



Arctic Development
Library

***Tourism Strategy, Volume I, Executive
Summary, Western Arctic Visitors
Association, Economic Development &
Tourism
Catalogue Number: 11-25-12***

Western Arctic

Tourism Strategy

Volume 1

Executive Summary

Western Arctic Visitors Association
Economic Development and Tourism

MacLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING
8801 40313

Lavalin

TABLE OF CONTENTS

		<u>Page</u>
1.	<u>INTRODUCTION.</u>	1-1
	1.1 STUDY HIGHLIGHTS AND FACTS.	1-1
	1.2 STUDY METHODOLOGY	1-2
2.	<u>TOURISM RESOURCES</u>	2-1
	2.1 THE WESTERN ARCTIC REGION	2-1
	2.2 COMMUNITY-BASED RESOURCES	2-3
3.	<u>TOURISM MARKETS</u>	3-1
	3.1 EXISTING MARKETS.	3-1
	3.2 OTHER NORTHERN DESTINATIONS	3-2
	3.3 MARKET POTENTIAL.	3-2
	3.4 MARKET PROJECTIONS.	3-3
4.	<u>DEVELOPMENT THEMES AND CONCEPTS</u>	4-1
	4.1 THEMES.	4-1
5.	<u>DEVELOPMENT CONCEPT</u>	5-1
	5.1 COMMUNITY-BASED THEMES AND CONCEPTS	5-2
6.	<u>DEVELOPMENT PRINCIPLES.</u>	6-1
7.	<u>TOURISM DEVELOPMENT PROJECTS.</u>	7-1
	7.1 MACKENZIE AREA.	7-1
	7.2 MACKENZIE DELTA AREA.	7-2
	7.3 ARCTIC OCEAN AREA	7-3
	7.4 DEMPSTER HIGHWAY.	7-4
	7.5 REGIONAL DEVELOPMENT PROJECTS	7-5
8.	<u>MARKETING STRATEGY.</u>	8-1
	8.1 MARKETING OBJECTIVES.	8-1
	8.2 MAJOR MARKETING EFFORTS	8-2
	8.3 MARKETING COSTS	8-2
9.	<u>IMPLEMENTATION.</u>	9-1
	9.1 FUNDING	9-1
	9.2 WESTERN ARCTIC VISITORS ASSOCIATION	9-2
	9.3 TRAINING REQUIREMENTS	9-3
10.	<u>ECONOMIC IMPACT</u>10-1
11.	<u>CONCLUSION.</u>11-1

1. INTRODUCTION

The Western Arctic has possibly the greatest growth potential of any tourism destination region in Northern Canada. Attracted by a mosaic of natural and cultural resources, most of which are relatively accessible by the Dempster Highway, the region has recently experienced the highest visitation increase of any comparable area in this country. The 70% growth rate of 1987 will not remain but it is reasonable to expect that 20% to 30% increases can be anticipated in the next five to seven years.

Should mention why growth has occurred - some clear IT TO GOVT programs.

The Western Arctic Tourism Strategy (WATS Study) has been prepared in response to this remarkable market demand and details the:

- o marketing efforts that are necessary to capitalize on this growth potential; and
- o necessary capital development projects, training and planning that will be required to both meet anticipated visitation as well as establish a permanent tourism industry characterized by quality product, success and repeat visitation.

1.1 STUDY HIGHLIGHTS AND FACTS

The WATS Study has identified a number of key points that are at the heart of this study. They include:

- o tourism is expected to triple in the next seven years;
- o the Dempster Highway, its development and marketing is crucial to maintaining these high growth rates;
- o total projected capital expenditure for the region is approximately \$20 million, which when discounted at say 8% between 1989 and 1998 would be only \$16.6 million;

0 tourist expenditures over this ~~time period~~, (at 8% Net Present Value), is projected to be \$289.6 million showing a 17 times payout over 11 years;

o marketing should be extremely targeted with emphasis on very specific market segments, e.g. magazine advertising should include Birdwatcher, Seasons and Backpacker. Approximately \$400,000 would be spent each year by all participants in the Western Arctic tourism industry; and a ural attractions should focus on Banks Island, Herschel Island, Great Slave Lake, the Mackenzie River and Delta, and native heritage, lifestyle and arts and crafts.

400,000 - vs. 80,000 (expenditure x 5) to triple.

Why?
how do we
relate to product
increase in
X.S.
1.2

STUDY METHODOLOGY

True here were
accomplished in
mandate of study?
(my question)
documented as
projects?

Maximum effort was made to work as closely as possible with existing and Potential operators and suppliers during the planning process. This included a variety of activities including preparation of package tours, business and marketing assistance, and involvement in various aspects of product development.

A four-day community tourism workshop was held in Inuvik for the existing industry, potential operators, government staff and WAVA personnel. Three series of meetings were held in each of the communities.

2. TOURISM RESOURCES

2.1 THE WESTERN ARCTIC REGION

The Western Arctic Region is characterized by internationally known natural and cultural resources. They are appreciated to varying degrees in different market segments and provide an activity base that appeals to the growing adventure travel market.

(a) Natural Resources

Some of the individual natural resources that can be matched to specific market segments and activities include:

- o Banks Island (**birdwatchers**, hikers, naturalists)
 - muskox
 - 45 bird species;
- o Mackenzie Delta (boat cruise)
 - **birdlife**;
- o Arctic Ocean/Coastline (**whalewatchers**, boat cruise)
 - **beluga whales**
 - Arctic char;
- o Herschel Island (**birdwatchers**, naturalists)
 - **birdlife**
 - flora;
- o Mackenzie Mountains (hunters)
 - Dan sheep;
- o Great Slave Lake (trophy **fishermen**)
 - trophy trout
 - **grayling.**

(b) Cultural Resources:

o Inuit Culture

- fish camps, arts and crafts workshops, culture inclusion tours, community tours, etc.;

o Dene Culture

- Locheau history, fish camps, arts and crafts, language, music and dance, etc.;

o Metis Culture

- music, fishing and trapping, etc.;

o Non-Native Culture

- oil and gas industry, exploration, Gold Rush, administration.

(c) Infrastructure/Structured Resources

Despite the relative newness of the travel industry, the Western Arctic is served by:

o Accommodation

- ~~adequate~~ in every community other than Aklavik;

o Food service

- ~~adequate~~ in every community other than Arctic Red River, Fort Norman;

o Airlines

- adequate scheduled air service to each of the communities;

o Roads

- the Dempster Highway is the single most important resource to the development of tourism in the Western Arctic. Approximately 80% of all tourists arrive to the Region by this road. Its quality must be maintained;

more specific
qualifications
specific
id. existing routes
id. req. mts

o Boats

- there is relatively no opportunity to access the major water-based resources of the Region, i.e. Mackenzie River/Delta, Arctic Ocean.

2.2

COMMUNITY-BASED RESOURCES

Every community has its unique attractiveness and particular tourism resource base. Individually they must develop their own identity and the proposed development opportunities are intended to maximize their potential to capitalize on their individual natural/cultural resources base. The communities are divided into three zones including the Mackenzie River Area, the Mackenzie Delta Area, and the Arctic Ocean Area. Their resources are as follows:

(a) Mackenzie River Area

- o Norman Wells
 - Mackenzie River
 - **Canol** Trail
 - Oil and Gas Interpretation Staging Area for activities on Redstone/Mountain Rivers;
- o Fort Norman
 - Bear/Redstone Rivers
 - hunting and fishing;
- o Fort Good Hope
 - Ramparts/Mackenzie Rivers
 - Arctic Circle
 - hunting/fishing
 - **Dene** culture/community;
- o **Coleville** Lake
 - fishing;

o Fort Franklin

- trophy fishing (Great Bear Lake)
- typical Dene community.

(b) Mackenzie Delta Area

o **Inuvik**

- terminus of **Dempster** Highway
- staging area for Delta/Arctic Coast communities, Herschel Island
- Mackenzie Delta
- full service hotels, major campgrounds, retail and food services
- **Chitisi** (Campbell Hills) Territorial Park
- culturally mixed community;

o **Aklavik**

- Delta location
- **Dene/Inuit** culture
- proximity to **Inuvik**
- hunting/hiking in Richardson Mountains
- links to Herschel Island;

o Arctic Red River

- adjacent to **Dempster** Highway
- Arctic Red/Mackenzie Rivers
- fish camps;

o Fort McPherson

- adjacent to **Dempster** Highway
- historic churches
- **Locheau** culture
- proximity of **Peel** River/Midway Lake
- arts and crafts production
- Fort McPherson Canvas Shop.

(c) Arctic Ocean Area

- o Tuktoyaktuk
 - Arctic Ocean/beaches
 - **Inuit** culture
 - **Pingos/Eskimo** Lakes;
- o **Paulatuk**
 - **Hornaday/Brock** Rivers
 - **Inuit** lifestyle
 - Smoking Hills
 - arts and crafts;
- o **Sacks Harbour**
 - Banks Island - Thompson River/Nelson Head
 - muskox
 - **birdlife**
 - **Inuit lifestyle.**

3. TOURISM MARKETS

3.1 EXISTING MARKETS

The existing markets to the Western Arctic are significantly different than the remainder of the NWT, largely because of the Dempster Highway. The markets can be characterized by the following points:

- o there are more than 15 distinct market segments and each must be sold differently. They include
 - recreation vehicles
 - automobile
 - motor coach
 - "7, → - small van
 - hunting
 - polar bear, Dall sheep, muskox/caribou, mixed bag
 - sportfishing
 - trophy, Arctic char
 - adventure
 - birdwatching, hiking, canoeing, ocean cruising, nature interpretation
 - native culture
 - arts and crafts, heritage sites
 - business travelers
 - visiting friends and relatives;
- o rubber tire, essentially recreation vehicles, represent the largest (75%) segment and fastest growing (70% growth in 1987);
- o visitation to Inuvik (Visitor Centre Registration) indicates the origin as Canada (45%), U.S. (34%), and Europe (19%) with the largest single markets being from British Columbia and Alberta;
- o visitors are typically older with 50% having incomes greater than \$40,000;

- 0 they are interested in such activities as **shopping** for crafts, camping, visiting historic/cultural sites, nature interpretation, meeting native people, sportsfishing, etc.;
- 0 sportshunters and anglers have very high level of **expenditures**, spending between \$300 and \$1,500/day;
- 0 adventure travel packages, **while** growing at 15% to 20% in the south, is only marginally available in the Western Arctic.

Kirk's
Comments

3.2

OTHER NORTHERN DESTINATIONS

- 0 Growth has been good in most northern destinations averaging approximately 10% in the Yukon over the past five years, 12% in Alaska last year, **8%** in the NWT and 33% in **Dawson City** in 1987.
- 0 The Yukon, which is the primary entrance to the Western Arctic, has visitor profiles and market segments that are similar to the **Western Arctic**.
- 0 The Yukon will continue to aggressively pursue the **recreational** vehicle market which will assist the Western Arctic.

3.3

MARKET POTENTIAL

There are a number of market segments that have a real potential for growth, including:

- 0 Recreational Vehicles
 - especially for rental vehicles, caravans (potentially **30%** growth/year);
- 0 Adventure Travelers
 - especially for birdwatching, canoeing, nature/culture interpretation and hiking, boat cruise, wildlife tours and photo safaris (potentially 30% to 100% growth/year);

- o Fishing
new lodges would **achieve full** occupancy within three to five years depending on location:
- o Hunting
 - full tag quotas could be met by 1993.

3.4 MARKET PROJECTIONS

The market projections by market segment are outlined in Table 3.1.

4. DEVELOPMENT THEMES AND CONCEPTS

4.1 THEMES

Development themes are a result of marketing the available natural/cultural/heritage resources with the demands of the existing and potential markets. The synthesis of this data results in:

- o a list of development opportunities; and
- o an **overall** image and a development orientation for the Region.

There are a number of world-class features and qualities that shape the themes of this Region including Dempster Highway, Mackenzie River/Delta, Arctic Ocean, Banks Island, Great Bear Lake, and of course **Inuit, Dene** and Metis culture. It is also known that the markets are looking for access to the natural and cultural resources for hiking, nature interpretation, cultural entertainment, and arts and crafts. There is then an opportunity for a variety of themes focusing on any one of these internationally known features.

Arctic Coast
Theme

In the final matching of resources and markets, however, it became quite clear - the majority of visitors are coming to see the **Arctic Ocean**, its natural features and native culture, and they are mostly coming because they have vehicular access **on the Dempster Highway**. This immediately suggests a theme based on

\ THE ACCESSIBLE ARCTIC

or some variation of the image that you can drive to the Arctic, the Arctic Ocean, and experience the natural and cultural resources. Other options may include

"Your Route to the Arctic"

"Arctic and Accessible".

This theme does not, of course, accommodate the resources of the southern part of the Region, i.e. the Bear Area. This area is characterized by Mackenzie - the River and the Mountains. The Mackenzie River is one of Canada's most magnificent rivers and its adjacent mountains have a northern majesty all their own. **While** Great Bear Lake has an influence on the Region it does not provide it with the focus, the backbone so to speak, that the Mackenzie River does.

The second theme is proposed to **be**

THE MIGHTY MAGNIFICENT MACKENZIE.

Most developments, in this area would then focus on the River and the Mountains.

5. 1' DEVELOPMENT CONCEPT

The concept is the foundation of the Master Plan and sets the framework for selecting development opportunities and establishing the strategy.

The proposed concept is community-based with each town or hamlet fitting into the plan in such a way that it builds upon its strengths and protects its unique resources.

The concept is comprised of Service Areas, Activity Areas, Staging Areas, and Access Corridors or Linkages. Each community fits into each of the components in the following way:

(a) Service Areas

- o Primary
 - **Inuvik;**
- o Secondary
 - Norman Wells (primary to Bear Area)
 - Fort McPherson (**Dempster**);
- o Tertiary
 - all other communities.

(b) Activity Areas

- o Primary
 - **Inuvik;**
- o Secondary
 - Norman Wells
 - Tuktoyaktuk
 - Fort McPherson;
- o Tertiary
 - all other communities.

(c) Staging Areas

- o Primary
 - **Inuvik**;
- o Secondary
 - Norman **Wells** (primary to Mackenzie Area);
- o Tertiary
 - all other communities.

(d) Corridors or Linkages

- o Primary
 - Dempster Highway;
- o Secondary
 - Yellowknife-Norman **Wells-Inuvik**;
- o Tertiary
 - **Inuvik** to Tuktoyaktuk, Aklavik, etc.
 - Norman Wells to Fort Good Hope, Fort Norman, etc.
 - Yellowknife to Fort Franklin
 - **Holman** to Sacks **Harbour**.

The following figure outlines the overall development concept.

5.1 COMMUNITY-BASED THEMES AND CONCEPTS

As well as providing overall themes and concepts for the Region it is also necessary to establish a similar structure for each of the communities. The purpose is to comprehensively integrate and balance each community within the overall structure of the strategy. This also promotes inter-community collaboration through the sharing of common resources and the mixing of diverse opportunities with each product offering.

The following themes are proposed for each area:

Mackenzie River Area

Norman Wells

- Theme - **Canoe** Trail
 - Staging Area
 - Mackenzie River Tours

Naturalist

- Subtheme** - Oil and Gas Interpretation
 - Arts and Crafts

Fort Franklin

- Theme - **Sportfishing**

Fish

- Subtheme** - Dene Lifestyle
 - History

Culture

Fort Norman

- Theme - Sport Hunting
 - Wilderness/River Tours

Hunt
 Nat.

- Subtheme** - Dene Lifestyle

Cult.

Fort Good Hope

- Theme - **Dene** Culture
 - River Tours (Birdwatching)

Cult.
 Nat.

- Subtheme** - Sport Hunting

Hunt.

Colville Lake

- Theme - **Sportfishing**
 - Dene Lifestyle

Fish
 Culture

Mackenzie **Delta** Area**Inuvik**

Theme - All **services/Staging** area to the communities
Mackenzie Delta water-based activities

Subtheme - Native Culture
- Information Service
- Special Events

Aklavik

Theme - Wilderness Tours to Richardson Mountains
- Mackenzie Delta Activities
- History

Subtheme - Sport Hunting (Richardson Mountains)
- Arts and Crafts

Fort McPherson

Theme - Visitor Services
- Historical Interpretation, **Locheau** Culture

Subtheme - Sport Hunting
- River Tours
- Campground

Arctic Red River

Theme - Arts and Crafts
- Roadside Services
- Fish Camp

Subtheme - Mackenzie River Tours
- Arctic Red River Tours

Arctic Ocean Area

Paulatuk

Theme - Nature Tours/Wilderness Lodge
- Inuit Lifestyle

Subtheme - **Sportfishing**
- Arts and Crafts
- Coastal Tours
- Sport Hunting

Sachs Harbour

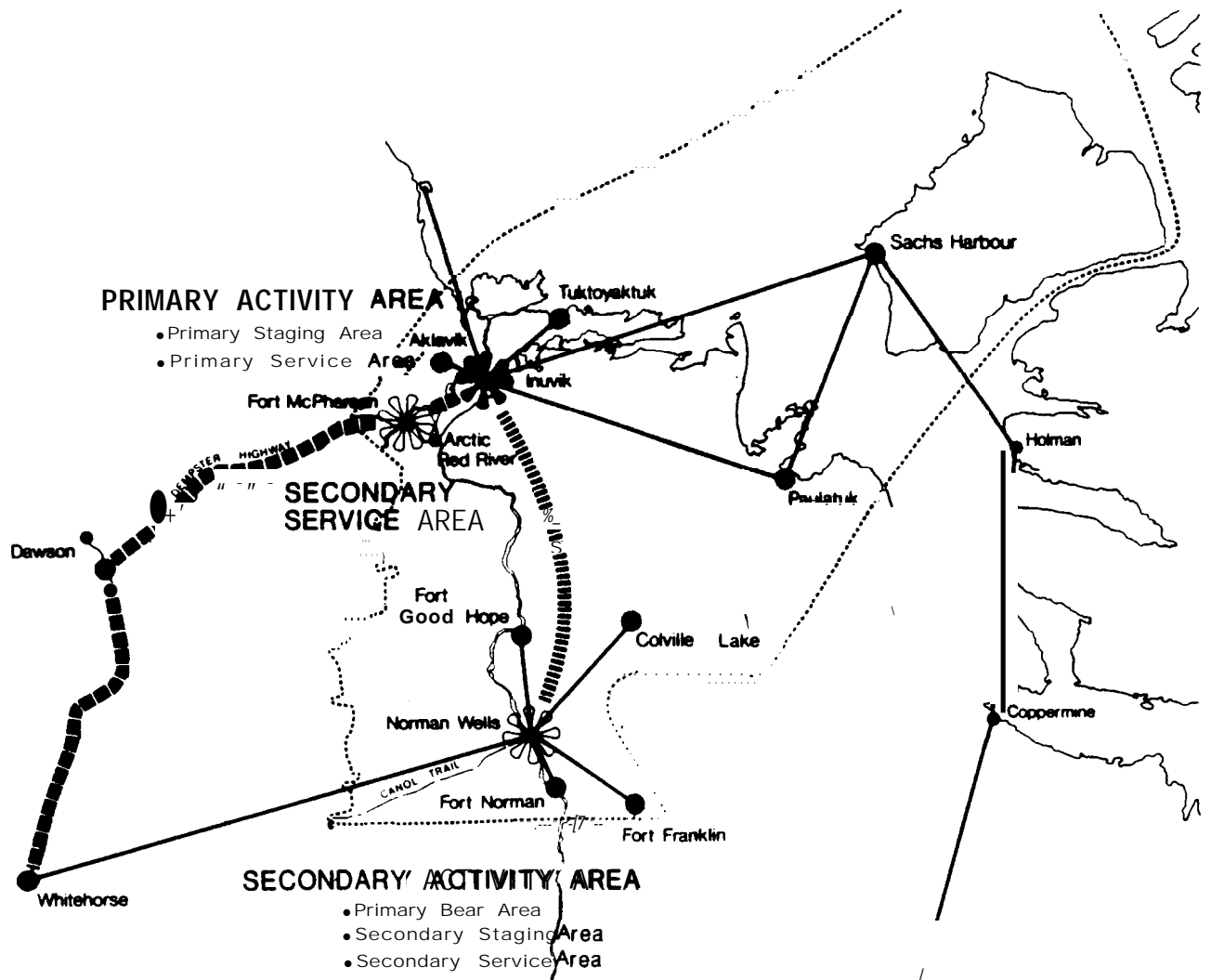
Theme - Sport Hunting
- Banks Island Wilderness Tours (birdwatching, photo safaris)

Subtheme - Staging Area for Future National Park
- Inuit Lifestyle

Tuktoyaktuk

Theme - Arctic Ocean Cruise
- Cultural Inclusion
- **Pingos** Tours

Subtheme - Oil and Gas Interpretation
- Sport Hunting
- **Sportfishing** (Eskimo Lakes)



Development
Concept

LEGEND

- Regional
- Primary Access Route
- Secondary Access Route
- Primary Area *
- Secondary Area *

WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

6. DEVELOPMENT PRINCIPLES

The final selection of development opportunities and the steps toward implementation are based on a number of development principles that could be applied to the Western Arctic. They include:

(a) Minimize Risk

Because of the high capital cost, short season and absolute distance from major markets it is essential to consider all the factors that would minimize risk in the development opportunities. This can be accomplished by:

- ① doing high capital projects in latter years;
- ② emphasizing lower cost expansions, outfitting services, bed and breakfast, tent frames in the initial years;
- ③ spreading development throughout the communities;
- ④ starting small and allowing the business to grow slowly; and
- ⑤ using government support for start-up costs and marketing.

What do you need to develop? Can you leave until you leave?

(b) Using a Community Based Approach to Development

This principle involves :

- o developing the services in the community to serve tourist flow to the surrounding natural resources;
- o emphasizing the creation of local tour operators; and
- o concentrate the economic and social benefits in the community.

(c) **Maintain** an Appropriate Rate of Development, which reflects:

- o community absorption capacity;
- o native lifestyle and time perspective; and
- o a gradual, phased and sequential development.

(d) Emphasize an Action Orientation to the Plan, including:

- o working with local outfitters on package tour development;
- o immediate training program; and
- o initial support for development that require modest funding.

(e) Emphasize and **Establish** Package Tours

What

Create a variety of one to seven day packages for both rubber tire traffic as well as all inclusive air travelers. Initially promote tours that are relatively easy and easily identifiable (e.g. boat tours, overnight hikes, Herschel Island Interpretation, etc.).

(f) Promote Greater Shoulder and Off Season Activities, Especially in the Spring

This will gain additional revenue for operators, disperse tourism over a greater period, and increase overall arrivals.

(g) Encourage **private** sector and native development corporation to become actively involved in tourism investment.

How

(h) **Develop** stronger inter-regional and inter-community linkages for combined product and packaging, co-operative advertising, and joint community training.

- (i) Respect traditional **lifestyle** by enhancing tourist awareness of native customs and protecting native values, heritage and cultural sites.
- (j) Improve market research and establish a more market specific approach to marketing.

7. TOURISM DEVELOPMENT PROJECTS

The master plan proposed 71 different projects ranging from the establishment of tour outfitters to the development of a \$2 million Western Arctic Visitor **Centre**. Overall development will cost approximately \$21 million, over seven years, including planning and start up costs. Approximately \$1.0 to \$1.5 million will be spent in each community. Expenditures vary depending upon:

- o available natural resources;
- o interests of the local community; and
- o presence of existing operation.

Because of the emphasis on package tour development, outfitters have been proposed for most communities. As well, information/reception **centres** are proposed for each staging area and arts and craft production and workshops would exist in most communities. Each project, its development costs and priority are listed on Figures 7.1 to 7.4.

While all projects cannot be discussed in this document it is important to outline the character of most projects in each area.

7.1

MACKENZIE AREA

- o **Norman Wells**
Establish the community as a staging area with the development of the **Canol Trail**, an Interpretation **Centre** and the creation of a River Tour Outfitter.
- o **Fort Franklin**
Capitalize on world class trophy fishing with the development of a major fishing lodge.

How does this relate to Product/Market data

- 0 Fort Norman/Fort Good Hope
Provide opportunity for these communities to take advantage of the excellent sport hunting resources through the acquisition of two local hunting operators.

7.2 MACKENZIE DELTA AREA

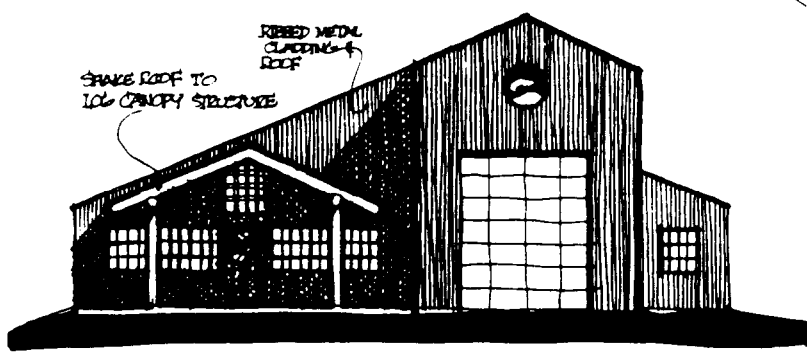
- 0 **Inuvik**
Establish **Inuvik** as a true destination and staging area with a mix of activities and attractions that increase the length of stay, use of existing resources and capitalize on the high projected visitor volumes anticipated by 1995.

Developments would include cruise boat and tour boats, water-front development, a major heritage attraction and a full service resort campground for recreational vehicles. Its staging area function will be strengthened by the creation of an inbound operator.

- 0 Fort McPherson
This community will maximize its location on the **Dempster** Highway with the construction of a:
 - Visitor Service **Centre**; and
 - R.V.** Resort Campground (Midway Lake).

The former facility will also serve to encourage visitors to visit the community, experience **Locheau** culture at the proposed museum, purchase supplies and eat at the restaurant.

- 0 Arctic Red River
Its location on the **Dempster** Highway at the river crossing suggests an opportunity for a roadside stop, including a small retail outlet and eventually a small campground and



Fort McPherson
 Visitor Service Area

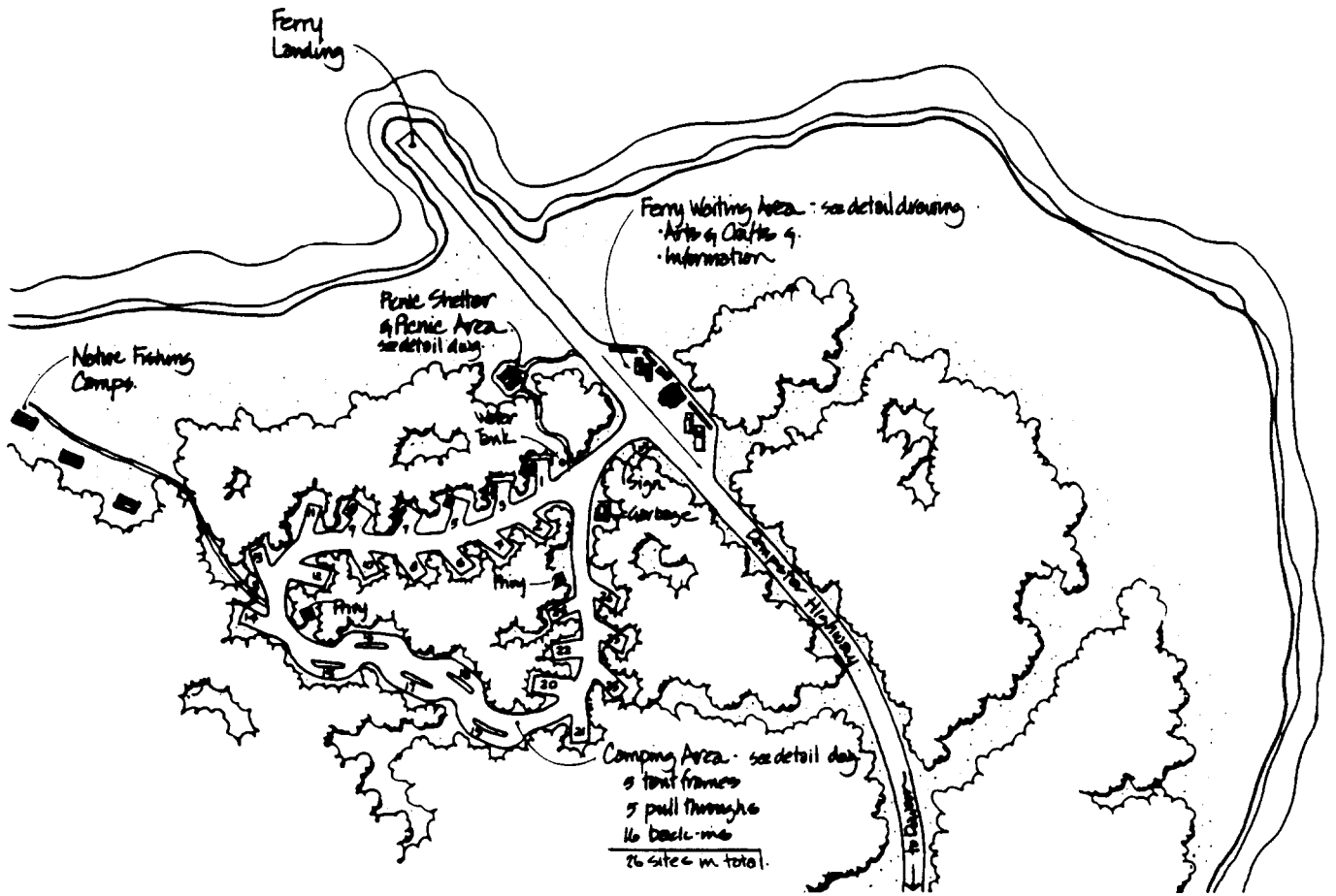
WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
 Economic Development and Tourism
 Government of the Northwest Territories

McCLAREN PLANSEARCH
 PELMAN ASSOCIATES ARCHITECTS
 ADDISON TRAVEL MARKETING





**Arctic Red River
Development**

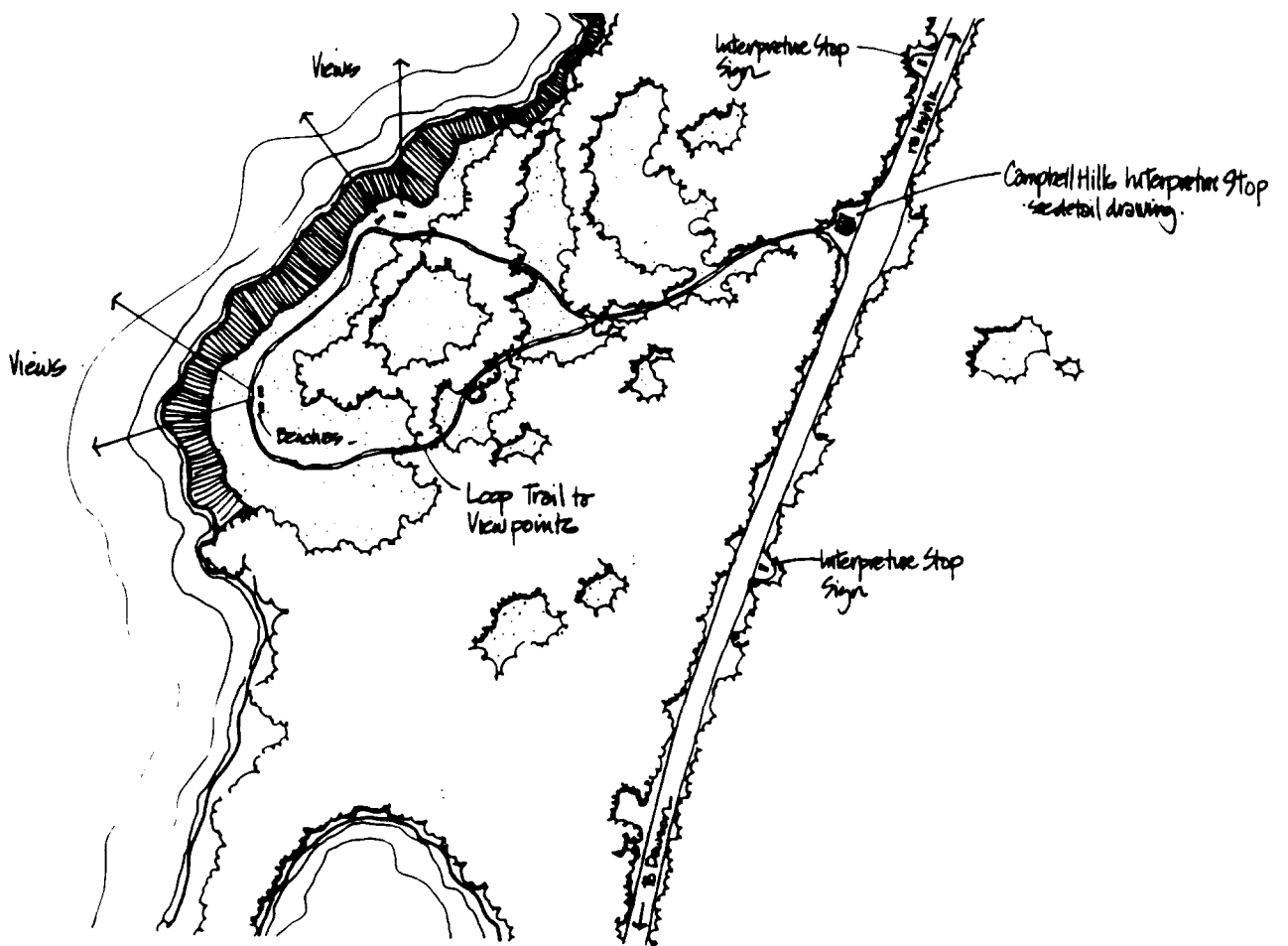
**WESTERN
ARCTIC**

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin



**Campbell Hills
Interpretive Stop**

**WESTERN
ARCTIC**

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin

tent frame rentals. The outlet would also sell local arts and crafts.

o **Aklavik**

This community would take advantage of its proximity to Inuvik (for community tours and a museum), to the Richardson Mountains (for hiking, photo and wildlife safaris and hunting packages) and Herschel Island for overnight accommodation packages. Major projects include the formation of an established outfitter(s) to deliver these packages and a lodge to serve the Richardson Mountains.

What not
identify source for
lodge
is it
viable?

7.3

ARCTIC OCEAN AREA

o **Tuktoyaktuk**

This community is a major destination for one day and packaged trips from Inuvik and requires the necessary facilities and attractions to hold this rapidly growing market (1,600 in 19\$7). An ocean tour boat operation is proposed for coastal trips, tours to Inuvik and Harbour Tours. This will fully develop Tuktoyaktuk as a destination and staging area. It should also include a visitor service centre to be located adjacent to the sod house. Emphasis will also be placed on establishing an adequately equipped tour outfitter.

o **Paulatuk**

Paulatuk will develop its fishing, hiking and photography on the Hornaday and Brock Rivers through the creation of two major camps on each river. The arts and crafts industry will also be revitalized and sport hunts expanded.

o **Sachs Harbour**

Internationally renowned Banks Island will be made available through quality package tours for wildlife and photo safaris, birdwatching, hiking, etc. This will require an established

tour outfitter working in collaboration with the Icicles Inn to develop, market and deliver Banks Island packages.

7.4 DEMPSTER HIGHWAY

The **Dempster** is the main access to the Western Arctic and the key to the region's long term success as a major northern destination. Consequently, a substantial capital investment will be made to upgrade the level of visitor services, road security and attractions along the highway. Development proposals are outlined for both the NWT and Yukon, and discussions with the Yukon Tourism indicate interest in participating in the development. The following projects are essential to establishing the reputation of the **Dempster** as a reputable tourist corridor and primary access route to the Western Arctic.

- o **Klondike Highway Information Centre** (Yukon)

This facility is the most important development along the highway. Its purpose is to promote, direct and inform visitors on the **Klondike** Highway of the features of the Western Arctic and **Dempster** Highway.

Three alternatives have been explored to direct traffic up the Dempster:

- o Locating a Western Arctic Guide in the **Dawson City Information Centre;**

- o Locating a WAVA Information **Centre** in Dawson City; and

- o establishing a Visitor Information **Centre** at the junction of the **Klondike** and **Dempster** Highways.

- o The third option is recommended and it appears that joint funding would be possible with the Yukon Government.

How does this design
address the cultural
component of Inuit
Project? The office
more suited to Dawson City



Dempster Highway
Visitor Centre

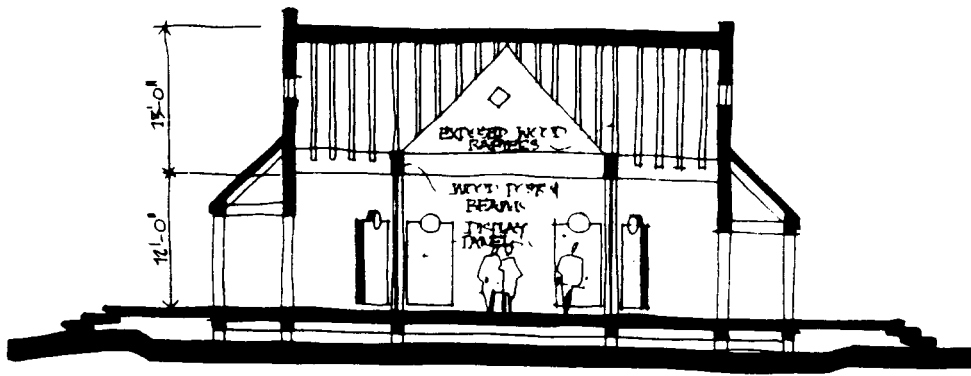
WESTERN
ARCTIC

Tourism Strategy

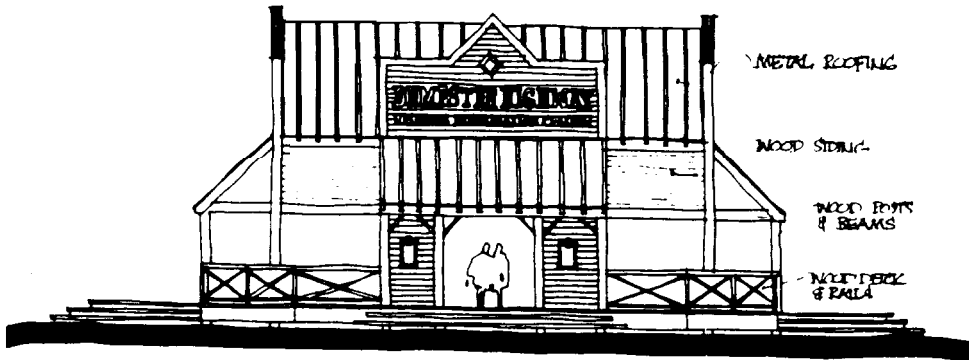
Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin



section



elevation

Dempster Highway Visitor Centre

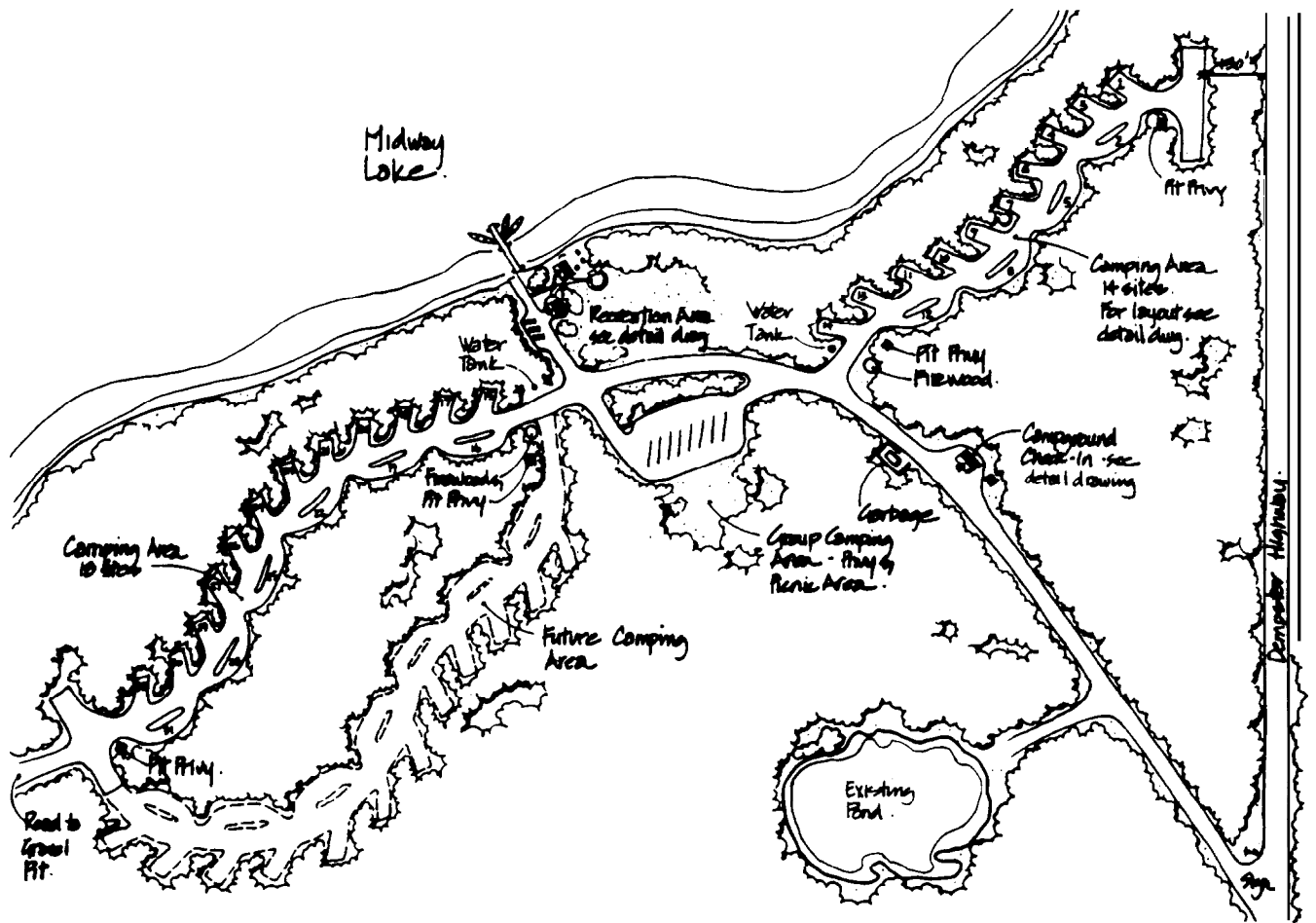
WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin



Midway Lake
Campground

WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MACLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin

Phase 1 of the development would be an open kiosk to be **eventually** followed by closing in the facility and staffing it.

This facility would also be supported in the Yukon by an information kiosk at Km 30 and at the Eagle Plains Lodge and at the Tombstone Lookout.

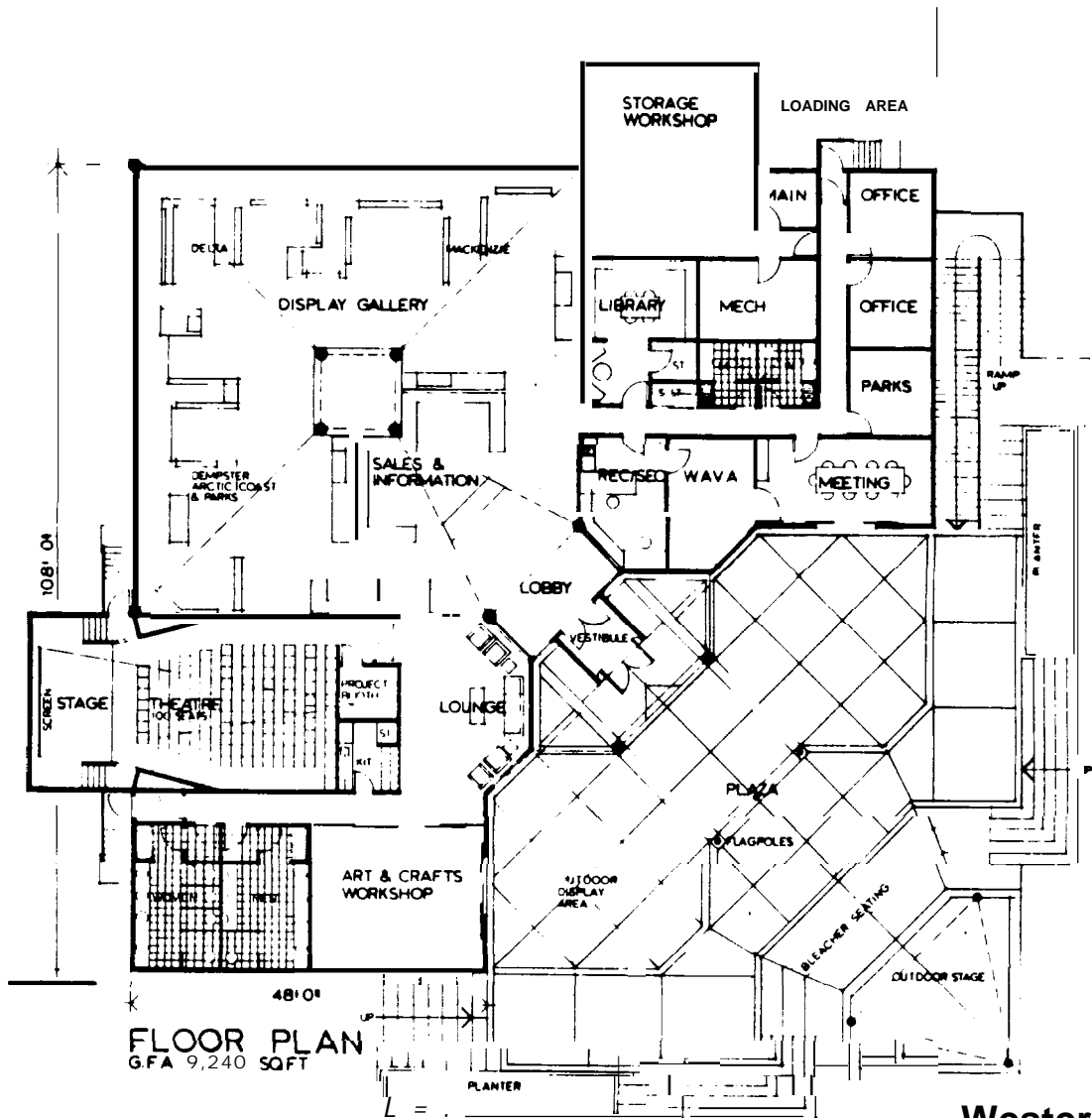
- o Midway Lake Campground
The construction of a significant recreation vehicle oriented campground would provide an essential accommodation service on the NWT portion of the Dempster Highway. The development will also include an amphitheatre to be used by the people of Fort McPherson for their summer festivals.
- o Additional developments to serve the **traveller** would be interpretation signs (e.g. **Blackstone** Village), lookouts at Peel River and Campbell Hills and a boat ramp at Deep Water Lake.

7.5 REGIONAL DEVELOPMENT PROJECTS

- o Western Arctic **Visitor Centre**
The WAVA **Centre** is possibly the most important development to take place in the region. It will be the principal facility to distribute information on the region including:
 - o package tours;
 - o charter flights; and
 - o community activities.

It will also be an attraction within itself and a focal point for visitors to Inuvik and the region.

It is anticipated that it will be built by **both** private and **public sector** funds.



**Western Arctic
Visitor Centre**

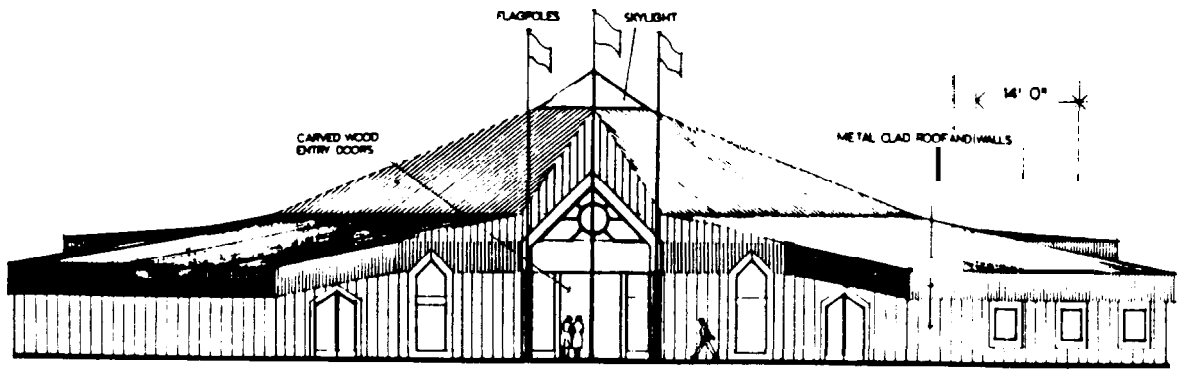
WESTERN ARCTIC

Tourism Strategy

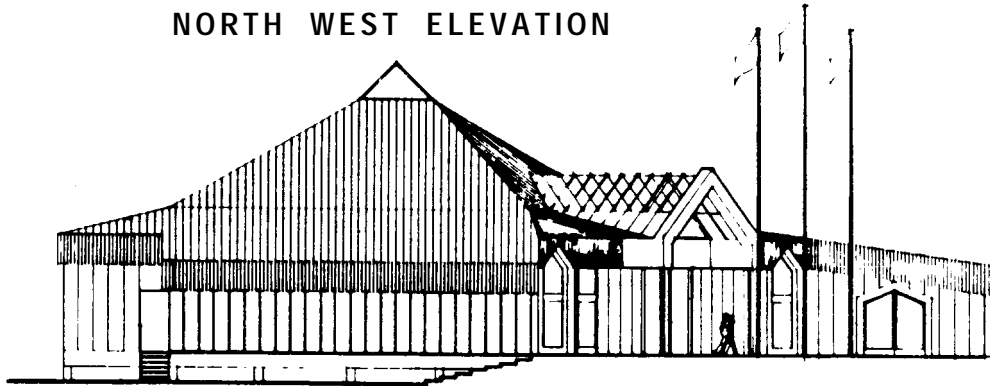
Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

McCLAREN PLANSEARCH
PELMAAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

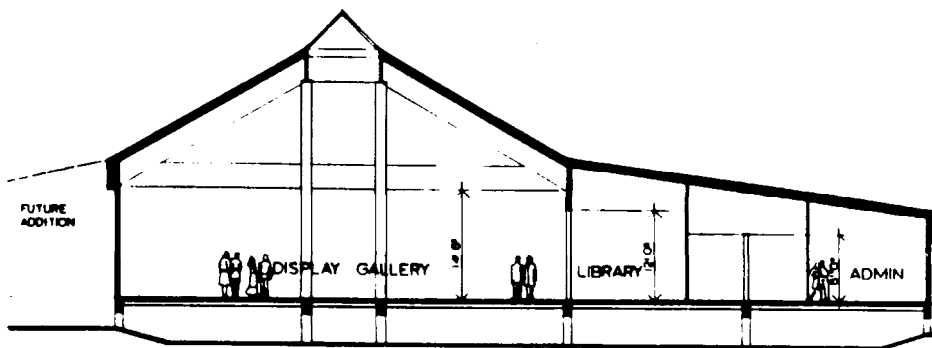
Lavalin



NORTH WEST ELEVATION



SOUTH ELEVATION



SECTION

Western Arctic
Visitor Centre

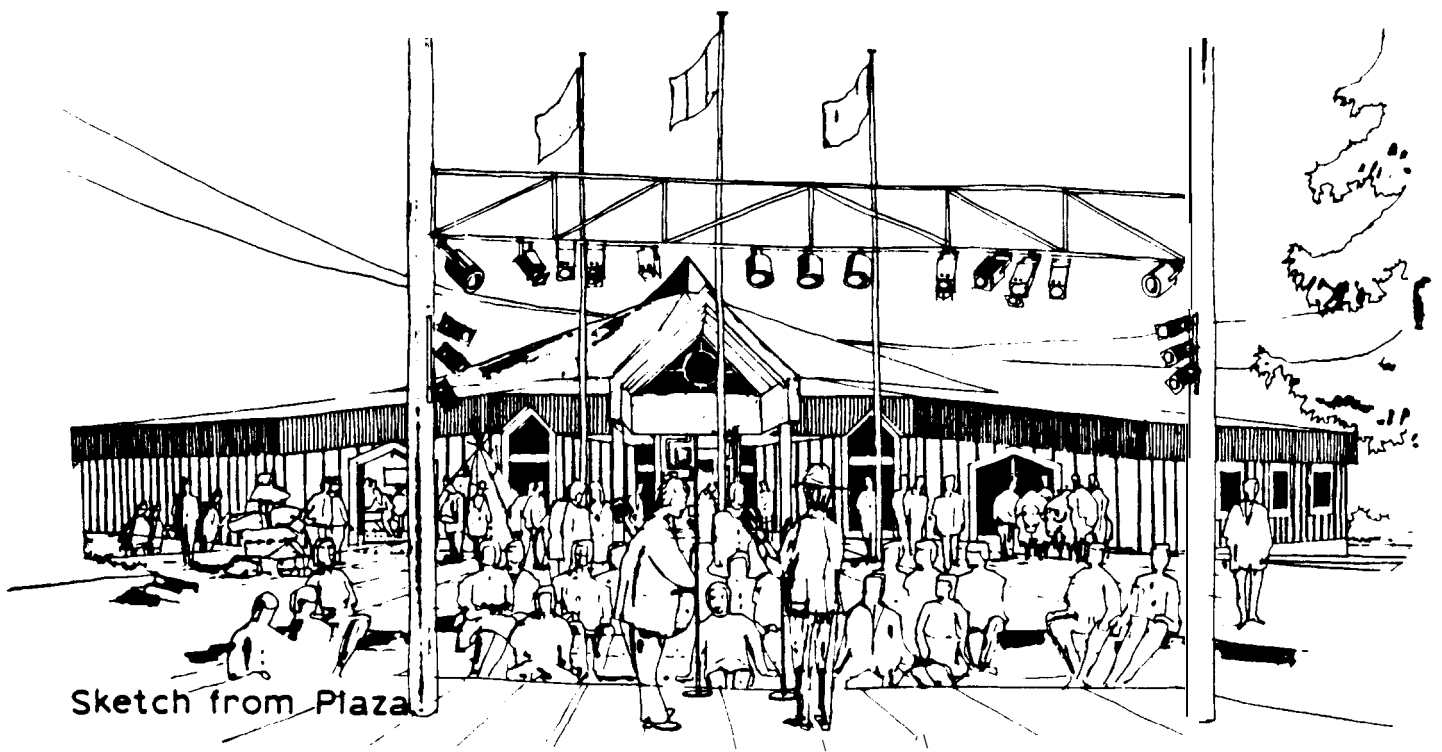
WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MacLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin



Western Arctic Visitor Centre

WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

MacLAREN PLANSEARCH
PELMAN ASSOCIATES ARCHITECTS
ADDISON TRAVEL MARKETING

Lavalin

In the winter it will be used as a four-classroom hospitality
→ training facility of Arctic College.

o Regional Cultural Heritage **Centre**

This very important project would be the prime attraction in the region and strategically located at the end of the **Dempster** Highway. It would act as a magnet to encourage people up the highway to **Inuvik**.

It would focus on presenting native culture in a themed environment and could present native traditional housing, lifestyles, tools and equipment and arts and crafts. There could also be a strong emphasis on native beliefs, customs and values in traditional and contemporary terms.

The attraction would also be supported by a display of local wildlife of the region.

*Please
provide
proof.*

COST ESTIMATES FOR EACH COMMUNITY

Arctic Ocean Area		Priority		
		1	2	3
<u>Tuktoyaktuk</u>				
Ocean Going Tour Boat	\$ 225,000	■		
Community Hosts	90,000	■		
Tourist Visitor Centre	490,000		■	
Arts and Crafts	215,000		■	
Tour Outfitter(s)	135,000	■		
Eskimo/Husky Lakes Fishing Lodges	510,000		■	
	<u>\$1,665,000</u>			
<u>Paulatuk</u>				
Wilderness/Sport Hunts Outfitter	\$ 120,000	■		
Arts and Crafts	90,000			■
Wilderness Camps	775,000		■	
	<u>\$ 985,000</u>			
<u>Sacks Harbour</u>				
Banks Island Outfitters	\$ 485,000	■		
Museum/Attraction	45,000		■	
Community Host	55,000		■	
Community Activities	25,000		■	
	<u>\$ 610,000</u>			
<u>Dempster Corridor</u>		Priority		
		1	2	3
<u>Dempster Highway</u>				
Yukon/NWT Border	\$ 115,000			■
Peel River Lookout (Km 64)	70,000	■		
Deep Water Lake Boat Ramp	75,000		■	
Arctic Red River Lookout	45,000	■		
Campbell Hills Interpretive Stop Planning	80,000		■	
Outdoor Kitchens	150,000		●	
Interpretive Signage	140,000	■		
Klondike Hwy. Information Centre (Yukon)	430,000	■		
Eagle Plains Information Centre	40,000	■		
Km 30 (Yukon) Information Kiosk	70,000	■		
Tombstone Lookout	40,000	■		
	<u>\$1,255,000</u>			

Mackenzie River Area		Priority		
		1	2	3
<u>Norman Wells</u>				
Mackenzie River Tours	\$ 140,000	■		
Canol Trail Development	725,000		■	
Regional /Community Hosts	90,000	■		
Interpretive Exhibit, Visitor Ctr. , Museum	475,000			■
Canoe Trip/Canol Trail Outfitter	125,000		■	
	<u>\$1,555,000</u>			
<u>Fort Franklin</u>				
Fishing Lodge	\$ 810,000	■		
Hotel Expansion	150,000			■
Fort Franklin Restoration	155,000		■	
Arts and Crafts	40,000			■
Wilderness/Hunting Outfitting	130,000			■
	<u>\$1,285,000</u>			
<u>Fort Norman</u>				
Big Game Outfitting	\$ 860,000		■	
Canoe Trip Outfitter	110,000	■		
	<u>\$ 970,000</u>			
<u>Fort Good Hope</u>				
River Tours	\$ 100,000	■		
Community Activities	65,000		■	
Arctic Red Outfitters	590,000		■	
Dene Cultural Centre	535,000			■
	<u>\$1,290,000</u>			
<u>Colville Lake</u>				
Lodge Development	\$ 545,000		■	

Mackenzie Delta Area		Priority		
		1	2	3
<u>Inuvik</u>				
Tour Cruise Boat Acquisition	\$ 20,000	■		
Delta Boat Tours	10,000	■		
R.V. Resort Campground	1,550,000		■	
Seasonal Units (Happy Valley)	110,000		■	
Downtown Revitalization	1,100,000			■
Waterfront Development	300,000		■	
Tourism Activities	75,000	■		
Inbound Tour Operator	130,000	■		
Campbell Hills Park	270,000			■
	<u>\$3,835,000</u>			
<u>Fort McPherson</u>				
Visitor Service Area	\$ 620,000	■		
Museum Attraction	380,000			■
Midway Lake	785,000		■	
Nutuiluie Campground	150,000	■		
River Tours	50,000	■		
Arts and Crafts	50,000		■	
Community Tours/Host	50,000		■	
Sport Hunting Outfitter	90,000		■	
	<u>\$2,175,000</u>			
<u>Arctic Red River</u>				
Roadside Development	\$ 520,000	■		
River Tours	65,000		■	
Community Activities	20,000		■	
Arts and Crafts	58,000	■		
	<u>\$ 663,000</u>			
<u>Aklavik</u>				
Richardson Mountains Naturalist Lodge	\$ 140,000	■		
Wilderness Tour Outfitter	75,000	■		
Herschel Island Accommodation	110,000	■		
Arts and Crafts Production	70,000			■
Museum/Mad Trapper Exhibit	250,000		■	
Sport Hunts	150,000	■		
Dock Area	50,000		■	
	<u>\$ 845,000</u>			
REGIONAL DEVELOPMENT PROJECTS				
Western Arctic Visitor Centre	\$2,075,000	■		
Regional Cultural Heritage Centre Attraction	1,055,000		■	
	<u>\$3,130,000</u>			

8. MARKETING STRATEGY

The marketing strategy outlines the specific, year by year expenditures for WAVA as well as the individual Western Arctic suppliers (existing and potential). All aspects of a marketing strategy have been addressed including:

- o consumer magazine advertising;
- o brochures/flat sheets;
- o familiarization tours/travel shows;
- o inquiry fulfillment ~~and~~ mailing lists;
- o travel writers and videos;
- o WAVA special promotion and media events;
- o in-house promotion/giveaways; and
- o marketing support/research.

The marketing strategy is very target specific and focused on the particular markets to the Western Arctic.

8.1 MARKETING OBJECTIVES

NO 1 alternative in research or provision of info - 7000
By 3-1 camp best market BC & ATIA

- o Focus on the U.S.A. and increase American visitation to 55% of total.
- o Aggressively promote the Dempster Highway and increase visitation by 30% over the next three years.
- o Within Canada to focus on Ontario, especially the high population areas.
- o Increase tourism threefold over the next seven years.
- o Aggressively promote the rapidly expanding adventure travel market.
- o Work closely with TIA-NWT and Travel Arctic.

2 given it consultant of the funding process zone - TIA - NWT.

9.2 MAJOR MARKETING EFFORTS

- o Appeal heavily to Recreation Vehicle Operators.
- o Promote adventure packages to hikers, canoeists, wildlife and native culture enthusiasts, especially through the use of 'southern wholesalers.
- o Heavy emphasis on tourist material including brochures and a **Western Arctic Directory**.
- o Use higher-end target specific magazines such as Birdwatcher, Backpacker, **Ohe-Mun**, etc.

Proposed Markets

A shift is proposed from the present 60% Canadian/40% American to U.S.A. (55%), Canada (35%) and Foreign (10%). The U.S. and Canadian markets will be made of the following markets.

8.3 MARKETING COSTS

It is proposed to spend approximately \$2.33 million on marketing over the next five years (i.e. \$450,000/year). The largest area of expenditure will be for brochures and the WAVA directory, costing 22% of the total. The next highest would be for consumer magazines which at 8% is slightly higher than consumer travel shows at 7%.

Costs are outlined in Figure 8.1.

TABLE 8.1

MARKETING STRATEGY SUMMARY

	1989	1990	1991	1992	1993	1994/95
CONSUMER MAGAZINES	40,670	42,330	41,170	36,220	37,100	66,100
BROCHURES, OPERATOR AND GENERAL WAVA	165,500	30,000	130,500	38,500	143,800	146,000
COMMUNITY FLAT SHEETS	22,000	18,700	23,500	22,400	27,500	58,800
TOUR OPERATOR, FAMILIARIZATION TOURS	12,800	8,150	8,100	2,900	5,050	-
CONSUMER TRAVEL SHOWS	33,900	37,000	40,220	31,950	27,550	40,900
TRAVEL WRITERS	8,500	11,900	10,200	10,400	3,500	8,800
YUKON CO-OP WITH WRITERS	9,000	9,900	0,900	7,100	7,800	18,200
VIDEOS	50,000	77,000	64,000	75,000	77,000	100,000?
INQUIRY FULFILLMENT	12,500	16,000	23,000	30,300	36,300	85,000
MAILING LISTS	35,250	42,500	51,500	62,000	76,000	173,000
WAVA SPECIAL PROMOTIONS (MEDIA) EVENTS	20,000	8,000	8,000	0,000	15,000	30,000
IN-HOUSE PROMO/GIVE AWAYS	9,700	11,200	4,200	8,500	23,000	22,000
MARKETING SUPPORT	17,000	11,500	12,500	12,500	12,000	9,000
MARKETING RESEARCH	91,500	15,000	78,000	58,500	37,000	18,000
GRAND TOTAL:	528,320	339,280	515,890	416,270	528,610	785,840

9. IMPLEMENTATION

9.1 FUNDING

The Western Arctic Visitors Association will be the group directly responsible for implementing the strategy. However from a funding point of view the only monies to this agency will be for marketing and all capital funds must come from other sources, including:

- o Economic Development and Tourism;
- o the Economic Development Agreement;
- o Special ARDA;
- o NEDP;
- o various Native Development Corporations;
- o Eskimo Loan Fund;
- o the individual hamlets or towns; and
- o Regional Development Corporations.

As well the plan provides ample opportunity for private investment including private equity and/or bank, Small Business and FBDB loans.

Generally the responsibility for capital and start up project costs is divided amongst the following groups:

- o 50% - Economic Development and Tourism and EDA;
- o **20%** - Private and Borrowed Capital including Native Development Corporations; and
- o 30% - Others (NEDP, Special ARDA).

In many cases the proposed project will require the participation of several agencies.

The following are the cost breakdowns for each participant:

over @@# period?

Public Funding

0	Economic Development and Tourism	\$ 4,793,000
0	EDA	6,850,000
0	Special ARDA	610,000
0	NEDP (or equivalent)	1,835,000
0	Native Development Corporation	1,790,000
0	Hamlet/Town Council	1,167,000
0	Regional Development Corporation	350,000
0	Northern Heritage Centre	775,000

Private Capital

0	Eskimo Loan Fund	470,000
0	Lending Institutions/Small Business Loan	580,000
0	Private Equity	1,685,000
0	Yukon Government	285,000

\$21,190,000

9.2 WESTERN ARCTIC VISITORS ASSOCIATION

ROLE:

- 0 ensure commitment to objectives and recommendations of the strategy;
- 0 monitor strategy development;
- 0 ensure that funding sources are available; and
- 0 assist in **co-ordinating** all groups, communities and supplies.

STRUCTURE:

- 0 full time Director by 1989; and
- 0 name change to Tourism - Western Arctic ?

9.3 TRAINING REQUIREMENTS

Detailed tourism training requirements have been outlined on a project-by-project basis for the following positions:

- o Management;
- o Maintenance;
- o Guides, Cooks, Maids, Waiters, Waitresses;
- o Marketing;
- o Bookkeeping/Accounting/Computer Skills;
- o Host/Hostess; and
- o Craft Instruction.

The courses will be delivered by Arctic College, Continuing Education and Renewable Resources. Where possible, courses will be delivered **in the** community and the Western Arctic Visitor Centre will serve as a focus for Arctic College.

Training Costs

A total of 840 student weeks of training are required for the next five years. This will require approximately \$250,000 to deliver these courses.



10. ECONOMIC IMPACT

A **detailed** evaluation of the impact of tourism spending and the impact of the proposed \$20 million capital investment was undertaken. Two methods were used:

- o Net Present Value Method; and
- o Incremental **Cashflow** Analysis.

- o Net Present Value (**NPV**) Method

Under this approach, total tourist expenditures, excluding any multipliers or secondary impacts of such expenditures, would equate to the following numbers.

At 10% **NPV**, 1989-1998, consolidated \$258.3 MM. Total proposed capital expenditures, again within the same designated timeframe, will be \$15.7 MM. It is clear under this methodology that the total capital expenditures will be paid off in full 16.5 times by the projected tourist spending. This ratio of 16.5 times is far above the norm, accepted in capital expenditures.

If we enhance this scenario, i. e. consider the multiplier impacts of tourist expenditures, which at 10% **NPV**, from 1989-1998 would equate to approximately \$95.0 MM, that is including direct, indirect and induced impacts, a further 6.1 times payout over and above 16.5 times can be expected. That is, total tourist expenditures and their multiplier impacts, when consolidated from 1989-1998 and **re-expressed** at 10% **NPV**, will equate to \$353.3 MM, which is more than sufficient to justify the proposed projects.

0 Incremental **Cashflow** Analysis

A second methodology is incremental **cashflow** analysis. Under this approach, total tourist expenditures of say 1989 are expected to benefit 1990 as the capital projects will be phased in over a period of time. Year over year incremental **cashflow** differences in tourist expenditures are therefore matched against proposed net present values of capital expenditures.

Total **NPV** at 10% of incremental tourist expenditures from 1989-1998 equate to \$41.7 MM. Within the same timeframe, **NPV** of proposed capital expenditures, at 10% will be \$15.7 MM. Again, strictly on a **cost:benefit** ratio basis, payout ratio will be 2.7 times. That is, incremental tourist expenditure benefits will payout the total value of capital projects 2.7 times. This approach also excludes the total multiplier impacts of tourist expenditures and therefore, in realistic terms, we can expect the 2.7 times ratio to be much higher.

Both approaches clearly indicate the need and the basis of justification of proposed capital expenditures. One important criteria, however, that these methodologies do not recognize is the fact that tourism is and continues to be a strong contributor into the region and any project in support of enhancing tourist facilities, options, etc., can only improve its impact on the region.

11. CONCLUSION

The Western Arctic clearly has valuable and marketable tourism cultural and natural resources. It is also in the enviable position of being connected to the southern markets by one of the last great frontier roads and the only public road above the Arctic Circle. These factors have already accounted for outstanding growth rates.

However, the Western Arctic travel industry is, at best, only in its infancy. There are virtually no organized travel products in the areas of:

- o package tours;
- o destination attractions;
- o quality recreation vehicle accommodation;
- o water-based transportation;
- o information services;
- o native cultural activities;
- o nature interpretation opportunities; and
- o wilderness adventure camps.

As well, very few individuals are familiar with the tourism as a service industry and skill development in all positions from management and marketing to guides and waiter/waitressing are required on a yearly basis.

While WAVA marketing efforts have become increasingly targeted the proposed marketing strategy is very specific and new market segments must be pursued aggressively.

Product development, marketing and hospitality training are all expensive and will cost in excess of \$22 million over the next seven years. The available private capital is extremely limited and consequently significant public sector funding is required.

However from a government perspective the injection of monies will have an extremely positive economic impact. If the cost/benefit is considered over the next 11 years of the plan the payout to the economy will be 2.7 times. This is a major contribution to an economy where there are very few long term and stable economic options. Even with the construction of a pipeline or a highway to Tuktoyaktuk there are virtually no other industries that will have the long term economic impacts of tourism.

Responsible, successful, growth oriented and sensitive development will require the collaboration of many groups, including:

- o Travel Arctic, TIA-NWT and WAVA;
- o Economic Development and Tourism in Yellowknife and Inuvik;
- o the individual communities;
- o WAVA and Tourism Yukon; and
- o participants in the three sub regions (areas) of WAVA.

Tourism development can be a great co-operative venture. This tourism development strategy can only outline the steps and activities for the Western Arctic. The combination of co-operation and concentrated efforts to implement the plan will surely enable this world class destination region to achieve its full tourism development potential.