A Product Development Plan For The Northwest Territories Tourism Industry - Final Report

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A PRODUCT DEVELOPMENT PLAN FOR THE NORTHWEST TERRITORIES' TOURISM INDUSTRY
1987

Prepared for:

The Tourism Industry Association
of the Northwest Territories

and

Economic Development and Tourism
Government 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 currently the second largest private sector employer 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 travel 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 level. Historically the development of the Northwest Territories' tourism industry has not resulted in significant benefits for communities. Southern operators, language, entry skills and concentration of the tourist plant in only 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
- Accommodation
- 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 NWT. 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 <u>supply side</u> 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 priori zation 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 NWT'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 territorial-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 telephone interviews. Two co-ordinators were established for the Eastern and Western Arctic to distribute and collect completed questionnaires through TIA's zone offices. Tourist facilities owners/managers not resident in the NWT were interviewed by telephone.

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, only educated guesses could be made.

In hindsight, the survey instrument that was prepared, was far too complex. In some regions, language was also 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 plan tourism product development. It is important for the industry to provide tourism planners with good information. Ultimately the information they provide will benefit them. Good solid information allows industry associations to become more effective advocates for the development of the industry in their regions. In the case of government, politicians must also advocate for scarce government funds. Without credible measures of economic impact and opportunity, it becomes difficult for politicians to be effective advocates. Lastly, federal-territorial agreements also 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 priori zation of product demand, each zone's capacity to deliver marketable tourism products was assessed. This included a review of tourism support infrastructure in place for product delivery as well as an identification where expansion would be necessary to capture increased tourism travel.

Phase 6.0 - Product Development Plan

In this final phase, a product development plan 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 include:

- **Market Development**
- **Product and Facility Development**
- **Tourism Industry Support**
- **Human Resources**
- **Research and Evaluation**

4.0 EXISTING TRAVEL INDUSTRY CHARACTERISTICS

in this chapter a review of currently available data and information on the NWT's travel 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 levels. As the product development strategy will focus on the non-resident pleasure travel ler, a baseline estimate is made of current pleasure travel volume 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 travel data for the NWT. The NWT is not part of Statistics Canada's Canadian Travel Survey. There are no recorded travel statistics for resident travel and statistical data for non-resident travel is only available for the months of June through September. This data is based on exit surveys of road and air travelers for the months of July and August, then extrapolated to the months of June and September. As a result only an estimate of annual travel volume 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 travelers:

TABLE 1

Estimated Annual Resident and Non-Resident Travel Volume

Travel Market	Person-Trips
Resident Travel	**101,200**
Non-Resident Travel	
. **Business Travel**	**46,730**
. **Non-Business Travel**	**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

[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 Yellow knife. 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. Comparatively 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 travel 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 NWT should not necessarily 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%)

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 Person Trips

At present both Travel Arctic and TIA's marketing strategies are largel y 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	1986	1982	1984	1986	1982	1984	1986	1982	1984	1986	1982	1984	1986	1982	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
	29,300	**22,000**	**32,500**	**11,000**	**15,740**	**13,300**	**400**	**400**	1,200	600	**400**	1,500	**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	1986	1982	1984	1986	1982	1984	1986	1982	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	*	7,750
Total	**20,283**	**24,000**	**28,500**	**15,027**	**17,000**	**11,250**	**440**	600	**1,700**	660	**600**	2,500	**2,703**	**3,500**	**3,500**	**39,113**	**46,000**	**47,450**

* Breakdown by air and road travel not available.

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

travelers. This is not entirely true as marketing strategies have been developed for the shoulder seasons both at the territorial level and at the zone levels as well. The following table presents an estimate for 1986 of the NWT's pleasure travel:

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 travel volume for Fort Smith, Inuvik and Baffin were obtained from Travel Arctic surveys which were completed by Canadian Facts. In the case of the Keewatin, for 1986, it was reported that there were 1,000 chartered pleasure travellers to the Keewatin. A 1984 visitor survey of Keewatin travel indicated that 27% of non-charter travel was pleasure travel (i.e.

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 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 also desirable 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 pleasure 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.

5.0 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/Culture/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 also taken varying approaches to describing their tourism products. In some cases this had led to rather sophisticated product characterizations such as general 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 general 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

'roducts by Type of Trip Taken

: for 1986-87)

son Trips)

ort Smith		Inuvik		Kitikmeot		Total NWT	
#	%	#	%	#	%	#	%
000	22.2%	637	14.5%	zoo	33.3%	5,745	21.8%
000	27.8%	50	1.1%	400	66.7%	6,195	23.5%
3000	50.0%	3,720	84.4%	0	0.0%	14,372	54.6%
,000	100.0%	**4,407**	100.0%	600	**100.0%**	**26,313**	100.0%

and Tourism, Regional Offices.
rn Arctic Tourism Development and Market Strategy (Draft) -

sure travel. The shoulders, especially Spring, account for
visitation. Also in the case of Baffin these estimates are

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 5

Sales of Sportfishing Licenses to Non-NWT Residents
1985

	Canadians	Other Foreign	Total Non-Resident Sales
Fort Smith	2,613	2,805	5,418
Inuvik	187	418	605
Keewatin	695	419	1,114
Baffin	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 falling 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 travel ler, business traveller and pleasure travel - ler, outfitting and guiding services have been exclusively developed 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 currently 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, particularly 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 Blythe and Company'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 travel:

Naturalist/Wildlife Viewing/ Photo Safaris

- McConnell Bird Sanctuary Tour
- Wager Bay Naturalist Lodge
- Big Game Wildlife Safaris - Coral Harbour/ Coats Island
- Arctic River Expedition - Baker Lake, Thelon 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 Flow 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 low with only 41 tourists. Projected visitation for 1988 is over 200 tourists.

Western Arctic Adventure 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/ Wildlife Viewing/ Photo Safaris

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

Hiking/ Backpacking/ Skiing/Dog Sledding

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

Canoeing/ Kayaking/ 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 well as containing a significantly 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 half are hunting/fishing outfitters while less 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
- Alexander Falls/Louise Falls
- MacKenzie Bison Sanctuary
- Bison Viewing - Wood Buffalo

Hiking/ Backpacking/ Skiing/ Dog Sledding

- International Ski-Races - Yellow knife
- 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 less defined as in the case of other zones. The Nahanni is the best defined adventure travel 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 traveller. 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

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

For all 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 general 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 substantially 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 only 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 pleasure 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 only pleasure travel 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 travel, most road travelers are pleasure travelers. 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 Alberta and Ontario due to the region's mineral exploration. No market origin data is available for pleasure travel to the Keewatin or Kitikmeot regions.

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

TABLE 8

Market Origin of NWT Travel

Canada	Baffin: Pleasure Travel Only	Fort Smith: Air	Fort Smith: Road	Fort Smith: Total	Inuvik: (Road Only)	Inuvik: 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%	5%	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 general 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 onl y 1. 9%₀ 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 long 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 closer. In other words Canada was really not seen to have a superior product. However the study did find a real market niche that is of direct relevance 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 excellent 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 half 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 selected 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 only 20 licensed outfitters compared to 82 in the NWT.

Those persons who buy outdoor/adventure travel packages are generally upscale income, singles and couples between the ages of 24 and 44. They are predominantly from professional occupations. The profile of outdoor/adventure travelers 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 1980-1985	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%**
Photography	**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 is 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 general touring is more characteristic of the Kitikmeot, Keewatin and Baffin zones.

Given the immense size of the NWT it is impossible to do a general tour of the NWT. General touring of the NWT is decidedly 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			
. Alberta	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 profile 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 general touring. At present this area captures most of the NWT's general 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 traveling 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 Motivation 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 travel 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 decidedly 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 NWT
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	47.5%
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 NWT), 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 I 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 Wild 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 travellers seek quality accommodation.[1] With the exception of only a handful of hotels located principally in Yellow knife, 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 developed 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. Full service dining is important and it should be supplemented with local dishes with excellent service. These should not be major cost items for most hotels. 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 general 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. o%	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 Pool	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%
Elevator	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%
Clean, 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. o%	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/hunting 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 currently 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 only 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 NWT. 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, 8s6**	**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 general touring travel. 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 rely primarily on the prairie provinces, especially Alberta for independent road travel.

THE BAFFIN

7.0 THE BAFFIN

7.1 Introduction

The Baffin Travel Zone is actually a collection of arctic islands with Baffin Island being the largest. The Region is only accessible by air. There are currently no cruise ships to the Baffin from southern destinations such as in the case of the Yukon/Alaska cruise ships which are a major tourism industry for the Yukon, valued at $13.6 million annually.

The population of the Baffin region is approximately 10,000 people.

TABLE 22

Baffin Regional Population

Community	Male	% Total	Female	% Total	1981	1986
Arctic Bay	190	50.7	185	49.3	375	447
Broughton Island	190	50.7	185	49.3	375	427
Cape Dorset	420	53.8	360	46.2	780	863
Clyde River	245	55.1	200	44.9	445	524
Grise Fiord	50	47.6	55	52.4	105	138
Hall Beach	180	51.4	170	48.6	350	427
Igloolik	375	50.3	370	49.7	745	808
Iqaluit	1,225	52.1	1,110	47.5	2,335	3,038
Lake Harbour	125	50.0	125	50.0	250	294
Nanisivik	135	51.9	125	48.1	260	294
Pangnirtung	425	50.6	415	49.4	840	918
Pond Inlet	375	53.2	330	46.8	705	834
Resolute Bay	95	55.9	75	44.1	170	173
Sanikiluaq	195	50.7	190	49.4	385	439
Baffin Unorganized	100	55.6	80	44.4	180	208
Regional Total	4,330	52.2	3,970	47.8	8.300	9,832

Source: Statistics Canada

Inuktitut is the principal language spoken by 82.7% of the Baffin's population with English and French being spoken by 14.6% and 2.2% respectively. For a number of Baffin communities, language has been a barrier to tourism development, particularly in the case of providing visitor services and programs. An even greater barrier are entry level skills and training programs that would allow for much greater labour force participation in the region's tourism industry. Not only is skill development important to greater resident participation in the industry, it is a very important element in the delivery of Baffin tourist product.

Pleasure travel ● to the Baffin occurs principally during the June through September period, accounting for 70% of total annual non-resident pleasure travel. Shoulder season travel in the spring accounts for 28% which is largely the result of polar bear hunts, skiing and dog sledding. The fall accounts for less than 3% of annual non-resident pleasure travel and is attributed largely to caribou hunts.

The vast majority of pleasure travel visitation to the Baffin is by packaged tours. The following table displays the regional destination of pleasure travel in the Baffin. Iqaluit captures 45. 5% of pleasure travel to the Baffin but only 12.4% of the travel expenditure. Iqaluit is the principal gateway for travel to the Baffin. The high visitation/low spend to Iqaluit is attributed to three large tours that are essentially day trips, which account for over 50% of pleasure travel visitation to Iqaluit. The higher visitor expenditure in the case of Resolute Bay is due in part to 16 polar bear hunts (value $270,400). Lastly, 17% of all pleasure travel is not community-based and accounts for one-third of all pleasure travel expenditure in the Baffin.

TABLE 23

Regional Distribution of Baffin Pleasure Travel
(Peak and Shoulder Season Travel)
1987

Community	Number of Packages	Number of Clients	Approximate Value
Cape Dorset	4	113	$ 211,554.00
Iqaluit	10	813	370,651.00
Pangnirtung	5	106	253,778.00
Pond Inlet	6	158	253,778.00
Clyde River	2	6	16,057.00
Broughton Island	2	5	40,362.00
Grise Fiord	6	81	194,688.00
Resolute Bay	10	180	644,482.00
Arctic Bay	2	21	110,718.00
Igloolik	3	44	101,160.00
Non-Community Based Pleasure Travel		271	1,015,560.00
Totals	50	1,788	$3,021,744.00

Source: Tourism and Parks - Baffin Region (to August 27, 1987).

7.2 Existing Market Characteristics

Current Vacation/Pleasure Travel Volume to the Baffin is Low But Growing

The following table indicates that during the summer travel period of June through September business travel to the Baffin has been the highest travel generator.

TABLE 24

Total Person Trips to Baffin
June to September and
Trip Purpose

	1982		1984		1985		1987	
Number of Trips	2,500		3,250		3,802		5,086	
Trip Purpose	%	#	%	#	%	#	%	#
Business	63	1,575	57	1,853	64	2,433	64	3,255
Vacation	30	750	35	1,138	29	1,103	29	1,475
VFR	7	175	8	260	7	266	7	356

Source: 1982, 1984 - Visitors to NWT.

1985 - Total Visitor estimate obtained from Tourism and Parks, Baffin Trip Types taken from Baffin Air Survey, 1985.

Note: The 1987 estimate is based on 1,788 tourists to the Baffin to the end of August, as estimated by Tourism and Parks, Baffin. As a result this is likely a low estimate as the month of September is missing. The 1,788 trips have been reduced by 25% to reflect spring non-peak pleasure travel. The percentage distribution of trip types has been assumed to be similar to 1985 (i.e. 29% is pleasure travel).

Travel to the Baffin has increased substantially since 1982. There has been a sizable increase (33.7%) in pleasure travel since 1985. It is difficult to point to a specific reason for this. Expo '86 greatly increased awareness about the NWT. As well there have been major features on the Baffin in such magazines as Macleans. At the industry level there has been significant development of packaged travel products in the Baffin as well as the development of outfitting and guiding services for pleasure travelers and adventure packages.

While the recent growth in pleasure travel to the Baffin is encouraging, it is still so very low relative to other zones such as Fort Smith and Inuvik.

Vacation Travel Expenditure To the **Baffin Is** More Than Twice the Value of Other NWT Regions

The following table indicates that the value of vacation expenditure to the Baffin is considerably higher than for Inuvik or the Fort Smith regions.

TABLE 25

Comparison of Average Party Vacation Expenditure - 1984

	Baffin	Inuvik	Fort Smith	Average for NWT
Average Travel Party Expenditure	$1,550	$ 455	$ 565	$ 625

Source: Visitors to the NWT, 1984.

The higher visitor expenditure impact in the Baffin is due to a number of factors. In general, vacation travel to the Baffin is expensive. Compared to other NWT regions the average length of stay is longer at 12 nights compared to 10 nights or less for the average length of stay in the NWT. Baffin travelers tend to use hotel /motel accommodation to a much greater extent than other regional travel in the NWT. These factors will contribute to the Baffin capturing the highest level of trip expenditure impact in the NWT at 2.5 times the average expenditure for the NWT.

While pleasure travel to the Baffin is low compared to the Fort Smith region, the Baffin does not need to generate the same level of travel volume. The major reason for developing a tourism industry is to capture visitor expenditure. In other words the Baffin would only have to capture 1,900 trips to produce $3 million in visitor expenditure compared to 4,800 trips to produce equivalent value of tourism expenditure in the Fort Smith area. For 1987, the average trip expenditure for pleasure travel to the Baffin is estimated to be $1,690 per person. This expenditure level does not include discretionary spending on crafts and goods/services.

Ontario and the United States Are the **Baffin's** Key Pleasure Travel Markets

The following table indicates that for pleasure travel, Ontario and the U.S. have been the Baffin's key travel markets.

TABLE 26

Origin of Travel To The **Baffin**
1982 - 1985

Canada	1982	1984	1985	Business Travel	Pleasure/ Other Travel
Ontario	33	47	39	36	45
Quebec	21	22	25	33	11
Maritimes	6	9	9	11	4
Manitoba	2	3	4	6	1
British Columbia	2	1	4	5	1
Alberta	9	2	2	2	1
	74	83	83	93	63
Foreign					
U.S.A.	22	11	15	6	34
Other	4	5	1	1	3

Source: Visitors to the NWT 1982, 1984 and 1985 Baffin Air Travel Survey.

For 1985 we have separated out the reason for travel to the Baffin. Clearly Ontario is the Baffin's greatest pleasure travel market. Marketing efforts should be concentrated in major Ontario cities like Ottawa and Toronto.

Interestingly, although Quebec accounts for the second highest travel market to the Baffin, this has been largely through business travel. Given that Quebec represents the largest travel market within close geographic proximity to the Baffin, it yields relatively few pleasure travel visitors.

The United States, next to Ontario, has been the Baffin's second most important pleasure travel market. As shown in Table 27, the Atlantic region, and in particular the New England and Middle Atlantic regions have been the most significant.

Clearly market priorities for the Baffin pleasure travel products would be Ontario and the U.S. Atlantic States. Existing travel surveys suggest that marketing should be directed to upscale urban households. The present travel profile for Baffin pleasure travelers indicates professionals over the age of 30 with above average incomes.

7.3 Market Potential for Baffin Products Pleasure Travel

7.3.1 — Introduction

Baffin pleasure travel can largely be characterized as being one of the NWT's higher-valued tourism products. Both within the NWT and in North America the Baffin offers a unique, almost exotic pleasure travel experience. It provides high arctic adventure with a natural and cultural resource base that is distinctive. In terms of airfares and the cost of accommodation and meals, it is one of the most expensive travel destinations in North America.

TABLE 27

Origin of U.S. Pleasure Travel To the Baffin
1985

Atlantic	%
New York	8.3
Maine	6.5
Massachusetts	2.6
Vermont	2.2
Connecticut	1.1
Florida	1.2
Total	21.9
Central	
Indiana	2.6
Kansas	1.4
Louisiana	1.6
Texas	2.6
Total	8.2
Pacific/Mountain	
Arizona	1.4
Colorado	1.4
California	1.1
Total	3.9

Source: 1985 Baffin Air Travel Survey.

The high cost of pleasure travel *to* the Baffin, although considered to be a constraint, needs to be put in context. Actually a week long pleasure trip to New York as well as other major North American cities, can be just as expensive as a week long pleasure trip to the Baffin. While airfares to New York are comparatively less expensive, meals and accommodation are not.

The Baffin provides almost the antithesis of the "big-city" pleasure travel experience - real adventure, seclusion/privacy, different lifestyle and a natural/untouched environment. Not surprisingly, the major market for Baffin travel is the upscale urban dweller seeking an adventure travel experience that is not available in or near their own cities.

7.3.2 — Baffin Pleasure Travel Products

As indicated previously, Baffin pleasure travel is largely packaged with very little independent touring. At present the Baffin has classified its travel packages by product type such as:

TABLE 28

Baffin Packaged Tour Sales - 1987

Tour Package Category	Number of Packages Sold	Number of Tourists
Sports Fishing	3	107
Sports Hunting	3	95
General Interest Tours	11	661
Special Interest Tours	11	570
Naturalist Tours	4	43
Adventure Tours	13	312
Total	45	1,788

For purposes of comparability with other zones and for purposes of market analysis we have had to revise these categories into the two broad groupings of outdoor/adventure travel and general touring:

TABLE 29

Baffin Pleasure Travel Categories

Category	Number of Packages	Number of Tourists	Value
Outdoor/ Adventure			
. **Consumptive**			
- Fishing	**3**	**100**	**$ 282,050**
- Hunting	**3**	**100**	**784,700**
Total	**6**	**200**	**$ 1,066,750**
• **Non-Consumptive**			
- Naturalist/ Wildlife/ Photo Safaris	**8**	**100**	
- Hiking/ Backpacking/ Skiing/Dog Sledding	**16**	**400**	**$ 1,954,994**
- Canoeing/ Kayaking/ Boating/ Rafting	**5**	**200**	
Total	**29**	**700**	
General Touring			
• **General Interest**	**7**	**850**	
• **Arts/Culture/ History**	**3**	**50**	
Total	**10**	**900**	
TOTAL	**45**	**1,800**	**$ 3,021,744**

The Baffin serves principally a non-consumptive touring market. However it should be noted that in terms of expenditure impact, sports hunting packages for polar bear and caribou generate a substantially higher trip expenditure impact. In case of general touring it should also be noted that the high visitor volume is the result of three large tours that were essentially day trips.

The largest number of tours offered (29) are non-consumptive outdoor/adventure products, in particular activities associated with hiking, backpacking, skiing, dog sledding, skidooing and trekking.

7.3.3 -- Market Potential

The market potential for the Baffin's pleasure travel industry is principally in the outdoor/adventure market, general touring, and consumptive products, in that order. In a previous chapter estimates of the potential North American market for the NWT were provided. The following table indicates the market potential specifically available to the Baffin and the Baffin's current capture rate.

TABLE 30

Market Potential for Baffin Pleasure Travel Products

	Potential North American Market for NWT	Current Baffin Pleasure Travel	Penetration Rate
Non-Consumptive Outdoor/Adventure Travel	46,600	700	1.5%
General Touring (Packages)	15,727	900	5*7%
Consumptive Outdoor/Adventure Travel (Hunting Only)	11,240	100	.1%
Totals	73,547	1,800	2.4%

At the present time the Baffin is capturing 2.4% of the estimated market potential for pleasure travel to the NWT. Clearly there is significant market potential for the development of the Baffin's tourism industry, particularly in the non-consumptive adventure travel market. The following chapters examine the supply side of the Baffin's industry and its capabilities to deliver pleasure travel products.

7.4 Baffin Tourism Industry - Supply Side

7.4.1 — Introduction

This chapter examines the supply side of the Baffin's tourism industry -- its accommodation, transportation and tourist services.

In developing a base line of information of the Baffin's current tourism industry and infrastructure the following documents were reviewed:

- Baffin Region Tourism Strategy.
- Pangnirtung Community Tourism Study.
- Tourism and Parks Data (Baffin Region).

In addition to the above an inventory of the region's tourism infrastructure was also undertaken.

7.4.2 — Accommodation

7.4.2.1 — Hotels/Motels

With the exception of Nanisivik and Lake Harbour, 12 Baffin communities have hotel/motel facilities. Lake Harbour has a transient centre that is operated by the municipality but with no food services.

TABLE 31

Baffin Hotel/Motel Accommodation

	No. of Facilities	Rates	No. of Rooms	Seasonal ** Room Night Capacity	Accommodation Capacity	Seasonal ** Bed Night Capacity	Employees
Arctic Bay	1	$131	8	976	16	1,952	3
Broughton Island	1	$135	8	976	12	1,464	3
Cape Dorset	1	$130	11	1,342	23	2,806	3
Clyde River	1	$140	6	732	12	1,464	2
Grise Fiord	1	$125	9	1,098	10	220	6
Hall Beach	1	$125	5	610	9	1,098	3
Igloolik	1	$125	8	976	10	1,220	3
Iqaluit	4	$105 *	115	14,030	205	25,010	29
Pangnirtung	1	$125	27	3,294	54	6,588	9
Pond Inlet* **	1	$150	12	1,464	24	2,926	5
Resolute Bay	2	$120	57	6,954	90	10,980	6
Sanikiluaq	1	$140	8	976	24	2,928	5
Totals	16		274	33,428	489	59,656	77

*** $105 without meals; all other rates include meals.**

**** Where the pleasure travel season is defined as 122 days from June to September.**

***** [n Pond Inlet's case there is overflow capacity.**

The available accommodation in most Baffin communities severely limits capacity for tourism. Most communities could only handle very small tour groups of 20 or less people at one time. Clearly this is not a major obstacle for Iqaluit. Pangnirtung and Resolute Bay are the only other Baffin communities that could accommodate larger tour groups or more than one tour at one time.

The following table indicates the accommodation characteristics for Baffin travelers. It was not possible to separate out profiles for business and vacation travelers.

TABLE 32

Accommodation Characteristics For Baffin Travelers

Type of Accommodation	Percent	Average Stay
Hotels/Motels	69.3	9.1 nights
Friends/Relatives		
Lodges	14.7	6.4 nights
Campgrounds	5.3	2.0 nights
Other Camping	10.7	14.2 nights

Source: Visitors to the Northwest Territories, 1984.

The above table does not include staying with friends or relatives. Clearly hotel accommodation is the preferred form of accommodation in the Baffin. This could mean that other forms of accommodation such as lodges or campgrounds are less desirable or not available.

The total bed night capacity for Baffin's accommodation sector is 59,656 bed nights. The 1987 demand for accommodation by the Baffin's 1,475 pleasure travelers for the peak period of June through Septemer would be 9,302 bed nights (1,475 pleasure travelers) x 69.3% (hotel accommodation preferred) x 9.1 (average length of stay). As a result, pleasure travellers would require only 15.6% of the Baffin's existing accommodate ion capacity.

For most Baffin accommodation operators, government and construction travel make far more significant demands upon the industry's capacity.

Unfortunately there is little current data that accurately describes occupancy levels and the type of market served by Baffin accommodation. Table 33 has been compiled from statistics obtained by Tourism and Parks from some Baffin accommodation operators. There is no data for the larger communities. As a result the table presents only a very crude estimate as to the type of market served by those operators reporting occupancy data for the peak tourist travel period of June through September.

Clearly the government and construction markets are of more importance to Baffin accommodation operators than tourists from the perspective of room (bed) sales. It could easily be argued that this table is not representative of Baffin accommodation in that without the larger facilities located in Iqaluit and Resolute Bay it understates tourism demand. However it is highly likely that tourists represent less than 25% of the demand for Baffin accommodation from June through September.

There are some indications that increasing tourism demand is having its impact on the Baffin's accommodation. Since 1985 11 facilities have undergone or are undergoing renovations and two entirely new facilities have been added (Bayshore Inn - Iqaluit, Sauniq Hotel - Pond Inlet).

At this point in the development of the Baffin's tourism industry, accommodation is not necessarily a constraint. Existing accommodation could handle twice as many tourists as it does now. Perhaps more importantly a significant portion of the Baffin's accommodation sector is upgrading the quality of facilities that are available for tourists.

Hotel operators should work closely with the tourist industry (tour organizers) to supply-manage available accommodation. The NWT government could also assist by encouraging government travel in the non-peak tourist season. This would benefit both operators and the industry as a whole. It would free up rooms for tourists as well as improve year round occupancy. This would be of particular benefit to smaller communities with limited accommodation capacity.

Regarding accommodate ion operators' views as to the priori zation of government programs to develop the industry, the following table represents a ranking of program priorities:

TABLE 34

Operator% Ranking of Program Priorities
To Assist the Industry

Type of Program Assistance	Percent Ranking
Development of Tourism Attractions	91%
Availability of Local Labour	89%
Improve Occupancy Levels	80%
Access to Financing	77%
Training and Staff Development	75%
Tourism Industry Awareness	64%
Improvements to Transportation Services	56%
Marketing Assistance	56%

Source: DMCA operator survey.

7.4.2.2 — Lodges and Tent Camps

Unlike other regions of the NWT the Baffin has very few tourist lodges. In most cases they are tent camps. There are five such facilities located in the Baffin. There is only one fixed-roof lodge facility in the Baffin (Lake Hazen Lodge).

TABLE 35

Lodges and Camps - Baffin Region

Name of Establishment	Resident staff	Non-Resident
Tongnait Arctic Tent Camp	6	1
Clearwater Fiord Tent Camp - Pangnirtung	7	1
Kuluctoo Bay Camp	4	0
Kekertunlung Camp	2	0
Total Camps	19	2

Compared to other regions in the NWT there has been substantially greater lodge development. Most lodges in the NWT were originally built to serve fishing markets. The Baffin does not have a high yield fishing resource and the season is very short. While the development of fishing lodges in the Baffin does not hold any real opportunity, the development of naturalist lodges would, particularly in outstanding destination areas. The Keewatin has developed such a facility at Wager Bay.

7.4.3 — Transportation Services

The Baffin's principal non-resident markets are Ontario and the Eastern U.S. Prior to April, 1986, the Baffin was served by only one scheduled airline from the south. With the introduction of Firstair in April 1986 with direct air service from Ottawa it has not only improved the level of air service to the Baffin from the south but also increased competition and lowered the cost of air travel to the community. It has also improved the accessibility of the Baffin to major U. S. urban markets such as Boston and New York. Firstair has been aggressive in developing new markets in Ottawa and Boston.

With two scheduled airlines offering direct jet service to the Baffin it greatly enhances opportunities to develop packaged travel products. Aside from the Baffin's outdoor/adventure products, it will be able to promote specific events such as Toonik Tyme in southern markets. The City of Ottawa has been very successful in developing events such as Winterlude and Festival of the Spring. These events attract a number of non-residents. The Baffin could work with southern festival organizers in promoting its products or selling packages at southern events.

7.4.4 -- Outfitting and Guiding

Outfitting and guiding services are a critical component of the Baffin's tourism industry. Particularly for the Baffin's outdoor/adventure products, outfitting is required in virtually all cases. Even with touring products, often guiding is required.

Outfitting in many ways is the heart of the Baffin tourist industry. It is really through trained and experienced guides that tourists can "experience" Baffin pleasure travel products providing a critical linkage between the attraction and the tourist. Aside from providing equipment, ensuring safety and comfort of tourists, and guiding a tour group, the guide can really enrich the whole pleasure travel experience with historical/cultural interpretation, stories about the area legends and folklore. A good guide makes a trip both interesting and entertaining.

Outfitting in the Baffin has developed to a much greater extent than in other NWT regions. In fact the Baff in accounts for 30% of the NWT's outfitting enterprises. Outfitting provides excellent employment opportunity. In some cases, individual outfitting establishments are large with up to $200,000 in equipment and up to 8 employees. The demand for guide training has been very strong in the Baffin. This has been a direct result of the increases in packaged tour sales.

The following table lists the number of outfitters and guides in the Baffin and their location.

TABLE 36

Baffin Region Licensed Outfitters

	Outfitters	Guides
Pangnirtung	4	7
Broughton Island	2	2
Pond Inlet	3	4
Arctic Bay	2	3
Resolute Bay	1	6
Igloolik	1	1
Cape Dorset	2	3
Iqaluit	4	6
Other Outfitters (based in South)		
EcoSummer Can. (Vancouver)	1	2
Total	20	34

7.5 Product Development Strategy

7.5.1 -- Introduction

Although significant market potential was identified for the Baffin's tourism products, the development of a viable industry in the Baffin will be a long term evolutionary process. Interest and awareness in tourism in the Baffin has increased significantly. The main constraints to capturing greater pleasure travel relate to the development and delivery of the Baffin's tourism products to the right markets.

Packaged tours offer the best vehicle through which to develop the Baffin's pleasure travel industry. Unlike southern destinations, tourist travel to the Baffin is not promoted by short-term *or* impulse travelers. Rather, plans are made in advance and the costs of travel and accommodation are packaged and will normally include guiding. Previous studies have identified that package tour groups (Pangnirtung Community Tourism Study) are the most viable approach (from both a cultural and economic perspective) to increasing pleasure tourist travel. Further, Baffin communities want some element of control over tourist visitation. Tour groups of 6-18 are manageable. They allow communities to know when tourists arrive, how many people, their expectations and what to plan and program for individual tour groups.

There are a total of 14 tour companies currently providing packaged tours to the Baffin. It was not possible to talk to all tour operators currently offering products in the Baffin. It is generally agreed that the Baffin has excellent market potential. In examining the present menu of tours that are available, there appears to be no shortage of tour products. The problem appears to be one of sales. The one-time capacity for all 50 tours that are available is over 1,000 persons. In other words if all tours sold every package once there would be 1,000 tourists who would travel to the Baffin. Previously it was estimated that the total pleasure market trip travel to the Baffin was 1,700 trips. It would appear that most of the tour products being offered have low utilization. The problem is not the variety of products but their sales.

Some tour operators feel that the Baffin's biggest obstacle to future growth is product delivery, particularly at the community level. Tourism awareness and training are both desperately needed at the community level. It is recognized that established guide training programs have been successful, but training is required at virtually every level of the industry. This will require leadership at the industry and community levels.

The Baffin's principal tourism product is really of a "learn and experience" nature. The Baffin has a diverse range of natural attractions. The role of government has not been to build attractions but rather to provide access, interpretation and facilities such as visitor centres and campgrounds to develop the Baffin's natural attractions for visitors. The role of the private sector has been to package, market and service tourists that could be drawn to those attractions.

7.5.2 — Market Development

The Baffin Tourist Association as with other zones contained within the Tourism Industry Association has an established marketing strategy. As in the past, the new Canada-NWT Tourism Development Subsidiary Agreement will continue to support zone program activities in the area of:

- Consumer Programs
- Distribution Network Programs
- Marketing Aids
- Public and Media Relations

In the future, zone marketing will be more closely co-ordinated with Travel Arctic's marketing strategy. Advertising placements will be co-ordinated with Travel Arctic's agency of record. This will bring about greater economy in terms of media buys and placements with specific publications.

There has been increasing interest in consortia or co-operative advertising in the Baffin. This concept embodies a real partnership approach to tourism market development between airlines, government, tourism and the industry. While at this point the private sector cannot be expanded to make major contributions towards co-operative advertising, the real value of such marketing programs lies in the co-ordinated delivery of Baffin pleasure travel.

The Baffin's history with the development of packaged tours is still relatively new. In 1987, a packaged tour seminar was held in Iqaluit. The services dealt specifically with the development of packaged tourism products. This seminar was highly successful. It is the type of program initiative that should be encouraged.

Given the importance of outfitting and guiding to the Baffin's industry, generally and packaged tours, specifically, this industry sector may want to consider increased organization as opposed to independent approaches to marketing and product development. This could include organization along product lines (i.e. hunting/fishing, non-consumptive or cultural /history) or by geographic region (Pangnirtung, Resolute Bay, or Iqaluit). The benefits to organizing include the establishment of a central office to provide phone answering services, administrative and accounting services. Co-operatively the outfitters could also develop new marketing approaches such as direct mail or simply follow-ups with past customers. The benefits of direct mail and targetted marketing will be explained in a later section.

An association could also provide greater opportunities for training seminars and possible information/knowledge exchanges with outfitters located elsewhere in North American to discuss product delivery, equipment and market trends.

7.5.2.1 -- Strategic Demand Side 1 nformation Requirements

Market Information

The volume of pleasure travel visitation to the Baffin is relatively low compared to other zones. At the same time the low level of visitation has its advantages. First of all given that the Baffin has the highest per trip expenditure impact in the NWT, the Baffin needs less tourists to produce the same level of economic impact. Secondarily, low visitation allows the Baffin industry to intimately know its customer base, both existing and potential. In fact, with modern word processing, the Baffin Tourism Association could annually send every pleasure traveller to Baffin a Christmas card thanking them for their summer travel to the Baffin, on behalf of the Baffin's tourism industry partners, and hoping to see them and their friends next year.

Given the nature of the Baffin's industry it should be possible to approach market development in a highly targetted but cost effective manner.

The development of a good information base to direct the marketing of an industry takes time to develop. Initially it must meet basic measurement and impact criteria such as visitor volume, type of visitor, market origin and expenditure. However to be of real value the information base must also be directive as to where the Baffin's best prospecting opportunities are for future tourism travelers and the type of tourism products and services it should be developing and selling.

The Baffin has made a good start to developing an information base. I n fact, the Baffin, in many ways, has considerably more information to work with than in other zones. The intent of this section is to provide a framework for future information system development.

Market Identification

Marketing tourism products is no different than marketing other consumer products. It begins with a clear definition of what the Baffin's pleasure travel products are. For the most part the Baffin's products are well defined in terms of characteristics, cost, location and services, largel y because they are packaged. Secondly, a customer profile should be prepared describing who are the Baffin's customers (socio/economic and psych ographic information) and where they live. At the present time this information base is still at a very broad level. However, it should be pointed out that the Baffin Tourism Association has started a letters of request data base. This data base tracks information requested by potential travelers to the Baffin. It provides some measure of market response to zone advertising in specific media. It can also generate leads for operators such as outfitters.

The simplest, and least expensive way to develop a customer profile for the Baffin is through the use of postal and zip codes. Travel Arctic has already started to investigate the potential of this type of analysis by tracking fishing license sales and postal code information. This type of information greatly qualifies who and where the Baffin's customers are.

Postal codes and zip codes are entry keys for the entire North American market. All data and information for consumer products are coded by postal and zip codes. These codes segment the market into income, age groups, occupations and lifestyle vacation interests. By comparing the postal codes and zip codes of Baffin pleasure travelers against the North American market, then the Baffin knows precisely not only who but where the Baffin's customers are located. Potential customer location can be further qualified based on the availability of the best accessible air service to the Baffin -- i.e. Ottawa, Toronto, Boston, New York. Rather than dealing with an entire city, the information base can produce specific neighbourhoods and areas most likely to contain Baffin customers. In this manner, a highly qualified list of potential customers can be approached either through direct mail, telephone marketing or combined with other marketing tools such as media placement or through designated retailers and wholesalers. Priorities can then be established for specific geographic areas as well as for zone consumer show selection and participation.

The development of such a program requires the co-operation and participation of the industry. First of all the industry (airlines, hotels and outfitters) must extract the postal codes from its customers. Very likely partners could be found to finance the development of the information such as the airlines, who benefit substantially from pleasure travel to the Baffin.

By employing such techniques, as described above, the Baffin should have no difficulty in developing highly qualified prospects for future pleasure travel to the Baffin.

It will be important for the Baffin to keep continuous contact with its market. The Baffin could examine the feasibility of developing a themed program that could be very valuable in extracting pertinent data from existing travel. For example, the Baffin could issue a Baffin Explorer's Pass. This concept is not unlike the travel pass idea for Expo '86 where tourists have their pass book stamped. This is also a subtle encouragement to get visitors to visit as many attractions as possible. In return the visitors would supply basic information about themselves, what they did on their vacation to the Baffin and what they spent their money on.

To keep contact with its customer base items could be sent out about new attractions, travel packages and community events such as Toonik Tyme. If no trip conversion results after 3 years, the tourist would be dropped from the mailing list.

The above suggestions for marketing techniques are not expensive, especially when they are directed to a highly qualified list of existing and potential travelers. In all cases their cost effectiveness can be measured as opposed to broader marketing awareness programs which are difficult to evaluate.

7.5.2.2 — Strategic Supply Side Information

Rather than the demand for Baffin travel products it is the supply side of the Baffin's industry that is likely to be the most significant constraint to increased tourism. In order to monitor and evaluate the impact of tourism on the Baffin the following program initiatives are suggested.

1. Occupancy Monitoring Program

   The lack of data and information on hotel /motel occupancy and market composition in the Baffin frustrates any accurate assessment of the Baf fin's accommodation sector. An accommodation monitoring program should be established for at least the peak June to September season. Supplying such data should be a condition of capital and marketing assistance to the industry. An occupancy monitor would assist in "supply management" of accommodation during the peak season. It would also suggest where new accommodation should be developed. Further it could be another source of information for market data and marketing to tourists for followup promotion by the Baffin Visitors Association.

2. Customer Satisfaction Surveys

   Previously it was indicated that the Baffin has a significant number of packaged tours (in excess of 50). However the level of visitation generated by those tours is 1,700 people. The one time capacity of those tours is over 1,000 persons. As a result most tours are only sold less than twice during the travel season. Either the Baffin is not reaching the market with its product or possibly it is the packages themselves.

in co-operation with tour operators and other air] ines we would propose surveying tourists who are part of packaged tours to find out the attributes most and least liked about the tour. This would include:

- Cost (value for money)
- Package Length
- Rating of Attraction (what they liked most/least)
- Hospitality Ratings for:
  - Accommodation
  - Guiding
- Quality of Guiding
- Other Remarks (would they come again)
- Comparable with other vacation trips they have made to other destinations.

3. General Visitor Data Exit Surveys

At present Travel Arctic conducts a territorial-wide survey every two years of visitors to the NWT. These are expensive field surveys to undertake and should be carried out every two or thee years, as opposed to annual surveys.

Like the Canadian Travel Survey, the main value of the survey is to track overall tourist travel, both pleasure and non-resident, and its impact. It provides an excellent basis for comparing the performance of the NWT's regions in terms of:

- Length of Stay
- Expenditure Impact
- Reason for Travel
- Basic Visitor Demographics
- Geographic Market Origin.

7.5.3 — Product and Facility Development

Although tourism is community-based in the NWT, tourism development will impact differently on each of the 12 communities. It should be noted that tourism plans have been developed for each community. Each of the 12 communities are at a different state of development. Given the scarce resources of the GNWT, communities have been priorized for development initiatives. The priori zation is as follows:

- Priority I - Iqaluit, Pangnirtung
- Priority II - Pond Inlet, Cape Dorset
- Priority III - Lake Harbour, Arctic Bay, Igloolik, Broughton Island, Hull Beach, Clyde River, Arctic Bay, Nanisvik and Grise Fiord

Priority I

Iqaluit is the principal gateway to the Baffin. As the main gateway to the Baffin, the community needs to undergo a beautification program to enhance the attractiveness of the community for tourists. This will require leadership at the local level. Communities such as Whitehorse and Dawson City have found that the overall appearance of the community has an important impact on tourists. Tourists like to walk about the local community and explore it. In Iqaluit's case, as well as other Baffin communities, it will be important to clean up garbage and abandoned vehicles, develop proper signage and improve building facades, sidewalks and streets.

For 1988, a new interior display is planned for the airport. It will feature a topographic map depicting the Baffin's regional tourism products.

A visitor information and interpretation centre is currently under development. This is a critical facility for Iqaluit, being the gateway to the Baffin. It will be the starting point for tours in the Iqaluit area as well as to other Baffin communities. It will contain a library/reference area as well as space for community events and entertainment. The facility will serve both tourists and local people. As a result it will present a real opportunity for tourists to experience local contact and culture. This is important as it is one of the more important travel experience attributes that tourists are seeking in their travel to the Baffin. There should also be opportunities to purchase art and local crafts at the centre as well. During the peak travel season there should be ongoing displays as well as demonstrations of printmaking and craft production. Also planned for this area is an upgrading of "the Sylvia Grinnell Campground.

Pangnirtung, largely because of Auyuittuq National Park and Kekerton Historical Park has excellent tourism destination development potential.

With the possible exception of hunting, this area contains the most diverse combination of Baffin adventure travel products as well as historic interpretation of Scottish and American Whaling stations. At present Auyuittuq National Park experiences slightly over 600 visitors a year. Visitation could be increased substantially by marketing one of the most unique parks in the Canadian National Parks System.

A visitor interpretive centre has recently opened in Pangnirtung. This centre will be a staging area for tours of the area. [t will also provide a much needed facility for tour programming, events and activities such as story telling, art displays and interpretive programs for the area. In addition to the visitor centre, the Auyuittuq Inn is undergoing extensive redevelopment. The lack of quality accommodation was a major constraint for the area.

Also identified in government capital development plans are capital improvements for Kekertan Historical Park such as interpretive signage and visitor resource facilities.

Priority II

Cape Dorset presents an excellent opportunity for wildlife tours/ Dewey Coper Bird Sanctuary, boat tours and cultural and arts/crafts products. At present the Malik Island Historical Site is being developed on a theme of early Inuit Art. Initial planning is underway for development of a community campground.

Pond Inlet has the potential to develop as a major destination area. Negotiations are underway with Parks Canada and both the territorial and municipal government for the establishment of a North Baffin Marine National Park. The development of a visitor centre should also be considered for the area. Pond Inlet has a diverse range of attractions:

- Historic - Touring Ancient Inuit Campgrounds
- Historic - Salomon Creek Historic Site
- Mountain Scenery
- Bylot Island Bird Sanctuary
- Naturalist Tours
- Flow Edge Viewing
- Whale Watching/Boat Tours
- Wildlife Viewing - seals, whales and birds
- Sportfishing/Po[ar Bear Hunts

Pond Inlet could also provide an opportunity for development of a multi-use lodge facility that would serve naturalists, fishing and interpretation tours of the area. By itself, sportfishing presents only a marginal opportunity, largely due to the short length of the season. By developing a multi-use facility it greatly enhances viability. An interesting concept to pursue would be to combine the visitor centre with a lodge facility. This could create an opportunity for a joint public-private venture. It would reduce the risk to the operator and could possibly reduce operating and maintenance costs for the government.

Priority I I 1

The following is a list of proposed project developments for priority III communities:

Lake Harbour	-	development of a campground
	-	development of a geological tour
Clyde River	-	observation facilities for whale watching
	-	air strip development
	-	sea kayaking tour
	-	campground facilities
	-	boat touring
Arctic Bay/ Nanisivik	-	skiing packages, flow edge tours
Grise Fiord	-	upgrading
	-	glacier tour packages
Resolute Bay	-	develop petrified forest attraction
	-	development of North Ellesmere National Park
Igloolik	-	archeological sites
	-	sportfishing packages
	-	canoe trips
Hall Beach	-	wildlife tours

7.5.4 -- Tourism Industry Support

Tourism Awareness Programs

Tourism awareness both within communities and within the Baffin tourism industry is needed. This type of course should describe the structure of the industry, its economic significance, the expectations of tourists and the community's role in developing tourism.

Standards and Ratings

Consideration is being given to the establishment of a territorial-wide standards and ratings system for NWT tourist products and services. In particular the Baffin accommodation sector would benefit from the adoption of such a program. It would encourage the industry to upgrade and expand their facilities to standards more acceptable to tour groups.

7.5.5 -- Industry Training

Although this element was not identified under the Canada-NWT Tourism Development Subsidiary Agreement it is a critical component of the Baffin's tourism industry.

The following table was prepared by Tourism and Parks, Baffin region. It projects the demand for guide training over a five year period.

Projected Guide Training Demand
Baffin Region

Course Type	1988 I 1989	1989/ 1990	1990/ 1991	1991/ 1992	1992/ 1993	Total
Level I	35	35	35	35	35	175
Level I I - Big Game	35	*	*	*	*	35
Level I I - Field Cook	10	35	35			80
Level II - Sportsfishing	35					35
Level II - Interp/Natr.	10	35	35	35	35	150
Level I I - Alpine Exped.		10	35	35		80
Level II - Interp/Genl.			10	35	35	80
Sub Total	125	115	150	140	105	555
Outfitting	20	35	35			90
TOTAL	135	115	150	140	105	720

* Depending on additional quota's

Source: Tourism and Parks, Baffin Region

It is expected that 30 to 35 new package tours will be offered over the next 3 to 5 years. As outfitting is such as integral part of the Baffin tourism product it will impact on the demand for guiding services. It is forecast that at least six new outfitters will be required to respond to the projected development of new packaged tours. Aside from the growth of current packages, new package tour development could easily increase employment in the Baffin's outfitting enterprises by over 40 persons.

Without training, experienced guiding services will become a real constraint to the future growth of the Baffin's pleasure travel industry. At present the Arctic College is responsible for the development of courses such as guide training and other tourism industry study programs in addition to environmental studies and administrative studies. In addition to course development and delivery, the Arctic College is also undertaking the development of a labour force survey and needs analysis of industry training and labour force requirements. This type of information development is critical to projecting industry business rsource requirements and assessing the demand for specific training programs.

There is a very real concern in the Baffin, as well as the rest of the NWT, that the development of industry training will not keep pace with demand. At present the Department of Education is responsible for educational course development and delivery in the NWT. Tourism is the second largest employer in the NWT. Given the importance of the industry to the NWT, senior governments may want to consider the development of a Northern Tourism Training and Hospitality Institute. Such an Institute would be specifically concerned with the tourism industry. It would establish NWT standards for training throughout the NWT. It would coordinate the development and delivery of training programs. It would have a separate board composed of industry, government and regional representatives. It would also be responsible for human resource planning in the NWT's industry. It would also negotiate training agreements with both the territorial and federal governments.

KEEWATIN

8.0 KEEWATIN

8.1 Introduction

The Keewatin represents one-half million square kilometres of the land area of the NWT and 10% of the NWT's population. Most of the Keewatin's population are Inuit. The Keewatin is located at the geographical centre of Canada and is above the treeline for the most part. It is accessible by air and water only.

There are only seven communities located in the Keewatin which account for the area's estimated resident population of 5,000 people or approximately half the Baffin's population.

TABLE 37

Keewatin Regional Population

Community	1981 Population	1986 Population
Rankin Inlet	1,109	1,352
Eskimo Point	1,022	1,201
Baker Lake	954	1,034
Coral Harbour	429	469
Repulse Bay	352	415
Chesterfield Inlet	249	265
Whale Cove	188	206
Total	4,303	4,942

8.2 Existing Market Characteristics

Current Vacation/ Pleasure Travel Volume to the Keewatin is Low but Growing

The following table indicates that pleasure travel is the largest individual source of non-resident travel to the Keewatin during the June to September period:

TABLE 38

Total Person Trips and Trip Purpose to Keewatin
(June to September)

Number of Trips	1982	1984	1986
Total Non-Resident Person Trips	**1,160**	**960**	**1,910**
Trip Purpose *			
. Business	**438**	**292**	**365**
. Pleasure**	**674**	**636**	**1,505**

Source:

*** Visitors to the NWT, 1984, 1986.**

**** Estimates for 1986 pleasure travel are based on Tourism Operator Surveys.**

Until recently, pleasure travel to the Keewatin was largely associated with fishing lodge visitation. Most Keewatin fly-in fishing lodges are located in the Western Keewatin below the treeline and are owned by non- Keewatin residents. However, since 1984, largely through the development of packaged tours and the aggressive marketing of a new travel image for the Keewatin, pleasure travel, particularly to the eastern Keewatin has grown significantly.

There is no currently available data on the market origin of pleasure travel to the Keewatin. A study of the Keewatin's lodge industry in 1982 indicated that 76% of visitation was accounted for by Americans and 19% from Canadian provinces. Non-consumptive tourism operators have indicated that approximately 65% of the Keewatin pleasure travel is from the U.S. market.

General Touring has been the Largest Non-Resident Travel Generator

The following table displays the type of travel products that are responsible for Keewatin pleasure travel. General touring has largely been responsible for increased pleasure travel to the Keewatin.

TABLE 39

Keewatin Pleasure Travel by Product **Type**
(June - September)

Product	Number of Person-Trips
Consumptive	
• **Fishing**	**692***
• **Hunting**	**16**
	708
Non-Consumptive	
• **Adventure**	**23**
. **Natural ist**	**6**
. **Photography**	**12**
	41
General Touring	
• **General Packages**	**752**
. **Special Interest Packages**	**4**
	756
Total Visitation	1,505

*** Includes 567 visitors to remote non-resident owned Keewatin Fishing Lodges.**

Source: Based on Tourism Operator Surveys.

Eskimo Point Accounts for the Largest Portion of Keewatin Pleasure Travel

The following table indicates the principal destination for Keewatin pleasure travel. Eskimo Point accounts for 44.3% of all pleasure travel to the Keewatin. This is largely the result of community day tours of Eskimo Point that gateway from Churchill.

TABLE 40

Keewatin Visitor Destinations

Product	Eskimo Point	Baker Lake	Rankin Inlet	Repulse Bay	Coral Harbour	Wager Bay	Remote Lodges	Total
Outdoor/Adventure								
. Consumptive	**6**	**113**		**16**		**6**		**708**
. Non-Consumptive	**4**		**14**		**17**			**35**
General Touring	**656**		**96**					**752**
Total	666	113	110	16	17	6	567	1,495

Source: Tourism Operator Surveys.

8.3 Market Potential for Keewatin Pleasure Travel Products

8.3.1 -- Introduction

The Keewatin has been historically characterized as a destination for fishing. In some respects it was often thought (by southerners) as an extension of fishing lodges in Northern Saskatchewan and Manitoba. In fact Northern Saskatchewan is the principal gateway to Keewatin fishing lodges. With the exception of two facilities all Keewatin lodges are owned by non-residents. These facilities bring virtually no economic benefit to the Keewatin. They are located in the Western Keewatin, below the treeline.

[t really has been within the last two to three years that the Keewatin has begun to develop a pleasure travel industry that is being developed by and for Keewatin residents.

8.3.2 -- Keewatin Pleasure Travel Products

Like the Baffin, the Keewatin has recognized that packaged tours represent the most viable approach to developing community-based touring in the Keewatin. Beginning in 1985 Travel Keewatin initiated market tests for interest and awareness in the Arctic in Ontario and the North Central U.S.A. These tests confirmed a low market awareness but relatively high interest in adventure products, particularly in upscale markets. Since 1985, the Keewatin has been involved in the pilot development of a marketing strategy. The lack of awareness and image for the Keewatin in the marketplace has been addressed through the development of posters, information and travel product opportunities.

While addressing the Keewatin's awareness, Travel Keewatin has been building linkages with southern buyers or wholesalers that would handle Keewatin products. Travel package development has been ongoing since 1985. At present there are 12 individual tour wholesalers handling Keewatin travel packages. Travel Keewatin now feels confident that there is a distribution network in place for its travel products.

8.3.2.1 -- Outdoor/Adventure Travel Products

Fishing/ Hunting

Fishing has been a relatively major market for the Keewatin accounting for 692 person trips, while hunting has not.

In the case of fishing, development efforts are focusing on Keewatin resident-operated facilities in the Baker Lake and Ferguson Lake areas. At the present time non-resident operated establishments account for over 80% of all fishing trips to the Keewatin.

Hunting products are concentrated in Repulse Bay (Polar Bear and Caribou) and Coral Harbour (Polar Bear). The number of hunters is very low volume at only 16.

Non-Consumptive Adventure Travel

Non-consumptive pleasure products are still relatively new to the Keewatin, having captured only 41 person trips in 1986. There are currently 10 developed or developing packaged products :

Adventure Travel

- **Arctic Spring Adventure Days (6 days)**
  - **Ski-Doo Expedition (Eskimo Point)**
- **Air, Land, Sea Expedition (8 days)**

  includes Boat Tour (Chesterfield Inlet to Baker Lake)
- **Arctic Spring Dog Team Adventure (5 days)**
  - **Eskimo Point**

Naturalist Lodge (6 days)

- **Wager Bay (30 beds)**

Photographic Safaris

- Big Game Wildlife Safaris (8 days)

  Coral Harbour and Boat Tour of Coats Island and Nature Point **(Bird life, Polar Bear, Walrus).**

- **Wildlife Arctic River Expedition (10 days)**
  - **Baker Lake Thelon Game Sanctuary**
- **Spring Adventure Tour (6 days)**
  - **Ski-Doo Trip - Coral Harbour**
  - **East Bay Bird Sanctuary**
- **Maguire River Expedition (7 days)**
  - **Boat Tour - Maguire River, Eskimo Point**
- **Hudson Bay Coastal Tour (7 days)**
  - **Eskimo Point**
- **McConnell Bird Sanctuary**
  - **100 species of birds available**

8.3.2.2 — General Touring

Touring currently accounts for the largest segment of Baffin travel. For 1985 it was estimated that there were 756 person trips that were associated with general touring trips to the Keewatin. A total of 9 packages are available:

General Touring

- Touch the North Tour (5 days)
  - **Rankin Inlet and Chesterfield Inlet - historic interpretation, scenery, wildlife, arts, crafts.**
- **Rediscover the Era (6 days)**
  - **similar to the Touch the North Tour but with a boat cruise tour of Hudson Bay**
- **Unforgettable Day in the Arctic (day tour)**
  - **Eskimo Point - community tour/cultural experience**

- Discover the Real North (1 day)

  same as above but with an overnight stay

- Live a Legend (3 days)

  - Eskimo Point, Boat Trip to Maguire River and Sentry Island and summer camp.

- Arts/Crafts Discovery Tour (5 days)

  - Specializes in Inuit Arts and Crafts - Eskimo Point, Rankin Inlet, Baker Lake.

- Early Explorers Tour (6 days)

  - Rankin Inlet, Chesterfield Inlet, Cape Fullerton

- Lost City of the North (6 days)

  - Nature Point Historic Era

- The Emerging North (5 days)

  - Northern Development Time Capsule

At the present time Eskimo Point accounts for the vast majority of general touring trips. The day trip tour of Eskimo Point accounts for most of the Keewatin's general touring visitation.

8.3.3 — Market Potential

The market potential for the Keewatin's pleasure travel industry currently lies principally in the general touring market. The Keewatin has enjoyed success in offering general touring products, particularly in the Eskimo Point area. The Keewatin has a strong cultural product that forms a part of virtually every general tour package.

The Keewatin's sportfishing industry is dominated by non-resident ownership. The development of a truly "Keewatin" product will take time to develop.

The best potential in the non-consumptive outdoor/adventure market is associated with wildlife viewing coupled with unique scenery.

The following table indicates the market potential specifically available to the Keewatin and the Keewatin's current capture rate:

TABLE 41

Market Potential for Keewatin Pleasure Travel Products

	Potential North American Market for NWT	Current Keewatin Pleasure Travel	Penetration Rate
General Touring	15,727	708	4.5%
Non-Consumptive Outdoor/Adventure Travel	46,600	41	0
Consumptive Outdoor/ Adventure Travel (Fishing Only)	17,800	692	3.8%
Total	80,127	1,441	1.8%

Although the Keewatin's market penetration is low it is having its greatest success in the general touring market. At only 41 trips, the Keewatin has had virtually no impact on the consumptive outdoor/adventure travel market. This market holds the greatest overall market potential for the NWT. The following chapter examines the supply side of the Keewatin's industry and its capabilities to deliver pleasure travel products.

8.4 Keewatin Tourism Industry - Supply Side

8.4.1 -- Introduction

In developing a base line of information of Keewatin's current tourism products and infrastructure the following documents were reviewed:

- Keewatin Destination Zone Tourism Development and Marketing Strategy - Draft Document.
- Keewatin Economic Base Study
- Travel Keewatin's EDA Marketing Submission for 1987-88.
- Interviews with Tourism and Parks, Keewatin Region.

In addition to the above an inventory of the region's tourism infrastructure was also undertaken.

8.4.2 -- Accommodation

8.4.2.1 -- Hotels/Motels

With the exception of Whale Cove, six Keewatin communities have hotel accommodation.

TABLE 42

Keewatin Accommodation

	Hotels			Guest Homes		
	#	Rooms	Beds	#	Rooms	Beds
Rankin Inlet	1	30	60	1	7	16
Baker Lake	1	26	52	1	5	20
Eskimo Point	2	14	34			
Chesterfield Inlet	1	4	8			
Coral Harbour	2	10	22			
Repulse Bay	2	11	23			
	9	90	199	2	12	36

While guest homes are included in the inventory, they are really not that suitable for tourist accommodation.

At present accommodation in the Keewatin is a constraint to tourism development in terms of both quality and quantity. However, this varies from community to community. Rankin Inlet has the largest accommodation base. Accommodation at Rankin Inlet is currently undergoing a $2.8 million expansion adding 20 rooms and significantly improving the quality of accommodation in the community. The quality of accommodation at Baker Lake is considered to be amongst the best in the Keewatin. In the case of Eskimo Point the community requires additional capacity as well as improvements to the quality of accommodation. Only one of the hotels in the community is considered to be of reasonable quality that it could be offered to tourists.

Chesterfield Inlet should have at least double its accommodation base. In the case of Coral Harbour only one facility is suitable for tourists and expansion is necessary. Lastly in the case of Repulse Bay, the quality of accommodation is poor.

The following table applies a general rating to existing Keewatin accommodation where 1 is not suitable to 5 being excellent. Slightly over 60% of the Keewatin's available bed accommodation would really be considered acceptable for use by tourists. Both the quantity and quality of Keewatin accommodation severely limits the number of tourists that could be served by the industry. Further, given the size of the available accommodation only very small tour groups could be accommodated.

TABLE 43

Existing **Keewatin** Accommodation

	Number of Beds				
	Poor	Not Suitable		Suitable	Excellent
Location	1	2	3	4	5
Rankin Inlet (2)	**16**		**60**		
Baker Lake	**20**			**52**	
Eskimo Point	**17**			**17**	
Chesterfield Inlet					**8**
Coral Harbour (2)	**11**				**11**
Repulse Bay (2)	**23**				
Total	87	0	60	69	19

The total bed capacity for acceptable tourist accommodation over the 122 day peak tourist season is 18,056 bed nights. Assuming that 60% of these bed nights would be required for NWT resident, construction and business travel, approximately 7,222 bed nights would be available for tourists. To put this in perspective, the industry would only be able to accommodate 1,800 tourists per season, based on 5-day packages with an average length of stay of 4 nights. Obviously this is not the case now as pleasure travel to the Keewatin includes day trips as well as overnight trips of varying length and visitation to fishing lodges. The point being made here is that accommodation will be a constraint to greatly increased pleasure travel, where quality overnight accommodation is required.

8.4.2.2 — Lodges and Camps

The Keewatin has a sizable lodge industry. There are 7 lodges and 5 tent camps located in the Keewatin. Tent camps offer fairly primitive accommodation while all 7 lodges are fixed-roof buildings in good to excellent condition. The size of the Keewatin's lodge industry has almost as much bed capacity as does the Keewatin hotel industry.

TABLE 44

Keewatin Lodges and Camps

Lodge	Bed Capacity: Tent Camps	Bed Capacity: Lodges
Dubawnt Outpost Camp	6	
Dubawnt West Sportfishing Camp	4	
Ekaluk Lodge		12
Henik Lake Lodge		12
Kazba Lake Lodge		38
Morbergs Smalltree Camp	4	
Nueltin Narrows Camp	10	
Obre Lake Lodge		14
Sila Lodge*		30
Snowbird Lake Lodge		20
Tukto Lodge		12
Wendy River Camp	10	
Total	34	138

* Naturalist Lodge.

The operating season is short from June 20 to August 24 (64 days). The total bed capacity of the industry is 11,000 bed nights. Assuming that there were 692 fishing trips to the Keewatin in 1987 and an average length of stay of 7 nights, there would have been a bed night demand for 4,844 bed nights. This suggests an industry occupancy level of only 44% for the season. This is low by industry standards and suggests that some lodges would be suffering from poor financial performance. Given the short season, lodges should have an occupancy level of 75% or greater to operate profitably.

Sila Lodge located at Wager Bay is the newest and largest lodge development located in the Keewatin. It is a naturalist lodge. It is a top quality facility that will be targetted to the non-consumptive adventure travel market. A quality lodge facility is also being planned near Rankin Inlet at Ferguson Lake. There are also proposals to establish new tent-camp facilities near Eskimo Point (at Maguire Lake) and Baker Lake (at Aberdeen Lake).

Based on a survey of 11 lodges and camps Table 44 summarizes the principal operating characteristics of the Keewatin lodge/camp industry. Regarding employment, it should be noted that only two facilities (Sila Lodge and Ekaluk Lodge), which are owned by Keewatin residents, really offer any employment opportunity or economic benefit to the Keewatin.

8.4.2.3 -- Transportation Services

The Keewatin is recently well serviced by scheduled airlines, Northwest Territorial Airways (primarily through Yellowknife and Rankin Inlet) and Calm Air (northern service through

TABLE 45

Keewatin Lodges - Operating Characteristics

Number Surveyed		11
Seasonalit y		June 20 - Aug.24
Average Bed Capacity	- Lodges	20
	- Camps	7
Occupancy (Average)		44%
Age of Facility		11 years
Gross Revenue	- Average (5 responses)	$257,820
Total Employment	- Permanent	32.8 persons
	- Temporary	83.2 persons
Air Access Only		11
Dining Facilities:	Capacity	21.8 persons
	Licenced Dining	63.6%
Bar/Lounge Facilities		36.4%
Kitchenettes		18.2%
Credit Cards Accepted		50%
Private Baths		60%
Flush Toilets		63.6%
Hot and Cold Water		81.8%
Showers:	- Private	44. 4%
	- Shared	55.6%
Carried out Renovations in the last 5 Years		50%

Churchill). There are nearly 100 air movements per week to this region. Rankin Inlet is the" principal air gateway to the Keewatin. The airport has recently been upgraded. Regional travel is constrained somewhat by the lack of airstrips and float planes. Float planes are essential for destination areas that have no airstrips.

The cost of air travel is high but can be reduced for packaged group travel. The major route for touring travel to the Keewatin is through Winnipeg which links the Keewatin to southern markets such as Toronto, Minnesota, Wisconsin, Michigan, Ohio and Illinois.

8.4.2.4 — Food and Beverage Services

The follow ing table indicates the type, location and capacity of the Keewatin's current restaurant facilities.

TABLE 46

Keewatin Restaurant Facilities

	Free Standing Fast Foods		Hotels: self-Cooking		Hotels: Dining Rooms	
	#	Seats	#	Seats	#	Seats
Rankin Inlet	1	24			2	76
Eskimo Point	1	20	1	20	1	60
Baker Lake	1	30			2	72
Repulse Bay			1	12	1	24
Coral Harbour	1	5			2	30
Chesterfield Inlet					1	12
Total	4	79	2	32	9	274

Source: Tourism & Parks; Keewatin Region.

Keewatin restaurants employ approximately 40 people or an average of 3 persons per facility.

8.4.2.5 -- Outfitting and Guiding Services

As indicated in the Explorer's Guide there are 14 outfitters and three hunting outfitters serving the Keewatin.

With the exception of four outfitters all other outfitters are resident in the Keewatin. Our survey of Keewatin's outfitting industry is quite representative with 12 of the 14 outfitters responding to the survey. Only the big game outfitters did not respond. Table 46 provides a summary profile of the industry. The product range is diverse involving consumptive products to outfitting adventure travel community tours.

Table 48 displays a profile of operating characteristics for the Keewatin's outfitting industry. The industry is relatively young, the average number of operating years being only 3.3 years. The average number of customers served at 90 is deceiving. This high average is the result of one operator providing day tours of Eskimo Point. This operator received over 600 customers on bus tours of the community. In total, the Keewatin outfitting industry served over 1,000 tourists in 1986.

Outfitting is associated with virtually every one of the Keewatin's travel products. As the industry grows, so does the demand for outfitting and guiding services. As a result the demand for guide training is high in the Keewatin. As in the case of the Baffin, outfitting is an important component of

TABLE 47

Keewatin Outfitters

Resident in **Keewatin**	Product
Namumiaq Outfitters (Baker Lake)	Fishing/Community Tours
Sigayamiut Outfitters (Baker Lake)	Fishing/Community Tours
Kanayok-Sammurtok Outfitting (Chesterfield Inlet)	Fishing
Northwind Outfitters (Chesterfield Inlet)	Adventure Travel/Dog Sledding
Luke Eetuk Outfitters (Coral Harbour)	Adventure Travel/Dog Sledding
Joe Netser Outfitters (Coral Harbour)	Polar Bear Hunts
Ningeocheak & Sons (Coral Harbour)	Photo Safaris
Northstar Outfitting (Eskimo Point)	N/A
Eskimo Point Tours (Eskimo Point)	Bus Tours
Kivalliq Outfitting (Rankin Inlet)	Bus Tours
R. J. Outfitters (Rankin Inlet)	Fishing
Arctic Circle Outfitters (Repulse Bay)	Community Tours/Hunting/Fishing
Enuapik Outfitting Services (Whale Cove)	Fishing

Resident **Outside Keewatin**

Scott Lake Outfitters (Saskatoon)

Hunting Outfitters

Aiviit (HTA) Class B (Coral Harbour)
Arvick (HTA) Class B (Repulse Bay)
Canada North Outfitting Class C (Waterdown)

TABLE 48

Keewatin Outfitting Establishment Profile

Number Surveyed	12
Average Number of Years Operating	3.27
Employees:	
• **Average Number - Permanent**	2.9
• **Average Number - Temporary**	3.8
Employment by Occupation:	
• **Sales and Administration**	19%
. **Guiding**	59%
. **Maintenance and Support**	23%
Average Number of Customers Served	90.44
Distribution of Type of Outfitter:	
• **Big Game Hunting**	0
. **Fishing**	45%
• **Nature and Wildlife Services**	18%
• **Historic Sites**	0
. **All of the Above**	0
. **Other**	36%
	100%

the Keewatin tourism industry. The outfitter provides the key linkage between tourists and attractions. Outfitting is key to providing the tourist with a truly interpretive experience of Keewatin Travel.

At present, outfitting and in particular guiding, is the single largest tourism employer in the Keewatin. The average employment per outfitter is 6.7 persons of which 2.9 are permanent and 3.8 are temporary. Aggregating this average the industry would employ 34.8 permanent employees and 45.6 temporary employees or 80.4 persons. This is close to a recent employment estimate provided by Economic Development and Tourism of 76.0 persons who are employed in the Keewatin outfitting industry.

8.5 Product Development Strategy

In a relatively short time period the Keewatin has made substantial progress towards the organization and development of the region's tourism potential. The emphasis in the Keewatin has been the development of specific travel products that are being packaged for sale largely in the adventure travel market. Travel Keewatin's strategy has been to establish direct contact in the marketplace for the Keewatin travel products. This strategy has been facilitated through partnership arrangements with travel wholesalers and the establishment of a distribution network for Keewatin travel products. This approach lends itself very well to the development of the Keewatin tourism industry. Packaged tour development allows for the controlled growth of the industry at the community level. Tourist arrivals are known well in advance. This is important as the Keewatin has very limited accommodation and could not handle a major inflow of tourists.

The Keewatin has taken a different approach to marketing than other regions in the NWT. This difference revolves around attempting to have very direct contact with the potential marketplace for Keewatin tourism travel. The approach has considerable merit especially where an area is attempting to establish itself in the marketplace for the first time. For 1988, a major agreement has been reached with Wayfarer Holidays to distribute the Keewatin travel products. A co-operative agreement has also been reached with the following "partners" in development and marketing Keewatin travel products.

- Travel Arctic
- Economic Development and Tourism
- Travel Keewatin
- Brennan Tours
- Canadian Air
- Calm Air
- Delta Airlines
- Northwest Airlines

8.5.1 — Market Development

Having established a marketing and sales network and distribution system with travel wholesalers, Travel Keewatin is very optimistic as to projected tourism visitation for the region. The following table displays projected growth for Keewatin travel products to the year 1993.

Within the touring segment it is expected to be the single largest travel market for the Keewatin, accounting for almost 60% of tourist pleasure trips taken to the Keewatin, the

TABLE 49

Projected Keewatin Pleasure Travel by Product Type
1987 - 1993
(June to September)

Product	1987	1988	1993
Consumptive			
Fishing			
. Non-Resident Owned Lodges	567	750	957
. Keewatin Lodges/Tent Camps/ Outfitters	125	205	620
Hunting	16	30	75
	708	985	1,652
% Change		39.1%	67.7%
Non-Consumptive Outdoor/ Adventure			
. Adventure	23	50	435
. Naturalist	6	80	280
. Photography	12	86	200
	41	216	915
% Change		426.8%	323.6%
Touring			
. General Packages	752	1,425	2,860
. Special Interest Packages	4	520	830
	756	1,945	3,690
% Change		157.3%	89.7%
Total	1,505	3,146	6,257
% Change		109.0%	98. 9%

Source: Economic Development and Tourism.

non-consumptive market segment is projected to have the greatest growth. As shown in the following table, the non-consumptive outdoor /adventure travel market also has a higher tourism expenditure trip impact.

TABLE 50

Projected **Keewatin** Pleasure Travel Expenditure
Impact by Product Type
1987 - 1993
(June to September)

Product	Average Per Trip* Expenditure	Tourism Expenditure 1987	Tourism Expenditure 1993
Consumptive			
. Fishing	**$ 1,500**	$1,038,000	$2,365,500
. Hunting	**$ 7,500**	$ 120,000	$ 562,500
Non-Consumptive			
Outdoor Adventure Travel	**$ 2,666**	$ 109,306	$2,439,390
Touring	**$ 1,026**	$ 775,656	$3,785,940
Total		$2,042,962	$9,153,330

* **Source: Travel Keewatin.**

8.5.2 -- Product Development

The Keewatin is relying heavily on the marketing and sales distribution network that it has established to drive its tourism industry over the next five years. Until as recently

as 1985, the Keewatin, except for non-resident owned fishing lodges located below the treeline, had no travel image. The Keewatin is being marketed as the "Accessible Arctic". Package tour development largely surrounds the Keewatin's principal travel products which consists primarily of wildlife and the region's culture and history. The Keewatin has outstanding wildlife resources such as marine mammals (seals, whales, walrus and polar bear) and abundant birdlife. The best scenic and natural resources in the region are found at the following locations:

- North Coast of Southampton Island
- Lyon Inlet
- Duke of York Bay
- Wager Bay
- Cape Fullerton/Daly Bay
- Chesterfield Inlet
- Kazan Falls
- Northeast Coast of Coats Island
- Thelon Game Sanctuary
- Marble Island
- McConnell Bird Sanctuary

The location of the Keewatin's communities, as well as the distribution of potential tourist attractions throughout the Keewatin, provides and excellent basis for the development of community-based tourism. Table 51 indicates present and projected tourist trips to Keewatin communities.

Visitor Reception/ Interpretive Centre

In order to realize the projected levels of community tourist visitation there will be a need for the development of and/or expansion of tourist facilities at the community level. There are no visitor reception/orientation facilities in the

Keewatin. Such facilities would be used by tour groups to facilitate package tour orientation sessions to specific destinations. The Keewatin's travel products are principally "learn and observe". A visitor reception centre could allow for guides and interpreters to provide background and information on specific attractions as well as the area's history and culture. It would provide for opportunities for visitors to meet local people, to be taken on walking tours of the community and to experience local culture or to buy crafts.

TABLE 51

Present and Projected Travel to Keewatin Communities
1987 - 1993

Community	1987	1993
Eskimo Point	666	1,252
Rankin inlet	110	1,055
Baker Lake	113	1,000
Coral Harbour	17	860
Repulse Bay	16	793
Chesterfield Inlet	0	250
Whale Cove	0	90
Total	922	5,300

Source: Economic Development and Tourism.

At present the Keewatin has no National Parks such as Auyuat-tuq National Park in the Baffin. As a result visitor reception facilities should be developed within the Keewatin's communities. These do not have to be stand-alone buildings. Further, they should be multi-purpose facilities that are accessible to Keewatin community residents as well as tourists throughout the year. They can also serve as information, training and resource centres for area residents. Accommodation operators who are thinking of either developing new facilities or expanding existing ones could be approached to consider the development of visitor reception/interpretive centres. The following is a list of possible locations for visitor reception centres suggested by the Department of Economic Development and Tourism:

- Eskimo Point - Inuit Cultural Institute
- Baker Lake - RCMP House and Campground
- Rankin Inlet - Rankin Inlet Lodge
- Chesterfield Inlet - RCMP Home
- Coral Harbour - Hamlet Office
- Repulse Bay - as part of a Lodge
- Whale Cove - with a new hotel

Accommodation

With the projected level of tourist visitation, Keewatin accommodation will have to be upgraded and expanded. At present only Rankin Inlet and Baker Lake can provide bed space for more than 50 people. This assumes that all accommodation would be available for tourists in the peak season. However, in reality this will not be the case as accommodation must also serve the NWT resident travel market such as government, business and construction travelers. Eskimo Point in particular will have to develop either new or expanded facilities. At present there is only bed space for 17 people. Repulse Bay would require entirely new facilities. Existing accommodation is simply not suitable for tourists.

Possibly the development of a naturalist lodge/interpretive centre could be considered for Repulse Bay. Lastly, at present there is no overnight accommodation available at Whale Cove.

Outfitting and Guiding Services

At present the Keewatin's outfitting industry consists of 14 firms employing 80 persons. Virtually all the Keewatin's travel products require outfitting and /or guiding services. In 1986 the Keewatin outfitting industry served over 1,000 tourists. Based on the projected growth in Keewatin tourism travel to 1993, Keewatin outfitting and guiding services will have to serve four times the existing travel volume. Unfortunately, no data currently exists as to the industry's capacity (i.e. how many more tour groups can the industry handle). Based on projected tourism growth, particularly in the non-consumptive outdoor adventure travel market, we would expect that the outfitting industry would have to at least double in size by 1993. We do not expect a linear growth in the demand for outfitting/guiding services in tandem with tourist growth which is expected to grow to four times its current level. Certain guiding services such as bus tours have the capacity to handle reasonably large volumes of tourists over the June to September season.

8.5.3 — Tourism Industry Support

Tourism Awareness Programs

Tourism awareness both within communities and within the Keewatin tourism industry is needed. This type of course should describe the structure of the industry, its economic significance, the expectations of tourists and the community's role in developing tourism.

Standards and Ratings

Consideration is being given to the establishment of a territorial-wide standards and ratings system for NWT tourist products and services. In particular the Keewatin accommodation sector would benefit from the adoption of such a program. It would encourage the industry to upgrade and expand their facilities to standards more acceptable to tour groups.

8.5.4 -- Industry Training

Human resources are a very critical component of Keewatin's tourist industry. In fact, the single largest constraint to the Keewatin in realizing its projected tourism potential may very well be the human resources to deliver the Keewatin's tourism products. Training at virtually all levels of the Keewatin's industry is required.

In essence the Keewatin needs a tourism industry human resource development strategy. Such a strategy would begin with a realistic assessment of current tourism industry employment by occupation. This would require a detailed industry employer survey to determine the number and type/occupation of existing industry employment. The survey would also solicit employers' views as to the future occupational demand. Coupled with existing projections for industry growth the projected demand for industry occupations would be determined.

Our survey of the Keewatin's tourism industry indicated that training and staff development received the highest priority for government program development as indicated in the following table.

TABLE 52

Keewatin Tourism Industry Operators
Ranking of Government Program Initiatives

Program Development	% Ranking
Training and Staff Development	78%
Improve Occupancy Levels	73%
Marketing Assistance Programs	69%
Availability of Local Labour	66%
Tourism industry Awareness	66%
Easier Access to Financing	66%
Development of Tourism Attractions	54%
Improvements to Transportation Services	46%

In fact there are three areas that operators have priorized for training:

- Training and Staff Development
- Availability of Local Labour
- Tourism Industry Awareness Training

Given the importance of guiding to the delivery of Keewatin travel products, guide training programs would be priorized. Together with the industry, the projected demand for the type and level of guide training for the next five years should be determined. Based largely on projected tourism demand these courses should be offered at Eskimo Point and Rankin Inlet. They should focus on guiding and outfitting services for non-consumptive tourism products.

Program development for the initiation of hospitality training in the Keewatin has been initiated. Specific skills training programs are needed in the Keewatin for food services, hospitality management and waiter/waitress training.

As noted previously in the recommendations concerning tourism product development for the Baffin region, given the importance of the NWT's tourism industry and human resource development, the Government of the NWT may want to consider the establishment of a separate Northern Tourism Training and Hospitality Institute to coordinate the development and delivery of training programs. Such an institute would also establish uniform standards and ratings for training programs.

WESTERN ARCTIC

9.0 THE WESTERN ARCTIC

9.1 Introduction

The Western Arctic covers a vast area in the north western region of the Northwest Territories. Inuvik is the administrative centre of the Western Arctic region and the northern terminus of the Dempster Highway which stretches 757 kilometers, linking Inuvik with the Yukon Territory. The Western Arctic region encompasses the MacKenzie River, the MacKenzie Delta, the Beaufort Sea, Banks Island and the northwestern tip of the Great Bear Lake.

There are twelve communities in the Western Arctic with a combined population of 8,411 people:

TABLE 53

Population of Communities in the
Western Arctic
1986 Census

Community	Population
Fort Norman	332
Fort Franklin	532
Norman Wells	627
Colville Lake	52
Fort Good Hope	562
Arctic Red River	108
Fort McPherson	760
Aklavik	763
Inuvik	3,395
Tuktoyaktuk	929
Sachs Harbour	158
Paulatuk	193
Total	8,411

Data regarding the destination of tourism travel within the Western Arctic is not available or is at best incomplete. However, it would be reasonable to assume that Inuvik is the primary destination for tourist travel to the Western Arctic. It has been estimated that 80% of all tourism traffic comes through Inuvik. Inuvik also accounts for close to 75% of all fixed roof and camping accommodation in the Western Arctic. Inuvik is the primary destination for most road travel to the Western Arctic. It is also a staging area, particularly for travel to Tuktoyaktuk and Aklavik. In 1986, approximately 2,000 tourists visited these two communities, as day trip excursions.[1] Tourism travel to other destination areas is *very low.* For communities such as Norman Wells, business travel is significantly more important than tourist travel.

9.2 Existing Market Characteristics

The Western Arctic is the NWT's Second Most Popular Travel Destination

The Western Arctic, in 1986, accounted for a quarter of all travel by non-residents to the NWT. As shown in the following figure, travel to the Western Arctic is slightly under half the level of travel to the Fort Smith region, but significantly higher than other NWT regions:

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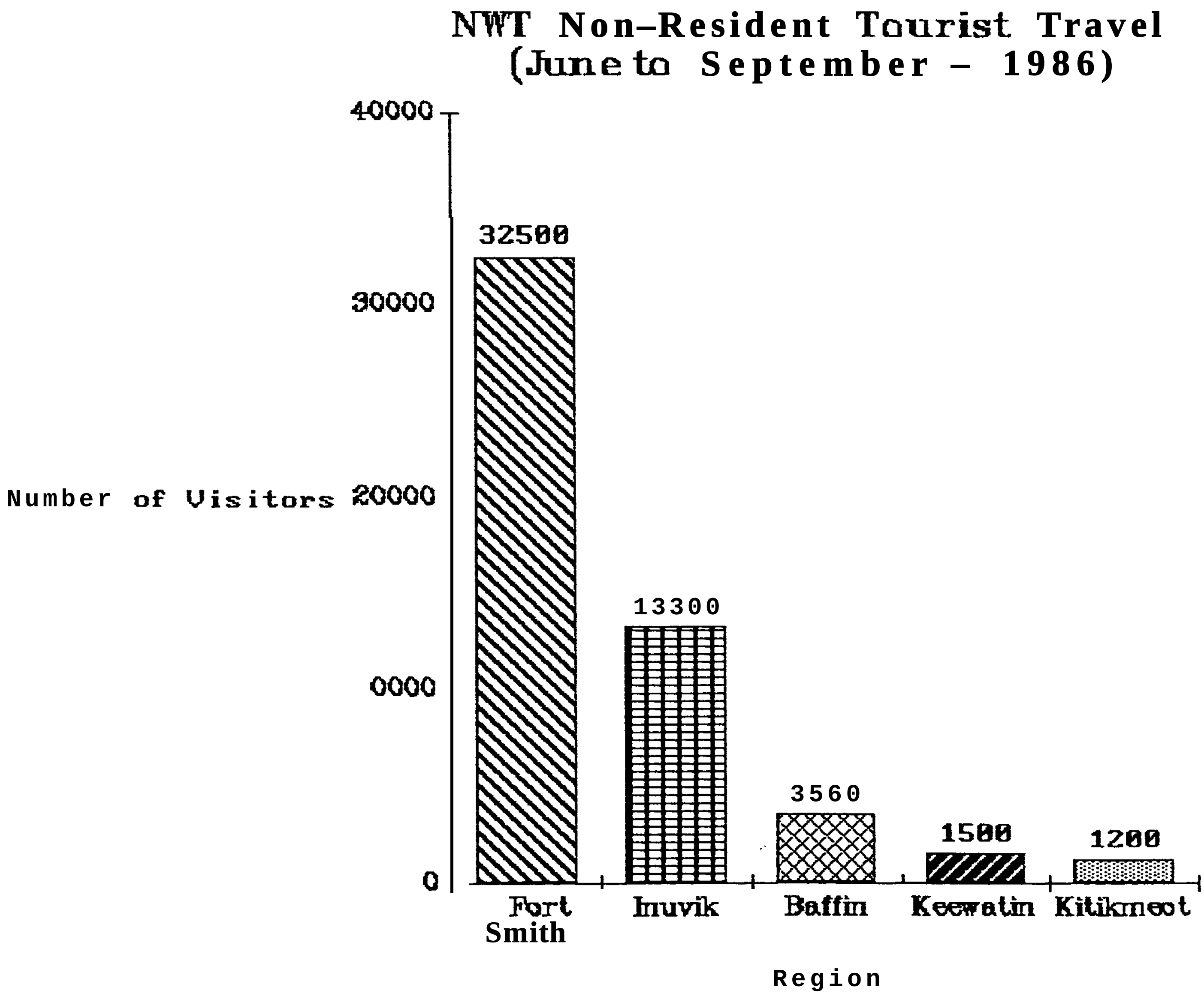
[1] Western Arctic Tourism Strategy Phase 3.0 - MacLaren Plansearch, Pelman Associates Architects and Addison Travel Marketing.

Non-Resident Travel To **The NUT Regions**
1986



The Ratio Of Air Travel To Road Travel To The Western Arctic Is Two To One

The following table indicates that the volume of air travel to the Western Arctic has traditionally been twice as great as road travel:

TABLE 54

Non-Resident Travel To The Western Arctic By Mode
1982 **to** 1986

	1982		1984		1986		Average 1982-86
Air	7,000	63.6%	11,740	74.6%	9,000	67.7%	69.4%
Road	4,000	36.4%	4,000	25.4%	4,300	32.2%	30.8%
Total	11,000	100.0%	15,740	100.0%	13,300	100.0%	100.0%

Source: GNWT, Non-Resident Travel Survey.

The higher volume of air travel in 1984 was largely due to oil exploration and development, which has subsequently declined in 1986.

Pleasure Travel Accounts For 47% Of All Non-Resident Travel To The Western Arctic

The following table indicates that pleasure travel to the Western Arctic accounted for 47.4% of all non-resident trips in 1986.

TABLE 55

Reason For Travel To The Western Arctic
July to September 1986

	Total Trips	% Pleasure	Number of Pleasure Travel Trips	%
Air	9,000	27.7% *	2,430	38.6%
Road	4,300	90.0% **	3,870	61.4%
Total	13,300		6,300	100.0%

* Visitors to the "NWT, 1984.

** Dempster Highway Exit Survey.

In the case of pleasure travel, the ratio of road to air travelers is 1.6 to 1. This underscores the importance of the Dempster Highway to the development of the Western Arctic's tourism industry as a travel generator. This development pattern is not that dissimilar to that of the Yukon's, where independent auto touring has been the Yukon's largest tourism market.

The Expenditure Impact Of Existing Pleasure Travel
To The Western Arctic Is The Lowest In The NWT

As noted previously in the Territorial overview of the NWT'S travel industry, average travel expenditure in the Western Arctic is considerably lower than in the Baffin. In 1984 it was estimated that the average trip expenditure for the

Baffin was $1,550 compared to only $455[1] for the Western Arctic. Even compared to Fort Smith, which is a road accessible region, the Western Arctic's travel expenditure is lower (i.e. $565 for Fort Smith compared to $455 for Western Arctic).

A more recent estimate for Western Arctic visitor expenditure indicates that for 1986 the average visitor expenditure to the Western Arctic was $569.87 for pleasure travel.[2] While the per trip expenditure has increased since 1984, it is still low relative to other NWT regions, particularly in the cases of the Baffin ($1,690) and the Keewatin ($1,357) in 1986.

Dempster Pleasure Travelers Account For 61.4% Of Tourism Trips To The Western Arctic. But Only 13.9% Of Total Expenditure Captured By The Western Arctic% Industry

For 1986, the value of tourism, in terms of trip expenditure, for the Western Arctic was $3,590, 181.[2] Pleasure travel on the Dempster was estimated to be 3,870 person trips or 61 .4% of all trips captured by the Western Arctic. However the average trip expenditure for Dempster pleasure travel is very low at only $150.00 per visitor. Only 18% of Dempster road travelers stay *in* hotel/motel accommodation. The average length of stay of 3.1 nights is less than in the case of other NWT regions.

Lastly, unlike the Baffin and Keewatin, there has been very limited development of packaged tour products in the Western Arctic. Package tours generally result in much higher trip expenditure.

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1 Source: Visitors to the NWT, 1984.

2 Western Arctic Tourism Strategy (6, 300 trips x average trip expenditure of $569.87).

Clearly, one of the principal objectives of a tourism strategy for the Western Arctic would be to improve the expenditure impact of Dempster Highway visitors.

The Market Origin Of Travel To The Western Arctic Is Segmented By The Transportation Service Available

Based on the surveys of air and road travelers, the following table indicates that the origin of road and air travelers vary significantly.

Air travelers to the Western Arctic are mainly Canadian visitors (90%) with Alberta and Ontario representing the key travel markets. While 58% of road travelers to the Inuvik region are Canadian, the U.S. market is significant at 38% of visitors. Alaska and Texas represent the most significant U.S. markets.

TABLE 56

Origin of Travel To the Western Arctic

	1984 - Air	1985 - Road
Canada		
British Columbia	14%	20%
Alberta	45%	12%
Saskatchewan	1%	2%
Manitoba	3%	3%
Ontario	20%	7%
Quebec	2%	1%
Maritimes	1%	2%
Yukon	4%	11%
Total	90%	58%
U.S.A.	7%	38%
Other	9%	4%

The Western Arctic currently serves two different markets which are segmented by the type of transportation service available - air transportation and road transportation via the Dempster Highway.

The immediate and long term development potential for the Western Arctic is largely associated with the Dempster. In the case of the Dempster the pleasure travel market profile is developing a similar pattern to that of the Yukon's where U. S. visitors represent the largest market segment. However, it is unlikely that the U.S. market will be as significant, as in the Yukon's case. Alaska is often the real destination particularly for American visitors who are largely passing through the Yukon.

Marketing the Dempster should be done in co-operation with Yukon Tourism and the development of joint marketing programs. The Dempster travel corridor could be marketed as an alternative to the Yukon-Alaska travel corridor linking Whitehorse - Dawson - Fort McPherson and Inuvik.

For air pleasure travelers, largely due to cost. tourism will have to be much more product specific and packaged. However, there could be opportunities to eventually develop fly-drive-fly packages for tours of the Western Arctic and Yukon.

The Western Arctic Currently Attracts
A 'Low Spend" Touring Market Segment

The following table is taken from a 1985 exit survey of Dempster Highway Travelers. The activities participated in by tourists are typical of a touring market segment. Camping is the principal activity and is also the principal reason for the low expenditure impact of existing tourism travel to the Western Arctic. The second major activity is shopping for crafts. This represents a potential opportunity for the area's crafts industry. However, current problems related to the production and supply of crafts in the area have resulted in the Western Arctic not being able to fully exploit the potential of tourist demand for crafts.

TABLE 57

Dempster Highway Travelers Participation In Activities

Activity	Number of Participating Parties
Camping	71
Shopping for Crafts	63
Visiting Museums/Historic Sites	51
Nature Study	37
Fishing	22
Hiking	12
Festivals/Local Events	11
Business	10
Visiting Friends/Relatives	9
Flying	7
Sightseeing	4
Swimming	3
Canoeing	3
Driving	2
Photography	1

Source: Dempster Highway Exit Survey, 1985.

9.3 Market Potential For Western Arctic Pleasure Travel Products

9.3.1 -- Introduction

At present the Western Arctic's tourism industry is characterized by a reasonably high volume of tourism travel but with a relatively low expenditure impact. Inuvik has been the principal destination for tourism travel. This is largely the result of Inuvik being the northern terminus for the Dempster Highway, which accounts for the principal source of tourism pleasure travel to the Western Arctic.

The following sections examine the Western Arctic's travel products in more detail.

9.3.2 — Western Arctic Pleasure Travel Products

Table 58 displays the distribution of Western Arctic travel by product type.

This table clearly indicates that the Western Arctic's tourism industry is dominated by the touring market, which accounts for almost 90% of tourism travel to the Western Arctic. However, in terms of the value of tourism expenditure to the Western Arctic economy, it is much lower than the outdoor/adventure travel market.

9.3.3 — Market Potential

Table 59 compares the Western Arctic's current tourist visitation against the potential North American market available for the NWT, which was identified in a previous section dealing with a Territorial overview. The table provides a measure of market potential available to the Western Arctic.

TABLE 58

Distribution of Western Arctic Travel By Trip Type
1986

	No. of Person Trips	%	Trip Expenditure	%
Touring Market				
• Car/RV	3,290		$ 493,500	
. Bus	580		$ 87,000	
. Air	1,769		$ 601,460	
TOTAL	5,639	89.4%	$1,181,960	36.2%
Outdoor/Adventure				
Consumptive				
• Hunting	234		$1,570,000	
. Fishing	377		$ 498,000	
TOTAL	617	9.8%	$2,068,000	63.4%
Non-Consumptive				
. Adventure Travel	50	.8%	$ 14,000	.4%
TOTAL	6,306		$3,263,960	

Source: Western Arctic Tourism Strategy, Draft, 1987.

TABLE 59

Market Potential for **Baffin** Pleasure Travel Products

	Potential North American Market for NWT	Current Western Arctic Pleasure Travel	Penetration Rate
Non-Consumptive Outdoor/Adventure Travel	**46,600**	**50**	**.1%**
General Touring	**15,727**	**5,639**	**35.8%**
Consumptive Outdoor/Adventure Travel (Hunting Only)	**11,240**	**617**	**5.5%**
Total	**73,547**	**6,309**	**8.6%**

The Western Arctic is having its greatest success in capturing the NWT's market potential for general touring. This is largely the result of the Dempster Highway. Secondly the Western Arctic is viewed as being distinctively different than the Yukon. The Dempster Highway Exit Survey identified the following four major differences as noted by tourists when comparing the Yukon and the NWT:

Differences Between The NWT and The Yukon As Noted By Dempster Highway Tourists

Terrain	**78.5%**
Vegetation	**53.3%**
People	**29.0%**
Wildlife	**15.0%**

A particularly encouraging statistic was that almost half (43%) of those interviewed indicated that they would revisit Inuvik again. A full 91% indicated that they would consider a future trip to the NWT.

The Western Arctic has a very low market penetration in the outdoor/adventure travel market. This is particularly the case with non-consumptive products where the Western Arctic has had virtually no market penetration.

While the Western Arctic's immediate market potential lies with the Dempster and the general touring market, a tourism strategy for the region should also concentrate on the development of outdoor /advneture travel markets. This should be done for two reasons. Firstly, the Yukon has not really developed its outdoor/adventure market. Their industry relies heavily on the bus and independent touring markets. As a result, the Western Arctic can continue to build on its distinctiveness with adventure travel products that would further enhance its image relative to the Yukon, as well as offering a broader product range. Secondly, as noted previously outdoor/adventure tourism products as more "higher-valued" than touring markets in that the expenditure impact is much higher.

9.4 Western Arctic Tourism Industry - Supply Side

9.4.1 — Introduction

This chapter examines the supply side of the Western Arctic's tourism industry -- its accommodation, transportation and tourist services.

In developing a base line of information of the Baffin's current tourism industry and infrastructure the following documents were reviewed:

- Tourism and Parks Data
- Western Arctic Tourism Strategy - Phase 3.0

9.4.2 — Hotels/Motels

There are fourteen hotels or motels in the region, the majority of which are centred in Inuvik and Tuktoyaktuk. Total capacity for the 14 hotels is 501 beds. Table 60 lists the facilities, their location and maximum capacity.

Clearly Inuvik has the greatest room capacity to support tourist visitation requiring accommodation, accounting for 60% of the Western Arctic accommodation capacity. In addition Inuvik has two nearby campgrounds.

TABLE 60

Western Arctic Hotels/Motels
By Location and Capacity

Hotel /Motel	Location	Bed Capacity
McLeods Motel	Aklavik	10
Great Bear Lake Motel	Fort Franklin	12
Ramparts Hotel	Fort Good Hope	12
Bear Lodge	Fort Norman	13
Eskimo Inn	Inuvik	156
Finto Motel	Inuvik	70
Inuvik Inn	Inuvik	10
MacKenzie Hotel	Inuvik	60
MacKenzie Valley Hotel	Norman Wells	33
Norman Wells Inn	Norman Wells	32
Rayuka Inn	Tuktoyaktuk	20
Hotel Tuk Inn	Tuktoyaktuk	35
Nunuksivik Lodge	Tuktoyaktuk	14
Pingo Park Lodge	Tuktoyaktuk	24
Total		501

Source: 1987 Northwest Territories Explorer's Guide.

9.4.3 -- Lodges

There are a total of five lodges in the Western Arctic. Although there are lodges on Great Bear Lake which fall partly in the Western Arctic, these lodges are dealt with under the Northern Frontier Zone. Table 61 lists the lodges in the Western Arctic region and, where available, the total capacity.

TABLE 61

Western Arctic Lodges
and Maximum Capacity

Lodge	Capacity
Great Bear Trophy Lodge	
Colville Lake Lodge	10
Drum Lake Lodge	
Eskimo Lake Fishing Lodge	16
Sitidgi Lake Fishing Lodge	6

Source: 1987 Northwest Territories Explorers' Guide.

Comparatively, there has been a lower development of lodges in the Western Arctic than in other zones. Big River has 11 lodges, Northern Frontier 19 and the Keewatin 14. The sale of sportfishing licenses to non-residents in the Western Arctic, as shown in the following table is also comparatively lower. Given the level of visitation to the Western Arctic, (it is the second most popular tourist destination in the NWT) this is somewhat surprising.

TABLE 62

Comparison of Non-Resident Fishing Licenses Sales
1985

	Canadian	International	Total
Fort Smith	2,805	2,613	5,418
Keewatin	419	695	1,114
Baffin	528	108	636
Western Arctic	418	187	605
Arctic Coast	159	23	182

All Western Arctic lodges are "fly-in" lodges. Based on information gathered as part of the Western Arctic Tourism Strategy, all Western Arctic lodges are experiencing low occupancy levels with one lodge in receivership and another largely inoperable. There were only 320 guests accommodated at Western Arctic lodges during the 1986 season, of which 285 were accounted for by one property. By all accounts, the region's lodge industry is in real difficulty.

9.4.4 -- Transportation

The Western Arctic is comparatively well served by transportation services, being both road (Dempster Highway) and air accessible. Canadian Airlines offers jet service to the communities of Norman Wells and Inuvik.

Charter air services are a critical linkage in transporting tourists out of Inuvik to other destination areas in the Western Arctic. In two cases, there has been excellent success with chartered flight service. Antler Aviation and

Aklak Air flew an estimated 2,000 tourists in 1986 out of Inuvik to the communities of Tuktoyaktuk and Aklavik. This service benefits Inuvik as well as Aklavik and Tuktoyaktuk as a day trip to these communities usually means another night stay in Inuvik.

There are three vehicle rental outlets located in various communities in the Western Arctic. Boat rentals and sightseeing bus rentals are provided by a total of five separate companies. Table 63 indicates the name and location of vehicle rental firms in the Western Arctic.

TABLE 63

Western Arctic
Transportation Services

Name	Location
Vehicle Rentals	
Tilden Rent-A-Car	Inuvik
Norman Wells Transportation	Norman Wells
Tuk Enterprises	Tuktoyaktuk
Boat Rentals	
Great Bear Co-op	Fort Franklin
Inuvik Marina	Inuvik
Tuk Tuk Tours	Tuktoyaktuk
Charter and Sightseeing Buses	
Inuvik Charter Bus Service	Inuvik
Tuk Enterprises	Tuktoyaktuk
Tuk Tuk Tours	Tuktoyaktuk

Source: 1987 NWT Explorers' Guide.

Table 64 indicates that the average number of vehicles available for rent per facility is 2 cars; 9 two wheel drive trucks; 4.5 four wheel drive trucks. None of the respondents indicated that motorboats, canoes and snowmobiles were available for rent.

The average daily rate for the rental of cars is $55; two wheel drive trucks $45 and four wheel drive trucks $58.

The capacity utilization rate was provided by only one respondent. Truck rental utilization was 70% while car rental was only 10%.

All vehicle rental outlets accept credit cards and are open year round. Overall 3 permanent and 1.5 temporary jobs are provided by vehicle rental agencies.

TABLE 64

Summary of Results From
The Vehicle Rental Survey
In the Western Arctic

Type of Vehicle	Average Number	Average Daily Rate	Capacity Utilization
Cars	2	$55	10% *
2 Wheel Drive Trucks	9	$45	70% *
4 Wheel Drive Trucks	4.5	$58	70% *
ATV	n/a	n/a	n/a
Snowmobiles	n/a	n/a	n/a
Motorboats	n/a	n/a	n/a
Canoes	n/a	n/a	n/a

Number Surveyed	2
Credit Cards Accepted	100%
Open Year Round	100%
Upgraded Fleet in the Last 5 Years	100%
Temporary Employees	.5 person
Permanent Employees	1.0 person

Note: n/a - not applicable
* - only one response

9.4.5 -- Outfitting and Guiding

There are nine outfitters currently operating in the Western Arctic providing a variety of services and day tours. In addition, there are four operations providing class A hunting guides. Table 65 presents a list of outfitters and indicates the services they provide.

Hunting in the Western Arctic takes place in Beaufort and Bear areas. While only 234 hunters visited the Western Arctic, they accounted for half of the total tourism expenditure accounted for by the region. Hunting packages cost between $10,000 and $15,000 for a 10 day trip. The principal market is the U.S. where hunters are not price conscious.

9.5 Product Development Strategy

9.5.1 — Introduction

At the present time the Western Arctic is currently developing a tourism strategy. While this project is not complete, some key findings are emerging from initial draft reports prepared by the consultants who are undertaking this assignment. These findings along with our own observations have formed the basis for conclusions and recommendations regarding product development for the Western Arctic's tourism industry.

9.5.2 -- Development Concept

Inuvik is the primary destination for tourist travel to the Western Arctic. As a result, a tourism strategy for the

TABLE 65

Western Arctic Outfitters

Outfitters	Activity
Arctic Red River Outfitters	• cross-country skiing • river rafting
Beluga Tours	. fishing . camping . trapping . sightseeing tours
Dempster Patrol Outfitters	. fishing • sightseeing . boat tours
Guided Arctic Expeditions	. photo safaris . polar bear hunts
Inuvik Marina Outfitting	• boat tours
Tuk Tuk Tours	. fly-in fishing . dog sled trip . culture tours
Fort Good Hope Hunters and Trappers Association	. fishing . hiking . river tours
MacKenzie Mountains Outfitters	. recreational activities in the mountains
Wil-ton Boat Charters	• boat charters

Hunting (Class A)

- Arctic Red River Outfitters Ltd.
- Gana River Outfitters
- MacKenzie Mountain Outfitters
- Ram Head Outfitters

Hunting (Class C)

- Guided Arctic Expeditions

Western Arctic must also address an important regional issue of creating a better balance of tourism development opportunities throughout this region, particularly at the community level. As well, Inuvik itself does not really have the range of nearby natural attractions that could increase the length of stay for visitors to the Western Arctic. A tourism development strategy for the Western Arctic should be based on a "hub and spoke" concept with Inuvik being the hub with linkages being developed to other communities and attractions in the Western Arctic. Not only would this approach provide a foundation for a better distribution of tourism benefit for the region, it would also increase the value of trip expenditure of the region. As noted in previous sections the Western Arctic has a comparatively high volume of tourists but tourism expenditure impact is low.

There are three tourism destination areas in the Western Arctic:

Delta Area:

- Inuvik
- Aklavik
- Fort McPherson
- Arctic Red River

Beaufort Area (Arctic Coast)

- Paulatuk
- Sachs Harbour
- Tuktoyaktuk

Bear Area

- Norman Wells
- Fort Franklin
- Fort Norman
- Fort Good Hope
- Colville Lake

Inuvik is the primary staging area for tourist visitation to the Delta area as well as the entire Western Arctic. Although Fort McPherson is the first community encountered by tourists entering the NWT in the Dempster, it does not have range of services for tourists that can be found in Inuvik. However, there are opportunities for Fort McPherson to service tourists with campground accommodation, food and automotive services. At present tourist services such as hotel and restaurant are limited in Aklavik (no restaurants) and Arctic Red River (no fixed roof accommodation). As a result these communities represent day-trip tour opportunities that would be chartered out of Inuvik. Aklavik has excellent potential for hunting and camping trips to the Richardson Mountains. This will require the further development of outfitting services.

The Beaufort area provides an opportunity for travelers to visit the Arctic Coast. There has been excellent success in developing day-trip charters out of Inuvik to Tuktoyaktuk. There are opportunities to view whales, wildlife, boat tours as well as visiting Pingos Park. The Beaufort has excellent potential for outdoor/adventure package tour development.

The Bear area is largely centered on Norman Wells which functions as a staging area for the region. The region also includes Great Bear Lake which has an excellent reputation for trophy fishing. An opportunity exists to develop the Canol Heritage Trail as a destination attraction. The Canol Heritage Trail has the potential to be recognized internationally for hiking and backpacking.

9.5.3 — Development Constraints and Opportunities

9.5.3.1 — Constraints

There are a number of constraints currently impacting on the development of the Western Arctic's tourism industry.

A Virtual Absence of Packaged Tours

Other regions in the NWT such as the Baffin and Keewatin have found that packaged tours present the most viable mechansim through which to develop their respective industries. Packaged tour products have been slow to develop In the Western Arctic. Packaged touring products will be essential to the development of linkages between Inuvik, the primary tourist staging area and other destination areas in the Western Arctic. They will also greatly enhance a more product specific image for the Western Arctic.

A Lack of Destination Attractions and Services in Inuvik

While the Dempster has been the principal source of tourist travel to the Western Arctic, the highway has experienced very limited growth in tourist travel. This could be a function of limited or lack of market awareness. Future growth in travel on this highway corridor is linked with Yukon's touring market. The Western Arctic is competing with other destination areas such as Dawson City, Whitehorse, Kluane National Park in the Yukon, Dehali National Park in Alaska.

At present signage, visitor information and visitor services are poorly developed for both the Dempster and Inuvik. As a result, at this phase in the development of the Western Arctic's tourism industry it is the Dempster Highway and not necessarily the Western Arctic that is the attraction for visitors.

There is no visitors centre in Inuvik. Compared to Whitehorse and Dawson, Inuvik is physically less attractive. There is also lack of programs, activities and events for tourists in Inuvik. There is no meaningful interpretation of Western Arctic's culture, history and natural attractions. Lastly, as indicated previously there has only been limited development of package tours available to visitors who may be interested in tours to other parts of the Western Arctic.

An Apparent Lack of Focus and Co-ordination in Marketing Western Arctic Tourism Products

A recent study to assess the potential in the Western Arctic for packaged tour programs[1] identified a number of problems related to the delivery of tourist programs/products. This study pointed out that there was "no effective structure to co-ordinate the organization, presentation and marketing of the region as an entity or, for that matter, any of its disparate components". This observation is not entirely true as the Western Arctic Visitors Association does exist for that very purpose. However, the observation relates more to delivery rather than to structure. Marketing and delivery of tourism products depends on co-ordination - the co-ordination of transportation, accommodation, information and interpretation of a destination theme or area that is marketed to a

[1] Western Arctic - Product and Market Analysis - Marketing Recommendations, Consensus Canada

"qualified" target market (i.e. a market that has already been identified as having some interest in traveling to the region or area). At this phase in the development of the Western Arctic's tourism industry, marketing efforts appear to be largely focussed on visitors who have already arrived in the area. For example, while two local chartered air services company have achieved some success with chartered packages from Inuvik to Aklavik and Tuktoyaktuk, these products are largely marketed to visitors who have already arrived in Inuvik. While this kind of programming has improved linkages between Inuvik and other destinations, as well as improving the length of stay and visitor expenditure impact, they are totally dependent upon visitors who have already arrived via the Dempster. These services are not part of a pre-packaged product that is sold outside the Western Arctic.

Unlike the Baffin and Keewatin, the Western Arctic has not developed specific themes and destination packages that are marketed to qualified market segments. This will require the development of general and special interest packages built around events, activities and attractions that are available for tourists in the Western Arctic.

9.5.3.2 — Opportunities

While the Western Arctic is the NWT's second most popular travel region it has experienced little growth in the actual volume of tourists. Tourist travel on the Dempster Highway has been approximately 4,000 visitors a year since 1982 with virtually no growth. Air travel has actually been declining. In addition, tourism travel related to the region's fishing products appear to be in decline.

The Western Arctic has all the signs of a stagnating tourist industry. This may have been due to the region's reliance on the oil and gas industry as the "prime engine" for economic growth. As a result there has been less interest in tourism. In the cases of the Baffin or Keewatin there has been little mineral development activity and as a result there is much more focussed attention on tourism as an industry sector to stimulate regional economic development.

Organizationally the Western Arctic has not reached the same level as the Keewatin or Baffin in terms of the region's approach to tourism industry development. The virtual absence of packaged tours attests to this. At the same time the Western Arctic has a number of strengths upon which to build a tourism industry. The region is accessible by both road and air and existing tourist traffic volume is considerably higher than either the Baffin and Keewatin. Further, the Western Arctic is located within close geographic proximity to the large Yukon-Alaska travel market.

The Completion of the Western Arctic Tourism Strategy Should Enhance the Focus and Co-ordinate Tourism Development in the Western Arctic

For both the Baffin and Keewatin the current level of industry organization, marketing and strategic approach towards the development of tourism, were preceded by tourism strategies. Often it is the exercise of preparing a tourism strategy and not necessarily the end product that proves to be of significant benefit for a region. The industry begins to see itself as an" industry. Strategically, themes and destination area strategies are formulated. The industry begins to critically assess what it has to sell and identify where facility development and services will be necessary to capture visitors and visitor expenditure. The strategy also examines the linkages that are necessary between the market and the various product components such as transportation, accommodation, visitor services, attractions and events to produce marketable tourism products.

The Western Arctic Can Present Itself As A Unique Destination Alternative to the Yukon and Alaska

While tourist travel on the Dempster has shown little new growth, the Dempster does represent an important transportation attraction on which to build long term growth for the Western Arctic's industry in the same way that the Alaska Highway has built the Yukon-Alaska tourist industry. The following table provides a comparison between the Yukon's travel industry and tourism travel associated with the Dempster:

TABLE 66

Comparison of Yukon Tourist Industry and
Dempster Highway Travel Captured
In the Western Arctic - 1986

	Yukon	Western Arctic Dempster Highway
Total Person Trips	486,403 *	4,300 **
Market Origin		
- Canada	26.0%	58.0%
- Us.	65.0%	38.0%
- Other Intern.	9.0%	4.0%
Total Tourist Expenditure	$91,236,400	$900,635

* Source: Yukon Industry Tourism Highlights - Government of the Yukon.

** Dempster Highway Exit Survey, 1985.

At the present time travel volume and expenditure on the Dempster is equivalent to just under 1% of travel volume and expenditure captured by the Yukon.

It would not be unreasonable to set as a longer term goal that the Western Arctic capture the equivalent of 10% of current travel to the Yukon. This would mean an eleven-fold increase of the current level of 4,300 person trips to 48,600 trips. The value of per person trip expenditure ($187. 57) in the Yukon is relatively low. The reason for this is that the Yukon is often a "pass-through" destination for travel to Alaska. The Western Arctic should be able to capture a much higher level of visitor expenditure than the Yukon by being a destination area. This will require the development of attractions as well as visitor services and programs that are designed to encourage a greater length of stay.

The Western Arctic should work co-operatively with the Yukon in marketing a "Canadian" alternative for northern tourist travel, promoting visitation to the Canadian north and the Arctic Ocean. It could be effectively argued that joint Western Arctic-Yukon promotions would also benefit the Yukon as it would result in a higher visitor expenditure impact than in the case of Yukon-Alaska tourist travel.

The Western Arctic Can Achieve Substantially Greater Market Penetration In the Outdoor/Adventure Market

As shown in the following table, the Western Arctic has performed relatively poorly in the outdoor/adventure market when compared to other NWT regions. Given transportation services and the available resource base the Western Arctic could improve on the current low level of market penetration for consumptive tourism products. Great Bear Lake has an international reputation for trophy fishing.

TABLE 67

Comparison of NWT Region
Outdoor/Adventure Travei - 1986

	Consumptive Fishing/ Hunting	%	Non-Consumptive Adventure **Travel**	%	**Total**	%
Fort Smith	4,000	69.9%	5,000	80.7%	9,000	75.5%
Baffin	200	3.5%	700	11.3%	900	7.6%
Keewatin	708	12.3%	45	0.7%	752	6.3%
Western Arctic	617	10.8%	50	0.8%	667	5.6%
Arctic Coast	200	3.5%	400	6.5%	600	5.0%
Total	5,725	100.0%	6,195	100.0%	11,920	100.0%

The Western Arctic should be able to substantially improve its impact in the adventure travel market. There are a number of products that could be developed for this market. Examples include:

. Hiking and Backpacking on the Canol Heritage Trail

. Treking the Richardson Mountains

. Field Study Trips to Pingos Park

. Boat Trips on the MacKenzie

. Arctic Wildlife Photo Safaris

. Naturalist Lodge Development

• Naturalist Trips to Herschel Island and Banks Island

. Arctic Ocean Coastal Touring

. River Rafting/Zodiac Adventure Products

9.5.4 -- Product and Facility Development

The following table presents projected demand by product/market segment, as determined in a recent draft of the Western Arctic Tourism Strategy.

As indicated previously the market potential is clearly there for the Western Arctic to achieve the projected visitation shown in Table 68. At present the Western Arctic is capturing 35% of the NWT's market potential for general touring. Even at 6,870 trips, this would equate to 43.7% of the poten-

TABLE **68**

Market Projection For Western Arctic Travel Products
Western Arctic Tourism Strategy
1987-1993

	1987	1992	% Increase 1987 - 1992
General Touring (Dempster)	3,720	6,870	84.7%
Outdoor/Adventure (Consumptive)			
. Hunting	**240**	**460**	**91.7%**
. Fishing	**377**	**900**	**175.1%**
(Non-Consumptive)			
. Adventure Travel	**50**	**1,430**	**2,760.0%**
Other	**750**	**960**	**21.9%**

Source: Western Arctic Tourism Strategy (Draft), 1983

The second largest tourism trip potential for the Western Arctic is the adventure travel market. The potential market for non-consumptive outdoor/adventure travel to the NWT was estimated to be 46,600 trips. Even at a projected demand by 1992 of 1,430 trips, the Western Arctic would be capturing only 3. 1% of the NWT's potential. In terms of actual expend- iture impact, the outdoor/adventure travel market results in much higher visitor expenditure. As a result, the adventure

that the Western Arctic had experienced comparatively poor market penetration relative to other zones. The market projection of 900 trips for the Western Arctic's fishing products is 2.4 times the current number of trips captured.

In order to achieve the market potential identified for the Western Arctic, new initiatives will have to be undertaken in both marketing and product delivery. These kinds of initiatives are currently being prepared for the Western Arctic as part of a tourism strategy. While only at the draft stage, a number of specific projects have been identified for implementation. Figures 1 through 3 contain an inventory of suggested development proposals for each of the three principal destination areas in the Western Arctic. It should be recognized that a number of the project proposals would require feasibility analysis. Further, the implementation timeframe is 1988 to 1993.

We have grouped each proposal by destination area and by market/product segment as well as by the principal source of investment (i.e. public sector driven or private sector driven investment) . Our intent is not to comment on or evaluate all of these proposals as to their feasibility. The analysis undertaken here is in relationship to market opportunities as identified earlier. Where possible we have highlighted what would be considered to be projects that are more critical to realizing the Western Arctic's tourism potential.

FIGURE 1.0

Delta Area - Tourism Product Facilities and service Development Profiles (1988-1993)

	Touring		Outdoor/Adventure	
Area/Community	General 1 nterest Capital Investment ($000's) (Public/Private)	Special Interest Capital Investment ($000's) (Public/Private)	Consumptive Capital Investment ($000%) (Public/Private)	Non-Consumptive Capital investment ($000's) (Public/Private)
Inuvik				
• Western Arctic Visitor Centre	2,075 Pub			
• Cruise Boat		315 Priv		
• Boat Tours		40 Priv		
• R.V. Campground	1, 150 Priv			
• Seasonal Accom.	110 Priv			
• Downtown Revitalization	1,100 Priv			
• Native Heritage Attraction		955 Pub		
• Waterfront Devel.		200 Pub		
• Tourism Activities	95 Pub			
• Inbound Tour Operation			------------110 Priv ------------	
• Campbell Hill/ Park				320 Pub
Aklavik				
• Knute Lang Camp				140 Priv
• Wilderness Tour Outfitter				75 Priv
• Herschel Island Tent Camps				100 Priv
• Arts & Crafts Prod.		70 Priv		
• Mad Trapper Museum		250 Pub		
• Sport Hunts			150 Priv	
• Dock Area			-------------50 Pub-------------	
Fort McPherson				
• Visitor Service Area	455 Priv			
• Museum		380 Pub		
• Campgrounds (2)	880 Priv			
• Red River Tours		40 Priv		
• Arts & Crafts Prod.		40 Priv		
• Community Host Tours		60 Pub		
• Sports Hunting Outfitter			90 Priv	
Arctic Red River				
. Road Side Beds	205 Pub			
. River Tour		65 Priv		
. Community Tours	20 Pub			

FIGURE 2.0

Arctic Coast Area - Tourism Product Facilities and Service Development Profiles (1988-1993)

Area/Community	Touring: General Interest Capital Investment ($000's) (Public/Private)	Touring: Special Interest Capital Investment ($000's) (Public/Private)	Outdoor/ Adventure: Consumptive Capital Investment ($000's) (Public/Private)	Outdoor/ Adventure: Non-Consumptive Capital Investment ($000's) (Public/Private)
Sachs Harbour				
. Banks Island Outfitters				485 Priv
. Museum		45 Pub		
. Community Host	60 Pub			
. Community Activities	25 Pub			
Paulatuk				
. Sports Outfitter			110 Priv	
. Arts & Crafts Prod.		150 Priv		
. Fish Camp			725 Priv	
Tuktoyaktuk				
. Tour Boat	80 Priv			
. Community Host	90 Pub			
. Tourist Activity Area	270 Pub			
. Arts & Crafts Prod.		215 Priv		
. Tour Outfitters				75 Priv
. Road Access to Pingos				270 Pub
. Fishing Lodge			410 Priv	
Total investment				
PUBLIC	445	45	0	270
PRIVATE	80	365	1,245	560
TOTAL	525	410	1,245	830
	935		2,075	
	3,010			

FIGURE 3.0

MacKenzie Area - Tourism Product Facilities and Service
Development Profiles (1988-1993)

	Touring		Outdoor/Adventure	
Area/Community	**General Interest Capital Investment ($000's) (Public/Private)**	**Special Interest Capital Investment ($000's) (Public/ Private)**	**Consumptive Capital Investment ($000's) (Public/Private)**	**Non-Consumptive Capital Investment ($000%) (Public/Private)**
Norman Wells				
. MacKenzie River Tours		120 Priv		
. Fishing Lodge			435 Priv	
. Canol Trail Devel.				725 Pub
. Community Host	95 Pub			
. Visitor Centre/ Museum	475 Pub			
. Canol Train Outfitter				125 Priv
Fort Good Hope				
. MacKenzie River Tours		100 Priv		
. Community Activities	65 Pub			
. Arctic Red River Outfitters			590 Priv	
. Dene Cultural Centre		535 Pub		
Fort Norman				
. Big Game Outfitting			860 Priv	
. Canoe Trip Outfitters				110 Priv
Fort Franklin				
. Fishing Lodge			810 Priv	
. Hotel Exp.	150 Priv			
. Fort Franklin Restoration		155 Pub		
. Arts & Crafts Prod.		40 Priv		
. Hunting Outfitters			110 Priv	
Colville Lake				
. Lodge Acquisition			745 Priv	
Total Investment				
PUBLIC	635	690	0	725
PRIVATE	150	260	3.550	235
TOTAL	785	950	3,550	960

1,735 (Touring) **4,510** (Outdoor/Adventure)

6,245

TABLE 69

Western Arctic Tourism Strategy
Summary of Tourism Product, Facility and
Service Development Proposals (1988-1993)
($000's)

	Touring Market Product Development		Outdoor/Adventure Product Development		Total
	General Interest	Special Interest	Consump.	Non-Consump.	
Delta Area					
Public Investment	$2,375	$ 645	$ 25	$ 320	$ 4,365
Private Investment	$3,715	S 828	$ 295	$ 395	$ 5,233
Total	$6,090	$2,473	$ 320	$ 715	$9,598
Arctic Coast					
Public Investment	$ 445	$ 45	$ 0	$ 560	$ 1,020
Private Investment	$ 80	$ 365	$1,245	$ 270	$ 1,980
Total	$ 525	$ 410	$2,075	$ 830	$ 3,010
MacKenzie Area					
Public Investment	$ 635	$ 690	$ 0	$ 725	$ 2,050
Private Investment	$ 150	$ 260	$3,550	$ 235	$ 4,195
Total	$ 785	$ 950	$3,550	$ 960	$ 6,245
Total Pub. Invest.	$3,455	$2,380	$ 25	$1,605	$7,435
Total Priv. Invest.	$3,945	$1,453	$5,920	$ 900	$11,408
TOTAL 1 NVESTMENT	$7,400	$3,833	$5,945	$2,505	$18,853

At 18.8 million dollars, the tourism product investment proposals suggested by the Western Arctic Tourism Strategy are a major undertaking. While $7.4 million is publicly driven investment, it should be noted that a number of private sector investment proposals will require government agency incentives. The most likely available capital source is the Canada-NWT Tourism Agreement. However this Agreement has a total expenditure budget of $12 million for the entire NWT over a three year period. As a result the investment program suggested will have to be trimmed significantly. Given this, both viability and priori zation will be important in selecting specific investments.

Almost 60% of the project proposals are directed towards capturing the touring market segment and are concentrated in the community of Inuvik. However, it would be argued that the $2. o million visitor centre recommended for Inuvik will be of benefit to the entire Western Arctic. While general touring currently is the Western Arctic's largest market, the outdoor/adventure market has stronger growth potential and greater visitor expenditure impact which also translates into higher employment benefits for Western Arctic residents. In particular, the non-consumptive adventure travel market shows the strongest potential for new market penetration for the Western Arctic. As a result product development proposals for the adventure travel market should be priorized to a greater extent.

The proposed investment mix on a regional basis is a good match with each region's strengths and overall theme for market development. The Delta Area is principally a touring market destination. As a result, the emphasis on capital development is for facilities/products required by the general touring market. For both the Arctic Coast and MacKenzie

Areas their strengths lie in the outdoor adventure market. The following sections examine some of the individual project proposals at the regional and destination area level.

Delta Area

Clearly for both the Delta area and Western Arctic, Inuvik should be an initial priority for product and facility development. As identified in the draft Western Arctic Strategy, a visitor centre should be built in the community.

There is currently no identifiable information centre in Inuvik, or for that matter in the Western Arctic, to service tourist inquiries or to interpret the MacKenzie Delta area and the Western Arctic. The cost of such a facility is estimated to be $2 million.

In addition to serving as a visitor interpretive and service centre the facility would contain a small A-V theatre, resource library, WAVA offices and sales /orientation area for package tour operators. The facility should also be used for events and interpretation of the Western Arctic's Dene, Metis and Inuit cultures.

In addition to an attractive visitor centre, the community of Inuvik needs to undertake a redevelopment of its downtown business district. Inuvik, as a primary destination area, will be compared to Whitehorse and Dawson City. At present, Inuvik does not compare favorably with these other communities in terms of aesthetics. Many southern communities have revitalized their downtowns through a concept of Business Improvement Districts. This concept centres on the cooperation of businesses to conform to design standards for store and business fronts. In some cases the municipality matches expenditures made by the businesses with street improvements, benches, signage, lighting and sidewalk improvements. This can be done through special levies agreed to by businesses or a combination of grant/levy. Normally, a design consultant and engineering firm is retained to provide a redevelopment concept, theme and design guidelines.

Other facility and product suggestions for Inuvik include an R. V. campground and boat tours of the MacKenzie. Art attractive, well planned and serviced R.V. park is needed close to Inuvik to accommodate existing and projected increases in RV traffic on the Dempster Highway. There is an immediate opportunity for small craft rentals and guided tours of the MacKenzie. However, a separate feasibility study would be necessary to assess the viability of larger boat tours.

Lastly Inuvik needs to develop a summer program for events and festivals that would be of interest to tourists. This could include events such as a Mad Trappers's Festival or Native Summer Games.

It is suggested that an inbound tour operator be established in Inuvik for the purpose of coordinating and promoting package tours for the Western Arctic. The operator would principally coordinate and sell outdoor adventure products. This is an excellent idea. However we would suggest that there be even more structure with the formation of a tour company that represents operators throughout the Western Arctic. It could be organized as a cooperative tour company with a manager that would eventually have offices in the new Inuvik Visitor Centre. The manager would be responsible for both the promotion and marketing of the Western Arctic's packaged tour products. Individually, most of the Western Arctic's operators do not have the financial resources to market their products . By pooling their collective marketing expenditures under one cooperative, they could achieve substantially greater "bang for the buck".

There are also additional benefits to the creation of a Western Arctic tour company. It could be organized by product line representing hunting/fishing, non-consumptive adventure products or culture/history by geographic region (Delta, MacKenzie and Beaufort). The benefits to organizing include the establishment of a central office to provide phone answering services, administrative and accounting services. Cooperatively the outfitters could also develop new marketing approaches such as direct mail or simply follow-ups with past customers.

An association could also provide greater opportunities for training seminars and possible information/knowledge exchanges with outfitters located elsewhere in North America to discuss product delivery, equipment and market trends.

For Aklavik, it can offer packaged outdoor adventure experiences for tourists. As a result it will be important to establish a wilderness tour outfitter to deliver the kind of experiences available in the area.

A visitor service area is suggested for development at Fort McPherson. Such a concept would include retail stores, gas bar, restaurant, tire repair, arts and crafts outlet, a service bay and canvas shop . This would enable Fort McPherson to capture much greater benefit from Dempster

Highway travelers. It is a good idea to promote this as a single area specific development proposal as opposed to uncoordinated and often unattractive development of road side tourist services. Depending upon the outcome of a more detailed feasibility study, such a project should be undertaken by one developer or development corporation that would assemble the land and lease the facilities to ensure design standards as well as ensuring the proper mix of services and goods .

The single largest development proposal for Fort McPherson is an R.V. campground at Midway Lake. This would require a separate feasibility study. The development should be phased to match traffic volume increases on the Dempster.

Given the increasing level of R.V. traffic and campground facilities at Fort McPherson, there will be an opportunity to establish a modest tour operation that offers half-day to overnight tours of the area such as to an overnight camp or boat tours.

Arctic Red River has a captive market of Dempster Highway visitors who are waiting for the ferry. It would be an excellent location for an arts/crafts production and sales outlet.

Arctic Coast Area

The principal product emphasis for the Arctic Coast will be outdoor adventure products. A visitor centre should be developed in Tuktoyaktuk as a staging and interpretive centre for package tours of the area. The facility should provide office space for tour operators and provide space for interpretive displays as well as for the sale of arts and crafts.

The estimated cost for the facility is $270,000. A tour operator operating out of the visitor centre is not only essential but will also provide an excellent opportunity for the development of outfitting and guiding services for the area.

Given the national significance of the Pingos, the development of an access road at an estimated cost of $270,000 would be a good investment. It would improve the accessibility of the attraction which in turn would improve length of stay and the expenditure impact of existing and projected travel.

The development of ocean tours is potentially an excellent idea. At present there is no service available that would allow a tour group to experience the Arctic Ocean for harbour tours or whale watching. A feasibility study would be necessary to determine the operating and financial viability of such a proposed development.

Like Tuktoyaktuk, Sachs Harbour would principally address the non-consumptive outdoor/adventure market. Banks Island, which has an international reputation, presents an excellent opportunity for wildlife viewing and photographic safaris. It will require the development of outfitting services and equipment along with aggressive marketing.

Paulatuk would address the consumptive outdoor/adventure market with the development of sport hunt outfitting and a fish camp.

MacKenzie Area

The principal emphasis for the MacKenzie area is on the consumptive outdoor adventure market centering on big game outfitting and fishing lodge development in the Fort Good Hope, Fort Norman, Fort Franklin and Coleville Lake areas. The area has an excellent reputation for big game outfitting. The sportfishing industry in the region has been experiencing real difficulty as noted previously. The Western Arctic's sportfishing industry has not kept pace with other NWT regions and at present has very low penetration in what has traditionally been a good market for the NWT's tourism industry. A new lodge development is suggested for Fort Franklin which would realize an opportunity to capitalize on Great Bear Lake's strong reputation and "brand-name" recognition for Trophy Fishing. Other investments in fishing lodge development at Norman Wells and Coleville Lake are aimed at the purchase and redevelopment of existing facilities. The problem with the Western Arctic's sportsfishing industry is not necessarily the number of lodges but rather their utilization. As a result, an investment program of upgrading and broadening the product offer and services, along with aggressive marketing, makes considerable sense.

Norman Wells is the principal entry and staging area for the MacKenzie area. As a result, a visitor centre will be an important facility for the region. It would serve as an interpretive centre as well as staging area for packaged tours. For example, the facility would provide pre-trip orientation for Canol Trail packages and MacKenzie River tours. It would also serve as a sales/reception centre for canoe and trail outfitters.

BIG RIVER COUNTRY

10.0 BIG RIVER COUNTRY

10.1 Introduction

The Big River Zone is located in the southwest corner of the Northwest Territories. Big River is bordered by the Yukon Territory to the west and B. C., Alberta and Saskatchewan to the south. The Big River Zone encompasses the upper MacKenzie River, the Liard River, the Slave River, the southern half of Great Slave Lake, the MacKenzie Bison Sanctuary and two UNESCO World Heritage Sites: the Nahanni and Wood Buffalo National Parks.

There are 13 communities in Big River with a combined population of 9,478 people based on the 1986 census:

TABLE 70

Population of Communities in the
Big River Zone

Community	Population
Hay River	2,964
Enterprise	56
Kakisa	30
Fort Providence	588
Fort Smith	2,460
Pine Point	1,558
Fort Resolution	447
Fort Simpson	967
Nahanni Butte	84
Jean Marie River	64
Trout Lake	54
Tungsten	238
Wrigley	161
Fort Liard	395
Total	10,066

Source: 1986 Census.

Since the 1986 Census the mining communities of Pine Point and Tungsten have experienced population declines as a result of mine shutdowns. Pine Point's current population is estimated to be 500 people and Tungsten's population has dropped to 20 persons.

10.2 Existing Market Characteristics

Existing data sources provide information on the Fort Smith administrative region only and do not breakdown information into the Big River and Northern Frontier zones. However, for purposes of this analysis, data on the Fort Smith Region has been presented as in the chapter on Northern Frontier.

Visitation

The Fort Smith Region has the highest level of visitation of all the NWT's zones. Recent studies indicate that visitation has increased by 11% from 1982 to 1986.

TABLE 71

Total Person Trips to Fort Smith Region

	1982	1984	1986
Number of Trips			
Air	19,300	14,000	21,500
Road	10,000	8,000	11,000
	29,300	22,000	32,500

	% (1982)	# (1982)	% (1984)	# (1984)	% (1986)	# (1986)
Trip Purpose						
Business	34	9,962	33	7,260	n/a	n/a
Vacation	62	18,166	58	12,760	n/a	n/a
VFR	4	1,172	4	880	n/a	n/a

Source: GNWT - Visitors to the NWT.

There is no available data or visitor surveys that would indicate the number of non-resident trips actually captured by the Big River and Northern Frontier Zones that comprise the Fort Smith Region. The Northern Frontier Zone would capture the majority of destination travel to the Fort Smith Region. In particular, the community of Yellow knife would capture the single largest number of non-resident trips. Both zones would share the road travel market to the Fort Smith Region.

Road travel is principally accounted for by the MacKenzie Highway and Highway #3 travel corridor. This travel corridor accounts for 80% (6,250 person trips) of all non-resident road travel to the Fort Smith Region. Travel on the Liard Highway is very low at under 700 vehicles (or 1,700 persons) over the summer season.

Comparatively, both zones have roughly the same number of hotel/motel rooms (392 for Big River and 415 for Northern Frontier). In fact Big River actually has more fixed-roof (hotel /motel) accommodation facilities than in the case of Northern Frontier (16 facilities versus 10 facilities for Northern Frontier). Given the similarities between the number of accommodation units between the two zones it suggests that both zones are capturing roughly similar numbers of visitors requiring overnight accommodation. However, the average size of hotel/motel facilities in the Northern Frontier Zone, which is largely accounted for by Yellowknife hotels, is twice that of Big River hotel/motel facilities.

A real difference between the two zones is lodging accommodation. The Big River Zone has a total of 13 lodges with an accommodation capacity for 180 persons compared to 21 lodges in the Northern Frontier Zone with an accommodation capacity for 461 persons.

Party Expenditure

Table 72 indicates that the value of vacation expenditure to the Fort Smith Region is less than the Baffin but greater than that of the Inuvik Region. Average trip length is 10.1 nights in the Fort Smith Region, the same as that of all of the NWT. The average travel party size is 1.8 persons, similar to 1.76 persons for the NWT as a whole.

TABLE 72

Comparison Of Average Party Vacation Expenditure and Length of Stay

	Fort Smith	Baffin	Inuvik
Average Travel Party Expenditure	$565	$1,550	$455
Length of Stay (nights)	10.1	18.8	17.5
Travel Party Size	1.8	2.5	1.6

Source: Visitors to the NWT, 1984 and 1985 Baffin Air Travel Survey.

Origin of Visitors

Approximately 90% of all visitors to the Fort Smith Region are from Canada. Alberta and British Columbia represent key markets for both air and highway travelers. In addition, Ontario represents a significant market for visitors travelling by air. Visitors from the U.S.A. represent 13% of all road travelers and 9% of air visitors.

TABLE 73

Origin of Travel to Fort Smith
1982- 1984

	1982	1984 Air	1984 Road
Canada			
British Columbia	14%	12%	16%
Alberta	49%	39%	52%
Saskatchewan	5%	3%	6%
Manitoba	4%	8%	2%
Ontario	12%	22%	6%
Quebec	2%	1%	1%
Maritimes	2%	4%	-
Yukon		1%	2%
	89%	90%	85%
Foreign			
U.S.A.	9%	9%	13?5
Other	2%		

Source: Visitors to the NWT, 1982, 1984.

The Big River Zone's Three Year Marketing Plan has identified that Western Canada (Alberta, British Columbia and the Yukon), Mid-Western and Central United States and California to be the Zone's primary markets. Secondary markets are Ontario, North Atlantic States, Texas and Arizona.

10.3 Tourism Products and Inf restructure

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. Information is presented for the Big River Zone on the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
- Attractions
- Services and Programs

10.3.1 — Accommodation

For purposes of this analysis the accommodation sector refers to lodges, motels, hotels, cabins, and other forms of accommodation. The basic level of accommodation facilities has increased only slightly since 1978. One new motel has been added as well as one lodge. Table 74 presents the number of hotels/motels and lodges operating in Big River.

TABLE 74

Big River
Number of Facilities by Type

	1978	1987
Hotels/Motels	15	16
Lodges	10	13
Total	25	29

Source: Growth in Northwest Territories Tourism Facilities; Department of Economic Development and Tourism; February, 1987.

10.3.1.1 — Hotels/Motels

There are 16 hotels and motels in the region. The majority of which are located in the larger communities of Hay River, Fort Smith and Fort Simpson. Hay River accounts for almost 60% of the total hotel/motel capacity in the Big River Zone. Table 75 lists the hotels and motels, their locations and maximum capacity.

TABLE 75

Big River Hotels/Motels
By Location and Capacity
1986

Hotel /Motel	Location	# of Rooms	Capacity
Beaulieu's Motel	Fort Resolution	4	8
Northern Lights Motel	Enterprise	14	28
Liard Valley Motel	Fort Liard	8	12
Big River Motel	Fort Providence	5	18
Snowshoe Inn	Fort Providence	35	63
Fort Simpson Hotel	**Fort Simpson**	**35**	**70**
Maroda Hotel	**Fort Simpson**	**8**	**16**
Pelican Rapids Inn	**Fort Smith**	**50**	**100**
Pinecrest Hotel	**Fort Smith**	**28**	**46**
Caribou Motor Inn	**Hay River**	**29**	**90**
Cedar Rest Motel	**Hay River**	**47**	**60**
Harbour House	**Hay River**	**6**	**12**
Hay River Hotel	**Hay River**	**22-38***	**44-76**
MacKenzie Place	**Hay River**	**20**	**40**
Migrator Motel	**Hay River**	**24**	**96**
Ptarmigan Inn	**Hay River**	**41**	**164**
Total		**376-392**	869-901

* Seasonal

A territorial-wide survey of the accommodation sector was conducted under the direction of a steering committee. The response to the survey in the Big River Zone was excellent with 16 out of 16 facilities responding to the survey. However, regarding specific questions in the survey, not all facilities answered all of the questions. As Big River has a significant number of responses to the survey, motels and hotels have been separated to avoid skewing the data unnecessarily.

Seasonality and Capacity - All hotels and 80% of motels are open on a year-round basis. Average hotel and motel capacity in Hay River is 76.9 persons; for the Big River/Fort Smith the average is 56 persons. For all other facilities, average capacity is 36 persons.

Price Structure - Respondents were asked for the price of both single and double occupancy. The average motel room rate for single accommodation is $53.83, for a shared motel room the average price is $68.06. Based on the survey, single and double occupancy hotel room rates are $58.75 and $67.50 respectively.

Occupancy Rates - Hotel occupancy in Big River averages 40% while motel occupancy is slightly higher at 55%. An annual occupancy level of 40% is low by industry standards.

Age of Facility and Renovations - Hotels in Big River Country are fairly old as the average age is 23 years. Motels are nearly half as old at an average of 12.7 years. All motels and 8 of the nine hotels that responded to this question indicated they had renovated within the last 5 years.

Gross Revenue - Average gross revenues for hotels is $1,031,600 per facility. On a per room basis, average gross revenue is $29,500. Motels have a significantly smaller level of revenue at $282,250 per facility. On a per room basis, average gross revenue for motels is $12,430.

Employment - The average number of permanent employees per hotel is 15.3; for temporary employees, the average is 7.8 persons. For motels, employees average 3.3 for permanent, and 1.3 for temporary. Overall 116.1 permanent and 54.6 temporary persons are employed in the accommodation sector in Big River Country.

Credit Cards Accepted - All hotels and 89% of motels in Big River accept at least one major credit card.

Facilities and Services - Dining facilities are provided in all hotels but only 20% of motels. The average capacity for dining facilities is for 39 persons in hotels and 27.5 in motels. Licensed dining or bar facilities are available in all hotels and in a few motels. Kitchenettes are more likely to be found in motels (70%) than in hotels (20%) in Big River.

All of the accommodation in Big River provide housekeeping services, private baths, flush toilets, hot and cold water and private showers.

Meeting Rooms - All motels and 67% of hotels provide meeting room facilities. Average capacity of meeting rooms is 78.3 persons for hotels and 37.5 persons for motels.

Table 76 presents a summary of data for hotels and motels based on the survey.

TABLE 76

Summary of Results from Hotel/Motel Survey
Big River

	Hotels	Motels
Total Surveyed	5	11
Seasonality	100%	80%
Average Capacity:		
. shared	78.8 persons	62.6 persons
. single	35.0 persons	22.7 persons
Price Structure:		
. shared/ night	$67.50	$68.06
. single/night	$58.75	$53.83
Occupancy (average)	40.0%	55.0%
Age of Facility	23	12.7
Gross Revenue:		
. average gross revenue	$1,031,666	$282,250
. on a per room basis	$ 29,476	$ 12,433
Employment:		
. permanent	15.3 persons	3.3 persons
. temporary	7.8 persons	1.3 persons
Dining Facilities	100%	208
. dining facilities capacity	39.0 persons	27.5 persons
. licensed dining	100%	22.2%
. bar/lounge facilities	100%	22.2%
. kitchenettes	20%	70.0%
Credit Cards Accepted	100%	88.8%
Services:		
. private baths	100%	100%
. flush toilets	100%	100%
. hot and cold water	100%	100%
. showers		
- private	100?J	100%
- shared	0%	0%
. maid service	100%	100%
Meeting Facilities:		
. meeting rooms provided	66.6%	66.6%
. capacity of meeting rooms	78.3 persons	37.5 persons
Renovations in Past 5 Years	100%	88.8%

10.3.1.2 — Lodges

There are a total of thirteen lodges in Big River. Total capacity for lodges in the region is 184 for the 13 lodges reporting their capacity. Table 77 lists the lodges in Big River and their total capacity.

TABLE 77

Big River Lodges and Camps
and Maximum Capacity

Lodge	Capacity
Big Pine Narrows	4
Brabant Lodge	36
Deegahni Lake Camp	10
Hanging Ice Fishing Lodge	10
Lady Grey Lake Outfitters	6
Moraine Point Lodge	15
Nonacho Lake Fishing Camp	28
North Star Resort	4
Pilot Lake Cabins	15
Rutledge Lake Lodge East	10
Rutledge Lake Lodge West	10
Thubun Lake Lodge	22
Trout Lake Dene Lodge	14
Total (13)	184

Source: 1987 Northwest Territories Explorers' Guide.

Ten of the thirteen lodges responded to the survey providing a 77% response rate.

Seasonalit y and Capacity - All of the lodges surveyed indicated that they are open on a seasonal basis. Lodges are typically open only during the spring and summer months.

The average capacity for lodges based on single accommodation is 5.8 persons. For double occupancy, average capacity is 19.1 people. The capacity of lodges is for 180 people for a total of 21,960 persons in a season from June to September.

Age of Facilities - The average age of lodges in Big River is 11 years. The average age of lodges is similar to that of motels in the region.

Employment - Lodges employ an average of 2.5 permanent employees and 4 temporary employees for a total of 32.5 permanent and 52 temporary employees. Permanent employees probably refer to regular employees who are employed year after year but work on a seasonal basis.

Credit Cards Accepted - Very few lodges in the zone accept credit cards as a method of payment. Only one of 8 respondents indicated that credit cards were accepted.

Facilities and Services - Lodge facilities are characterized by shared baths, showers, non-flush toilets and no housekeeping service. Two respondents indicated that private baths were available.

Meeting Rooms - Twenty-eight percent of lodges provide facilities for meetings and conferences. The average capacity for meeting rooms is 18 persons.

Table 78 presents a summary of data based on the survey conducted in Big River. There are presently three other lodges under development in the Zone.

10.3.2 — Food and Beverage Services

For the lounge, food and beverage sub-sector, a total of 35 facilities were interviewed to provide information on the types of facilities offered, seating capacity, banquet facilities, food prices, seasonality, age of facilities and employment data.

A 1985 Economic Baseline Study of the Fort Smith Region presented a list of businesses operating in the region. A total of 34 restaurants, cafe or bar facilities were listed in that study. With the assistance of the Department of Economic Development and Tourism, this was updated to 1987.

Table 79 lists the name, location and type of food serv ce facility located in Big River.

Based on the survey of lounges, restaurants and food serv ce facilities, the fol lowing information was gathered.

Types of Services - Almost half of ail restaurants in Big River offer full menu services to their patrons. Approximately 37% serve "fast foods". About one-third of facilities offer licensed dining. Forty percent of those surveyed provide a lounge and 11% a beverage room.

TABLE 78

Summary of Results from the Lodge Industry Survey in Big River

Total Surveyed	10
Seasonality	Spring/Summer
Average Capacity:	
. Shared	19.1 persons
. Single	5.8 persons
Employment:	
. Permanent	2.5
. Temporary	4
Dining Facilities:	12.5%
. Dining Facilities Capacity	12 persons
. Licensed Dining	25.0%
. Bar/Lounge Facilities	0.0%
Occupancy (Average)	n/a
Age of Facility	11 years
Credit Cards Accepted	12.5%
Private Baths	28.0%
Flush Toilets	1400%
Hot and Cold Water	28.0%
Maid Service	14.0%
Meeting Rooms	28.0%
Capacity of Meeting Rooms	18 persons
Showers	
. Private	14.0%
. Shared	57.0%

TABLE 79

Food Service Facilities
Located in Big River Country - 1985

Hay River	Facilities
Back Eddy Cocktail Lounge	Lounge and Dining
Caribou Motor Inn	Motel Dining
Country Chicken and Ribs	Take Out Foods
Hay River Hotel	Hotel Dining
Kosy Kourt Katering	Cafe
Pineview Service	Restaurant and Service Station
Pizza Patio	Licensed Restaurant
Ptarmigan Inn	Bar, Hotel, Dining, Lounge
Royal Canadian Legion	Lounge
Pine Point	
A & A Restaurant	Restaurant
Pine Point Hotel	Hotel Cafe, Bar
Royal Canadian Legion	Lounge
Fort Providence	
Big River Service Centre	Cafe/Motel
Ruth's Drive Inn	Cafe
Snowshoe Inn	Hotel Restaurant
Fort Resolution	
Hunter Eros. Ltd.	Cafe
Fort Simpson	
Check Point Service	Service Station and Restaurant
Eddy Boy Restaurant	Restaurant
Fort Simpson Hotel	Hotel, Cafe, Bar
New 4 Seasons	Restaurant
Sub Arctic Inn	Bar
Fort Smith	
Bursey's Take Out	Take Out Food
Cathy's Catering	Food Service
Crystal Sun Variety Store	Restaurant
Pinecrest Hotel	Hotel, Bar, Restaurant
Royal Canadian Legion	Lounge
Cedar Hut	Lounge and Restaurant

Source: Fort Smith Region Economic Base Study, Lutra Associates Ltd., H. J. Ruitenbeek Resource Consulting Ltd., 1985.

Facility Capadty - **Average seating capacity in restaurants in Big River is for 73 persons. By community, the averages are as follows: Fort Simpson: 70 persons; Fort Smith: 42 persons; Hay River: 60 persons; Fort Providence: 45 persons; Pine Point: 70 persons. The capacity was calculated excluding the largest in each community to avoid skewing the data. Banquet facilities are provided by 72% of food service establishments with an average capacity of 82 persons.**

Service Provided - Very few restaurants in the region pro**vide northern specialties. Few facilities offer live entertainment (27%) to their guests. Over 50% provide a wine list. Credit cards are accepted at 75% of food establishments.**

Seasonalit y and Occupancy - **The majority of those facilities surveyed were open year-round. When asked if expansion or upgrading would be required if tourism visitation increased substantially, the response was negative.**

Age of Facilities - **The average age of restaurants in Big River is 14.5 years.**

Employment - **Food service establishments have an average of 4.2 permanent employees. The average number of temporary employees in the region is 3.1 persons. The breakdown of employees by type of occupation is: management, 11. 2%; bartenders, 22.3%; waiters/waitresses, 24.2%; cooks or chefs, 22. 3%; and other employees, 15. 3%. Total employment for Big River's food service sector would be 113.4 permanent and 83.7 temporary employees.**

Food Prices - Survey respondents were asked to provide data on the price of items on their menu. The average price of the most expensive item was $14.28 and the lowest was $3.54. These prices are nearly one-half of the average price for meals in the Western Arctic.

Renovations - Most restaurant facilities in Big River have undergone some form of renovation. Eighty percent indicated that renovations were undertaken in the last 5 years. Only five respondents indicated that renovations include an increase in the capacity which would indicate that operators have not experienced significant increase in the number of patrons to warrant the addition of seats.

Table 80 presents the information provided by the food and beverage service survey in Big River.

10.3.3 -- Transportation

There are 6 vehicle rental outlets in the region. Boats can be rented from 7 outlets. Three firms provide sightseeing and bus charters. Table 81 outlines data on the name and location of vehicle rentals.

Two separate survey instruments were designed to provide information on the transportation sector. Vehicle rental agencies and boat rental outlets were surveyed to determine the number and type of vehicles, the average daily rental rate and capacity utilization. In addition respondents were requested for information on the number of employees, seasonality and fleet upgrading. Four of the six operators responded to the survey.

TABLE 80

Big River - Lounge, Restaurant and Food **Services**

Total Surveyed	35
Percentage of Facilities offering:	
. full menu table service	42.0%
. fast food	37.0%
. licensed dining room	29.0%
. lounge	40.0%
. beverage room	11.0%
. other	n/a
Average Number of Seats	73
Banquet Facilities:	
. provide banquet facilities	79.0%
. capacity of facilities	81.9 persons
Average Prices:	
. most expensive item	$14.28
. expensive item	$ 3.54
Provide Northern Specialities	16.0%
Licensed	59.0%
Live Entertainment	27.0%
Wine List Provided	53.0%
Credit Cards Accepted	63.0%
Open Year-Round	93.9%
Number of Nights Over 80% Full	2.9 nights
Number of Nights Under 30% Full	3.0 nights
Average Age of Facilities	14.5 years
Renovations in the Past 5 Years	79%
Average Gross Revenue	$293,789
Employment:	
. permanent	4.2 persons
. temporary	3.1 persons
Percentage Employed as:	
. management	11.2%
. bartenders	22.3%
. waiters/waitresses	24.2%
. chefs /cooks	22.3%
. other	19.3%

TABLE 81

Transportation Services
Big River

Name	Location
Vehicle Rentals	
A & A Service	Fort Simpson
Tilden Rent-A-Car	Fort Simpson
Avis Rent-A-Car	Fort Smith
Tilden Rent-A-Car	Fort Smith
John's Cartage and Rental Service	Hay River
Avis Rent-A-Car	Hay River
Tilden Rent-A-Car	Hay River
Budget Car and Truck	
Boat Rentals	
Simpson Air	Fort Simpson
Hay River Sports and Hobby	Hay River
Aurora Sport Fishing	Fort Providence
Sub-Arctic Wilderness Adventures	Fort Smith
John's Cartage and Rental Service	Hay River
Harbour House	Hay River
Trout Lake Dene Lodge	Trout Lake
Liard Air	Fort Liard
Deh Cho Air	Fort Liard
Charter and Sightseeing Buses	
Sub Arctic Wilderness Adventures	Fort Smith
Garden Capital Bus Lines Ltd.	Fort Smith
John's Cartage and Rental Service	Hay River
KT Bus Service	Hay River
Tucho Tours	Hay River

Source: 1987 NWT Explorers' Guide.

Table 82 presents the results of the survey in tabular form. The survey indicates that the average number of vehicles available for rent per facility is: 10 cars; 6.5 two wheel drive trucks; 6.6 four wheel drive trucks. One respondent indicated that motorboats, canoes and snowmobiles *were* available for rent.

The average daily rate for the rental of cars is $40; two wheel drive trucks $43 and four wheel drive trucks $47.50 *(excludes one* operator renting trucks for $90). In all cases the rates are slightly lower than those of the Western Arctic probably due to the competition between 6 vehicle rental agencies in Big River and only 3 in the Western Arctic.

The capacity utilization rate for cars is 70%. The rate is slightly lower for trucks at 65%. Utilization rates for snowmobiles, motorboats and canoes was 30% as indicated by one respondent.

All vehicle rental outlets accept credit cards and are open year round. Overall, 18 permanent and 10.2 temporary jobs are created by vehicle rental agencies in Big River.

TABLE 82

Summary of Results from the Vehicle Rental Survey in Big River Country

Type of Vehicle	Average Number	Average Daily Rate	Capacity Utilization
Cars	10	$40	70%
2 Wheel Drive Trucks	6.5	$43	65%
4 Wheel Drive Trucks	6.6	$62	65%
ATV	3 *	$40	30%
Snowmobiles	6 *	$45	30%
Motorboats	3 *	$55	30%
Canoes	6 *	n/a	n/a

Number Surveyed	4
Credit Cards Accepted	100%
Open Year Round	100%
Upgraded Fleet in the Last 5 Years	100%

Temporary Employees = 1.7 persons Permanent Employees = 3.0 persons

Note: n/a - not available * - only one respondent

10.3.4 — outfitters

There are 17 outfitters currently operating in Big River Country providing a variety of services. Of the 17 outfitters licensed for operation in Big River Country, a total of 4 operations provide Class A hunting guides. Table 83 presents an inventory of Big River outfitters and lists the services they provide.

Outfitters were surveyed to determine the current inventory of available equipment. In addition, respondents were asked to provide information on employment, number of customers, number of years of operation and what improvements to the infrastructure, if any, would be necessary if tourism visitation were to increase in their zone.

Fifteen different outfitters in Big River responded to the survey. A summary of the results of this survey for which data was deemed representative has been included in this analysis.

Table 84 presents a summary of the results of the survey of outfitters. Outfitters operating in Big River have been operating for an average of 8.5 years and have served an average of 62.5 customers per year. The average outfitter in Big River employees 1.2 permanent and 7.5 temporary employees. Based on these ratios the Big River Outfitting Industry would employ 20.4 permanent and 52.5 temporary employees.

The breakdown by type of occupation is 17.2% sales and administration and 82.8% is guiding and support services. Generally Big River outfitters could be typified as providing guiding services for nature and wildlife viewing and other non-consumptive activities such as photography, canoeing and rafting.

TABLE 83

Licensed Big River Outfitters

outfitters	Activity
Res Delta Tours	• Photography and Boat Trips
Great Slave Lake Cruises	• tour Hay River Harbour • Hay River Reserve • charter to Fort Providence
Tucho Tours	• tours of Hay River and area including Alexandra Falls, Louise Falls and Lake Evelyn Falls
Nahanni River Adventures	• Canoeing Expeditions
Aurora Sportfishing	• fishing trips by boat • fly-in fishing • sightseeing flights
Great Slave Sledding Company*	• Dogsledding /Wildlife Viewing
Nahanni Rafting and Wilderness Adventures	• guided raft trips on South Nahanni
Simpson Air	• outfitting to Nahanni National Park • Little Doctor Lake in Nahanni Mtns. • sightseeing flights
Sub-Arctic Wilderness Adventures	• packages with minibus, dogteam, skis, rafts or canoes
Deh Cho Air Ltd. (Fort Liard)	• canoe outfitters
Black Feather Wilderness Adventures	• canoeing, photography and hiking expeditions in Nahanni Ntl. Park
Canoe Arctic Inc.	• wilderness canoe trips emphasizing photography
MacKenzie River Cruises	• boat cruises on MacKenzie River
Northwest Expeditions Ltd.	• Rafting/Canoeing Trips
Hunting (Class A)	
• Ram Head Outfitters • Redstone Mountain Trophy Hunts • South Nahanni Outfitters Ltd. • Nahanni Butte Outfitters Ltd.	

* Operated by Moraine Point Lodge.

TABLE 84

Summary of Results of Outfitters Survey
Big River

Number Surveyed	15
Average Number of Years of Operation	8.5 years
Average Number of Employees	
. Permanent	1.2 persons
. Temporary	7.5 persons
Employment by Occupation	
. Sales and Administration	17.2%
. Guiding/Support Services	82. 8%
Average Number of Customers	62.5
Distribution by Type of Outfitter	
. Big Game Hunting	3
. Fishing	3
. Nature and Wildlife Services	10
. Historic Sites	1
. All Other*	13

* Includes Photography, Canoeing, Rafting, Dog Sledding, Skiing, Ice Fishing.

10.3.5 — Summary

Compared to other tourism zones in the NWT, Big River has a reasonably well developed tourism infrastructure. The zone boasts two National Parks, the Nahanni and Wood Buffalo. It is accessible by both road and air with the communities of Hay River and Fort Smith being serviced by scheduled Boeing 737 air service. Regarding accommodation, lodges and outfitting services, the following table compares the number of enterprises located in Big River compared to other zones.

TABLE 85

Comparison of Hotels, Lodges and Outfitting Enterprises
Located in NWT Tourism Zones

	Hotels/ Motels	Lodges	Outfitters
Big River	16	13	17
Northern Frontier	9	21	22
Western Arctic	14	6	9
Keewatin	10	12	13
Arctic Coast	6	3	7
Baffin	15	3	29

Big River has the largest number of hotels/motels, the second largest number of lodges and the third largest number of outfitters in the NWT.

Big River's tourism industry currently provides over 550 permanent and temporary jobs. As shown in the following table hotels/motels and restaurants are the Zone's largest employers.

TABLE 86

Estimated Employment in the Big River Tourism Industry

	Permanent	Temporary	Total
Hotels /Motels	116.1	54.6	170.7
Food/Beverage Service	113.4	83.7	197.1
Lodges	32.5	52.0	84.5
Outfitting	20.4	52.5	72.9
Vehicle Rentals	18.0	10.2	28.2
Total	300.4	253.0	553.4

10.4 Product Development Strategy

The Big River Zone has a number of attractions that are of appeal to both consumptive and non-consumptive tourism markets. The Zone actually could be described as being sub-Arctic, making it unique when compared to other tourism zones in the NWT which are above the tree line and are located in the Canadian Arctic. Alberta represents the largest single market opportunity for Big River.

Particularly in the case of Alberta there has been little development of tourism attractions in the northern part of that province. There are really no northern fishing or naturalist lodges in Alberta. The following is a list of some of the Zone's principal attractions:

Consumptive

- Hunting
- Fishing
  - Inconnu
  - Pike
  - Lake Trout
  - Grayling
  - Walleye
- Ice Fishing

Non-Consumptive

General Touring

- Bus tours and RV travel to view the Liard/MacKenzie River Systems and Great Slave Lake.
- RV touring/camping on the Liard Highway and/or MacKenzie Highway.
- Arts/Culture/History
  - History of Hudson Bay - Fort of the Forks
  - Fort Fitzgerald
  - NWT's first capital - Fort Smith
  - Crafts - Moose Hair Tufting/Birch Bark
  - Northern Life Museum/The Bacha College, Fort Smith
  - Arts - Wood Carving
- Touring National Parks
  - Wood Buffalo
  - Nahanni
- Scenic Touring
  - Nahanni National Park - Hot Springs
    - Virginia Falls
  - Salt Plains
  - Mountains - Rugged Range/MacKenzie Mountains
  - Ram Plateau
  - Great Slave Lake/Little Doctor Lake
  - Louise Falls
  - Alexandra Falls
  - Lady Evelyn Falls

Outdoor/Adventure

- Canoeing - Nahanni; Boating - MacKenzie River, "Sailing - Great Slave Lake
- MacKenzie River Boat Cruises
- Naturalist Expedition - Nahanni
- Photographic Safaris
  - Buffalo, Whooping Cranes (Wood Bison Sanctuary, Wood Buffalo)
- Adventure Experiences
  - Rafting the Rapids of the Drowned
  - Dog Sledding, Snowshoeing

Unlike other Zones, Big River has not had a comprehensive tourism study. Rather, in Big River's case there have been area specific studies such as:

- Preliminary Community Tourism Development Plans
- Rae Band Tourism Study
- Highway #3 Canada Study
- Liard-Mac Kenzie Touring Strategy

(The Liard-MacKenzie Tourism Strategy has not been completed.)

In some cases recommendations put forward by previous tourism planning studies have been implemented. In the case of the travel corridor between the 60th Parallel and Hay River the following projects have been implemented:

- Upgrading to the 60th Parallel Visitor Information Centre
- Improvements to the Alexandra Falls viewing area including interpretive signage, parking facilities and a viewing deck.
- Improvements to the Louise Falls viewing area to provide a pleasing area for picnicing.
- Signage and a relocation of picnic area to view the gorge at Escarpment Creek.
- Interpretive signage in Hay River and improvements to visitor services.

The following projects have not yet been implemented:

- A pull-off and parking area and services signage at Enterprise.
- Boat / canoe access points signs and a clean-up of Paradise Gardens.
- A complete signage program for Hay River and the Highway.

This last project proposal should be given strong consideration as the travel corridor between the 60th Parallel and Hay River is one of the principal entry gateways to the Big River Zone and the NWT. Signage is an important component of marketing a destination area concept. One of the key objectives for tourism development in the Big River Zone will be to increase the length of stay in the Zone. Signage and visitor information about the Zone's attractions will greatly enhance the achievement of this objective.

The Liard Highway, as a tourism travel corridor, is a long term opportunity for the Zone. At present the Highway experiences very few vehicle trips per person (700 vehicles). The road is in poor condition (relative to other tourism travel corridors) and is closed periodically. According to a draft of the Liard-MacKenzie Regional Tourism Strategy, the highway is not close to areas of outstanding or unique scenery. As well the rivers and lakes within close proximity have limited sportfishing potential. The condition of the road itself can be improved over the long term. With increasing traffic it will be important to develop attractions and services near the highway. These improvements could include signage, roadside turnouts at interesting or physically attractive sites, interpretive signage and programs of the area's natural and human history and the development of campgrounds and rest stop facilities for travelers. Interpretive programs would have to be developed for bus tours at key points and communities along the highway.

Two of the Big River's most significant attractions are the Nahanni and Wood Buffalo National Parks. Visitation to these Parks for 1987 was 810 (June - September) and 3,398 (May - September), respectively.

Nahanni National Park

Registered visitation to Nahanni National Park of 810 people represents a 20% increase over 1986. Not ail visitation to the park is recorded. Some visitors enter via Tungsten and canoe into the Park from the northwest end. The Park's administrative offices are located at Fort Simpson where a slide interpretive program is available for visitors. The Park is principally of interest to the non-consumptive outdoor adventure travel market.

The Park has virtually no fishing potential and allowable hunting is at its maximum. However, the Nahanni would have very strong appeal to the naturalist trip market. A possible development opportunity would be the development of a naturalist lodge. The lodge would also include a visitor reception centre which would be used by tour groups requiring orientation prior to travel into the Park. As noted previously in the discussion of market potential for the Northwest Territories, the non-consumptive outdoor/adventure travel market was identified as holding the greatest trip potential for the NWT at 46,600 trips. The Nahanni has an excellent product base that would appeal to this market:

- Natural ist/Wildlife Viewing and Photo Safaris
- Hiking/Backpacking
- Canoeing/Rafting.

The development of a new lodge could occur near Fort Simpson or in Black stone Park. A separate feasibility study would be required to identify the size and services offered by such a facility. It should be a quality facility.

Wood Buffalo National Park

Wood Buffalo's registered visitation of 3,398 visitors in 1987 represents a 25% increase over 1986. This is partly the result of increased local area use. Visitation to the Kettle Point Group Camp increased by 41% to 729. There are 60 sites at Kettle Point. The Pine Lake day use area recorded a 40% increase in utilization over 1986. There are 40 serviced sites available at the Pine Lake Campground.

A new visitor reception centre was built at Fort Smith. The Centre received almost 2,200 visitors in 1987. It provides a multi-slide show and interpretive display of the Park. Fort Smith itself also has an excellent campground (Queen Elizabeth Campground).

Wood Buffalo's strongest appeal is the touring market which would be interested in the area's physical scenery and to see what is considered to be the world's largest free-roaming Buffalo Herd. In addition there are also whooping cranes in the Park. There are opportunities to camp in the Park or to stay overnight in Fort Smith and spend the entire day touring the park. There is an excellent opportunity for Fort Smith to capture overnight stays from either bus tours or independent auto/ RV travel through the Park. Fort Smith has also been reasonably successful in developing the Elder Hostiling market.

Hay River and Fort Smith, with populations of 2,964 and 2,460, respectively, are the largest urban centres located in the Big River Zone. They are both serviced by road and scheduled jet air service. They both offer excellent accommodation bases. While Hay River has a larger number of accommodation units, Fort Smith has the Bacha College.

As a result both communities could promote existing as well as new events and conferences that would act as travel generators. Examples include:

- Sailing Regattas - Great Slave Lake
- Dog Race Competitions
- Sports Tournaments
- Midnight Sun Celebration Events
- Northern Educators Conferences
- Meetings/Seminars at the College
- Naturalist Conferences
- Outdoor Marathons
- Cultural Events

NORTHERN FRONTIER

11.0 NORTHERN FRONTIER ZONE

11.1 Introduction

Northern Frontier borders on Big River Country to the west and south and on the Arctic Coast Region to the north. The region stretches north to Great Bear Lake and east from Great Slave Lake into the Barren Lands.

rranKl is the centre for the region and the capital city of the Northwest Territories. There are 8 communities in Northern Frontier with a combined population of 14,193 people. The communities centred in Northern Frontier are listed in Table 87.

TABLE 87

Population of Communities in the
Northern Frontier Zone

Community	1986 Population
Yellow knife	11,753
Detah	131
Rae/ Edzo	1,378
Lac La :ııt ol	345
Rae Lakes	183
Snare Lake	119
Snowdrift	273
Reliance	11
Total	14,193

Source: Statistics Canada, 1986 Census Data.

11.2 Existing Market Characteristics

Existing data sources provide information on the Fort Smith administrative region only and do not breakdown information into the Big River and Northern Frontier Zones. However, for purposes of this analysis, data on the Fort Smith Region has been presented. The Visitors Survey to the NWT indicated that 50% of all visitors to the Territories spend at least some time in Yellow knife. In addition, 48% of all visitors to the Fort Smith Region visit Yellow knife.

Visitation

The Fort Smith Region has the highest level of visitation of all the zones. Recent studies indicate that visitation has increased by 11% from 1982 to 1986.

TABLE 88

Total Person Trips to Fort Smith Region

	1982		1984		1986	
Number of Trips						
Air		**19,300**		**14,000**		**21,500**
Road		**10,000**		**8,000**		**11,000**
		29,300		**22,000**		**32,500**
	%	**#**	**%**	**#**	**%**	**#**
Trip Purpose						
Business	**34**	**9,962**	**33**	**7,260**	**n/a**	**n/a**
Vacation	**62**	**18,166**	**58**	**12,760**	**n/a**	**n/a**
VFR	**4**	**1,172**	**4**	**880**	**n/a**	**n/a**

Source: DMCA and Visitors to the NWT, 1982 and 1984.

Party Expenditure

Table 89 indicates that the value of vacation expenditure to the Fort Smith Region is less than the Baffin but greater than that of the Inuvik Region. Average trip length is 10.1 nights in the Fort Smith Region, the same as that of all of the NWT. The average travel party size is 1.8 persons, similar to 1.76 persons for the NWT as a whole.

TABLE 89

Comparison of Average Party Vacation Expenditure and Length of Stay

	Fort Smith	Baffin	Inuvik
Average Travel Party Expenditure	**$565**	**$1,550**	**$455**
Length of Stay (nights)	**10.1**	**18.8**	**17.5**
Travel Party Size	**1.8**	**2.5**	**1.6**

Source: Visitors to the NWT, 1984 and 1985 Baffin Air Travel Survey.

Origin of Visitors

Approximately 90% of all visitors to the Fort Smith Region are from Canada. Alberta and British Columbia represent key markets for both air and highway travelers. In addition, Ontario represents a significant market for visitors travelling by air. Visitors from the U.S.A. represent 13% of all road travelers and 9% of air visitors.

As a result both communities could promote existing as well as new events and conferences that would act as travel generators. Examples include:

- Sailing Regattas - Great Slave Lake
- Dog Race Competitions
- Sports Tournaments
- Midnight Sun Celebration Events
- Northern Educators Conferences
- Meetings / Seminars at the Bacha College
- Naturalist Conferences
- Outdoor Marathons
- Cultural Events

TABLE 90

Origin of Travel to Fort Smith
1982- 1984

	1982	1984 Air	1984 Road
Canada			
British Columbia	14%	12%	16%
Alberta	49%	39%	52%
Saskatchewan	5%	3%	6%
Manitoba	4%	8%	2%
Ontario	12%	22%	6%
Quebec	2%	1%	1%
Maritimes	2%	4%	-
Yukon		1%	2%
	89%	90%	85%
Foreign			
U.S.A.	9%	9%	13%
Other	2%		

Source: Visitors to the NWT, 1982, 1984.

11.3 Tourism Products and Inventory

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. Information is presented for the Northern Frontier on the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
- Attractions
- Travel Trade

11.3.1 -- Accommodation

For purposes of this analysis the accommodation sector refers to lodges, motels, hotels, cabins, tent camps, out-post camps and other forms of accommodation. While the number of lodges in the zone has remained constant, the number of hotels and motels has increased by four from six to ten. Table 91 presents the number of hotels/motels and lodges operating in Northern Frontier.

TABLE 91

Number of Facilities by Type
1978 VS. 1987
Northern Frontier Zone

	1978	1987
Hotels/Motels	6	10
Lodges	19	19
Total	25	29

Source: Growth in Northwest Territories Tourism Facilities; Department of Economic Development and Tourism; February, 1987.

11.3.1.1 — Hotels /Motels

There are 10 hotels and motels in the region, the vast majority of which are centred in Yellow knife. The Yellow knife total dominates the Northern Frontier with 98.4% of the Zone's accommodation capacity. Total capacity for the hotels and motels is 415. Table 92 lists the hotel, its location and maximum capacity.

TABLE 92

Northern Frontier Zone Hotels/Motels
By Location and Capacity

Hotel /Motel	Location	# of Rooms	Capacity
Meni Khon Hotel	Lac La Martre	4	8
Snowdrift Enterprises	Snowdrift	3	6
Discovery Inn	Yellow knife	41	82
Explorer Hotel	Yellow knife	110	220
Gold Range Hotel	Yellow knife	42	72
Northern Lights Motel	Yellow knife	20	29
Twin Pine Motor Inn	Yellowknife	44	100
Yellow knife Inn	Yellowknife	150	300
YMCA	Yellow knife		33
Barb Bromly Bed and Breakfast	Yellow knife	1	2
		415	852

Source: 1987 Northwest Territories Explorers' Guide.

A territorial-wide survey of the accommodation sector was conducted. Eight of the ten hotels or motels in Northern Frontier were surveyed. A summary of the results of this survey for which data was deemed representative has been included in this analysis.

Seasonality and Capacity - **All respondents to the survey are opened on a year round basis. The average capacity of hotels in Northern Frontier is 114.6 rooms for shared accommodation and 59.6 for single occupancy. Motels have an average shared capacity of 43.3 persons and 22.6 persons for single occupancy. Total capacity of the June to September season is 104,800. Yellowknife accounts for 98% of the total capacity.**

Price Structure - **Respondents were asked for the price for both single and double occupancy. The average motel room rate for single accommodation is $78. 67; for shared motel rooms, the average price is $81.00. Based on the survey, hotel rates are $60 for single and $81.40 for shared occupancy.**

Occupancy Rates - Hotel occupancy in Northern Frontier hotels is 63.7%. **Motels have a higher occupancy rate of 80.5%. These occupancy rates are among the highest in the Territories.**

Age of Facility and Renovations - **Hotels in Northern Frontier are fairly new with an average age of 11.2 years. Motels are just under half as old with an average age of 5 years. Two-thirds of hotels and one-third of motels indicated that renovations had been undertaken in the last 5 years. Renovations included adding and upgrading rooms and, in one case, the addition of meeting rooms.**

Employment - **The average number of permanent employees per hotel is 34.4; for temporary employees, the average is 12.7 persons. For motels, employees average 6.6 employees for permanent, and 3 persons for temporary employment. Overall 191.8 permanent and 72.5 temporary persons are employed in the accommodation sector in Northern Frontier.**

Credit Cards Accepted - **All hotels and motels in Northern Frontier accept at least one major credit card.**

Facilities and Services - **Dining facilities are provided in all hotels but only in one-third of motels. The average capacity for dining facilities is for 58.5 persons in hotels and 50 in motels. Licensed dining or bar facilities are not available in motels, however, 80% of hotels have licensed dining and 60% have bar facilities. Kitchenettes can be found in two-thirds of motels in Northern Frontier.**

All accommodation in Northern Frontier provide housekeeping services, flush toilets, and hot and cold running water. Eighty percent of hotels and all motels provide private baths and showers.

Meeting Rooms - **Only 33% of respondents to the hotel survey in Northern Frontier indicated that they provide meeting rooms. Average capacity for those responding was 487.5 persons. Fifty percent of motel respondents indicated that they provide meeting rooms. Average capacity is 35 persons.**

Table 93 presents a summary of data for hotels and motels based on the survey.

11.3.1.2 -- Lodges

There are a total of 21 lodges in Northern Frontier. Six lodges are located on Great Bear Lake and four on Great Slave Lake. The remaining 11 lodges are located elsewhere within the zone. Total capacity of 19 of the 20 lodges is 452 persons. Table 94 lists the lodges in Northern Frontier and their total capacity.

TABLE 93

Summary of Results from Hotel/Motel sents a
Northern Frontier

	Hotels	Motels
Total Surveyed	5	3
	100%	100%
Average Capacity:		
• shared	114.6 persons	43.3 persons
• single	59.6 persons	22.6 persons
Price Structure:		
. single/night	$60.00	$81.00
• shared/night	$81.40	$78.67
Occupancy (Average)	63.7%	80. 5%
Age of Facility	11.2	5.0
Gross Revenue:		
. average gross revenue		
. on a per room basis		
Employment:		
. permanent	34.4 persons	6.6 persons
. temporary	12.7 persons	3.0 persons
Dining Facilities	100%	33%
. dining facilities capacity	58.5 persons	50.0 persons
. licensed dining	80%	0%
. bar/lounge facilities	60%	0%
. kitchenettes	0%	66.6%
Credit Cards Accepted	100%	100%
Services:		
. private baths	80%	100%
. flush toilets	100%	100%
. hot and cold water	100%	100%
. showers		
- private	80%	100%
- shared	20%	
. maid service	100%	100%
Meeting Facilities:		
. meeting rooms provided	33.3%	50%
. capacity of meeting rooms	487.5 persons	35.0 persons
Renovations in Past 5 Years	66.6%	33.3%

TABLE 94

Northern Frontier Lodges and Maximum Capadty

Lodge	Capacity	%
Great Bear Lake		
. Arctic Circle Lodge	34	
. Bransons Lodge	40	
. Great Bear Lodge	16	
. Great Bear Lodge	38	
. Great Bear Trophy Lodge	44	
. Plummers Great Bear Lake Lodge	54	
Sub-Total (6)	226	49.0%
Great Slave Lake		
. Frontier Fishing Lodge	24	
. Indian Mountain Fishing Lodge	10	
. Plummer Great Slave Lake Lodge	44	
. Trophy Lodge	16	
Sub-Total (4)	94	20.4%
General		
. Blachford Lake Lodge	10	
. Katimavik Lodge	12	
. Lynx Tundra Lodge	12	
. MacKay Lake Lodge	12	
. Meni Dene Co-op Fishing	24	
. Namushka Lodge	12	
. Prelude Lake Lodge	15	
. Stagg Lake Lodge	12	
. Wetta Lake Lodge	12	
. Yellow knife Lodge	12	
. Hearne Lake Lodge	8	
Sub-Total (11)	141	20. 6%
Total (21)	461	100.0%

Source: 1987 Northwest Territories Explorers' Guide.

Seventeen of the 21 lodges responded to the survey providing an 81% response rate.

ueveи and Capacity - All of the lodges surveyed were open on a seasonal basis. Typically, lodges are open only during the spring and summer months.

The average capacity for lodges based on single accommodation is 12.2 persons. For double occupancy, average capacity is 25.1 persons. Assuming the season runs from June to September, lodges in Northern Frontier can accommodate 55,600 people per year.

Price Structure - It is extremely difficult to compare the pricing structure of lodges as prices quoted often include some form of transportation, meals and perhaps equipment rental. For the two lodges responding to the question, the cost for a shared room only is $60 or $70 per night.

Occupancy - There is no information provided on the current occupancy level in lodges in – Cambı Frontier. One respondent indicated that his occupancy level was 30%.

Age of Facilities - The average age of lodges in Northern Frontier is 17.5 years, therefore, lodges are, on Arctic C older than hotels and motels in the region.

Employment - Lodges employ an average of 2.6 permanent employees and 27.2 temporary employees for a total of 55.6 permanent and 571.2 temporary employees.

Credit Cards Accepted - One-half of the lodges in the region accept credit cards as a method of payment.

Facilities and Services - Lodge facilities are characterized by private baths, flush toilets, hot and cold water and housekeeping services.

Meeting Rooms - The majority of lodges in Northern Frontier provide facilities for meetings and conferences. The average capacity for meeting rooms is not available.

Table 95 presents a summary of data based on the survey conducted in Northern Frontier.

11.3.2 -- Food and Beverage Services

For the lounge, food and beverage sub-sectors, only 4 facilities were interviewed to provide information on the types of facilities offered, seating capacity, banquet facilities, food prices, seasonality, age of facilities and employment data.

A 1985 study of the Fort Smith Region presented a list of businesses operating in the region. A total of 28 restaurants, cafes or bar operations were listed in that study as being located in Northern Frontier.

Although some restaurants may have closed and a number of new facilities may have opened since 1985, it is evident that an insufficient sample of restaurant facilities responded to the survey.

Table 96 lists the name, location and type of food service faci lit y located in Northern Frontier.

TABLE 95

Summary of Results from the Lodge
Industry Survey In Northern Frontier

Total Surveyed	17
Seasonality	Spring/Summer
Average Capacity:	
. Shared	25.1 persons
. Single	12.2 persons
Employment:	
. Permanent	2.6
. Temporary	27.2
Dining Facilities:	100%
. Dining Facilities Capacity	33.2 persons
. Licensed Dining	72.7%
. Bar/Lounge Facilities	100%
Average Gross Revenue	$365,000
Occupancy (Average)	n/a
Age of Facility	17.5 years
Credit Cards Accepted	50.0%
Private Baths	70.0%
Flush Toilets	91.6%
Hot and Cold Water	100.0%
Maid Service	100.0%
Meeting Rooms	88.9%
Capacity of Meeting Rooms	n/a
Showers	
. Private	75.0%
. Shared	25.0%

TABLE 96

Food Service Facilities
Located in Northern Frontier - 1985

	Facilities
Lac La Martre	
Meni Kohn	Motel Cafe
Rae/Edzo	
Hannigan's Burger King	Cafe
Rae Cafe	Cafe
Yellowknife	
Airporter Restaurant Ltd.	Restaurant, Lounge and Craft Shop
Colonial Foodsystems Ltd.	Take Out Foods
Eddy's Drive-In Pizza	Take Out Foods
Explorer Hotel	Hotel, Restaurant and Lounge
Gallery Pub	Bar
Gold Range Hotel	Hotel, Restaurant and Lounge
Hall of Fame	Lounge
Harry's Kitchen	Concession
Hoist Room Ltd.	Restaurant and Lounge
Luigi's	Take Out Food
Lunch Box Cafeteria	Restaurant
Mike Mark's Chinese Food	Restaurant
Mr. Mikes Restaurant	Restaurant
Nellies Pyroghy House	Restaurant
Pap's Pizza House	Restaurant and Lounge
Polar Bowl	Lounge and Bowling
Prelude Lake Lodge	Cabins, Store and Restaurant
Royal Canadian Legion	Bar
TC Enterprises Ltd.	Concession Services
The Office	Restaurant and Lounge
The Yellowknife Inn	Hotel, Restaurant and Lounge
Wildcat Cafe	Restaurant
YK Sub-Shop	Take Out Food
Yellowknife Elk's Club	Bar and Club

Source: Fort Smith Region Economic Base Study, Lutra Associates Ltd., H. J. Ruitenbeek Resource Consulting Ltd., 1985.

11.3.3 — Transportation

There are 5 vehicle rental outlets located in Yellowknife. Boats can be rented from 5 outlets. Two firms provide sightseeing and bus charters. Table 97 outlines data on the name and location of vehicle rentals in Northern Frontier.

Two separate survey instruments were designed to provide information on the transportation sector. Vehicle rental agencies and boat rental outlets were surveyed to determine the number and type of vehicles, the average daily rental rate and capacity utilization. In addition respondents were requested to provide information on the number of employees, seasonality and fleet upgrading.

TABLE 97

Northern Frontier

Name	Location
Vehicle Rentals	
Avis Rent-A-Car	Yellow knife
Budget Rent-A-Car	Yellow knife
Hertz Rent-A-Car	Yellow knife
Tilden Rent-A-Car	Yellow knife
Fred H. Ross and Associates	Yellow knife
Boat Rentals	
Overlander Sports	Yellowknife
Prelude Lake Lodge	Yellowknife
The Sportsman	Yellow knife
Sail North	Yellow knife
Trading Post	Yellow knife
NOACHA	Yellow knife
Charter and Sightseeing Buses	
Frame and Perkins Ltd.	Yellow knife
Raven Tours	Yellow knife

Source: 1987 NWT Explorers' Guide and DMCA Survey.

Table 98 presents the results of the survey in tabular form. The survey indicates that the average number of vehicles available for rent per facility is: 24 cars; 7.3 two wheel drive trucks; 15 four wheel drive trucks. One respondent indicated that motorboats, canoes and snowmobiles were available for rent but did not indicate the number of vehicles provided.

The average daily rate for the rental of cars is $43; two wheel drive trucks $54 and four wheel drive trucks $55.

The capacity utilization rate is moderate at 40% to 47% for trucks and 64% for cars. Utilization rates for snowmobiles, motorboats and canoes was extremely low at 5%.

Most vehicle rental outlets accept credit cards and are open year round. Overall, 13.5 permanent and 5 temporary jobs are created by vehicle rental agencies.

11.3.4 -- Outfitters

There are 16 outfitters currently operating in Northern Frontier providing a variety of services and day tours. In addition, there are six operations providing Class B hunting guides. Table 99 presents a list of outfitters and indicates the services they provide.

TABLE 98

Summary of Results from the Vehicle Rental Survey
in Northern Frontier

Type of Vehicle	Average Number	Average Daily Rate	Capacity Utilization
Cars	24	$43	63.5%
2 Wheel Drive Trucks	7.3	$54	46.7%
4 Wheel Drive Trucks	15	$55	40.0%
ATV	n/a	n/a	n/a
Snowmobiles	n/a	$50	5.0%
Motorboats	6	$25	5.0%
Canoes	n/a	$25	5.0%

Number Surveyed	4
Credit Cards Accepted	75%
Open Year Round	100%
Upgraded Fleet in the Last 5 Years	100%
Temporary Employees	1.0 person
Permanent Employees	2.7 person

Note: n/a - question not answered.

TABLE 99

Northern Frontier Outfitters

outfitters	Activity
Bluefish Services	• fishing on Great Slave Lake
East Wind Arctic Tours and Outfitting Ltd.	• fishing, naturalist canoeing and backpacking
Frontier Tours	• guided tours of Yellowknife and Ingraham Trail
Giant Yellow knife Mines	• underground and above ground tours
Great Slave Sledging Co. Ltd.	• dog team expeditions
J. Group Co. Ltd.	• wilderness survival and hunting courses
MacKay Lake Lodge	• outfitting caribou hunts
Meni Khon Outfitters	• fishing and naturalist activities
Qavvik	• barren ground caribou hunts and naturalist tours
Raven Tours	• Yellow knife and Cameron Falls bus tours/cruises
Rocking Horse Ranch	• horseback riding and hayrides
Rovin Raven Boat Tours	• cruises and fishing
Sail North	• sailboat instruction and boat and equipment rental
Great Slave Lake Outfitters	• fishing
Tochatwi Outfitters	• barren land caribou hunting
Yellow knife Traders	• sightseeing excursions

Hunting (Class B)

- Lynx Tundra
- Qavvik Ltd.
- True North Outfitters
- “J” Group Ltd.
- Rocknest Outfitters
- Arctic Safaris

Outfitters were surveyed to determine the current inventory of available equipment. In addition, respondents were asked to provide information on employment, number of customers, number of years of operation and what improvements to their infrastructure, if any, would be necessary if tourism visitation were to increase in their zone.

Unfortunately only seven of the 22 outfitters responded to the survey. A summary of the results of this survey are shown in Table 100. Caution should be used in regard to this table as the sample (which represents only 31.8% of Northern Frontier outfitters) may not be truly representative. Based on this sample Northern Frontier outfitters have been operating an average of 9.3 years and have served an average of 220 customers per year. Average employment is 4 permanent and 4.6 temporary employees. The breakdown by type of occupation is 17% sales/administration, 31% guiding and 52% maintenance and support services.

When asked to indicate the type of services they provide, one indicated big game hunting and another nature and wildlife services. The remaining respondents indicated they provide services other than those indicated in the survey (for example, bus tours and sailing).

11.3.5 — Summary

The Northern Frontier Zone attracts the largest number of non-resident visitors to the NWT. Northern Frontier, and in particular Yellow knife, is the gateway to the NWT. Yellowknife has the largest concentration of hotel capacity in the NWT. It is the capital of the NWT and contains almost a quarter of all NWT residents. Yellow knife dominates travel to both the Northern Frontier Zone as well as the entire NWT.

TABLE 100

Summary of Results of Outfitters Survey
Northern Frontier

Number Surveyed	7
Average Number of Years of Operation	9.3 years
Average Number of Employees:	
. Permanent	4.0 persons
. Temporary	4.6 persons
Employment by Occupation:	
. Sales and Administration	17%
. Guiding	31%
. Maintenance and Support	52%
Average Number of Customers	220 persons *
Distribution by Type of Outfitter:	
. Big Game Hunting	0%
. Fishing	17%
. Nature and Wildlife Services	17%
. Historic Sites	0%
. All of the Above	0%
. Other	67%

* Excludes one operator indicating 1, 400 customers per year.

In addition to isumptive a the Northern Frontier Tourism Zone has also developed the largest lodging industry in the NWT with 21 lodges and a capacity of 461 visitors, which is slightly greater than one-half of the capacity of all guiain hotels. In particular, Great Bear Lake has the single largest concentration of Lodge capacity (226 persons) in the NWT. Northern Frontier also has the greatest concentration of outfitters in the NWT.

For the rest of the Northern Frontier Zone, and in particular the communities of Lac La Martre, Rae/ Snowdrift, Rae Lakes, and Reliance, there has been little in the way of development of community-based tourism enterprises.

11.3.6 -- Product Development Strategy

The Three Year Marketing Strategic Plan completed in July 1986 defined the target geographic markets for the Northern Frontier Zone. Geographic target markets have been broken down into primary, secondary and tertiary markets as follows:

Primary:	Western Canada (Alberta, British Columbia and Yukon) Midwestern and Central U.S. States, California.
Secondary:	Ontario, Northeastern and North Atlantic States, Texas and Arizona.
Tertiary:	Overseas Markets particularly Germany and Switzerland.

Northern Frontier captures the majority of all non-resident travel to the NWT. Yellow knife alone, receives 50% of all visitation to the NWT, as at least 50% of all visitors spend at least some time in that city.

While Northern Frontier has been perhaps the '"~' most successful tourism zone in regard to capturing both non-resident travelers and non-resident travel expenditure, it has not undergone the kind of intensive tourism planning that has been undertaken in other zones. Unlike other zones there has been no comprehensive tourism strategy prepared for Northern Frontier. We were able to determine only three previous tourism planning initiatives that were undertaken in the recent past. They include:

- Preliminary Community Tourism Development Plans
- Rae Band Tourism Study
- Highway #3 Corridor Study

The following is a list of project proposals that resulted from these studies:

Tourist Accommodate ion

Naturalist Lodge

to be developed at one of the following locations - Lac La - Rae Lakes or Snare Lakes

Hotel /Motel Accommodation

- Rae/ Edzo

Visitor Centre

A visitor ~ should be developed for the region

Tour Development

- Boat tours of the Lac La Martre, Rae Lakes, Snare Lakes
- Based in Snowdrift, guided tours of the East Arm of Great Slave Lake.

Attractions

- Day use area and visitor information services at Rae Edzo - Frank Channel.

With the exception of Lac La Martre, to the best of our knowledge, none of these development proposals have gone forward. A fishing lodge was built at Lac La Martre which is expanding into a naturalist operation for the winter season.

An important project for both Northern Frontier, as well as for the entire NWT, would be the development of a Visitor Reception and Interpretive Centre. The estimated capital cost for such a facility would likely exceed $2 million and it should be located in Yellow knife. A possible location would be at Yellow knife's existing airport. Possibly the Federal Department of Transportation could be approached by the GNWT with a proposal to redevelop the existing terminal with the addition of a visitor centre. The existing facility is a small and unattractive building when compared to either Whitehorse or Iqaluit terminals. The centre would contain interpretive displays of the NWT, provide offices for tour operators and the Northern Frontier Visitors Association, a resource and orientation centre for tour groups needing space for pre-tour orientation and as well space for cultural presentations such as drum dances for tourists. It would be expected that the facility would be used by both air and road travelers such as bus tours.

Further project development for the Northern Frontier Zone should be preceded by a Regional Tourism Strategy. Such a study would be comprehensive in nature and address the entire zone's tourism potential with specific project proposals for attractions, events and facilities.

THE ARCTIC **COAST**

12.0 THE ARCTIC COAST

12.1 Introduction

The Arctic Coast covers 500,000 square kilometres in the north central region of the Northwest Territories. The Arctic Coast region encompasses a number of islands, the Arctic Coastline, Bathurst Inlet, the Queen Maud Gulf Bird Sanctuary, the Back, Burnside, Coppermine and Hood Rivers.

There are 8 communities in the Arctic Coast with a combined population of 3,689 people:

TABLE 101

Population of Communities in the
Arctic Coast
1986 Census

Community	Population
Cambridge Bay	1,002
Bathurst Inlet	16
Coppermine	888
Holman	303
GJOA Haven	650
Spence Bay	488
Pelly Bay	297
Other, Unorganized	45
Total	3,689

12.2 Existing Market Characteristics

Information on the existing market for travelers to the Arctic Coast is limited. Typical travelers to the region include business people, government officials, anglers, sporthunters, history enthusiasts and naturalists and adventure travelers that are often small specialized groups, couples or individuals.

A statistical report prepared by the Department of Economic Development and Tourism indicated that visitation was estimated at 400 visitors in 1982 and 1984. In 1986, visitation was estimated at 1,200 persons. Estimated expenditure was $660,000 in 1982 and $2,500,000 in 1986.

12.3 Tourism Products/ Inventory

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. Information is presented for the Arctic Coast on the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
- Attractions
- Services and Programs

12.3.1 — Accommodation

For purposes of this analysis, the accommodation sector refers to lodges, motels, hotels, cabins, tent camps, out-post camps and other forms of accommodation.

The basic level of accommodation facilities has increased by only one facility since 1978. Two new hotels have been constructed and one lodge has closed since 1978. Table 102 presents the number of hotels and lodges operating in the Arctic Coast.

TABLE 102

Number of Facilities By Type
1978 vs. 1987
Arctic Coast

	1978	1987
Hotels/Motels	4	6
Lodges	4	3
Total	8	9

Source: Growth in Northwest Territories Tourism Facilities; Department of Economic Development and Tourism; February, 1987.

12.3.1.1 — Hotels

There are six hotels in the region. Total capacity for hotels in the Arctic Coast is 125. Table 103 lists the hotels, their location and maximum capacity.

TABLE 103

Arctic Coast Hotels
By Location and Capacity

Hotel /Motel	Location	# of Rooms	Capacity
Arctic Char Inn	Holman	8	20
Coppermine Inn	Coppermine	11 *	40
Ikaluktutiak Hotel	Cambridge Bay	20	40
Amundsen Hotel	Gjoa Haven	6	12
Paleajook Hotel	Spence Bay	4	10
Inukshuk Inn	Pelly Bay	6	18
Local Store	Bay Chimo	2	2
Total		57 **	142

* In addition there are 5 A-frames.
** This excludes the 5 A-frames.

Six of the seven hotels in the Arctic Coast were surveyed. This represents almost a 100% sample as the one facility not surveyed accommodates only 2 persons.

Seasonality and Capacity - Hotels in the Arctic Coast are opened on a year-round basis. The average capacity for shared accommodation is 22.8 rooms. For single accommodation, the capacity drops to 8 rooms.

Price Structure - Respondents were asked for the price for both single and double occupancy. The average room rate for single accommodation is $91.67, for a shared room, the rate drops slightly to $90.00 per night.

Occupancy Rates - Hotels in the Arctic Coast experience a high level of occupancy for the year. Respondents indicated that average occupancy rates were 66. 5% for the year. In fact, Arctic Coast hotels have the highest occupancy rates of any hotels operating in the NWT. This is largely the result of construction, government and other non-pleasure travel demand for accommodation in the Arctic Coast.

Age of Facility and Renovations - Hotels in the Arctic Coast have an average age of 13.25 years. However, 80% of hotels have been upgraded in the last five years.

Four of the six hotels indicated the cost of renovations. All four indicated that rooms were upgraded for an average cost of $25,000 per hotel. Dining facilities were upgraded for a cost of $38,400 on average. Fifty percent of hotels spent an average of $6,000 adding new rooms. An average of $30,000 was spent to upgrade washroom facilities.

Gross Revenue - Average gross revenues for is $550,000 per facility. On a per room basis, average gross revenue is $25,562.

Employment - The average number of permanent employees per hotel is 5.2; for temporary employees, the average is 4.5 persons. Overall 31 permanent and 27 temporary persons are employed in the accommodation sector in the Arctic Coast.

Credit Cards Accepted - All hotels in the Arctic Coast accept at least one major credit card.

Facilities and Services - Dining facilities are provided in all of the hotels. The average capacity for dining facilities is for 25.5 persons. Licensed dining or bar facilities are not available in any of the hotels. Only one hotel is equipped with kitchenettes.

All the accommodation in the Arctic Coast provide housekeeping services, hot and cold water, and shared baths and showers. Flush toilets are provided in over 80% of hotels.

Meeting Rooms - Data on meeting room facilities was not provided by a representative sample, therefore, no data is available.

Table 104 presents a summary of data based on the survey.

12.3.1.2 — Lodges

There are three lodges in the Arctic Coast. In addition, there is an inactive fourth lodge, Char Lake Lodge which has been closed since 1981. Table 105 lists the lodges in the Arctic Coast and, where available, capacity. The Bathurst Inlet Lodge is a naturalist lodge while the other two facilities could be described as fishing lodges.

All three of the lodges responded to the survey providing a 100% response rate. In some instances, fewer than three responses were provided for a specific question. Where this occurs, the data has been deleted from the analysis.

TABLE 104

Summary of the Results from the Hotel Survey: Arctic Coast

Total Surveyed	6
Seasonality	**All opened year round**
Average Capacity:	
. Shared	**22.8 persons**
. Single	**8.0 persons**
Price Structure:	
. Shared	**$90.00 per night**
. Single	**$91.67 per night**
Gross Revenue:	
. Average Gross Revenue	$550,000
. On a Per Room Basis	$ 25,562
Employment:	
. Permanent	**5.2 persons**
. Temporary	**4.2 persons**
Dining Facilities:	**100.0%**
. Dining Facilities Capacity	**25.5 persons**
. Licensed Dining	**0.0%**
. Bar/Lounge Facilities	**0.0%**
. Kitchenettes and Store Access	**16.7%**
Occupancy (Average)	**66.5%**
Age of Facility	**13.25 years**
Credit Cards Accepted	**100.0%**
Private Baths	**0.0%**
Flush Toilets	**83.3%**
Hot and Cold Water	**100.0%**
Sauna	**0.0%**
Maid Service	**100.0%**
Renovations in Past Five Years	**80%**
Showers	
. Private	**0.0%**
. Shared	**100.0%**

TABLE 105

Lodges in the Arctic Coast and Maximum Capacity

	Capacity
High Arctic Lodge	12
Chantry Inlet Lodge	12
Bathurst Inlet Lodge	20
Total	44

Seasonalit y and Capacity - All of the lodges are opened on a seasonal basis, typically, during the spring and summer for a period of 8 to 10 weeks.

The average capacity for lodges based on single accommodation is 17 persons. Single capacity averages 4 persons.

Price Structure - It is extremely difficult to compare the pricing structure of lodges as prices quoted often include some form of transportation, meals and perhaps equipment rental. However, for those responding to the question, an average price of $122.50 per day per person was quoted and $150.00 per day for single accommodation excluding transportation.

Occupancy Rates - There is no information provided on the current occupancy levels of lodges in the Arctic Coast.

Age of Facilities - The average age of lodges is almost identical to that of hotels in the region. The average age is 13 years.

Employment - **Lodges employ an average of 14 temporary employees for a total employment of 42 persons.**

Credit Cards Accepted - All of the lodges in the Arctic Coast indicated that they do not accept credit cards as a method of payment.

Facilities and Services - **Each of the lodges in the region has dining facilities with an average capacity of 20 persons. Two lodges have licensed dining. One lodge has bar or lounge facilities.**

While all lodges have hot and cold water, none provide private baths, showers or flush toilets.

Meeting Rooms - **Each lodge provides a room which could be used for meetings. The average capacity of these rooms is 12 persons. The Bathurst Inlet Lodge recently added a conference facility to the lodge.**

Table 106 presents a summary of data based on the survey conducted in the Arctic Coast.

The cost of transportation and comparatively short season are major constraints to the viability of lodge operations in the Arctic Coast. In most years only a 1.5 month season can be expected from July 15 to August 29. In the southern areas, some operators have their own landing strips or include the cost of transportation from major centres such as Edmonton, Yellow knife or Saskatoon to their lodges as part of a one-week or eight-day package. In many cases the cost of an

TABLE 106

Summary of Results from the Lodge Industry Survey
Arctic Coast

Total Surveyed	3
Seasonality	**All Open Spring/Summer**
Average Capacity:	
. Shared	17 persons
. Single	4 persons
Price Structure:	
. Shared	$122.50/day/person
. Single	$150.00/day/person
Employment:	
. Permanent	n/a
. Temporary	14
Dining Facilities:	100.0%
. Dining Facilities Capacity	20 persons
. Licensed Dining	67.0%
. Bar/Lounge Facilities	34.0%
Occupancy (Average)	n/a
Age of Facility	13 years
Credit Cards Accepted	0.0%
Private Baths	0.0%
Flush Toilets	0.0%
Hot and Cold Water	100.0%
Maid Service	67.0%
Meeting Rooms	100.0%
Capacity of Meeting Rooms	12 persons
Showers	
. Private	0.0%
. Shared	100.0%

eight-day package is less than $2,000 out of Edmonton, [illegible] or Saskatoon. In the case of one lodge located in the Arctic Coast, the cost of an eight-day package out of Cambridge Bay is close to $2,300 per person in U.S. funds. The person is entirely responsible for their own transportation cost to Cambridge Bay.

Arctic Coast lodge operators are at a real cost disadvantage when competing with operators located in southern zones. Given higher costs of operation, they would also have less resources to spend on marketing to reach potential customers that are less price sensitive. On the other hand operators can offer unique experiences such as fishing in near virgin waters in Canada's High Arctic. Fishermen can also view muskoxen and caribou in their natural habitat.

In order [illegible] sustain a viable lodge industry in the Arctic Coast marketing support from the GNWT is necessary. Financially viable lodge operations in southern areas are spending as much as $40,000 to $80,000 annually on marketing to target markets. We suspect that Arctic Coast lodge operators are spending considerably less on marketing (less than $10,000 per lodge per year).

12.3.2 -- Food and Beverage Services

As only one facility that provides food and beverages responded to the survey, we are unable to include the responses in this analysis. However, some information on food services was provided in the <u>Arctic Coast Destination Zone Tourism Development and Marketing Strategy</u> prepared by MacLaren Plansearch et al.

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Some form of food service is provided in most communities. The study indicated that food services at hotels in Holman, Coppermine, Cambridge Bay and GJOA Haven serve meals of a high quality. It was noted that more imaginative food preparation would be required to service tourists and business travelers. [n particular, northern food specialties should be added to menus during the tourist season. This is the type of food service tourists are looking for. Dining facilities are also provided in each lodge in the Arctic Coast.

12.3.3 — Transportation

The Explorers' Guide lists two firms supplying vehicle rentals in the Arctic Coast. Fred H. Ross and Associates and Igloo Enterprises are both located in Cambridge Bay. Only one firm responded to the survey conducted to determine information on transportation infrastructure.

The one respondent indicated that five trucks were available for rent at $80 per day. Due to the sample size, no other data is available.

12.3.4 — Outfitting

There are a total of 14 outfitting enterprises operating in the Arctic Coast. Regarding the type of outfitting operation, 5 outfitters provide outfitting or tours principally for non-consumptive products such as tundra and community tours, river/land expeditions, dogsled/snowmobile tours and wildlife viewing. There are a total of 9 outfitters offering principally big game outfitting services. However, only 3 outfitters are actually resident in the Arctic Coast. At present the Arctic Coast's outfitting industry principally serves consumptive tourism markets. The ratio of consumptive vs. non-consumptive tourists is almost 3 to 1. This suggests that the Arctic Coast has not developed and/or marketed its non-consumptive travel products. The market for non-consumptive outdoor adventure products is substantially larger than for big game hunting products.

The response to a survey of Arctic Coast outfitters was very poor with only 5 companies reporting. Only one non-consumptive outfitter completed the survey. This company has only been in business for one year and served over 30 customers in 1986, providing outfitting services for fishing, nature and wildlife viewing.

A total of 4 hunting outfitters responded to the survey. The number of customers served ranged from 30 to 700 in a season. Three of the companies had been in business 10 years or greater and one for 3 years. Employment ranged from 1 permanent and 7 temporary employees to 7 permanent and 56 part-time employees.

12.3.5 -- Product Development Strategy

At only 1,200 visitors, the Arctic Coast receives the lowest level of tourist visitation in the NWT, accounting for only 2.3% of all tourist visitation to the NWT. Tourism is still a relatively new industry for the Arctic Coast. To assist the planning and development of the Arctic Coast's tourism

TABLE 107

Arctic Coast Outfitters

Outfitters	Activity
Joe	. Cambridge Bay - walking tours, Tundra and River Tours
Fran Co-op	. organized tours in the Cambridge Bay Area
Arctic Waterways	. outfit expedition type trips on more remote rivers
Arctic Spring Adventure	. 3 day dog sled trips and cultural experience
Taxi and Cartage	. snowmobile trips on Boothia Peninsula to observe wild-life and spring camping

Hunting (Class B)

	Location
HTA	. Cambridge Bay
. [illegible] HTA	. Coppermine
. [illegible] HTA	. [illegible]
. Lynx Tundra	. Yellowknife
. [illegible] Limited	.
. True North Outfitters	.
. The “J” Group Limited	. Yellow knife
. Rocknest Outfitters	. Yellowknife
. Arctic Safaris	. Yellowknife

industry, a major tourism destination study was carried out in 1986. The study recommended planning guidelines and suggestions for tourism product development. A total of $6 million worth of projects were costed and priorized for implementation. Table 108 provides a listing of these projects.

While both the Department of Economic Development and Tourism and the Arctic Coast Tourist Association have been using the tourist destination study as a guideline for tourism planning, most of the product/project recommendations were not implemented. Obviously the cost of implementation has been a major impediment.

The following sections describe the current status of tourist product development for specific destination areas in the Arctic Coast.

Cambridge Bay Destination Area

Cambridge Bay is the gateway to the Arctic Coast. It functions as a regional/administrative centre much in the same way as Inuvik does for the Western Arctic or Iqaluit for the Baffin. As a result a visitor reception and information centre would be an essential facility for not only Cambridge but also the entire Arctic Coast. Such a facility would also house offices for the Arctic Coast Tourist Association as well as the Department of Economic Development and Tourism's Regional Tourist offices. Planning for the centre is underway. It will include interpretive displays for the entire Arctic Coast as well as artifacts. It could also become a resource centre for package tour orientation. It would facilitate service development such as an incoming tour operator

Development

$ 78,000
$ 7,000
$ 30,000
$ 14,000
$ 400,000
$ 100,000
$ 20,000
$ S3, 000
$ 27,000
$ 600,000
$ 7,000
$ 555,000
$ 28, 000
$ 50,000
$ 101,000
$ 9,000
$ n/a
$ 170,000

3.2 - **Priority II**

None

3.3 - **Priority III**

. Char Lake Fishing Camp	$ 170,000

4.0 GJOA HAVEN DESTINATION AREA

4.1 - **Priority 1**

. Northwest Passage Coastal Tours	$ 206,000
. Gjoa Haven Community Tour	$ 7,000
Dog Team Excursions	$ 10,000

4.1 - **Priority II**

. Northwest Passage Historic Park	$ 150,000

4.3 - Priority III

. Chantry Inlet Lodge Acquisition	$ 115.000

S.0 SPENCE BAY DESTINATION AREA

S.1 - **Priority I**

. Boothia Peninsula Tours	$ 8,000
. Spence Bay Community Tour	$ 7,000
. Nature/Fishing Tours	$ 15,000
. Paleajook Hotel	$ 650,000

S.2 - Priority II

. Native Craft Workshop	$ 133,000

S.3 - **Priority III**

. Old Fort Ross Restoration and Lodge	$ 400,000

6.0 PEUY BAY DESTINATION AREA

c.1 - **Priority I**

. Inuit Lifestyle Centre	$ 345,000
. Pelly Bay Community Tour	$ 7,000

$ 200,000

$ 50,000

$5, 367. 000

-stination Zone: Tourism Development and ...ay, Volume III Project Descriptions and ...sm Plans. Outcrop Ltd., DPA Consultants, ...rch.

who could co-ordinate, plan and service individual tours. The Centre would also provide an opportunity for the staging of cultural presentations for incoming tours. Such a facility would cost between $500,000 and $1 million.

Planning for a territorial park and campground by Mount ~~~ is also underway. The park will include the development of historic sites and interpretive displays related to the area's early explorer history.

Coppermine - [illegible] Destination Area

An interpretive display has been built at the mouth of the Coppermine River which interprets early Northwest Passage Explorers. There is also a planning study underway for park development. Hotel accommodation and upgrading at Coppermine has also been carried out over the last two years. At least one tour company (Polar Challenge) has developed tours and river expeditions in the Coppermine area. There is excellent potential in the area for canoe expeditions and boat tours.

[illegible] is an established area for big game hunts. Guide training programs have been implemented for levels 1 and 2 and the response has been excellent.

GJOA Haven Destination Area

GJOA Haven is developing a historic interpretive theme based on early Northwest Passage Exploration. This includes the development of the Northwest Passage Historic Park. Plaques and cairns have been established throughout the Park. A scale model of [illegible] ship has been built and will be placed in a gallery in the Park that will also display artifacts, clothing and crafts. There is also excellent potential in the area for big game hunts.

Spence Bay - Pen y Bay Destination Area

The principal destination theme for Spence Bay and Pelly Bay is based on Inuit culture and arts and crafts. In the case of Spence Bay, one outfitter has established wildlife tours of the Boothia Peninsula.

Given the recent interest in the Franklin Expedition and the discovery of grave sites there is potential to establish historical expeditions based on retracing the Franklin Expedition and the mystique that surrounds the ill-fated expedition.

Bathurst Inlet

A 13,000 square kilometre area at Bathurst Inlet has been designated by Parks Canada as being of national significance. Also located in the area is Wilberforce Falls, one of the highest falls in the world; north of the Arctic Coast. As a result, Bathurst Inlet has excellent destination potential for naturalist trips. Since the 1986 Tourist Destination Study, Bathurst Inlet naturalist lodge has expanded to include conference room facilities. It is the only fixed-roof accommodation and meal service available in the area.

Compared to other tourism zones in the NWT, the Arctic Coast's tourism industry has developed slowly. The Arctic Coast also faces a number of constraints in developing a tourist industry:

Constraints

- High Cost of Transportation

  The Arctic Coast, as a destination, faces the highest transportation costs in the NWT.

- Lack of Developed Visitor Facilities and Services

  As tourism has not really had any focus in the past, there has been little development of attractions, interpretive displays and programs for tourists who are interested in the Zone's history, culture and wildlife resources.

- Limited Development of Packaged Tour Products

  Particular-l y for non-consumptive tour products, there has been only limited development of tours and outfitting services. Only Cambridge Bay has developed community tours. In some cases outfitters have reported only sporadic business and as a result some have ceased to operate. There are no boat tours of the Arctic Coast available.

- Human Resources are a Major Impediment to Industry Development

  As the Arctic Coast has had only limited exposure to tourism, there has been little development of skilled human resources to service tourists. This is particularly the case with product delivery where trained guides and interpreters are necessary to bring the Arctic Coast's unique history and culture insight for visitors. The Arctic Coast has a fascinating history related to the Northwest Passage such as the Franklin Expedition. However, to deliver a package tour themed on early Arctic Explorers, travel guides are necessary to interpret the historical significance of Northwest Passage explorations, the region's history, culture and to tell anecdotal stories and oral histories that tourists find interesting and exciting. As well, there has been very little development of interpretive facilities. There are no facilities that could

provide for A-V presentations or films. While the Arctic Coast has an established reputation for arts and crafts production such as print-making, tours would have to be organized to allow visitors the opportunity to see actual print-making or to visit and/or participate in a crafts workshop.

- Lack of Strategic Marketing

Obviously tourism travel to the Arctic Coast would appeal to market segments that are relatively upscale, adventure-some and can afford to travel there. The Arctic Coast, moreso than any other zone, has to identify the specific travel market segments that hold the greatest potential for market development. Rather than quantity, the Arctic Coast should focus on the development of a quality tourist industry founded on packaged tours with an individual group size of 8 to 20 people based on the cultural, historic and naturalist touring products that the Arctic Coast has to off er. It is towards these market segments that the Arctic Coast should focus its marketing and product development efforts.

Opportunities

- Tourism Planning is Now Leading the Development of Tourism Attractions and Facilities

Development of historic parks, interpretive sites, camp-grounds and other visitor facilities is now underway in at least three Arctic Coast communities - Cambridge Bay (ter-ritorial park, campground, visitor [illegible] tour Coppermine (interpretive displays, park development) and GJOA Haven (model of Amundsen's Ship). These are long term investments in tourism infrastructure that communities can build on with tours, interpretive displays and the packaging of experiences for tourists.

- Training Programs are now being Implemented

Level 1 and 2 guide training is now available for big game guides. The response to this program has been excellent. There is a need to broaden the type of guide training available to include nature/wildlife interpretation, history and general guiding. As in the case of the tourist industry guiding services will be critical to the future growth and development of the Arctic Coast's tourism industry.

- There is an Excellent Opportunist y for the Arctic Coast to Develop Outdoor-Adventure Travel Products

In the overview chapter which estimated the market potential for tourist travel to the NWT it was estimated that the North American trip potential for outdoor/adventure travel to the NWT was 74,700 trips of which 46,600 trips relate to non-consumptive travel such as hiking/backpacking, canoeing, and photographic safaris and 28, 100 relate to consumptive travel such as hunting and fishing. At present, the Arctic Coast is enjoying its greatest market penetration in capturing hunting trips. While the cost of transportation may be a competitive constraint to increased fishing market penetration, the Arctic Coast offers some of the best Arctic char fishing in the NWT.

The non-consumptive adventure travel market has been slow to develop in the Arctic Coast. It represents a major but longer term development opportunity. It will require the development of interpretive facilities, visitor services, guiding package tour development and guiding. Examples of tour product development could include:

- Northwest Passage Explorer Tours

  Retrace the steps of Arctic Explorers - Amundson and Franklin - Cambridge Bay - GJOA Haven

- Arctic Coast Tours

  Boat tours of Canada's Northwest Passage

- Inuit Cultural Tours

  Cambridge- Spence Bay - Pelly Bay - community tours, visits to arts - crafts workshops - art purchases

- Naturalist Trips Above the Arctic Circle

  - Bathurst Inlet Lodge
  - Naturalist Tours of the Boothia Peninsula
  - River Tours - Coppermine
  - Hiking/ Backpacking - Cambridge Bay - Bathurst Inlet

In addition events development could also create greater market awareness for the Arctic Coast. For example, the development of a Midnight Sun Marathon or Arctic Coast "Ironman" event.

Over the next five years the Arctic Coast should concentrate on the development and delivery of packaged tour products . However the Arctic Coast's tourism industry will require training assistance. Package tour development seminars should be developed to assist the industry. There is also a need to develop an incoming tour operator function to ensure the co-ordination and delivery of tourist services from guiding to community tours. The Arctic Coast Tourist Association could possibly fulfill this function.

This last project proposal should be given strong consideration as the travel corridor between the 60th Parallel and Hay River is one of the principal entry gateways to the Big River Zone and the NWT. Signage is an important component of marketing a destination area concept. One of the key objectives for tourism development in the Big River Zone will be to increase the length of stay in the Zone. Signage and visitor information about the Zone's attractions will greatly enhance the achievement of this objective.

The Liard Highway, as a tourism travel corridor, is a long term opportunity for the Zone. At present the Highway experiences very few vehicle trips per person (700 vehicles). The road is in poor condition (relative to other tourism travel corridors) and is closed periodically. According to a draft of the Liard-MacKenzie Regional Tourism Strategy, the highway is not close to areas of outstanding or unique scenery. As well the rivers and lakes within close proximity have limited sportfishing potential. The condition of the road itself can be improved over the long term. With increasing traffic it will be important to develop attractions and services near the highway. These improvements could include signage, roadside turnouts at interesting or physically attractive sites, interpretive signage and programs of the area's natural and human history and the development of campgrounds and rest stop facilities for travelers. Interpretive programs would have to be developed for bus tours at key points and communities along the highway.

Two of the Big River's most significant attractions are the Nahanni and Wood Buffalo National Parks. Visitation to these Parks for 1987 was 810 (June - September) and 3,398 (May - September), respectively.

Nahanni National Park

Registered visitation to Nahanni National Park of 810 people represents a 20% increase over 1986. Not ail visitation to the park is recorded. Some visitors enter via Tungsten and canoe into the Park from the northwest end. The Park's administrative offices are located at Fort Simpson where a slide interpretive program is available for visitors. The Park is principally of interest to the non-consumptive outdoor adventure travel market.

The Park has virtually no fishing potential and allowable hunting is at its maximum. However, the Nahanni would have very strong appeal to the naturalist trip market. A possible development opportunity would be the development of a naturalist lodge. The lodge would also include a visitor reception centre which would be used by tour groups requiring orientation prior to travel into the Park. As noted previously in the discussion of market potential for the Northwest Territories, the non-consumptive outdoor/adventure travel market was identified as holding the greatest trip potential for the NWT at 46,600 trips. The Nahanni has an excellent product base that would appeal to this market:

- Natural ist/Wildlife Viewing and Photo Safaris
- Hiking/Backpacking
- Canoeing/Rafting.

The development of a new lodge could occur near Fort Simpson or in Black stone Park. A separate feasibility study would be required to identify the size and services offered by such a facility. It should be a quality facility.

Wood Buffalo National Park

Wood Buffalo's registered visitation of 3,398 visitors in 1987 represents a 25% increase over 1986. This is partly the result of increased local area use. Visitation to the Kettle Point Group Camp increased by 41% to 729. There are 60 sites at Kettle Point. The Pine Lake day use area recorded a 40% increase in utilization over 1986. There are 40 serviced sites available at the Pine Lake Campground.

A new visitor reception centre was built at Fort Smith. The Centre received almost 2,200 visitors in 1987. It provides a multi-slide show and interpretive display of the Park. Fort Smith itself also has an excellent campground (Queen Elizabeth Campground).

Wood Buffalo's strongest appeal is the touring market which would be interested in the area's physical scenery and to see what is considered to be the world's largest free-roaming Buffalo Herd. In addition there are also whooping cranes in the Park. There are opportunities to camp in the Park or to stay overnight in Fort Smith and spend the entire day touring the park. There is an excellent opportunity for Fort Smith to capture overnight stays from either bus tours or independent auto/ RV travel through the Park. Fort Smith has also been reasonably successful in developing the Elder Hostiling market.

Hay River and Fort Smith, with populations of 2,964 and 2,460, respectively, are the largest urban centres located in the Big River Zone. They are both serviced by road and scheduled jet air service. They both offer excellent accommodation bases. While Hay River has a larger number of accommodation units, Fort Smith has the Bacha College.

As a result both communities could promote existing as well as new events and conferences that would act as travel generators. Examples include:

- Sailing Regattas - Great Slave Lake
- Dog Race Competitions
- Sports Tournaments
- Midnight Sun Celebration Events
- Northern Educators Conferences
- Meetings/Seminars at the College
- Naturalist Conferences
- Outdoor Marathons
- Cultural Events

NORTHERN FRONTIER

11.0 NORTHERN FRONTIER ZONE

11.1 Introduction

Northern Frontier borders on Big River Country to the west and south and on the Arctic Coast Region to the north. The region stretches north to Great Bear Lake and east from Great Slave Lake into the Barren Lands.

[illegible] is the centre for the region and the capital city of the Northwest Territories. There are 8 communities in Northern Frontier with a combined population of 14,193 people. The communities centred in Northern Frontier are listed in Table 87.

TABLE 87

Population of Communities in the
Northern Frontier Zone

Community	1986 Population
Yellow knife	11,753
Detah	131
Rae/ Edzo	1,378
Lac La [illegible]	345
Rae Lakes	183
Snare Lake	119
Snowdrift	273
Reliance	11
Total	14,193

Source: Statistics Canada, 1986 Census Data.

11.2 Existing Market Characteristics

Existing data sources provide information on the Fort Smith administrative region only and do not breakdown information into the Big River and Northern Frontier Zones. However, for purposes of this analysis, data on the Fort Smith Region has been presented. The Visitors Survey to the NWT indicated that 50% of all visitors to the Territories spend at least some time in Yellow knife. In addition, 48% of all visitors to the Fort Smith Region visit Yellow knife.

Visitation

The Fort Smith Region has the highest level of visitation of all the zones. Recent studies indicate that visitation has increased by 11% from 1982 to 1986.

TABLE 88

Total Person Trips to Fort Smith Region

	1982	1984	1986
Number of Trips			
Air	**19,300**	**14,000**	**21,500**
Road	**10,000**	**8,000**	**11,000**
	29,300	**22,000**	**32,500**

	%	#	%	#	%	#
Trip Purpose						
Business	**34**	**9, 962**	**33**	**7,260**	**n/a**	**n/a**
Vacation	**62**	**18,166**	**58**	**12,760**	**n/a**	**n/a**
VFR	**4**	**1,172**	**4**	**880**	**n/a**	**n/a**

Source: DMCA and Visitors to the NWT, 1982 and 1984.

Party Expenditure

Table 89 indicates that the value of vacation expenditure to the Fort Smith Region is less than the Baffin but greater than that of the Inuvik Region. Average trip length is 10.1 nights in the Fort Smith Region, the same as that of all of the NWT. The average travel party size is 1.8 persons, similar to 1.76 persons for the NWT as a whole.

TABLE 89

Comparison of Average Party Vacation Expenditure and Length of Stay

	Fort Smith	Baffin	Inuvik
Average Travel Party Expenditure	$565	$1,550	$455
Length of Stay (nights)	10.1	18.8	17.5
Travel Party Size	1.8	2.5	1.6

Source: Visitors to the NWT, 1984 and 1985 Baffin Air Travel Survey.

Origin of Visitors

Approximately 90% of all visitors to the Fort Smith Region are from Canada. Alberta and British Columbia represent key markets for both air and highway travelers. In addition, Ontario represents a significant market for visitors travelling by air. Visitors from the U.S.A. represent 13% of all road travelers and 9% of air visitors.

As a result both communities could promote existing as well as new events and conferences that would act as travel generators. Examples include:

- Sailing Regattas - Great Slave Lake
- Dog Race Competitions
- Sports Tournaments
- Midnight Sun Celebration Events
- Northern Educators Conferences
- Meetings / Seminars at the Bacha College
- Naturalist Conferences
- Outdoor Marathons
- Cultural Events

TABLE 90

Origin of Travel to Fort Smith
1982- 1984

	1982	1984 Air	1984 Road
Canada			
British Columbia	14%	12%	16%
Alberta	49%	39%	52%
Saskatchewan	5%	3%	6%
Manitoba	4%	8%	2%
Ontario	12%	22%	6%
Quebec	2%	1%	1%
Maritimes	2%	4%	-
Yukon		1%	2%
	89%	90%	85%
Foreign			
U.S.A.	9%	9%	13%
Other	2%		

Source: Visitors to the NWT, 1982, 1984.

11.3 Tourism Products and Inventory

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. Information is presented for the Northern Frontier on the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
- Attractions
- Travel Trade

11.3.1 -- Accommodation

For purposes of this analysis the accommodation sector refers to lodges, motels, hotels, cabins, tent camps, out-post camps and other forms of accommodation. While the number of lodges in the zone has remained constant, the number of hotels and motels has increased by four from six to ten. Table 91 presents the number of hotels/motels and lodges operating in Northern Frontier.

TABLE 91

Number of Facilities by Type
1978 vs. 1987
Northern Frontier Zone

	1978	1987
Hotels/Motels	6	10
Lodges	19	19
Total	25	29

Source: Growth in Northwest Territories Tourism Facilities; Department of Economic Development and Tourism; February, 1987.

11.3.1.1 — Hotels /Motels

There are 10 hotels and motels in the region, the vast majority of which are centred in Yellow knife. The Yellow knife total dominates the Northern Frontier with 98.4% of the Zone's accommodation capacity. Total capacity for the hotels and motels is 415. Table 92 lists the hotel, its location and maximum capacity.

TABLE 92

Northern Frontier Zone Hotels/Motels
By Location and Capacity

Hotel /Motel	Location	# of Rooms	Capacity
Meni Khon Hotel	Lac La Martre	4	8
Snowdrift Enterprises	Snowdrift	3	6
Discovery Inn	Yellow knife	41	82
Explorer Hotel	Yellow knife	110	220
Gold Range Hotel	Yellow knife	42	72
Northern Lights Motel	Yellow knife	20	29
Twin Pine Motor Inn	Yellowknife	44	100
Yellow knife Inn	Yellowknife	150	300
YMCA	Yellow knife		33
Barb Bromly Bed and Breakfast	Yellow knife	1	2
		415	852

Source: 1987 Northwest Territories Explorers' Guide.

A territorial-wide survey of the accommodation sector was conducted. Eight of the ten hotels or motels in Northern Frontier were surveyed. A summary of the results of this survey for which data was deemed representative has been included in this analysis.

Seasonality and Capacity - All respondents to the survey are opened on a year round basis. The average capacity of hotels in Northern Frontier is 114.6 rooms for shared accommodation and 59.6 for single occupancy. Motels have an average shared capacity of 43.3 persons and 22.6 persons for single occupancy. Total capacity of the June to September season is 104,800. Yellowknife accounts for 98% of the total capacity.

Price Structure - Respondents were asked for the price for both single and double occupancy. The average motel room rate for single accommodation is $78. 67; for shared motel rooms, the average price is $81.00. Based on the survey, hotel rates are $60 for single and $81.40 for shared occupancy.

Occupancy Rates - Hotel occupancy in Northern Frontier hotels is 63.7%. Motels have a higher occupancy rate of 80.5%. These occupancy rates are among the highest in the Territories.

Age of Facility and Renovations - Hotels in Northern Frontier are fairly new with an average age of 11.2 years. Motels are just under half as old with an average age of 5 years. Two-thirds of hotels and one-third of motels indicated that renovations had been undertaken in the last 5 years. Renovations included adding and upgrading rooms and, in one case, the addition of meeting rooms.

Employment - The average number of permanent employees per hotel is 34.4; for temporary employees, the average is 12.7 persons. For motels, employees average 6.6 employees for permanent, and 3 persons for temporary employment. Overall 191.8 permanent and 72.5 temporary persons are employed in the accommodation sector in Northern Frontier.

Credit Cards Accepted - **All hotels and motels in Northern Frontier accept at least one major credit card.**

Facilities and Services - **Dining facilities are provided in all hotels but only in one-third of motels. The average capacity for dining facilities is for 58.5 persons in hotels and 50 in motels. Licensed dining or bar facilities are not available in motels, however, 80% of hotels have licensed dining and 60% have bar facilities. Kitchenettes can be found in two-thirds of motels in Northern Frontier.**

All accommodation in Northern Frontier provide housekeeping services, flush toilets, and hot and cold running water. Eighty percent of hotels and all motels provide private baths and showers.

Meeting Rooms - **Only 33% of respondents to the hotel survey in Northern Frontier indicated that they provide meeting rooms. Average capacity for those responding was 487.5 persons. Fifty percent of motel respondents indicated that they provide meeting rooms. Average capacity is 35 persons.**

Table 93 presents a summary of data for hotels and motels based on the survey.

11.3.1.2 -- Lodges

There are a total of 21 lodges in Northern Frontier. Six lodges are located on Great Bear Lake and four on Great Slave Lake. The remaining 11 lodges are located elsewhere within the zone. Total capacity of 19 of the 20 lodges is 452 persons. Table 94 lists the lodges in Northern Frontier and their total capacity.

TABLE 93

Summary of Results from Hotel/Motel sents a
Northern Frontier

	Hotels	Motels
Total Surveyed	5	3
	100%	100%
Average Capacity:		
• shared	114.6 persons	43.3 persons
• single	59.6 persons	22.6 persons
Price Structure:		
. single/night	$60.00	$81.00
• shared/night	$81.40	$78.67
Occupancy (Average)	63.7%	80. 5%
Age of Facility	11.2	5.0
Gross Revenue:		
. average gross revenue		
. on a per room basis		
Employment:		
. permanent	34.4 persons	6.6 persons
. temporary	12.7 persons	3.0 persons
Dining Facilities	100%	33%
. dining facilities capacity	58.5 persons	50.0 persons
. licensed dining	80%	0%
. bar/lounge facilities	60%	0%
. kitchenettes	0%	66.6%
Credit Cards Accepted	100%	100%
Services:		
. private baths	80%	100%
. flush toilets	100%	100%
. hot and cold water	100%	100%
. showers		
- private	80%	100%
- shared	20%	
. maid service	100%	100%
Meeting Facilities:		
. meeting rooms provided	33.3%	50%
. capacity of meeting rooms	487.5 persons	35.0 persons
Renovations in Past 5 Years	66.6%	33.3%

TABLE 94

Northern Frontier Lodges and Maximum Capadty

Lodge	Capacity	%
Great Bear Lake		
. Arctic Circle Lodge	34	
. Bransons Lodge	40	
. Great Bear Lodge	16	
. Great Bear Lodge	38	
. Great Bear Trophy Lodge	44	
. Plummers Great Bear Lake Lodge	54	
Sub-Total (6)	226	49.0%
Great Slave Lake		
. Frontier Fishing Lodge	24	
. Indian Mountain Fishing Lodge	10	
. Plummer Great Slave Lake Lodge	44	
. Trophy Lodge	16	
Sub-Total (4)	94	20.4%
General		
. Blachford Lake Lodge	10	
. Katimavik Lodge	12	
. Lynx Tundra Lodge	12	
. MacKay Lake Lodge	12	
. Meni Dene Co-op Fishing	24	
. Namushka Lodge	12	
. Prelude Lake Lodge	15	
. Stagg Lake Lodge	12	
. Wetta Lake Lodge	12	
. Yellow knife Lodge	12	
. Hearne Lake Lodge	8	
Sub-Total (11)	141	20. 6%
Total (21)	461	100.0%

Source: 1987 Northwest Territories Explorers' Guide.

Seventeen of the 21 lodges responded to the survey providing an 81% response rate.

uevel' and Capacity - All of the lodges surveyed were open on a seasonal basis. Typically, lodges are open only during the spring and summer months.

The average capacity for lodges based on single accommodation is 12.2 persons. For double occupancy, average capacity is 25.1 persons. Assuming the season runs from June to September, lodges in Northern Frontier can accommodate 55,600 people per year.

Price Structure - It is extremely difficult to compare the pricing structure of lodges as prices quoted often include some form of transportation, meals and perhaps equipment rental. For the two lodges responding to the question, the cost for a shared room only is $60 or $70 per night.

Occupancy - There is no information provided on the current occupancy level in lodges in – Cambı Frontier. One respondent indicated that his occupancy level was 30%.

Age of Facilities - The average age of lodges in Northern Frontier is 17.5 years, therefore, lodges are, on Arctic C older than hotels and motels in the region.

Employment - Lodges employ an average of 2.6 permanent employees and 27.2 temporary employees for a total of 55.6 permanent and 571.2 temporary employees.

Credit Cards Accepted - One-half of the lodges in the region accept credit cards as a method of payment.

Facilities and Services - Lodge facilities are characterized by private baths, flush toilets, hot and cold water and housekeeping services.

Meeting Rooms - The majority of lodges in Northern Frontier provide facilities for meetings and conferences. The average capacity for meeting rooms is not available.

Table 95 presents a summary of data based on the survey conducted in Northern Frontier.

11.3.2 -- Food and Beverage Services

For the lounge, food and beverage sub-sectors, only 4 facilities were interviewed to provide information on the types of facilities offered, seating capacity, banquet facilities, food prices, seasonality, age of facilities and employment data.

A 1985 study of the Fort Smith Region presented a list of businesses operating in the region. A total of 28 restaurants, cafes or bar operations were listed in that study as being located in Northern Frontier.

Although some restaurants may have closed and a number of new facilities may have opened since 1985, it is evident that an insufficient sample of restaurant facilities responded to the survey.

Table 96 lists the name, location and type of food service faci lit y located in Northern Frontier.

TABLE 95

Summary of Results from the **Lodge** Industry Survey In Northern Frontier

Total Surveyed	**17**
Seasonality	**Spring/Summer**
Average Capacity:	
. **Shared**	**25.1 persons**
. **Single**	**12.2 persons**
Employment:	
. **Permanent**	**2.6**
. **Temporary**	**27.2**
Dining Facilities:	**100%**
. **Dining Facilities Capacity**	**33.2 persons**
. **Licensed Dining**	**72.7%**
. **Bar/Lounge Facilities**	**100%**
Average Gross Revenue	**$365,000**
Occupancy (Average)	**n/a**
Age of Facility	**17.5 years**
Credit Cards Accepted	50.0%
Private Baths	70.0%
Flush Toilets	91.6%
Hot and Cold Water	100.0%
Maid Service	100.0%
Meeting Rooms	88.9%
Capacity of Meeting Rooms	**n/a**
Showers	
. **Private**	**75.0%**
. **Shared**	**25.0%**

TABLE 96

Food Service Facilities
Located in Northern Frontier - 1985

	Facilities
Lac La Martre	
Meni Kohn	Motel Cafe
Rae/Edzo	
Hannigan's Burger King	Cafe
Rae Cafe	Cafe
Yellowknife	
Airporter Restaurant Ltd.	Restaurant, Lounge and Craft Shop
Colonial Foodsystems Ltd.	Take Out Foods
Eddy's Drive-In Pizza	Take Out Foods
Explorer Hotel	Hotel, Restaurant and Lounge
Gallery Pub	Bar
Gold Range Hotel	Hotel, Restaurant and Lounge
Hall of Fame	Lounge
Harry's Kitchen	Concession
Hoist Room Ltd.	Restaurant and Lounge
Luigi's	Take Out Food
Lunch Box Cafeteria	Restaurant
Mike Mark's Chinese Food	Restaurant
Mr. Mikes Restaurant	Restaurant
Nellies Pyroghy House	Restaurant
Pap's Pizza House	Restaurant and Lounge
Polar Bowl	Lounge and Bowling
Prelude Lake Lodge	Cabins, Store and Restaurant
Royal Canadian Legion	Bar
TC Enterprises Ltd.	Concession Services
The Office	Restaurant and Lounge
The Yellowknife Inn	Hotel, Restaurant and Lounge
Wildcat Cafe	Restaurant
YK Sub-Shop	Take Out Food
Yellowknife Elk's Club	Bar and Club

Source: Fort Smith Region Economic Base Study, Lutra Associates Ltd., H. J. Ruitenbeek Resource Consulting Ltd., 1985.

11.3.3 — Transportation

There are 5 vehicle rental outlets located in Yellowknife. Boats can be rented from 5 outlets. Two firms provide sightseeing and bus charters. Table 97 outlines data on the name and location of vehicle rentals in Northern Frontier.

Two separate survey instruments were designed to provide information on the transportation sector. Vehicle rental agencies and boat rental outlets were surveyed to determine the number and type of vehicles, the average daily rental rate and capacity utilization. In addition respondents were requested to provide information on the number of employees, seasonality and fleet upgrading.

TABLE 97

Northern Frontier

Name	Location
Vehicle Rentals	
Avis Rent-A-Car	**Yellow knife**
Budget Rent-A-Car	**Yellow knife**
Hertz Rent-A-Car	**Yellow knife**
Tilden Rent-A-Car	**Yellow knife**
Fred H. Ross and Associates	**Yellow knife**
Boat Rentals	
Overlander Sports	**Yellowknife**
Prelude Lake Lodge	**Yellowknife**
The Sportsman	**Yellow knife**
Sail North	**Yellow knife**
Trading Post	**Yellow knife**
NOACHA	**Yellow knife**
Charter and Sightseeing Buses	
Frame and Perkins Ltd.	**Yellow knife**
Raven Tours	**Yellow knife**

Source: 1987 NWT Explorers' Guide and DMCA Survey.

Table 98 presents the results of the survey in tabular form. The survey indicates that the average number of vehicles available for rent per facility is: 24 cars; 7.3 two wheel drive trucks; 15 four wheel drive trucks. One respondent indicated that motorboats, canoes and snowmobiles were available for rent but did not indicate the number of vehicles provided.

The average daily rate for the rental of cars is $43; two wheel drive trucks $54 and four wheel drive trucks $55.

The capacity utilization rate is moderate at 40% to 47% for trucks and 64% for cars. Utilization rates for snowmobiles, motorboats and canoes was extremely low at 5%.

Most vehicle rental outlets accept credit cards and are open year round. Overall, 13.5 permanent and 5 temporary jobs are created by vehicle rental agencies.

11.3.4 -- Outfitters

There are 16 outfitters currently operating in Northern Frontier providing a variety of services and day tours. In addition, there are six operations providing Class B hunting guides. Table 99 presents a list of outfitters and indicates the services they provide.

TABLE 98

Summary of Results from the Vehicle Rental Survey
in Northern Frontier

Type of Vehicle	Average Number	Average Daily Rate	Capacity Utilization
Cars	24	$43	63.5%
2 Wheel Drive Trucks	7.3	$54	46.7%
4 Wheel Drive Trucks	15	$55	40.0%
ATV	n/a	n/a	n/a
Snowmobiles	n/a	$50	5.0%
Motorboats	6	$25	5.0%
Canoes	n/a	$25	5.0%

Number Surveyed	4
Credit Cards Accepted	75%
Open Year Round	100%
Upgraded Fleet in the Last 5 Years	100%
Temporary Employees	1.0 person
Permanent Employees	2.7 person

Note: n/a - question not answered.

TABLE 99

Northern Frontier Outfitters

outfitters	Activity
Bluefish Services	• fishing on Great Slave Lake
East Wind Arctic Tours and Outfitting Ltd.	• fishing, naturalist canoeing and backpacking
Frontier Tours	• guided tours of Yellowknife and Ingraham Trail
Giant Yellow knife Mines	• underground and above ground tours
Great Slave Sledging Co. Ltd.	• dog team expeditions
J. Group Co. Ltd.	• wilderness survival and hunting courses
MacKay Lake Lodge	• outfitting caribou hunts
Meni Khon Outfitters	• fishing and naturalist activities
Qavvik	• barren ground caribou hunts and naturalist tours
Raven Tours	• Yellow knife and Cameron Falls bus tours/cruises
Rocking Horse Ranch	• horseback riding and hayrides
Rovin Raven Boat Tours	• cruises and fishing
Sail North	• sailboat instruction and boat and equipment rental
Great Slave Lake Outfitters	• fishing
Tochatwi Outfitters	• barren land caribou hunting
Yellow knife Traders	• sightseeing excursions

Hunting (Class B)

- Lynx Tundra
- Qavvik Ltd.
- True North Outfitters
- "J" Group Ltd.
- Rocknest Outfitters
- Arctic Safaris

Outfitters were surveyed to determine the current inventory of available equipment. In addition, respondents were asked to provide information on employment, number of customers, number of years of operation and what improvements to their infrastructure, if any, would be necessary if tourism visitation were to increase in their zone.

Unfortunately only seven of the 22 outfitters responded to the survey. A summary of the results of this survey are shown in Table 100. Caution should be used in regard to this table as the sample (which represents only 31.8% of Northern Frontier outfitters) may not be truly representative. Based on this sample Northern Frontier outfitters have been operating an average of 9.3 years and have served an average of 220 customers per year. Average employment is 4 permanent and 4.6 temporary employees. The breakdown by type of occupation is 17% sales/administration, 31% guiding and 52% maintenance and support services.

When asked to indicate the type of services they provide, one indicated big game hunting and another nature and wildlife services. The remaining respondents indicated they provide services other than those indicated in the survey (for example, bus tours and sailing).

11.3.5 — Summary

The Northern Frontier Zone attracts the largest number of non-resident visitors to the NWT. Northern Frontier, and in particular Yellow knife, is the gateway to the NWT. Yellowknife has the largest concentration of hotel capacity in the NWT. It is the capital of the NWT and contains almost a quarter of all NWT residents. Yellow knife dominates travel to both the Northern Frontier Zone as well as the entire NWT.

TABLE 100

Summary of Results of Outfitters Survey
Northern Frontier

Number Surveyed	7
Average Number of Years of Operation	9.3 years
Average Number of Employees:	
. Permanent	4.0 persons
. Temporary	4.6 persons
Employment by Occupation:	
. Sales and Administration	17%
. Guiding	31%
. Maintenance and Support	52%
Average Number of Customers	220 persons *
Distribution by Type of Outfitter:	
. Big Game Hunting	0%
. Fishing	17%
. Nature and Wildlife Services	17%
. Historic Sites	0%
. All of the Above	0%
. Other	67%

* Excludes one operator indicating 1, 400 customers per year.

In addition to ...nsumptive a... the Northern Frontier Tourism Zone has also developed the largest lodging industry in the NWT with 21 lodges and a capacity of 461 visitors, which is slightly greater than one-half of the capacity of all ...gulam hotels. In particular, Great Bear Lake has the single largest concentration of Lodge capacity (226 persons) in the NWT. Northern Frontier also has the greatest concentration of outfitters in the NWT.

For the rest of the Northern Frontier Zone, and in particular the communities of Lac La Martre, Rae/ Snowdrift, Rae Lakes, and Reliance, there has been little in the way of development of community-based tourism enterprises.

11.3.6 -- Product Development Strategy

The Three Year Marketing Strategic Plan completed in July 1986 defined the target geographic markets for the Northern Frontier Zone. Geographic target markets have been broken down into primary, secondary and tertiary markets as follows:

Primary:	Western Canada (Alberta, British Columbia and Yukon) Midwestern and Central U.S. States, California.
Secondary:	Ontario, Northeastern and North Atlantic States, Texas and Arizona.
Tertiary:	Overseas Markets particularly Germany and Switzerland.

Northern Frontier captures the majority of all non-resident travel to the NWT. Yellow knife alone, receives 50% of all visitation to the NWT, as at least 50% of all visitors spend at least some time in that city.

While Northern Frontier has been perhaps the ' ' most successful tourism zone in regard to capturing both non-resident travelers and non-resident travel expenditure, it has not undergone the kind of intensive tourism planning that has been undertaken in other zones. Unlike other zones there has been no comprehensive tourism strategy prepared for Northern Frontier. We were able to determine only three previous tourism planning initiatives that were undertaken in the recent past. They include:

- Preliminary Community Tourism Development Plans
- Rae Band Tourism Study
- Highway #3 Corridor Study

The following is a list of project proposals that resulted from these studies:

Tourist Accommodate ion

Naturalist Lodge

to be developed at one of the following locations - Lac La - Rae Lakes or Snare Lakes

Hotel /Motel Accommodation

- Rae/ Edzo

Visitor Centre

A visitor should be developed for the region

Tour Development

- Boat tours of the Lac La Martre, Rae Lakes, Snare Lakes
- Based in Snowdrift, guided tours of the East Arm of Great Slave Lake.

Attractions

- Day use area and visitor information services at Rae Edzo - Frank Channel.

With the exception of Lac La Martre, to the best of our knowledge, none of these development proposals have gone forward. A fishing lodge was built at Lac La Martre which is expanding into a naturalist operation for the winter season.

An important project for both Northern Frontier, as well as for the entire NWT, would be the development of a Visitor Reception and Interpretive Centre. The estimated capital cost for such a facility would likely exceed $2 million and it should be located in Yellow knife. A possible location would be at Yellow knife's existing airport. Possibly the Federal Department of Transportation could be approached by the GNWT with a proposal to redevelop the existing terminal with the addition of a visitor centre. The existing facility is a small and unattractive building when compared to either Whitehorse or Iqaluit terminals. The centre would contain interpretive displays of the NWT, provide offices for tour operators and the Northern Frontier Visitors Association, a resource and orientation centre for tour groups needing space for pre-tour orientation and as well space for cultural presentations such as drum dances for tourists. It would be expected that the facility would be used by both air and road travelers such as bus tours.

Further project development for the Northern Frontier Zone should be preceded by a Regional Tourism Strategy. Such a study would be comprehensive in nature and address the entire zone's tourism potential with specific project proposals for attractions, events and facilities.

THE ARCTIC **COAST**

12.0 THE ARCTIC COAST

12.1 Introduction

The Arctic Coast covers 500,000 square kilometres in the north central region of the Northwest Territories. The Arctic Coast region encompasses a number of islands, the Arctic Coastline, Bathurst Inlet, the Queen Maud Gulf Bird Sanctuary, the Back, Burnside, Coppermine and Hood Rivers.

There are 8 communities in the Arctic Coast with a combined population of 3,689 people:

TABLE 101

Population of Communities in the
Arctic Coast
1986 **Census**

Community	Population
Cambridge Bay	1,002
Bathurst Inlet	16
Coppermine	888
Holman	303
GJOA Haven	650
Spence Bay	488
Pelly Bay	297
Other, Unorganized	45
Total	3,689

12.2 Existing Market Characteristics

Information on the existing market for travelers to the Arctic Coast is limited. Typical travelers to the region include business people, government officials, anglers, sporthunters, history enthusiasts and naturalists and adventure travelers that are often small specialized groups, couples or individuals.

A statistical report prepared by the Department of Economic Development and Tourism indicated that visitation was estimated at 400 visitors in 1982 and 1984. In 1986, visitation was estimated at 1,200 persons. Estimated expenditure was $660,000 in 1982 and $2,500,000 in 1986.

12.3 Tourism Products/ Inventory

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. Information is presented for the Arctic Coast on the following sub-sectors:

- Accommodation
- Food and Beverage Services
- Transportation
- Attractions
- Services and Programs

12.3.1 — Accommodation

For purposes of this analysis, the accommodation sector refers to lodges, motels, hotels, cabins, tent camps, out-post camps and other forms of accommodation.

The basic level of accommodation facilities has increased by only one facility since 1978. Two new hotels have been constructed and one lodge has closed since 1978. Table 102 presents the number of hotels and lodges operating in the Arctic Coast.

TABLE 102

Number of Facilities By Type
1978 vs. 1987
Arctic Coast

	1978	1987
Hotels/Motels	4	6
Lodges	4	3
Total	8	9

Source: Growth in Northwest Territories Tourism Facilities; Department of Economic Development and Tourism; February, 1987.

12.3.1.1 — Hotels

There are six hotels in the region. Total capacity for hotels in the Arctic Coast is 125. Table 103 lists the hotels, their location and maximum capacity.

TABLE 103

Arctic Coast Hotels
By Location and Capacity

Hotel /Motel	Location	# of Rooms	Capacity
Arctic Char Inn	Holman	8	20
Coppermine Inn	Coppermine	11 *	40
Ikaluktutiak Hotel	Cambridge Bay	20	40
Amundsen Hotel	Gjoa Haven	6	12
Paleajook Hotel	Spence Bay	4	10
Inukshuk Inn	Pelly Bay	6	18
Local Store	Bay Chimo	2	2
Total		57 **	142

* In addition there are 5 A-frames.
** This excludes the 5 A-frames.

Six of the seven hotels in the Arctic Coast were surveyed. This represents almost a 100% sample as the one facility not surveyed accommodates only 2 persons.

Seasonality and Capacity - Hotels in the Arctic Coast are opened on a year-round basis. The average capacity for shared accommodation is 22.8 rooms. For single accommodation, the capacity drops to 8 rooms.

Price Structure - Respondents were asked for the price for both single and double occupancy. The average room rate for single accommodation is $91.67, for a shared room, the rate drops slightly to $90.00 per night.

Occupancy Rates - Hotels in the Arctic Coast experience a high level of occupancy for the year. Respondents indicated that average occupancy rates were 66. 5% for the year. In fact, Arctic Coast hotels have the highest occupancy rates of any hotels operating in the NWT. This is largely the result of construction, government and other non-pleasure travel demand for accommodation in the Arctic Coast.

Age of Facility and Renovations - Hotels in the Arctic Coast have an average age of 13.25 years. However, 80% of hotels have been upgraded in the last five years.

Four of the six hotels indicated the cost of renovations. All four indicated that rooms were upgraded for an average cost of $25,000 per hotel. Dining facilities were upgraded for a cost of $38,400 on average. Fifty percent of hotels spent an average of $6,000 adding new rooms. An average of $30,000 was spent to upgrade washroom facilities.

Gross Revenue - Average gross revenues for is $550,000 per facility. On a per room basis, average gross revenue is $25,562.

Employment - The average number of permanent employees per hotel is 5.2; for temporary employees, the average is 4.5 persons. Overall 31 permanent and 27 temporary persons are employed in the accommodation sector in the Arctic Coast.

Credit Cards Accepted - All hotels in the Arctic Coast accept at least one major credit card.

Facilities and Services - Dining facilities are provided in all of the hotels. The average capacity for dining facilities is for 25.5 persons. Licensed dining or bar facilities are not available in any of the hotels. Only one hotel is equipped with kitchenettes.

All the accommodation in the Arctic Coast provide housekeeping services, hot and cold water, and shared baths and showers. Flush toilets are provided in over 80% of hotels.

Meeting Rooms - Data on meeting room facilities was not provided by a representative sample, therefore, no data is available.

Table 104 presents a summary of data based on the survey.

12.3.1.2 — Lodges

There are three lodges in the Arctic Coast. In addition, there is an inactive fourth lodge, Char Lake Lodge which has been closed since 1981. Table 105 lists the lodges in the Arctic Coast and, where available, capacity. The Bathurst Inlet Lodge is a naturalist lodge while the other two facilities could be described as fishing lodges.

All three of the lodges responded to the survey providing a 100% response rate. In some instances, fewer than three responses were provided for a specific question. Where this occurs, the data has been deleted from the analysis.

TABLE 104

Summary of the Results from the Hotel Survey: Arctic Coast

Total Surveyed	6
Seasonality	**All opened year round**
Average Capacity:	
. Shared	**22.8 persons**
. Single	**8.0 persons**
Price Structure:	
. Shared	**$90.00 per night**
. Single	**$91.67 per night**
Gross Revenue:	
. Average Gross Revenue	$550,000
. On a Per Room Basis	$ 25,562
Employment:	
. Permanent	**5.2 persons**
. Temporary	**4.2 persons**
Dining Facilities:	**100.0%**
. Dining Facilities Capacity	**25.5 persons**
. Licensed Dining	**0.0%**
. Bar/Lounge Facilities	**0.0%**
. Kitchenettes and Store Access	**16.7%**
Occupancy (Average)	**66.5%**
Age of Facility	**13.25 years**
Credit Cards Accepted	**100.0%**
Private Baths	**0.0%**
Flush Toilets	**83.3%**
Hot and Cold Water	**100.0%**
Sauna	**0.0%**
Maid Service	**100.0%**
Renovations in Past Five Years	**80%**
Showers	
. Private	**0.0%**
. Shared	**100.0%**

TABLE 105

Lodges in the Arctic Coast and Maximum Capacity

	Capacity
High Arctic Lodge	12
Chantry Inlet Lodge	12
Bathurst Inlet Lodge	20
Total	44

Seasonality and Capacity - All of the lodges are opened on a seasonal basis, typically, during the spring and summer for a period of 8 to 10 weeks.

The average capacity for lodges based on single accommodation is 17 persons. Single capacity averages 4 persons.

Price Structure - It is extremely difficult to compare the pricing structure of lodges as prices quoted often include some form of transportation, meals and perhaps equipment rental. However, for those responding to the question, an average price of $122.50 per day per person was quoted and $150.00 per day for single accommodation excluding transportation.

Occupancy Rates - There is no information provided on the current occupancy levels of lodges in the Arctic Coast.

Age of Facilities - The average age of lodges is almost identical to that of hotels in the region. The average age is 13 years.

Employment - **Lodges employ an average of 14 temporary employees for a total employment of 42 persons.**

Credit Cards Accepted - All of the lodges in the Arctic Coast indicated that they do not accept credit cards as a method of payment.

Facilities and Services - **Each of the lodges in the region has dining facilities with an average capacity of 20 persons. Two lodges have licensed dining. One lodge has bar or lounge facilities.**

While all lodges have hot and cold water, none provide private baths, showers or flush toilets.

Meeting Rooms - **Each lodge provides a room which could be used for meetings. The average capacity of these rooms is 12 persons. The Bathurst Inlet Lodge recently added a conference facility to the lodge.**

Table 106 presents a summary of data based on the survey conducted in the Arctic Coast.

The cost of transportation and comparatively short season are major constraints to the viability of lodge operations in the Arctic Coast. In most years only a 1.5 month season can be expected from July 15 to August 29. In the southern areas, some operators have their own landing strips or include the cost of transportation from major centres such as Edmonton, Yellow knife or Saskatoon to their lodges as part of a one-week or eight-day package. In many cases the cost of an

TABLE 106

Summary of Results from the Lodge Industry Survey
Arctic Coast

Total Surveyed	3
Seasonality	**All Open Spring/Summer**
Average Capacity:	
. Shared	17 persons
. Single	4 persons
Price Structure:	
. Shared	$122.50/day/person
. Single	$150.00/day/person
Employment:	
. Permanent	n/a
. Temporary	14
Dining Facilities:	100.0%
. Dining Facilities Capacity	20 persons
. Licensed Dining	67.0%
. Bar/Lounge Facilities	34.0%
Occupancy (Average)	n/a
Age of Facility	13 years
Credit Cards Accepted	0.0%
Private Baths	0.0%
Flush Toilets	0.0%
Hot and Cold Water	100.0%
Maid Service	67.0%
Meeting Rooms	100.0%
Capacity of Meeting Rooms	12 persons
Showers	
. Private	0.0%
. Shared	100.0%

eight-day package is less than $2,000 out of Edmonton, [illegible] or Saskatoon. In the case of one lodge located in the Arctic Coast, the cost of an eight-day package out of Cambridge Bay is close to $2,300 per person in U.S. funds. The person is entirely responsible for their own transportation cost to Cambridge Bay.

Arctic Coast lodge operators are at a real cost disadvantage when competing with operators located in southern zones. Given higher costs of operation, they would also have less resources to spend on marketing to reach potential customers that are less price sensitive. On the other hand operators can offer unique experiences such as fishing in near virgin waters in Canada's High Arctic. Fishermen can also view muskoxen and caribou in their natural habitat.

In order [illegible] sustain a viable lodge industry in the Arctic Coast marketing support from the GNWT is necessary. Financially viable lodge operations in southern areas are spending as much as $40,000 to $80,000 annually on marketing to target markets. We suspect that Arctic Coast lodge operators are spending considerably less on marketing (less than $10,000 per lodge per year).

12.3.2 -- Food and Beverage Services

As only one facility that provides food and beverages responded to the survey, we are unable to include the responses in this analysis. However, some information on food services was provided in the Arctic Coast Destination Zone Tourism Development and Marketing Strategy prepared by MacLaren Plansearch et al.

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Some form of food service is provided in most communities. The study indicated that food services at hotels in Holman, Coppermine, Cambridge Bay and GJOA Haven serve meals of a high quality. It was noted that more imaginative food preparation would be required to service tourists and business travelers. [n particular, northern food specialties should be added to menus during the tourist season. This is the type of food service tourists are looking for. Dining facilities are also provided in each lodge in the Arctic Coast.

12.3.3 — Transportation

The Explorers' Guide lists two firms supplying vehicle rentals in the Arctic Coast. Fred H. Ross and Associates and Igloo Enterprises are both located in Cambridge Bay. Only one firm responded to the survey conducted to determine information on transportation infrastructure.

The one respondent indicated that five trucks were available for rent at $80 per day. Due to the sample size, no other data is available.

12.3.4 — Outfitting

There are a total of 14 outfitting enterprises operating in the Arctic Coast. Regarding the type of outfitting operation, 5 outfitters provide outfitting or tours principally for non-consumptive products such as tundra and community tours, river/land expeditions, dogsled/snowmobile tours and wildlife viewing. There are a total of 9 outfitters offering principally big game outfitting services. However, only 3 outfitters are actually resident in the Arctic Coast. At present the Arctic Coast's outfitting industry principally serves consumptive tourism markets. The ratio of consumptive vs. non-consumptive tourists is almost 3 to 1. This suggests that the Arctic Coast has not developed and/or marketed its non-consumptive travel products. The market for non-consumptive outdoor adventure products is substantially larger than for big game hunting products.

The response to a survey of Arctic Coast outfitters was very poor with only 5 companies reporting. Only one non-consumptive outfitter completed the survey. This company has only been in business for one year and served over 30 customers in 1986, providing outfitting services for fishing, nature and wildlife viewing.

A total of 4 hunting outfitters responded to the survey. The number of customers served ranged from 30 to 700 in a season. Three of the companies had been in business 10 years or greater and one for 3 years. Employment ranged from 1 permanent and 7 temporary employees to 7 permanent and 56 part-time employees.

12.3.5 -- Product Development Strategy

At only 1,200 visitors, the Arctic Coast receives the lowest level of tourist visitation in the NWT, accounting for only 2.3% of all tourist visitation to the NWT. Tourism is still a relatively new industry for the Arctic Coast. To assist the planning and development of the Arctic Coast's tourism

TABLE 107

Arctic Coast Outfitters

Outfitters	Activity
Joe	. Cambridge Bay - walking tours, Tundra and River Tours
Fran Co-op	organized tours in the Cambridge Bay Area
Arctic Waterways	• outfit expedition type trips on more remote rivers
Arctic Spring Adventure	. 3 day dog sled trips and cultural experience
Taxi and Cartage	snowmobile trips on Boothia Peninsula to observe wild-life and spring camping

Hunting (Class B)

	Location
HTA	. Cambridge Bay
. [illegible] HTA	. Coppermine
. [illegible] HTA	. [illegible]
. Lynx Tundra	. Yellowknife
. [illegible] Limited	.
. True North Outfitters	.
. The "J" Group Limited	. Yellow knife
. Rocknest Outfitters	. Yellowknife
. Arctic Safaris	. Yellowknife

industry, a major tourism destination study was carried out in 1986. The study recommended planning guidelines and suggestions for tourism product development. A total of $6 million worth of projects were costed and priorized for implementation. Table 108 provides a listing of these projects.

While both the Department of Economic Development and Tourism and the Arctic Coast Tourist Association have been using the tourist destination study as a guideline for tourism planning, most of the product/project recommendations were not implemented. Obviously the cost of implementation has been a major impediment.

The following sections describe the current status of tourist product development for specific destination areas in the Arctic Coast.

Cambridge Bay Destination Area

Cambridge Bay is the gateway to the Arctic Coast. It functions as a regional/administrative centre much in the same way as Inuvik does for the Western Arctic or Iqaluit for the Baffin. As a result a visitor reception and information centre would be an essential facility for not only Cambridge but also the entire Arctic Coast. Such a facility would also house offices for the Arctic Coast Tourist Association as well as the Department of Economic Development and Tourism's Regional Tourist offices. Planning for the centre is underway. It will include interpretive displays for the entire Arctic Coast as well as artifacts. It could also become a resource centre for package tour orientation. It would facilitate service development such as an incoming tour operator

[illegible] Development
[illegible]gion

[illegible]	$ 78,000
[illegible]	$ 7,000
[illegible]	$ 30,000
[illegible]	$ 14,000
	$ 400,000
[illegible]	$ 100,000
[illegible]	$ 20,000
[illegible]	$ S3, 000
[illegible]	$ 27,000
[illegible]	$ 600,000
[illegible]	$ 7,000
[illegible]	$ 555,000
[illegible]	$ 28, 000
[illegible]	$ 50,000
[illegible]	$ 101,000
[illegible]	$ 9,000
[illegible]	$ n/a
[illegible]	$ 170,000

3.2 - **Priority II**

None

3.3 - **Priority III**

. Char Lake Fishing Camp	$ 170,000

4.0 GJOA HAVEN DESTINATION AREA

4.1 - **Priority 1**

. Northwest Passage Coastal Tours	$ 206,000
. Gjoa Haven Community Tour	$ 7,000
Dog Team Excursions	$ 10,000

4.1 - **Priority II**

. Northwest Passage Historic Park	$ 150,000

4.3 - Priority III

. Chantry Inlet Lodge Acquisition	$ 115.000

S.0 SPENCE BAY DESTINATION AREA

S. 1 - **Priority I**

. Boothia Peninsula Tours	$ 8,000
. Spence Bay Community Tour	$ 7,000
. Nature/F ishing Tours	$ 15,000
. Paleajook Hotel	$ 650,000

S.2 - Priority II

. Native Craft Workshop	$ 133,000

S.3 - **Priority III**

. Old Fort Ross Restoration ● nd Lodge	$ 400,000

6.0 PEUY BAY DESTINATION AREA

c. 1 - **Priority I**

. I nuit Lifestyle Centre	$ 345,000
. Pelly Bay Community Tour	$ 7,000

[illegible]	$ 200,000
[illegible]	$ 50,000
	$5, 367. 000

[illegible]stination Zone: Tourism Development ● nd [illegible]y, Volume III Project Descriptions ● nd [illegible]sm Plans. Outcrop Ltd., DPA Consultants, [illegible]rch.

who could co-ordinate, plan and service individual tours. The Centre would also provide an opportunity for the staging of cultural presentations for incoming tours. Such a facility would cost between $500,000 and $1 million.

Planning for a territorial park and campground by Mount ~~~ is also underway. The park will include the development of historic sites and interpretive displays related to the area's early explorer history.

Coppermine - ~~~ Destination Area

An interpretive display has been built at the mouth of the Coppermine River which interprets early Northwest Passage Explorers. There is also a planning study underway for park development. Hotel accommodation and upgrading at Coppermine has also been carried out over the last two years. At least one tour company (Polar Challenge) has developed tours and river expeditions in the Coppermine area. There is excellent potential in the area for canoe expeditions and boat tours.

r is an established area for big game hunts. Guide training programs have been implemented for levels 1 and 2 and the response has been excellent.

GJOA Haven Destination Area

GJOA Haven is developing a historic interpretive theme based on early Northwest Passage Exploration. This includes the development of the Northwest Passage Historic Park. Plaques and cairns have been established throughout the Park. A scale model of evelopment ship has been built and will be placed in a gallery in the Park that will also display artifacts, clothing and crafts. There is also excellent potential in the area for big game hunts.

Spence Bay - Pen y Bay Destination Area

The principal destination theme for Spence Bay and Pelly Bay is based on Inuit culture and arts and crafts. In the case of Spence Bay, one outfitter has established wildlife tours of the Boothia Peninsula.

Given the recent interest in the Franklin Expedition and the discovery of grave sites there is potential to establish historical expeditions based on retracing the Franklin Expedition and the mystique that surrounds the ill-fated expedition.

Bathurst Inlet

A 13,000 square kilometre area at Bathurst Inlet has been designated by Parks Canada as being of national significance. Also located in the area is Wilberforce Falls, one of the highest falls in the world; north of the Arctic Coast. As a result, Bathurst Inlet has excellent destination potential for naturalist trips. Since the 1986 Tourist Destination Study, Bathurst Inlet naturalist lodge has expanded to include conference room facilities. It is the only fixed-roof accommodation and meal service available in the area.

Compared to other tourism zones in the NWT, the Arctic Coast's tourism industry has developed slowly. The Arctic Coast also faces a number of constraints in developing a tourist industry:

Constraints

- High Cost of Transportation

  The Arctic Coast, as a destination, faces the highest transportation costs in the NWT.

- Lack of Developed Visitor Facilities and Services

  As tourism has not really had any focus in the past, there has been little development of attractions, interpretive displays and programs for tourists who are interested in the Zone's history, culture and wildlife resources.

- Limited Development of Packaged Tour Products

  Particular-l y for non-consumptive tour products, there has been only limited development of tours and outfitting services. Only Cambridge Bay has developed community tours. In some cases outfitters have reported only sporadic business and as a result some have ceased to operate. There are no boat tours of the Arctic Coast available.

- Human Resources are a Major Impediment to Industry Development

  As the Arctic Coast has had only limited exposure to tourism, there has been little development of skilled human resources to service tourists. This is particularly the case with product delivery where trained guides and interpreters are necessary to bring the Arctic Coast's unique history and culture insight for visitors. The Arctic Coast has a fascinating history related to the Northwest Passage such as the Franklin Expedition. However, to deliver a package tour themed on early Arctic Explorers, travel guides are necessary to interpret the historical significance of Northwest Passage explorations, the region's history, culture and to tell anecdotal stories and oral histories that tourists find interesting and exciting. As well, there has been very little development of interpretive facilities. There are no facilities that could

provide for A-V presentations or films. While the Arctic Coast has an established reputation for arts and crafts production such as print-making, tours would have to be organized to allow visitors the opportunity to see actual print-making or to visit and/or participate in a crafts workshop.

- Lack of Strategic Marketing

Obviously tourism travel to the Arctic Coast would appeal to market segments that are relatively upscale, adventure-some and can afford to travel there. The Arctic Coast, moreso than any other zone, has to identify the specific travel market segments that hold the greatest potential for market development. Rather than quantity, the Arctic Coast should focus on the development of a quality tourist industry founded on packaged tours with an individual group size of 8 to 20 people based on the cultural, historic and naturalist touring products that the Arctic Coast has to off er. It is towards these market segments that the Arctic Coast should focus its marketing and product development efforts.

Opportunities

- Tourism Planning is Now Leading the Development of Tourism Attractions and Facilities

Development of historic parks, interpretive sites, camp-grounds and other visitor facilities is now underway in at least three Arctic Coast communities - Cambridge Bay (ter-ritorial park, campground, visitor [illegible] tour Coppermine (interpretive displays, park development) and GJOA Haven (model of Amundsen's Ship). These are long term investments in tourism infrastructure that communities can build on with tours, interpretive displays and the packaging of experiences for tourists.

- Training Programs are now being Implemented

Level 1 and 2 guide training is now available for big game guides. The response to this program has been excellent. There is a need to broaden the type of guide training available to include nature/wildlife interpretation, history and general guiding. As in the case of the tourist industry guiding services will be critical to the future growth and development of the Arctic Coast's tourism industry.

- There is an Excellent Opportunist y for the Arctic Coast to Develop Outdoor-Adventure Travel Products

In the overview chapter which estimated the market potential for tourist travel to the NWT it was estimated that the North American trip potential for outdoor/adventure travel to the NWT was 74,700 trips of which 46,600 trips relate to non-consumptive travel such as hiking/backpacking, canoeing, and photographic safaris and 28, 100 relate to consumptive travel such as hunting and fishing. At present, the Arctic Coast is enjoying its greatest market penetration in capturing hunting trips. While the cost of transportation may be a competitive constraint to increased fishing market penetration, the Arctic Coast offers some of the best Arctic char fishing in the NWT.

The non-consumptive adventure travel market has been slow to develop in the Arctic Coast. It represents a major but longer term development opportunity. It will require the development of interpretive facilities, visitor services, guiding package tour development and guiding. Examples of tour product development could include:

- Northwest Passage Explorer Tours

  Retrace the steps of Arctic Explorers - Amundson and Franklin - Cambridge Bay - GJOA Haven

- Arctic Coast Tours

  Boat tours of Canada's Northwest Passage

- Inuit Cultural Tours

  Cambridge- Spence Bay - Pelly Bay - community tours, visits to arts - crafts workshops - art purchases

- Naturalist Trips Above the Arctic Circle

  - Bathurst Inlet Lodge
  - Naturalist Tours of the Boothia Peninsula
  - River Tours - Coppermine
  - Hiking/ Backpacking - Cambridge Bay - Bathurst Inlet

In addition events development could also create greater market awareness for the Arctic Coast. For example, the development of a Midnight Sun Marathon or Arctic Coast "Ironman" event.

Over the next five years the Arctic Coast should concentrate on the development and delivery of packaged tour products . However the Arctic Coast's tourism industry will require training assistance. Package tour development seminars should be developed to assist the industry. There is also a need to develop an incoming tour operator function to ensure the co-ordination and delivery of tourist services from guiding to community tours. The Arctic Coast Tourist Association could possibly fulfill this function.