



Arctic Development
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Western Arctic

Tourism Strategy

Draft Volume 3
Background Report

Western Arctic Visitors Association Economic Development and Tourism

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1. INTRODUCTION

"You mean you can really drive to the Arctic, sounds like a winner whats' there to do when you get there?"¹

Despite his total lack of knowledge of the Western Arctic this gentlemen succinctly summed up the region - its product (the Arctic), its potential (a winner) and yes its problem - (what to do when you get there?).

The Western Arctic has product. And while it too easily conjures up adjectives like "unique", "diverse", "world-class" and "pristine" it does offer:

- o the only public highway to the Arctic - with a short flight to the Arctic Ocean;
- o diversity of cultures, including all 3 native cultures as well;
- o diversity of scenery, including mountains, a major Canadian river and delta, barren lands and ocean coastline;
- o world-class adventure such as wildlife observation on Banks Island, canoeing the Firth River, photography on Herschel Island, contacting native culture in Fort Good Hope and Paulatuk and trophy fishing on Great Bear Lake; and
- o pristine wilderness, Richardson Mountains, Northern Banks Island and Anderson River.

It would also seem to be a winner. In recent years and especially the 1987 season growth rates in most market segments achieved astonishing high levels.

Leading the increase in visitation and in revenues was the stellar performance in the recreational vehicle segment which grew by approximately 60% over 1986. Improved conditions on the Dempster

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Highway, the affects of the N.W.T./Yukon pavilions at Expo '86, improved maps and promotion brought unprecedented numbers of vehicles to Inuvik. This growth also led to phenomenal increases in flightseeing, particularly to Tuktoyaktuk and Aklavik. Although the projected "tourism crisis" did not materialize in 1987, campgrounds were frequently filled to near capacity and retail outlets benefited.

More specifically tourism came into its own as an industry. Tuktoyaktuk was not exposed to the normal 100 tourists but instead 1,500 and Aklavik which knew very little of tourism saw 800 pass through the community. The growth was also part of a new and powerful trend towards adventure travel. While this rapidly emerging tourism segment has been experiencing 20% growth in the south for the past 5 years these markets are only starting to discover the north where similar growth rates are evident in the Yukon, Dawson City and Alaska. The particular element of the adventure traveller that is most appropriate to the Western Arctic is the casual category and particularly those that are recreational vehicle operators. This segment will continue to drive volume growth in the Western Arctic over the next 5 to 7 years.

Finally there is the issue of "what is there to do when you get there?"² At this time there are not enough activities and products to meet the demands of the markets. Consequently one of the objectives of this document is to indicate what can be done to satisfy existing markets as well as continue to attract new customers. The Master Plan has also gone beyond the simple identification of development opportunities, based on perceived market demand, and provided on site, hands-on information on how to develop product.

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The tourists will continue to come in great numbers despite what happens in terms of marketing and product development over the next 5 years. What this study addresses is the long term viability of a healthy tourism industry for the region based on qualified and quality tourism development.

This will require extensive:

- o private/public capital investment;
- o realistic and targeted marketing;
- o extensive hospitality training;
- o ongoing technical assistance in terms of product development and marketing; and
- o commitment by the government, WAVA and the private sector.

These final five points have been described in great detail in virtually every Regional Master Plan to be produced in the Northwest Territories. There is no need to go into further detail other than to underline that where the requirements have been met, such as in the Baffin and the Keewatin regions, real growth has been realized.

If that commitment is shown, the economic impacts will be many times greater than those two regions (Baffin, Keewatin) combined.

The Western Arctic can become the number one tourism region in the Northwest Territories. Overall investment in this area will yield a greater return than in other regions and monies, particular government expenditures to defray construction and start-up costs will be paid back many times as the industry continues to grow.

1.1

METHODOLOGY

The Action Research Approach

The study was characterized by an action research approach that placed emphasis on:

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- o providing ongoing technical assistance to operators throughout the region in terms of:
 - product design
 - product strategy
 - marketing advice
 - pricing;
- o meeting with wholesalers who were interested in selling the Western Arctic; and
- o responding directly to requests by steering committee, Economic Development and Tourism and WAVA members. This has included everything from attending the regional economic conferences to having articles in trade magazines.

The purpose of the approach was to:

- o heighten the level of tourism industry understanding at the operator level where it is most important;
- o assist the operators with their basic concerns about product development and marketing;
- o accelerate the rate of product development in order to respond to the immediate growing demand and interest in the region;
- o create a positive atmosphere for tourism development and elevate the status of the industry in a region that has been dependent on oil and gas for so many years; and
- o establish a base of information at the operator and wholesaler level that will support the industry during the ongoing implementation of the study.

During the process there were substantial changes in the regional tourism industry that are directly and indirectly a result of this action research approach. It resulted in:

- o greater involvement by many operators in WAVA and the regional travel industry;

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- o a basic core of operators that could respond to many of the existing demands of travellers to the Western Arctic;
- o approximately one dozen wholesalers who are preparing to put tourists into the region by 1988; and
- o a confidence in a number of operators that can count on technical assistance to assist them in the growth and promotion of their product.

1.1.1 The Steps

1. Development of Community Awareness

Initial meetings were held in 12 Western Arctic communities in the fall of 1986 to heighten community awareness and to introduce each community to the opportunities offered by tourism development.

2. Inventory and Analysis of Resources

An inventory of all existing and potential resources was completed. The inventory included the natural, cultural, historical, community, and human resources of the overall Western Arctic region and each community. In addition, the interest of each community in tourist development was assessed. At this stage, the study team identified the urgent need for technical assistance with individual operators.

3. Assessment of Markets

Existing and potential target markets were assessed, markets were classified by activity segment. The market analysis was based on a detailed review of the literature, consultations with government officials and in depth interviews with private operators in southern and northern Canada.

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4. Assessment of Community Carrying Capacity and Product/Market Matching

Existing tourism-related resources and the ability of communities to accommodate tourism growth (community carrying capacity) were matched with existing and potential markets. Matching potential products and markets provided a preliminary estimate of tourism visitation as well as potential development opportunities.

5. Selection of Alternative Development Themes/Concepts

Matching resources with existing and potential markets suggested several development images - e.g. MacKenzie, Dempster Highway, Arctic Ocean, Inuit, Dene, etc. These images, in turn, suggested two development themes for the region. Both the 'Accessible Arctic' and 'Mighty Mackenzie' were selected as the preferred themes because the region is already strongly identified with the Mackenzie/Dempster access and they differentiate the region from other N.W.T. tourism zones.

6. Tourism Conference

In the spring of 1987 a Regional Tourism Conference/Workshop was held. It stimulated additional interest in the industry.

7. Formulation of the Development Strategy

The development strategy was formulated, including the development principles to be employed, development opportunities, travel products, and marketing strategies to be pursued, and other requirements for successful implementation. The development strategy identified three broad areas requiring concerted action: community awareness and training, product development and marketing.

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8. Work on Product Development and Marketing

Further work was conducted on the two action areas under the strategy and plan: product development and marketing.

9. Formulation of Implementation Plan

The formulation of the implementation plan involved final ranking of the development opportunities, identification of roles and responsibilities of different actors, the preparation of development projects, assessment of the feasibility and implementation requirements of each product, development of project costs and preparation of the implementation schedule.

10. Evaluation of Economic Impacts

The potential effects of the strategy and plan were evaluated on a range of economic indicators. Indicators included tourism expenditures, employment, personal income, business development and taxation.

1.2 STUDY PRODUCTS

The results of the study are presented in the following six volumes:

- Volume 1: Executive Summary
- Volume 2: Tourism Strategy
- Volume 3: Background Report
- Volume 4: Dempster Highway Development Plan
- Volume 5: Western Arctic Visitors Centre Development Plan
- Volume 6: Prefeasibility Studies

This volume, Background Report presents the detailed results of the study. It includes the inventory of resources and opportunities, market analysis, community response to tourism development and the economic analysis.

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2. TOURISM RESOURCES AND OPPORTUNITIES

THE COMMUNITIES AND CONSULTANTS HAVE IDENTIFIED NUMEROUS TOURISM RESOURCES AND DEVELOPMENT OPPORTUNITIES

2.1 MACKENZIE RIVER AREA

2.1.1 Fort Franklin

o Existing Facilities

See Table 2.1 located at the end of this section.

o Resources

- one of the best (and relatively untouched) sport fishing areas in the world;
- several experienced native guides;
- historic boat, 'Radium Gilbert';
- direct and regular links to Yellowknife and Norman Wells;
- untapped nature interpretation and big game hunting (Barren Ground Grizzly) area; and
- obvious authentic Dene culture.

o Issues and Trends

- Band Council is extremely interested in a sports fishing lodge and could potentially expand the existing hotel which it operates;
- existing high quality lodge/restaurant management;
- special ARDA has provided \$25,000 for the purchase of boats/motors for outfitting; and
- Great Bear Lake Management Committee recommends no new lodges on the lake.

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o Development Opportunities

Short Term

- sport fishing lodge;
- expansion (4 units) of existing hotel;
- 2 outcamps at Jupiter Bay and Deerpass Bay; and
- arts and crafts workshop.

Long Term

- wilderness/adventure packages;
- big game outfitting;
- outpost camp development on Jupiter Bay;
- Great Bear River Canoe Route; and
- restoration of 'Radium Gilbert'.

2.1.2 Norman Wells

o Existing Facilities

See Table 2.1 located at the end of this section.

o Resources

- proximity to beginning of Canol Trail;
- close access to Mackenzie Mountains;
- excellent fishing on Kelly Lakes;
- staging area for naturalist/sport fishing trips to Colville Lake, Drum Lake Lodge, Great Bear Trophy Lodge; and
- access to 5 outfitting areas for big game hunts.

o Issues and Trends

- a development plan has been proposed for the Canol Trail and there is an expressed interest for involvement by the Metis Association and Travel Arctic; and

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- Drum Lake Lodge is expanding and repositioning itself as a naturalist facility.

- o Development Opportunities

- Short Term

- development of the Canol Trail including drop off and pick up area;
 - Canol Trail Packages including hiking, cross country skiing and naturalists activities; and
 - river crossing facility and better access to trail head.

- Long Term

- Sahtu Area Visitor Information Centre including oil and gas interpretive exhibit; and
 - construction of Kelly Lake Sport fishing Lodge.

2.1.3 Fort Norman

- o Existing Facilities

- See Table 2.1 located at the end of this section.

- o Resources

- Mackenzie River/Bear River;
 - close access to 5 outfitting areas for big game hunts;
 - Redstone River canoe route; and
 - several quality sport fishing lakes.

- o Issues and Trends

- potential acquisition of E/1-6 outfitting area by locals.

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o Development Opportunities

Short Term

- boat trips on the Great Bear and Mackenzie Rivers including overnight in outpost camps; and
- package guided canoe trips on the Redstone and Mackenzie Rivers.

Long Term

- Tate Lake Fishing Lodge; and
- acquisition of E/1-6 outfitting area.

2.1.4 Fort Good Hope

o Existing Facilities

See Table 2.1 located at the end of this section.

o Resources

- Mackenzie River and Ramparts;
- proximity to Arctic Circle;
- dynamic and progressive Dene community;
- access to four big game outfitting areas including Area E-1-1 (Arctic Red River Outfitters) and E-1-2 as well as C-1, D-2, D-3;
- historic and culturally interesting church (national historic site); and
- community atmosphere created by extensive use of log construction.

o Issues and Trends

- the band council has expressed interest in acquisition of Arctic Red River Outfitters;

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- the community has prepared a tourism strategy which outlines approximately 15 tourism programs and 6 tourism opportunities;
- traditional involvement with Colville Lake suggests combined package tours; and
- existing outfitter has shown interest in developing boat tours.

o Development Opportunities

Short Term

- acquisition of Arctic Red River Outfitters pending detailed purchase cost evaluation and feasibility analysis;
- institute a guide certification program and training workshops;
- establishment of a variety of river boat packages including trips to Ramparts, Fossil Lake, Arctic Circle, Mountain and Hare Indian Rivers. All trips could include visits to fish camps, nature interpretation hikes, photography stops, tea and bannock stops and sport fishing;
- development of community tour and hiking trails for those arriving by boat or travellers enroute to hunting, fishing camps. Hiking trails would be constructed to Ramparts and Old Baldy; and
- protection of Our Lady of Good Hope Church/Cemetery (National Historic Site) and creation of a community church/museum.

Long Term

- further Locke Lake Sport Fishing Lodge development in collaboration with the community of Colville Lake and their potential outpost camps at Lac des Bois, Lac Belot and Lac Maunoir; and
- Fort Good Hope Cultural Centre including 2 - 4 day workshops on Dene culture, lifestyle and language. Developed in collaboration with the Language Centre.

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2.1.5 Colville Lake

o Existing Facilities

See Table 2.1 located at the end of this section.

o Resources

- Colville Lake and the associated lakes (des Bois, Belot and Maunoir) offer excellent sport fishing opportunities;
- the community is exceptionally traditional compared to other Western Arctic hamlets;
- Bern Brown is a nationally recognized artist; and
- scenic village including traditional native log cabins and contrasting manicured landscaped and polished architecture of lodge, church, museum.

o Issues and Trends

- the community has not progressed as much as others in the region due to its isolation;
- Colville Lake Lodge is only promoted to a very exclusive market which means lower occupancy rates and less opportunity for community involvement;
- Mr. Brown is seemingly less and less interested in promoting the lodge as he increasingly concentrates on his painting; and
- it would be advantageous to the local community if they could have involvement in the lodge in terms of its product development and promotion.

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o Development Opportunities

Short Term

- community based and operated sport fishing lodge with outpost camps including additional cabins and tent frames at outpost camps. Seven day packages could be developed with Great Bear Lodge.

Long Term

- Native Lifestyle Package Tours. Summer and winter programs enabling visitors to take part in traditional activities such as trapping, setting and pulling fish nets, wearing traditional clothes, spring hunting etc.

2.2 MACKENZIE DELTA AREA

2.2.1 Fort McPherson

o Existing Facilities

See Table 2.2 located at the end of this section.

o Resources

- close proximity to outfitting areas in the Richardson Mountains;
- Peel River location for visits to fish camps;
- Piet Van Loon art studio;
- several crafts people;
- growing sense of community and increase in community events;
- Fort McPherson Incorporated Band Ltd. with quality management;
- historic churches, Hudson's Bay Co. post, archaeological sites, and Mad Trapper Cabin at Rat River/Lost Patrol;
- Fort McPherson Canvas Shop; and
- existing outfitter (Dempster Patrol).

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o Issues and Trends

- Special ARDA will fund a feasibility study for the development of a Visitor Service Centre on the highway;
- community is in a state of transition as increased interest in tourism development for travellers on the Dempster Highway is taking place;
- Midway Lake presents one of the best opportunities for a camp ground along the N.W.T. portion of the Dempster;
- this is the first complete native community that motorists encounter on their drive from Whitehorse/Dawson City along the Dempster; and
- several quality outfitting areas exist between the Peel River and Yukon Border.

o Development Opportunities

Short Term

- Dempster Highway Visitors Service Centre including winterized/non-winterized accommodation, restaurant, information desk, craft sales, community tours;
- Big Game Hunting Outpost Camp in the Richardson Mountains with HTA;
- dog team packages to Aklavik (4 days) with Dempster Patrol Outfitters;
- coordinated craft production; and
- naturalist package tours (3 - 4 days) to Rat River and Richardson Mountains, IBP site, etc.

Long Term

- Midway Lake Recreational Vehicle Campground including nature interpretation services, food and camper supply sales, craft outlet, canoe rental, stocking lake;
- package tours to fish camps on Peel River;
- Big Game Lodge; and
- Visitor Service Centre accommodation expansion.

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2.2.2 Arctic Red River

o Existing Facilities

See Table 2.2 located at the end of this section.

o Resources

- historic landmark church;
- unique ferry access only;
- numerous crafts people eager to produce their wares;
- historic sites and Ramparts on Mackenzie and Arctic Red River;
- excellent river fishing; and
- archaeological dig sites.

o Issues and Trends

- although unannounced, the experimental fish camp was extremely popular with tourists this past summer;
- band is interested in expanding the fish camp as well as incorporating a craft/food sales area; and
- band wishes to proceed slowly and realistically with tourism development.

o Development Opportunities

Short Term

- tourist oriented fishing camp (Figure 4.1) operated by two families including sale of dried fish, story telling, interpretation of fishing techniques. Also picnic tables, tent frame rentals (5), toilets and a concession stand including sale of arts and craft, snacks, camper supplies; and
- arts and craft production program including winter storage area of crafts.

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Long Term

- expansion of fish camp and addition of campsite and more tent frames (10) for rent;
- additional fish camp up the Arctic Red River; and
- boat cruises to archaeological digs on Mackenzie and Arctic Red Rivers.

2.2.3 Inuvik

o Existing Facilities

See Table 2.2 located at the end of this section.

o Resources

- known as the community of the Midnight Sun;
- termination and destination of the Dempster Highway;
- natural resources of the Delta include fish, birdlife, proposed Caribou Hills National Park, Reindeer Station;
- proposed Chitisi (Campbell Hills) Territorial Park;
- full tourism services available;
- unique northern administration centre including power generator, expediting services;
- mixture of Inuit, Dene, Metis, Caucasian cultures;
- reputation as the most northerly town in North America accessible by highway;
- staging area for visitation to most communities in the Western Arctic;
- convenient proximity to Herschel Island, Yukon;
- 6 Dall Sheep tags; and
- located on tree line permafrost and Mackenzie Delta.

o Issues and Trends

- the overall experience upon arriving in Inuvik via the Dempster highway does not meet the visitors' expectations;

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- visitors usually leave within 2 days due to the lack of attractions;
- Whitehorse has carried out an effective \$600,000 Downtown Revitalization program under EDA, and similar funding may be available in the N.W.T.;
- the availability of visitor information on the resources of the other Delta, Bear and Beaufort communities is inadequate. The travel councillors in the Visitors Centre are uninformed about other communities;
- the Dempster will have substantial increases in traffic volume over the next 5 years;
- the downtown area is generally unattractive and contrasts sharply with the surrounding pristine wilderness. There is also a lack of a cohesive community image;
- there is an active and progressive Inuvik Visitors Committee;
- the town is an administrative center for tourism development in the Western Arctic (e.g. WAVA, Economic Development and Tourism, Mackenzie Delta Development Corp., IDC, Guided Arctic, Renewable Resources, etc.); and
- the 'Norweta', now in Tuktoyaktuk, is being considered as a river/delta cruise boat.

o Development Opportunities

Short Term

- acquisition of the 'Norweta' or equivalent cruise boat for ½ day, 1 and two day cruises on the Delta - including fish camp visits, overnight in Aklavik, wildlife viewing, trips to Reindeer Station, Tuktoyaktuk, etc.;
- downtown revitalization including streetscape and building facade theming, extensive landscaping, creation of park and activity areas;

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- new Western Arctic Visitors Centre construction including; comprehensive information on Inuvik/Delta and all other communities, sales desk, charter flights, coupon booklets etc. and an attraction and entertainment area;
- packaged trips to Aklavik, Sachs Harbour, Tuktoyaktuk and Paulatuk out of Inuvik;
- expansion and upgrading of Chuk Territorial Park (campsites) and Happy Valley Campground (8 seasonal accommodation units); and
- preparation of Waterfront Study to select opportunities and site location.

Long Term

- Native Cultural or Heritage Centre. Major cultural tourist attraction to present the lifestyles of the three native cultures - possibly using artifacts from the N.W.T. Expo Pavilion. Presentation of shelter, games, foods, customs beliefs, and traditions to encourage visitor participation;
- major R.V. resort campground including full services - possible locations - Cemetery, Microwave Tower;
- Arctic College tourism management program including a variety of hospitality and tourism courses;
- waterfront park and marina. A comprehensive waterfront activity area including working docks, barge activity, restaurant, marina and sightseeing boat departure; and
- fly drive Dempster Packages between Whitehorse and Inuvik (R.V., automobile).

2.2.4 Aklavik

o Existing Facilities

See Table 2.2 located at the end of this section.

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o Resources

- close proximity to Inuvik and Herschel Island;
- tranquil delta location;
- abundant surrounding wildlife in Delta and nearby Richardson Mountains;
- HBC trading post at Old Aklavik;
- archaeological sites and Peel Channel and Willow River;
- several existing fish camps and summer camps;
- exceptional big game resources in Richardson Mountains;
- proposed IBP site around Canoe Lake;
- Dene/Inuit cultural mix;
- several qualified crafts people and a history (fur shop) of production; and
- Mad Trappers Grave.

o Issues and Trends

- proximity to Inuvik makes it a relatively inexpensive destination for flightseeing, day tours and overnight cruise packages;
- provides visitors with a much greater sense of delta and native community than Inuvik;
- existing lodge is usually full all summer;
- proximity to Richardson Mountains and Herschel Island suggest opportunities for outfitters;
- several groups/individuals are attempting to establish big game outfitting into the Richardson Mountains. It seems that the present stalemate will continue for the immediate future; and
- several people would like to see the reconstruction and opening of the fur shop to rejuvenate craft production.

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o Development Opportunities

Short Term

- reconstruction of craft shop for production sales in Aklavik and Inuvik, as an attraction for day packages and 2 - 3 day craft workshops;
- establishment of a big game outfitting operation in the Richardson Mountains under qualified management to include only experienced Dene, Inuit and Metis guides;
- community day tours including country food-style lunch, boat trip and entertainment;
- fly-in 2 - 3 day native fish camp packages at Walking River;
- 3 - 5 day wildlife/cultural packages to Herschel Island; and
- expansion of museum and visitors information centre.

Long Term

- construction of a naturalist lodge on Peel River (MacLeods) with hikes to Richardson Mountains;
- expansion of existing motel (4 - 6 units) to include serviced restaurants;
- reconstruction of HBC trading post at Old Aklavik for trips from Aklavik; and
- Black Mountain Territorial Park Development.

2.3 ARCTIC OCEAN AREA

2.3.1 Tuktoyaktuk

o Existing Facilities

See Table 2.3 located at the end of this section.

o Resources

- Pingos;
- Eskimo Lakes;

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- Arctic Ocean/beaches;
- picturesque/interesting bay;
- Beluga/Bowhead whales;
- archaeological sites along shoreline; and
- Beaufort drilling islands.

o Issues and Trends

- Tuktoyaktuk enjoys an international reputation. When the Intuk highway is constructed it will become a major northern destination to the benefit of Sachs Harbour, Paulatuk and Inuvik;
- its proximity to Inuvik makes it ideal for 1 - 3 day packages;
- there are several individuals interested in operating a passenger tour boat;
- whalewatching has grown at an incredible rate throughout North America;
- Tuktoyaktuk must undergo a major social transformation due to the loss of jobs and income. Tourism training courses will be essential;
- HTA has been unsuccessful in attracting significant numbers of Polar Bear Hunters due to lack of packaged product; and
- its Arctic Ocean location will always make it a major 'hook' for the Western Arctic.

o Development Opportunities

Short Term

- 1 to 3 day packages including charter flight, hotel accommodation, whalewatching, coastal cruise, Whitefish Whaling Station, Pingos Park;
- development of a Tourist Activity Area including existing Sod House, information cultural centre in restored co-op buildings, The Bay, cruise boat wharf;
- provision of quality guide training; and
- offering of polar bear hunts.

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Long Term

- naturalist and fishing resorts at Eskimo Lakes;
- coastal tours with overnights at Fish Camps; and
- overnight accommodation at coastal outpost camps including visits to archaeological site.

2.3.2 Sachs Harbour

o Existing Facilities

See Table 2.3 located at the end of this section.

o Resources

- a unique landscape characterized by rolling hills, meandering rivers, and spectacular sea cliffs;
- the most productive area in the world for muskox and an abundance of polar bear;
- a variety of birdlife including snow geese, gyrfalcon, sand-hill crane and peregrine falcon; and
- Parks Canada proposes a 8,250 km² area at north end of Banks Island and a 100 km² area at the south end as a national park, eventually bringing international recognition to the island and region.

o Issues and Trends

- Banks Island has the potential to become one of the most unique and exclusive areas in the world for naturalist package tours;
- the HTA has a poor record of hunt management and cost control. Sachs Harbour, although relatively popular with hunters has an unacceptable level of complaints caused by inadequately experienced guides. Their long term reputation is in jeopardy;

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- the closed AES station has the potential to become one of the finest resort facilities in the Arctic (presently being auctioned off to highest bidder).

o Development Opportunities

Short Term

- institute immediately a high quality guide certification program enabling only the top 50% to 60% to become accredited. Use this action for a new product promotion with Guided Arctic Expeditions. This will increase the number of hunts per hunter and greatly improve the reputation of Arctic hunts;
- convert the AES station to a first class resort including 13 double suites, seminar and conference facilities, recreation/T.V./video room, interpretation exhibit area;
- develop 2 to 5 day packages out of Inuvik including side charters to the Thompsen River, Masik Pass, Nelson Head, Gyrafalcon Bluff, archaeological sites, etc.; and
- community tours and visits to seal fishing camps.

Long Term

- market Banks Island as an international wildlife and Inuit culture area;
- four day fishing - observation packages including Capron Lake/Masik Pass;
- outpost camp at Big River including lodge and tent frames; and
- tundra excursions on 4 wheelers to visit archaeological site restorations.

2.3.3 Paulatuk

o Existing Facilities

See Table 2.3 located at the end of this section.

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o Resources

- several excellent craftspeople and a history of excellent craft production;
- possibly the most culturally authentic Inuit community in the Western Arctic;
- scenic location on Darnley Bay;
- popular and emerging Arctic Char (Ikalukpik) Jamboree;
- historic resources including HBC sites at Cape Parry, Letty Harbour, Pearce Point and Paulatuk R.C. Mission;
- 17 polar bear, 50 muskox and 75 barren ground cariboo tags, however, animal concentrations are not as good as other communities;
- excellent char fishing on Hornaday and Brock Rivers;
- dramatic local sites including sand dunes of Brock Lagoon, cliffs and caverns of Hornaday River;
- local soapstone deposits for craft production; and
- new 37' Islander boat owned by HTA.

o Issues and Trends

- the recent Paulatuk Economic Plan indicates the community is very interested in developing their tourism resources especially guided hunts and wilderness appreciation tours and the development of a craft centre;
- many of the skill development problems associated with polar bear hunts in Sachs Harbour are also evident in Paulatuk;
- the community once had a dynamic and seemingly profitable craft (sewing) production centre; and
- the addition of a planned hotel will greatly increase potential for package trips from Inuvik.

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o Development Opportunities

Short Term

- institution of a credible certification program for guides as well as comprehensive guide training workshops for those who fail to meet the qualification;
- establishment of hunting outpost camps, possible locations are Delesse Lake, Tom Cod Bay, Tsoko Lake, Ewariege Lake, Pearce Point, Cape Parry and Hornaday River;
- in collaboration with HTA and Guided Arctic Expeditions, the active promotion of hunting for polar bear, muskox, Peary Caribou, barren ground grizzly bear, fishing for arctic char, etc.
- the use of new HTA boat for packaged boat trips to Hornaday River, Paul Steen's Camp, Letty Harbour, Pearce Point or Cape Perry. Two to five day packages will include, shore hikes, wildlife viewing (seals, grizzly bear) char and cod fishing, rockhounding, evening entertainment; and
- the continued development of the Jamboree.

Long Term

- a major craft production/sewing centre for wall hangings, mukluks and mitts as well as more contemporary art works; and
- an international level craft workshop that provides lessons in Inuit craft production to southern artists and interested individuals.

2.4

DEMPSTER HIGHWAY CORRIDOR

o Existing Facilities

- hotels/restaurants at either end (Dawson City and Inuvik) as well as a 20 unit all inclusive motel, R.V. campground at Mile 226 - Eagle Plains;
- gas only at Fort MacPherson (Mile 345) and minor repairs at Government Maintenance Garages; and
- 6 campgrounds along the route.

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o Resources

- one of the most scenic and spectacular highway in North America;
- the only highway north of the Arctic Circle and, with the proposed construction of the Intuk Highway, the only vehicular access to the Arctic Ocean; and
- extraordinary diversity in views, landscape types, wild-life and wildflowers.

o Issues and Trends

- the Dempster Highway is associated with what will eventually become one of the major tourist attractions in Western Canada - Dawson City;
- the highway is the last truly frontier route in North America but is generally considered unsafe and too great a challenge for most motorists and R.V. operators. Since this is not, the case, a major promotional campaign will be necessary (once more attractions and services are in place in Inuvik and Fort MacPherson);
- the Yukon is eager to participate with any development on the Dempster and will consider cooperative construction and marketing ventures; and
- the R.V. market is growing at approximately 10% per year (R.V. rentals at 25%) and represents a major growth segment for proposed facilities along the highway including new visitor service centres, R.V. campgrounds, etc.

o Development Opportunities

Short Term

- tourist information centre at junction of Klondike and Dempster Highways. This facility will be staffed by Yukon and WAVA councillors and will include the necessary static and audio visual information to lure the traveller onto the Dempster - if only for an initial introduction to km 31;

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- observation point and visitor information kiosk at km 31, which is meant to expose travellers to the beauty of the Dempster;
- visitor service centre - Fort McPherson including restaurant, service station, supply and craft sales, campground, and motel;
- pull off at km 61 with trails to Klondike River;
- pull off at km 73.5;
- pull off at km 758;
- Arctic Red River fish camp including native fish camp, craft and food concession, overnight accommodation in 10 tent frames, picnic area;
- pull off - observation tower and interpretation kiosk with views on to Fort McPherson and Peel River at km 538.
- picnic area at Pengling River; and
- the improvement to the fish stock in Midway Lake for sportfishing.

Long Term

- Midway Lake R.V. Resort Campground including 30 - 40 sites, country food outlet, craft sales, amphitheatre for entertainment, canoe rental, interpretation trails, barbeque area;
- Tombstone Mountain Visitor Service (Secondary) Centre (Yukon side). Up the hill from the campground, a facility including motel, restaurant, service station. An alternative site would be Engineer Creek also combining visitor services with an existing campground; and
- Development of fly/drive packages for R.V.'s and car rentals between Whitehorse and Inuvik.

2.5 INVENTORY/ANALYSIS OF FACILITIES

The following tables outline all the various tourism related facilities and resources in the Western Arctic.

While most components of the tourism plant are listed (hotels, outfitters, etc.), major tourism resources (natural, cultural) are also mentioned that could potentially draw people to the community.

TABLE 2.1: EXISTING TOURISM RESOURCES IN THE MACKENZIE RIVER AREA

Component	Name	Facilities
<u>FORT FRANKLIN</u>		
Accommodation	Great Bear Lake Motel	4 rooms, 12 guests, dining area
	Great Bear Trophy Lodge	22 rooms, 44 guests, airstrip dining area
Attractions	Great Bear Lake Roman Catholic Mission	
Activities	2 dog teams HTA Outfitters - Several powerboats	35' steel hull boat
Services	Great Bear Co-op The Bay	craft sales
Transportation	Sahtu Air Ltd.	Fort Franklin based charters (floatplane, 3 aircraft)
	Nahanni Air	scheduled flights
	Winter road access	
<u>NORMAN WELLS</u>		
Accommodation	Mackenzie Valley Hotel	22 rooms, 33 guests, dining area
	Rayuka Inn	10 rooms, 20 guests, dining area
	Norman Wells Inn	8 rooms, 16 guests, dining area
Restaurants	Dennie's Fast Foods Mike Mark's Chinese Food	
Campgrounds	Campground for canoeists	
Attractions	Canol Trail Oil and gas refinery/islands Mackenzie River	
Activities	Mackenzie Mountain Outfitters Bear Island Outfitters Several powerboats MW Suvukti	hiking tours fishing, hiking, 10 passengers (40')

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Component	Name	Facilities
<u>NORMAN WELLS (Cont'd)</u>		
Services	Tee Pee Craft Shop Norwell General Store Roman Catholic Mission Anglican Church	
Transportation	Bow and Arrow Taxi Spruce Valley Taxi Nahanni Air Services Ltd. Pacific Western Airlines Page Flight Services Ltd. Can-Arc Helicopters Ltd. Okanagan Helicopters Winter Access Road	Norman Wells based, scheduled and charter flights scheduled flights Norman Wells based, charters charters
<u>FORT NORMAN</u>		
Accommodation	Bear Lodge Drum Lake Lodge (Wrigley Lake)	8 rooms, 15 guests, dining area 35 guests, lodge, tents, airstrips
Restaurant	Metis Coffee Shop	
Attractions	Anglican Church Archaeological Artifacts Mackenzie River	
Activities	Several powerboats Arctic Red River Outfitters	hunting, hiking
Services	The Bay Sarah's Arts and Crafts	
Transportation	Ursus Aviation Nahanni Air Winter Road Access	Fort Norman based charters scheduled flights

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Component	Name	Facilities
<u>FORT GOOD HOPE</u>		
Accommodation	Rampart's Hotel	4 rooms, 12 guests, dining area
Attractions	Our Lady of Good Hope Church Mackenzie River	Father Emile Petitot murals
Activities	Several powerboats HTA Outfitters Tony Grandejambe Contemporary Hamlet Office	fishing, hunting outfitter large public space
Services	The Bay Co-op	
Transportation	Taxi Nahanni Air Services Ltd.	scheduled flights
<u>COLVILLE LAKE</u>		
Accommodation	Colville Lake Lodge	cabins, 12 guests outpost, 10 guests
Attractions/	Roman Catholic Church Museum Log Cabins Art Gallery Colville Lake	Bern Brown paintings
Activities	Several powerboats	
Transportation	Nahanni Air Services	scheduled flights

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TABLE 2.2: EXISTING TOURISM RESOURCES FOR THE MACKENZIE DELTA AREA

Component	Name	Facilities
<u>FORT MCPHERSON</u>		
Accommodation	Cariboo Motel (closed) and restaurant	6 units dining area
Campground	Nutuiliue Campground	20 sites
Attractions	Peel River Dempster Highway Fort McPherson Canvas Shop Piet Van Loon Peel River Information Centre	crafts, tent making artist studio
Activities	7 dog teams several powerboats Dempster Partol Outfitters	14' - 18' in length fishing, wildlife
Services	The Bay Tetlit Co-op Krutko's General Store Wheton Gas Bar (under construction)	
Transportation	PMB Taxi Kenn Borek Air	scheduled flights
<u>ARCTIC RED RIVER</u>		
Accommodation	Mackenzie River Fish Camp Transient Centre	not available for tourists
Attractions	Fish Camps craft shop	open part time
Activities	Several powerboats	
Transportation	Ferry service connects to Dempster Highways	

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Component	Name	Facilities
<u>INUVIK</u>		
Accommodation	Eskimo Inn	78 rooms, 156 guests, dining area
	Finto Motor Inn	31 rooms, 47 guests, dining area
	Inuvik Inn	5 rooms, 10 guests
	Mackenzie Hotel	38 rooms, 74 guests, dining area
	Sitidgi Lake Fishing Lodge	2 cabins, 6 guests, 2 tents
Campgrounds	Chuk Territorial Park	campground, 20 units
	Happy Valley Campground	campground, 17 units
Restaurant	Anton's Dinning Lounge	restaurant
	The Back Room	restaurant
	Inuvik Deli and Bakery	restaurant
	Raven's Nest	restaurant
	The Roost	restaurant
	Mad Trapper	lounge
	The Wolf's Den	lounge & cabaret
Attractions	Mackenzie Delta	
	Igloo Church	
Activities	Mackenzie River Cruises	Fort Simpson to Inuvik
	Several power boats	
	Visitors Information Centre	
	Guided Arctic Expeditions	wholesaler and outfitter
	Beluga Tours	outfitters
	Inuvik Marina Outfitting	freighter canoes
Inuvik Charter Bus Service	city tours	
Services	The Bay	
	Several retail stores	full range of services
	Marine Service	marine supplies
	Ulu Foods	game meats/country foods
	Northern Images	crafts
Inuvik Parka Enterprises	hand crafted clothing	
Transportation	Delta Cabs	taxi
	Inuvik Taxi	taxi
	Airport Bus Service	
	Avis Rent a Car	
	Aklavik Flying Services Ltd.	Inuvik based, charters
	Aklak Air Ltd.	Inuvik based, schedule flights
	Antler Aviation Ltd.	Inuvik based, charters
	Inuvik Coastal Airways Ltd.	Inuvik based, charters
	Kenn Borek Air Ltd.	Inuvik based, schedule flights
	Pacific Western Airlines	schedule flights
	Ram Air Charter Ltd.	Inuvik based, scheduled flights
	Trans North Air	scheduled flights
	Nahanni Air Services	scheduled flights
Sunrise Helicopters	Inuvik based, charters	

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Component	Name	Facilities
<u>AKLAVIK</u>		
Accommodation	McLeod's Motel Arey's Cafe Bed and Breakfast	lodge, 6 guests restaurant 3 rooms
Attractions	Historic Church Museum proximity to Richardson Mountains Herschel Island	
Activities	HTA several power boats	
Services	The Bay	
Transportation	Aklavik Taxi Arey's Taxi 12 passenger van 6 passenger ATV Kenn Borek Air Ram Air	scheduled flights scheduled flights

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TABLE 2.3: EXISTING TOURISM FACILITIES FOR THE ARCTIC OCEAN AREA

Component	Name	Facilities
<u>TUKTOYAKTUK</u>		
Accommodation	Nunuksivik Lodge	7 rooms, 14 guests, dining area
	Pingo Park Lodge Ltd.	24 rooms, dining area
	Eskimo Lake Fishing Lodge	8 rooms, 16 guests, dining area
	Hotel Tuk Inn	14 rooms, 31 guests, dining area
Restaurant	Igloo Café	restaurant
Attractions	Our Lady of Lourdes	
	Mission Boat	historic boat
	Sod House	under construction
	Cemetery	
	Dew Line Site	
	Oil industry/gas camps	
	Beluga/Bowhead Whales	
	Tuk Bay	
	Beaches	
	Whitefish Whaling Camp	
Pingo National Landmark		
Activities	3 dog teams	
	several power boats	3 passenger boats (20 max.)
	Tuk Tuk Tours	
	Tuk Enterprises Ltd. HTA Outfitters	tours big game hunts
Services	The Bay	
	Christina Felix Parkas	handcrafted clothing
Transportation	Polar Cabs	
	Tuk Taxi	
	Kenn Borek Air	scheduled flights
	Aklak Air	scheduled flights
	Ram Air	scheduled flights
	Ice road to Inuvik	
<u>SACHS HARBOUR</u>		
Accommodations	Banks Island Lodge	lodge, 5 units, dining area
	Potential accommodation at Atmospheric Environment Services	13 double units meeting rooms observation dome

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Component	Name	Facilities
<u>SACHS HARBOUR (Cont'd)</u>		
Attractions	Banks Island wildlife resources proposed Banks Island National Park	
Activities	4 dog teams HTA Outfitters several power boats	big game hunts
Services	Ikahut Co-op	retail
Transportation	Aklak Air Kenn Borek Air	scheduled flights scheduled flights
<hr/>		
<u>PAULATUK</u>		
Accommodation	Thrasher Hotel (new) Transient Centre	6 rooms, 12 guests, dining area
Attractions	Catholic Mission Historic House Hornaday River	
Activities	several power boats HTA Outfitters 3 dog teams	18' Lunds big game hunts, 37' islander
Services	Inupiam Store (Co-op)	retail
Transportation	Kenn Borek Air Aklak Air	schedule flights scheduled flights

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3. MARKET ANALYSIS

3.1 INTRODUCTION

The market analysis represents Phase 2 of the Western Arctic Tourism Strategy and identifies existing tourism markets and their potential for growth in the region. One of the requirements of the study is to divide the tourism market into separate segments based on trip purpose. Market segmentation will thus enable the consultants to develop a marketing plan which targets each market segment.

The objectives of the market analysis are to:

- o identify the volume of tourists to the Western Arctic;
- o identify the various market segments and provide information on the market size, profile and expenditure of each;
- o analyze the impact and marketing efforts of the tourism regions that compete directly with the Western Arctic;
- o identify tourism development and marketing trends and their implications; and
- o identify by market segment the potential for short or long term growth.

In order to complete the market analysis the consultants relied largely on qualitative data. At the present time accurate quantitative visitor data are not available for the Western Arctic. The only survey conducted in the region is the 1985 Dempster Highway Exit Survey which represents only one mode of access to the region.

The primary source of information was obtained through personal interviews and follow up phone interviews with local tourism operators. Very few of the accommodation facilities maintain historical records on their guests and the information obtained from the operators is based on their knowledge of the industry. Additional sources of information included the review of N.W.T.

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market studies, Yukon market surveys and phone interviews with government officials and various travel intermediaries.

3.2 EXISTING MARKETS

3.2.1 Tourism Markets to the Northwest Territories

The last 5 years have seen a definite recognition and acceptance of tourism as a major economic force in the N.W.T. economy. This has been clearly demonstrated at both the government and individual operator and community level. While the GNWT has provided funding and expertise for planning, data collection and marketing, specific communities and several operators have shown real initiatives in providing tourism services.

In 1984, 41,800 visitors travelled to the N.W.T., 71% by air and 29% by road.¹ The average expenditure per party was \$600.00/trip with an average of 1.76 people per party.² A recent report by the Department of Economic Development and Tourism compiles all the survey data from 1982 through to 1987 and estimates the volume of visitors to the N.W.T. of 58,000.³ This represents an 11% increase in visitor volume over 1986.

The value of non-resident expenditure is estimated to be approximately \$51 million.⁴ This is very impressive when compared against the Yukon for instance, where the volume of non-resident travel is 10 times greater yet the revenue generated is only \$90 million.

Most visitors are Canadian (88%) with:

- 41% from Alberta
- 10% from Ontario
- 12% from British Columbia

Unlike the Yukon which has a high American (65%) visitation only 9% of visitors to the N.W.T. are from the U.S. Foreign visits account for a mere 2%, or a quarter of that in most provinces.

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Most people arrive by air (71%) while the remaining 29% come by some form of vehicle including:

automobile	- 10%
camper	- 6%
motorhome	- 4%
truck	- 6%
van	- 3%

Again this is different from the high (87%) rubber tire traffic to the Yukon and the relatively high vehicle volume to the Western Arctic (75%).

Tourism will unquestionably continue to grow in the N.W.T. It has grown at approximately 4% to 6% in the past few years and is expected to become a \$90 million industry by 1992 an increase of 33%.

Although 60% of the traffic actually comes to the N.W.T. by the Big River and Northern Frontier Zones, continued growth is expected to be experienced in the Western Arctic which is also accessible by road.

Tourism growth in the Western Arctic is also closely tied to that of the Yukon. In fact, changes in market segments, volume, and expenditures in the Yukon would have a greater impact on the Western Arctic than overall shifts affecting the N.W.T.

3.2.2 Tourism Markets to the Western Arctic

The Western Arctic's travel market can be divided into several segments. By identifying the traveller by market segment the region will be able to develop a marketing plan which target the individual segments. The market segments identified for the Western Arctic are:

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- o rubber tire/(recreation vehicle, automobile, motorcoach);
- o air pleasure travel;
- o hunting;
- o sportfishing;
- o adventure travel;
- o business; and
- o visiting friends and relatives.

3.2.2.1 Rubber Tire

In 1987, approximately 6,300 "rubber tire" travellers entered the Western Arctic along the Dempster Highway via the Yukon by either their personal or rented automobile R.V. or by motorcoach. These visitors primarily travelled to the region to sightsee.

Volume

In 1987 the Dempster Highway volume increased significantly by 70%. Prior to 1987 the highway volume had remained somewhat static over the previous 5 years. It is felt that the reasons for this dramatic increase are:

- road improvements;
- increased tourism to Yukon as a result of their increase marketing efforts;
- 33% growth in visitation to Dawson City;
- production and distribution of the Dempster Highway Brochure;
- popularity of the N.W.T. and Yukon pavilions at Expo '86; and
- product development and marketing support provided by the study team.

Table 3.1 illustrates the vehicle and passenger volume counts for the years 1985 through to 1987. These counts are derived from licence plate counts on the Peel River Ferry, and an estimated party size of 2.8 (1985 Dempster Highway Exit Survey). The rubber

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TABLE 3.1 ESTIMATED DEMPSTER HIGHWAY PASSENGER AND VEHICLE VOLUME

	1985		1986		1987	
	Passengers	Vehicles	Passengers	Vehicles	Passengers	Vehicles
Recreational Vehicles	2,324	830	2,625	940	4,815	1,720
Automobiles	412	147	515	184	850	304
Bus/Coach Tours	600	19	580	18	649	20
Small Vans	-	-	-	-	47	6
Total	3,336	996	3,720	1,142	6,361	2,050

Source: Dempster Highway Exist Survey. 1985. Acres International Limited.

The Market for Motoring Visitors to the N.W.T. 1986. Dept. Economic Development and Tourism, G.N.W.T.

Preliminary 1987 Dempster Ferry Counts. Keith Thompson, Dept. Economic Development and Tourism, G.N.W.T.

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tire traffic has been identified by R.V., automobile, bus/coach and small vans. Small van traffic represents a new component to the Dempster Highway and consists of two operators, Rainbow Adventure Tours (Whitehorse) and Swiftsure Tours (Victoria) running 6 trips a season. The motorcoach passenger volume only increased by 12%. Pathways Tour Company Ltd. based in Vancouver is offering mountain bike tours from Whitehorse to Inuvik for the 1988 season.

Expenditures

The 1985 Dempster Highway Exit Survey showed that 78.5% of the travellers were primarily pleasure travellers with an average trip expenditure of \$150.36 per person while in the N.W.T. As well, 11.2% of the travellers were combining their Dempster Highway trip with "other" reasons and claimed an average trip expenditure of \$356.71 per person.

Visitor Profile

For the past three years the non-resident license plates have been recorded on the Peel River Ferry (Table 3.2), however, these data do not account for rental vehicles and consequently do not reflect the true visitor origin. An analysis of the results on Table 3.2, the 1985 Dempster Highway Exist Survey plus an analysis of the Inuvik Visitor Centre's 1986 and 1987 visitor registration books (Table 3.3) indicates that in descending order, Western Arctic Visitor's origins are as follows:

1. Canadian - the four major provinces are B.C., Alberta, Ontario and the Yukon.
2. U.S.A. - the western and eastern states represent the largest proportions especially California, Alaska, Washington, Florida and Texas.

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TABLE 3.2
DEMPSTER HIGHWAY LICENSE PLATE COUNTS 1985-1987

	1985 ¹ %	1986 ² %	1987 ³ %
<u>Canada</u>			
Yukon	18	16	N/A
British Columbia	18	15	N/A
Alberta	13	12	N/A
Ontario	10	7	N/A
Other Prairie Provinces	4	5	N/A
Other Eastern Provinces	2	2	N/A
Sub-Total Canada	65	57	59
<u>United States</u>			
Alaska	6	7	N/A
California	5	9	N/A
Washington	3	4	N/A
Texas	2	2	N/A
Michigan	2	2	N/A
Oregon	2		
Remaining States ⁴	14	18	N/A
Sub-Total U.S.A.	34	42	40
<u>Overseas</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	100	100	100

Sources:

- 1 The Market for Motoring Visitors to the N.W.T. 1985. Dept. Economic Development and Tourism, G.N.W.T.
- 2 The Market for Motoring Visitors to the N.W.T. 1986. Dept. Economic Development and Tourism, G.N.W.T.
- 3 Preliminary 1987 Dempster Ferry Counts. Keith Thompson, Dept. Economic Development and Tourism, G.N.W.T.
- 4 Remaining USA comprised of 30 states.
- 5 Overseas composed of Germany, Switerland and Austria.

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TABLE 3.3
DEMPSTER TRAFFIC: POINT OF ORIGIN

	1985 DEMPSTER EXIT SURVEY		1986 INUVIK VISITOR CENTRE REGISTRATION		1987 INUVIK VISITOR CENTRE REGISTRATION	
	% Can.	% Total	% Can.	% Total	% Can.	% Total
<u>Canada</u>						
N.W.T.	N/A		6		5	
Yukon	19		4		8	
British Columbia	34		25		31	
Alberta	21		22		19	
Ontario	13		24		27	
Other Prairie	8		10		4	
Other Eastern	5		9		3	
	100%	58	100%	43	100%	45
<u>United States</u>	% U.S.		% U.S.		% U.S.	
Western	39		34		55	
Midwest	24		9		10	
Mideast	20		22		13	
Eastern	17		35		22	
	100%	38	100%	30	100%	34
<u>Europe</u>	% Europe		% Europe		% Europe	
West Germany	50		25		36	
Switzerland			43			
Great Britain	50		9		11	
Others			23		53	
	100%	4	100%	25	100%	19
<u>Other</u>	% Other		% Other		% Other	
Japan			12		15	
Australia			54		51	
Others			34		34	
	100%		100%	2	100%	2
		100%		100%		100%

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3. Overseas - Germany, Switzerland and to a smaller degree Australia and Japan are key countries.

Other data obtained from the 1985 Dempster Highway Exit Survey and the 1987 Inuvik Visitor Centre Registration survey makes it possible to develop a typical Dempster Highway Traveller Profile:

- o average party size is 2.8 travellers per vehicle;
- o 35-45% are 41 years or older (IVC suggests average age may be decreasing);
- o the proportions of professional and skilled labourer occupations and retirees are fairly equal at 20-25% each;
- o close to 50% earn incomes greater than \$40,000.00 per annum;
- o average length of stay (travel on the Dempster to Inuvik and back) was 3 nights/4 days in 1985 but appears to have increased in 1987 as IVC indicates 67% of registrants spent 2-3 days in Inuvik alone;
- o average per person expenditure was \$209.45 or \$52.00 per day in 1985. This is estimated to have increased to \$70.00 in 1987.⁹; and
- o five activities dominate visitors' interests, namely camping, shopping for crafts, visiting museums/historic sites, nature study and fishing. These can all be categorized as either outdoor or heritage related, perhaps indicating how most tourists view the Northwest Territories.

As a result, Dempster visitors are typically older and have the time and money to spend at various visitor attractions during their travels. The fact that length of stay has increased in recent years can largely be attributed to the greater number of visitor activities available in Inuvik and the surrounding communities. Similarly, longer visitation in the Western Arctic could be expected with the development of additional activities and facilities along the highway and communities connected to Inuvik.

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Additional comments from the 1985 survey indicate that Dempster travellers seek improved road conditions and services, information outlets and activities. These needs were confirmed by recent interviews with several R.V. caravans operators which also indicated that there is concern over the Dempster Highway's safety in terms of its road conditions and facilities, especially gas pumps, and that there is a general lack of information (both before and while on the highway), activities and festivals.

3.2.2.2 Air Pleasure Travel

This segment consists of those travellers arriving to the region by air and primarily for pleasure travel. This segment includes the visiting friends and relatives component. Very little information is known about the activities these visitors participate in, however, it is assumed that these visitors are primarily arriving into the region to sightsee and cannot be identified under any of the other market segments.

Based on phone interviews with airline officials, it is estimated that 780 visitors arrived to the region by air in 1987 for pleasure travel. An average trip expenditure of \$340.00 per person can be applied to these visitors. This expenditure is derived from the overall N.W.T. average party expenditure of \$600.00 assuming an average of 1.76 people per party.⁸

3.2.2.3 Hunting

Big game hunters to the Western Arctic can be divided into 2 categories based on their destinations: the Arctic Ocean and Mackenzie River Area hunters. At the present time there are no hunts occurring in the Mackenzie Delta area.

The typical Arctic Ocean Area visiting hunter flies into Inuvik and from there is transported to one of three communities; Tuktoyaktuk, Sachs Harbour, or Paulatuk. These visitors hunt for

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polar bear and muskox in the spring (March to May) and for caribou and muskox in the fall (September to November).

Most Mackenzie River Area hunters fly into their base camp from Norman Wells; one outfitter interviewed uses Watson Lake out of the Yukon. These hunters are primarily hunting for dall sheep, caribou, moose and wolf. The hunting season in the south is from July to October.

Volume

The number of hunters to the north has increased dramatically (76%) over the past two years. In 1987 Guided Arctic Expeditions registered 86 hunters. It is anticipated that the number of hunters will increase in 1988.⁹ In the Mackenzie River Area, the outfitters registered approximately 180 hunters in 1987.

Expenditure

Hunters travelling to the Arctic Ocean Area pay between \$10,000.00 to \$15,000.00 for a 10 day trip. In 1987 the 86 northern hunters generated \$1,067,000.00 in revenue. In the Mackenzie River Area total hunting expenditure were \$900,000.00. This is based on an average trip cost of \$5,000.00 (range is \$3,000.00 - \$7,000.00). Total hunting expenditure for the two areas combined during 1987 were \$1,985,000.00.

In the Arctic Ocean Area all of the hunters are from the U.S. and although U.S. hunters are the prime market for the Mackenzie River Area outfitters, the number of Canadian hunters is increasing. Using the 1983/84 GNWT tag registration the overall breakdown of the hunters by origin is:

- 67% U.S.
 - west coast 15%, California
 - central 41%, Texas, Louisiana
 - east coast 11%, Florida
- 28% Canadian
 - Alberta 22%
 - British Columbia 4%
 - Other 2%
- 5% European
 - West Germany 3%

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While information regarding the income and age of the Western Arctic hunters is not available, a recent Yukon study provides detailed hunter profile data. The typical hunter in the Yukon is male, aged 35-60 and earns \$40,000.00 a year or more and is a senior business executive or professional. The study also classified the hunters based on experience from novice to veteran. The northern region of the Yukon tends to attract the veteran hunter as opposed to the southern region which attracts a wider variety of hunters (novice to veteran). The veteran hunter is not price conscious, is interested in trophy hunting and is looking for the exotic hunt (remote locations, rare species, unusual equipment). Repeat visitation tends to be higher with the more experienced hunter providing that his expectations are met (quality guide and accommodation play a vital role).

3.2.2.4 Sportfishing

There are two types of sport fishermen who travel to the Western Arctic, the trophy fishermen and the wilderness fishermen. The trophy fishermen travels to Great Bear Lake where he can select from five fishing lodges, one of which is in the Western Arctic (Great Bear Trophy Lodge). The wilderness fishermen can fly to one of four lodges within the Western Arctic to fish for a variety of northern freshwater species. The four lodges are Colville Lake Lodge, Sitidgi Lodge, Drum Lake Lodge and Eskimo Lakes Lodge.

Volume

All of the lodges operate over a short season, from July 1 to August 31. In 1986 Great Bear Lodge was in receivership and was not fully operational. As a result, the occupancy was low and the lodge attracted 260 guests by 1987. The others also experienced low occupancies due to a variety of factors (new ownership, limited marketing and limited operations) and the four lodges registered only 92 guests.

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Expenditures

Great Bear Lodge traditionally offers 7 day all-inclusive packages ranging from \$2,200.00 to \$2,700.00 depending on the gateway (Yellowknife, Edmonton and Winnipeg). In 1987, due to financial problems, the lodge offered 4 day packages at a reduced rate and generated \$448,000.00. The fishermen to the 4 wilderness lodges spent a total of \$50,000.00 in 1986.

Visitor Profile

Visitor profile data are limited for the sportfishing segment. In the past the fishermen to Great Bear Lodge have primarily come from the U.S. (approximately 80%) with a small Canadian component (20%, Alberta and Ontario). The owners are noticing an increase in the number of females as more fishermen are travelling with their spouses.

3.2.2.5 Adventure Travel

In 1987 the adventure travel market segment in the Western Arctic was limited. It is estimated that 75 visitors entered the region for adventure travel consisting of hiking the Canol Trail, biking the Dempster Highway, canoeing the Firth and Mackenzie Rivers and photo-touring Banks Islands. Due to the nature of the product, their average per diem expenditure is low and estimated to be \$150.00 for canoeing, \$100.00 for hiking and \$280.00 for photo-touring. Thus resulting in a total expenditure of \$170,000.00 1987. No information is available on the visitor profile.

3.2.2.6 Business Travel

In 1986 the oil and gas industry was still operating in Inuvik. In September the companies halted exploration and business travel to the region decreased. Current statistics on business travel are not available and the following volume and expenditure data only applies to 1986 and does not reflect 1987 numbers (which will be lower).

Volume

Business travel to the Western Arctic in 1986 accounted for close to 68% of the total trips to the region. Business travellers enter the region by air at Norman Wells and Inuvik, and by automobile during the summer via the Dempster Highway. It is estimated that 12,000 business people arrived by air and 360 arrived by the Dempster Highway in 1986. These numbers are based on Statistic Canada's airport entry data and the 1985 Dempster Survey.

Expenditure

The 1985 Dempster Highway study showed that 10.3% of the travellers on the Dempster Highway are business travellers with an average trip expenditure of \$499.89. This expenditure has also been applied to the business traveller arriving by air as there is no information available on business travel in the N.W.T. The total 1986 expenditure for business travellers is \$6,181,000.00.

3.2.2.7 Summary of Market Segments

Table 3.3 summarizes the 1987 visitor volume for each market segment to the Western Arctic. Approximately 7,804 tourists visited the region in 1987. The percent market share for each of the five tourist market segments is:

- 72% Rubber Tire (61% R.V./car, 11% motorcoach)
- 15% Air Pleasure
- 5% Hunting
- 7% Fishing
- 1% Adventure Travel

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TABLE 3.3

1987 VISITOR VOLUME AND EXPENDITURES FOR THE WESTERN ARCTIC

<u>MARKET SEGMENTS</u>	<u>VISITOR VOLUME</u>
<u>Rubber Tire</u>	
Car/R.V.	5,665
Bus/Van	696
<u>Air Pleasure</u>	750
<u>Hunting</u>	
Arctic Ocean Area	86
Mackenzie River Area	180
<u>Fishing</u>	
Trophy	260
Wilderness	92
<u>Adventure Travel</u>	<u>75</u>
TOTAL TOURIST TRAFFIC:	7,804
<u>Business</u>	
Dempster	360
Air	<u>12,000</u>
TOTAL:	17,491

Source: - Dempster Highway Exit Survey, 1985.
 - The Market for Motoring Visitors to the N.W.T. 1985.
 - Telephone Interviews with Western Arctic Tourism Operators.

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3.2.3 Review of Tourism Markets to Other Northern Destinations

3.2.3.1 Tourism Markets in the Yukon Territory

Tourism in the Yukon has consistently been experiencing growth rates of approximately 9.5% over the past 5 years. While these rates were down to 4% in 1986, in part due to Expo 86, growth can be expected to continue between 5% and 8% annually over the next 5 years.¹⁰

Tourism visitation was 486,000 in 1986 with approximately 50,000 tourists visiting Dawson City (the main point of entry to the Western Arctic).¹¹ This one community handles approximately the same number of visitors to the entire N.W.T.

Like the Western Arctic, most people come to the Yukon by personal vehicle (73%) and stay for more than one night. The party size (2.45) is however twice that in Inuvik (1.6) because of the higher family and two couple groups in these vehicles.

Individual expenditure (\$186.00/person) is significantly lower than the N.W.T. as 60% of the travellers to the Yukon are driving through on their way to Alaska. The average 5.3 day length of stay is less than $\frac{1}{2}$ of the N.W.T.

The origin of visitors to the Western Arctic more closely resembles that of the Yukon. In the Yukon 26% come from Canada with British Columbia, Alberta and Ontario being the major markets. License plate counts on the Dempster suggest similar markets.

While 65% of tourists to the Yukon are American compared to 42% on the Dempster and perhaps 45% overall to the Western Arctic the geographic origin of both is similar. They include California, Alaska, Washington, Michigan, Texas and Florida.

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Mode of access to the Yukon is very similar to the Western Arctic:

73% - personal vehicle (approximately 70% by R.V.'s)
14% - motorcoach
12% - air

This is similar to mode of access statistics to the Western Arctic where 61% arrive by vehicle, 28% by air (includes hunters and anglers) and 11% by motorcoach.

In summary, the profile of tourists to the Western Arctic more closely resembles that of the Yukon than that of the N.W.T. As tourism on the Dempster increases, this factor will become even more significant and result in a very particular focus to the Western Arctic Development and Marketing Strategy.

3.2.3.2 Tourism in Alaska

Since 1982 Tourism in Alaska has been increasing by approximately 4% per year except for 1986 when traffic increased by 12%. The high growth rate for 1986 reflects the increase in cruise ship activity due to Expo 86. In 1985, 700,000 non-residents visited Alaska and 787,000 in 1986 generating \$659,000,000 and \$700,000,000 in revenue respectively.¹²

Unlike the Yukon and Western Arctic the majority of the visitors arrive by air (66%, and cruise ship (21%). Only 9% or 71,000 of the visitors¹³ arrive by personal vehicle. There is not information available to indicate how many of the visitors who arrive by air rent an automobile or R.V. to tour the State and Territories. There are 12 car rental agencies in Alaska and all operators are experiencing growth. Visitors to Alaska stay an average of 8.1 days.

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The origin of the visitor to Alaska is primarily west coast U.S. (55%), with California (19%) and Washington (17%) being the dominant states. The remaining visitor breakdown by origin is:

Midwest U.S.	- 15%
South U.S.	- 15%
East U.S.	- 8%
Canada	- 4%
Overseas	- 3%

The average age is 47 years, and 46% of the vacation travellers are employed and 44% retired.

Alaskan visitors are primarily interested in sightseeing and visiting the Alaska coastline. The spectacular glaciers have been the main drawing card to Alaska. Freshwater fishing and hunting are available but are secondary market segments.

3.2.4 Tourism Markets to Adjacent N.W.T. Regions

3.2.4.1 Arctic Coast

In 1984 it was estimated that the total number of pleasure visitors to the region was 1,000 representing 50% of the total number of visitor. This is the same as for the N.W.T. as a whole. Approximately 40% of the visitors stay with friends and relatives and 60% use commercial accommodation.¹⁵

3.2.4.2 Big River/Northern Frontier

According to the 1987 Tourism Facts Publication (Economic Development and Tourism), the 1987 visitor volume for these zones was 34,500 representing 60% of the total N.W.T. volume. Of these 62% arrived by air with the balance arriving via the two highways serving the area. Nearly half of the total arrivals to the areas

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are from Alberta which is logical considering Edmonton is the major gateway north.¹⁶

Forty-eight percent of the visitors had Yellowknife as their primary destination.

The average length of stay was 16 days for business travellers while vacationers spent an average of 10 days in the region. The average party size is the same as for the N.W.T. as a whole. Approximately 38% of visitors stay with friends and relatives with the balance split between roofed accommodation (42%) and camping/R.V. sites. The estimated expenditures are \$29,500,000.00.

3.3

COMPETITION

As a northern destination, located in the northwestern region of North America, the Western Arctic must compete with two of the most aggressive and sophisticated northern destinations in the world - the Yukon Territory and Alaska.

They have established both individual and joint marketing programs, for the past decade, resulting in extensive recognition throughout the United States and Canada. They are also perceived as true northern destinations and have generated a strong image of providing quality northern activities, attractions and experiences.

For instance, the Yukon Visitors Association attended 45 trade shows per year over the past three years and advertises in many R.V. and west coast leisure living magazines. It is within this context that the Western Arctic must promote its own unique character as well as collaborate, when appropriate, with the established Yukon and Alaska northern travel product.

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3.3.1 The Yukon Territory

Like the Yukon, whose high tourism volume is closely linked to Alaska, so too is Western Arctic tourism closely associated with that of the Yukon. Discussions with tourists indicate that travelling the Dempster and visiting the Western Arctic is only part of a trip to the north, with the Yukon being an important part of that experience. Both the competitive and cooperative links with the Yukon are significant.

Market Segment Comparison

The Yukon and the Western Arctic basically share the same market segments:

- o R.V. and automobile travellers;
- o sportfishermen;
- o hunters;
- o motorcoach passengers;
- o air travellers; and
- o adventure travellers.

They are even very similar in terms of percentage of volume as the following figure suggests.

<u>SEGMENT</u>	<u>WESTERN ARCTIC</u>	<u>YUKON</u>
R.V., Auto	61%	73%
Fishing	7%	3%
Hunting	5%	.5%
Motorcoach	11%	12%
Air Pleasure	15%	12%
Adventure	1%	6%

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Of course the Yukon enjoys approximately 100 times the visitor volume of the Western Arctic which means that 3% for fishing in the Yukon translates into 1,600 anglers while the 7% in the Western Arctic represents 377 anglers.

It therefore becomes important to compare travel to the Yukon with that to the Western Arctic on a segment by segment basis.

Recreational Vehicle/Automobile

The Yukon has aggressively pursued the R.V. market over the past five years. They advertise in Milepost Magazine and are now represented in 5 major U.S. camping magazines. This has resulted in a significant 356,300 R.V. and auto visitors. Many of them are definitely enroute to Alaska, (there are 212,000 entries into the Yukon at the Alaska border crossing).¹⁷

With an average length of stay of 5.3 days, it can be assumed that this segment has a substantial impact on the economy.

The Yukon's success with the R.V. market is due to its marketing efforts but also to its quality campgrounds and attractions. Campsites are larger and have more services than in the Western Arctic. There are better roads and many more attractions, especially in Whitehorse (M.V. Schwatka, Frantic Follies) and Dawson City (Diamond Lils, Yukon Belle, etc.).

In summary the costs are lower and the product is better. This is the environment in which WAVA must compete. Nevertheless the potential for growth to the Western Arctic is impressive. For instance, there are approximately 50,000 visitors to Dawson City, of which 35,000 arrive by R.V. and automobile.¹⁸ While the Yukon may have convinced them to come to Dawson City, WAVA is in an excellent position to encourage them to drive further on the Dempster to Inuvik and the Arctic Ocean.

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Motorcoach Traffic

There were 58,500 overnight bus tour passengers to the Yukon in 1986.¹⁹ Ninety percent of this volume is due to cruise/coach packages. A portion of this volume visited Dawson City and represent potential traffic to Inuvik. There are 5,850 bus passengers who are not on a cruise itinerary and most go to Dawson City. Inuvik receives only 10% of this total (and only 1% of all the motorcoach traffic to the Yukon). There is an opportunity however to sell to these existing tour groups and increase the bus traffic to the Western Arctic by aggressively marketing the fly/bus packages.

For as long as the Yukon continues to sell aggressively to this group, it can put more motorcoach traffic on the Western Arctic doorstep. Cooperative packaging with the Yukon represents an opportunity to combine an Arctic/Dempster experience with the increasingly successful Yukon bus tours.

Hunting

Hunting is a well established segment in the Yukon and hunters increased from 405 in 1985 to 446 in 1986.²⁰ The Western Arctic has a certain competitive edge in that it can also sell Polar Bear and Muskox hunts. Growth in demand for these two species resulted in an overall increase of 33 hunts from 1985 to 1986 (230 hunts).

Hunting in the Yukon is extremely well organized and competitive. All operators live in the Yukon and they actively engaged in cooperative marketing with Tourism Yukon through their Outfitters Association. The operators in the MacKenzie Mountains on the other hand are mainly non-resident.

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Guided Arctic Expeditions on the other hand is doing an admiral job in organizing and training the local HTA guides in the Beaufort Area. Since the Yukon and the Western Arctic largely compete in the same markets for the hunter any improvement on the latter's product development and packaging will greatly enhance their competitive position.

Fishing

Like hunting, the Yukon has a well established sportfishing product. Operators are residents and cooperative marketing has given Yukon sportfishing an international reputation. While the Yukon attracts more anglers (1,600 total, 150 trophy), the Western Arctic offers more opportunity for trophy fishing (320 total, 285 trophy) on Great Bear, Drum, and Sitidgi Lakes.

Wilderness/Adventure Travel

The Yukon totally dominates the canoeing, hiking, kayaking, photography, nature interpretation market. This is because there has been virtually no product development of this type in the Western Arctic. No more than 75 people came to the Western Arctic in 1987 for a wilderness/adventure experience. The Yukon on the other hand had approximately 1,650.

3.3.2 Alaska

Alaska is the most popular northern destination in North America receiving approximately 790,000 visitors annually. Unlike the Yukon, it is not a direct competitor with the Western Arctic. Firstly, 66% of tourists to Alaska arrive by air. Flights to Anchorage, for instance, are considerably less expensive than to the Western Arctic and the state benefits from the intense competition between Alaska Airlines, Delta and Northwest Orient.

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The market segments are consequently very different from both the Yukon and the Western Arctic. Only 9% arrive by R.V. or automobile and the remainder arrive by cruise ship.

The product offering is also considerably different with most visitors interested in marine-based activities such as cruises, coastline tours and saltwater sportfishing.

There is however, a shift towards the new outdoor adventure products and in the long term this may have an impact on Canadian northern destinations.

As well, there are plans for a road to Point Barrow. This would remove Inuvik's exclusive claim to having the only route above the Arctic Circle and to the Arctic Ocean. However additional quality attractions at Inuvik should offset any potential competition arising from this new Alaska route.

3.3.3 Big River/Northern Frontier

From a competitive standpoint the key concern is in trophy/sportfishing. With the lodges on or near Great Slave Lake, plus the lodges in the Big River Zone and those within the Northern Frontier located on Great Bear Lake there is definite competition. In total there are 3 times as many lodges in these zones as in the Western Arctic. In addition, they are generally located closer to major population centres; and, in the case of Great Bear Lake, the lodges are on direct charter routes from Alberta with resulting cost savings for air travellers.

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3.4 EXISTING MARKETING PROGRAMS

3.4.1 Western Arctic Marketing Programs

The Western Arctic Visitor's Association has become slightly more aggressive in promotion of the region. During the past year, they have been actively pursuing the R.V. Market and have strengthened their coverage of the Dempster Highway which accounts for 75% of its non-resident visitor count. Specifically, they participated in a series of R.V. shows with the Yukon Visitors Association throughout the southern U.S. in the spring of 1987. They also participated in 4 travel consumer shows with TIA N.W.T. For the first time they joined in the Whitehorse Travel Show in May 1987 and as well have produced a new four colour brochure on the Dempster.

In addition to this R.V. promotion, WAVA has placed ads in a variety of consumer magazines in Canada and the U.S. in order to assist in selling their other market segments which are also promoted in the 'World Class Fishing Guide' and 'The Explorers Guide'. WAVA also acts in a liaison role to ensure that inquiries are answered. For instance, they answer inquiries from travel writers and sponsor an average of 4 writers per year for various market segments. This activity will be continued and expanded and a formal monitoring method needs to be established.

WAVA has effectively used operator assistance funds' to support the printing of additional operator brochures. This needs to be continued, but as well there should be increased assistance for external promotions. For example, assistance is required on how to access and follow up on potential client mailing lists.

The region has been weak in contacting potential tour operators. In order to strengthen other market segments, direct linkages need to be developed with various types of operators. For instance a tour operator who specializes in wildlife or Inuit culture, could

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