

Arctic Development

**CONVERSION STUDY - 1994/95 TOURISM ADVERTISING CAMPAIGN - NORTHWEST
TERRITORIES**

Tourism

Statistics/Surveys

1996

THE NORTH GROUP/PRAIRIE RESEARCH ASSOCIATES

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Conversion Study
1994/95
Tourism Advertising Campaign
Northwest Territories

Prepared for:
Department of Economic Development and Tourism

The North Group/Prairie Research Associates
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TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	METHOD	3
3.0	INQUIRER PROFILE	7
3.1	Visitor Conversion Rate	7
3.2	Travel Literature	10
3.3	Purpose of the Trip	12
3.4	Travel Plans Before Inquiry	14
3.5	Trip Profile Summary	16
4.0	VISITOR PROFILE	18
4.1	Composition and Size of Party	18
4.2	Method of Travel	20
4.3	Destination	21
4.4	Length Stay	22
4.5	Best/Worst Aspects of Visit	23
4.6	Trip Expenditures	25
4.7	Satisfaction with Visit	28
4.8	Demographic Profile	30
4.9	Visitor Profile Summary	31
5.0	NON-VISITORS	32
5.1	Reasons for Not Visiting the NWT	32
5.2	Other Destinations	33
5.3	Likelihood of Visiting in the Future	34
6.0	SUCCESS OF THE AD CAMPAIGNS	35
6.1	Visitor Conversion Rate	35
6.2	Revenue	36
APPENDIX A	Questionnaire	
APPENDIX B	Outcome of Contacts	

1.0 INTRODUCTION

From 1986 to 1992, the government of the Northwest Territories undertook a paid advertising campaign that concentrated on general awareness building for the Northwest Territories as a tourism destination; primarily using high end travel magazines in the United States. As a comprehensive long-term marketing strategy, the Department of Economic Development and Tourism and the tourism industry identified a need to shift the emphasis from the generic destination messages to more product specific advertising. Accordingly, in 1993, a cooperative advertising campaign was launched which invited NWT tourism operators to buy-in as partners under specific product category ads being placed in selected high end travel magazines. Inquiries from this cooperative advertising campaign were tracked annually and the campaign was fine tuned for subsequent years based on inquiries generated per publication and feedback from industry

The ads in the cooperative advertising campaign are targeted at specific types of potential travelers and each includes the NWT'S 1-800 number which, when called results in the inquirer receiving the Northwest Territories Explorers' Guide (called a 'travel planning kit') and other tourism information based on the callers interest in the Northwest Territories. The counselling of each inquirer, tracking, forwarding of the travel planning information, and evaluation of the advertising campaign are presently under contract to The North Group through the Department of Economic Development and Tourism.

In order to evaluate the 1994/1995 advertising campaign, the North Group engaged Prairie Research Associates (PRA) Inc. to conduct a telephone survey of individuals who had made an inquiry for travel information in 1995.

The primary objectives of the survey were to:

- establish a visitor conversion rate, that is, the percentage of people who made an inquiry then subsequently visited the Northwest Territories in 1995.
- estimate the advertising cost per conversion, the revenue generated per inquiry, and the revenue per conversion.

Secondary objectives were to:

- construct a trip profile, that is, the purpose of the trip, travel plans before/after inquiry, perceptions of the Northwest Territories as a travel destination.
- develop a visitor profile, that is, the size of the party that travelled to the NWT, the primary destination, length of stay, trip expenditures, and demographic information.

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- provide insight into the perceived value of the travel planning kit.

This report provides an overview of the findings. In the next section, we review the methodology. Subsequent sections provide a summary of the findings. A number of appendices provide supporting information.

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2.0 METHOD

In 1995, a total of 2,631 inquirers resulted from paid advertising in 22 publications. PRA was provided a database of 1,320 of these individuals.¹ The number of inquirers was further reduced to 933, because they either: did not have a complete telephone number (including area code) or lived outside Canada and the United States.

A telephone survey, designed by the North Group was reviewed by PRA and pre-tested with 21 inquirers. The pre-test resulted in minor modifications to the survey instrument (see Appendix A).

Trained interviewers then began the process of attempting to contact inquirers to administer the questionnaire. The first 421 interviews, including the pre-test, were conducted between November 28 and December 9, 1995. This was supplemented by approximately 95 interviews conducted between January 4 and 9, 1996. In total, 516 individuals completed the questionnaire. The theoretical error rate of this sample is +/- 3.5%, 19 times out of 20. The outcome of all contacts with inquirers is found in Appendix B.

Two-thirds of these inquiries came from the United States. About 2% were from countries other than Canada or the US. The distribution of the inquirers surveyed is very close to that of all inquirers (see Table 2-1). We slightly over represent Canadian inquirers.

TABLE 2-1

Country of Origin				
Publication	All Inquirers		Inquirers Surveyed	
	N	%	n	%
Canada	854	32%	208	40%
United States	1730	66%	308	60%
Other	47	2%	-	-
Total	2631	100%	516	100%

¹ The number of potential participants was reduced due to a loss of data, and those who did not use the 1-800 service to make a request. This latter group includes those who did not provide telephone number because they wrote a letter and faxed a request.

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The distribution of respondents among the various campaigns is very similar to that of those 1,310 captured at the time of inquiry (see Table 2-2), with these exceptions: road touring is slightly over-represented and special interest is slightly under-represented.

TABLE 2-2

Campaign Type				
Publication	Inquirers Captured		Inquirers Surveyed	
	N	%	n	%
Road Touring	460	35%	221	43%
River Adventure	204	17%	87	17%
Special Interest	189	14%	43	8%
Naturalist	179	14%	56	11%
Sport Fishing	150	11%	64	12%
Resident	128	10%	45	9%
Total	1310	101%	516	100%

The magazines which generated inquiries are shown in Table 2-3 (next page). The publications are listed in alphabetical order. Those surveyed are similar to the distribution of inquiries by publication.

Paid advertising in the following magazines generated the greatest number of inquiries:

Backpacker,
 Leisure Way,

Motorhome,
 Up Here,

Audubon World,
 Canadian Geographic,
 Mature Outlook.

These seven publications account for two-thirds of all inquiries.

TABLE 2-3

Publications Sampled				
Publication	Inquirers Captured		Inquirers Surveyed	
	N	%	n	%
Above & Beyond	11	1%	2	<1%
Audubon World	105	8%	44	9%
Backpacker	177	14%	60	12%
Canadian Geographic	99	8%	31	6%
Canadian Sportfisher	12	1%	5	1%
Ecotaveler	10	1%	2	<10/0
Equinox	25	2%	8	2%
Field & Stream	60	5%	20	4%
Fly Fisher	1	<10/0	0	0%
Good Times	60	5%	25	5%
Leisure Ways	156	12%	78	15%
Mature Outlook	98	7%	48	9%
Milepost	19	1%	4	1%
Motorhome	126	10%	65	13%
Motorland	1	<10/0	1	<10/0
National Geographic	1	<1%	0	0%
Natural History	70	5%	25	5%
N.A. Fisherman	77	6%	39	8%
Outdoor Photography	52	4%	7	1%
Outside Magazine	1	<1%	0	0%
Sunset	32	2%	9	2%
Up Here	117	9%	43	8%
Total	1310	100%	516	100%

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Based on these comparisons, we believe the survey sample is representative **of the** population of inquirers **from** Canada and the United States (n=2,631). However, we do not **know** how representative this sample is of those inquirers who live outside these countries **and** therefore, caution should be used in generalizing these findings to this population (**n=47**).

Throughout this report various sample sizes are referenced. These are:

516 represents the total number of respondents to the survey;

91 represents the total number of respondents who **travelled** to the Northwest Territories in 1995;

425 represents the number of respondents who requested a travel planning kit, but did not travel to the NWT in 1995.

Certain questions were asked of **all** respondents. Other questions were asked only of those who either **travelled** to the NWT in 1995, or requested a kit but not visit. The appropriate sample sizes are noted throughout this document.

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3.0 INQUIRER PROFILE

3.1 Visitor Conversion Rate

Figure 3-1 shows inquirer conversion rates.²

- Overall, 18% of the inquirers travelled to the NWT in 1995. Some 7% of inquirers made the decision to visit the NWT after receiving the Travel Information Kit.
- Canadians were more likely than Americans to visit the Northwest Territories in 1995, as were older (65+) inquirers, those who were retired, and those in the highest income category.

Visitor Conversion Rate (% of Inquirers Who Travelled to NWT in 1995)

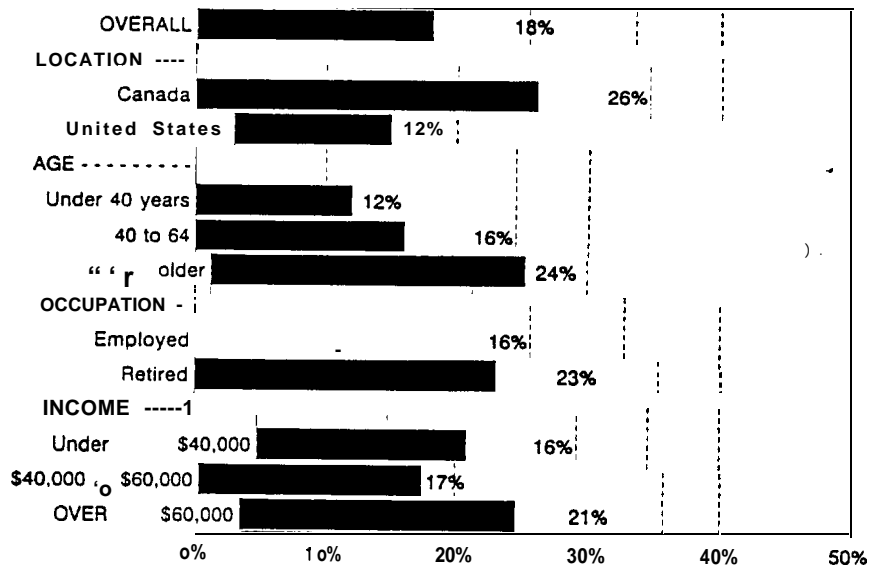


FIGURE 3-1

²

“Conversions” refer to the number of people who made an inquiry and visited the Northwest Territories in 1995.

- The “resident” campaign³ had the highest conversion rate. Over half of those who made an inquiry as a result of the resident campaign visited the NWT in 1995. None of the other campaigns came close to this conversion rate (see Figure 3-2).

Visitor Conversion Rate by Campaign Type (% Of Inquirers Who Travelled to NWT in 1995)

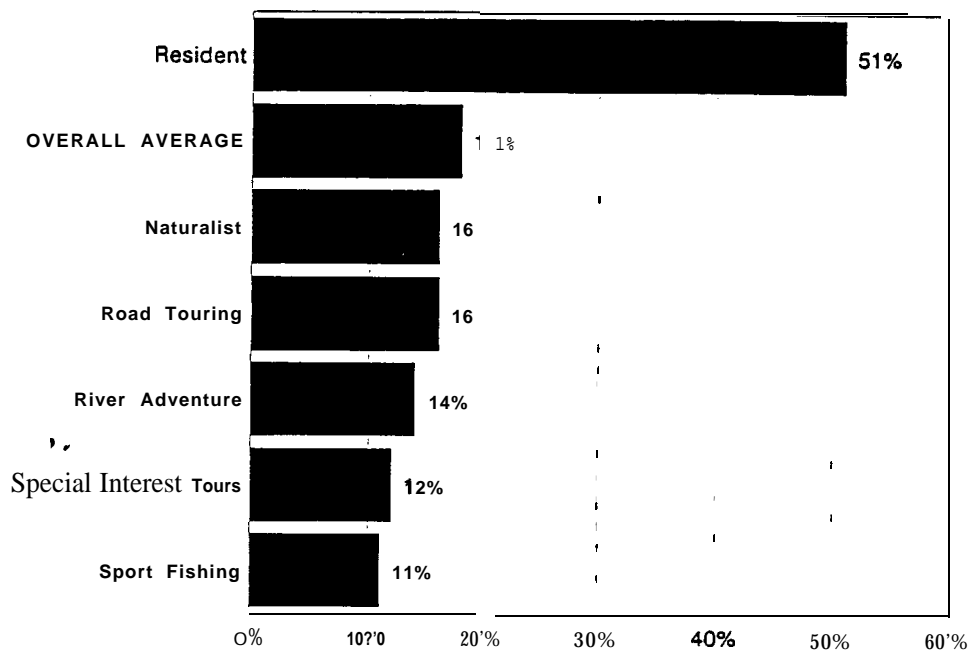


FIGURE 3-2

3

The campaign was referred to as a "resident" campaign as ads were placed in two northern published magazines which target consumers who are predisposed to travel to the north or who have already travelled north. None of those interviewed lived in the Northwest Territories. Several different ads were placed: Territorial parks; Welcome Home; Northern Arts & Crafts; and Northern Foods. The 'resident' campaign magazines are distributed in southern Canada and parts of the U. S., primarily through subscriptions, and feature a wide range of issues and travel related articles on the Northwest Territories.

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- The publication *Up Here* was the primary vehicle for the resident campaign and as such had a similarly high conversion rate. *Canadian Geographic* and *Good Times* also appear to have higher than average conversion rates (see Figure 3-3).⁴

Visitor Conversion Rate by Publication (% Of Inquirers Who Travelled to NWT in 1995)

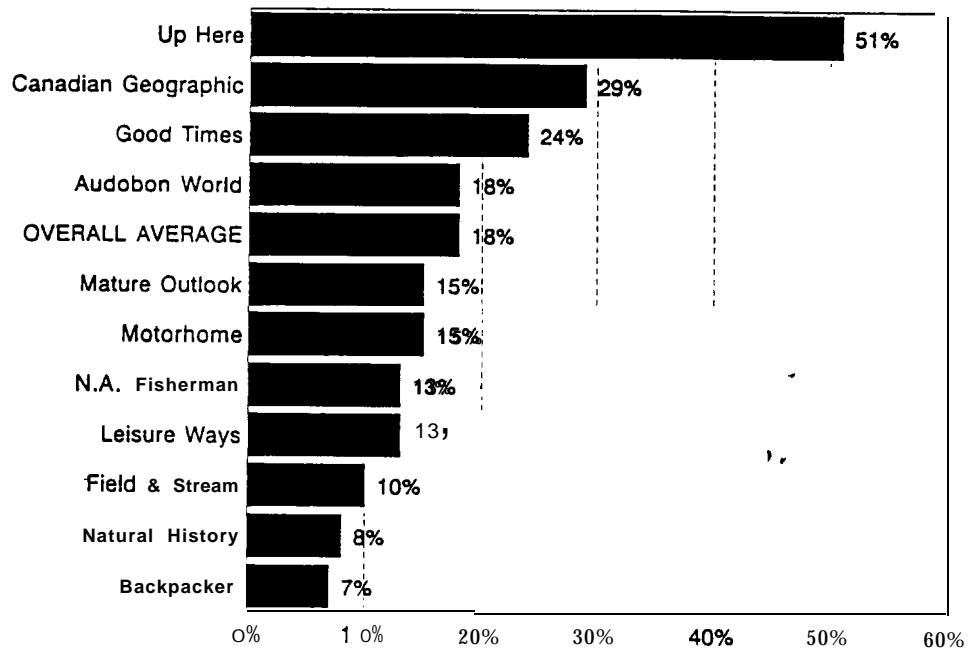


FIGURE 3-3

4

Since it maybe misleading, conversion rates for those publications with very small samples are not included in Figure 3-3. Even with the publications presented in this table, caution should be used. In all cases small sample sizes are used ranging from 20-65 respondents.

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3.2 Travel Literature

These inquirers were calling to request a Travel Planning Kit on the Northwest Territories. Although up to 8 months had gone by since the request, the vast majority remembered receiving the kit.

- Some 92% of respondents (n=475) remember receiving the Northwest Territories tourism literature that they requested.

Impact of Travel Kit on Interest in Visiting the NWT (n=475)

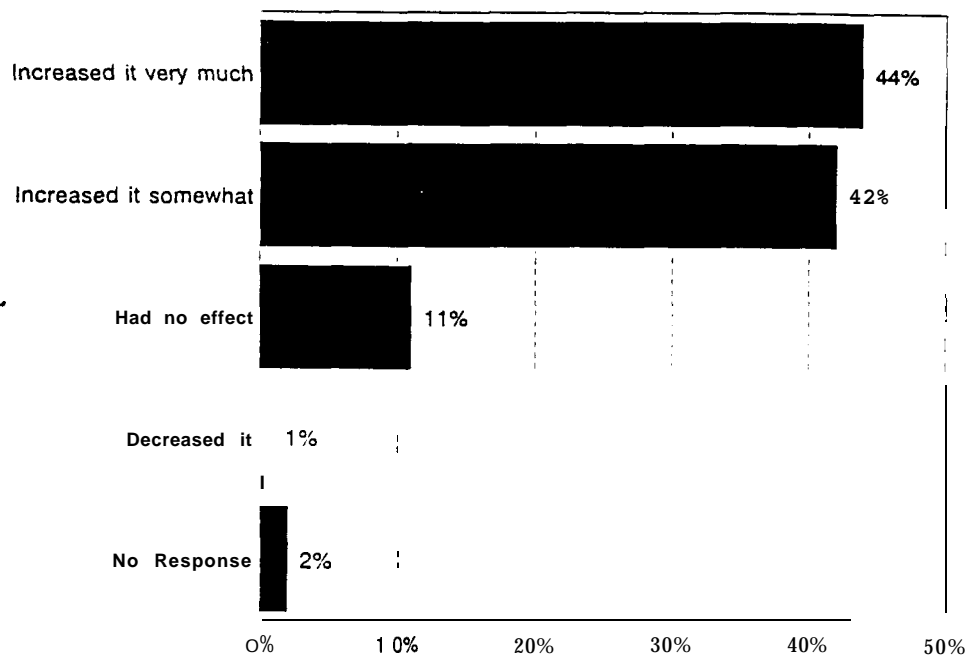


FIGURE 3-4

The remaining 8% did not. This may be for many reasons: some admitted they might have received it but could not be sure; others may have received it and forgot; and still others probably did not receive it either because it never arrived (possibly because it was incorrectly addressed) or it arrived, but was inadvertently thrown out.

Of those who remembered it, about 85% thought it increased their interest in visiting the Northwest Territories either "very much" or "somewhat" (see Figure 3-4).

- Whether or not inquirers travelled to the Northwest Territories in 1995, the travel literature sent to them appears to have had a very positive influence on their desire to visit the NWT.

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- Interestingly, a number of inquirers had visited the NWT perviously. Some 16% of all inquirers indicated that they had visited the Northwest Territories at some point before requesting the travel **information**. Canadian inquirers (21%) were slightly more likely than Americans (12%/0) to have visited the NWT in the past.

importance of Travel Literature to Those Who Visited

For those who visited the Northwest Territories in 1995, the travel literature they received as a result of their inquiry, had a positive impact. Similar to all inquiries, some 92%/0 of those who **actually** visited the NWT (n=91) remembered receiving the travel literature.

- Three-quarters of those who remembered receiving the travel literature rated it as important in helping make the decision to travel to the Northwest Territories. Almost 40% rated it as "very important."
- It was rated slightly less important in helping visitors choose a destination within the Northwest Territories. Still almost two-thirds rated it as "somewhat" or "very important" (see Figure 3-5).

How Important was the Travel Literature? (n=91)

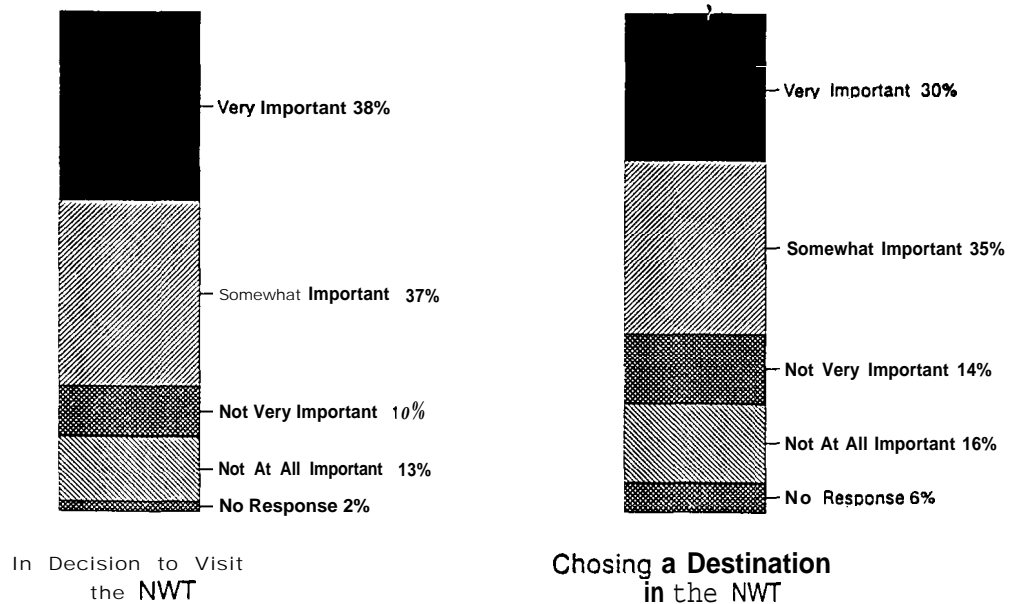


FIGURE 3-5

3.3 Purpose of the Trip

For the vast majority of inquirers, "pleasure" was the main reason for requesting travel information from the NWT (930/0). Making an inquiry in anticipation of a trip to the NWT for business, employment, and other reasons, was not common (see Table 3-1).

This said, Canadians were slightly more likely than Americans to request information for reasons of business, employment, or for other reasons. This last group includes those who had a general interest in the Northwest Territories with no real intention to travel there.

TABLE 3-1

Reason Request Travel Information to NWT			
Reason	Overall (n=516)	Canadian (n=204)	American (n=308)
Pleasure	93%	87%	96%
Business	2%	4%	1%
Employment	1%	2%	<1%
Other	4%	8%	3%
Total	100%	101%	100%

Note: Totals may not add to 100 due to rounding

Those inquirers who travelled to the Northwest Territories in 1995 bear out this finding: pleasure was the primary purpose of their visits. Business travel is slightly more common among those who actually travelled to the NWT in 1995 (70/0), but for the most part these people went to see *the north, fish*, or commune with *nature* (see Table 3-2 next page).

TABLE 3-2

Reasons for Visiting the NWT Top of Mind - Unprompted (n=91)	
Reason	%
To see the north	42%
Fishing	12%
Nature/Scenery	10%
Canoeing/Kayaking/Boating	7%
Like/Love it	7%
Business	7%
Remoteness	4%
Visit Friends/Family	3%
Events/Festivals/Attractions/Sites	3%
Backpacking/hiking/camping	2%
Native Culture	2%
Other/No particular reason	7%

Note: Totals may not add to 100% due to multiple responses.

- Canadian and American visitors gave **similar** reasons for visiting the NWT, with this exception: **Americans** were much more likely than Canadians to **cite fishing** as their main reason for visiting. Almost one-quarter of the US respondents (220A) stated this reason, compared with 6% of Canadian visitors.

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3.4 Travel Plans Before Inquiry

Inquirers' travel plans at the time they requested tourism information on the Northwest Territories varied.

- The bulk of respondents had no real intention to travel to the NWT. *While interested they were not considering travel to the Northwest Territories in 1995 (41%).*
- Almost one in four were *considering the Northwest Territories as one of many destinations.*
- One-fifth of the inquirers were *seriously considering travel to the NWT in 1995.*
- Some 14% inquired about travel information because *they had already decided to visit the Northwest Territories in 1995. (see Figure 3-6).*

Travel Plans at Time of Inquiry (n=516)

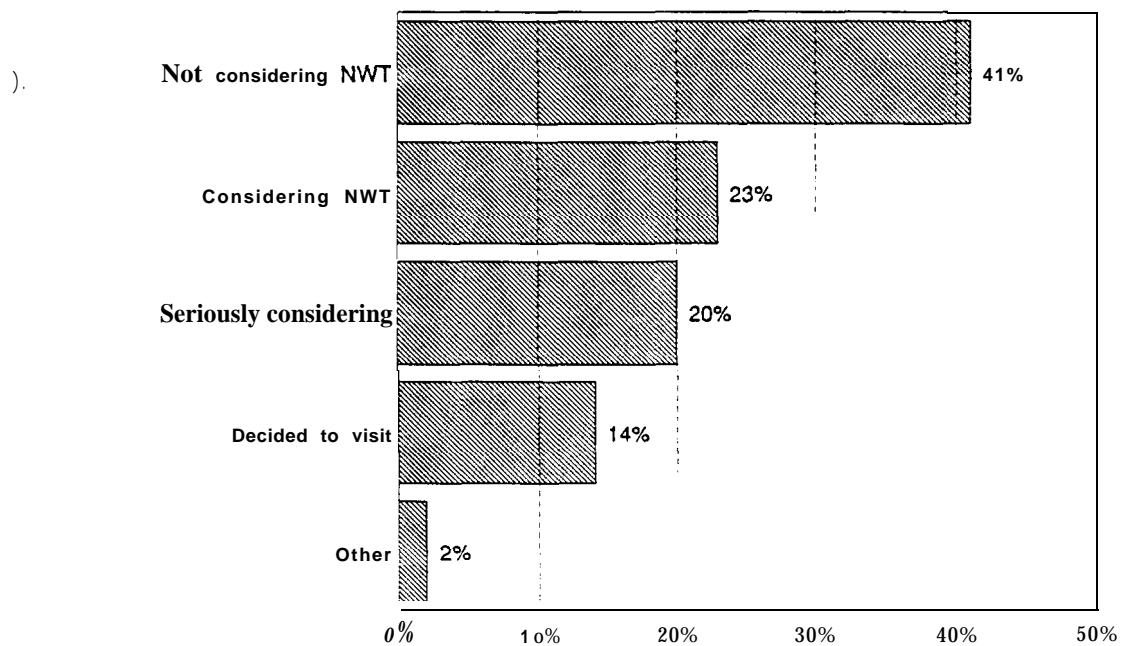


FIGURE 3-6

Canadian inquirers (23%) were more likely than Americans (8%) to indicate that they had already decided to visit the NWT in 1995 when they requested the information.

Of those who visited the NWT in 1995 (n=91), the majority had already decided to go when they ordered the travel literature (see Figure 3-7).

- Just over 60% had *already decided to visit the Northwest Territories in 1995.*
- About one-fifth of those who visited were *seriously considering travel to the Northwest Territories in 1995.*
- Almost another 20% were *considering the Northwest Territories as one of many destinations or, while interested, were not considering travel to the NWT in 1995.*
- The ads likely served as a reminder to people who had already made a decision to travel to the NWT prompting an inquiry for information for their trip.

Travel Plans At Time of Inquiry Among Those Who Travelled to NWT
(n=91)

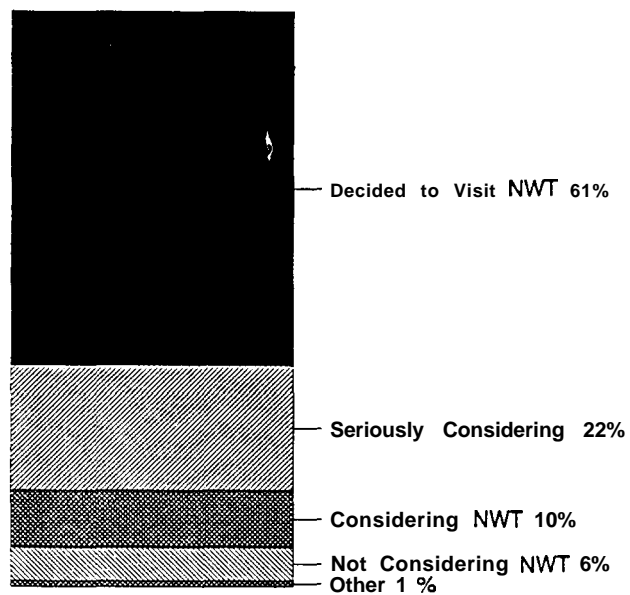


FIGURE 3-7

3.5 Trip Profile Summary

Table 3-5 (next page) summarizes the trip profile of inquirers.

- The primary purpose of the inquiry is for pleasure travel to the NWT.
- Of those interviewed, 92% remember receiving the travel **information**. Of these, over 85% stated that the literature increased their interest (somewhat or very much) in traveling to the Northwest Territories.
- Some 14% of respondents had already decided to visit the Northwest Territories when they made their inquiry.
- Of the Canadians and Americans who had inquired, about **18% travelled** to the NWT in 1995. Of these respondents, three-quarters rated the travel literature as very or somewhat important in making their decision to visit, and almost two-thirds rated it similarly in helping them chose a destination within the NWT.

TABLE 3-5

Trip Profile Summary (n=516)	
Profile	%
Purpose of Inquiry	
Pleasure	93%
Business	2%
Employment	1%
Other	4%
Remember Receiving Tourism Literature	92%
Literature Influence Interest in NWT	
Increase it Very Much	44%
Increase it Somewhat	42%
No Impact/Negative Impact	10%
Importance of Travel Literature for Those Who Visited	
Important in Making the Decision	75%
Important in Choosing a Destination	64%
1995 Travel Plans At the Time of Inquiry	
Interested But Not Considering NWT	41%
Considering NWT Among Others	23%
Seriously Considering NWT	20%
Decided on Visiting NWT	14%
Other	2%
Visited the NWT in 1995	18%

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4.0 VISITOR PROFILE

In this section, we review the characteristics of those who visited the Northwest Territories. The **sample** size throughout is 91.

4.1 Composition and Size of Party

Composition of Travel Party

Very few visitors **travelled** to the NWT alone. The most common type of travel party was as a couple, followed by with fiends, and as a family.

Composition of Travel Party (n=91)

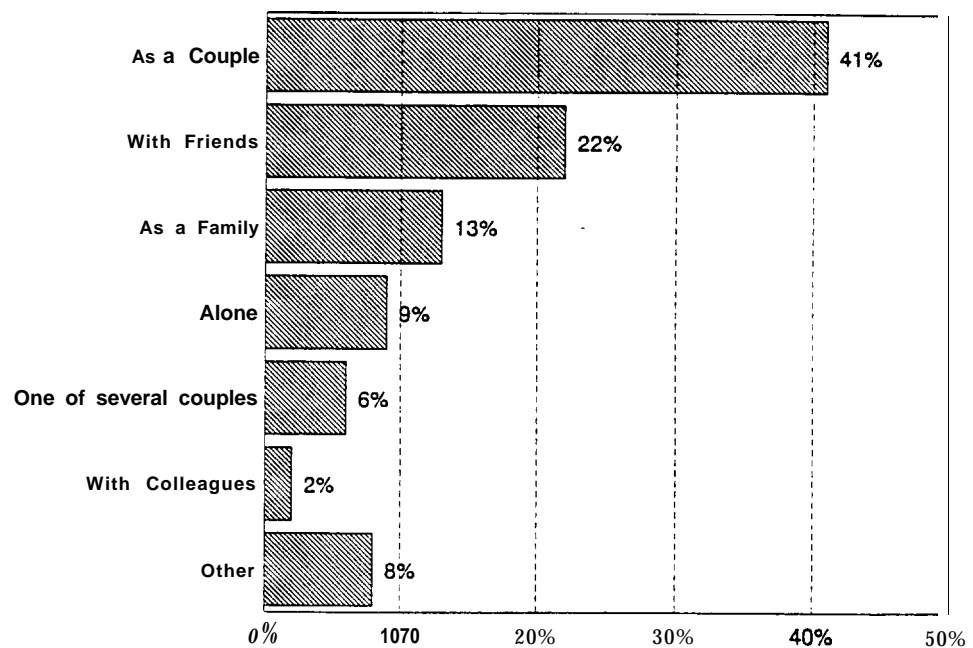


FIGURE 4-1

American visitors are more likely than Canadians to travel as a couple (49% of Americans compared to 35% of Canadians), while Canadians appear to travel more often with friends (26% Canadians compared to 16% Americans).

Size of Travel Party

The average number of individuals in the travel party was almost 4 (3.5). Most respondents were traveling with one other, but the party size ranged from 1 person to 18. The latter appears to be part of a tour group. If large 'tour' groups are **excluded**,⁵ then the average number in a party is about 3 (2.8).

- Half the visitors are traveling with one other person (see Figure 4-2).
- Another 29% are traveling in a party of three or four people.

Number in Travel Party (n=91)

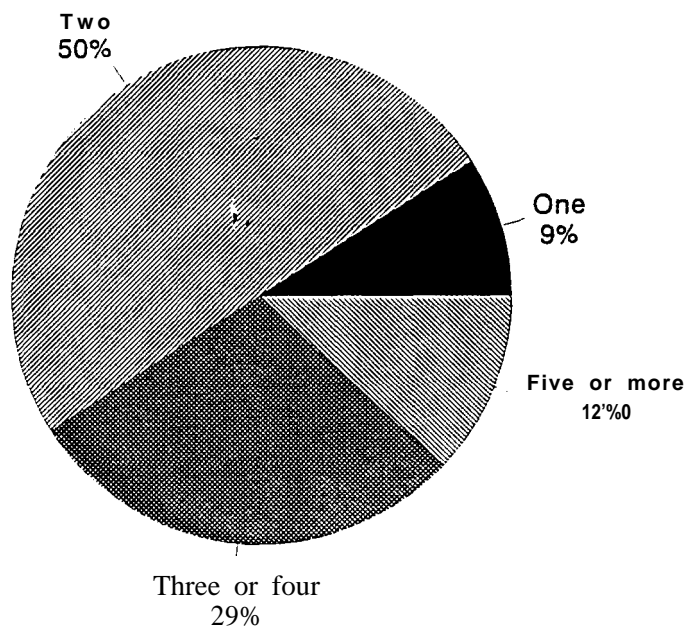


FIGURE 4-2

⁵ In five cases, respondents reported more than 10 people in their travel party.

4.2 Method of Travel

The most common method of traveling to the Northwest Territories is by road. Almost **60% travelled** to the NWT by either passenger vehicle (41%) or motorhome (17%). (Two respondents indicated 2 main modes of transportation, thus the total percent exceeds 100%.)

Commercial airlines were the transportation of choice for about one-third of the visitors. Figure 4-3 shows the type of transportation used by visitors.

Method of Travel to the NWT (n=91)

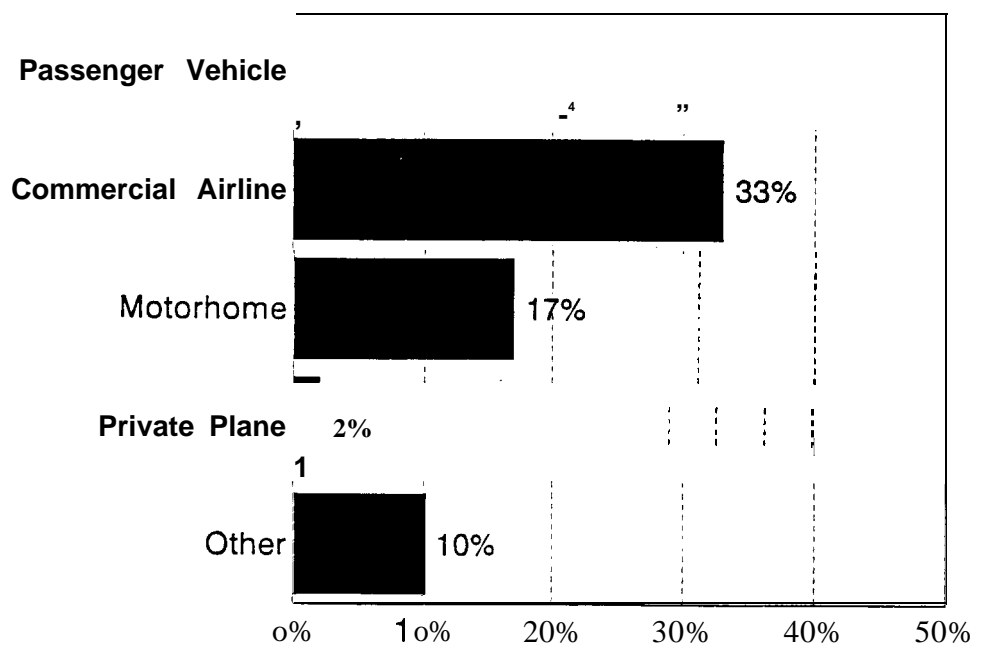


FIGURE 4-3

- While road travel was the most common form of transportation to the NWT, Canadians and Americans tend to use different types of vehicles. Almost 30% of the Americans who travelled to the NWT arrived in a motorhome, compared with 7% of Canadians.
- Tour packages were used by about 13% of visitors. Some 87% of visitors arrived independently. The remainder travelled exclusively as part of a tour (9%) or used a tour at least for part of their trip (4%).

4.3 Destination

Yellowknife is the most common primary destination within the NWT for these visitors. Inuvik, areas of Nunavut, Hay River, **Tuktoyaktuk**, and Fort Simpson are each mentioned by more than one visitor as their main destination. A number of other towns and locales in the northwest region of NWT are mentioned singularly and grouped as "other" in Figure 4-4 below.

One in ten stated that they had no primary destination within the NWT, but rather **travelled** from place to place.

- Canadians are more likely than Americans to cite **Yellowknife** as their primary destination. While 54% of Canadian visitors mentioned **Yellowknife**, only 19% of Americans make the same claim. US residents are more likely to mention one of the many other locations within the NWT.

Primary Destination in NWT

(n=91)

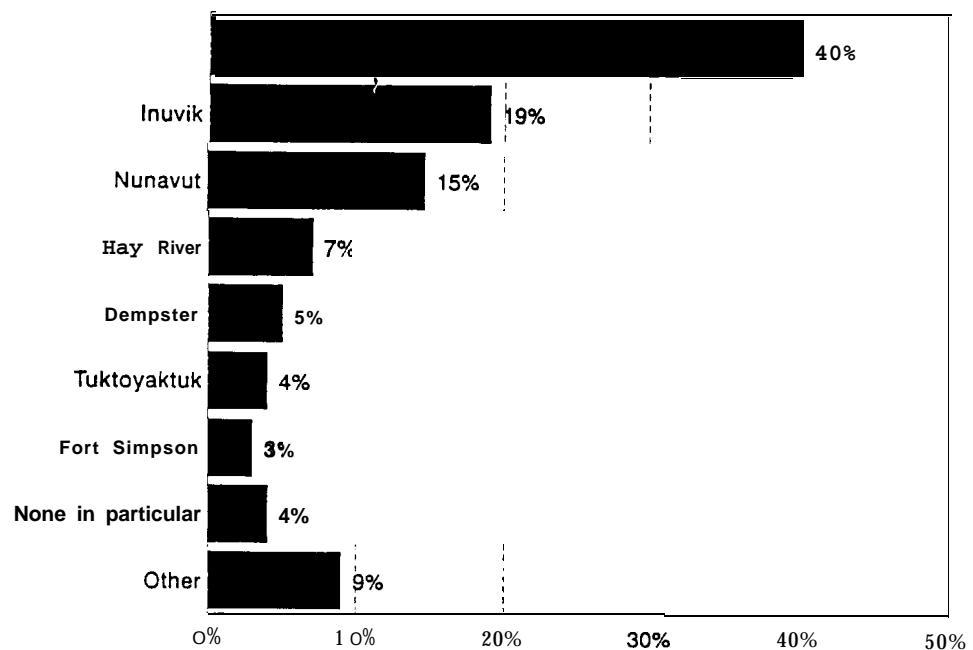


FIGURE 4-4

4.4 Length of Stay

The average length of stay for visitors was about 10 days. This ranged from one respondent who stayed less than a day to a number who stayed for about a month. One respondent, excluded from the calculation of the average, stated that he visited for six months.

As Figure 4-5 shows over 60% of these visitors stayed in the NWT for 7 or more days.

Length of Stay in NVVT (n=91)

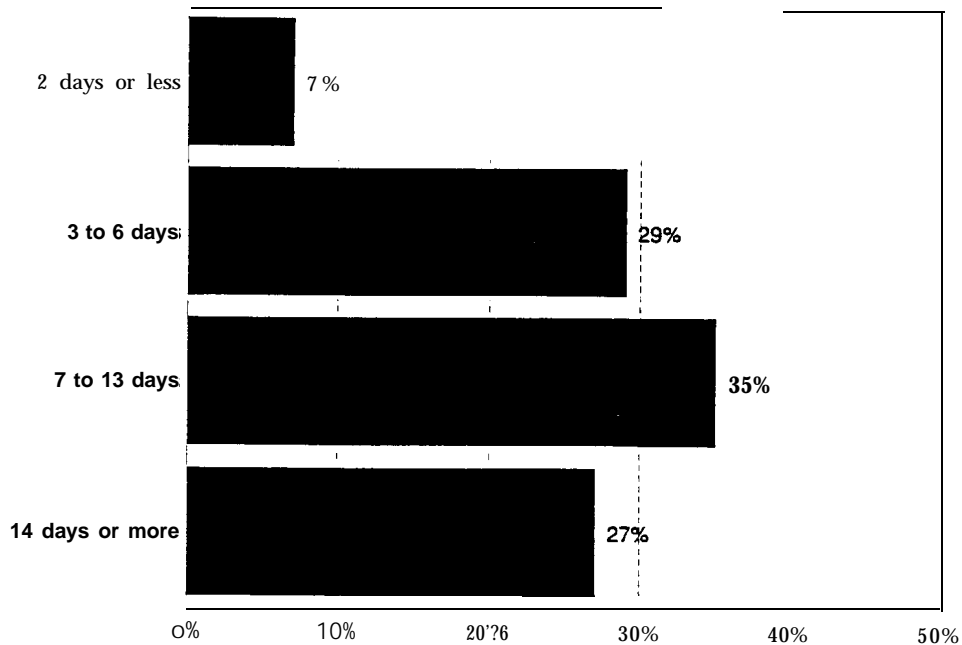


FIGURE 4-5

4.5 Best/Worst Aspects of Visit

Best Liked

Of those who travelled to the Northwest Territories in 1995 the best liked aspect of their visit, mentioned by half of those respondents, was *nature or the scenery*.

One in five visitors mentioned *the friendly people as the thing* they liked best during their visit to the NWT.

Table 4-1 shows frequency of mention of the best liked aspects of the travel experience in the NWT.

TABLE 4-1

Aspect of Experience in the Northwest Territories Liked BEST Top of Mind - Unprompted (n=91)	
Best Liked Aspect"	n/o
Nature, The Scenery	50%
Friendly People	22/40
Fishing	9%
A Specific Event, Festival, Attraction, or Site	9%
Native Culture	4%
Backpacking, Hiking, or Camping	1%
Canoeing, Kayaking, or Boating	1%
Just to See the North	1%
Other	3/40
Nothing in Particular	6%

Note: Percentage will not add 100% due to multiple responses.

Least Liked

When asked what aspect of their visit in the Northwest Territories they liked least, about one-quarter could not think of anything in particular.

- The most common aspect of their visit they liked least was the poor quality of *roads* and *highways*. One in four visitors mentioned this part of the travel experience in the NWT being liked least.
- Insects were the next most common aspect of their visit they liked the least (12%).
- *The weather, the cost, and the quality of accommodations* were each mentioned by less than 10% of respondents.

TABLE 4-2

Aspect of Experience in the Northwest Territories Liked LEAST Top of Mind - Unprompted (n=91)	
Least Liked Aspect	%
Poor Roads/Highways	25%
Insects/Bugs	12%
Weather	9%
Too Expensive	9%
Accommodations	6%
Poor Transportation	3%
Other	10%
Nothing in Particular	26%
Total	100%

4.6 Trip Expenditures

Trip expenditures are difficult to gather. We were asking respondent to think back many months and report the sum of what they spent on their trip. As such, the figures below must be seen as estimates of expenditures and should be used cautiously.

Table 4-3 (next page) shows the amount respondents reported spending:

- to get to the NW'T. The average was \$1,507. Some **42%** spent some amount less than \$1,000. The amount spent ranged from nothing (five respondents reported spending nothing to get there) to \$14,960. This latter sum likely involved an **all** inclusive tour package.
- once in the NWT. The average amount spent once in the Northwest Territories was \$1,625. **Some 55%** of these visitors spent \$1000 or less in the Territories. The amount spent while visiting the NWT ranged from \$27 to \$8,160.

The **average** spent both to get to, and while visiting, the Northwest Territories was \$3,132.

TABLE 4-3

Visitor Expenditures (n=91)	
Amount Spent	
To get to the NWT	
Nothing	6%
up to \$500	16%
\$501-\$1000	26%
\$1001-\$5000	19%
Over \$5000	4%
Don't Know/No Response	29%
Total	100%
Average	\$1,507
Spent in the NWT	
Up to \$500	33%
\$501 to \$1000	22%
\$1001 to \$2000	12%
\$2001 to \$5000	15%
Over \$5000	8%
Don't Know/No Response	10%
Total	100%
Average	\$1,625
Average Travel/In NWT	\$3,132

Note: While American respondents provided estimates of expenditures in US dollars these have been converted to Canadian dollars for the purpose of this table.

- Canadians tend to spend less, both getting to the NWT and while visiting in the Territories. As Table 4-4 shows, Americans spend on average twice as much as Canadians to get to the NWT and 43% more while there.

BLE 4-4

Visitor Expenditures (n=91)		
	Average Amount Spent	
	To Get to NWT	While In NWT
Canadian	\$1,034	\$1,404
American	\$2,369	\$2,002
Total	\$1,507	\$1,625

Note: While American respondents provided estimates of expenditures in US dollars these have been converted to Canadian dollars for the purpose of this table.

4.7 Satisfaction with Visit

In spite of the fact that some visitors could name aspects of their experience in the NWT that they **liked** least, the vast majority of respondents who **travelled** to the Northwest Territories in 1995 were *completely satisfied* with their visit.

As Figure 4-6 shows, almost all inquirers who visited were *satisfied* (15%) or *completely satisfied* (79%) with their visit.

Overall Satisfaction with Visit to NWT (n=91)

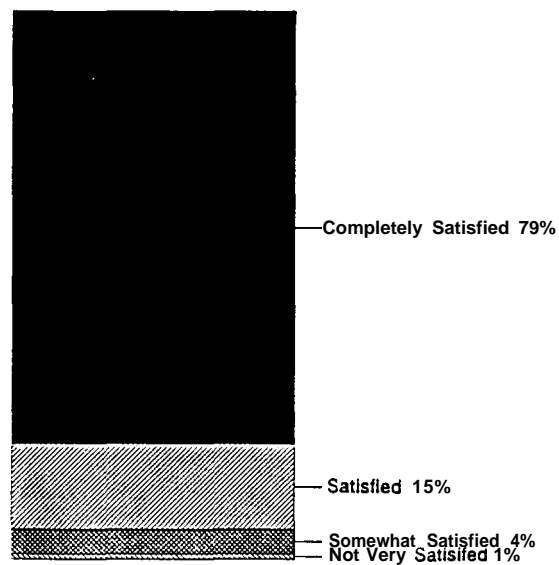


FIGURE 4-6

Their satisfaction with this visit is reflected in the fact that over two-thirds of these respondents indicated that they were 'very' (43%) or 'somewhat likely' (26%) to visit the NWT again in the next four years. In fact, only 2% stated that they 'definitely would not' visit again in this time (included with 'very unlikely' in Figure 4-7).

How Likely to Re-Visit the NWT in the Next Four Years (n=91)

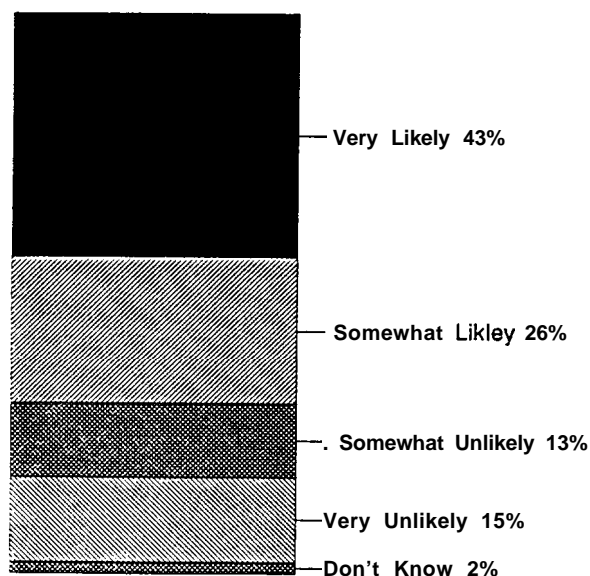


FIGURE 4-7

4.8 Demographic Profile

Table 4-5 provides a comparison between visitors and non-visitors, who inquired for travel information.

Visitors are more likely to be:

- Canadian;
- previous visitors to the NWT;
- older;
- retired, but with a slightly higher income.

TABLE 4-5

Demographic Profile of Visitors/Non-Visitors		
	Visitors % (n=91)	Non-Visitors % (n=425)
Location		
Canada	59%	36%
United States	41%	64%
Visited the NWT Before	31%	13%
Gender		
Male	64%	75%
Female	36%	25%
Age		
Under 40	16%	25%
40 to 64	46%	51%
65+	32%	21%
Occupation		
Employed	51%	59%
Retired	46%	33%
Other	3%	8%
Household Income*		
Under \$40,000	30%	33%
\$40,000 to \$60,000	24%	26%
Over \$60,000	35%	29%
No Response	8%	8%

*Note: Income provided by American respondents is in US dollars.

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4.9 Visitor Profile Summary

Table 4-6 below summarizes the profile of visitors. The typical visitor:

- travels as a couple or with friends;
- travels with 2 others;
- drove to the NWT;
- spent \$1,500 getting to the Territories;
- spent \$1,625 in the Territories;
- was completely satisfied with their trip.

TABLE 4-6

Visitor Profile Summary	
Profile	%
Travelled . . .	
As a Couple	41%
With Friends	22%
Other	23%
Average Number in Travel Party	2.8
Method of Travel	
Passenger Vehicle	41%
Commercial Airline	33%
Motorhome	17%
Other	12%
Tour/Package Travel	13%
Average Length of Stay	10 days
Main Destination	
Yellowknife	40%
Inuvik	17%
Nunavut	15%
Other	28%
Passing through	4%
Average Amount Spent.. .	
To get to NWT	\$1,507
While in NWT	\$1,625
Completely Satisfied with Visit	79%

5.0 NON-VISITORS

5.1 Reasons for Not Visiting the NWT

About 80% of inquirers did not visit the NWT in 1995. Of these inquirers, some 13% had been to the Northwest Territories in the past. Canadians (16%) are more likely than Americans (10%) to have visited the NWT prior to 1995.

The main reasons for not visiting the Northwest Territories in 1995 are shown in Table 5-1. The most common reasons given were: not enough time, plan to go in *the future*, and could not afford to go.

- Some 18% of those who did not visit in 1995, gave as their main reason the fact that they plan to go in the future. American respondents are slightly more likely to suggest that their plans include a visit to the NWT in the future.
- One in ten stated that the main reason they did not visit the Northwest Territories in 1995 was that they decided to travel elsewhere. This is a relatively small percentage, which suggests that other destinations are not seen as a substitute for the NWT.
- Canadians were more likely than Americans to indicate that they could not afford such a trip. Americans are more likely than Canadians to give as a reason, plan to travel to the NWT in the future.

TABLE 5-1

Reasons for NOT Visiting the NWT in 1995			
	All % (n=425)	Canadian % (n=157)	American % (n=271)
Not enough time	26%	23%	28%
Could not afford	18%	22%	15%
Plan to go in the future	18%	12%	21%
Personal reasons (Illness/Family Problems/Family Situation)	13%	16%	12%
Decided to travel elsewhere	10%	8%	11%
Lack of planning/plans cancelled	8%	7%	9%
Too far away/Too difficult to get to	4%	4%	3%
Other priorities/Not enough interest	5%	5%	4%
Other	4%	7%	3%
Don't Know/No Reason	1%		1%

Note: Columns may not total to 100% due to multiple responses.

5.2 Other Destinations

Most inquirers who did not visit the NWT in 1995, did travel elsewhere. **While** one-third indicated that they did not visit any other place, the most common destination was within their own county.

- Americans were more likely than Canadians to indicate that they did travel somewhere else. The most common destination was within their country: 40% travelled to one of the 49 states and another 5% travelled to Alaska. Almost one-quarter travelled to Canada, but not to the NWT. The most common destinations within Canada were Ontario and British Columbia.
- Canadians too were more likely to travel within their own country. Only 8% chose to visit the United States. As with Americans, the most common destinations within Canada were British Columbia and Ontario.
- Overall, about 3% of respondents who did not travel to the NWT, visited the Yukon.

TABLE 5-2

Travel Destination Instead of the NWT			
	All % (n=425)	Canadian % (n=157)	American % (n=271)
Did not visit any other place	37%	47%	32%
Another part of Canada	28%	36%	23%
Part of the US (other than Alaska)	28%	8%	40%
Alaska	4%	1%	5%
Other destination	8%	7%	9%
No response	1%	1%	<10%
Total	100%	100%	100%

Note: Columns may not total to 100% due to multiple responses.

5.3 Likelihood of Visiting in the Future

While these respondents did not visit the Northwest Territories in 1995, a **large** number plan to do so in the **future** (see Figure 5-1).

Likelihood of Visiting NVVT in the Future (n=425)

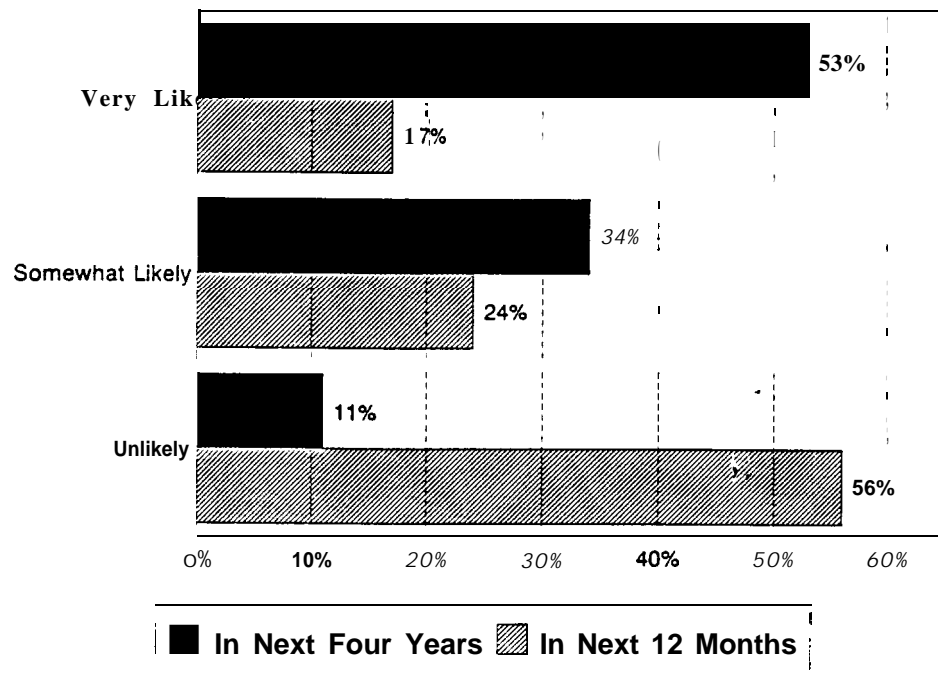


FIGURE 5-1

- Overhalf indicated that it was 'very likely' that they would visit the NWT in the next four years. Another third stated that they were somewhat likely.
- More interesting, almost one in five of those who made an inquiry but did not travel to the NWT in 1995 stated that it was "very likely" that they would do so in the next 12 months. Another quarter stated it was somewhat likely.

This suggests that the conversion rate may actually be higher as the travel literature results in potential future visits.

6.0 SUCCESS OF THE AD CAMPAIGNS

There are several measures of success of any ad campaign. Below we discuss a number of these approaches.

6.1 Visitor Conversion Rate

As we saw above, a simple calculation of conversion **rate**⁶ suggests the following:

- 18% of all inquirers **travelled** to the NWT in 1995;
- 26% of Canadian inquirers visited in 1995;
- 12% of American inquirers visited in 1995.

While almost one in five inquirers travelled to the NWT in 1995, over 60% of these stated that they had already decided to go when they requested the Travel Information Kit. Should these be considered in the conversion rate? There are two ways of looking at this:

- One is that the Travel Information Kit ensured their visit, and although respondents had decided to go before receiving the material, it may have verified the correctness of this decision. If this is the case, then the true conversion rate is likely 18%. Such a rate suggests that of the 2,584 Canadian and American who made inquiries, approximately 455 visited.
- The other is that asking for the travel material resulted from a decision to travel to NWT and the inquiry had no bearing on the execution of that decision. In this case, the conversion rate could be said to be 7%, suggesting that about 180 inquirers visited as a result of the 1995 campaign.

Likely the true 1995 conversion rate falls somewhere in between these two extremes.

The travel literature has a residual impact. Among those who did not visit in 1995, 17% stated that they were "very likely" to visit in 1996. Another 24% stated they were "somewhat likely" to do the same.

6

"Conversions" refer to the number of people who made an inquiry and visited the Northwest Territories in 1995.

- This suggests that the literature 'converted' and will result in a visit from an additional 24% of the current non-visitors in 1996. This would suggest that the 1995 campaign will result in approximately 640 inquiry visits in the coming 12 months.'

6.2 Revenue

As we have seen, the average visitors spent about \$1,625 once they arrived in the Northwest Territories and another \$1,507 getting there. Thus, the average "trip" costs are over \$3,100.

The **average** revenues are based on the amount they "personally *spent*" both on travel to get to the Northwest Territories and once there. Most visitors were traveling with others. The question is: What additional expenditures, if any, did others in the travel party make? Expenditures within the NWT include such things as food, accommodation, transportation within the Territories, admission to events, day trips and side trips, etc. For inquirers traveling as a couple or with family, this estimate of \$1,625 may represent the total amount spent by that party in the Northwest Territories. For those traveling with friends, or other couples it likely under represents the revenue generated by that inquiry.

The average number in the party is roughly three (2.8 excluding individuals traveling in tour groups). The estimate of 455 visitor parties, involved 1,274 individual visitors.

- Revenue accrued by spending within the NWT ranges from \$740,000 (if we assume the average expenditures for the party do not exceed the respondent average) to almost three times this amount if we assume each member of a travel party spent an amount equal to the respondent. Most likely, the true value falls somewhere in between these amounts.
- The average revenue per inquiry is estimated at between \$286 and \$800. The low end revenue projection per inquiry is higher than the actual cost per inquiry (\$ 193).

While the total revenue is likely higher than the low end estimate, it is unlikely that it is as high as the upper end. Further, these estimates do not take into account revenues from travel to get to the NWT, some of which would accrue to NWT-based carriers.

7

This is based on the following calculation: 75% of those who stated they were very likely will actually visit in 1996; 50% of those who are somewhat likely will do the same. $(17\% * 75\%) + (24\% * 50\%) = 24\%$. Of the total number of inquirers (2,584) an estimate of 455 visited in 1995 leaving 2,129. The calculation then for the estimate of number of inquirers who will visit in 1996 is $2,129 * .24 = 510$.

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Table 6-1 summarizes the low and high estimates for cost and revenues.

TABLE 6-1

REVISED: Estimates of Results of Ad Campaign.			
		<i>Low Conversion Rate</i>	High Conversion Rate
a)	Campaign Costs	\$507,011	\$507,011
b)	Total number of inquiries	2,631	2,631
c)	Number of inquiries (Cdn/Am)	2,584	2,584
d)	Conversion Rate	7%	17.6%
e)	Average expenditures in NWT	\$1,625	\$1,625
f)	Average travel costs to get to NWT	\$1,507	\$1,507
g)	Average number in party	2.8	2.8
h)	Number of visitor parties (c*d)	180	455
i)	Number of individuals (h*g)	504	1,274
j)	Cost per inquiry (a/b)	\$193	\$193
k)	Low Estimate of revenue (e*h)	\$292,500	\$739,375
l)	High Estimate of revenue (e*i)	\$819,000	\$2,070,250
m)	Low revenue per inquiry (k/c)	\$113	\$286
n)	High revenue per inquiry (l/c)	\$316	\$801

APPENDIX A
Questionnaire

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Tourism Inquiries Conversion Study
Northwest Territories
Final Survey

Questionnaire Number: _____

Screeners 1

Hello. May I please speak with _____? I am calling to follow-up on your request for tourism information about Canada's Northwest Territories. My name is _____ and I am working on behalf on the Government of the Northwest Territories. Do you remember requesting tourism information about Canada's Northwest Territories, located in northern Canada? You would have called a toll-free number to request a travel publication?

- Yes 1 (Skip to introduction)
- No 2 (Proceed to Screener 2)
- Don't Know 3 (Proceed to Screener 2)

Screeners 2

Is it possible that someone else in your household called on your behalf?

- Yes 1 (Return to Screener 1 for new respondent)
- No 2 (Proceed to END)
- Don't Know 3 (Proceed to END)

May I speak with him/her?

If response is, "They are not here", find out when it is convenient to call back,

END

Thank you for your time. Good Bye.

Introduction

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You have been randomly selected as a respondent for our 1995 travel survey. Although the survey is voluntary, your participation is important if the results of the survey are to be accurate. Also you should be aware that all answers will be kept confidential.

Will you spend 5 minutes summarizing your views on travel to the Northwest Territories?

- Yes 1 (Proceed to Q1)
- No 2 (Thank respondent and End Call)

Q1 Do you remember receiving the Northwest Territories tourism literature that you requested?

- Yes 1 (Proceed to Q2)
- No 2 (Proceed to Q3)
- Don't remember 3 (Proceed to Q3)

Q2 How did the Northwest Territories tourism literature you received influence your interest in visiting the Northwest Territories? Did it... (READ)

- Increased it very much 1
- Increased it somewhat 2
- Had no effect 3
- Decreased it somewhat 4
- Decreased it very much 5
- Do not recall/do not know 6

Q3 What was the purpose of your inquiry when you first requested our travel information? Was it for... (READ)

- Business 1
- Pleasure 2
- Employment 3
- Other _____ 4 (Specify)

Q4 Which of the following statements best describes your travel plans at the time you requested tourism information on Canada's Northwest Territories? (READ LIST).

- While interested, you were not considering travel to the Northwest Territories in 19951
- You were considering the Northwest Territories as one of many destinations in 19952
- You were seriously considering travel to the Northwest Territories in 19953
- You had already decided to visit the Northwest Territories in 19954
- Other (Specify) _____ 5
- Don't Know 6

Q5 When you finally made your travel decision, did you spend any time in the Northwest Territories in 1995?

- Yes 1 (Skip to Q11)
- No 2 (Proceed to Q6)

Respondent Did Not Travel to the Northwest Territories

Q6 What was your main reason for not visiting the Northwest Territories in 1995 (DO NOT READ - RECORD VERBATIM)

-
- Too difficult to get there1
 - Too far from home2
 - Could not afford3
 - Plan to travel to the Northwest Territories at a later date4
 - Not enough time5
 - Not enough interest6
 - Did not receive information7
 - Too cold8
 - Illness or family problems9
 - Decided to travel elsewhere10
 - Other (SPECIFY) _____ 11
 - Don't Know12

Q7 Where did you choose to visit in place of the Northwest Territories?

- Another part of Canada (specify) _____ 1
- Alaska2
- The US (specify state) _____ 3
- Europe4
- Other _____ 5
- Did not visit any other place6

Q8. Have you ever visited the Northwest Territories ?

- Yes 1
- No 2

Q9 How likely are you to visit the Northwest Territories within the next four years?

- Very likely 1
- Somewhat likely 2
- Somewhat unlikely 3
- Very unlikely (Goto Q22) 4 -
- Definitely will not (Go to Q22) 5
- Don't know 8

Q10 How likely are you to visit the Northwest Territories within the next twelve months? (READ CHOICES. ROTATE QUESTIONS FOR EACH INTERVIEW).

- Very likely1
- Somewhat likely 2
- Somewhat unlikely 3
- Very unlikely4
- Definitely will not5
- Don't know8

(Proceed to Q26)

Respondent Travelled to the Northwest Territories

Q11. Prior to your visit in 1995, have you every **travelled** to the Northwest Territories before?

Yes	1
No	2

Q12. What was the main reason you chose to visit the Northwest Territories (on your most recent trip)? (DO NOT READ. - RECORD VERBATIM)

-
- remoteness1
 - nature/scenery2
 - native culture3
 - specific product interest _____ . 4 (record specific product ie. fishing etc.)
 - specific attraction _____ .. 5 (record attraction ie. park, event etc.)
 - see the north6
 - visit friends or relatives 7
 - other _____ . 8 (specify)
 - don't know9

Q13. How important was the Northwest Territories tourism literature you received in **helping** you make a decision to travel to the Northwest Territories? Was it..

Very important	4
Somewhat important	3
Not very important	2
Not important at all	1
 Don't Know/Remember	 8

Q14. How important was this literature in helping you to choose a destination within the Northwest Territories? Was it...

Very important	4
Somewhat important	3
Not very important	2
Not important at all	1
 Don't Know/Remember	 8

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Q15. what did you like best about your experience in the Northwest Territories? (DO NOT READ. RECORD VERBATIM)

-
- Did not like anything/nothing00
 - native culture01
 - nature/scenery02
 - **friendly** people03
 - specific product04 Record specific product_____
 - specific attraction05 Record specific attraction_____
 - seeadifferent part of Canada06
 - **travelling** to Alaska07
 - other08 specify_____
 - **don't** know88

Q16. Whatdid you like least about your experience in the Northwest Territories? (DO NOT READ. FIRST MENTION ONLY)

-
- Did not dislike anything/nothing ,00
 - too expensive01
 - difficult to travel to02
 - poor transportation03
 - poor roads04
 - uninteresting scenery05
 - unfriendly people06
 - weather07
 - accommodations08
 - other09 specify_____
 - don't know88

Q17. OveraH, how satisfied werewyou withyourvisit inthe NorthwestTerritones? Were you (READ):

- Completely satisfied1
- Satisfied2
- Somewhatsatisfied3
- Not very satisfied4
- Notatall satisfied5
- Don't know8

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Q18. How many nights did you spend in the Northwest Territories?

Number of nights _____

Don't Know 888

Q19. What Northwest Territories community or area was your primary destinations? (RECORD NAME OF COMMUNITY OR AREA)

- Baffin 1
- Iqaluit2
- Pangnirtung3
- Rankin Inle4
- Inuvik5
- Yellowknife6
- Cambridge Bay7
- Other 8 specify _____

Q20 What means of transportation did you take to reach the Northwest Territories? (RECORD MULTIPLE RESPONSES)

- commercial airline1
- private plan2
- passenger vehicle3
- motorhome4
- other 5 specify _____

(Proceed to Q17)

Q21 Did you travel as part of a tour or package or did you travel independently?

- Tour or package1
- Independently2
- Both3

Q22 Which of the following best describes your travel party? Did you... (READ LIST)

- travelled alone 1 (GO TO 24)
- as a couple b e2
- as two or more couples3
- as a family4
- astwoor more families.5
- with friends6
- wit. colleagues s..... 7
- other 8 specify _____

Q23 Howmany people wereinyour travel party?

Number of people _____

Q24a. Approximately, how much did you personally spend on travel to get to the Northwest Territories? (IF TRAVEL WAS PART OF A TOUR PACKAGE INCLUDE THE COST HERE. US RESIDENCE ASK: Is that in US dollars?)

_____ Cdn or US

Q24b. Once in the Northwest Territories, approximately how much did you personally spend in total? (DO NOT INCLUDE TRAVEL TO GET TO NWT - US residence ask: Is that in US dollars?)

_____ Cdn or US

Q25 How likely are you to plan a return trip to the Northwest Territories within the next 4 years? (READ LIST)

- Very likely 1
- Somewhat likely2
- Somewhat unlikely3
- Very unlikely4
- Definitely will not5
- Don't know8

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NOW I HAVE A FEW BACKGROUND QUESTIONS. THIS INFORMATION IS USED FOR STATISTICAL PURPOSES ONLY

Q26 Are you...? (READ LIST)

- employ ed1
- self-employ Ed2
- professional3
- retired4
- student5
- other 6 specify _____
- Refusal8 DONOTREAD

Q27. What year were you born? 19_

Q28 Which of the following income categories best describes your total family income? (READ LIST)

- under \$20,0001
- \$20,000 to \$40,0002
- \$41,000 to \$60,0003
- **\$61,000 to \$80,000**4
- more than \$81,0005
- Refusal 9- DO NOT READ

(Proceed to Conclusion)

Conclusion

That completes our interview. Thank you for taking the time to assist us. We appreciate it.

RECORD Sex of Respondent

- Male1
- Female2

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APPENDIX B
Outcome of Contacts

).

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Outcome of Contacts

In total 1,310 individuals made inquiries as a result of paid advertising in 22 magazines.

For purposes of this study, individual for whom no telephone numbers were supplied and those who lived outside Canada and the United States were excluded from the sample (see Table B-1).

TABLE B-1

Composition of Data Base of Inquirers		
Composition	Number	Percentage
Lived Outside Canada/US	166	13%
Lived In Canada/US -No Telephone number	211	16%
Lived in Canada/US - Telephone Number	933	71%
Total	1,310	100%

Of those eligible to be contacted for inclusion in this study, 55% participated. Only 4% refused, in most other cases, potential respondents could not be located or contacted (see Table B-2).

TABLE B-2

Outcome of Contacts with Inquirers		
Outcome	Number	Percentage
Completions (includes pre-test)	516	55.24%
Answering machine (did not return call)	116	12%
Disconnected/Not in service/Business/Fax Line	115	12%
No answer	70	8%
Refused to participate	36	4%
Respondent not at number supplied	31	3%
Respondent not available	15	2%
Did not request tourism information	13	1%
Callback	4	<1%
Other (including language difficulties)	17	2%
TOTAL	933	100%

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