Arctic Ecotoursm Market Research Study: Final Report
Type of Study: Market Information Tourism, Tourism Development And Marketing Strategies For T
Date of Report: 1995
Author: Unaaq Inc.
Catalogue Number: 11-43-15

ARCTIC ECOTOURISM

MARKET RESEARCH STUDY:

FINAL REPORT

Arctic Ecotourism Market Research Study

Final Report

Prepared for: Unaaq Inc.

April 1995

Table of Contents

Executive Summary

This report provides an overview of the NWT ecotourism industry with particular attention being focused upon the identification of the potential ecotourism markets and what tourism products need to be developed to ensure that the market demands will be met.

Ecotourism has been promoted internationally as a means of providing important economic development benefits while simultaneously safeguarding the natural environment. While the final definition of ecotourism is still under debate, it appears clear that the term includes tourism activities that focus upon the natural world and are non-consumptive in nature.

Studies conducted by Tourism Canada indicate that there is a wide range of ecotourism travel products currently available throughout Canada and there are indications that both the number of operators and their profits are increasing. As well, important information concerning market segment structure and product range is discussed. In regards to the NWT, the survey included information gained from ***22 NWT*** adventure travel operators representing 6.4°/0 of the excursions included in the survey. Interestingly, the NWT had the highest level of foreign visitors of any region in the country.

Canadians remain the largest tourism market for ecotourism products in the country. A specific profile of Canadian ecotourists is established in terms of socio-demographic data and in terms of what kind of travel products are these tourists looking for. As well, the report delineates those geographic regions that provide the largest potential markets for NWT ecotourism products, namely Alberta for the western NWT and Ontario for the Nunavut region. Important information concerning how tourists decide on their vacation destinations is also analyzed as are those features of most interest to this market segment.

Americans continue to provide the largest foreign market for Canadian tourism products. While the number of Americans visiting Canada fluctuates, they are currently visiting at near record numbers and spending substantial amounts of money ($4 billion in 1993 alone) fueled by a strong domestic economy and a weak Canadian dollar. Four key market segments are identified by socio-demographic features and travel interests. These include: Retired Mature Travelers; Working Middle-Aged Travelers; Older Baby Boomers; and Younger

Baby-Boomers. Each segment is assessed as to its potential in relation to the tourism industry in general and the ecotourism industry in particular. As well, the US travel market to the NWT is analyzed and highlights a potential market of 75,000 in the states of Washington, Oregon, Minnesota and Alaska. Key to fulfilling this potential will be to increase the exposure of this market in regards to NWT tourism products.

German market potential is also analyzed. Germans make up the most important source of tourists from Europe and over 342,000 visited Canada in 1993. German tourists have become increasingly aware and concerned about the environment and over 40% polled stated that they prefer to vacation in an environmentally clean destination and in a manner that does not have a negative impact upon the environment. As well, excursions involving physical activities and the outdoors are popular with Germans. These combined factors offer the NWT ecotourism industry a substantial potential market in Germany. In particular, the “Outdoor Sports” segment is the primary target market for such travel products.

The Japanese market is the third most important market to Canada after the US and UK markets. While a short term decline in Japanese visitations may be expected in the near future due to various conditions in Japan, the long term prospects for this market are good. “Silver-Age” tourists, Honeymooners, “office Girls”, and “Single Young Men” are the primary market segments that offer potential clients for NWT ecotourism products. The report also discusses important service/product elements that are essential for ensuring that Japanese tourists are kept happy and satisfied when traveling in the NWT.

The French market continues to be one of the most important European markets with over 400,000 visiting Canada in 1994. Although the French have the least interest in nature and outdoor activities of those nationalities surveyed, a specific segment is drawn to outdoor physical activity. The “Outdoors and Subculture” segment is identified for attention in regards to “hard adventure” ecotourism products. The fact that this market shares certain common cultural elements with Quebec gives this region a particular advantage in accessing the French tourism market.

The United Kingdom market remains the second largest market to Canada after the US. In 1994 an estimated 614,000 British tourists visited with most going to Ontario. This travel market represents the oldest of those surveyed with the average tourist being over 50 years old. Over the past few years there has been a rapid increase in the number of British tourists in the 22-45 years of age grouping. This segment is more interested in physically active vacations in the outdoors. Marketing efforts should be focused upon the Outdoor Sports segment whose interests include hiking, visiting wilderness areas, rafting, and kayaking. Members of this segment want a thrilling adventure that they can tell

their friends back home about. The Culture and Nature segment also offers potential for the combining of "soft" adventure and cultural tourism products.

The ecotourism industry is currently utilizing a variety of marketing strategies to reach and attract potential clientele. Among those strategic elements reviewed and analyzed are:

- Determining marketability;
- Defining the market;
- Advertising;
- Developing a concise, accurate and appealing marketing message;
- Development and maintenance of a good mailing list;
- Packaging of the ecotourism product to provide more options to the client while increasing the value of the package itself;
- Marketing partnerships to extend the reach and penetration of marketing strategies and to stretch budgets;
- Marketing methods including the use of brochures, posters, direct mail, travel guides and television ads;
- Cooperative marketing strategies to capitalize on the strengths of key industry partners;
- Surveying of marketing materials;
- Management and quality control of ecotourism products;
- Identification of constraint and success factors.

As well, the report identifies and discusses those issues considered as being critical to the successful development of an arctic ecotourism industry. These include discussions of:

- The Ecotourist profile
- Product development
- Partnering
- Market research needs, and
- Cooperative marketing

To further illustrate the salient features of the ecotourism industry, four case studies are offered in the Appendices. Case Study One discusses the success of the community of Pond Inlet, NWT. Through the formation of relationships with key tour wholesalers located largely in the South, the successful Pond Inlet ecotourism operation has developed a successful operation that includes in its "menu" of activities wildlife viewing, natural landscape sightseeing, cultural displays and country-food tasting. By offering a wide range of activities, and by letting the southern tour wholesalers capture the clients, the community has developed a model that many other northern communities would do well to emulate.

Case Study Two: Funding Hiking Holidays offers a brief overview of how a small operation in New Brunswick expanded its operation successfully from an in initial gross profit of $30,000 in 1991 to $250,000 in 1994. Again, the successful cultivation of partnerships with key wholesalers, and the development of excellent ecotourism products, has set a standard for other operators to follow.

Two other case studies from Belize and Costa Rica illustrate how two very different countries have developed their ecotourism industry. In both cases, ecotourism was developing in spite of government actions. Market profiles for tourists to both countries were developed. The role of the relevant government is assessed in both cases. These studies offer an interesting contrast to the two Canadian case studies. In all cases however, the similarities offer good lessons on how the successful development of the arctic ecotourism industry can be attained.

The report concludes with recommendations for further action. These recommendations are based upon the results of the review of the research literature and the views of current arctic ecotourism operators collected through interviews conducted as part of this study.

The information collected from both sources point to the need to develop a common vision and plan of action for the future development of arctic ecotourism. Local operators, tour operators/ wholesalers and government officials from both the federal and territorial level should be part of this process of developing this common vision.

While any future development plan should be based upon sound business practices and mutual benefit and advantage to the businesses involved in the industry, government has a role to play in facilitating the development of this detailed vision, and directing marketing resources and data collection capacity in a manner consistent with achieving common objectives.

The report recommends that the Department of Economic Development & Tourism, GNWT take the lead role in facilitating industry workshops which will provide a forum for an exchange of views regarding arctic ecotourism development. This workshop would address the following needs:

- identification of opportunities for product development and refinement, and in particular opportunities for increased local participation in the industry;
- promotion of new and expanded partnering arrangements;
- identification of local level opportunities;
- identification of training needs at the local;

- development of a strategy for an arctic ecotourism cooperative marketing; and
- recommendation of changes to government market monitoring and data collection exercises which could lead to better information to support arctic ecotourism development.

Studv Background

The *Arctic Ecotourism Market Research Study* has been undertaken in response to the growing potential of arctic ecotourism to provide business opportunities to local tour operators throughout the North. Currently, however, this potential is largely unrealized. One of the many issues which must be addressed in order to develop a larger arctic ecotourism industry is the need to gain a better understanding of ecotourism target markets and the implications for product development and marketing initiatives.

This report provides a discussion of the ecotourism industry with particular emphasis on the Canadian and the NWT ecotourism industry. Investigation of arctic ecotourism market issues has been carried out using a number of research strategies. These include a review and analysis of the ecotourism market research literature, including recent surveys carried out by Tourism Canada. A small sample of ecotourism promotional materials was reviewed for information on product characteristics and presentation. A number of operators/ wholesalers were also interviewed on their approach to marketing their products and other issues related to the development of the industry in the North.

The project proponent is *Unaaq Inc.* with support from Aboriginal Business Canada and the Department of Economic Development& Tourism, GNWT. *Unaaq Inc.* is a wholly Inuit-owned consulting company currently involved in a number of economic development initiatives in the North and internationally.

A preliminary report/discussion paper entitled *Arctic Ecotourism: Initial Market Research* was released earlier, as part of this study. The report provides a general overview of arctic ecotourism and critical development issues. The current report seeks to provide a more detailed description and analysis of the issues critical to the marketing of arctic ecotourism products.

Study Objectives

The tasks and objectives set out in the study proposal calls for the completion of the following tasks:

- Review domestic information

  A comprehensive review of the literature on ecotourism and the development of the market for these products has been undertaken to provide an overview of the current state and potential future growth of the ecotourism market.

- Conduct issue-specific market research

  Key markets for arctic ecotourism products will be identified through an examination of the domestic literature. Attempts will be made to address gaps in the knowledge of key markets through additional research strategies. These will include interviews with government tourism officials and individuals directly engaged in various aspects of the ecotourism industry in the North.

- Consolidation of research findings and analysis of market development implications for arctic ecotourism

  Information from the research process outlined above will be consolidated " and analyzed in order to identify the details of market potential and the critical factors, opportunities and constraints in the development of the market for arctic ecotourism products.

- Report production

  On the basis of this analysis, a preliminary market research report will be produced and distributed to the key funding agencies for comment. A final report will be developed incorporating the comments and suggestions of the funding agencies to the preliminary report.

The Ecotourism Industrv

Defining Ecotourism

The term "ecotourism" emerged in the latter part of the 1980's to describe travel to natural areas in a manner which contributed to the preservation of wilderness habitats and ecosystems. Ecotourists seek out non-consumptive activities conducted in a manner which is deemed to be ecologically sound and sustainable.

Within the travel industry, ecotourism is defined as travel which "... creates an understanding of cultural and natural history, while safeguarding the integrity of the ecosystem and producing economic benefits that encourage conservation". [1]

> "The long- term survival of this special type of travel is inextricably linked to the existence of the natural resources that support it. Consequently the travel companies that design, plan, and coordinate ecotourism programs, and the land operators and guides who control activities in the destinations, must share a conservation ethic.[2]

The conservation ethic referred to consists of a number of components which provide the framework within which all marketing and traveling should take place. These include:

- increasing public awareness of the environment;
- maximizing economic benefits for local communities;
- fostering cultural sensitivity; and
- minimizing the negative impacts of travel on the environment.[3]

---

[1] Ryel, R. & Tom Grasse" Marketing Ecotourism: Attracting the Elusive Ecotourist" in Nature Tourism: Managing for the Environment edited by T. Whelan, 1991 (Island Press, Washington, D. C.) p. 164
[2] ibid. P. 164
[3] ibid. P. 165-168.

As such, ecotourism combines adventure with environmental education. A wide range of ecotourism products exist which respond to the particular interests of the ecotourist. These include, "... study groups to observe wildlife, plants, birds and geological features; archaeological digs; wilderness medical seminars..." and even groups which have a scientific or research purpose.[4]

Some elements of the ecotourism market have exacting expectations of the environmental practices of the tour operators they use. The larger sector of the ecotourist market could be more appropriately termed 'adventure' tourists. Within adventure tourism the market can be divided into 'hard' and 'soft' adventure tourists depending on the level of strenuous activity, comfort level and risk they wish to experience.

Ecotourism vs. Adventure Travel

In many instances in the literature, ecotourism and adventure travel are used inter-changeably. In fact many of the activities and products are similar but for the level of environmental awareness that is explicitly built into the product. The difference between ecotourists and adventure travelers has been described as follows:

> "Ecotourists are frequently considered adventure travelers, but adventure travelers aren't necessarily ecotourists. Trekkers to Mt. Everest who throw their garbage around and use up the local firewood are adventure travelers; people who go to Mt. Everest to clean up after such adventure travelers are ecotourists."[5]

Similar issues are expressed in the ecotourism literature with respect to Canadian arctic destinations. An expedition leader is quoted as saying that "... visitors may be disillusioned to see native people buzzing around in four-wheel drives, shooting the very wildlife the tourists hope to see."[6]

Although nature and the environment may be paramount for an element of the ecotourist market, the majority of ecotourists also place high value on other elements of their experience. While environmentally sound practices are a cornerstone of ecotourism products, so is learning about the culture of the local people. Traditional knowledge relating to wildlife, the natural environment and

[4] **Harrison, M.** "Ecotourism: **New Buzzword Defines a New Age" in** **Explore, Spring 1990, No. 46, p.** 9.
[5] **ibid. p. 9**
[6] **ibid. p.9**

sustainable management practices can be an important element of the ecotourist product.

For the purposes of this study, the term ecotourism will be used to encompass both environmental/scientific and cultural products as well as those activities often categorized as adventure travel.

Market Research Findings: Review of Literature

Adventure Travel in Canada: Tourism Canada Study, Feb. 1995

Section Highlights:

- Canadians are the biggest tourist market in Canada;
- Most Canadian tourists to the western NWT are from Alberta
- Most Canadian tourists to the eastern NWT are from Ontario;
- Canadian ecotourists have a specific profile and range of interests that NWT ecotourism products have the potential to meet; and
- the majority of Canadian ecotourists are between 45-64 years old, well-educated, earn over $50,000 per year, spend 31 days travelling annually spending on average $5,000 or $161 per day.

A February 1995 Tourism Canada study entitled *Adventure Travel in Canada: An Overview of Product, Market and Business Potential*' defines adventure tourism as:

> "... an outdoor leisure activity that takes place in an unusual, exotic, remote or wilderness destination, involves some form of unconventional means of transportation, and tends to be associated with low or high levels of activity.'"

The Tourism Canada study investigates a wide range of non-consumptive recreational activities with the exception of sports such as golf or downhill

[7] **Tourism Canada, Canada Directorate. Feb.1 995, Adventure Tourism in Canada: An Overview of Product. Market and Business Potential p. 5**

skiing. As well, by definition, this market sector also excludes those engaged in consumptive activities such as hunting or fishing.

The range of products discussed throughout this report includes nature observation as well as adventure products related to water, air, land and winter adventure activity products.

‘Soft’ and ‘Hard’ Adventure products

Within the overall adventure travel sector a distinction is made between “soft” and “hard” adventure products. “Soft’ adventure tourism is considered to be;

> “... travel with mild physical activity to an interesting area with comfortable accommodations and tends to emphasize visual excitement. “ Hard adventure refers to activities that demand strenuous physical exertion, and that often require the participant to prepare and/or train for the experience. ” [8]

The Structure of the Ecotourism/Adventure Travel Sector

The Tourism Canada study released in March 1995 provides a current and comprehensive description of the adventure travel market in Canada. This study sought to carefully delineate adventure tour operators from the overall industry and used as its primary source of information a survey of adventure travel operators conducted by Statistics Canada in 1993.

On the basis of this survey, the report identified 669 tour operators in Canada who were primarily involved in adventure products. Table One provides the “ distribution of adventure tour operators by province and territory.

The largest number of adventure tour operators (44%) were located in the western provinces, with 210/0 of operators located in central Canada. Notable as well is that 10% of adventure tour operators are located in the North. This is a significant increase over the North’s share of all Canadian industry, which stands at only 0.3% .[9]

In 1993, adventure operators generated an estimated $165.1 million in direct tourism revenue, which represents a 12.9% increase over the previous year’s revenue. The average gross revenue of the operators surveyed was $246,821, but a significant minority (46°/0) earned less than $50,000.

---

[8] ibid. P. 7
[9] ibid.p.9

The Tourism Canada study also reports that adventure operators had gross profits of $3o.3 million with an average gross profit per operator of $45,290, and an average gross margin for the sector of 18.3°/0.

Table One
Location of Operations and Excursions
by Province/Territory - 1993

	Operations		
Province / Territory	**No. Of Operators**	**%**	**Excursions**
Newfoundland	55	8.2	9.6
Prince Edward Island	10	1.4	2.7
Nova Scotia	44	6.6	7.8
New Brunswick	32	4.8	5.4
Quebec	62	9.3	12.0
Ontario	102	15.2	16.6
Manitoba	45	6.7	7.9
Saskatchewan	24	3.6	4.3
Alberta	74	11.1	12.7
British Columbia	153	22.9	26.2
Yukon	46	6.9	8.2
Northwest Territories	22	3.3	6.4
Canada	**669**	**100**	*

Note: • may not total 100% as operators may have reported more than one province/territory
Source: Tourism Canada, *Adventure Tourism in Canada: An Overview of product. Market and Business Potential.* **February 1995.**

Table Two

National Distribution of Adventure Travel Operators by Group and Activity - 1993

	Nfld.	PEI	NS	NB	PQ	ONT	MAN	Sask	Alta	BC	YUK	NWT	Canada
Nature Observation	12	2	3	1	1	8	10	5	4	12	3	10	71
Wildlife viewing	23	3	12	7	2	1	10	2	-	16	1	5	82
Bird--Watching	5	0	2	2	0	1	2	2	0	1	0	0	15
Whale- watching	16	0	9	4	2	0	1	0	0	13	0	3	48
Polar bear- watching	0	0	0	0	0	0	6	0	0	0	0	1	7
Seal Pup- watching	1	3	1	1	0	0	0	0	0	0	0	0	6
Other wildlife	1	0	0	0	0	0	1	0	0	2	1	1	6
Water Adv. Products	9	2	20	13	12	42	12	5	13	53	17	1	199
Canoeing	5	1	11	7	7	28	11	3	3	10	10	0	96
Sea-kayaking	1	0	3	2	2	2	0	0	1	11	0	0	22
River- kayaking	0	0	0	1	0	2	0	0	0	2	1	0	6
Rafting	0	0	2	0	2	5	0	2	9	21	6	0	47
sailing	0	0	1	0	0	0	0	0	0	7	0	1	9
Scuba diving	3	1	3	3	1	5	1	0	0	2	0	0	19
Land Adv. Products	5	2	7	10	6	32	11	12	50	48	15	1	199
Hiking	2	0	2	3	2	4	3	1	7	13	6	1	44
Rock/Ice- climbing	0	0	0	1	2	2	0	0	5	3	0	0	13
trail riding	3	1	2	4	2	18	8	10	36	29	9	0	122
Bicycling	0	1	3	2	0	8	0	1	2	3	0	0	20
Winter Adv. Products	6	-	1	1	38	9	2	-	7	20	9	5	98
Dog Sledding	0	0	0	0	9	1	0	0	1	0	5	3	19
X-country skiing	0	0	1	1	2	2	0	0	2	9	2	0	19
Snowmobiling	6	0	0	0	27	6	2	0	1	6	2	2	52
Other winter	0	0	0	0	0	0	0	0	3	5	0	0	8
Air Adv. Products	-	1	-	-	1	8	-	-	-	2	-	-	12
Hot air ballooning	0	1	0	0	1	8	0	0	0	2	0	0	12
Other Adv. activities	0	0	1	0	2	2	0	0	0	2	1	0	8
TOTAL	**55**	**10**	**44**	**32**	**62**	**102**	**45**	**24**	**74**	**153**	**46**	**22**	**669**
%	**8.0**	**1.5**	**6.6**	**4.8**	**9.3**	**15.2**	**6.7**	**3.6**	**11.1**	**22.9**	**6.9**	**3.3**	

Source: Tourism-Canada. *Adventure Travel in Canada: An Overview of Adventure Travel Operators by Group and Activity -1993,* **Feb. 1995**

The average length of the adventure excursions surveyed was 5.3 days with an average price of $143.45 per day. More than 77°/0 of the excursions surveyed lasted more than a day and 59% of excursions were sold as packages.[10]

Table Two provides a summary of the national distribution of adventure travel operators according to the type and group of activity they provide. Once again this information is from Tourism Canada's study of adventure travel.

Canadian Adventure Travel: Market Analysis

The Tourism Canada survey of tour operators indicates that the typical adventure traveler in Canada in 1993, whether foreign or domestic, was predominantly male (54.4°/0) between 20-44 years of age and travelled with friends and/or leisure groups. As is to be expected, the demographic profile of these travelers varies considerably with the activity.

> " The more strenuous and risky offerings of ice/rock climbing, whitewater canoeing and rafting and scuba diving have above average appeal to younger adventure travelers, aged under 19 and/or in the 20-34 range. The 45 and older adventure travelers are attracted to soft activities such as nature observation, sailing, wildlife viewing and hot air ballooning"[11]

Party composition also varied significantly between activities, but most preferred to travel with friends and/or leisure groups. Business and/or incentive travel groups only made up 9.4% of adventure travel in 1993.

Domestic adventure travelers consisted of slightly more females (5 1.0%) than males (490/6), tended to be younger, with 67°/0 aged 34 or younger, tended to travel in couples and preferred Ontario as a destination.

Foreign adventure travelers were predominantly male (66%) and tended to be older with 50% aged 45 or older. They traveled mostly in couples and preferred excursions in British Columbia or Quebec. They also tended to purchase higher priced packages with a longer duration. They preferred to stay in cabins/cottages (59°/0) rather than tents as did domestic adventure travelers. 12

For those operators surveyed by Tourism Canada, the US represented the largest foreign market at 23.10/0 and made **up the largest proportion of customers for a number of activities. For the purposes of this study the most**

---

10 ibid.p.10
11 ibid. P. 41
12 ibid. P. 43-44

popular of these activities was polar bear- watching where US customers comprised 50.5% of total customers.

Overseas customers made up 20% of the adventure travel clientele. Germans accounted for 8.4% of the total market and France 4.4°/0.

> "Germans demonstrated the most interest in 'other wildlife viewing' (10.6°/0) and canoeing (30.90/0), whereas French adventure travelers preferred winter adventure products such as snowmobiling (44.8%) and dog-sledding(25.170). Dog sledding was the preferred activity of Japanese travelers (41 .4°/0) . . . . . . Traditionally, British Columbia has always captured the largest proportion of Japanese travelers. However, those interested in adventure activities were particularly interested in dog-sledding excursions in the Northwest Territories." 13

Survey Results: NWT Adventure Travel - 1993

The Tourism Canada survey also provides some interesting details on the pattern of adventure travel in the NWT. In total, 22 adventure travel operators from the NWT were surveyed. They represented 3.3 % of the operators in the national survey and 6.4 % of the excursions.

Of these, most operators identified nature observation as the primary area of activity for their business. The next most common area of activity was winter adventure products.

In contrast to national trends where the majority of operators were dependent upon the domestic travel sector market in 1993, operators in the NWT had the highest level of foreign visitors. Table Three outlines the survey results with respect to market concentrations of adventure travelers.

This study both confirms some previously reported information on the NWT tourism market that adds to the level of data available, and identifies emerging trends which may be suggested by the combined data.

The *North west Territories Tourism Marketing Strategy for 1994/95 - 1998/99* released by the Department of Economic Development & Tourism in July 1994, clearly identifies outdoor adventure travel as one of the three types of primary tourist products available in the NWT. Although it is seen as the smallest of the three primary tourist products available at present (the others being auto-touring and fishing/hunting) it is clearly identified as an emerging market sector

---

13 ibid. p.46

which will grow with the increasing public interest in conservation and the concern for the environment throughout the 1990's.

Although adventure tourism products are available throughout all regions of the NWT, it is identified as the primary tourist product in the eastern arctic regions. It is also largely a 'packaged' travel product with 60°A of NWT adventure tourists arriving as part of tour packages.

Soft adventure is seen as making up 60% of all adventure travel products and *40°/0* of adventure travel being for so-called hard adventure travel.[14]

Table Three

Concentration of Adventure Travelers
Domestic vs. Foreign
By Province/Territory - 1993

	Own Province/Territory %	Other Province/Territory %	Foreign %
Newfoundland	*43.3*	*23.9*	*32.8*
Prince Edward Is.	*8.8*	61.2	**30.0**
Nova Scotia	*24.9*	21.6	53.5
New Brunswick	*39.2*	29.6	31.2
Quebec	*44.8*	6.9	48.3
Ontario	*71.5*	4.6	23.9
Manitoba	*36.2*	9.5	54.3
Saskatchewan	*48.4*	13.3	38.3
Alberta	*26.1*	11.9	62.0
British Columbia	*42.7*	15.7	41.6
Yukon	22.3	19.1	58.6
Northwest Territories	9.4	17.8	72.8

Source: Tourism Canada, *Adventure travel in* **Canada:** *An Overview of product, Market, and Business Potential*, **February 1995**

In contrast to the Tourism Canada Adventure Travel Survey, the NWT strategy indicates that 57% of the adventure travel market for the NWT is domestic, with 39% being from the US and 2% with overseas origins. 15

---

[14] **Derek Murray Consulting Assoc., The North Group, Norecon Ltd. 1994, Northwest Territories Tourism Marketing Strategy 1994-95-1998-99,** p.8
[15] **ibid. P. 9**

In part this discrepancy could be the result of the lack of availability of accurate statistics for previous years and in part due to some recent successes by the GNWT and NWT- based operators in increasing their penetration of foreign markets.

The NWT Tourism marketing strategy identifies adventure travel as presenting the "... best opportunity for current and future growth..." noting that this sector of the NWT tourism industry has increased by 60.5°/0 between 1987-88 and 1991-92. Given that affluent, retired seniors 55 and over are the largest single growth market in North America and the strong association between this socio-demographic group and soft adventure travel products, the NWT market strategy clearly identifies this segment as the largest potential source of future market growth.

The Canadian Ecotourism Market in the NWT

Canadians continue to be the biggest tourist market within their own country. While domestic tourism is influenced by economic factors, the fluctuating strength of the Canadian dollar, and the occurrence of various special events, Canadians overwhelming prefer to spend much of their vacation time and dollars in Canada.

With regards to the geographic origins of travelers to the NWT, the survey supported the findings of the Visitor Centre survey (1994) in that over 50% of respondents in the **western NWT were from Alberta, British Columbia or Saskatchewan. For the eastern Arctic, Ontario and Manitoba were the largest markets (22.50/0 and 3% respectively). A common comment from the visitors was the high cost of transportation via both air and land (gas).**

Over *69%* of the respondents classified their trip as being excellent and 25°/0 found it satisfactory. Almost none found it poor. The Explorer Guide was found to be an excellent or above average source of information by the vast majority of respondents as did the visitor centres in most communities. Suggestions to improve the services included better signage for visitor centres in smaller communities. NWT parks and campgrounds were also found to be above average or excellent by most respondents with most suggestions focusing upon keeping washrooms cleaner. Roads and highways were found to be average or above average but there were a significant number of complaints/suggestions as to how/where to improve these important access routes. Restaurants were found to be above average for service and value for money. Hotel service was found to be above average as well although the value for money rating slipped to average due primarily to the high costs of hotel services.

In terms of arts and crafts selection, most respondents felt that it was above average or excellent while the value for money rating slipped somewhat to where most respondents feel they were getting average or above average value. Again high travel costs were cited as being problematic.

The attractions for tourists are clear judging by the responses to the survey: seeing wildlife, national parks, aboriginal culture, and photographic opportunities were all considered very important features of the NWT trip. Surprisingly, canoeing was not very important to many respondents. Nor was hunting with less than 15 respondents stating that it was very important (elements of the US market are discussed below). Likewise fishing was only identified by about 42 respondents as being very important. Night life and warm climate predictably figure low in the priorities of respondents.

An important element of the study is how people found out about the NWT. As supported in other studies and anecdotal evidence, "word of mouth" from friends and relatives proved to be the overwhelming source of information being identified by over 66% of respondents. A respectful 18°/0 utilized the Explorers Guide/800 number resource while 9% relied upon magazine articles and 6°/0 upon magazine ads.

Market Profile of Canadian Ecotourists

While specific market research on Canadian ecotourists is quite limited, Eagles and Cascagnette[16] have developed a detailed profile of who these people are and what they are looking for. Their research is based upon the compilation of findings from a number of other studies and Statistics Canada reports. The Top 15 interests of Canadian ecotourists are identified as:

1 - Wilderness and undisturbed nature
2 - Learn about nature
3 - Tropical Forests
4 - Birds
5 - Photography of landscape/wildlife
6 - Trees and wild flowers
7 - Mammals
8 - National and provincial parks
9 - Lakes and streams
10- See maximum amount in time available
11 - Mountains

[16] **Paul F. Eagles and Joseph W.** Cascagnette.1993, <u>Canadian Ecotourists: Who Are Thev ?</u> **Department of Recreation and Leisure Studies, University of Waterloo.**

12 - Oceanside
13 - Being physically active
14 - Rural Areas
15- Meet people with similar interests

This list underlines the obvious interests ecotourists have in various environmental features. Excluding the tropical forests, the northern ecotourism operators are well-placed to provide products to cater to this market based upon this assessment of their interest. Implied in this list is the need to provide adequate support and facilities. In particular, it is clear that the educational element of an ecotour trip is essential.

The Eagles and Cascagnette study also provided a demographic profile of the Canadian ecotourist. They found that almost 46°/0 of these ecotourists were between the ages of 45-64, significantly older than the average age of the typical Canadian traveller of which nearly 50°/0 were between the ages of 25-44. Ecotourists were also found in substantial numbers in the age groups 35-44 (22°/0) and 25-34 and 70 and up (both at nearly 11 '/0).

In the area of education, ecotourists are very well-educated with over 64% of them having university education and 23.5°/0 having some post-secondary education. This compares to 20.7% and 28.7°/0 respectively in the general traveling population and 12.40/0 and 24.1 '/0 in the Canadian population.

Canadian ecotourists also earn high household incomes with over 36°A earning over $70,000 and over 570/' have incomes exceeding $50,000. The mean household income for ecotourists is about $64,000, much higher than for the general Canadian traveller ($39,000) and the general Canadian population ($40,000). According to the results of the NWT Travel Diary project conducted in 1994, the average family income of people traveling in the NWT exceeds . $60,000 **(660/0),** generally supporting the above figures although the respondents were not divided into interest groups. Only 16°/0 of respondents to the entrance survey had incomes of less than $41,000.

In terms of travel expenditures, Canadian ecotourists are big spenders. For the year 1988, ecotourists reported spending 30.9 days a year traveling for pleasure and spent an average of $4,977. This works out to an average of$161 per day compared to the average Canadian traveller who spends about $35 per day. By comparison, Canadian ecotourists spent $329 per day for a visit to Kenya and $152 per day for a visit to Costa Rica. Obviously this represents a substantial market for ecotourism operators in the North.

To summarize, the typical Canadian ecotourist is between the ages of 45-64, has an equal chance of being male or female, is well-educated and has a high income. They are much more interested in wilderness, natural scenery, flora and fauna and learning than the average Canadian traveller and spend an average of about **$5,000** on their travels annually. They want to see wildlife, great scenery and see as much as they can in the time they have available. Wasted time on an ecotourism trip is frowned upon. These people will pay to get what they want but will have little patience with poor organization, disappointing service / accommodation, and will not be shy about letting people back home (the potential market) know about their trip.

US Market for Ecotourism Travel in Canada and the NWT

Section Highlights:

US Market

- Americans are the biggest travel market in the world with 43.9 million international overnight trips (1994);
- in 1993, American tourists spent $4 billion in Canada;
- Key market segments are identified, each with varying potential in regards to the ecotourism sector in the NWT. These sectors include:
- Retired Mature Travellers - over 55 years old, retired with incomes over US $55,000 - fastest growing segment in the US;
- Working Middle-Aged Travellers - between 46-64 years old, at peak earning capacity (US$60,000 average), will be the fastest growing segment in early 21st century;
- Baby Boomers - between 26-45 years old - average incomes of US $60,000, divided into Older and Younger boomers; and
- Key geographic markets are identified as being located in Washington, Oregon, Minnesota, and Alaska - potential market of 75,000

This section discusses the American tourism market in relation to ecotourism in Canada and the NWT. Several studies are analyzed in order to define those market segments that exist within the US that represent the most promising potential markets for ecotourism.

US Travel Market to Canada

According to a recent report by Industry Canada[17], the US is the largest travel market in the world with total international overnight trips by US citizens totalling 43.9 million and domestic person-trips of 100 miles or more totalling 1.06 billion in 1992. International travel by Americans is forecasted to increase to 47 million person-trips by the end of the century. This increase in US travel has attracted wide interest internationally from the travel industry in the hopes of luring Americans to many foreign tourism destinations.

According to data derived from Statistics Canada, 1994 was a bounty year for the Canadian travel industry with foreign visitors spending a record $10 billion - a 14°/0 increase over 1993. Of this total, Americans contributed over 57°/0 of expenditures. In 1993, US guests spent 12 million overnight person-trips in Canada and spent over $4 billion. Various factors have been identified as contributing to the increase in the number of Americans coming to Canada including the lower Canadian dollar and the robust growth the US economy experienced during the last two years.

Canada has long enjoyed a special status as a tourist destination for Americans. While US citizens continue to seek out Canadian tourism destinations, the number of US visitors had actually declined 10°/0 from 1986 to 1990 while US travel internationally increased 25°/0 over the same period. Some of this decline has been attributed to increased competition in the international tourism industry and structural changes in the US population. Thus, it appears that while Canada is currently enjoying a period of substantial interest on the part of US tourists, the tourism industry would be well advised to not take US tourism for granted and to take measures to ensure their tourism products take into consideration the needs and desires of their most important foreign tourism market.

Industry Canada - Tourism has recently embarked upon on a new US pleasure travel market strategy designed to increase the number of first-time US visitors to Canada. The US travel market has been segmented into four categories with an emphasis upon affluent travelers who have the resources to participate in higher-end tourism products. This research will prove to be instructive in further identifying key market segments with both the potential and existing interest in the ecotourism products available in the NWT.

---

[17] "Packaging For and Selling to the United States Pleasure Travel Market." Industry Canada 1995.

As the study identifies, 22% of American households are considered to be affluent and form a key market for tourism products. With the baby-boomer generation (born between 1946-1 964) approaching its peak earning years and gaining substantial wealth and leisure time, the affluent class in America is expected to increase substantially in size. As this group increases in affluence and numbers, it will prove to be the largest tourism market in the world. Understanding what this market wants and how they make vacation decisions will prove to be critical to successful development of many tourism initiatives throughout the world, including the NWT.

The Tourism Canada study breaks the affluent American traveller market into four segments:

- **Retired Mature Travelers**

  Comprised of people over 55 years old, retired with annual incomes over US $55,000. With primary careers completed, this market segment has the time, money and an increasing appetite for travel. Demographic forecasts indicate that this segment is currently the fastest growing in the US.

- **Working Middle-Aged Travelers**

  Between the ages of 46-64 and at their peak earning capacity averaging US $60,000 per annum. Estimated to become the fastest-growing segment entering into the 21st century.

- **Baby Boomers**

  Born between 1946-1964 and divided into:

  - **Older Boomers (36-45** years old)

    Annual family incomes of US $60,000 or more - may or may not have children and travel frequently - growing market and future middle-aged travelers; and

  - **Younger Boomers** (26-35)

    Annual family income of US $60,000 [only those younger boomers without children are included in the market segment].

Common characteristics of these **groups include:**

- they work hard at careers that are important to them and provide them with a high degree of satisfaction, high percentage of entrepreneurs;
- two income families are common - leisure time is limited and highly valued;
- take time to research before making informed consumer choices - these choices have begun to focus more upon experiences than materialism and on enlightened consumption rather than conspicuous consumption;
- “luxury” is increasingly being attached to activities rather than possessions:
- increasing demand for enhancing one’s lifestyle via more free time and personal fulfillment;
- more willing to pay for what they want but the product has to be high-quality and delivered with good service - this is a discriminating travel market;
- becoming more environmentally aware, green in terms of consumer choices, they want products that have not damaged the environment, are more concerned about personal health and fitness and this is reflected in other consumer choices (eating out etc.). want to learn and be active, interest in fine crafts, wide variety of personal interests cultivated; and
- these affluent Americans tend to be concentrated in major urban centres including: California (highest number of affluent), New York, Texas, Illinois, New Jersey, Florida.

Travel Habits and Preferences

These market segments have the highest domestic and international travel activity level of any American market segments through both business, pleasure and combination trips. A relatively recent trend has been the shortening of these trips to take advantage of weekends and increased air travel availability.

With regards to planning the trip, most of these segments prefer to control their own itineraries and generally do not gravitate towards package group tours although they may take advantage of guided tours as part of their vacation plans. Mature Travelers however, have a preference for guided tours.

Travel by car is preferred by most travelers although they fly more than any other segment.

A selection of the preferred activities include: physical activities such as hiking, walking, skiing, boating, taking part in cultural tours, and taking cruise. *Interest in adventure tourism and ecotourism in increasing.*

Retired Mature Market Segment

According to the Industry Canada - Tourism 1995 study, there will be 75 million Americans over the age of 55 by the year 2010. Currently the number is 53 million, 3 million of whom are considered affluent. Demographically, this segment is expected to increase as the older baby boomers age, the average retirement age declines and the average life expectancy increases.

This market segment is considered to be an essential one for the tourism industry as these people will have more time and interest for travel and many will have sufficient incomes to allow them to do this. Many older Americans are becoming more physically active and are interested in expanding their personal experiences through expanded varieties of products and services.

Attitudes Toward Travel

What sort of travel experiences is this market segment interested in? The Retired Mature Traveller is likely to be well-educated and have some experience traveling. Traveling is considered to be one way to expand a person's experiences and attain personal goals. Visiting friends and relatives remains an important purpose and traveling with a spouse or companion continues to be much preferred over solitary travel. Social interaction with different people, special considerations for physical comfort and convenience are important as is safety, contributing to the popularity of guided tours for this segment.

Current trends indicate that this segment will become better educated and more sophisticated in the future. Adjustments in the travel industry will provide a greater number and range of tourism products for an increasingly discerning client to choose from.

As with other market segments, Retired Mature Travelers have increased their concern over environmental issues and will not tolerate polluted destinations.

Travel Interests

This market segment has increased its interest in physically active and ecotourism products including those that include:

- outdoor activities such as walking and bird-watching;
- soft adventure travel i.e. trekking and first-class camping;
- experiential learning tours i.e. whale-watching with supporting instruction in marine biology, botanical tours etc.
- ecotourism activities which demonstrate a benefit to the local economy or environment;
- nature and natural-heritage attractions such as national parks, historic sites and wilderness areas;
- cultural tourism;
- rural tourism;
- short guided tours such as sightseeing boat trips; and
- cruises.

The more affluent travelers within this market segment have particular interest in the following ecotourism activities:

- learning trips;
- nature trips;
- attending cultural events; and
- visiting unique destinations.

These travelers also enjoy fine dining with superior wines and deluxe cruises and high-end guided tours. This segment takes more guided tours that any other segment with 20% of Americans over the age of 50 taking a guided tour each year. These travelers are interested in several types of guided tours of interest to the ecotourism industry including:

- historic, ethnic, or wilderness-oriented themes (including national park tours);
- include a learning element with particular emphasis on the local culture, history, and nature;
- tours involving several different destinations;
- shorter, more in-depth tours in specific destination areas;
- high-end, deluxe tours;
- tours with fewer frills but offer quality service;
- theme group tours (special event); and
- fly/coach tours that reduce travel time and allow more time to be spend at the destination.

Travel Planning and Duration

The Retired Mature Traveller segment has specific methods of planning their trips and the types of vacations they take. They:

- take more and longer vacations than other segments;
- prefer traveling in the fall but travel all year round;
- prefer to use own vehicles, although use of recreational vehicles is increasing;
- high percentage of return visits to previously visited destinations;
- rely heavily upon word-of-mouth to decide upon destinations;
- usually long lead-in time for vacation planning - between 3 months and a year in advance of travel; and
- rely upon travel agents for information and will dedicate significant amounts of energy and time to research before deciding upon tourism products.

Working Middle-Aged Market Segment

This segment represents the largest and most affluent US market segment for Canada's tourism industry. It represents the largest of the segments analyzed with over 29 million households. The age range is between 45-64 and will increase as older baby -boomers enter the next segment which they will complete by the year 2010. By this point, the age segment will number 38 million.

Over 8 million households in this segment can be considered affluent with the highest concentrations residing in California, New York, Texas and Illinois.

This segment represents immense potential for the travel industry as the younger members of the segment are in their peak earning years, are becoming more debt-free, and **are becoming "empty-nesters" increasing the amount of discretionary income available to them. The** older members of the segment are planning for retirement and making the necessary arrangements to provide for financial security.

The Working Middle-Aged Segment will be under pressure by the year 2,000 to retire earlier than previous generations due in part to the pressures brought on by the large baby-boomer generation in the workforce. This may have some negative consequences on their financial resources and therefore their ability to travel. They will also live longer that previous segments due to longer life expectancies allowing many people over 20 years of retirement, longer than any other group in history.

Attitude Towards Travel

At the peak of their careers, many of these people have busy careers, live in two-income families and have limited discretionary time. Time, not money, is a key determinant in what they will do on vacation. Other factors include:

- quality of life including safety and convenience are very important;
- life-enriching experiences, as well as new products, experiences that fulfill personal goals are important;
- quality is key, discerning clientele places emphasis on time, value, and quality in regards to travel experiences;
- increasing scrutiny of products and services;
- are in good health and have resources to travel;
- tend towards shorter trips to accommodate family/work; and
- international travel is becoming more popular as is a preference for group travel and reliance upon travel agents and travel clubs to help arrange these trips.

Travel Interests

This segment has a wide range of interests pertinent to the ecotourism travel industry including:

- hiking and walking;
- bird-watching;
- photography;
- recreation vehicle camping;
- cultural activities;
- shopping for arts and crafts; and
- outdoor and nature activities.

Particular travel products of interest include:

- escape vacations;
- weekend getaways;
- special-interest trips;
- short arts/cultural tours;

- short cruises; and
- various soft ecotourism trips.

A certain percentage of this segment will travel with children, mostly teenagers, and travel packages that have programs and activities for them will be more attractive. Outdoor activities have proven to be of particular interest for this sub-segment.

The affluent sub-segment is interested in fine dining and wines, gourmet cooking, golfing as well as skiing, and boating and participating in short guided tours. While at first this may seem to be of limited interested to the ecotourism sector, there may be some potential in the combining of fine dining, maximum comfort lodge-based tours or high-end, high service camping expeditions.

Other Key Travel Characteristics of the Segment

- high use of automobiles while traveling;
- air travel popular - segment flies to vacations more than any other segment;
- various recreational vehicles, trailers etc. are popular, as are cruise ships;
- travel usually with spouse or friends, less often with children
- those that travel with children do so in the summer, others travel throughout the year;
- shorter, getaway vacations are becoming more popular;
- majority plan their own trip;
- women play an increased role in decision-making in regards to vacations; and
- the segment tends to plan at least three months in advance, those without children tend to be more impulsive.

Baby -Boomer Market Segment

This segment includes people born between 1946 and 1964 and is expected to reach its peak at 78 million people in the US in 1993, a total of 31 % of the population. As this group moves into middle-aged, their earning years will peak, their long-term debt will decline, and more discretionary time will be available to them as their children leave home. Combined with the wealth they will assume from older generations, this segment will have a greater amount of discretionary income than previous generations.

Baby-boomers prefer life in the suburbs and are concentrated in the cities of Los Angeles, New York, Boston, Chicago, Dallas, Settle, Atlanta and Washington D.C. Baby-boomers have delayed having children until much later than previous generations with implications on how they spend their middle-aged years.

Time is often short for baby-boomers as they juggle the demands of careers and families. Quality of life is very important. Free time is cherished, and is spent with families, hobbies, recreational activities and spiritual activities.

Much of this segment is well-educated (25°/0 college graduates) and own homes.

This segment offers a substantial potential market for the travel industry as there is a high propensity to travel combined with sufficient resources to undertake vacations. The emphasis on travel will increasingly become on "quality experiences" and new destinations including soft adventure. While undergoing some alteration in their value structures as they get older, baby -boomers will retain the values of social consciousness, concern for the environment, value independent judgement and the preservation of natural and cultural assets.

Older Baby-Boomer Market Segment

Aged between 36-45 years old, this segment numbered 21.7 million households in the US in 1993. One-quarter of these families have incomes of at least $60,000. While becoming more affluent, the responsibilities of these older boomers, including looking after parents, child-care costs, mortgages, and saving for retirement leave this segment with less disposable financial resources than might be expected. Luxury products take second place to quality, value-oriented products.

In the future, leisure time may increase as work weeks are shortened. As well, more people will be working past the age of 65 as they wish to remain active and productive although early retirement will be more of an option for this segment that any other thus further increasing the amount of leisure time for key sub-segments.

Travel Interests

Again, this market segment represents substantial potential for the ecotourism sector including:

- wildlife, bird-watching and other nature-oriented and soft adventure activities;
- shopping for arts and crafts;
- cultural attractions and events;
- visiting unique and less traditional destinations; and
- hiking and short guided tours.

As a significant number of Older Baby-Boomer families have children, travel products developed for this segment should incorporate elements of the following:

- tours/resorts with children's programs, support services etc;
- outdoor travel packages for families;
- cruises with special features for children and families; and
- added-value packages such as 'kids stay/eat for free" options;

While many of the most popular vacation trips for this family segment are ocean/beach holidays, soft adventure tours including hiking and camping are also popular.

Older boomers without children differ in several important respects:

- rely upon air travel more, travel agents, and fly to destinations more often in the fall;
- rely more upon package trips;
- prefer cultural activities and events; and
- adult-only resorts and inns are popular.

Affluent travelers within this segment tend to prefer fine dining, tennis, golf, " skiing and foreign travel.

Other Key Travel Characteristics of this Segment

- reliance on personal vehicle for travel;
- tend to stay in hotels/motels more than other market segments; and
- prefer to rely upon personal experience and word-of-mouth when considering vacation destinations.

Most boomers prefer to plan 6-12 months in advance of departure although those without children take more spur-of-the-moment trips. The level of interest in package tours is not high as many prefer to travel independently.

Younger Baby-Boomers

This segment lies between the ages of 26-35 and engenders a more complex pattern of values than other market segments due to its broader inclusion of different types of families including childless couples, single parents, and young families. As well there is a substantial number of singles and newlyweds included in the segment. Of the nearly 20 million households in this segment, 44% do not have children. Almost 15% are considered affluent with household incomes surpassing US $60,000.

As younger boomers move into the older boomer segment, the volume of the segment will require the travel industry to alter its product regime to cater to this segment. Tightening pressures related to career choices will likely encourage many younger boomers at this stage to seek various forms of self-fulfillment including hobbies and specialty travel to provide satisfaction that their careers will be increasingly unable to fulfill. The segment will continue to have children later in life and thus provide a growing market for family vacation destinations.

Travel Interests

This segment is the most adventurous and physically active and are likely to have some interest in participating in ecotourism travel products:

- skiing, running;
- adventure trips such as heli-skiing and whitewater rafting;
- camping;
- hiking; and
- boating and sailing.

In relation to ecotourism, this market segment likes to participate in special interest vacations and tourism that offers a cultural experience. While not interested in guided tours for the duration of their vacation, these travelers are likely to take advantage of short, site/event-specific tours while at their destination.

Much of the travel of this segment is concerned with weekend trips and winter destinations.

Young boomers without children usually travel with spouses and friends, fly and use rental cars. They are also more likely to travel outside the US and take spur-of-the-moment trips. They tend to stay in medium-priced accommodations and make travel arrangements 3-5 months in advance. They like discount airfares but don't mind paying extra for luxuries. There are indications that this segment is taking more frequent shorter vacations and fewer long vacations.

US Travel Market to the NWT

A study commissioned by the GNWT and other provincial governments was conducted by Angus Reid in 1994. The study focused upon the Northwestern United States including Alaska, Washington, Oregon, Idaho, Montana, North Dakota, South Dakota and Minnesota. While these states have historically been primary sources for American tourists to the NWT, the study indicates that the number of tourists visiting the NWT or western Canada has stagnated or even declined.

The study found that there was a potential market of 1.5 million likely tourists that expressed some interest in visiting the North and western Canada. While only 4°A of those surveyed actually mentioned the NWT by name as a possible destination, other regions including Saskatchewan, Manitoba and the Yukon fared only marginally better. Respondents were more inclined to recognize the NWT if prompted by something they identified such as Yellowknife.

By combining the numbers of respondents who recognized the NWT as a destination with those that said they were likely to visit the NWT in the next year, the study determined the market potential of the selected states. If potential tourists could be made aware of the NWT as a destination, the study indicated that a potential market of 75,000 households would be very interested in visiting the NWT within the next year. Of this number, over half are from Washington State, 22°/0 from Oregon, 13% from Minnesota, and 10°/0 from Alaska.

While 75,000 is a substantial potential market, capitalizing on this potential has not been successful to date as only an approximate annual average of 3,500 visitors from these states actually made it to the NWT. Data indicates that the low identification of the NWT as a potential destination greatly limits the potential of the market. Respondents in Alaska were the most aware of the NWT while Oregon had the lowest level of awareness albeit combined with a substantial number of potential tourists interested in visiting the NWT.

The Angus Reid study also developed an opportunity grid that demonstrated the relationship between the importance of particular travel products and the occurrence of these products in the NWT. The travel attractions and services with the highest identification with the NWT were:

1) Seeing wildlife and nature;
2) Learning new things;
3) Good for the family;

4) Care of the environment;
5) National parks;
6) Friendly people;
7) Wilderness adventures;
8) Camping;
9) Safety and Security;
10) Outdoor activities;
11) Simpler lifestyle;
12) Native/Indian culture;
13) Going to the frontier; and
14) Fishing.

The fact that virtually all of these attractions are elements of ecotourism products (excluding fishing) bodes well for the increased translation of potential to actual tourism markets from the regions surveyed in the study. Curiously, certain elements that were identified as important travel products/services but with low identification with the NWT included: rest and relaxation, historic sites, lakeside resorts, mountain resorts, museums and local crafts. From an ecotourism perspective, there clearly exists an opportunity to expand the potential of the tourism market by increasing the awareness of key market segments to the availability of these travel products in the NWT.

The responses from the residents of the various states also provide some important indications as to how regional travelers' interests are segmented. Washington State residents, the largest potential market, placed more importance on care of the environment while stating little enthusiasm for **sports** events, entertainment and fishing. Citizens of Oregon, the next largest potential market, agreed that care of the environment was important and were the most interested in the culture of aboriginal peoples and camping. Minnesotans placed personal safety, care of the environment and rest and relaxation as being most important to them. While being interested in lakeside resorts, they are less enthusiastic about camping and going to unknown frontier areas. Alaskans, while representing one of the smaller potential tourism markets, seek out rest and relaxation and have strong interest in certain ecotourism-related travel products including care of the environment, visiting frontier areas, fishing, and getting acquainted with the local inhabitants. However their interest in safety and security, wildlife and lakeside resorts is somewhat less than other tourist groups.

Travel Planning

With regards to what resources potential tourists rely upon to help them decide upon their vacation trips to the NWT, respondents overwhelmingly relied upon the experiences of friends and relatives for information and advice. Travel guides, brochures and newspaper/magazine articles were also popular sources of information. Government tourist boards and 800 numbers had less impact. Interestingly, only 6% of respondents relied upon travel agents for planning trips to the NWT. The vast majority of respondents started planning on average 3 months in advance of departure.

Most travelers from these states to the NWT do not bring children with them. 46% travelled with more than one other adult in their party and 77°/0 travelled by their vehicle. Only 9% used air transportation.

Market Segmentation

The Angus Reid survey segmented the market into 7 sections:

Explorers

Highest priority is for outdoor activities including climbing, biking, camping, and viewing wildlife. This segment accounted for approximately 25% of the market and rated high in awareness of the NWT. They had little interest in traveling on package tours and were interested in learning about native cultures.

High Life Enthusiasts

Interested in camping and wildlife adventure and have the resources to participate in the higher end of tourism products. Luxury, social activities and traveling in style are important to this segment. High life enthusiasts are more interested in social and shopping opportunities and, while not adverse to the tourism product range offered in the NWT, do not readily identify the region with easily satisfying their needs. Awareness of the NWT was average for the group. Approximately 10% indicated that they would participate in a package tour.

Safe and Familiar

Participate in camping and outdoor family activities but avoid any activities that are considered potentially dangerous including skiing and hard adventure activities. This segment has the highest rate of repeat visits and has a high level of interest in NWT tourism products. However, the market size is one of the smallest and the most unlikely to visit new places, venture far from home or explore frontier regions. The segment also has nearly the lowest level of interest in package tours.

Pampered Planners

Prefer luxurious travailing conditions and are the most likely group to take a package tour. Luxury resorts are the preferred destination. The group represents about 16% of the market and has an average level of awareness of the NWT. Pampered Planners have the highest interest in taking package tours.

Luxury Entertainment Seekers

Primary interests are style, entertainment, shopping and staying at resorts. The segment has the lowest share of the market and level of awareness of the NWT. Approximately 9°A expressed some interest in package tours. This group will likely prove to be the hardest to interest in participating in most NWT travel products.

Heritage

Major interests include historical sites, museums, art galleries and local festivals and crafts. While the market size of this segment is less than 12% of the total market, the level of awareness of the NWT is the second highest at 23% due primarily to advertising. The segment has the second highest level of interest in package tours (22°/0) which is affirmed by the lack of interest in wilderness adventure or visiting a frontier area.

Field and Stream

Comprised of hunters and fishermen who travel independently and take short trips. They represent the second largest market (18Yo) and have the highest level of awareness of the NWT at 30°/0. They place a high importance on wildlife and nature, wilderness adventure and visiting frontier regions. In contrast to the Explorers, Field and Stream people focus upon consumptive activities such as hunting and fishing and place little interest in native cultures. Only 8°/0 expressed any interest in package tours.

Conclusions

The study clearly indicates that the US states bordering on western Canada represent a substantial potential market of over 70,000 for NWT tourism products. To date there has not been a great deal of success in realizing this potential as capture rates have hovered around 5-6°/0. While awareness levels of the NWT are quite low, there are indications that once people are exposed to information concerning the travel products available in the NWT, substantial interest in spending time there was expressed. Capitalizing on the expressed willingness and intention of these potential tourists represents an important challenge to the ecotourism industry.

The Angus Reid study indicates that the NWT can maximize the return on its tourism investment by focusing on key states that already have a high degree of awareness of the NWT and the highest interest in visiting. Two choices present themselves. 22°/0 of potential Alaskan travelers stated their interest in visiting the NWT. While this number is impressive, the actual numbers are small due to the size of the population. Washington State however has an estimated 37,000 people "planning" **to visit the NWT, the largest potential** market of any state. The NWT would have to invest **in raising the awareness of this population to ensure that the market potential here is realized.**

In relation to ecotourism, the market segment with the most potential is clearly the Explorers. They have an expressed interest in both hard and soft adventure activities, have a high awareness of the NWT already and are likely to be attracted to the diverse native cultures existing across the NWT. With a market size of 25°/0, many Explorers have already returned to their home states and have spread the word to other potential Explorers about the travel products available in the NWT. Assuming their experience has been good, this represents a substantial, effective (and "free" to the NWT) advertising campaign.

Other market segments that should be considered for increased market share include High Life Enthusiasts and Pampered Planners. Both of these groups represent substantial potential markets but in rather limited niches in term of tourism product development. High Life Enthusiasts show an interest in the high-end camping and wilderness adventure where substantial support is required. Comfortable accommodations, high quality food, beverages and services, efficient travel and destination itineraries, and high quality "wilderness" experiences are required to leave these travelers with smiles on their faces. Pampered Planners also represent a significant market focused upon package tour operations. While not demanding the higher quality (and prices!) of the High Life Enthusiasts, hard adventure is of little interest to this segment. Comfortable accommodations, adequate food and friendly service will be required to satisfy these tourists.

German Market Potential

Section Highlights:

German Market

- Canada ranks second in Germans' choice of long-haul destinations;
- 342,000 Germans visited Canada in 1993 spending an average of $877 per trip, the highest of any European group;
- German tourists have a strong preference for physically active vacations, and strongly identify Canada as having a wide range of nature and wildlife tourism products; and
- the <u>Outdoor Sports Segment</u> offers primary potential for NWT ecotourism travel products - these tourists are between the ages of 25-34, single and well-educated. Interests focus largely on physically active excursions in natural settings.

The strong German economy, the appreciating DeutschMark, the six weeks of annual vacation available to most Germans[18], combined with a strong interest in exploring the world, has powered the German travel market to be one of the largest in the world. According to the OECD, Germans were spending an " estimated US $37 billion a year abroad, second only to Americans in terms of the amount spent traveling internationally. In 1990, 61 million trips were made from Germany by outbound Germans. In 1992, 4.3 million long-haul trips were made. It is projected that by 1995, the German annual outbound market will reach 5 million trips[19].

---

[18] **For the purposes of this report, Germany and Germans refer to the unified country and its citizens. Research has indicated that while differences do exist between former West and East Germans, they are not of sufficient magnitude to be deemed relevant to the current study. Where substantial differences are apparent, the geographic origin of the particular segment will be stated i.e. West German.**

[19] <u>**Doing Business in the European Tourism Market 1993-**</u> **Coopers & Lybrand for Industry Canada.**

While a greater proportion of Germans choose the US as their primary long-haul destination, Canada ranks a comfortable second choice. In 1990 over 255,000 Germans visited Canada with this number increasing to 276,500 in 1991 and 342,000 in 1993. These increases are important as they marked the end of two years of consecutive declines in German visits to Canada in 1988 and 1989. As well, Germans are the biggest spenders of European nationalities at $877 per trip in 1993 or a total of $310 million.

With their six-weeks of annual vacation time, over half of the Germans visiting Canada in 1992 came in the summer months, surpassed only by the French in their enthusiasm for this season. There are also some indications however, that Canadian tourism products can be expanded to include winter activities as over 24°/0 of German visitors came to Canada during the winter in 1990.

The German market is environmentally conscious and there are indications that this value is playing an important role in the decision-making in regards to travel. According to a survey[20], 40% of German tourists polled stated that they have preference for vacationing in environmentally clean destinations, or one that is based upon environmentally sound practices. Excursions (70°/0) and vacations involving physical activity including hiking (54°/0) are among the most popular travel options chosen by this market. Flexibility and lack of restrictions continue to be attractive features of a vacation for many Germans. Most come to Canada for pleasure (590/0), to visit friends and relatives (27°/0) or business (1 2°/0)21. There are indications that the pleasure market is gaining ground, creating important new opportunities for producers of tourism products. They recognize Canada as having outstanding scenery, national parks, varieties of wildlife, aboriginal cultures, outdoor activities, high standards of hygiene, safety and friendly local people. German taste in lodging is flexible and tends to be more influenced by the nature of their trip than by any rigid preferences. In Quebec for example, Germans most often stay in hotels while in Alberta, they camp 28% of the time. As well, Germans are the most likely overseas visitors to visit parks and historic sites.

The socio-demographic profile of the German traveller in Canada is difficult to narrow down to a single profile. From an occupational perspective, the traveller is most likely to be a professional (240/0), blue collar worker (220/0), manager (15Yo) student (130/0), or clerical employee (1 1%). The single biggest age group is 25-34 (28°/0) although substantial numbers are under 25 (180A), 35 to 44 (140/0), 45 to 54 (1 7%) and 55 and over (1 80/0). In terms of geographic origins, the single biggest region of origin is Munich-Bavaria (1 9°/0) followed by

20 As cited in introduction to the German Travel Market 1992. Canada Tourism Office, Dusseldorf, Germany.

21 Statistics Canada, 1992, 66-201

Frankfurt/Rhine (18%), the Stuttgart area (150/0), the Cologne/Bonn area (13Yo), and the Hamburg area (12Yo)=.

In regards to the German long-haul travel market, two distinct product segments have been identified by Tourism Canada[23]:

Outdoor Sports

Comprises 10% of the total German long-haul market for a potential market of 400,000 of which Canada has a 16°/0 share (1992). The primary travel interests are hiking, climbing, wildlife observation, nature, mountainous regions and national parks, outstanding scenery and outdoor activities. This group is physically active, primarily male, between the ages of 25-34, single and has a high level of education. Occupations of this group include professionals, managers and business owners. Independent travel is preferred and clients do not mind spending the necessary funds to get the travel experience they want. This segment travels frequently and does not spend a lot of time visiting families and friends while on vacation.

Cultural Touring

Entails 21% of the long-haul market for a potential market of 900,000 of which Canada draws 12%. This group is largely comprised of single women over the age of 45 that prefer package tours. Attractions include cities, rural areas, local festivals, historic sites, theatre and sightseeing.

In a 1991 study, German tourists leaving Canada considered that they had received good value for their money across a range of items including accommodation, meals, recreational activities, package tours etc.[24]. They are

[22]Tourism Canada Travel/Price Value Perceptions Study, Volume III, 1991, Statistics Canada, 1992 66-201 and 1992 unpublished data runs as cited by Doing Business in the European Tourism Market. 1993 Coopers & Lybrand for Industry Canada.

[23]Market Assessment: German Pleasure Travelers, Tourism Canada, 1989.

[24]The Travel Price/Value Percept ion Study. 1991. Tourism Canada.

also likely to recommend Canada as a destination for their friends and relatives should visit and most state that they would like to return themselves at some point (77%). This clearly underlines the importance of making sure tourism products and services meet, and hopefully exceed, the expectations of German tourists.

Japanese Travel Market

Section Highlights:
Japanese Market

- Japanese are the biggest spending tourists per capita;
- in 1992 Japanese were the third biggest market after the US and the UK;
- Primary market segments identified, each with their specific potential in regards to the NWT:
- "Silver Age" travellers - over 50 years old, $150,000 average household incomes, prefer high-end tourism products and package tours, interested in natural scenery and local cultures;
- Honeymooners - on a trip of a lifetime - represents 50% of the market, prefer high-end tours, interested in "Northern Lights" and shopping;
- "Office Ladies" - young, single women with high disposable incomes, 16% of total market - will play an important role in deciding where Japanese families spend vacations;
- Single Young Men - 18-30 years of age, educated, good salaries - most adventurous and sports-oriented segment.

The Japanese tourist market continues to be one of the most sought after markets in the world. Fuelled by a vigourous domestic economy, a voracious international market for Japanese products, and an appreciating yen, Japanese" have enjoyed a spectacular economic rise since the 1950's. This has translated into major tourism to international destinations.

The Canadian tourist industry has enjoyed increasing attention from Japanese tourists. In 1992, Japan was the second largest overseas market (excluding the US and after the UK) comprising 13% of the total trips to Canada by overseas visitors. This was welcome news to a tourism industry that experienced two consecutive annual declines in Japanese arrivals since the record level set in 1990[25]. Japanese tourists also proved to be the biggest spenders leaving $434 million in 1992. This represents the highest average per diem expenditure of any overseas market at $174.

[25] **International Travel. July-September 1993, Statistics Canada**

According to Tourism Canada, lower but consistent rates of growth in the number of Japanese visits are forecasted and by the end of the decade, Japan will become the leading travel market for long-haul travel[26]. Foreign travel is expected to increase on average 70/0 during the 1990's, a much more modest increase than the 18.3% annual increases experienced in the latter half of the 1980's.

The short- term picture for Japanese tourist market is not as optimistic. The Kobe earthquake, the serious decline in Japanese financial markets and high interest rates will all likely combine to place significant restraints upon the Japanese economy as the country looks to solve internal problems. Such economic factors will likely have a negative effect in the short term on the Japanese tourism market despite efforts by the government to encourage its citizens to take full advantage of their vacation days and to travel abroad. While most Japanese are entitled to 15 days of annual vacation, many only use a portion of these days, and work longer hours than the average North American, a reflection of the strong "work and save" ethic that has been characteristic of Japanese workers. This ethic seems to be slowly changing as government programs encourage people to relax more and the upcoming generations define their own work/leisure ethic.

From the perspective of Canadian tourism operators, several important alterations have become apparent in Japanese travel habits over the past decade. The percentage of Japanese traveling for sightseeing, for example, has greatly increased from 19% of the market in 1964 to 84% in 1989. As well, more Japanese women are traveling opening up new tourism product opportunities. Generally the Japanese market has been reliant upon travel agencies to arrange vacations although there are strong indications that indepentant travel is on the increase. Japanese interests have also expanded to include more of a focus upon destinations that have spectacular scenery and wildlife although beaches and sand continue to place high on the priority list.

This interest in seeing the natural world places Canada in an excellent position with which to increase its penetration of the Japanese market. Currently, the US remains the single biggest destination for Japanese with Canada receiving 4°A of the total overseas Japanese travel market. Competition for Japanese tourists will only grow and to increase the number of tourists traveling to Canada, the Canadian tourism industry must understand their clients and what they want.

---

[26] **Tourism Canada - Asia/Pacific Directorate, <u>Business Plan for the Japanese Travel Market 1992-95.</u> Tourism Canada - Asia/Pacific Directorate.**

Japanese Market Segments

The following market segments illustrate the primary segments as identified by Tourism Canada[27] and Industry Science and Technology Canada[28].

"Silver Age" Travelers

This segment is composed largely of mature (over 50) travelers and represents the largest pleasure travel segment in the Japanese market. Due to the aging of the Japanese population, this segment will increase to 21 % of the Japanese population by 2010. Males between the ages of 50-59 are increasingly represented in this group as they enter their peak earning years and increase the number of retirement trips. Family income is most likely in the area of $150,000[29]. Due to their increased leisure time and lack of dependent children, this segment is more likely to travel throughout the year rather than focusing upon particular seasons, travel for longer periods and has a propensity to return to destinations that have fond memories for them.

Travel interests

This segment tends to be more "brand-name" conscious and prefers high-end packages. These tourists give high ratings to spectacular natural scenery, national parks and wildlife. Safety and security are important.. Some Japanese food and service in Japanese is also expected. They are interested in learning about local culture. These characteristics combine to make package tours popular with this segment.

"Honeymooners"

This segment is the largest single market for package tours to Canada and is comprised mainly of younger Japanese who are having a "honeymoon" vacation. They comprise nearly 50% of the total Japanese market and are the highest spending segment due to the Japanese tradition of "omiyage" which obliges the travelers to bring back gifts for relatives and friends. Perhaps more importantly for the travel industry, these couples go back to Japan and will tell

[27] **1992-1995 Business Plan for the Japanese Travel Market. Tourism Canada - Asia/Pacific Directorate.**
28 Industry, Science and Technology Canada - Tourism. 1992 Meeting Japanese Service Expectations: A Handbook for Canadian Tourism Operators.
[29]**. Industry, Science and Technology Canada - Tourism. 1993 Japanese Visitor Survey - Highlights Report. Industry, Science and Technology Canada - Tourism.**

people about their honeymoon trip for decades to come offering some substantial free publicity underlining, again, the importance of ensuring client satisfaction in the delivery of tourism products.

Travel Interests

This segment has a preference for destinations that are relatively unknown or unvisited by friends and relatives. They want new, interesting and unique destinations. This segment has an interest in high quality package tours and has a keen interest in particular niche activities such as viewing the "Northern Lights" presenting northern ecotourism operators an opportunity to expand upon this tourism product. As they are on a "once-in-a-lifetime" excursion, and that on average couples spend over $65,000 Can. throughout the marriage process, this segment tends to spend more than their incomes would indicate and therefore access to quality shopping is an important element of any honeymoon destination.

"Office Ladies"

Office ladies are young working women between the ages of 20-29 who live with their parents. With average incomes ($33,500 Can.) and low living costs, this segment has a high level of disposable income and has been a rapidly growing segment of the Japanese travel market. They currently account for over 41 .4% of all female Japanese travelers and 15.8°/0 of the total travel market. Travel is considered to be an important means of increasing a person's social status and development into a mature woman. The women in this segment will continue to play an important role in the travel market as they mature, as their income increases and they gain greater economic and social . independence. As well, many of these women will eventually marry and play an important role in deciding where the traditional honeymoon trip takes place. While at home, they also influence their parents in their choices of vacation destinations.

Travel Interests

These women are educated, prefer to travel in groups with other women, have an interest in fashion and are image conscious leading them to be high consumers. Interest in natural scenery and wildlife is not their highest priority as they tend towards city-oriented vacations. Specialty niches of interest include the "Anne of Green Gables" products in Prince Edward Island. There has been a trend recently towards more sport-related activities.

Young Single Men

Another growing market segment, young (18 to ***30*** years of age), educated, single men are earning good salaries and have a greater interest in seeking out adventure and tours involving physical activities. While the preferred destination has been Asia, Canada has been gaining increased interest from this market segment. According to the results of a survey conducted by the Japan Travel Bureau Foundation in 1991, 36°/0 of the single men contacted identified Canada as their destination of choice, second only to Australia.

Travel Interests

This segment has a strong interest in the skiing destinations of British Columbia and Alberta. While skiing (including heli-skiing) and other sports are the primary interest of this market segment, coming into contact with other cultures, entertainment and nightlife are considered to be important elements of any vacation experience. This segment with its interest in adventure, physical activity, high level of disposal income and high interest in Canada as a vacation destination would place it as a key market for expanding ecotourism market share.

Student Travel

Another niche market worth consideration is the Japanese student market. Each March 200,000 graduates take an overseas trip to celebrate their successful graduation and to expand their range of experiences before they return to Japan to seek out employment. These trips are primarily financed by parents, graduation gifts, and savings.

Travel Interests

While many of the students will be operating on a tight budget, Canada (particularly the west coast) remains a significant destination in their travel choices and they tend to **seek out more adventurous tourism activities than some other segments. Although the actual size and spending** power of this segment may be limited, there is substantial potential over the long term as these graduates return from their travels and tell friends, relatives, and future spouses about their travel experiences. As well, there has been a gradual increase in the number of overseas trips organized by the schools as part of their curriculum.

While most Japanese tourists have traditionally arrived during the summer months of July and August, there has been a substantial increase in recent years to the fall/winter seasons. Part of this shift has been due to Tourism Canada's "Winter Wonderland" campaign that has focused upon increasing the awareness of the Japanese market in regards to Canadian winter tourism products.

Japanese Tourists and Ecotourism

Research conducted clearly indicates that the primary reasons Japanese come to Canada is for the natural scenery, wildlife and national parks. An exit survey conducted by Industry, Science and Technology Canada[30] asked Japanese tourists what the most important reasons were for visiting Canada. The top four responses were, in descending order were: 1) natural attractions; 2) National Parks; 3) Mountainous regions; and 4) viewing wildlife. Over 99 per cent of those who cited nature-related reasons for coming to Canada stated that they were satisfied with this element of their trip.

While this data may project an image of adventurous Japanese scaling mountains and rafting down dangerous rivers, the Japanese tourist generally prefers to observe rather than participate. Only 6 per cent of the respondents to the above survey had indicated that they had participated in an outdoor trip, while the majority of Japanese have preferred to stay on the "beaten track" and to travel via package tours with tight itineraries. Safety, comfort and tours that maximize the number of sights visited typify the standard Japanese tour. There are indications, however, that this is altering with an increase in the number of independent/flexible itinerary travelers, particularly among younger Japanese travelers.

However, within the Japanese tourism market, there does exist substantial potential for increasing the penetration of ecotourism products. According to a study conducted by Tourism Canada[31] , travelers classified as Adventure Getaway travelers comprise 22% of the total Japanese tourism market. These travelers have little interest in being safe and secure and spend little of their vacation time visiting friends and relatives. They are looking for a trip that provides them with a physically active experience that challenges them and exposes them to new, adventurous lifestyles. Such activities would include kayaking, hiking, white-water rafting, heli-skiing and wildlife viewing.

The study also identifies a Culture and Nature product segment that comprised 130/. of the market. This segment has a primary interest in seeing wildlife and

---

30 Industry, Science and Technology Canada - Tourism. 1993, Japanese Visitor Survey.
3 Tourism Canada-1 987. Pleasure Travel Markets to North America: Japan, United Kingdom, West Germany, France.

nature and consider the quality of their accommodations less important than the quality of the wildlife and nature they are seeing. Other interests include seeing local cultures. Such activities of interest would include various forms of wildlife watching, natural scenery viewing, and demonstrations of aboriginal culture.

These market segments indicate that there is potential to increase the number of Japanese tourists consuming ecotourism products. Ecotourism is not a term well-known in Japan although there is an existing specialized product niche that does exist there. Although the average Japanese tourist requires above average accommodations and service, more tourists would likely be willing to accept more modest levels if they were properly informed before purchasing the product and clearly informed before departure about what to expect. Tourists will be more accepting of the modest levels of accommodation if the tourism product is deemed to be a unique and exciting one. The potential for increasing Japanese interest in ecotourism lies primarily in the “soft adventure tours” and there seems to be little interest in “hard adventure” tours.

Japanese Tourists in the North

Research indicates that the primary Canadian destinations of Japanese tourists are British Columbia, Alberta, and to a lesser extent, Ontario, Quebec and the Maritimes. In regards to the North, specific data regarding Japanese visits to the region is rare due primarily to the small numbers involved. The number may be small but they seem to be growing quickly. In 1989 only about 50 Japanese tourists travelled to Yellowknife. By 1995, the number is estimated to be over 1,000. The main tourism product of interest to these tourists is the Northern Lights which are most visible between December and April, traditionally a slow period for northern tourism operators. This product represents great potential as it doesn’t compete with other ecotourism products offered during other seasons, increases the number of Japanese tourists during a traditionally slow travel period, and offers the visitor a pleasurable introduction to the North and the wide variety of activities that are available there. A significant number of these tourists have also included dog-sled trips on their itinerary.

Ensuring that this tourist market continues to grow will likely require more effort than for tourists from other countries. In 1993, the GNWT surveyed 200 Japanese tourists in Yellowknife to elicit their opinions on the services and products they were exposed to. The results of this survey, combined with data from Industry Canada reports, presents a profile of tour elements that address the needs of Japanese tourists.

Japanese Language

Many younger Japanese tourists often have some ability to speak English but older tourists are often unilingual. When developing tourism products with consideration for a Japanese market, care should be taken to include materials in Japanese and to provide a Japanese-speaking tour guide/resource person to help address the needs of the tourists. Important instructions, menus, tour guides and educational materials should be translated in order to ensure the tourists are maximizing their tourism experience. For ecotourism operators, it is important to find out if the Japanese clients are bilingual or feel more comfortable with a Japanese-speaking translator. The client's level of satisfaction will surely plummet if they are unable to understand what they are seeing. This will be particularly important during educational information sessions held in the base camp/resort or while in the field.

Quality of Food

For certain market segments, particularly the "silver age" segment, some Japanese food should be included as part of the tourism product. Other segments will likely appreciate the option of having Japanese food but will want to explore the local cuisine. The Yellowknife survey indicated that Japanese felt that the portions of their meals were too large, forcing them to leave food on their plates, something that they consider to be very wasteful. Tailoring some menu selections and portion sizes to accommodate Japanese tastes is not difficult and would be appreciated by Japanese clients. The Japanese Visitor Survey (1993) also indicated that restaurants were one main area where Japanese tourists were disappointed with both the service and the food. In. regards to ecotourism products, the quality of food should be kept high and accommodate Japanese tastes. Ensuring the clientele is fully informed as to what they can expect will reduce the possibility that the product/service will be found unsatisfactory.

Quality of Service

Japanese spend a lot of money to get the tourism product they want. Vacation time is very important and is often filled with activities to a degree that often astonishes North Americans. Travel delays, confusion or disappointment over accommodations, misunderstanding over the terms and conditions of the tour etc. can all have a very negative impact on the view of Japanese tourist to the product. Staff should be instructed as to the specific needs and preferences of the Japanese tourist and particular elements of their culture that will help avoid any disappointments or confusion[32].

Shopping

Japanese tourists shop a lot and will spend considerable money if there are products that they want. Several studies indicate that Japanese like to have a wide selection of products in varying price ranges from which to select souvenirs to take home. Retailers should hold a number of items that reflect the area/culture the Japanese have been traveling in and ensure the products are of good quality. As outlined in the GNWT survey report, Japanese may not be too familiar with Inuit or Dene products and culture but would most likely be interested in learning about them before considering purchasing them. Small explanatory panels in Japanese alongside the articles will be viewed favorably by the Japanese clients. Providing packaging and mailing services will also be an added attraction as many Japanese prefer to mail packages home rather than carry them around.

[32] Resources such as " Meeting Japanese Service Expectations: A Handbook for Canadian Tourism Operators" are highly recommended. The publication is produced by Industry Canada. 1992.

French Tourism Market

Section Highlights:
French Market

- one of the most important European markets with over 400,000 visiting Canada in 1994
- proportionately the youngest of any overseas tourist market for Canada with over 20% being between 25-34 years old;
- while interest in outdoor activities is among the lowest of the European markets there are specific segments that have substantial potential:
- Outdoor and Subcultures Segment, male, 18-34 years old professional and prefer independent travel, strong interest in nature/outdoor activities in combination with exploring other cultures.

The French tourism market remains one of the most important to Canada's tourism industry. Of the three top European countries, France showed the greatest increase between 1987 and 1992[33]. In 1992 over 310,000 French tourists visited Canada and spent an average of $949 per trip (excluding airfares). There are indications that the numbers of tourists has increased to as high as 400,000 in 1994. As may be expected, these tourists showed an overwhelming interest in visiting Quebec with over 259,000 visiting that province in 1992. By comparison, the nearest provincial competitor for French tourists is Ontario which received only 121,000.

French tourists to Canada are proportionately the youngest among the top six overseas nationalities visiting Canada. In 1992, 20°/0 of French tourists visiting Canada were between the ages of 25-34 years old. As a group they prefer to sleep in hotels rather than camp and travel primarily in the summer months. They also prefer gourmet food with over half stating that they had eaten in gourmet restaurants while in Canada. As may be inferred from the low interest in camping mentioned above, the French market has limited interest in sports and outdoor activities while in Canada. In fact, according to the Statistics Canada report, the French showed the least interest in these activities when compared to the UK and Germany.

---

[33] Statistics Canada. 1994, International Travel - Touriscope

According to research undertaken by Tourism Canada[34], the typical French vacation in Canada is about 12 days long, is planned an average of 29 weeks in advance and is usually booked with a travel agent. Sources of information include: travel agents, friends, family, brochures and pamphlets. Most vacation trips are taken with another adult. An estimated 8°/0 of the respondents identified Canada as being a preferred destination. Visiting wilderness areas and touring the countryside were among the top ten choices in terms of listing the most preferred activities.

In terms of the most desired features in a destination, opportunities to increase knowledge, experience of a different culture, and exotic atmosphere rank among the highest attractions. Outstanding scenery, friendly local people and wilderness and nature also ranked highly.

French Market for Ecotourism

Canada is considered to be a unique foreign destination that can combine outstanding scenery, wildlife national parks and forests, friendly local people, interesting cultural groups in a safe, clean environment. All of these features are elements of various ecotourism products. In regards to specific market segments that are likely to be interested in ecotourism, <u>Adventure</u> travelers which comprise 35% of the market are looking for a physically exacting, exciting adventure that allows them to sample new and different lifestyles. Included in this segment's ecotourism package would be observing/participating in traditional aboriginal culture, viewing wildlife, kayaking, rafting and snowmobiling. A particular product segment identified by Tourism Canada is clearly interested in ecotourism products that are available currently in the North.

The <u>Outdoors and Subcultures</u> segment makes up about 210/0 of the total French long-haul market. These tourists enjoy wilderness, wildlife, and wide open spaces and have a strong interest in coming in contact with different and unique culture groups. This segment seeks out more remote regions and more exotic locations for travel. Hard adventure packages should target this segment particularly since it would be easy to satisfy this segment's interest in subcultures by having Inuit/Dene groups conduct cultural demonstrations before, during and after the tour.

Canada attracts approximately 10°/0 of the total French Outdoors and Subcultures segment. The average tourist here is male, 18-34 years old, fluently bilingual (French and English), professional, and prefers to travel

---

[34] **Tourism Canada, 1988, <u>Market Assessment: French Pleasure "[ravelers</u>.**

independently for long trips in the winter and spring. As well, this particular tourist segment often lives in large urban centres in France. The potential for this segment can be expanded by offering certain add-on features to the tour packages including gourmet dining featuring "exotic" northern delicacies, adding on cultural and historical points of interest and by altering hard adventure packages to accommodate a slightly older clientele.

Considering the high number of French tourists that visit Quebec on their trip to Canada, the easy air connections, and the use of the French language, Northern Quebec seems well placed to capture a substantial proportion of the market represented by these segments.

The United Kingdom Tourism Market

Section Highlights:
United Kingdom Market

- represents the largest market to Canada excluding the US with over 614,000 estimated visitors in 1994;
- demographically the oldest tourist market visiting Canada;
- many come to Canada to visit friends and relatives;
- various market segments hold potential for ecotourism products:
- Culture and Nature Segment - 25-44 years old, good income, well-educated, do not prefer package tours, likely to participate in hard/soft adventure in combination with unique cultural groups, educational aspects important; and
- Outdoor Sports - 18-44 years old, good incomes, want thrilling experiences that they can tell friends back home about, adventure/ecotourism products are focus of interest.

Tourists from the UK comprise the largest number of overseas tourists (excluding the US) to Canada with over 536,000 coming in 199235 spending a total of over 6 million overnight stays, the most of any overseas travel market. In 1993, the number increased 5.6% to 569,000 and receipts were $415 million. For the first quarter of 1994, the number of UK visitors increased 7°/0 from the previous first quarter record of 1991. The total increase for 1994 has been estimated at 8°/0, or 614,000.36

The primary travel interest of this group is to visit friend and relatives with over half visiting during the summer months. While most stay less than two weeks, over one-third stayed over that period. Ontario remains the favourite destination with over 324,000 visiting that province in 1992. British Columbia, Alberta and Quebec follow in terms of numbers of visitors from the UK.

Demographically, visitors from the UK are the oldest group with over 16°/0 being 65 years old or older. The British tourist also tends to travel with a companion. Their choice of accommodation varies depending on the nature of

---

[35]International Travel **1992 Statistics Canada 66-001**

their trip. With a high number visiting friends and relatives, many prefer to stay with their hosts. The Statistics Canada report also indicates that British are not particularly interested in camping as only 5% camped in Alberta, lower than most other groups. Despite this figure, the same report indicates that the British participate more in sports and outdoor activities than any other overseas market.

British tourists are interested in sightseeing, observing sports and shopping with 90°/0 participating in the latter activity, again the highest proportion of the nationalities considered.

While the average British tourist to Canada is usually over 50 years old, research indicates that there has been an increase in the number of British in the 22-45 age group interested in visiting Canada to take advantage of its natural attributes. This market segment has a high level of income and are not fixed upon a particular type of activity during their stay. They are more interested in physically active outdoor activities including white-water rafting, horse-back riding, and other “soft adventure” travel products.

British Tourists and Ecotourism

Tourism Canada[36] has broken down the British travel market into three distinctive market segments, each of which indicates differing degrees of potential interest in consuming ecotourism products.

The Culture and Comfort segment comprises about 16°/0 of the UK’s total long-haul market, of which Canada has a 25% share. This group is primarily interested in viewing cultural and historic sites while staying in good hotels. National parks are of interest although little physical activity is desired. Sightseeing tours are popular as is encountering friendly local people. These tourists strongly prefer to travel in groups, in package tours, and place safety and security high on their list. The average tourist in this segment is an older female (55 and over), traveling in a tour during the tourist shoulder season. They view Canada as a safe destination with outstanding natural endowments, unique cultural groups and an interesting history.

In regards to the potential for ecotourism, this group would likely consider some soft adventure tours if they were short in duration, involved a group, and could ensure both the high degree of safety and comfort this segment requires. Offering an ecotourism product as part of a larger tour package would be beneficial, particularly for specific interest groups. A short excursion to see wildlife, outstanding scenery, or an aboriginal cultural display would be a

[36] **Market Assessment: UK Pleasure Travelers, Tourism Canada 1989.**

welcome addition to an existing tour package. More lengthy “harder” types of tours would not be very popular with this segment.

The Culture and Nature segment comprises 12% of the British long distance travel market and Canada has an estimated 18°/0 share of this. The primary interests of this segment are nature and wildlife, historic sites, unique cultures, national parks, outstanding scenery and friendly local people. These people prefer to be more independent travelers with a greater degree of enthusiasm for traveling. Cheaper accommodations are preferred. They are 25-44 years of age, enjoy good income levels, have higher levels of education, and do not choose package tours often. They spend less time seeing friends and relatives while on vacation.

This segment offers substantial potential for increasing their consumption of ecotourism products. They have a high level of interest in combining physical activities with seeking adventure and are less concerned with the level of comfort than with the quality of what they are experiencing. This segment will likely be seeking combinations of attractions on their tours. They will be more likely to participate in both soft and hard adventure tours in combination with other more culturally-focused activities. This combination is readily available throughout the NWT as tourists in this segment can view wildlife and scenery during the day and then gather to watch demonstrations of Inuit/Dene cultural traditions. The preference for cheaper accommodations may be a limiting factor in regards to the type of ecotourism product consumed and will likely focus attention on the lower cost tours. Educational experiences are important to this segment requiring informed, articulate guides/resource people to support the natural experience.

The Outdoor Sports segment makes up 11 % of the UK long-haul market with Canada averaging 8°/0 of this market. The primary travel interests of this . segment include: hiking, skiing, wilderness areas, wildlife, and beaches. Physical activity is a key element of any successful vacation for this segment more than the above two segments. Hiking, rafting, horseback riding, kayaking and snowmobiling appeal to these tourists. They are 18-44 years old with good incomes. They want thrilling adventures that they can share with friends/relatives back home and care the least about the level of comfort they receive than other segments. Traveling independently is preferred and these travelers do not spend time visiting friends and relatives on their trips. They travel frequently to the US (360/0), Asia (18Yo), Australia and New Zealand (1 7°/0) to go on adventure tours.

The Outdoor Sports segment is a key market for ecotourism products. Their emphasis is upon harder adventure products including extended expeditions via kayaking, hiking, sailing and canoeing in areas that excel in natural beauty. While not requiring the comforts of other segments in terms of accommodations and entertainment, these travelers do demand challenging and thrilling experiences in the outdoors. With above average incomes without substantial family responsibilities, their disposable incomes enable them to look beyond the more traditional destinations to satisfy their desire for adventure.

Marketina Ecotourism

This section will provide an overview and analysis of the strategies currently being used by the ecotourism industry to capture and build their client base. This information has been compiled from a review of the literature including the recent Tourism Canada study as well as by analyzing the promotional material of successful ecotourism operators.

General Considerations

Determining Marketability

Biodiversity and tourism infrastructure are the two basic considerations in determining the marketability of an ecotourism product. The cultural history of a location also creates the opportunity to greatly increase a traveller's enjoyment of a destination. The infrastructure in place is also an important consideration.

> " A tourism infrastructure must be in place, or put into place, if visitation is to occur. A destination cannot be marketed by an environmentally conscious travel company unless it has adequate accommodations and ground transportation, guides who are able to interpret natural and cultural history, proper access to natural habitats, and cooperative local and national governments. The area must also have tour operators who are receptive to the fundamentals of ecotourism. "[37]

Defining the Market

Ecotours are conducted in small groups of people with common interests, therefore it is critical to attract customers who will enjoy the product after they purchase it.

> "Potential ecotourists are identified and wooed through a marketing strategy that limits the advertising and communications to a qualified

37 Ryell, R. And Tom Grasse, op.cit. p.169

> market in order to achieve cost effectiveness and profitability. Travel companies cannot waste scarce dollars and valuable time communicating the benefits of ecotourism to unqualified consumers."[38]

To successfully identify the 'qualified' consumer for ecotourism products requires a careful analysis of the characteristics of the consumer desired by product type.

This includes the analysis of the demographic, psychographic and geographic characteristics of their target market.

Demographic factors include:

- age, sex, race;
- household income;
- education, occupation; and
- family size.

Psychographic descriptions serve to **increase the level of discrimination provided by a demographic analysis. This is important** since a strict demographic targeting will **capture a sizable number of individuals that do not fit the ecotourism target market.**

The Axiom Market Research Bureau Inc. has developed a series of adjectives designed to elicit the self-conceptions of respondents in surveys, which can help to identify target markets. For ecotourists these include:

- "amicable" (amiable, affable, and benevolent);
- "Broad-minded" (open-minded, liberal and tolerant);
- '{intelligent" (smart, bright, well-informed);
- "self-assured" (confident, self-sufficient, secure); and
- "sociable" ((friendly, cheerful, likeable).

Geographic factors provide information on where target markets are located. For example in the U.S. key nature travel prospects are in the Northeastern U.S. (New York, Boston, Washington, D. C.) , the West Coast (Seattle, San Francisco, and Los Angeles) and in major cities such as Chicago, Dallas and Denver.[39]

38 ibid. P. 171
39 ibid. P. 172

Advertising

The analysis of the target market should determine the advertising vehicles best suited to the products being promoted. It is important to remember that a company and its products can immediately inherit a degree of trust and acceptance among consumers through choosing the appropriate advertising medium.

Ecotourist products are often advertised in well-established, specialized magazines that are affiliated with highly respected and internationally recognized organizations.

These include:

> "... organizations such as the National Audubon Society, the Sierra Club, American Museum of Natural History, the Smithsonian Institution, and the Archaeological Institute of America source of advertising. Other magazines such as *E Magazine, Buzzworm*, and Gee, which are not affiliated with special institutions, can also target ecotourist prospects effectively. "4°

Publications which target common interests (i.e. *Outdoor Travel & Photography)* as well as specialized interests (i.e. Coral reef diving: *Skin Diver),* have proven effective. Furthermore maximum results have been achieved by maintaining a constant presence in the publications chosen.

The Marketing Message

The most difficult challenge of marketing ecotourism products has proven to be the development of effective copy. This is due to the need to properly present product information within the confines of limited ad space. As a result, the objective of most ecotourism advertising is to convince potential customers to send away for the company's brochure. These brochures must describe the product in detail, including a description of the natural environment and culture, project vivid images of wildlife and address ecotourism concepts.

Develop a Mailing List

The approach **to product promotion outlined above provides the ecotourism operator an opportunity to create and develop a good mailing list.** The

40 ibid. P. 173

purchase of the mailing lists of targeted publications and/or organizations will also assist in the development of a more targeted mailing list.

> " The resulting mailing list becomes a powerful marketing tool. It allows the company to provide key prospects and past travelers with brochures, newsletters, updates on new destinations, even Christmas cards, the vast majority of which will be examined thoroughly and appreciatively by the recipients. A high-quality assortment of travel brochures provides the operator with an important competitive advantage."[41]

Product Packaging

Product packaging allows for the presentation of several products and services that would normally be purchased separately to be offered as a single product at a single price. This provides customers with a comprehensive experience which includes all the tourist services they require. Packaging offers the following value-added benefits to the consumer:

- It creates a new "product" which did not exist before, one having appeal to specific markets;
- Usually it offers better value when compared to independent travel;
- It makes it more convenient for the customer to buy the tourism product - "one-stop shopping";
- It improves the appeal of the overall travel experience, since the trip-planning homework is done by others who presumably know the product well; and
- It provides a measure of quality assurance and security to its customers.[42]

There are four basic types of packages: group tours, group destination packages, individual touring packages and individual destination packages. A well developed package provides a unique, appealing experience or series of experiences for the consumer based on the activities where the destination has a competitive advantage. There are seven stages to developing a package:

1. Undertaking market research;
2. Setting your packaging objectives;
3. Assessing your local and regional tourist attractions and tourist services;
4. Developing your package concept;

---

41 ibid. P. 175

[42]The **Economic Planning Group of Canada,** Feb.1**995,** Packaging for and Selling to The United States Pleasure Travel Market. Tourism Canada

5. Negotiating with suppliers and partners;
6. Pricing the package; and
7. Establishing marketing, management and quality-control plans.[43]

Table Four provides examples of the types of arctic ecotourism products and experiences highlighted in a recent study of the US Pleasure Travel market as suitable for packaging.

Marketing Partnerships

A limited marketing budget can be stretched by establishing partnerships with other organizations with a stake in the success of the product or package. These arrangements increase marketing efficiency by linking travel businesses at both the destination and market location.

> " In the tourism business, it is much more effective for tourism operators... to work together, since both consumers and professional travel planners require a range of products and services at a destination. It is much easier and more productive for a travel planner to work with a marketer who provides information on and assistance with a wide range of arrangements at the destination. Marketers who feature their own products in isolation from other products the planner might require in the area, are of limited help and are not as well trusted.''"

Developing partnerships requires identification of other enterprises which could potentially benefit from collaborating in the development of products and marketing strategies.

Marketing Practices of the Canadian Adventure Travel Sector

The Tourism Canada study of the domestic adventure travel industry provides a number of insights into the marketing practices of operators. The adventure travel sector spent $11.7 million on advertising and promotion in 1993. This represents an increase of 7.9 % over the previous year. As a proportion of total revenue it represented an average of 7.10/0 for the sector.[45]

---

[43] **ibid. P. 35**
[44] **ibid. p.33**
45 Tourism Canada, Fed. 1995 Adventure Travel... op.cit. **p. 90**

Table Four
Northern Canada: Highlights of Canadian Products and Experiences Suitable for Packaging by Traveller type

Northern Canada: NWT	Affluent Retired Mature Travellers	Affluent Middle-Aged Travellers	Affluent Older Baby Boomers	Affluent Younger Baby Boomers
Historic				
Archaeological sites various sites	*	*	*	
Culture/Entertainment				
Inuit Culture and crafts in the NWT	*	*	*	
Outdoor				
Wildlife viewing such as polar bears, seals, walrus, caribou, whales		*	*	
Nature photography	*	*	*	
Aurora Borealis	*	*	*	•
Coastal kayaking				
hiking and trekking in various national and territorial parks in the NWT			*	*
Dog sledding and snowmobiling			*	*

Source: The Economic Planning Group **of** Canada, **February 1995.** *Packaging for and Selling to the United* **States** *Pleasure Travel Market,* **Tourism Canada**

Marketing Methods

A range of methods were used by operators to promote and sell their products, but brochures, posters, and direct mail were the most popular (88.2%), followed by travel guides (64.00/0). Television adds were used by 7°/0 and computer indexes were the least used at 8.7 %.[46]

Cooperative Marketing

Of the operators surveyed in the study, 33.6°/0 had cooperative marketing strategies in place with Canadian or foreign accommodation and transportation companies. These companies had a higher proportion of revenue (56°/0) and registered better growth (160/0 vs. 8%) than those operators without cooperative arrangements in place. This was offset to some degree however by their higher operating expenses which contributed to a lower gross margin (1 7.4°/0 vs. 19.6%).

operators with cooperative marketing strategies in place saw their advertising expenses decline by 0.20/0 as opposed to those without such arrangements who saw their advertising expenses increase by 17.0°/0 in 1993. Cooperative marketing strategies were also associated with more foreign travelers (46.7% vs. 34.80/0), mostly from the US and Germany. Overall adventure travel operations with cooperative marketing strategies performed much better than those without them.[47]

Target Markets

Nationally the majority of adventure travel operators targeted travelers from their own province / territory (88.7 %), followed by the US (59.9°/0) and other provinces/territories (590/0). However both the Yukon and the NWT reported levels below the sector average for own province/territory markets at 70% and 59°/0 respectively.

Travelers aged between 35-44 were the prime target market (73. 10/0) for adventure travel operators. The 45-54 adventure travel target market was also strong. Seventy-three percent of adventure tour operators in the NWT also targeted this age group.[48]

---

[46] **ibid. p. 90**
47 ibid. P. 92-93
[48] **ibid. P. 93**

Survey of Marketing Materials

An informal survey of successful ecotourism businesses operating in Canada reflected the findings outlined above. The brochures reviewed were secured by responding to small adds in newspapers and special interest magazines. All of the brochures were extremely high quality and provided detailed descriptions of available products. Some notable characteristics of the brochures are:

- A statement of the operator’s philosophy;
- High quality photography and art work;
- A wide variety of destinations and soft and hard packages targeted to particular interest groups;
- Well written narratives on each product, which include descriptions of the natural sights, wildlife and educational features plus dates and costs;
- Tour guides for packages are featured, emphasizing competence, experience, safety as well as the guides’ knowledge of the location and the educational features particular to the product;
- Cooperative marketing - primarily with airlines; and
- Statements of association with naturalist/ environmental organizations.

All of the promotional material reviewed promoted ‘high-end’, carefully structured” products. The brochures project images of excellence and confidence which are purchased at premiere prices. [n exchange the tour operators guarantee carefully planned and executed travel experiences.

Management and Quality Control

Quality control in planning and managing a product is extremely important. A well conceived product can still fall short in ultimate customer satisfaction if plans and contingencies cannot address unforeseen events. A quality management program should consist of the following six elements:

1. Careful and thorough planning directed at coordination, management and problem solving;
2. Contingency arrangements, where appropriate, to be able to guarantee customers the experience they expect;
3. A management process within the travel organization and with the product partners to coordinate arrangements and deal with problems;
4. Communications with the customer - all surprises should be pleasant ones;

5. A generous policy for refunds and credits; and
6. Tracking results, to be able to improve the product and its profitability over time.

Constraint and Success Factors

The adventure travel operators included in the Tourism Canada study were asked their opinions on the factors which have the greatest affect on the long-term growth and profitability of their businesses. For all the activities surveyed, the three most important factors were considered to be:

- an appropriate marketing strategy (77.70/o);
- appropriate product packaging (42.30/o); and,
- successful financing (34.40/0).

The quality of the products and services offered was also mentioned frequently under the 'other' category of success factors.

The three most serious constraints to growth were listed as:

- high marketing costs (55.8%);
- weather constraints (38.40/o); and
- difficulty in accessing capital (34.1 O/O).

An exception to this listing on a province/territorial basis were the NWT operators who felt that too much industry regulation was the second most serious constraint. Other frequently mentioned constraints included economic conditions, competition, environmental issues, and transportation costs.[49]

[49] **ibid. P. 95-96**

Issues Critical to Arctic Ecotourism Development

The Ecotourist Profile

The ecotourist market is best divided according to the ‘hard’ or soft ‘nature of the activity. In both cases the major interests of ecotourists include “wilderness and undisturbed nature”, “learning about nature”, and “wildlife observation /photography”. ‘Hard’ adventure ecotourists prefer to combine these activities with challenging physical activities such as sea kayaking or hiking. ‘Soft’ adventure ecotourists, who typically are part of a package, tend to be more interested in “learning about new peoples and cultures”.

Canada

Canadian ecotourists tended to be significantly older than the general tourist population with 46% being between 45-64 years. An additional 22°/0 of Canadian ecotourists were between the age of 35-44 years, with 25-34 and 70 years and older each making up 110/0 of the population.

Ecotourists are well-educated with 64°A having university education, compared with 20.7°/0 of the general Canadian traveller. Their mean household income is $64000, compared to **$40,000** for the general Canadian population. Their relative affluence is reflected in their traveling habits. In 1988 Canadian ecotourists spent an average of $5,000 a year in travel .

Ecotourists also like to make good use of their holiday time. They prefer packages which minimize wasted time and offer a wide variety of activities. They are prepared to pay to get what they want, but have little patience for packages which fall short of their expectations. Great scenery and wildlife is important but they also look for additional features, primarily of an educational nature to provide them with a total ecotourism ‘experience’.

They may not have rigid demands regarding accommodations but they expect them to be unique or interesting. They like a relatively high level of activity, but they also want flexibility and options.

United States

The *Retired Mature Market* segment in the United States is considered to be essential to the development of the tourism industry in the future. It is estimated that there will be 75 million Americans over the age of 55 by 2010. Currently there are 53 million, three million of whom are considered affluent. Many are becoming more physically active and interested in expanding their personal 'experiences' through a variety of products and services. They also have a strong interest in 'soft' ecotourism products packaged as guided tours.

The *Older Baby Boomer market* aged between 36-45 years old numbered 21.7 million households in the US in 1993, with one-quarter of them having household incomes of at least $60,000. They put emphasis on quality, value-oriented products, and strong interest in the environment, nature observation, soft adventure and less traditional destinations. The segment of this market without children rely more upon air travel and package tours.

Of the nearly twenty million *Younger Baby Boomer* households in the US, 44°/0 do not have children. As well nearly 15°/0 are considered affluent with incomes above $60,000. This segment of the US market, the most adventurous and physically active, prefer 'hard' adventure travel such as camping, hiking and water related activities such as canoeing and kayaking.

Germany

In 1992, 4.3 million long haul trips were made by Germans. Ten percent of this potential market of 400,000, of which Canada had a 16% share in 1992, state. their primary interests as including hiking, climbing, wildlife observation, nature, outstanding scenery and outdoor activities. This group is primarily male, between 25-34 years, single and highly educated.

German tourists are also increasingly aware of environmental issues and flexible with regard to accommodation, which tends to be more influenced by the nature of the trip rather than any rigid standards.

France

The Outdoors and subcultures segment makes up approximately 21 % of the total French long-haul market. As might be expected the majority of this market visits Quebec, but they are also characterized by their interest in 'hard' adventure travel and interest in different cultural groups.

Tables

ARCTIC ECOTOURISM

MARKET RESEARCH STUDY:

FINAL REPORT

United Kingdom

The *Culture and Nature segment* comprises 12% of the total of the British long-haul market. Canada captures an estimated 18% of this market. This segment of the UK market prefers to travel as independent travelers, are 25-44 years of age, and have high income and education levels.

The *Outdoors Sports segment* makes up 11 % of the UK long haul market. Canada is the destination of choice for 8°/0 of these travelers. They are 18-44 years old with high income levels. Physical activity is the key to a successful vacation for these travelers and they prefer 'hard' adventure travel activities such as hiking, rafting, kayaking and snowmobiling.

A significant number of these travelers are singles with high incomes which enables them to go to more exotic locations in search of adventure. They also prefer to travel as independent travelers.

Japan

While research clearly indicates that the Japanese visit Canada primarily to see the natural scenery, wildlife and parks, as tourists they prefer to observe scenery, rather than participate in outdoor related activities. In 1993 only 6% of those surveyed by Tourism Canada had indicated that they had participated in an outdoor trip. It is worth noting that other studies cited in the report indicate that when the Japanese do travel to the north they are interested in 'day' activities, dog-sled trips in particular.

The *Young Single Men* segment of the Japanese market , while interested in activities such as skiing and other sports, also place a high value on entertainment and night-life.

The *Silver Age Traveller* is the largest segment of the Japanese market. The family income for this market segment averages $150,000. This group is 'brand-name' conscious and prefers high-end package tours.

The *Honeymooners* segment of the market are the highest spending segment of the Japanese market due to the custom of "omiyage" which obliges travelers to bring home gifts for relatives and friends. They are interested in a 'once-in-a-lifetime' excursion and spend more than their incomes would indicate. As to be expected, quality shopping is an important element of the destination.

Other studies of the Japanese market, however, have identified market segments which show an interest in both wildlife watching and 'hard' adventure travel. This group also ranks accommodations as less important and places a greater emphasis on the experience.

This is in contrast to the typical Japanese tourist who places a high value on service and has specific needs and preferences which staff in North America may need to be trained to provide. Although younger tourists may have some ability to speak English, most older people are unilingual. As a result materials must be translated and interpreters available to service the needs of tour members.

Estimates of Japanese tourism in the NWT indicates growth in this market has been occurring. For example, the number of Japanese participating in "Northern Lights" tours in Yellowknife has increased from 50 in 1989 to over a 1000 in 1995. These tours take place between December and April.

Summary Remarks

The research material available for each of the markets considered indicates a significant potential for the growth of ecotourism products in the NWT. While the target segments for both 'hard' and 'soft' ecotourism products are increasing, the older market interested in 'soft' products is predicted to increase dramatically in the future, as the populations of the industrialized countries become older. This group prefers to travel with packaged tours and tends to contribute more to local economies. They also have the highest level of interest in other cultures.

The ecotourist market segments in Canada, United States and Europe would appear to offer the most immediate opportunities and be the easiest to serve. The Japanese market appears to be largely focused on the regional centres of the North where accommodation standards are higher. While a Japanese market for ecotourist/adventure products does exist, it presents additional obstacles for the operator.

The critical factor with regard to the ecotourist profile is not the size of the potential market, but the ability to properly service the ecotourism market. Ecotourists are among the highest earning, best educated segment of the overall tourist market. They are prepared to pay more for a product, but have high standards for what they purchase.

Product Development

The Arctic has an abundant supply of the spectacular natural scenery and wildlife that ecotourists will pay to see. The Arctic can also provide ecotourists with exposure to aboriginal cultures and knowledge. What is currently lacking in most **instances, however, is the ability to put these elements together into a well-structured package.**

To achieve this goal requires a detailed knowledge of the ecotourists' interests, expectations and needs. While some products have been developed by northerners to attract the ecotourist, most of the current products are offered by southern operators. In cases such as Pond Inlet, local businesses generate significant revenue from arrangements with the tour operators/wholesalers.

These arrangements are seen as the preferred means to capture increased tourism revenue by the tourism business managers in Pond Inlet. They feel strongly that these arrangements bring in tourists which they otherwise would not be able to capture on their own and builds upon the marketing network, skills and expertise of the tour operator/wholesaler. In the case of the Co-op in Pond Inlet this allows them to focus on providing in-bound tour coordination, accommodation and guiding services.

This arrangement is beneficial for both partners and allows each partner to participate based upon their strengths. It also provides a basis for local people to acquire an increased understanding of the ecotourist market and product through their on-going participation and experience with established tour operators.

This approach to product development and market expansion has also been used by ecotourist business in other destinations. The case study of Funding Hiking Holidays demonstrates a similar approach to business development. Fundy Hiking works with outside tour operators to develop products and provide in-bound coordination and guides. In-bound tour coordinators have also been used successfully in Costa Rica to assist in the building of the ecotourism industry there.

The study in Pond inlet indicated that package ecotourists demonstrated a desire to experience more culturally relevant activities during their tours. Developing a greater range of local cultural activities will also provide a mechanism for retaining more tourism expenditures at the local level. These activities could include a greater participation of Inuit in the nature/wildlife observation activities by stressing traditional knowledge and history, as well as more, and better packaged cultural activities.

While both Inuit and tourists express an interest in increasing the cultural content of the tourist product, it is incumbent on local people to find ways to package these activities in a manner which meets the needs and expectations of their paying customers. Established tour operators who are open to developing products of this kind, could play a pivotal role in helping local people develop new products and product elements.

The other common characteristic of successful ecotourist operations is their ability to deliver an appropriate 'menu' of product activities. This requires a critical mass at the local level in terms of delivery capacity. An individual local operator, working independently will be hard pressed to put together a true ecotourist product. In the case of Pond Inlet, Sila Lodge, Fundy Hiking Holidays and tropical locations like Costa Rica, the in-bound tour coordinator provides the vehicle for putting the necessary critical mass in place.

The research investigated in this report confirms the industry trend towards building partnerships as a central strategy for both developing products and accessing markets.

The development of arctic ecotourism must first identify potential product locations and then focus upon building partnerships at the local and regional level. Outside tour operators must also be identified in regards to their interest in promoting the destination and be prepared to enter into a business relationship with local operators to build and promote high-end products.

Partnerships

The cover quote in the Tourism Canada's, Guide to Developing Business Opportunities Through Partnering reflects the dominant approach to tourism development in the 1990's.

> **Companies are just beginning to learn what nations have always known -- in a complex, uncertain world filled with dangerous opponents, it is best not to go it alone . . . .**
>
> Kenichi Ohmae, " *The Global Logic of Strategic Alliances"* in Harvard Business Review, March-April 1989.

As discussed above, to more fully develop an arctic ecotourism sector, requires building upon the unique natural-resources of the North to package more high-end ecotourist products.

At the present time there are very few operators in the North who can bring together all the skills and resources required to succeed at this development process. Partnering therefore provides a vehicle for advancing the development of both an arctic ecotourism industry and to facilitate increasing local participation in that industry.

Partnership is an arrangement between two or more parties who have agreed to work cooperatively towards shared and/or compatible objectives and in which there is:

- **shared authority and responsibility;**
- **joint investment of resources (time, work, funding, material, expertise, information);**
- **shared liability or risk; and**
- **ideally, mutual benefits.**

Adapted from: Rodal and Mulder, "Partnerships, Devolution, and Powersharing: Issues and Implications for Management, 1994"

Partnering with Tour Operators/Wholesalers

As we have seen, the more successful local tour operators in the North have recognized the importance of establishing partnerships with outside operators. These arrangements, if well negotiated, are mutually beneficial. For the southern-based tour operator it provides easier access to northern destinations* and local guide and accommodation services, often at wholesale rates. For the northern operator it provides customers without the need to launch an independent marketing strategy. It also provides a source of knowledge and expertise about the industry and the customer which is likely in short supply at the local level.

In addition, ecotourists are also drawn by the participation of 'expert' guides who are well known within the particular area of interest. Partnerships with southern tour operators will assist in securing the participation of these individuals and also facilitate the increased involvement of local guides and the inclusion of traditional knowledge.

These partnerships also offer a foundation upon which to plan for longer term growth and the development of a broader range of high-end products.

Partnering at the Local Level

The research findings also suggest that those operators who build partnerships at the local and/or regional level have more success in building a demand for ecotourism products. As we have seen, ecotourists have a range of specific interests and look for products that are specifically targeted to those interests. In some cases, (i.e. bird-watchers), this situation is compounded by the fact that they often tend to be 'one-time' visitors to a particular location. This means that a wide range of packages and "experiences" are required to build and continue to attract an ecotourism clientele over time.

Partnerships at the community, regional, and inter-regional level between tour operators, that are based on sound business principles and clearly defined objectives, could help facilitate the growth of the ecotourist market. There was a strong sense among the operators surveyed for this study, that they need to build their client base. One of the main reasons cited for limited growth potential were high costs, service standards, and marketing costs. Partnerships between local and regional operators and the southern tour operators they work with may lead to strategies for both expanding the range of arctic packages available and the cost of these products to the client.

Market Research Needs

The ability to accurately target potential ecotourists would be greatly assisted by the use of more advanced market research techniques. Although the GNWT has made significant advances in the quality of market information they have on visitors to the NWT, more work is required to develop the capacity to pursue the specialized market segments which exists for NWT tourism products.

The study on Tourism in Pond Inlet identified the low level of knowledge among travel agents of the NWT and the tourism options available. The study also noted the problems in market development created by the limited availability of computerized reservation systems for making and confirm ing bookings.

The research indicates that ecotourism operators rely heavily upon client mailing lists and word-of-mouth recommendations to build the market for their packages. They also rely heavily upon advertising in special interest publications and the use of high quality brochures to attract potential customers. As a result the majority of customers appear to make their travel arrangements directly with the tour operator/whoiesaler, rather than through a travel agent.

It is not surprising, therefore, that most established ecotourism operators are also formally affiliated with an environmental/ ecology organization which is closely related to the products they sell. These affiliations become an avenue into people with a serious interest in the location, species or environmental issue their packages promote.

The first priority in the development of arctic ecotourism may be the need to build quality products which enhance or provide 'value-added' features to the basic product. Once this has been achieved however, there is the need to build a solid and detailed base of information on the potential ecotourist and strategies for securing their business.

Although recent federal studies have made an effort to separate out visitors to the NWT from other destinations, efforts should be made to continue to improve upon the quality and detail of the data available on the NWT from Tourism Canada, Statistics Canada and GNWT surveys.

Similarly, the NWT visitor surveys are providing increasingly detailed information on tourist activity. Once again however there is a need to segment the total market more precisely in order to provide information on the particular characteristics of distinct target markets for ecotourism products.

In an era of increasing consumer choice, and more stringent cost controls by business, the tourism industry is constantly looking for more effective and efficient methods for successfully targeting their clients. As a result methods such as data base marketing are be used with increasing frequency.

A data base marketing program;

> "... will massage the available information in order to segment the customer base according to their interests -- such as sports, theatre, or family fun and attractions. Subsequent direct-mail promotions will target specific interest groups with packages designed specifically to entice them ." [50]

Large companies such as banks, car manufacturers and large retailers have been using this marketing strategy for some time with success, and it is beginning to be used more extensively by the tourism industry, which historically has used expensive print and television advertising to promote their product.

> " In today's business climate, the targeted approach --'rifle versus shotgun" --often delivers more bang for the buck . . . . There is an increasing demand for advertising accountability. Where are all those dollars going?

[50] **Globe and Mail, Report on Data Base Marketing, April 4, 1995**

> What's driving that is trying to improve profitability. In downsizing and cutting back in order to deal with recession and maintain profitability, companies have cut their operational costs, and in many cases, their human resource costs as much as they can. The only place left is to market smarter. "[51]

As the market in every sector becomes more fragmented and consumer loyalty becomes a thing of the past it will be increasingly important that businesses focus on the individual when it comes to marketing strategies. The dramatic drop in the cost of computer technology also means that the cost of entering into the data base marketing field is dropping accordingly.

> " This change in marketing is evolution rather than revolution . . . . in which the field moved from mass marketing to targeting demographic segments, and from there to micro-marketing to small groups. Data base marketing is the logical extension of the trend.

Ecotourism is a niche market which is further segmented according to the particular interests of the clients. Increasing the volume of arctic ecotourism will be aided by building an increased capacity to target potential ecotourists according to their specific interests.

Once again partnerships can assist with the development of increased capacity in this area. This is also an area where government can provide assistance.

Cooperative Marketing Strategies

Cooperative marketing has been demonstrated to be associated with decreased advertising expenses and increased revenue and gross margins for Canadian ecotourism operators.

For arctic ecotourism operators, an increased use of cooperative marketing strategies should be facilitated by expanding the scope of current partnering arrangements between operators and by establishing new ones. The GNWT has been active in cooperative marketing initiatives in recent years. This activity could be continued and segmented to address the particular needs of the ecotourism industry.

The division of the NWT and the creation of Nunavut will serve to increase the general level of awareness about the North, both in Canada and abroad. This

51 ibid,

should be particularly true as the actual date in 1999 for establishing the new territory approaches.

This major political development provides an excellent focus for the development and implementation of a cooperative marketing strategy which could feature cultural and ecotourism packages.

Conclusions and Recommendations

Concluding Comments

- There is significant market potential for arctic ecotourism both in Canada and internationally. As the populations of the world's industrial nations grow older, the number of people with the time and resources to travel will increase dramatically.

- The trend towards increased interest in the environment and undisturbed natural settings, wildlife, and unique cultures and destinations is increasing, and has emerged as a distinct sector of the tourism industry.

- A market for 'hard' ecotourist activities exists in Canada, the United States, Germany, France and the United Kingdom. The Japanese market also has a sizable 'hard' adventure travel segment. Indications are that 'hard' adventure tourists prefer to travel independently and generate less tourism revenue at the community level. Despite this they represent an important component of the market for arctic ecotourism.

- The market for 'soft' tourism products is currently larger and expected to increase dramatically in the future. These ecotourists are older (over 35 yr.), well-educated and affluent. They tend to travel in package tours, spend more money at the local level and are more interested in local cultures. The average Canadian ecotourist spends approximately $5,000 a year on travel.

  Partnerships between tour operator/wholesalers and local operators are becoming an increasingly common strategy for developing and selling package tours. These partnership arrangements, if properly negotiated, provide advantages to both groups. They address the local logistical, guiding and accommodation needs of the tour operators/wholesalers, and in turn provide the local operator with access to a market that otherwise would be difficult to develop and maintain without outside management support and a substantial increase in marketing costs.

- Ecotourism products should include a strong educational component and a varied 'menu' of possible activities and options, in order to allow customized planning which caters to individual group interests. Strategies for coordinating the activities of tourist-related businesses at the local level would assist in developing the capacity to meet these expectations and produce more quality packages.

- Strategies for marketing ecotourist products should strive to successfully target potential clients according to their particular areas of interest. Mailing lists, quality brochures, targeted advertising and linkages to special interest environmental organizations are commonly employed by ecotourism operators. As the tourism industry as a whole moves towards the use of more sophisticated marketing techniques, it is essential that northern operators keep pace, particularly for niche markets like arctic ecotourism.

- Research indicates that there is still a limited awareness of tourism opportunities in the NWT among the traveling population at large. Operators also indicate that they feel that the Arctic is generally associated with 'hard' adventure travel in the minds of many potential clients. The division of the territories and the creation of Nunavut in 1999 offers an opportunity to increase awareness of the eastern Arctic in Canada and internationally. An opportunity exists for government to work with industry representatives to put a strategy in place to capitalize on the increased awareness of Nunavut as a destination.

Recommendations

- The research findings illustrates the need to undertake a great deal of work if arctic ecotourism is to realize its full potential. Although the basic elements of a significant range of products exist, they need to be enhanced and refined if they are to fully meet the standard for high-end, quality ecotourism products. The development needs related to achieving this goal include:

  - developing value-added services/activities around core products,
  - development and education of local guides, service staff, and other local businesses regarding particular ecotourist service expectations and opportunities,
  - development of effective partnering arrangements at the local and regional level,
  - development of effective and equal partnering arrangements between local/regional operators and ecotourism tour operators/wholesalers.

(These linkages should serve to provide the needs of business as they work to develop quality ecotourism products, and to enhance the demand for arctic ecotourism products through cooperative marketing strategies.)

- development of an ecotourism specific marketing strategy which builds on the partnering arrangements proposed and the expertise of tour operators/wholesalers within their home markets.

- Government has a key facilitating role in achieving the goals outlined above. It is recommended that Economic Development and Tourism, GNWT take the lead role in organizing business forums that will bring together the key segments of the arctic ecotourism industry. These include:

  - Local ecotourism operators and/or those operators interested in entering the ecotourism market;

  - Tour Operators/wholesalers from the south that have an established and positive record of working with local operators and are interested in expanding these arrangements; and

  - Government officials with a specific role in tourism development and marketing. These could include officials from ED&T, Tourism Canada, and Parks Canada.

The purpose of this industry workshop should be to exchange information on trends in ecotourism products and marketing, Tour operator/wholesaler views on the development needs of arctic ecotourism and the perspectives of the local operators. The objective would be to develop a common vision on the needs and direction of the future development of arctic ecotourism and the role of each participant group in realizing this vision.

The goal of this industry workshop should be to:

- encourage the development of specific partnering arrangements between local operators and tour operator/ wholesalers. It is critical that these partnering arrangements are based purely on sound business principles and mutual benefit;
- Identification of organizational, partnering, product development and training needs at the local level, which could be pursued by local operators and aided by regional ED&T tourism promotion staff;
- Develop consensus on a marketing strategy for arctic ecotourism which will increase the awareness of arctic ecotourism products, builds upon the existing marketing strategies of tour operators/whoiesalers, and reflects the principles of cooperative marketing;

- Recognizing that considerable package development work is required to fully develop arctic ecotourism, this marketing strategy should be realistic and strive for mid to long-term results (i.e. a major marketing effort linked to heightened awareness of the North arising from division in 1999); and
- Based on this marketing strategy outline, government agencies (ED&T, Tourism Canada, Statistics Canada) will be able to more clearly define the ways in which they can support the data collection and monitoring needs of the arctic ecotourism industry.

It is anticipated that more than one workshop will be required to fully implement the development strategy, but every effort should be made to ensure that the industry representatives take the lead in implementing any plans which flow from the workshop, and that activities are firmly rooted in the objective of meeting real business needs and opportunities.

APPENDICES

Appendix One: Mini-Case Studies

A Mini-Case Study: Pond Inlet, NWT

The study *Understanding The Community-Level Impacts of Tourism Development: The Case of Pond /n/et, NWT* provides comprehensive information on a variety of issues related to ecotourism development in Pond Inlet.

As a result some of the key findings have been summarized below.

The objectives of the thesis was to "... focus on the growth of community-based tourism in Pond Inlet". The particular aims of the study were to develop a better understanding of:

- the level and conditions of community support for tourism and to identify related hopes and concerns;
- the external pressures and actors (travel agents, tour operators) that influence tourist flows to the Baffin region and how the changing structure of the tourism industry may influence the destination's development
- the characteristics of tourists traveling to the region, including their motivations and expenditure characteristics, with a view to assessing the economic and social/cultural impacts associated with different 'types' of tourists;
- tourism's current contribution to the local economy and to identify ways in which it can be optimized.[52]

The methodology used in the study included resident and local business surveys, as well as surveys of tourists, travel agents, a tour operator survey, and . interviews with regional government Economic Development & Tourism officials.

The Residents' Survey revealed almost unanimous support for tourism as a potential source of income for guides and arts and crafts producers. Some residents also indicated that tourism should provide cultural benefits as tourists learn more about the Inuit way of life. A strong theme identified throughout the interviews was that the residents of Pond Inlet feel that tourists should make the effort to understand the Inuit way of life rather than Inuit having to change to accommodate tourists.

This brief summary will focus upon the study's findings in the areas of product development, and organization at the local level and marketing.

[52] Greken J. 1994. "Understanding the Community-Level Impacts of Tourism Development: The Case of Pond Inlet", (McGill University, Dept. of Geography, May 1994, M.A. Thesis) pg. 5.

Tourist Motivations: Interest in Inuit Culture

The table below provides the results of cross-tabulations between type of travel and interest in Inuit culture. Package tourists were found to be more interested in Inuit culture than independent travelers (statistically significant at .05)[53].

Table Five

Relationship between Type of Travel and Interest in Culture

Type of Travel	Interest in Inuit/ Cultural Experience		
	Unimportant	*Somewhat Important*	*Extremely Important*
Package: N=64	*1.560/o*	*15.620/o*	**82.81%**
Independent: N=81	**3.70%**	**37.04%**	**59.26%**

Source: Grekin, J. 1994. op. cit. P.68

Table Six
Relationship between Type of Travel and Purchase of Arts and Crafts

Type of Travel	Purchase of Arts and Crafts	
	Yes	No
Package	**55 (85.940/o)**	**9** (14.06%)
Independent	**55 (67.070/o)**	**27 (32.930/o)**

Source: Grekin, J.1994. op.cit. p.85

[53] **ibid.** p.68

As the above Table illustrates, a larger percentage of package tourists purchased arts and crafts (86%), than did independent tourists (67%). In both cases those who purchased arts and crafts spent at approximately the same level, $258 per person and $220 per person respectively.

Consumption of Country Food

The Tourist survey indicated that there was a higher incidence of consumption of country food among package tourists (85%'.) than independent travelers (68?/.). This is largely due to the fact that the majority of the independent travelers were engaged in 'hard' adventure activities and brought their own freezedried food for their hiking/camping trip.

Table Seven
Consumption of Country Foods: Package Tourists vs. Independent Tourists

	# of Responses		Once		Twice or more		Not at all		Would have if available	
Food	Pac.	Ind.	Pac.	Ind.	Pac.	Ind.	Pac.	Ind.	Pac	Ind.
Caribou	66	77	40.9	31.7	43.9	19.4	7.57	15.5	7.57	33.7
Arctic Char	70	79	21.4	29.1	71.4	39.2	2.86	6.3	4.28	25.3
Seal	45	61	22.2	13.1	---	-----	26.6	30.9	51.1	60.6
Greenland Halibut	45	55	2.2	3.6	2.2	----	48.8	30.9	46.6	65.4
Scallop	45	58	2.2	8.6	----	3.4	55.5	27.9	42.2	60.3
Shrimp	46	58	15.2	5.1	2.1	10.3	41.3	27.5	41.3	56.9
Whale	48	69	14.5	26.0	2.0	1.4	33.3	20.2	50.0	52.1
Muskox	44	61	4.5	3.2	----	1.6	43.1	32.7	52.2	62.2

Guiding /Outfitting Income

The study identified two outfitting companies employing a total of 11 guides. Seven of these guides were interviewed as part of the study. Their years of experience ranged from 3 to 14 years, and six reported guiding as their sole source of income. Five of the 11 guides had completed government sponsored training courses.[54]

> " In 1991, total community outfitting income is estimated at anywhere from $68,000 to $77,000. Approximately $29,000 of this is total community guiding wages, with the rest flowing to the co-op. This is based on 72 clients, or approximately 6 tours of 12 people, each spending a maximum of 5 days on the land. Thus, while no single guide makes a substantial income for this activity, it does clearly provide some much needed occasional income to about a dozen local men." 55

It is also interesting to note that the study indicated that guided nature tourism which was Pond Inlet's specialty, produced higher local earnings than did the adventure-based tourism in Pangnirtung. The co-op outfitting sector in Pond Inlet was estimated to deliver 66 cents in local income for every dollar spent on outfitting.

Marketing Strategies

Pond Inlet's package tour sales were among the highest in the region for the period 1988 to 1992. This is in contract to Pangnirtung which had the highest proportion 01 independent tourists visiting Auyuittuq National Park. Although Pangnirtung receives many more tourists strictly in terms of volume, it appears that Pond Inlet may actually receive more tourist dollars in the form of outfitting and hotel night stays than does Pangnirtung, despite their larger tourist volume.

However;

" . . . both outfitting managers feel that they would have difficulties finding clients on' their own. Co-op management feels constrained by a lack of qualified management and marketing assistance within the community and for this reason is content to be just the provider of local services, leaving the marketing and organization of the tour to the southern tour operators. . . . . . They are also aware that this strategy results in lower profits. . . . . . that at least 20°/0 of the tour price accrues to tour operators (almost 35% when airfare is not considered) . .." [56].

[54] ibid. P. 96
[55] ibid. P. 97
[56] ibid. P. 93

Table Eight
Cost Structure of One Southern Tour Operator's Spring Flow Edge Tour to Pond Inlet

Tour Price ($CDN)	Community Expenses	Other Expenses	Operating Margin	Proportion of Tour Price Accruing to Community	
3295	1990	605	700	60%*	41 .5%**

Source: Grekin, J. op.cit. p.93
Note: •Not including airfare
•* including airfare to Pond Inlet ($1500 from Ottawa or Montreal)

Study Conclusions

Local Issues

- **Packaging results in relatively high outfitting/guiding** income and simplified organizational requirements for local service providers. The reliance on southern tour operators, which is associated with packaged tourism, is a strategy consistent with the abilities of local outfitters, who consider themselves unable to attract tourists and organize all aspects of the tours on their own.
- There is demand, amongst both tourists and Inuit, for some form of 'cultural tourism'. A majority of residents interviewed feel that tourists should learn about Inuit culture while in Pond Inlet. Similarly, Inuit culture is among the major attractions for most tourists to the region. Indications are that many tourists are not being presented with an adequate opportunity for exposure to Inuit culture. There is some evidence that those who did have an opportunity to meet locals thought very highly of the experience.
- That a more pro-active community approach to tourism development was needed in order to increase coordination among the various players at the community level and to promote the development of additional opportunities to retain tourism dollars at the local level.

External Issues

- Travel agents surveyed for the study had a very limited knowledge of the Baffin region impeding sales and diverting potential sales to other areas notably Alaska.
- Technological changes in the tourism industry and the limited use of this technology at the regional level could hamper development efforts.

OPERATOR PROFILE:[57]

Toonoonik Sahoonik Co-op Ltd., Pond Inlet

In December 1993, Tourism Canada released a published inventory of aboriginal cultural tourism products. Some of the information provided by Toonoonik Sahoonik Co-op Ltd. Is provided below to supplement the information summarized by the Grekin study. It is worth noting that the number of outside operators working with the Co-op has increased to eight and that the Co-op is continuing the strategy of increasing overall tourism volume by collaborating with tour operators.

Accommodation:	Hotel, Fishing/Hunting Lodge Hotel, Camping	
Arts and Crafts:	Jewellery & Accessories, Sculpture, Carvings, Clothing	
Food Services & traditional Aboriginal Cuisine:	Restaurant, Outdoor Cooking, 60 seat capacity	
Attractions:	**Cultural** Demonstrations, Archaeological Site, Whale Watching, Wildlife Sanctuary, Nature Interpretation	
Tour Operators/ Wholesalers:	Dog Sledding, Backpacking/Hiking, Mountain Climbing, Rock/Ice Climbing, Canoeing/Kayaking, Archaeological Tour, Wildlife-Viewing/Photography, Snowmobile Tour	
Transportation:	Associated with a Tour Operator/Wholesaler	
Customers:		
Percentages:	Tourists on their own	5%
	Tour groups	75%
	Business travelers (on their own)	1070
	Business Traveller (groups)	10?40
Age Groups:	Under 16	5%
	Between 17-54	60%
	Over 55	3570
Served per Day: High Season	**31-40**	
Served Per Day:		

57 Excerpted from: Tourism Canada, 1993. Inventory of Canadian Aboriginal Cultural Tourism Products, (Canada Directorate; Ottawa) , p.NWT 21.

Low Season	21-30	
Customer origin:	**Canada**	**30%**
	United States	**30%**
	Other Foreign Countries	40%

How do your customers buy your products?: Through a tour operator.

What marketing methods do you use most?: brochures, direct mail, magazine advertising

Partnerships: Would be interested in working with tour wholesalers? We presently work with eight.

A Mini Case Study: Fundy Hiking Holidays, St. Martins, New Brunswick

Following the growing interest in nature and "experiential" travel, Fundy Hiking Holidays was formed in 1991 in response to a need for local New Brunswick guides to escort guests of a major US - based hiking company. Fundy Hiking Holidays also developed and marketed their own packages, and by the second year two more US-based hiking companies approached Fundy Hiking to provide itinerary planning and guides for their tours in New Brunswick and Nova Scotia. Fundy Hiking began to expand its product line to include combined hiking/whale-watching and bird-watching tours.

As a result of overseas marketing efforts in 1993 and 1994, conducted by Fundy Hiking Holidays in the United Kingdom, France, and Japan, two UK companies began offering tours to design tours in Atlantic Canada as well as St. Pierre and Miquelon, and a Japanese natural tour operator sold out its first tour. In addition, Fundy Hiking Holidays was approached by a US birding company to design tours in the Gaspe region of Quebec. Simultaneously, Fundy Hiking Holidays further diversified its own product line to include hiking packages in Nova Scotia.

As well as to developing and guiding packages, Fundy Hiking Holidays organizes tours, makes reservations and charges a fixed price to the tour operator for this service. The revenue from this service is not contingent upon the number of packages sold.

Currently, the company offers its own weekend hiking packages throughout the summer as well as 5day hiking packages in Nova Scotia and New Brunswick.

Since its inception in 1991, Fundy Hiking Holidays has increased its gross income from $30,000 to a projected $250,000 in 1994.

How Fundy Hiking Holidays Packages and Sells

Fundy Hiking Holidays attributes its success to the delivery of a quality product and the cultivation of partnerships with its wholesalers that are based on trust. In many cases, Fundy Hiking Holidays works with competing companies who entrust them not to solicit their clients or divulge their client's names. Fundy Hiking Holidays acts as the local receptive operator and provides expert knowledge and guiding that would otherwise be unavailable.

The company has expanded into the overseas market by attending trade shows such as Rendezvous Canada, World Travel Market (London), Atelier Canada (France), and Kanata (Japan), and working with tour operators and wholesalers in these markets.

Although the package itineries are fairly comprehensive, there is always room for modifications, since Fundy Hiking Holidays maintains the importance of meeting individual needs. For example, the company will extend the length of some hikes if desired by a group, and extras are offered to ensure a "value-added" experience, such as unscheduled evening walks.

The majority of packages offered by Fundy Hiking Holidays are all-inclusive, including all guided hikes, ground transportation, accommodations, and meals.

The packages are centred around hiking, but other aspects of the package are very important, including spectacular scenery, healthy and good local cuisine, and opportunities for camaraderie. Package takers want opportunities to be busy all the time, with the ability to opt in or out of activities.

Overall, the company management suggests that it is important to know your clients. Fundy Hiking Holidays has found that their bird-watching market is more demanding in terms of the scope of viewing opportunities, and has less interest in food and accommodations. Alternatively, hiking clientele want to pamper themselves at night, and food and accommodations are extremely important. Packages are thus designed to cater to these varying interests and needs.

Fundy Hiking Holidays Packages

Hiking packages include comfortable accommodations, quality meals, and guided hiking trips that cover 5-9 miles per day. A sample package is detailed below.

"Hiking/Whale-Watching" (5-night/6-day vacation, $800 US retail)

Two nights' accommodations in the Quaco Inn, St. Martins, and three nights at the Shore Crest Lodge on Grand Manan Island.

This 6day hiking vacation includes a welcome dinner and several hikes with opportunities to experience beaches, harbours, lighthouses, fishing villages, sea caves, waterfalls, and grand Manan Island, a picturesque island with a profusion of wildflowers. Whale and sea-bird viewing is provided by boat from Grand Manan island, with opportunities to view rare right whales, puffins, arctic terns, and razorbills. The hiking package wraps up with a final hike and opportunities for shopping.

Opportunities for Marketing Canadian Travel Products to the United States

Fundy Hiking Holidays believes that there are many opportunities to sell Canada through large US. based companies that have already learned how to market Canada in the US travel market. Other marketing opportunities include targeting US travel agents who specialize in the outdoor product.

Due to the high costs of advertising a destination, it is more beneficial for a Canadian supplier to invest its dollars in establishing relationships with its marketing partners (i.e. tour operators). Familiarization tours are an extremely effective means of attracting wholesalers and should be conducted to generate product awareness in the US travel trade.

Fundy Hiking Holidays has discovered that hiking and bird-watching clientele tend to visit a destination only once, and therefore it is necessary to attract new client each year. The most cost-effective way of achieving this is through multi-destination tour operators with a large client base, as it is much more lucrative to sell a package through a wholesaler. The value of these partnerships with large tour operators is that they have extensive mailing lists and widespread marketing capabilities.

Source: Excerpted from: The Economic Tourism Group of Canada, Packaging for *and Selling To The United States Pleasure Travel Market,* Canada Directorate, Tourism Canada. February 1995p. 50-52.

A Mini-Case Study - Ecotourism in Belize

Belize became independent from Great Britain in 1981. While prior to independence there had been a modest tourist industry in this small central American country, tourism has grown rapidly and expanded beyond the rather focused and restrained industry that had existed during that period. Tourist arrivals increased from 63,735 tc 99,266 between 1980 and 1987, an increase of over 55% [58]. The financial impact of this increase has been equally dramatic rising from US $41 million to US $47 million over the same period. Tourism spending over the next few years was forecast to exceed 70/. annually.

The composition of the tourist market reflects the country's geographic and political history. in 1986, over 40% of tourists came from the United States while 5% came from Canada. Twenty per cent came from Europe with over half of these originating from Great Britain.

The impact on the labour market in the country has also been important with approximately 9,000 people finding employment in this sector. These numbers are expected to increase at about 6-80/0 per year. As well, there have been substantial increases in the number of tour operators working both inland and marine services.

Major Attractions

Belize is fortunate to have a variety of natural and cultural resources that are attractive to a wide variety of ecotourists. Unlike other areas of Central America and the Caribbean, Belize's environment has remained largely intact. Its interior regions have a large selection of ecosystems ranging from tropical rainforests to near desert/scrublands. These sustain a vast population of flora and fauna in a relatively small area. Some natural features are to be found nowhere else in the world such as the Cockscomb Jaguar Sanctuary. A network of guest houses/bed and breakfasts/hotels have sprung up to facilitate the increasing tourist trade.

Belize's marine environment has long attracted attention from the international scuba diving market and provides the largest source of tourism revenues. The second longest barrier reef in the world lies only a short distance from the coast and offers some of the best diving in the world includig unique features such as the famous "Blue Hole" underwater shaft. A scattering of coral cayes[59] provide a base for numerous hotels, restaurants and tourism operators to service marine-focused tourists.

In terms of cultural attractions, Belize has a rich heritage of Mayan archaeological sites including Altun Ha, a major ceremonial centre located near Belize City, the nation's economic centre. Over 600 archaeological sites have been identified and many of the more elaborate sites such as Lamanai and Caracol have been opened to tourists.

---

[58] **Boo, Elizabeth, 1990, Ecotourism: The Potentials and Pitfalls. World Wildlife Fund**

[59] **Pronounced "keys".**

Thus Belize offers a rich and varied number of enticements for ecotourists. visitors can see unique flora and fauna both on land and in the sea. World class archaeological sites provide an interesting and popular attraction to add onto ecotours.

Government Involvement in the Tourism Industry

Prior to 1984, tourism development was left largely in the hands of private entrepreneurs, both foreign and domestic, who focused primarily on a few key areas for development including the Ambergris Caye. It was not until 1984 that the government identified tourism as the second priority area for economic growth. Despite the growth in receipts from the tourism sector, leakages such as undercollected hotel taxes, have limited the full economic impact of the industry.

In 1988, the government released a key document outlining the benefits, drawbacks and objectives of tourism development and the methods by which these objectives would be met. The document noted that the foreign exchange receipts from tourism were very high in comparison to other sectors. Tourism activities were also labour-intensive and provided much needed employment. Direct and indirect tax generation from tourism-related activities were estimated to be about 40 per cent revenue from visitors.

To achieve these results the government's objectives were to increase the number of tourists, increase the amounts they spent in Belize, encourage investment in the sector, improve and expand basic infrastructure and services and to establish the Ministry of Tourism by which to coordinate tourism activities throughout Belize.

Among those particular issues identified for consideration was the need to develop a reliable and effective means of attaining statistical information concerning the industry. To date, this effort has largely been hampered and reliable statistical information concerning the industry is not readily available.

New airport facilities have been constructed in Belize City as well as secondary air facilities in smaller regional centres. Other forms of infrastructure ranging from telecommunication facilities to decompression chambers have also been constructed greatly increasing the infrastructure related to tourism. The government has also granted various import duty concessions to tourism developers.

In terms of developing tourism policy, the government has recognized the importance of protecting the natural and cultural resources of the country while encouraging controlled development to take place to satisfy the needs of the tourism market. Various sites have been targeted for special attention in the area of protection/development of these resources.

Belize has no official park service as protected areas are managed by a non-governmental organization. The government has also attempted to decentralize the responsibility for tourism development by establishing the Belize National Tourism Council (BNTC) made up of both government and private tourism representatives, to advise the Ministry of Tourism. In the area of marketing the government has established the Belize Export Investment and Promotion Unit (BEIPU) and the Belize Tourist Bureau (BTB).

The Belize Tourism Industry Association (BTIA) is comprised of representatives of the tourism industry and has proved to be instrumental in coordinating the private industry and keeping both it and the government informed of developments in the industry. BTIA has explored the concept of encouraging Belizeans through discount packages to explore their country in the off-season to enable them to become better informed promoters of the industry.

The government has encouraged investment in the tourism industry by both foreign private sources and various international organizations. It has embarked upon various studies to estimate the **carrying capacity** of several natural areas in order to better determine the number of tourists that can safely visit an area without damaging it. As well resources have been directed to establish regional development plans to coordinate, and control development in ecologically-sensitive areas.

Visitor Expenditure and Motivation Survey

To further increase its knowledge of the tourism industry, a Visitor Expenditure and Motivation Survey was conducted in 1986. The results of this survey of 2,300 visitors is illustrative for the ecotourism industry.

Highlights of the Survey include:

- *72%* of visitors were on vacation;
- 190/0 for business;
- 41 % had visited Belize before; and
- 59% were on their first visit.

- *Average stay* **was** 10.63 nights, with tourists from Canada and **the** UK staying longer;
- 75% stayed in paid accommodations;
- 20% were part of a package tour (mostly US);

- *Average spent Per Diem:* US $65, per visit US $690; and 37°/0 identified the Cayes as the primary reason of their visit, the climate was identified by 35°/0, the tropics were identified by 35°/0. Surprisingly the Mayan ruins were considered “not important” by 80°/0.

World Wildlife Fund Airport Survey Results

A further survey was conducted in 1986 by the World Wildlife Fund to identify key market segments:

- *Average Age -40.5* years old;
- *Family Members* - 34% were traveling with family members, family groups averaged 2.6 members;
- *Expenditures* - for total trip (average length 13.2 nights) $1,490 or $157 perdiem;
- *Income* - Average was between US $30,000 and $40,000;
- *Gender* - 58% male, 40% female; and
- *Nationality* - 81.80/0 North American; 11.1 % European; 2% Australian; and 3.10/0 Other.

Traveller Interest

- *52%* identified natural history as the primary reason for their visit;
- 48% identified sightseeing;

- 47% sun/beaches/recreation;
- 44% archaeology;
- 37% cultural history.

Primary Activities

- 60% boat excursions;
- 57% bird-watching;
- 56% jungle excursions;
- 49% wildlife observation;
- 34% local cultures;
- 30% hiking/trekking;
- 22% mountaineering;
- 20% botany;
- 140/0 hunting/fishing; and
- 5% camping.

Other miscellaneous findings reveal that nearly 500/. of the visitors stated that one of the primary benefits of their trip was the friendliness of the Belizeans although nearfy an equal number stated that noise, garbage and pollution was the most disappointing feature of their trip.

Economic Activities Related to Ecotourism

In protected areas there has been a steady increase in the number of tour operators and various other more informal services arising to address the tourism demand. Often tour operators who conduct other kinds of tours will add on an "ecotour" segment to broaden their market appeal. Belize Travel Haus in Ambergis Caye used to offer only cultural history tours but has now included bird-watching and manatee-watching tours. Mountain Equestrian Trails offers excursions via horseback to explore the Mountain Pine Ridge Forest Reserve.

On the cayes, a virtual flotilla of small, individually-owned boats offers trips to the various scuba/snorkelling sites along the barrier reef. Much of this informal development is unregulated and sporadic. If the fishing is good, or other economic activities become available, the flotilla diminishes accordingly. The economic impact of this informal service industry is difficult to assess but it appears that the income it provides is essential to maintaining many families.

Other economic activities have been increasing as well. At Cockscomb Jaguar Preserve, there are only rustic cabins for people to stay at on-site. No food facilities are available on-site. However, the women of nearby Maya Centre have taken the initiative to establish a cooperative gift shop to sell locally-produced crafts to tourists. As well, a growing number of guides are being trained.

While it maybe difficult to calculate exactly the contribution of the informal participation in the tourism industry, it would seem safe to estimate that it would represent a substantial proportion of the industries total revenue generation.

Obstacles and Opportunities

Lack of sufficient and poor infrastructure continues to be identified as a major obstacles to the developing the tourism industry of Belize to its fullest potential.

Rough roads, lack of sufficient accommodations, a lack of marketing exposure to the international community, and the lack of a national park service have all impeded the development of this important industry.

With its rich abundance of natural and cultural resources, Belize seems well placed to build upon its existing tourism industry. Most of these resources are virtually intact and the government has identified their protection as an important national priority. The government has also indicated that it is willing to spend dollars and manpower to ensure the healthy and sustained growth of the industry. As well, Belize is close to two of its largest markets, the US and Canada and is English-speaking. If the obstacles to development can be successfully be addressed, it seems that Belize is well positioned to increase its role as a primary destination for the international ecotourism market.

A Mini-Case Study - Ecotourism In Costa Rica[m]

Tourism has been an **important** industry for Costa Rica for many years but since the 1990's, the industry has rivalled coffee production as the largest earner of foreign capital. The natural resources of the country represent an incredible diversity, and combined with the sophistication and security of the country, has helped develop the industry in Costa Rica as one of the most popular ecotourism destinations in the world.

Costa Rica has a much longer history of formal involvement with tourism than Belize The first national tourist board was established in 1931. The country has a high level of per capita income, high literacy rate, a long history of democracy, an advanced health care system and pleasant weather. Historically, tourism development focused upon the capital, San Jose, with its collection of museums, entertainment, commerce, and nightlife. Gradually tour operators began to focus their efforts on the network of protected areas throughout the country that offered a magnificent diversity of ecosystems.

Tourism has steadily been increasing during the 1980's and into the 1990's. Although political instability in neighboring countries and economic recessions caused some short term declines in the numbers of tourists visiting the country, long term growth has not been deterred. In 1982 the number of tourists was 371,582, in 1992 the number was estimated to be 840,000.

The tourism market to Costa Rica has traditionally been from other nearby countries but increasingly North Americans and Europeans are visiting. Expenditures have increased from US ***$57,062,000*** **in 1987 to US $132,700,000 in 1986.** North Americans accounted for 44 per cent of this total, Central Americans for 29%, Europeans for 120/0 and South Americans for *9°/0.*

Tourism Attractions

With its varied topography, ecological zones and wildlife, Costa Rica is an ecotounsts' delight. In one day, a visitor can visit a high alpine region to observe an active volcano, visit a tropical rain forest to view rare birds and plants, and swim in either the Caribbean or the Pacific Ocean. Four mountain ranges exist, two of volcanic origin. Large tracts of land have been set aside to preserve delicate ecosystems representative of ail that existed originally.

Costa Rica has also recognized the importance of including tourists in the financing and support of its national park system. Various visitor centres extol the virtues of preserving the natural world and stress education as a primary element of the process to ensure these areas remain viable. As well, donations are encouraged in many areas and this has contributed substantial amounts of money to support those areas.

%00, Elizabeth .1990, Ecotourism: Potential and Pitfalls. World Wildlife Fund.

Costa Rica has also been active in ensuring these resources will be here for future generations to enjoy. The park system covers nearly 20% of the entire country with over 20 national parks. As well, many private reserves have been established, often to provide a resource on which to base ecotourism activities. One of the key successes in Costa Rica has been the ability of conservation proponents to effectively establish an economic rationale for protecting the natural areas of the country.

The Government and the Tourism Industry

It has only been since the early 1980s that the government has identified tourism as an important industry for Costa Rica, despite the early formation of the first national tourist board (ICT). During the early 1980s the manufacturing sector began to stagnate and the government began to focus some effort, and funding, to increase the role tourism played in the national economy. In 1986, the “Law of Tourism Incentives” was passed to demonstrate the new role of tourism by increasing the funds available to the ICT. As well, various taxes were imposed on the industry to support the board.

The government's Tourism Development Strategy for 1984-1990 clearly identified the need to develop specialized tourism. One of these key areas of focus is nature and adventure tourism, and in particular “soft” adventure tourism primarily through day trips to parks. Infrastructure priorities including improving domestic air services and extension of roads to both coasts were also identified as priorities.

Visitor surveys were also carried out during the mid 1980's by ICT to help identify the main visitor motivation factors. The results showed clearly that at least 77% of respondents identified nature and nature-related activities as their primary reasons for visiting Costa Rica. Fishing and sports-related activities attracted 17% of the respondents.

There are two major means by which Costa Rica promotes its tourist industry: the ICT, and an annual trade fair Expotur. Expotur is financed by the country's trade associations including the most active Canatur, the national representative of the industry and regional tourism chambers, and ACRPROT representing the travel agencies' associations

Tourist Demand

There is an increasing interest in ecotourism in the country as reflected in the fact that of the 30 travel agencies in Costa Rica, about 50% are called “ecotourism agencies” Various other agencies that are not specifically identified with ecotours often have menus of attractions that include destinations of interest to the ecotourist.

The visitations to certain key natural reserves and national parks offer a clear indication of the rapid increase in the number of ecotourists visiting the country.

	1981	1986
Volcan Peas	10,898	24,640
Manuel Antonio	7,790	11,017
Monteverde	2,217	4,756
Tortuguero	296	843

World Wildlife Fund Airport Survey

The WWF conducted a survey in the airport in San Jose to develop a profile of the average tourist and to identify the primary reasons why they had come to Costa Rica.

- *Average Age 39.5* years old;
- *Average stay*: 15.6 nights;
- *Family members*: **30% had come with family members, average** of 3 family members in party;
- *Expenditures* while in Costa Rica: US$1,311/$141 per day, avera9e of $782 paid for airfare;
- *Income:* Average family income US $30,000-$40,000;
- *Gender:* 66°/0 Male, 31 % female; 3°/0 no response;
- *Nationality*: North American -51 °/o, European - 28.9%, Panamanian 2.9°/0, Colombian 2.9%, Other 14.4°/0.

Over 410/0 of respondents stated that parks and protected areas were important in their decision to visit Costa Rica. The top five reasons for visiting were: visit friends and families (350/o); Natural History (30%); Sun/beaches/recreation (300/o); Sightseeing (280/o); and Business (24%).

Not surprisingly, nature-based activities were high on the list of preferred activities: wildlife observation (370/0); jungle excursions (33%); birdwatching (31 %); boat trips (250/o); botany (18Yo); hiking/trekking (16Yo); local cultures (14Yo); hunting/fishing (12?(o); camping (1 O%); and mountaineering (90/0).

As in Belize, nearly 500/0 of respondents identified the friendliness of the people as one of the things that they liked most about the country. Natural beauty and nature came in second with over 25% identifying these as the best feature of the country. Again, noise, garbage and pollution were identified as the most unpleasant feature of the country.

Development and Management of the Park System

The impetus to develop a national park system in Costa Rica came primarily from biologists and conservationists concerned with the rapid deforestation and environmental degradation that afflicted the country during the period 1940-1970. By 1987 there were over 55 protected areas covering 18% of the country or 926,000 hectares providing habitat for over 12,000 species of plants, 237 species of mammals and 848 species of birds and 361 species of reptiles and amphibians.

The National Park Service (NPS) is responsible for managing most of the parks and preserves and employs 350 people. The National Forest Service and the Department of Wildlife and Fisheries also share some responsibilities.

In 1989a major reorganization was conducted to bring all the protected areas under the responsibility of one agency to better coordinate and manage these areas.

Economic Activities Related to Nature Ecotourism

As in the case of Belize, definitive, reliable information on the economic impact of ecotourism on national economies is not readily available. However, by looking at an example of how one element of the ecotourism industry has developed we gain important insights into how the industry affects the people, and the economy, of Costa Rica.

Monteverde Cloud Forest Reserve

The Monteverde Reserve is privately owned and has experienced a rapid increase in the number of tourists. In 1973 the number was 300 compared to over 15,000 in 1989. The concomitant economic impact has been equally impressive.

Entrance fees at Monteverde are higher than most other public parks in the country and brings in enough income to pay for the maintenance costs of the park. Tourism earnings for the area surrounding the park are the second most important source of income after dairy production. Investment in basic infrastructure in the area to service the tourist trade in turn resulted in the establishment of a variety of other facilities including several hotels, a retail store, a horse rental business and various other small private operations catering to the needs of tourists.

Employment related to the tourism industry is largely seasonal but the wages paid surpass that of most other non-tourism related sectors. The retail craft store is a cooperative established by eight women in 1982 and as of 1990, had annual sales in excess of US$50,000. The cooperative has increased its membership to 70 (mostly women) to meet the increased demand for handicrafts and souvenirs.

The increase in tourism has also intensified the need to properly trained guides, many of which are of local origin. Tour groups from San Jose and other centres usually bring their own guides decreasing the employment generated in the immediate region.

While many people in the region have benefitted from the development of tourism in the reserve, there remains a concern in the community (and in the industry at large) that, if left unchecked, tourism could have a substantial negative impact on . the economy and culture of the people. There is strong support to keep the industry small-scale and to ensure that the benefits are not concentrated in the hands of only the larger developers. There are also concerns that land prices are increasing rapidly and this has had a negative impact on the regional agricultural industrv.

Appendix Two: Operator Survey Findings

Questionnaire used for Phase Two survey of Operators

ARCTIC ECOTOURISM MARKETING SURVEY FORM

Name of Company: Contact Name:
Address:
Telephone:

Product Information

Area of NWT Product offerings:

Types of product offerings:

1. **(a)** Does your company presently work in partnership with local operators in developing products?
   (b) What has been your experience to date? General Comments:

2. (a) What do you see as the most significant barriers to the development of the ecotourism sector in the NWT?
   (B) What needs to happen to overcome these barriers?

Marketing Information

3. In general, who are your customers and what is their profile?

   (a) Country of Origin?
   (b) Gender
   (c) Age
   (d) Group Composition
   (e) Economic Status

   General Comments:

4. (a) Is your customer base fairly constant (in terms of the above characteristics) or changing overtime?
   (b) If yes, how is it changing and how has your business responded to these changes?

5. (a) **What is** your primary marketing strategy for attracting this customer base?

Direct mail _ In-house Database _ Word of Mouth
Repeat Customers Magazine Advertising
Magazine Articles Newspapers _ Trade Shows
Consumer Shows Other
General Comments:

(b) How do you receive a majority of your bookings?

Directly from the customer _ Other (explain)
or
Travel trade i.e. Wholesalers _ Travel Agents

General Comments:

6. How have you been able to evaluate the effectiveness of these strategies?

7. (a) Do you presently work in any marketing cooperative partnerships and if so which ones?

(b) If yes, what impact has it had on the demand for your services?

3. Do you have any other marketing recommendations or comments for marketing Ecotourism products in the NWT in the upcoming future?

3. (a) What do you see as the most significant opportunities in the NWT ecotourism sector?

(b) Is the NWT tourism industry positioned to take advantage of these opportunities? if not what needs to happen before these opportunities can be capitalized on, and who should take the lead in addressing these issues?

General Comments:

Summary of Interview Findings

The following tour operators were interviewed for phase Two of the Arctic ecotourism market research study:

• Adventure Canada	Mississauga, Ont.
• Frontiers North	Winnipeg, Manitoba
• Arctic Odysseys	Seattle, Washington
• Bathurst Inlet Lodge	Yellowknife, NWT
• Canada North Outfitting inc.	Almonte, Ont.
• Eetuk Outfitting	Iqaluit, NWT.

- All of the operators interviewed offer ecotourism products. The range of products include community tours, cultural tours, dog-sledding, snowmobiling and boat tours, art tours and hiking and naturalist tours.

- All of the operators interviewed had established business relationships with local operators and/or interests. Two of the businesses are locally owned and operated.

- One of the operators served as the marketing agent for northern based operators. All companies at least used local guides in every tour. However the majority indicated the need to also bring their own tour leaders, particularly for the more technical tour packages.

- The **most significant barriers** to arctic ecotourism development were identified . as follows:

  - the need to develop local guides capable of providing a professional level of interpretation,
  - a lack of direction in product development and marketing on the part of industry and government in the NWT. Better on-going communication needed between industry and government required to develop effective development strategies,
  - The high cost of northern products and the lack of awareness of northern products within the market place,
  - Lack of understanding of what the marketplace is looking for,
  - The need to improve overall hospitality service to bring in more in line with that available in other international destinations which compete with arctic ecotourism.

- The following needs to happen **to overcome these barriers:**

  - On-going commitment to training, particularly in interpretation for local guides- collaborative process between industry, local outfitters and government.

- Develop cooperative strategies/ partnerships to increase volume and reduce costs.
- Increase communication within industry and between industry and government - need to develop an overall strategy for ecotourism development.

- The **customer profile** for the operators surveyed, while somewhat variable shared many characteristics in common. These include:

  - The majority of customers are either Canadian or American. Other nationalities made up 20% of customers at most. For most operators the split between Canadian and American customers was approximately 50/50. One operator reported entirely American clientele, primarily from NY City, LA, Houston, Chicago and other mid-western centres.

  - Operators report that 'soft' adventure customers primarily older and affluent. Females make up a significant percentage of customers - some operators report that women are a majority of their customers. They primarily travel as individuals or in small groups.

- The operators interviewed shared many common strategies for marketing their product. These include;

  - Direct mail, in-house customer data bases, and word-of-mouth are most heavily relied upon marketing tools.
  - Magazine and newspaper advertising leading to direct sales and trade shows were also identified as useful marketing tours.
  - The majority of operators surveyed are currently involved in some cooperative marketing initiatives, primarily with government and airlines.

- The operators surveyed were optimistic about the future of arctic ecotourism and see **opportunities in the following areas:**

  - Majority of operators feel there is significant growth potential for 'soft' ecotourism products, specializing in small group experiences.
  - Local operators look forward to expanding the number of partnerships with wholesalers in order to increase volume and range of products.
  - The North offers 'world-class' destinations but must improve products, reduce costs, and market aggressively to realize this potential. These conditions point to the need to build partnerships/cooperative arrangements and development an overall development strategy for the ecotourism sector.

Appendix Three: Contact List

Contacts and Addresses
(from Phase One consultations)

Ecotourism Organizations

The Adventure Travel Society
Jerry Mallet
6551 South Revere Parkway, Suite 160,
Englewood, CO 80111 USA,
Tel: (303) 649-9016
Fax: (303) 649-9017

The Ecotourism Society
Megan Epler Wood
P.O. Box 755,
North Bennington, VT 05257 USA,
Tel: (802) 447-2121
Fax: (802) 447-2122

International Ecotourism Education Foundation,
Yvonne Rodgers
P.O. 60x 676,
Falls Church, VA 22040 USA,
Tel: (703) 534-5430

Government Agencies

Canada

Department of Foreign Affairs
Michel Lemay
125 Sussex Drive,
Ottawa, Ontario,
KIA 0G2
Tel: (61 3) 944-6903
Fax: (61 3) 944-9119

Tourism Canada
Roger Laplante
4th Floor,
235 Queen St.,
Ottawa, Ontario,
KIA 0H5
Tel: (61 3) 954-3942

Tourism Research Documentation Centre
4th floor
235 Queen St.,
Ottawa, Ontario,
Tel: (613) 954-3942

Department of Canadian Heritage
Margaret Archibald
25 Eddy St.,
Hull, Quebec,
KIA 0H3
Tel: (81 9) 953-4220
Fax: (81 9) 953-4908

Parks Canada
Greg Belland
220, 4th Avenue, S.E.
Calgary, Alberta
Tel: (403) 292-4246
Fax: (403) 292-4578

Yukon Tourism
Robert Clark
P.O.Box 2703,
Whitehorse, Yukon,
Tel: (403) 667-5449
fax: (403) 667-2634

Economic Development & Tourism

Yellowknife, N WT,
XIA 2L9
Tel: (403) 873-7320
Fax: (403) 873-0163

Iqaluit, N WT,
XOA OHO
Tel: (81 9) 979-5075
Fax: (81 9) 979-6026

Industry Canada, Manitoba
Charles Hatzipanayis
7th Floor,
330 Portage Ave.,
Winnipeg, Manitoba,
R3C 2V2
Tel: (204) 983-2371

Alberta Tourism,
Pam Wight
5th Floor, City Centre,
10155-102 Street,
Edmonton, Alberta,
T5J 4L6
Tel: (403) 427-2501
Fax: (403) 422-1180

Tourism British Canada
Pieter Bekker
1117 Wharf Street,
Victoria, B. C.,
V8W 2Z2
Tel: (604) 356-8797
Fax: (604) 387-1590

Industry Canada, Quebec
Dean Dubois
P.O. Box **247,**
Montreal, Quebec
H4Z 1 E8
Tel: (51 5) 283-8798
Fax: (51 4) 283-5269

United States

U.S. Travel and Tourism Administration
Colleen Flannery
Department of Commerce
Office of Research, Room 1868,
Washington, DC 20230 USA
Tel: (202) 482-4028
Fax: (202) 482-2887

Alaska Division of Tourism
Pete Carlson
P.O. 60X 110801,
Juneau, Alaska 99811-0801, USA,
Tel: (907) 564-8234
Fax: (907) 562-4276

Industry Representatives

Canada

Adventure Canada
Mathew Swan
227 Sterling Road,
Toronto, Ontario,
M6R 262
Tel: (41 6) 533-0767
Fax: (41 6) 535-1197

Arctic Edge
David Leeks
P.O. Box **4850,**
Whitehorse, Yukon,
YIA 4N6
Tel: (403) 633-5470
Fax: (403) 633-3820

Black Feather
Wally Schaber
1960 Scott Street,
Ottawa, Ontario,
KIZ 8L8
Tel: (61 3) 722-9717
Fax: (61 3) 722-0245

Canada North Outfitting
Helena Knapp
P.O. Box 3100, Almonte,
Ontario,
KOA 1 AO
Tel: (61 3) 256-4057
Fax: (61 3) 256-4512

Great Canadian Ecoventures
Tom Faess
P.O. Box 25181
Winnipeg, Manitoba,
R2V 4C8
Tel: 1-800-667-9453
Fax: (204) 568-4590

FRANCE

Exploratory
Michelle Gosselin
16, place de la Madeleine,
F-75008, Paris,
Tel: (33) 1 45 68 7000
Fax: (33) 1 43 06 4723

Nouvelles Frontiers
Birgit Kotzan
87, Blvd de Grenelle,
F-7501 5, Paris,
Tel: (33) 1 42 05 9899
Fax: (33) 1 46 07 0659

Western Horizons La Case Depart
Philippe Soustiel
66 Blvd de Strasbourg,
F-7501O, Paris,
Tel: (33) 1 42 05 9899
Fax: (33) 1 46 07 0659

Germany

Baumeler Wanderreisen
Bernard Marx
Tal 48,
D-80331 Munich,
Tel: (49) 89 2 90 0500
Fax: (49) 89 29 00 5030

Hauser Excursionen Int'l.,
Winfried Hagen
Marienstrasse 17,
D-80331 Minich,
Tel: (49) 89 2350 0620
Fax: (49) 89 291 3714

Pioneer Erlebnisreisen,
Edmund Belser
Postfach 1310,
Stuebenstrasse 7,
D-72373 Hechingen
Tel: (49) 74 71 6962
Fax: (49) 74 71 3553

United Kingdom

Explorers Tours,
Brian McGee
223 Coopermill Road,
WraysburyTWI95NW,
Tel: (44) 753 681 999
Fax: (44) 753 682 660

Ramblers Holidays
Stuart Alderman
P.O. Box 43,
Welwyn Garden City,
Herts AL8 6PQ,
Tel: (44) 707 331133
Fax: (44) 707 333276

United States

Arctic Odysseys
Skip Voorhees
3430 Evergreen Point Road,
Medina, WA 98039,
Tel: (206) 455-1960

Biological Journeys
Ron Levally
1696 Ocean Drive,
McKinlyville, CA 95521
Tel: (707) 839-4116
Fax: (707) 839-4656

Field Guides
John Coons
P.O. BOX 160723,
Austin, TX 78716-0723
Tel: (51 2) 327-4953
Fax: (51 2) 327-9231

Mountain Travel - Sobek
Richard Bangs
6420 Fairmount Ave.,
El Cerrito, CA 94530-3606
Tel: (510) 527-8100
Fax: (51 O) 525-7710

Overseas Adventure Travel,
Jim Traverso
349 Broadway,
Cambridge, MA 02139
Tel: (61 7) 876-0533
Fax: (61 7) 876-0455

TravelWild
Joseph Van 0s
P.O. BOX 655,
Vashon Island, WA 98070, USA,
Tel: (206) 463-5362

References

Boo, Elizabeth. Ecotourism: The Potentials and Pitfalls. Washington, D. C.: World Wildlife Fund, 1990.

Canada. Canada Tourism Office. Introduction to the German Travel Market. Dusseldorf, Germany: Canada Tourism Office, 1992.

Canada. Statistics Canada. "Canada: A Destination Highly Rated by Japanese Tourists." International Travel (Cat. No. 66-001) July-September 1993: xvii-xxii.

Canada. Statistics Canada. "The Main Overseas Tourism Markets in Canada." International Travel (Cat. No. 66-001) April-June 1994: xvii-xxv.

Canada. Statistics Canada. Touriscope: International Travel: Advance Information (Cat. No. 66-001P) 10 (1994): issues # 6,7,8.

Canada. Tourism Canada. Adventure Travel in Canada: An Overview of Product. Market and Business Potential. Ottawa: Industry Canada, 1995.

Canada. Tourism Canada. Developing Business Opportunities Through Partnering: A Handbook for Canada's Tourism Industry. (Prepared by KPMG Management Consulting) Ottawa: Industry Canada, 1995.

Canada. Tourism Canada. Doing Business in the European Tourism Market. (Prepared by Coopers & Lybrand Consulting Group) Ottawa: Industry Canada, 1993.

Canada. Tourism Canada. Euro-Info. Ottawa: Industry Canada, 1994.

Canada. Tourism Canada. Inventory of Canadian Aboriginal Cultural Tourism Products. Ottawa: Industry Canada, 1993.

Canada. Tourism Canada. Japanese Visitor Highlights Report. Ottawa: Industry, Science and Technology, 1993.

Canada. Tourism Canada. Market Assessment: French Pleasure Travelers. Ottawa: Industry, Science and Technology Canada, 1988.

Canada. Tourism Canada. Market Assessment: Pleasure Travelers. Ottawa: Industry, Science and Technology Canada, 1989.

Canada. Tourism Canada. Market Assessment: UK Pleasure Travelers. Ottawa: Industry, Science and Technology Canada, 1989.

Canada. Tourism Canada. Meeting Japanese Service Expectations: A Handbook for Canadian Tourism Operators. (Prepared by The Tourism Research Group and Timmons & Associates) Ottawa: Industry, . Science and Technology Canada, 1992.

Canada. Tourism Canada. Packaging For and Selling To the United States Pleasure Travel Market. (Prepared by the The Economic Planning Group of Canada) Ottawa: Industry Canada, 1995.

Canada. Tourism Canada. Pleasure Travel Markets to North America: Japan, United Kingdom, West Germany, France. Ottawa: Industry, Science and Technology Canada, 1987.

Canada. Tourism Canada. Travel/Price Value Perceptions Study, Vol. 3. Ottawa: Statistics Canada, 1991.

Christensen, T. "Greenland wants Tourism." Polar Record 28 (1 992): 62-63.

Eagles, P.F. and Cascagnette, J.W. Canadian Ecotourists: Who are They? Waterloo: University of Waterloo, Department of Recreation and Leisure Studies, 1993.

Grekin, Jacqueline. "Understanding Community-Level Impacts of Tourism Development: The Case of Pond Inlet, NWT." M.A. dissertation, McGill University, 1994.

Harrison, Marion. "Ecotourism: The New Buzzword Defines a New Age." Explore No. 46 (1990): 9-11.

Milne, Simon and Grekin, Jacqueline. "Travel Agents as Information Brokers: The Case of the Baffin Region, Northwest Territories." Operational Geographer 10 (1992): 11-14.

Northwest Territories. Department of Economic Development & Tourism Marketina Tourism in the Northwest Territories. Yellowknife: Government of the Northwest Territories.

Northwest Territories. Department of Economic Development & Tourism. "The NWT'S Market in Europe and Asia." Economic Development & Tourism Research [1995] 1-6.

Northwest Territories. Department of Economic Development & Tourism. Northwest Territories Marketina Strategy 1994/95- 1998/99. (Prepared by Derek Murray. Consulting Associates Inc.) Yellowknife: Government of the Northwest Territories, 1994.

Northwest Territories. Department of Economic Development & Tourism. Overview of Current and Potential Tourism Products and Issues. (Prepared for the CCTO Task Force on Product Development Strategy). Yellowknife: Government of the Northwest Territories, 1987.

Northwest Territories. Department of Economic Development & Tourism. "Results from the 1994 Travel Diary" Economic Development and Tourism Research 3 (Jan.1995) 1-16.

Northwest Territories. Department of Economic Development & Tourism. "A Survey of Japanese Tourists in Yellowknife" Economic Development and Tourism Research [1994] 1-4.

Northwest Territories. Department of Economic Development & Tourism. "Tourism Expenditures" Economic Development and Tourism Research [1995] 1-7.

Northwest Territories. Department of economic Development & Tourism. "Trends at the 60th Parallel." Economic Development and Tourism Research No. 5 [1995] 1-7.

Whelan, T., ed. Nature Tourism: Managing for the Environment. Washington, D. C.: Island Press, 1991.