8%
Coffee Shop	16.7%	16.7%		15.1%
Choice of Dining	16.7%	8.3%	20.0%	11.3%
Naturalist Program		13.9%	20.0%	11.3%
Combination/ Single Double Rooms		13.9%		13.9%
Eievator	8.3%	11.1%		9.4%
Entertainment	8.3%	8.3%		7.5%
Audio-Visual Presentation on Heritage, Culture, History	8.3'%	8.3%		7.5%
Budget Accommodation	8.3%	5.6%		5.7%
Ciean, Comfortable	8.3%	2.8%	20.0%	5.7%
Create an Indian Theme	8.3%	5.6%		5.7%
Full Service with Rustic Look		2.8%	40.0%	5.7%
Whirlpool, Sauna, Jacuzzi		5.6%	20.0%	5*7%
Laundry Facilities		8.3%		5.7%
Triple Occupancy	8.3%	5.6%		5.7%

Source: DMCA Survey of Tour Operators.

hotel in the NWT comes close to a five-star facility. Because so much of the **NWT's** product can only be appreciated with qualified guiding it will be important for accommodation operators and outfitters to work closely together. Hotels should always be built to double occupancy standards. It is highly unlikely that NWT accommodation will *ever* offer **swimming** pools.

In general there are a number of areas where existing NWT accommodation could be upgraded to more acceptable standards for the NWT to have broader appeal for the touring market segment.

6.5 Conclusions

In general, pleasure travel to the NWT is dominated by the Canadian pleasure **traveller,** with Alberta being the single largest market. The structure of the **NWT's** pleasure travel market is largely due to the Fort Smith region, which accounts for the vast majority of the **NWT's** pleasure travel. However at the individual zone level, real differences emerge. In the cases of **Baffin** and **Inuvik,** U.S. visitation is substantially higher at 40% of all pleasure travel visitors. For the **Baffin,** Ontario is the major Canadian market. For **Inuvik,** the Yukon, **B.C** and Alberta are the major Canadian markets. With increasing awareness of the Dempster, the **Inuvik** region is developing a pleasure travel profile similar to that of the Yukon's.

Regarding American visitation, the Atlantic and Eastern States have been the principal markets for the **Baffin** and **Keewatin,** while the Western Arctic attracts U. S. visitors from the west-coast states.

Pleasure travel to the NWT is accounted for by two principal products:

Outdoor Adventure Travel

. Consumptive
. Non-Consumptive

General Touring

. Independent Touring
. Packaged Touring

Outdoor/Adventure Travel

At the present time the NWT captures an estimated 11,928 trips from the outdoor/adventure travel market of which 5,765 trips are fishing/bunting trips and 6, 163 trips are non-consumptive outdoor/adventure in nature.

Sportfishing and the NWT's lodge industry is one of the NWT's more established travel products. Since 1981 there has been slow growth in the sales of fishing licenses to U. S. residents. However there is still a sizable opportunity for the NWT to increase its pleasure travel based on fishing products . The market potential for fishing in the NWT was identified to be 17,800 trips, over three times the market currentl y captured by the NWT's industry. In light of market demand, the NWT may have to re-evaluate its product as opposed to increasing the number of lodges, it may be necessary to upgrade and diversify existing lodges to provide greater quality and diversity for this market. The hunting market, although projected not to experience any growth over the next five years, is estimated to have a market potential of 10,300 trips for the NWT.

The non-consumptive outdoor/adventure market is larger than the consumptive market. The NWT has an excellent resource base for this market. At present, the NWT captures only 6,163 trips from the non-consumptive outdoor/adventure travel market. The estimated potential of this market for the NWT is 46,600 trips. It has stimulated the growth of the NWT's outfitting industry. Compared to the Yukon the NWT is in an excel lent position. The Yukon has oniy 20 licensed outfitters compared to 82 licensed outfitters for the NWT.

General Touring

General pleasure touring to the NWT is characterized by independent (rubber-tire) touring and packaged touring. independent touring is typical of pleasure travel to the Fort Smith and Inuvik zones. For the Inuvik zone, the Dempster has been the primary source of independent touring, and in the case of the Fort Smith area it has been the MacKenzie Highway.

Regarding the potential Canadian market for touring trips to the NWT, 32,636 trips were identified, based on current market awareness for the NWT's pleasure travel products. Alberta was by far the largest market accounting for 63.5% followed by Ontario at 15.4%. At present the NWT captures an estimated 14, 133 touring trips from both Canadian and American markets. The potential of the U.S. market is estimated to be 46,000 trips.

Packaged touring products are still relatively new to the NW T. The Keewatin and Baffin zones have been very active in developing packaged touring products in recent years. However some constraints were identified for the NWT in having a greater impact on the packaged touring market. These were related to product delivery and accommodation. Both the size and quality of accommodation in many NWT communities will be a constraint to more effective capture of the market potential for packaged tour products. However these constraints can be overcome in many cases.

The following table displays existing trips, by product, captured by the NWT against the actual trip potential described earlier:

TABLE 21

Estimated Pleasure Travel Trip Potential for
NWT Tourism Products

	Existing Pleasure Travel Trips Captured	Estimated North American Market Potential			Current NWT Penetration Rate
		Canada	U s .	**Total**	
Outdoor/Adventure Travel					
. Fishing/Hunting	5,745	5,620	22,480	28,000	20. 4%
. Non-Consumptive Adventure Products	6,195	14,600	32,000	46,600	13.3%
General Touring	14,372	32,636	46,000	78,636	18.3%
Total	26,313	52,856	100,000	153,336	17.2%

Clearly, the NWT has significant market potential to develop its tourist industry. In the case of outdoor/adventure products, the U. S holds the greatest market potential. In the case of general touring the U.S. market is still the largest market but Canadian pleasure travel, especially the prairie provinces and Ontario will be important to future Industry growth. This will vary at the individual zone level. For the Keewatin and Baffin the U.S. packaged touring market will be considerably more important than in the case of the Fort Smith region in capturing generai touring travei. In the case of the Western Arctic, the American independent travel market will be an important market segment, whereas the Fort Smith zone will continue to reiy primarily on the prairie provinces, especial i y Alberta for independent road travel.

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A PRODUCT DEVELOPMENT PLAN
FOR THE NORTHWEST TERRITORIES'
TOURISM INDUSTRY

Prepared for:

The Tourism Industry Association
of the Northwest Territories

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1.0 INTRODUCTION

Tourism has gained increasing importance to the economy of the Northwest Territories. It is currentiy the second **largest** private sector empioyer **in** the NWT, second only to mining. The industry has been developing **steadily** since the 1960's with improvements in transportation systems **linking** the NWT to the south. The **completion** of the MacKenzie Highway system made the south-western NWT accessible to auto tourism travei from the south. During the 1970's air services improved dramatically with the introduction of jet service from the south.

it was not **until** the 1980's that tourism was strategically addressed by both government and industry. Since 1980 **elements** for a Northwest Territories tourism industry strategy have begun to emerge. Tourism studies have been carried out at a **regional** and community **level** basis. A consensus between Government, industry and communities as to the direction of the industry's development has **also** emerged. For the Northwest Territories, there is a broad agreement that the development of the industry **should** be community-based. This is to ensure that the development of the industry **results** in income and employment opportunity at the community **le**vei. **Historically** the development of the Northwest Territories' tourism industry has not resuited in significant benefits for communities. Southern operators, **language,** entry **skills** and concentration of the tourist piant in oniy a few communities have **all** been barriers to more effective community-based tourism **in** the NWT.

A second area of consensus for the industry's development is that it must be **regional.** Existing development has been **largely** concentrated in the southwest. This area **already** accounts for over

60% of total tourism expenditure in the Northwest Territories. As a result, an effective tourism strategy must result in a greater distribution of economic benefits throughout the entire Northwest Territories. The mechanism to accomplish this goal was the development of regions with tourism destination zone strategies. Regional tourism strategies have been prepared for the Keewatin, Baffin and Arctic Coast areas and regional studies are underway in the Western Arctic region and the Liard Highway Corridor. In the last few years there have been encouraging signs at the regional level. Planning, development and marketing are leading to increased pleasure travel visitation. This is particularly true of the Keewatin and Baffin where there have been significant increases in pleasure travel since 1985.

The Tourism Industry Association (T IA) of the Northwest Territories was formed to provide both a territorial and regional focus for industry and community co-ordination in the planning, marketing and development of a Territorial Tourism Industry. Under the TIA umbrella there are six tourism zone organizations:

- Northern Frontier Visitors Association
- Big River Travel Association
- Arctic Coast
- Western Arctic Visitor Association
- Baffin Visitors Association
- Travel Keewatin

In 1986, the TIA and the Tourism Zone Associations of the NWT adopted a three-year marketing strategic plan to be implemented in three year Intervals of 1986-87, 1987-88 and 1988-89. The 1986-87 implementation plan has now been completed and TIA and the Zone Associations are now entering the 1987-88 year of the strategy.

The plan represents a consensus between the industry, **TIA** and Zone Associations, as to the direction that the marketing of the NWT and its tourism products should take. In addition to the development of individual zone marketing strategies, Travel Arctic has prepared a strategic marketing plan to position the NWT industry in the marketplace.

With the adoption of the three-year tourism industry marketing strategy, both the Government of the NWT and TIA have recognized that a compatible product development strategy must now be prepared. The Northwest Territories has a diverse product and resource **base.** In many instances the resource base is outstanding, however, this resource potential has not been matched by appropriate tourism product development. Pursuit of many of the market opportunities identified to date are expected to require capital expenditure in facility development and infrastructure as well as human resource development at all levels of the industry. Product development has been constrained by a number of problems which should be addressed in a product plan. Several of these constraints were identified in the Three-Year Marketing Strategy and are as follows:

- inconsistency of approaches and imbalance of industry development across the various tourism regions of the territories.
- lack of collaboration and co-operation among the various tourism regions.
- inconsistency of image in marketing efforts and lack of consistent product/brand identification in marketing efforts.
- the existence of large data gaps, inexperience within the industry in using data effectively and lack of emphasis in evaluation efforts in support of product and market development activities.
- lack of organization and the packaging and promotion of product experiences to key market segments.

2.0 OBJECTIVES

2.1 Background

The development of a feasible tourism product development plan for the Northwest Territories' Tourism Industry **is a** major undertaking. If it is to be of real value it must provide specific direction to communities, regions and both private and public **"stakeholders"** of the Northwest Territories' Tourism Industry. It should establish a framework for industry development in both the short and long runs. Lastly, it should be a market driven strategy that specifically addresses market opportunities for the Northwest Territories' "products and tourism travel services. This last point is an important one as the strategy should be a measurable one in terms of anticipated market penetration and market penetration actually realized.

The structure of the Northwest Territories' Tourism Industry is undergoing a maturation process. Unlike other more mature travel regions specific travel generators are not clearly defined. In many cases tourism service infrastructure has only been partially developed. Little strategic information exists in terms of good visitor data and the market impact of a diverse set of travel products. In some cases, although the resource base is outstanding, companion product and tourist service delivery has not developed to a point where a consistent travel experience can be marketed and delivered. This is particularly true of the industry's human and community resources.

Given the current nature of the Northwest Territories' Tourism Industry, the plan must address the **"basics"** of the travel industry. As this is the first product development plan ever prepared for the Northwest Territories it is essentially a baseline document. It is a baseline against which the results of future initiatives can be measured as well as providing direction for future development. It should also assess the current industry in terms of the basic requirements of a tourism travel industry. These include:

- Transportation
- Accommodate ion
- Food and Beverage Services
- Attractions and Events
- Travel Trade
- Human Resources

These are the key elements of tourism expenditure. A mature industry links together and coordinates each of these key elements from both market and product sides. It is a continuous process of matching product with markets, with the result being tourism expenditure for the destination area.

The adoption of marketing strategies at both the territorial and zone levels by Travel Arctic and **TIA** have given the industry new momentum. The success of the **NWT's** pavilion at Expo '86 has created considerable Interest in the Territories that **should** be built upon in terms of capturing new tourism travel for the NW T. The development of a new tourism subsidiary agreement will also provide a major Incentive to further industry development. As a result there is a pressing need for a product development plan to guide the industry's development over the next three years. The purpose of a product development plan is really to address the supply side of the **NWT's** tourist industry. This is particularly key as the

NWT is currently entering its third generation of Federal-Territorial-Agreements aimed at stimulating the tourism industry. As a result a product development plan could play a valuable role in providing strategic direction for industry development.

2.2 objectives

Prior to the initiation of a product development plan for the Northwest Territories tourism industry, it was agreed that the plan would focus on the following three principal objectives:

1. A comprehensive inventory of tourism infrastructure in the NWT, concentrating on: availability of basic components, quality, deficiencies, potential requirements and required capital.

2. An identification and **priorization** of existing and potential tourism products offering significant development potential for the Northwest Territories.

3. To develop guidelines for tourism product development in the NWT.

The focus of the product development plan is on the non-resident pleasure **traveller.** However, it should be recognized that the tourism industry **in** the NWT, and elsewhere, includes both resident and non-resident travel. The Canadian definition of a tourist is any one who travels, for whatever reason, a distance of 80 kilometres or greater from their principal residence. As a result hotels serve both resident and non-resident as well as persons who are traveling for pleasure, business reasons, visiting friends and relatives or non-resident construction workers who may be working in an area. The logic of concentrating tourism product development on the non-resident pleasure market, is that it is considered to have the greatest potential for future growth in the NWT. Essentially it offers the best potential for export development, as opposed to the resident market, which is entirely dependent upon resident travel and population growth. Other than convention and business conferences, the NWT has little control over the development of business travel. Further, business travel is closely tied to the performance of the NW T's economy.

This document represents the initiation of tourism product planning for the NWT. It begins with a critique of the NWT's current tourism market performance at the territorial and zone levels. Essentially this is a baseline that describes existing industry performance. Secondly, the document defines what the NWT's developed, developing and undeveloped pleasure travel products are. In other words what travel product experiences does the NWT have to offer the marketplace. Thirdly, in order to provide some measure of opportunity for the NWT's defined travel products, a market analysis has been prepared to indicate the market potential for product development in the NWT. Lastly, product supply in each of the zones is analyzed and recommendations are made in regard to product development strategies at the zone level.

3.0 APPROACH AND METHODOLOGY

In addressing these three objectives, the following phased work program was undertaken.

1.0 Data and Information Base Assessments
2.0 Development of a Product Inventory System
3.0 Implementation of a Territorial-Wide Product Inventory
4.0 Development of Data and Information Base
5.0 Product/Market Analysis
6.0 Product Development Strategy

Phase 1.0 - Data and Information Base Assessment

A review of all information and data that related to NWT tourism markets and products was undertaken. This included a review of the following:

- TIA and Travel Arctic Marketing Strategies
- Tourism Product and Market Information Contained in Regional Planning Studies
- Canada-NWT Tourism Subsidiary Agreement
- EDA Evaluation
- Consultations with Travel Arctic and Regional Tourism Officers
- Interviews with TIA Zone Managers and Tour Operators

Phase 2.0 - Development of a Product Inventory System

As tourism is still a relatively new industry in the NWT, there are significant information gaps about the structure and performance of the NWT's tourism industry. For example, there is no occupancy data for the accommodation sector. Without such data It is difficult to assess the potential for expansion. Tourist visitation data is **only** partially available. At present the Northwest Territories is not part of the Canadian Travel Survey which records Canadian resident travel by destination and origin. However, it should be pointed out that even if the **NWT** was part of this survey, the sample would likely not yield meaningful results for the NWT as travel volume is very low relative to the rest of Canada.

A tourism product development strategy largely focuses on the supply or product side of the industry. Whereas a marketing strategy focuses on the demand or market side. In order to assess the constraints and opportunities for the supply side of the NWT tourism industry, an inventory of its structure, capacity and performance characteristics is necessary. This would include the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
    - Airlines
    - Bus Companies
    - Vehicles
- Attractions
    - Events
    - Parks
    - Community Resources
    - Crafts
- Services and Programs
    - Wholesale Travel Trade
    - Retail Travel Trade
    - Tour Packages
    - Outfitting Services
    - Support Programs

Data and information on each of these sub-sectors is either non-existent or maintained at a very general level. As a result, an inventory system was designed to collect information. A survey instrument was prepared and a territorial wide survey of the following sectors was carried out:

- Accommodation
- Outfitting
- Food and Beverage
- Airlines
- Vehicle and Equipment Rentals

information on other sectors was obtained through a review of primary sources such as regional tourism studies and the data and information developed by TIA Zone Managers and the GNWT Regional Tourism Officers.

Phase 3.0 - Implementation of a Territorial-Wide Product Inventory

A territoriai-wide tourism product inventory was carried out under the direction of a steering committee consisting of representatives of the TIA, GNWT Tourism and Parks and the Consultant. It was based principally on inventory survey instruments prepared by the Consultant and approved by the Steering Committee. The questionnaires were administered through a combination of personal and teiephone interviews. Two co-ordinators were established for the Eastern and Western Arctic to distribute and col iect completed questionnaires through T IA's zone offices. Tourist facilities owners /managers not resident in the NWT were interviewed by teiephone.

In general the results of the survey were a **major** disappointment. The response rate in some zones was very poor. in many cases the **lack** of operator information was replaced by information from persons knowledgeable about a region's tourism plant such as **Regional** Tourism Officers. **Still** in other cases, oniy educated guesses **could** be made.

In hindsight, the survey instrument that was prepared, was far too complex. in some regions, **language** was aiso a major barrier. **Still** in other cases, some operators simply do not want to share information about the operation of their facilities.

Without good information and data it is next to impossible to **evaluate** and pian tourism product development. it is important for the industry to provide tourism **planners** with good information. Uit **imatel** y the information they provide **will** benefit them. Good soi id information **al** iows industry associations to become more ef - fective advocates for the development of the industry in their regions. in the case of government, politicians must aiso advocate for scarce government funds. Without **credible** measures of economic impact and opportunist y, it becomes difficult for **pol iticians** to be effective advocates. Lasti y, federai-territor iai agreements aiso require evaluation. Without good information it becomes impossible to **evaluate** the effectiveness of programs. Without this kind of information it then becomes increasingly **difficult** to secure future funding for program initiatives in the NWT.

Phase **4.0** - Development of Data and Information **Base**

Based on the **results** of the survey, existing data and information obtained through the Department of Economic Development and Tourism and interviews with industry and government **officials** at the zone **level,** a data information base for each zone was prepared.

Phase **5.0** - Product/Market Analysis

A market opportunity **profile** was prepared for each zone. Product development was then **priorized** on the basis of market demand. Based on a priorization of product demand, each zone's capacity to deiiver marketable tourism products was assessed. This **included** a review of tourism support infrastructure in **place** for product deiivery as weii as an identification where expansion **would** be necessary to capture increased tourism travei.

Phase 6.0 - Product Development Plan

in this **final** phase, a product development pian was prepared for each zone. The structure of the report for each zone was based **largely** on program categories contained within the new Tourism Development Subsidiary Agreement. These categories inciude:

- Market Development
- Product and **Facility** Development
- Tourism industry Support
- Human Resources
- Research and Evacuation

4.0 EXISTING TRAVEL INDUSTRY CHARACTERISTICS

In this chapter a review of **currently available** data and information on the **NWT's** travei industry is undertaken. The intent of the chapter is to **establish** a context for the industry in terms of its size and expenditure impact at both the territorial and zone ieveis. As the product development strategy **will** focus on the non-resident pleasure **traveller,** a **baseline** estimate is made of current **pleasure** travei voiume to the NWT.

Travel Volume To and In the NWT **is** Estimated To Be 180,000 Trips Annually

Unlike other Canadian provinces there is no **annual** travei data for the NWT. The NWT is not part of Statistics Canada's Canadian Travei Survey. There are no recorded travei statistics for resident travei and statistical data for non-resident **travel** is oniy **available** for the months of June through September. This data is based on exit surveys of road and air **travellers** for the months of **July** and August, then extrapolated to the months of June and September. As a **result** oniy an estimate of **annual** travei voiume can be made. The **following table** indicates that there are **slightly** over 180,000 trips made **annually** to and in the NWT by resident and non-resident traveiiers:

TABLE 1

Estimated Annual Resident and Non-Resident Travel Volume

Travel Market	Person-Trips
Resident Travei	101,200
Non-Resident Travei	
. Business Travei	46,730
. Non-Business Travei	33,688
Total Person Trips	181,618

The estimate of resident travel is derived from the Canadian average for annual resident travel where Canadians, on average, make 4.6 trips within Canada annually. This average has been arbitrarily reduced by half to 2.3 trips annually for NWT residents. The lack of inexpensive road travel corridors would greatly reduce the number of resident trips by NWT residents. At an average of 2.3 resident trips annually, this would place the NWT well below other provinces in terms of resident generated travel. For example, in the case of Saskatchewan, residents in the province take an average of 7.5 trips annually within their home province. Perhaps more comparable to the NWT, Newfoundland residents take an average of 3.1 trips annually. Based on an average of 2.3 trips per capita, and a population of 44,000 people, annual resident travel within the NWT would be 101,200 trips. These trips would be made largely for government and business travel as well as resident travel throughout the NWT.

The estimate of non-resident travel to the NWT is based on the June through September travel data recorded by Travel Arctic. For 1986 it was estimated by Travel Arctic that 52,000 non-residents travel led to the NWT. The ratio of non-business travel to business travel was 55. 1% to 44.9%.

Based on the Yukon's experience, June through September accounts for 85% of all pleasure travel to the Yukon. This is a reasonable estimate to apply to NWT pleasure travel as the peak season for most destination areas is relatively short.[1] Many fishing lodges and camps experience only a 6 to 8 week season from July to

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[1] This may not be characteristic for specific zones such as the Baffin, where 70% of all pleasure travel is generated during the June to September period.

August. As a result it is estimated that annual non-business travel volumes is 33,688 trips. Lastly it has been assumed that the June to September season generates 50% of the annual non-resident business travel volume to the NWT which includes pleasure travel, visiting friends and relatives in the NWT and other personal reasons.

In most cases tourism facility development evolves through phases. During the initial phases, tourism infrastructure is built to serve the local resident and business markets. This is particularly true for hotel/motel accommodation and restaurants. For the most part tourism facility development within the NWT has been built to serve the resident market. This is particularly true of smaller communities outside of Yellowknife. In some cases accommodation operators have indicated that only 15% to 20% of their guests during the summer travel season are pleasure travelers.

Non-Resident Trip Expenditure Captured by the NWT is Substantially Greater than in the Case of the Yukon

The value of non-resident travel expenditure to the Yukon in 1986 was $91.2 million. Comparative y the NWT recorded a June to September non-resident trip expenditure of $47.5 million or 52.1% of the value of the Yukon's travel industry. However, a startling difference between the two travell destinations are the number of trips that produced that travel expenditure. In the case of the Yukon the number of trips captured is substantially greater at 486,405 compared to only 52,000 for the NWT. In terms of the average trip expenditure captured, Yukon non-resident travel is $187.57 per person trip compared to $912.50 in the case of the NWT.[1] Trip expenditure to the NWT is almost 5 times greater than to the Yukon. The Yukon's tourist industry is characterized by "low-spend" rubber tire touring markets. On the other hand the NWT's industry is characterized by low-volume but substantially higher trip expenditures tourism with a much greater length of stay than in the case of the Yukon. Clearly a tourism strategy for the NW T should not necessarily y be based on volume but more so on pursuing a market seeking valued tourism experiences.

The Fort Smith Region Accounts for the Vast Majority of Non-Resident NWT Travel Volume (62.5%) and Travel Expenditure (60.0%1

Table 2 has been obtained from Travel Arctic data for the June through September peak season travel period. Clearly, the Fort Smith region captures the vast majority of non-resident (business and non-business) travel, accounting for 62.5% of all trips and 60.0% of all travel expenditure. This is not surprising as Fort Smith contains the capital of the NWT, Yellowknife, which also functions as the principal government and business service centre for the NWT. The area has two National Parks and is accessible by both road and air. According to a 1983 Evaluation of the Impact of Summer Tourism on NWT Businesses, the Fort Smith region contains 70% of the NWT's tourism-related businesses.

The Current Level of Pleasure Travel to the NWT is 26,000 Parson Trips

At present both Travel Arctic and T 1 A's marketing strategies are largely focused on the summer (June through September) pleasure

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[1] Based on Travel Arctic Data for 1986.

TABLE 2

NWT **Non-Resident** Tourist **Travel** and Expenditure

(June - September) -1982-1986

Number of Visitors

	Fort Smith			Inuvik			Kitikmeot			Keewatin			Baffin			NWT		
	1982	1984	1966	1362	1984	1366	1982	1984	1986	1982	1984	1986	1362	1984	1986	1332	1984	1986
Air	19,300	14,000	21,500	7.000	11,740	9,000	400	400	1,200	600	400	1,500	2,500	3,250	3,500	29,800	29,800	36,700
Road	10,000	8.000	11.000	4,000	4,000	4* 300	-	-					—	—		14.000	12.000	15,300
	29,306	22,000	32,500	11,666	15,740	13,300	400	400	1,200	606	400	1.s66	2,500	3,250	3,500	43,800	41,800	52,000

Estimated Tourist Expenditures (in $000's)

	Fort Smith			Inuvik			Kitikmeot			Keewatin			Baffin			NWT		
	1982	1984	1986	1982	1984	1966	1362	1364	1986	1362	1984	1366	1962	1984	1986	1982	1984	1986
Air	18,103	•	23,000	14,511	•	9,000	440	•	1,700	660	•	2,500	2,703	•	3,500	36,417	•	39,700
Road	2,180	•	5.500	516	•	2.250	-	•	-		•			•		2.696	•	7. 7s0
Total	20,263	24,000	28,500	15,027	17,000	11,2s6	440	666	1.706	660	666	2,s66	2,733	3,500	3,s96	39,113	46,000	● 7,Qw

• Breakdown by ● Ir and road travel not available.

Source: Tourism Facts: A Statistical Report of Tourism/Travel In the Northwest Territories; Department of Economic Development ● nd Tourism, January, 1987.

travelers. This is not entireiy true as marketing strategies have been deveioped for the **shoulder** seasons both at the territorial **level** and at the zone **levels** as weli. The foi **lowing table** presents an estimate for 1986 of the **NWT's** pleasure travei:

TABLE 3

Estimate of NWT Pleasure Travel Trips - 1986
June **Through** September

	Total Trips	% Pleasure* Travel Trips	% Pleasure Travel Trips	%
Fort Smith	32,500	58%	18,850	73.3%
Inuvik	13,300	27%	3,591	14.0%
Keewatin	1,500	76%	1,140	4.4%
Kitikmeot	1,200	76%	912	3.5%
Baffin	3,500	35%	1,225	4.8%
Total	52,000	**49.5%**	25,718	100.0%

•Source: Visitors to the NWT, 1984.

The estimates of **pleasure** travei **volume** for Fort Smith, **Inuvik** and **Baffin** were obtained from **Travel** Arctic surveys which were **com**pieted by Canadian Facts. **In** the case of the Keewatin, for 1986, it was reported that there were 1,000 chartered **pleasure travel**iers to the Keewatin. A 1984 visitor survey of Keewatin travei indicated that 27% of non-charter travei was **pleasure** travel (i.e. 27% of 500 or 140 **pleasure** travelers). There is no data that describes the reason for travei to **Kitikmeot.** As a **result,** it has been assumed that it **would** be **similar** to the Keewatin.

As these estimates for pleasure travel to the zones are based on independent surveys conducted by Travel Arctic, **it is** assumed that they are the "official numbers". However, in three cases, **Keewatin**, **Baffin** and **Inuvik**, other surveys of those regions indicate higher levels of pleasure travel -- over 1,500 pleasure travelers to the **Keewatin**, 1,788 to the **Baffin** and 5,131 to **Inuvik**.

Previous studies have shown that there is considerable variation between the zones **in** terms of the expenditure impact that results from travel. In the 1984 visitor survey it was shown that while the **Baffin** has a comparative y low level of pleasure travel, the trip expenditure **is** more than twice as much as the average trip expenditure to the **Inuvik** and Fort Smith regions. This is due to a longer length of stay as well as a proportionately higher use of hotels/motels. Travel costs in the Baffin are also amongst the highest in the NWT.

The **Value** of Summer Pleasure Travel to the NWT is **$24.6** Million

Previous studies (1984 Visitors Survey) have found that the average expenditure impact associated with summer pleasure travel is higher than business travel to the NWT. For 1986 the average trip expenditure to the NWT was $912.50 per person. **This** is an average for both business and pleasure travel. Based on previous surveys pleasure travel expenditure is 5% greater than the average per trip expenditure to the NWT or $958.10 per trip. Based on the estimate of pleasure travel to the NWT for 1985 of 25,718 visitors, then, the value for summer pleasure travel would be $24,640,416.

In 1983 the Department of Economic Development and Tourism carried out a survey to determine the impact of summer tourism on NWT businesses.[1] The survey determined that almost 40% of al I businesses **in** the NWT derive 25% or more of their revenues from

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1 An Evaluation of the Impact of Summer Tourism on NWT Businesses: Report of Findings, December, 1985.

non-resident travelers. The gross revenue derived from tourism expenditures for 1984 was estimated to be $46 million. The employment impact generated was estimated to be 1,500 full-time and 2,200 part-time jobs of which some 800 jobs were filled by non-NWT residents.

conclusions

Total non-resident and resident travel to and in the NWT is approximately 180,000 trips per year. The largest travel market is resident travel which accounts for 55.7% of all trips. In essence the NWT Is no different than southern provinces where the resident travel market is the largest travel market. The resident travel market is important to the tourist industry. In fact, in the study of the impact of summer tourist travel on NWT businesses referred to previously, it was determined that resident NWT travel expenditure was equivalent to 45% of the value of non-resident travel expenditure for NWT tourism related businesses.

While the resident travel market has been important to the NWT in establishing tourism infrastructure such as air services, hotels and restaurants, it will be the non-resident pleasure travel market that will provide opportunities for growth and export development. Although no statistics are currently available it would be reasonable to assume that the trip expenditure impact of non-resident travel is substantially greater than resident travel. One reason for this would be that the trip length would be considerably greater than resident travel.

At the present time non-resident travel volume to the NWT represents only 11% of the travel volume to the Yukon. However, in terms of actual visitor expenditure captured the NWT does significantly better than the Yukon as the average trip expenditure is almost five times as great as in the case of the Yukon. Clearly the NWT should not necessarily be seeking volume as much as it should be seeking markets for the type of higher-valued tourism experience it has to sell. This is aiso desirabie in terms of the NWT's community structure as many NWT communities could not accommodate (nor would they want to) large volumes of tourists.

For 1986 it was estimated that the NWT captured 25,718 pieasure trips from non-resident NWT travelers with an estimated trip expenditure of $24.6 million. The Fort Smith region captures the vast majority (73. 3%) of pleasure travel to the NWT. However, it should be recognized that the value of pleasure travel to other regions such as the Baffin and Keewatin is substantially greater. The average trip expenditure for pleasure travel to the Baffin is two times as great as the average trip expenditure to the Fort Smith area.

For 1986, it was estimated that the value of non-resident pleasure travel to the NWT was $24.6 million.

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S.0 NORTHWEST TERRITORIES PLEASURE TRAVEL PRODUCTS

5.1 Introduction

This chapter describes the NWT's tourism products or essentially what does the NWT have to sell to the pleasure traveller. It is based on a review of Travel Arctic's Strategic Marketing Plan, individual zone marketing strategies and interviews with persons familiar with both developed and developing products at the zone level.

5.2 NWT Pleasure Travel Products Classification

Travel Arctic's existing marketing strategy focuses on two broad travel products -- outdoor/adventure and touring:

Outdoor/Adventure Travel

- Consumptive
  - Fishing
  - Hunting
- Non-Consumptive
  - Wildlife Viewing
  - Outdoor Recreation (Camping, Hiking, Canoeing)
  - Naturalist Expeditions
  - Photo Safaris
  - Adventure Experiences (Rafting, Kayaking, Dog Sledding)
  - General Interest

Touring

- Outdoors Orientated
  - Wildlife Viewing
  - Special Interest
- Arts/ Cuiture/History

The NWT is an immense geographic area. It is difficult to establish a uniform marketing strategy for such an enormous area where there are major differences in tourism products between the zones. The zones have aiso taken varying approaches to describing their tourism products. In some cases this had ied to rather sophisticated product characterizations such as generai interest tours, special interest tours, adventure travel, naturalist tours, photographic tours, fishing and hunting.

For purposes of this document it is intended to stay within the two product definitions established by Travel Arctic with some modifications - outdoor/adventure travel both consumptive and non-consumptive and generai touring. Table 4 displays an estimate of pleasure travel volume to each of the zones by product type. As shown in Table 4, general touring is the NWT's principal product.

5.2.1 — Outdoor/Adventure Travel

5.2.1.1 — Fishing and Hunting

Fishing and hunting products are the most established pleasure travel products in the NWT. Fishing generates a greater number of trips than hunting but the two products are roughly equal in terms of their trip expenditures, which is largely due to the high costs where a hunting package can exceed $10,000 per person-trip.

The Fort Smith area is the primary destination for fishing. The NWT's lodging industry is highly concentrated in this area. The largest lodges in the NWT (in terms of bed

TABLE 4

Zone Pleasure **Travel** Products by Type of Trip **Taken**

(**Estimate** for 1986-87)

(Person Trips)

	Baffin		**Keewatin**		Fort Smith		**Inuvik**		**Kitikmeot**		**Total NWT**	
	#	%	#	%	#	%	#	%	#	%	#	%
Outdoor Adventure Travel												
. **Fishing/Hunting**	200	12.3%	708	47.0%	4,000	22*2%	637	14.5%	200	33.3%	5,745	21.8%
. Adventure Trave	700	50.7%	45	3.0%	5,000	27. 8%	50	1.1%	400	66.7%	6,195	23.5%
General Touring	900	37.0%	752	50.0%	9,000	50.0%	3,720	84.4%	0	0.0%	14,372	54.6%
Total	**1,800**	100.0%	1,505	**100.0%**	18,000	**100.0%**	4,407	**100.0%**	600	**100.0%**	26,313	**100.0%**

Sources: **Baffin** and **Keewatin** - Economic Development and Tourism. **Regional** Offices.
Western Arctic - Consultants Estimate, Western Arctic Tourism Development and Market Strategy (Draft) - Mac Laren Piansearch.
Fort Smith, **Kitikmeot** - DMCA estimates.

Note: **Baffin** pleasure **travel** includes non-peak **pleasure** travei. The shoulders, especially Spring, account for 30% of the **Baffin's annual pleasure travel** visitation. Aiso in the case of **Baffin** these estimates are based on 1987 packaged **pleasure** travei.

capacity) are located in the Great Bear and Great Slave Lake areas. The following table shows the relative distribution for the sale of fishing licenses to non-resident tourists.

TABLE S

Sales of **Sportfishing** Licenses to Non-NWT Residents
198S

	Canadians	other Foreign	Total Non-Resident sales
Fort Smith	2,613	2,805	5,418
Inuvik	187	418	605
Keewatin	695	419	1,114
Baff in	108	525	633
Kitikmeot	23	159	182
	3,626	4,326	7,952

Source: Travel Arctic.

The growth in the NWT's fishing lodge industry appears to have peaked in 1981. This is largely attributable to a decline in non-Canadian markets. The following table compares the growth in lodge facilities against the sale of non-Canadian resident fishing licenses which are largely sold to Americans. It should be noted that lodges include all lodges, some of which are not totally dependent upon fishing. However the number of lodges not dependent on fishing in the NWT would be very small (i.e. naturalist lodges).

TABLE 6

Comparison of Non-Resident Fishing License Sales and the Number of NWT Lodges

	Number of Lodges	Non-Resident Fishing Licenses
1986	54	3,626
1985	51	3,363
1984	51	3,421
1983	47	3,289
1982	50	3,962
1981	53	4,.468
1980	49	4,011
1979	47	3,938
1978	48	4,264
1977	43	3,681
1976	31	3,659

There does appear to be some turnaround in 1986 from fal ling fishing license sales to non-residents. Further, in 1987, a number of lodges reported having a good season. It should be pointed out that other areas such as Northern Saskatchewan have also been reporting slow sales, particularly in southern markets such as Texas. This is likely a reflection of economic circumstances such as the depressed southern oil economy. It may also be a reflection of marketing initiatives or lack thereof.

5.2.1.2 — Adventure Travel

Adventure travel products are the type of tourism product that really distinguishes the NWT as a unique North American pleasure travel destination for "world-class adventure". Fishing and hunting are actually adventure travel products. However, due to their consumptive nature and the fact that they are clearly segmented travel products, for the purposes of analysis they are best dealt with separately. The NWT has an excellent product base for adventure travel. These products include:

NWT Adventure Travel Products

- Naturalist Trips/Wildlife Viewing/Photo Safaris
- Hiking/ Backpacking/Skiing/Dog Sledding/Camping
- Canoeing/ Kayaking/Boating/Rafting

In most cases these products require guiding and outfitting services as part of a package tour. There is some independent adventure travel but it is very small and in some cases it is really not that advisable. For the NWT the growth in adventure travel has come through the development of packaged product experiences.

Since 1983 the NWT's outfitting industry has undergone tremendous growth. The following table shows the dramatic growth in outfitting since 1982.

TABLE 7

NWT Outfitting — Growth and Location

Year	Number of Outfitters	Estimated* Employment	1987 Zone Distribution: zone	Number of Outfitters
1987	82	558	Baffin	23
1986	85	578	Keewatin	12
1985	80	544	Northern Frontier	17
1984	62	422	Arctic Coast	7
1983	29	197	Big River	12
1982	28	190	Western Arctic	9

• Based on industry survey where average employment is 6.8 persons of which '20% is in management; 60% is 'guiding and 20% are support services such as cooks, maintenance, etc.

The above data for outfitters also includes outfitting/ guiding services provided to packaged tours as well as for hunting/fishing. However, the majority of outfitting/guiding services are associated with the adventure product market.

While hotels, motels, restaurants and airlines serve the resident traveller, business traveller and pleasure traveller, outfitting and guiding services have been exclusively deveioped for the NWT pleasure traveller. For the Keewatin, Baffin and Arctic Coast outfitting has become one of the largest employers related to pleasure travel. There has been a direct relationship between the growth of packaged tours and the growth of the NWT's outfitting industry. This fact has not been lost at the zone level. The outfitter is at the very heart of the adventure travel experience. Outfitting and guiding are the key focal points for interpreting and experiencing northern adventure products. There has been a tremendous demand for guide training in both the Keewatin and Baffin and interest is beginning in the Western Arctic. The success of packaged adventure products is critical ly dependent upon the quality and availability of guiding services. For a number of products it becomes a skill and knowledge base to be passed on through successive generations of outfitters and guides. A trained guide greatly enriches the adventure travel experience. Aside from the requisite skills in providing guided tours, tourism experiences are greatly enriched by almost the sheer "experience" value that an experienced guide can provide through stories about the area's culture, its people, legends and generally bringing the whole product experience to life for the tourist.

The following section discusses adventure travel products at the zone level.

Baffin Adventure Travel Products

In addition to sports fishing/hunting and general tours the Baffin currently has over 30 packaged tours that could be described as adventure travel. They are currenti y described as special interest tours, naturalist tours and adventure tours. Compared to the other zones the Baffin has the most diverse range of adventure products currently available in the NWT. They also extend over the shoulder season, particulari y in the spring with dog sled and ski packages.

Naturalist/ Wildlife Viewing/Photo Safaris

. North **Baffin** Wildlife Safaris
. Polar Bear /Whale Watching - Broughton Island/Clyde River
• Flow Edge Viewing - Arctic Bay
. Polar Bear Pass Nature Tours
. Arctic Mammals and **Ornithdogg** - Pond Inlet
. **Auyuittuq** National Park

Hiking/ Backpacking/ Skiing/ Dog Sledding/ **Snowmobiling**

. **Ellesmere** Island Backpacking
. **Auyuittuq** Backpacking
. Skiing - **Iqaluit, Qaumaarviit**
. Dog Sledding - North Pole
. Dog Sledding - **Igloolik**
. Dog Sledding - Resolute Bay, **Grise** Fiord

Canoeing/ Kayaking/ Boating/ Rafting

. Sea Kayaking - **Isabella** Bay, Clyde River, North **Ellesmere**
. Whitewater Rafting
. Kayaking - **Iqaluit** Area
. **Frobisher** Bay Boat Cruises
. **Ellesmere** Island Boat Cruises
. **Qaumaarviit** Historic Park - Boat Tours
• Pond Inlet - Boat Tours

In terms of both diversity and numbers of tourists, adventure **travel** has been driving the **Baffin** pleasure travel Industry. The high travel volume associated with general tours of which there were 10 with a total of 900 tourist clients in 1987 is deceiving. Two of those travel packages account for 500 visitors **(Goliger's** Arctic Circle Tour - 357 clients and **Bl** ythe and **Compan** y's New York to **Iqaluit/** Cape **Dorset**). Both are essentially day-trips with an average expenditure of $400/person. The average price of most **Baffin** adventure tour products exceeds $2,000. Adventure travel is characterized by smaller group tours which many of the Baffin communities can accommodate. A major tour exceeding 100 people would have extreme difficulty in finding accommodation in most Baffin communities. As a result large group travel for the foreseeable future will be day trips.

Keewatin Adventure Travel Products

At the present time, the Keewatin offers 24 travel packages of which 5 are hunting/fishing, 5 are general interest and 14 would be classified as adventure travei:

Naturalist/Wildlife Viewing/Photo Safaris

- McConnell Bird Sanctuary Tour
- Wager Bay Natural ist Lodge
- Big Game Wildlife Safaris - Coral Harbour/ Coats Island
- Arctic River Expedition - Baker Lake, Theion Game Sanctuary
- Spring Adventure Tour - East Bay Bird Sanctuary
- Magure River Expedition - Eskimo Point - Magure River
- Hudson Bay Coastal Tour - Eskimo Point Coastal Area

Hiking/ Backpacking/Skiing/Dog Sledding/ Snowmobiling

- Arctic Spring Adventure - Ski-doo Trip out of Eskimo Point
- Dog Team Skiing Adventure - Eskimo Point to Fiow Edge

Canoeing/ Kayaking/Boating/ Rafting

- Air Land Sea Expedition - Boat Tour of Chesterfield Inlet to Baker Lake

These are all newly created packages that have been developed. Total visitation for 1987 was iow with oniy 41 tourists. Projected visitation for 1988 is over 200 tourists.

Western Arctic Adventura Travel Products

Outside of hunting and fishing, the Western Arctic **is** almost completely devoid of adventure travel products that are being actively marketed. This could be the result of a lack of market awareness and/or the lack of guiding services to deliver adventure travel products. Given the success of the Yukon in this market and with a projected growth of 75.8% over the next ten years, the Western Arctic is missing a real market opportunity to develop adventure travel products. Given the low expenditure impact that results from independent touring the development of adventure travel products could increase the expenditure impact of Western Arctic pleasure travel by increasing the length of stay and pulling tourists out of **Inuvik** to other destinations that offer a diverse mix of products such as:

- Hiking
- Kayaking/Canoeing
- Boat Cruises
- Wildlife Viewing/Photo Safaris

These opportunities have been identified in the draft Western Arctic Strategy. The market potential identified by the draft strategy is 1,430 adventure travel visitors by 1990. Depending upon the development of guiding services and packaged tour products this could be increased.

Arctic Coast Adventure Travel Products

Visitation to the Arctic Coast is very low at 1,200 visitors. Although there is no information to indicate the reason for travel to the Arctic Coast, in 1984 it was estimated that 50% of visitors were pleasure travel visitors. As a result it has been assumed that for 1986 there were 600 pleasure travel visitors to the Arctic Coast. Further, it has been assumed that 200 visitors have travel led to the Arctic Coast for purposes of fishing and hunting and 400 for purposes of adventure travel. In 1985 there were only 180 fishing licenses sold to non-NWT Canadians and non-residents in the Kitikmeot area. Outfitting services in the region serve both consumptive and non-consumptive markets. Non-consumptive adventure travel is largely based on wildlife/nature and culture and visiting historic sites.

There has been very little development of non-consumptive package tours to the Arctic Coast. However the product base is unique and would appeal to the "high" Arctic adventure traveller particularly in exploring the area's history, culture and natural resources:

Naturalist/Wiidiife Viewing/Photo Safaris

- Bathhurst Inlet - Wilderforce Folly
- Coppermine - Arctic Coastal Tours
- Cambridge Bay - Nature Tours

Hiking/Backpacking/ Skiing/Dog Sledding

- Spring Dog Sled Expedition - 650A
- Mount Pelly Backpacking Treks
- GJOA Havin - Dog Sled Excursion

Canoeing/Kayak **ing/Boating/Rafting**

- **Hollman** - Print Making
- Cambridge Bay/ **Spence** Bay - History of the Roman Catholic Church
- Franklin Expedition - **Spence** Bay
- **Pelly** Bay - Craft Production/ Traditional Lifestyles

Fort Smith **Adventure** Travel Products

The Fort Smith region is the principal destination for pleasure travel to the NWT. The region contains two separate tourism zones - Big River (**Nahanni** National Park, MacKenzie Bison Sanctuary, the **Liard** Highway, southern Great Slave Lake, Wood Buffalo National Park and Fort Smith) and Northern Frontier (**Yellowknife** and Great Bear Lake). The region's estimated 18,000 pleasure travelers are accounted for almost equally by air and road (principally the MacKenzie Highway).

Although the region has significantly higher air travel only 42% of air travelers are pleasure travelers where 77% of road travelers are pleasure travelers. **Yellowknife** is the primary destination area for the vast majority of pleasure travelers. Of the two zones it could be assumed that Northern Frontier, by virtue of the fact that Yellowknife **is** located there, as wel I as containing a significant y greater lodge industry, would account for over 60% of the region's pleasure travel visitation.

An estimate of adventure travel to the Fort Smith Region is difficult to obtain. In the case of the other zones it was possible to obtain data through adventure travel package tours for specific adventure products. However comparable data is not available for the Fort Smith region. As a result an estimate of adventure travel was really arrived at as a residual calculation where the number of visitors to fishing **lodges** and sports hunters (estimate 4,000) and independent road touring (9,000) was taken away from **total** pleasure travel visitation to the zone. This then leaves a residual of 5,000 adventure travel visitors. However the figure would also **include** visitors to events and festivals in the zone region as **well** as other pleasure travel activities. This **would** reduce the adventure **travel** segment to possibly 4,000 visitors.

The Fort Smith region contains the greatest concentration of outfitting services in the NWT. However, a number of outfitters in the Fort Smith area provide both consumptive and non-consumptive outfitting services. In the case of Big River outfitters, **almost** haif are hunting/fishing outfitters while iess than 20% of Northern Frontier outfitters address that market.

The **following** listing is illustrative of the types of adventure products **available** in the Fort Smith Region.

Naturalist/ Wildlife Viewing/Photo Safaris

- **Nahanni**
- Aiexander Fai 1s / Louise Fails
- MacKenzie Bison Sanctuary
- Bison Viewing - Wood **Buffalo**

Hiking/ Backpacking/Skiing/Dog Sledding

- international Ski-Races - **Yellowknife**
- Barren Lands Trekking by ATV
- **Ingraham Trail**

Canoeing/Kayaking/ Boating/Rafting

- **Rafting**
- Abundant Canoeing Opportunities throughout the Region
- Boat Trips - Great Slave, MacKenzie
- Jet Boat Tours

With the exception of hunting and fishing, adventure **travel** in the Fort Smith Area is iess defined as in the case of other zones. The **Nahanni is** the best defined adventure **tra-**vei product in the region. However, given its relative isolation, visitation is only 1,000 visitors a year.

At the zone level both Northern Frontier and Big River have recognized the need for development of packaged tours.

5.2.2 — General Touring

General touring is the **NWT's largest** market. For the NWT there are two types of touring -- independent and **packaged** touring trips. Independent touring is more characteristic of the Yukon and southern markets. it is dominated by the rubber-tire **traveller** which accounts for over 75% of the touring market. This market accounts for **almost** half of the Yukon's tourism expenditure. For the NWT it is the largest market for the **Inuvik** and Fort Smith pleasure travel industries. in the case of the Western Arctic, independent pleasure travel accounts for over 60% of all pleasure travel visitation. In the case of Fort Smith It accounts for 50% and is **largely** due to auto touring associated with the MacKenzie Highway. However, although the rubber-tire touring market accounts for a significant portion of travel volume, it is a "low-spend" market. For **example,** while independent touring travel accounts for over 60% of the Western Arctic's travel volume it accounts for only 20% of its total pleasure travel expenditure.

General touring to the **Baffin** and Keewatin is characterized by packaged touring. Independent touring is minimal to these regions as guiding **is** usually required.

Packaged touring to both the Keewatin and **Baffin is** still a relatively new product experience. General packaged touring contains the most overall product providing a broad interpretation of the zone's wildlife, scenery, culture and **history.** Both zones have had excellent success in developing general packaged tours over the last two years. Tours that have been developed range from day-trips to five-day tours. Unlike the the Western Arctic and Fort Smith area general touring to the **Baffin** and Keewatin has a much greater expenditure impact. The average expenditure associated with current general touring packages is 7.5 times greater than the rubber-tire touring market captured by the Western Arctic (i.e. $1,200 per visitor compared to $160 per visitor associated with the **Dempster** Highway). In other words it would take only 400 visitors on general touring packages to the **Baffin** and **Keewatin** to capture the same level of visitor expenditures that 3,000 **Dempster** Highway visitors would **for** the **Keewatin.** The development of general touring packages has become the Zone's principal tourist product. Prior to the development and aggressive marketing of these packages, the only measurable tourism product for the Keewatin were fishing lodges, most of which were owned by southerners with little NWT resident employment.

5*3 Conclusions

The **NWT's** tourism products could largely be described as adventure travel products. There is an element of adventure in all NWT travel. There are two broad product segments:

- Outdoor Adventure Travel
- General Touring

General touring can be described as touring trips where a number of activities are engaged in including fishing and adventure travel as well as camping, sightseeing and purchasing crafts, and visiting historic sites. At both the territorial and zone level it often involves participating in the principal tourism and recreation products that are offered. It is best characterized by the independent road travelier. For the non-road-accessible regions, such as the Keewatin or Baffin, it is packaged travel that involves the region's principal tourism products. Essentially they are general interest trips.

Outdoor adventure travel is a more specialized travel product where tourists are drawn to the area because of particular activities or attractions such as visiting a national park, fishing, hunting, river rafting or wildlife viewing.

For the NWT the outdoor/adventure market has been further refined into consumptive (fishing/hunting) and non-consumptive segments such as:

- Naturalist Trips /Wildlife Viewing/Photo Safaris
- Hiking/Backpacking/Dog Sledding
- Canoeing/ Kayaking/Boating/Rafting

In most cases these products are packaged tours where guiding and outfitting services are required for the tourist to properl y experience them. In essence these are clearly not independent touring trips or self-guided tourism.

For al i NWT products, the Fort Smith region clearly dominates the NWT's market impact, accounting for a significant portion of the NWT's pleasure travel visitation.

General touring accounts for slightly over 50% of total pleasure travel visitation to the NWT. This is largely accounted for by independent road travel on the MacKenzie and Dempster Highway. The Liard Highway, largely due to its condition and awareness, generates very few pleasure trips. There have been significant increases in generai touring in the Baffin and Keewatin areas. Market awareness for those zones has increased considerably in the past two years.

Although the Baffin and Keewatin receive only 19% of the amount of general touring visitors that the Fort Smith Region receives, the expenditure impact is substantiality higher. As a result it would take significantly less visitors to those zones to produce the same level of expenditure impact for the tourism industry.

Outdoor adventure travel accounts for almost 50% of the pleasure travel to the NWT. Of this amount 21.9% relates to fishing/hunting and 23.4% relates to more specialized adventure travel products such as wildlife viewing/canoeing/kayaking/hiking/backpacking. The growth in adventure travel to the NWT has been a very strong stimulation to the outfitting industry. For regions such as the Baffin, it has resulted in sizable increases in employment. On the other hand the fishing and hunting segment has experienced little new growth in market demand.

6.0 THE MARKET POTENTIAL FOR NWT PLEASURE TRAVEL PRODUCTS

6.1 Introduction

The North American pleasure travel market is the NWT's primary market. Canadians take an estimated 50 million pleasure travel trips annually within Canada. Americans take an estimated 275 million pleasure trips annually of which oniy 5.6 million are to Canadian destinations. This chapter examines the existing market structure of the NWT's industry within the context of the North American market. It concludes with an assessment of future market potential for the NWT's pieasure travel product.

6.2 Existing Market Structure

Table 8 displays the most recent estimate of market origin for NWT travel. in the case of the Baffin oniy pleasure travei has been reported. in the case of Fort Smith there is no separate breakout for pleasure travel by market origin. However, in the case of road travei, most road travel iers are pleasure travellers. As a result the road travel estimates may be a closer estimate of the market origin of pleasure travel to the Fort Smith region. The same qualification could also apply to Inuvik. Business travel to that region would be heavily skewed towards Aiberta and Ontario due to the region's mineral exploration. No market origin data is available for pleasure travei to the Keewatin or Kitikmeot regions.

In general, NWT pleasure travel is largely dominated by the Canadian pleasure traveiler. However, it is suspected that

TABLE 8

Market Origin of NUT Travel

	Baffin	Fort Smith			Inuvik	
Canada	Pleasure Travel Only	Air	Road	Total	(Road Only)	Total
Ontario	45%	22%	6%	14%	7%	20%
Quebec	11%	1%	1%	1%	1%	2%
Maritimes	4%	4%		2%	1%	1%
Manitoba	1%	8%	2%	s%	2%	3%
Saskatchewan	0%	3%	6%	4%	3%	1%
Alberta	1%	39%	52%	47%	12%	45%
B.C.	1%	12%	16%	14%	15%	14%
Yukon					16%	4%
Total Canada	63%	90%	85%		57%	83%
Foreign/U. S.	37%	9%	13%		43%	17%

due to the nature of the surveys that have been carried out, that the generai touring market segment is over-represented in exit surveys and outdoor adventure markets are under-represented. In the case of fishing, the ratio of U.S. /Canadian fishing license sales is 67% to 33%. Previous studies of the lodging industry have indicated that the NWT lodge industry is decidedly U. S.-based with U.S. residents accounting for 76% of lodge clientele, Canadians 19%, NWT residents 4% and other foreign 1%.

Foreign visitation to the NWT Is largely accounted for by Americans. In the cases of Fort Smith and **Inuvik,** California, Washington and Texas have been the largest markets for road travel to the NWT. However there are some differences between the two regions as **Inuvik** attracts a high proportion of Alaskan visitors while Fort Smith attracts a reasonable number of visitors from Minnesota. Generally, the American west coast has been the single largest market for both regions.

In the case of **Baffin,** American visitation is of a decidedly different market origin with the Atlantic States being the largest American market followed by the Central U.S.A.

6.3 Outdoor Adventure Travel

6.3.1 — Fishing/Hunting/ Adventure Travel

Fishing trips generate significantly higher visitation to the NWT than does hunting. In some cases the two products are inseparable as a number of **lodges** and outfitters serve both markets. For the most part the analysis in this section is largely concerned with fishing markets. Table 9 illustrates the size of the North American fishing market for tourism.

Pleasure travel to and in Canada based on fishing is 7.8 million person trips of which Canadians account for 83% and Americans 17%. At first glance there appears to be a glaring anomaly between the market base for NWT fishing lodges **which** have a decidedly American customer base and the current market profile for fishing trips to and in Canada that are largely dominated by the Canadian **traveller.**

TABLE 9

North American Sportfishing Market
Annual Person Trips and Market Origin

	Canadian Market	U*S. Market	Total
Person Trips (000,000)	6.5	10.1	16.6
Person Trips to Canada	6.5	1.3	7.8

Market Origin %

Ontario	48.7%	West North Central	33%
Quebec	17.5%	East South Central	30%
Manitoba	9.5%	Mountain	29%
Alberta	8.7%	West South Central	29%
B.C.	7.6%	South Atlantic	26%
Saskatchewan	4.8%	Pacific	24%
Other	3.2%	New England	19%
		Middle Atlantic	15%

Source: Statistics Canada; Canadian Travel Survey, A Strategic Marketing Plan for Tourism for the Government of the NWT, 1984.

Table 10 provides a comparison between the NWT and other Western Canadian sportfishing industries. Regarding the lodging component of the sportfishing industry, Alberta really does not have an industry. This is largely due to a lack of a resource base that would attract people for a remote fishing lodge experience. Saskatchewan and Manitoba have developed sizable lodge industries. The road accessible lodges largely serve the resident market while remote lodges serve the non-resident market. Canadians are less inclined

TABLE 10

Comparative Indicators
Western Canadian Sportfishing Industry

	Manitoba	Saskatchewan	Alberta	NWT[1]
Facilities/Operators				
Lodges	106	180	9	41
. Road Accessible	69	112		
. Remote	37	68	9	41
Lodge Guest Nights	247,202	360,000	6,600	40,557
Average Guest Nights	4.8	4.2	4.1	6.4
Lodge Market Origin of Guests	51,252	84,900	1,600	6,372
. Resident	54. 6%	78%	72%	4%
. Non-Resident (Canadian)	3.5%	5%	2%	19%
. Non-Resident (Other)	41.9%	16%	6%	77%
Total Angling Population (1985)	187,170	200,545	343,310	16,907
. Resident	78.8%	78.6%	96.5%	53.0%
. Non-Resident (Canadian)	3.8%	12.1%	1.8%	25.6%
. Non-Resident (Other)	17.4%	9.3%	1.7%	21.4%

Source: Federal Department of Fisheries and Oceans, Winnipeg, Manitoba.

[1] Regional Income Analysis of NWT Fishing Lodges - Western Region, Department of Fisheries and Oceans, 1982.

to spend the money to travel to remote fishing lodges, whereas Americans are because they feel they are getting value for money from a product experience not available in their own state. Alberta residents are a possible exception to this. Canadians simply don't see Canadian fishing products to be that unique. As an example, southern **U.S.** fishermen are really attracted to Northern Pike, whereas Canadian residents view this to be an inferior species and not that unique.

The success of Northern Canadian remote lodges has been largely dependent on the U.S. market. The further north or more remote the facility the more important the American market becomes. The following table compares the non-resident market origin for the Western Canadian lodge industry.

TABLE 11

Comparison of Non-Resident Lodge Markets

	Manitoba		Saskatchewan		NWT	
	#	%	#	%	#	%
Non-Resident Canadian	**1,794**	7.7%	4,245	23.8%	1,211	19.8
Non-Canadian Residents	21,475	92. 3%	13,584	76.2%	4,906	81.2
Total	23,269	100.0%	17,829	100.0%	6,117	100.0

Both Saskatchewan and Manitoba represent strong competitors to the **NWT's** lodge industry. Manitoba's northern fishing lodges have been very successful in the U.S. market. The Government of Manitoba's policy has been to encourage quality facility development to maximize investment in the resource base and not to encourage a number of smaller investments in small establishments. At the present time there is an estimated $6 - $7 million investment program in the Manitoba lodge industry in eight properties. These investments are being made largely to upgrade and diversify existing lodges.

As indicated elsewhere in this document, the **NWT's** lodging industry has been experiencing little or no growth since 1981. This is not really a reflection of the market. In North America the historic annual growth rate for fishing products between 1980 to 1985 was 23.6%. This growth rate is projected to grow at an annual rate of 24.3% to 1990.[1] There are recent indications that the market captured by the NWT is once again growing. Fishing will continue to offer a significant adventure travel product opportunity for the NWT for both lodges or as part of a series of activities that the outdoor/adventure **traveller** participates in. However, future growth for the NWT'S lodge industry may require a **repositioning** of the product along the same lines as Manitoba's northern fishing lodges which will require upgrading and improvements to the product base offered by lodges. In other words, as opposed to developing new small lodges, existing lodges should improve their facilities and offer a greater

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[1] Source: Tourscan.

variety of experiences in addition to fishing. In general all outdoor experience travel, with the exception of hunting, is enjoying strong growth. There is increasing complementarily between fishing and other outdoor activities such as wildlife viewing. The following section examines non-consumptive outdoor adventure travel markets.

6.3.2 -- Non-Consumptive Outdoor Adventure Travel

The non-consumptive outdoor adventure travel market is substantially larger than the fishing/hunting market. For both Canada and the U.S. the non-consumptive outdoor adventure market is twice as large as the consumptive outdoor adventure market. It is also a market that the NWT has unique adventure travel products to sell to. The following table indicates the size of the North American outdoor adventure market.

TABLE 12

North American Outdoor Adventure Market
Person Trips

	Canada*	U.S. ●*	Total
Person Trips (000,000)	14.6	83.2	97.8
Person Trips to Canada (000,000)	14.6	1.6	16.2

* Source: Statistics Canada; Canadian Travel Survey.

●* Source: A Strategic Marketing Plan for Tourism for the Government of the NWT, 1986.

Although the American market for outdoor adventure is substantially greater than the Canadian market, Canada's market penetration is very low at only 1.9%. In the case of fishing trips, Canada does much better with a penetration rate of 12.9%.

The low penetration rate in the non-consumptive adventure market is **largely** due to American's perception of Canada. There has been a iong standing misconception that Americans are drawn to Canada because of the unique appeal of its **natural** resources. However, a recent study of the U. S. **pleasure** market undertaken for Tourism Canada indicated that Americans view the **natural** resources of their own country to be the same as Canada's but cioser. in other words Canada was **really** not seen to have a superior product. However the study did find a reai market niche that is of direct reievance to the NWT.

> "if Canada is seen as a bit too rugged and tough for mainstream America, there is definitely a segment of the outdoors market that prefers it that way. By pinpointing that segment and targeting our messages more effectively to it, Canada may have some upside **potential** within the outdoors market. "

Source: U.S. **Pleasure Travel** Market - Canada **Potential:** Highlights Report; Tourism Canada.

The principal attributes that **would** trigger outdoor/adventure trips to Canada are:

- Real Adventure
- Hunting/Fishing
- **Seclusion/Privacy**
- Different Lifestyle
- **Natural** / Untouched

The NWT presents an excel ient match with each of the above **travel** attributes being sought by American outdoor/adventure travelers.

That same study found that largely based on existing awareness, 2% of American outdoors travelers stated a preference to **travel** to the Canadian Arctic. Even with current market awareness the NWT should be capturing 32,000 adventure **pleasure** **travel** trips from the U.S. At present the NWT captures 11,928 trips from the **outdoor/adventure** market of which half are fishing trips from both the Canadian and American markets. Assuming haif those trips are attributable to Canadians, then the **NWT** is only capturing **6,000** trips from the U.S. adventure travel market.

Table 13 provides an estimate of seiected outdoor/adventure demand for the NWT. It is based on what **could** be considered as **"achievable"** penetration rates for the NWT. By achievable it means that the NWT can deliver the products in a packaged manner with good services, particularly in guiding, outfitting and accommodation.

Although it is **currently** a **small** market for the NWT, the **outdoor**/adventure market has significant **potential** for growth. Within North America this market is growing at a **substantially** greater rate than the general touring market. This market has caused a major expansion in the **NWT's** outfitting industry. Outfitting and guiding employment have increased significantly. Compared to the Yukon the NWT is in a much better position to capitalize on this market. The Yukon has oniy 20 licensed outfitters compared to 82 in the NWT.

Those persons who buy outdoor/adventure **travel** packages are general l y upscale income, **singles** and **couples** between the ages of 24 and 44. They are predominant y from professional occupations. The **profile** of outdoor/adventure **travel** iers is summarized as shown in Table 14.

TABLE 13

Estimated Potential **Outdoor/ Adventure** Travel **Demand** for the **NWT** by Type of **Activity**

Activity	**Potential** Number of Person-Trips	**Historic** Growth Annual **Average** Rate 1980-198S	Projected **Annual Average** Growth Rate 1985-1990	Season of Demand	**% of All** Activities
Hiking/Backpacking	18,700	26,7%	23.3%	June - September	25%
Fishing	17,800	23.6%	24.3%	June, August	24%
Hunting	10,300	0%	0%	September - November	14%
Rafting/Canoeing	8,700	38.1%	46.6%	July - August	12%
Photograph y	13,500	77. 1%	28.6%	June - September	18%
Ski Touring	2,700	15.85	11.3%	December, April-May	4%
Mountaineering	3,000	13.3%	11.7%	June - September	4%
	74.700				

TABLE 14

Profile of Outdoor/Adventure Travelers

Origin	- Western Canada, Ontario and Quebec Major U.S. Cities West Germany
Age	- 25-44
Income	- High and Upper Middle - $45, 000+
Transportation	- Fly/Drive
Lifecycle	- Young singles, couples (Only a few will bring children if they have children)
Education	- Degrees, Diplomas, Better Educated
Occupation	- Professionals, Managers, Business Owners
Accommodation	- Hotels and Private Cottages
Trip Planning	- Use Travel Agents, Will Plan Trips in Advance

Travel Philosophies, Benefits and Amenities **Sought:**

- They feel money spent on a vacation is money well spent
- They have travel led a lot to international destinations
- Want to participate in sporting activities
- They are physically active
- Travel to get away from the demands of a busy job
- Interested in good food

6.4 General Touring

General touring comes closest to describing a general pleasure travel product. It is the type of pleasure traveller that most southern destinations seek to attract. Generally most marketing strategies are based on an area's generic products that appeal to general touring. It 1s a horizontal market whereas outdoor/adventure is a vertical market. In the case of the NWT it is difficult to separate outdoor adventure from general touring. By virtue of its location and product base, virtually all trips to the NWT really involve some element of adventure. In fact the NWT's marketing strategy is based on a theme of "World-Class Adventure".

For the NWT general touring involves the most overall NWT touring product which is characteristically outdoor/adventure in nature. A general tour involves consumption of several of the NWT's products as well as general sightseeing. Activities pursued on a general touring trip to the NWT would involve several of the NWT's products. However in the case of outdoor/adventure, travelers are attracted by more specialized products that are usually packaged and require guiding.

Outside of visiting friends and relatives, general touring is the largest pleasure travel market in North America.

TABLE 15

North America's General Touring Market

	Canada*	U.S.**	Total
Person Trips (000,000)	15.6	55.0	70.6
Person Trips to Canada	15.6	2.3	17.9

* Source: Statistics Canada; Canadian Travel Survey.

** Source: A Strategic Marketing Plan for Tourism for the Government of the NWT, 1986.

For the NWT there are two broad categories of touring -- independent touring and packaged touring. Independent touring is more characteristic of road accessible zones such as **Inuvik** and Fort Smith, whereas packaged generai touring is more characteristic of the **Kitikmeot,** Keewatin and **Baffin** zones.

Given the immense size of the **NWT** it is impossible to do a generai tour of the NWT. **General** touring of the NWT is decidediy **regional** and the market origin of **travel** is **largely** based on transportation access and geography as indicated in the **following table.**

TABLE 16

Market Origin of Touring Trips to the NWT

	Western Arctic	Central/* **High Arctic**	Eastern** **Arctic**
Canada			
. Aiberta	12%	52%	1%
. B.C.	15%	16%	1%
. Ontario	7%	6%	45%
. Man. **/Sask.**	5%	14%	1%
. **Maritimes**	2%	0%	4%
. Quebec	2%	1%	11%
. Yukon	16%	0%	0%
U*S.	43%	13%	37%

* Fort Smith and **Kitikmeot.**

●* Baffin and **Keewatin** (Based on Baffin **Travel** Data).

The Western Arctic is evolving a similar travel market profiie to that of the Yukon. General touring is largely associated with road travel on the Dempster. The Dempster is beginning to evolve as a known Canadian travel corridor. However, it is far from the brand-name familiarity of the Alaska Highway. The future of tourism in the Western Arctic will largely be associated with this travel corridor. At present there are an estimated 50,000 tourist trips captured annually by Dawson City, the vast majority of which are American from west coast states. With continued improvements to the Dempster, marketing and development of Inuvik as a destination with destination attractions, the Western Arctic has the potential to capture significantly greater tourism trips from the touring market segment. if the Western Arctic were to capture even 10% of the Yukon's present travel (which is largely characterized as a touring market) it would increase pleasure visitation to the region by almost three times its current level.

The Central/ High Arctic is largely dependent upon the Alberta market for generai touring. At present this area captures most of the NWT's generai touring market, which is decidedly Canadian in market origin.

Statistics Canada's Canadian Travel Attitudes and Motivation Survey is an excellent analytical tool on which to evaluate both market awareness and market potential of Canadian adult pleasure travel attitudes towards Canadian destinations. it is a survey that is representative of the entire Canadian adult population. Table 17 indicates the current size of the market that has a stated intention of travailing to the NWT and the origin of that market.

TABLE 17

Potential Canadian Touring Market for the NWT

	Number of Adult Trips	Person* Trips	%
Alberta	20,727	37,309	63.5%
Ontario	5,016	9,029	15.4%
Saskatchewan	2,489	4,480	7.6%
Manitoba	2,270	4,086	7.0%
B.C.	992	1,786	3.0%
Maritimes	1,142	2,056	6.5%
Quebec	0	0	0.0%
Yukon	0	0	0.0%
Total	32,636	58,745	100.0%

* Average party size of 1.8 persons.

Sources: Statistics Canada - Canadian Travel Attitudes and Mot ivat ion Study.

Based on current market awareness amongst adult Canadians who intend to travel (8. 1 million Canadians) the NWT's principal touring market is Alberta (63.5%) followed by Ontario (15.4%) and Saskatchewan/Manitoba (14.6%). Surprisingly, British Columbia is not that important a market. Possibly, B.C. residents are more inclined to travel to the Yukon as opposed to the NWT. The relative values placed on trip activities by Canadians interested in visiting the NWT are shown in Table 18.

interestingly, 80% of the adult Canadians surveyed indicated the availability of travel packages or the need to use a travei agent were not considered important in planning a trip to the NWT. This is not surprising given large numbers of Albertans interested in travel to the NWT and that the preferred route would be to travel by road to the NWT. Lastly, the market for the NWT is decidediy a young market as 47.5% of adult Canadians interested in travel to the NWT were below the age of 34.

TABLE 18

Profile of Canadian Adults Interested in **Visiting** the NUT
Travel Activities Considered to be Somewhat to Very Important

Activity	Rating
Wilderness/ Undisturbed Nature	92.7%
Visiting Historic Sites	71.5%
Visiting National Parks	71.3%
Local Festivals/ Events	65.3%
Purchasing Local Crafts	54.7%
Experiencing New and Different Lifestyles	45.1%
Age Profile	
20 - 34	47. s%
35 - 54	31.97%
55+	13.95%

At present the "packaged" general touring market represents a smaller component of the general touring market. For the U.S. touring market one in five trips are package tours. The same ratio also applies to Canadian travel as well. In the case of the NWT, packaged tours can not really be considered in the same context as packaged tours normally consumed in North America. This is largely due to the uniqueness of the **NWT's** product and its principal underlying theme of adventure. The principal market for packaged general tours to the NWT is really the U. S., followed by Ontario. For Americans, the strongest reasons for **favouring** Canada over the United States are:

- Beautiful Scenery
- Safe to Travel
- Different Cultures
- Wildlife
- Natural/Untouched Environment
- Not Too Expensive

At first glance it appears that the NWT is also a good market for those Canadian destination activities sought by Americans on touring trips. Assuming the same northern penetration rate for outdoor adventure products of 2% would also apply to general touring, the American market potential for general touring to the NWT would be 46,000 trips. However in examining the top 20 touring activities that are participated in there are a number of activities that the NWT is weak in. As shown in Table 19 the NWT is strongest in exploring wilderness areas which is a lower ranked touring activity, taking guided tours (which at this point would only be considered a developing product in the NW T), seeing unusual wildlife and visiting national parks.

TABLE 19

Ranking of the NWT's Touring Products Against the Top 20 Touring Activities

Top 20 Touring Activities (Rank Order)	NWT Touring Products Match: Strong	Medium	Weak
1. Walking and Strolling About		x	
2. Visiting Small Towns and Villages		x	
3. Dining at a Variety of Restaurants			x
4. Sampling Local Cuisine		x	
5. Visiting Natural Parks	x		
6. Seeing Wildlife 1 Don't Usually See	X		
7. Being Close to Mountains		X	
8. Being by the Ocean			x
9. Being by a Lake		X	
10. Taking Guided Tours		x	
11. Going to Zoos and Wildlife Exhibits			x
12. Visiting Big Cities			x
13. Shopping			x
14. Attending Festivals or Ethnic Events		x	
15. Visiting Museums and Galleries			x
16. Visiting Science Exhibits			x
17. Swimming			x
18. Exploring Wilderness Areas	x		
19. Sunbathing			x
20. Dining at Elegant, Sophisticated Restaurants			x

This analysis of the NWT's tourism products may appear to be harsh. However the NWT is really appealing to a small niche within the packaged touring market. The NWT cannot be all things to all people. It certainly isn't an area for city trips. Community touring is a developing product for the NWT. There are some categories where the NWT could improve such as encouraging restaurants to offer more native dishes (i.e. such as in the case of the Wiid Cat Cafe) packaging community tours with interpreters and community hosts.

For a number of NWT communities, accommodation represents a constraint for developing packaged tours both in terms of size and quality. Table 20 shows the results of a recent survey of tour operators that rank the attributes sought in the type of accommodation' for package tours to Northern Canada. The table strongly indicates that package tour travel-iers seek quality accommodation.[1] With the exception of oniy a handful of hotels located principally in Yellowknife, most accommodation in the NWT falls far below the level of quality and services sought by packaged tour operators. This table is not meant to discourage the NWT from developing this market. Rather, it points towards the type of accommodation that should be deveioped to successfully attract this market. it does not mean that because the NWT has no Westin Hotels it will never get any packaged tours. Rather, it indicates the attributes that hotels should have. Fuii service dining is important and it should be supplemented with local dishes with excellent service. These shouid not be major cost items for most hoteis. Clearly the packaged tour traveller wants to buy local crafts. Hotels should contain crafts shops and displays. Again this is not a major constraint. First class accommodation will continue to be a constraint. Only one

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1 This is more so the case with generai package tour products as opposed to specialized adventure travel product packages.

TABLE 20

Tour Operators Ranking of Components Sought for Accommodation

	Canada	U.S.A.	International	Total
Full Service Dining	66.7%	77.8%	20.0%	69.8%
Local Crafts	75.0%	55.6%	20.0%	56.6%
First-Class Accommodation	25.0%	44.4%	20.0%	37.7%
Lounge with Fireplace	41.7%	33.3%	20.0%	34.0%
Guide and Outfitter Services		38.9%	60.0%	32. 1%
Double Doubles/ Twin Beds	41.7%	27.8%		28.3%
Double Occupancy	25.0%	30. 6%		26.4%
Swimming Pooi	25.0%	27.8%	20.0%	26.4%
Recreational Services	8.3%	25.0%	20.0%	20.8%
Reasonable Costs	16.7%	19.4%	40.0%	20.8%
Coffee Shop	16.7%	16.7%		15.1%
Choice of Dining	16.7%	8.3%	20.0%	11.3%
Naturalist Program		13.9%	20.0%	11.3%
Combination/ Single Double Rooms		13.9%		13.9%
Eievator	8.3%	11.1%		9.4%
Entertainment	8.3%	8.3%		7.5%
Audio-Visual Presentation on Heritage, Culture, History	8.3'%	8.3%		7.5%
Budget Accommodation	8.3%	5.6%		5.7%
Ciean, Comfortable	8.3%	2.8%	20.0%	5.7%
Create an Indian Theme	8.3%	5.6%		5.7%
Full Service with Rustic Look		2.8%	40.0%	5.7%
Whirlpool, Sauna, Jacuzzi		5.6%	20.0%	5*7%
Laundry Facilities		8.3%		5.7%
Triple Occupancy	8.3%	5.6%		5.7%

Source: DMCA Survey of Tour Operators.

hotel in the NWT comes close to a five-star facility. Because so much of the **NWT's** product can only be appreciated with qualified guiding it will be important for accommodation operators and outfitters to work closely together. Hotels should always be built to double occupancy standards. It is highly unlikely that NWT accommodation will *ever* offer **swim-**ming pools.

In general there are a number of areas where existing NWT accommodation could be upgraded to more acceptable standards for the NWT to have broader appeal for the touring market segment.

6.5 Conclusions

In general, pleasure travel to the NWT is dominated by the Canadian pleasure **traveller,** with Alberta being the single largest market. The structure of the **NWT's** pleasure travel market is largely due to the Fort Smith region, which accounts for the vast majority of the **NWT's** pleasure travel. However at the individual zone level, real differences emerge. In the cases of **Baffin** and **Inuvik,** U.S. visitation is substantially higher at 40% of all pleasure travel visitors. For the **Baffin,** Ontario is the major Canadian market. For **Inuvik,** the Yukon, **B.C** and Alberta are the major Canadian markets. With increasing awareness of the Dempster, the **Inu-**vik region is developing a pleasure travel profile similar to that of the Yukon's.

Regarding American visitation, the Atlantic and Eastern States have been the principal markets for the **Baffin** and **Keewatin,** while the Western Arctic attracts U. S. visitors from the west-coast states.

Pleasure travel to the NWT is accounted for by two principal products:

Outdoor Adventure Travel

. Consumptive
. Non-Consumptive

General Touring

. Independent Touring
. Packaged Touring

Outdoor/Adventure Travel

At the present time the NWT captures an estimated 11,928 trips from the outdoor/adventure travel market of which 5,765 trips are fishing/bunting trips and 6, 163 trips are non-consumptive outdoor/adventure in nature.

Sportfishing and the NWT's lodge industry is one of the NWT's more established travel products. Since 1981 there has been slow growth in the sales of fishing licenses to U. S. residents. However there is still a sizable opportunity for the NWT to increase its pleasure travel based on fishing products . The market potential for fishing in the NWT was identified to be 17,800 trips, over three times the market currentl y captured by the NWT's industry. In light of market demand, the NWT may have to re-evaluate its product as opposed to increasing the number of lodges, it may be necessary to upgrade and diversify existing lodges to provide greater quality and diversity for this market. The hunting market, although projected not to experience any growth over the next five years, is estimated to have a market potential of 10,300 trips for the NWT.

The non-consumptive outdoor/adventure market is larger than the consumptive market. The NWT has an excellent resource base for this market. At present, the NWT captures only 6,163 trips from the non-consumptive outdoor/adventure travel market. The estimated potential of this market for the NWT is 46,600 trips. It has stimulated the growth of the NWT's outfitting industry. Compared to the Yukon the NWT is in an excellent position. The Yukon has oniy 20 licensed outfitters compared to 82 licensed outfitters for the NWT.

General Touring

General pleasure touring to the NWT is characterized by independent (rubber-tire) touring and packaged touring. independent touring is typical of pleasure travel to the Fort Smith and Inuvik zones. For the Inuvik zone, the Dempster has been the primary source of independent touring, and in the case of the Fort Smith area it has been the MacKenzie Highway.

Regarding the potential Canadian market for touring trips to the NWT, 32,636 trips were identified, based on current market awareness for the NWT's pleasure travel products. Alberta was by far the largest market accounting for 63.5% followed by Ontario at 15.4%. At present the NWT captures an estimated 14, 133 touring trips from both Canadian and American markets. The potential of the U.S. market is estimated to be 46,000 trips.

Packaged touring products are still relatively new to the NW T. The Keewatin and Baffin zones have been very active in developing packaged touring products in recent years. However some constraints were identified for the NWT in having a greater impact on the packaged touring market. These were related to product delivery and accommodation. Both the size and quality of accommodation in many NWT communities will be a constraint to more effective capture of the market potential for packaged tour products. However these constraints can be overcome in many cases.

The following table displays existing trips, by product, captured by the NWT against the actual trip potential described earlier:

TABLE 21

Estimated Pleasure Travel Trip Potential for NWT Tourism Products

	Existing Pleasure Travel Trips Captured	Estimated North American Market Potential			Current NWT Penetration Rate
		Canada	U s .	**Total**	
Outdoor/Adventure Travel					
. Fishing/Hunting	5,745	5,620	22,480	28,000	20. 4%
. Non-Consumptive Adventure Products	6,195	14,600	32,000	46,600	13.3%
General Touring	14,372	32,636	46,000	78,636	18.3%
Total	26,313	52,856	100,000	153,336	17.2%

Clearly, the NWT has significant market potential to develop its tourist industry. In the case of outdoor/adventure products, the U. S holds the greatest market potential. In the case of general touring the U.S. market is still the largest market but Canadian pleasure travel, especially the prairie provinces and Ontario will be important to future Industry growth. This will vary at the individual zone level. For the Keewatin and Baffin the U.S. packaged touring market will be considerably more important than in the case of the Fort Smith region in capturing generai touring travei. In the case of the Western Arctic, the American independent travel market will be an important market segment, whereas the Fort Smith zone will continue to reiy primarily on the prairie provinces, especial i y Alberta for independent road travel.