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REPORT ON THE EDA PROJECT TO  
DEMONSTRATE FEASIBILITY OF BIG GAME  
HUNTING IN WESTERN ARCTIC

Sector: Tourism

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Analysis/Review

REPORT ON  
EDA PROJECT TO  
DEMONSTRATE FEASIBILITY OF  
BIG GAME OUTFITTING IN  
WESTERN ARCTIC

185/7  
ENTREPRENEUR

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INTRODUCTION

The **Inuvialuit** Development Corporation submitted a proposal to the EDA **in** February 1984 for funds to conduct a **pilot** project that would demonstrate the feasibility of big game outfitting **in** the Western Arctic of the Northwest Territories. A sum of Thirty-three thousand two hundred and **fifty-one** dollars (\$33 ,251.00) was approved under provisions of the Natural Resources Subsidiary Agreement in March, 1984. **This** amount represented seventy-five percent of the total estimated cost of the project. IDC **in** turn agreed to contribute the balance of the budget--**ten** thousand one hundred eighty-four dollars (**\$10 ,184 .00**)--**as it's equity** contribution. IDC also agreed to **conduct** a training course to ensure a quality **guiding** service. As the cost involved **in carrying** out the training sessions had not been contemplated **in** the **original** budget, **it** was mutually agreed, **upon sub-**mission by IDC of a budget for the training session, that the costs would be paid **either** by the Department of Economic Development and Tourism or incorporated as an amendment to the EDA Contribution Agreement. (Note: This matter **is** still out standing at the **time** of this report. )

**It is** our view that the above mentioned amendment **is** perhaps the logical route to pursue as the training requirement **is** a provision incorporated into the contribution agreement by the EDA Management Committee. The IDC, however, should not be required to pay **any** of the additional costs associated with the training course as considerable expense was incurred by IDC **in** developing the training package and **in** organizing and implementing the program. **This** report therefore addresses both the project and the training program.

RECOMMENDATIONS

This project was based on the assumption that **big game outfitting is** a viable community-based resource industry. As a direct result of **this** program more than forty-four thousand dollars in net revenue was **paid** to the HTAs from seven fall hunts **in** 1984. It **is** recommended therefore:

That a similar project be initiated in 1985 to develop guided tour packages around such activities as wildlife photography, fishing, hiking, and historical appreciation, etc.

## PROJECT OVERVIEW

The general purpose of the project was to demonstrate the feasibility for big game outfitting in the Western Arctic by developing a product and testing its marketability. It was our view that by establishing a product in a given area, a market could also be created by its availability.

In order to achieve this goal we established a set of objectives, as outlined below, that would have to be achieved to correctly conduct the project.

Objective 1: To develop new and innovative programs that would appeal to a wide range of clientele.

Initially the concept was to have the project consultant travel to each settlement (Paulatuk, Sachs Harbour, Holman and Tuktoyaktuk) to meet with the **respective** HTAs. This approach however posed a problem in that it did not allow for an exchange of views among the HTAs on the various hunt packages that were being considered. Furthermore, some HTA's had several years experience at outfitting while others had virtually no prior experience. This idea was abandoned in **favour** of holding a general meeting in **Inuvik** with representatives from each participating HTA. As a result of this meeting five

new hunt packages were conceived and the five hunts which had previously been offered by the Sachs **Harbour** and **Holman HTA's** were modified and improved upon. The following is a list of the hunts we currently offer, their length and cost in U.S. dollars.

	<u>Length</u>	<u>cost</u> (US Dollars)
* Melville Island Polar Bear	15 days	\$15,000.
Polar Bear (Seal)	15 days	\$12,500.
Combination Polar Bear and Musk ox (Seal)	20 days	\$15,000.
Muskox (Arctic Hare & Ptarmigan)	5 days	\$3,250.
<b>Peary</b> Caribou (Arctic Hare & Ptarmigan)	5 days	\$ 3,500.
* Barren Ground Caribou ( <b>Wolf &amp; Wolverine</b> )	5 days	\$3,100.
* Combination Peary Caribou and Muskox	8 days	\$5,700.
* Combination Barren Ground Caribou and Muskox ( <b>Wolf &amp; Wolverine</b> )	8 days	\$ 5,100.
* Combination Barren Ground Caribou and Peary Caribou	10 days	\$6,100.
* Combination Barren Ground Caribou, Peary Caribou and Muskox	10 days	\$7,500.
* <i>New hunt Packages</i>		

The new hunt packages have been developed around the fall hunting season for Peary caribou, barren ground caribou and muskox. Each specie can be hunted individually or in combination with one another. **One** of the packages, for example--the combination **Peary** caribou and barren ground caribou hunt--involves a portion of the hunt (Peary caribou) **being** conducted in either **Holman** or Sachs while the barrenground caribou hunt is conducted on the mainland out of Tuktoyaktuk or Paulatuk. Wolf and wolverine are also included as an added feature to the barrenground caribou hunts at no extra cost to the hunter. Additionally, ptarmigan and arctic hare can be taken while hunting Peary caribou from the island communities.

The spring hunts for polar bear and muskox have also been modified. Now sport hunters can take two seals while hunting polar bear; and ptarmigan and arctic hare while hunting muskox out of Sachs Harbour and **Holman**.

Objective 2: To design hunt packages that reflect both operation costs and market conditions

Perhaps this was the most difficult element of the project to complete because of the variations in operating costs between communities, in particular transportation costs. The hunt packages we designed were "all-inclusive" and include the clients travel from



**Inuvik** to the settlement and return. In cost pricing the hunts it was agreed that in order to avoid competition between the **HTA's** that a uniform price should apply to each hunt regardless of the community from which the hunt is conducted. In other words, the cost of a polar bear hunt in **Holman** should be priced the same as a polar bear hunt in Tuktoyaktuk which is much closer and accessible to **Inuvik** and therefore less **costly** to get to,

As a result of our cost **pricing** effort and by comparison to other related hunts being offered elsewhere **within** the N. W. T. , **as well** as Yukon and Alaska, we were able to reduce the price of the polar bear, muskox and combination polar bear muskox hunts by **approximately** fifteen percent (15%). The price changes in U. S. dollars are as follows:

	Previous Cost (U. S.\$)	Present Cost (U. S.\$)
<b>Melville</b> Island (Polar bear)	\$16,500.	\$15,000.
Polar bear	15,000.	12,500.
Combination Polar bear & muskox	4,300.	3,250.

In reducing the hunt costs we also made it a requirement of the hunter to pay his/her own food and accommodation while in **Inuvik** on the in-bound and out-bound trips. These expenses were previously

paid by the settlement HTA at which the client was booked. Additionally, the length of the muskox hunt was reduced from six to five days and the combination polar bear and muskox hunt from **twenty-two** to twenty days.

Objective 3: To develop and initiate an advertising program for relevant European **magazines** and journals.

An important consideration in advertising the hunts was the value of the U.S. dollar relative to Canadian and European currencies. Because American hunters represent the majority of the sports hunters and because the exchange rate on U.S. dollars relative to European currencies is quoted more than the exchange rate on Canadian currency to European, we found it necessary to advertise our hunts in U.S. dollars. The current exchange rate however is probably the most significant negative factor affecting the potential European and to a lesser extent Canadian market.

Our North American advertising program entailed placing advertisements in three sport hunting magazines, namely: Field and Stream, Petersen's Hunting and Safari Magazine. Safari Magazine is the official publication of the Safari Club International which is the largest hunting fraternity in North America. The magazine is published quarterly and distributed among its members which represent

many thousands of potential hunting clients. The other two magazines are published monthly and each have a circulation in excess of a million. The advertisements were inserted in the "Where To Go" section of each magazine and run in each quarterly publication of Safari Magazine as well as on a quarterly basis in both Petersen's and Field and Stream. Advertisements were also placed on a one-time basis in the Abendpost a German-American publication, and the official newsletter of the Masonic Club, the National Fraternal Club News Magazine.

In Europe, we ran advertisements in sports magazines in six countries: Germany, Austria, France, Italy, **Belgium** and Switzerland. **Publicitas**, an advertising firm of Geneva, Switzerland was commissioned to advise and select these magazines for us, as well as to make all the arrangements for inserting the ads. These were run on a quarterly basis.

We received, as a result of the newspaper and magazine advertising, approximately one hundred and fifty inquiries, as of October 31, 1984, of **which** close to ninety-five percent came from the United States.

Objective 4: To prepare, **design** and produce promotional and marketing materials for circulation and distribution.

Our approach here was threefold: First, to produce **promotional** materials that were, at least, comparable to any other promotional aids intended for the market. Secondly, to provide accurate and descriptive information about the hunts and the species of animals being hunted. The third objective was to portray through photographs and graphic illustrations the environment, wildlife and people who live in this land, the E **skimos**. It was evident from the beginning that in order for us to be **successful** we had to offer more than just a hunt but an opportunity to experience the arctic wilderness.

The promotional materials included a two fold color brochure and an illustrated information package consisting of an illustrated color folder, individual specie and hunt data sheets (also with illustrations) and a general information pamphlet. The color brochures provide basic information on the kind or kinds of hunts we offer as well as some general details about the hunts. They are distributed as mail advertising through associate agencies, such as the Northwest Territories Tourism Department, the Western Arctic Visitors Associations, and Tourism Canada. We also send them to sportsman shows, big game hunters clubs and conventions; travel shows , expositions, etc.

The information folder, on the other hand, is only used as a direct response to inquiries received by Guided Arctic Expeditions. The information contained in the folder, as mentioned above, describes each hunt in detail, the cost and dates, as well how to go about booking a hunt.

PRESENT OPERATIONS

Guided Arctic Expeditions (**GAE**) is a business owned by the **Inuvialuit** Development Corporation and managed by the **Inuvialuit** Game Council. The sole purpose of the business is to provide a management and booking service for the Hunting and Trappers Associations (**HTAs**). **Guided** Arctic is paid a twenty percent commission on each hunt that is booked. In turn, the HTA's pay the guides fees as well as underwrite other expenses such as client travel, food and accommodation, clothing, etc. Some of the hunts are booked directly by GAE while others are booked indirectly through associated agencies. The agencies receive a fifteen percent commission for each hunt they book. This is paid by GAE out of its twenty percent commission.

As a **result** of **this** particular project, **Guided Arctic** was successful in booking seven hunters along with three non-hunting companions. This was the first **time** ever that Guided Arctic managed to book fall hunts, and all of them were direct bookings. A financial summary for the Fall '84 hunts **is** as follows:

Gross Revenues	\$53,156.01
Less IDC Commission	<u>-6,939.35</u>
	46,216.66
Less HTA's Expenses	<u>-2,044.54</u>
Total Amount Paid to HTA's	\$44,172.12

Of this amount **Paulatuk** received \$8,087 .51, Sachs **Harbour** \$11,907.16 and **Holman** \$24,177.00. These revenues were derived from: 4 combination muskox and **Peary** caribou hunts that included 3 **non-**hunting companions; 2 combination Peary caribou, muskox and **bar-**renground caribou hunts; and, 1 combination Peary caribou and barrenground caribou hunt.

Since the advertisements did not appear in the magazines and journals until July and almost all the inquiries received are for the 1985 and 1986 season it is not possible to correctly assess the viability of the business at this time. However, based upon the revenues derived from the fall hunts, it is evident that the settlements ( HTA's) receive significant economic benefits from the sports hunts. This being the principle goal of **IDC** in initiating Guided Arctic Expeditions in the first place.

## FEASIBILITY

Big game outfitting is a very competitive business with thousands of outfitters competing in a relatively small and sophisticated market place. To be successful, it is not only necessary to establish a quality product but to effectively market the product. Approximately, sixteen thousand dollars (\$16,000.00) were spent, under this project, for advertisements in magazines, newspapers, etc. in both Europe and North America. This resulted in seven hunts being booked. As previously stated, these advertisements did not appear until late in the season and it is not possible to assess the value of this investment at this time. However, it is apparent that without the advertising there would have been few, if any, bookings.

Guided Arctic Expeditions is responsible for the cost of advertising as well as the overall management of the hunts and these expenses must be paid for out of its commissions which amounted to only \$6,939.35. This amount was not only insufficient to pay the on-going cost of advertising, but also the management expenses.

Unless a large number of spring '85 polar bear hunts can be booked directly by GAE, it will not be possible for Guided Arctic Expeditions to operate as a business. (The commission on a polar bear hunt is approximately \$3,000.00, and for a combination polar

bear/ muskox hunt is \$3,600 .00. ) In order for GAE to function as a viable business, **either** the commission paid by the HTAs to GAE will have to be increased, or the operation **will** have to be expanded to include other types of tour packages thereby increasing **GAE's** revenue. The management costs, and to some extent, **advertising costs** will remain the same regardless of the number or kinds of tour packages offered. An **increase** in the commission paid by the HTAs will reduce the cash-flow to the settlements; while enlarging upon the types of tour packages offered will increase the settlement revenues.

The quality of the natural resources of the Western Arctic, combined with its "wilderness" setting, provide ample opportunities in the wilderness/ adventure tourism industry. Sports hunting is only one element of the wilderness recreational opportunities that exist. Other potential guided wilderness opportunities range from such land-based activities as tours by dog team, photographic safaris, backpacking/ hiking, historical appreciation, etc. , to water oriented activities including fishing expeditions and boat tours. The development of tour packages associated with these activities would not only ensure the viability of Guided Arctic Expeditions but enhance the tourism industry of the entire region. Furthermore, while sports hunts are generally carried out in the fall and early spring, activities such as hiking, fishing, and boat tours are summer-based and the development of related tour packages would result in virtually an all season operation.



## GUIDE TRAINING

The guide training sessions were carried out in Holman, and Sachs **Harbour** during the third week in September, 1984. Since **Paulatuk** and Tuktoyaktuk have only a few guides while Sachs **Harbour** and **Holman** have fifteen or more each it was felt that one session in each of these communities would be adequate. The **Paulatuk** guides (3) attended the training session in **Holman** and the **Tuktoyaktuk** guides (5) were present for the session in Sachs **Harbour**.

The sessions were conducted by Mr. John Stelfox, a research scientist with the Canadian **Wildlife** Service and an official measurer with the Boone and Crockett Club. He has been an official measurer for more than twenty years and has given numerous workshops on the Boone and Crockett method of measuring trophies.

The training sessions were for roughly five hours duration with approximately twenty guides attending each session. The topics addressed included:

1. Differentiating (identifying) trophy caribou, muskox, and polar bear at a distance.
2. Care and preparation of trophies.
3. Correct measuring procedure. (Boone and Crockett Club method for trophy heads. )

The sessions commenced with a brief explanation of the topics and, why the guide must be competent in each of these areas. This

was followed by a detailed slide presentation on trophy identification. It was possible, using the slides, to present a herd of caribou at a distance and then to have individual guides select the animal which they felt was a trophy. The exercise was preceded by a detailed description using samples for each species on what constitutes a trophy and how they are scored.

Attention was focused on the care and preparation of trophies, with particular emphasis on the skinning out of hides around the mouth, eyes, and ears. The facial area is the most difficult to skin yet the most important as most trophies are mounted exhibiting the head. It was also pointed out that a trophy head can easily be destroyed if not properly fleshed and cared for. Emphasis was also placed on the correct procedure for removing caribou antlers from the skull. If the skull cap is cut too close to the base of the antlers, they may split apart after drying or while being shipped.

The class was divided into groups after a demonstration on how to measure a trophy and asked to measure samples according to the procedures outlined.

Caribou antlers are perhaps the most difficult of all trophies to measure. However, with limited assistance from instructors and the availability of score sheets which describe the procedures, virtually all of the guides became adept at scoring in a short time.

Prior to the training session each **guide** was **issued** booklets and other pertinent information on the **topics being** discussed. This material not only assisted those taking an **active** role **in** the session but was made available for the guides who where not able to attend, thus affording them the option of studying on **their** own.

The general **feeling** of the people attending was that the training sessions were informative and worthwhile. In fact, it was suggested by almost everyone that the same session should be repeated the following year, and yet another year if necessary. They recognized the importance a hunter places on obtaining a trophy, especially one that goes into the Boone and Crockett record book.

FINANCIAL

Since the report addresses both the pilot project and the guide training session, a separate financial statement has been prepared for each:

A. Demonstration **Project**

	BUDGET	ACTUAL COST	VARIANCE
Fees	\$12,000.00	\$10,750.66	(-) \$1,249.44
Travel	4,200.00	8,946.50	(+) 4,746.50
Marketing & Promotional Materials	9,535.00	14,992.19	(+) 5,457.19
Advertising	<u>17,700.00</u>	<u>16,481.99</u>	<u>(-) 1,218.01</u>
TOTAL	\$43,435.00	\$51,171.34	(+) 7,736.24

As indicated in the table the actual cost for completing the project exceeded the budget by \$7,736.34. The largest cost overrun of \$5,457.19 for marketing and promotional materials was a result of the design, layout and printing costs involved in producing these materials. Initially, we had requested and received a detailed cost estimate from the design /printing firm in preparing our **budget**. However, as this phase of the work progressed it became evident that in order to produce a product of the quality desired the costs would be somewhat greater than anticipated even though we adhered to our original ideas on layout and design. The graphic color illustration on the information folder, the quality of paper used and the amount of general information included in the package attributed to the higher cost .

The only other cost overrun to occur (\$4,746.50) was a direct result of our decision to hold a general meeting in **Inuvik** with representatives of the HTAs rather than the consultant traveling to each settlement. As previously stated this approach was much more effective in that, it allowed for an exchange of views between the various groups involved. Also, the HTA's with virtually no experience at outfitting **were** able to learn about sports-hunting operations from the HTAs (**Holman** and **Sachs Harbour**) who **have** been outfitting for several years. In retrospect, this meeting was perhaps the most important component of the project and it is unlikely as much could have been achieved in any other way.

B. Guide Training Session

	BUDGET	ACTUAL COST	VARIANCE
Airfare	\$ 5,762.00	\$ 8,726.00	(+) \$2,964.00
Accommodation /Meals	2,200.00	873.60	(-) 1,326.40
Other	<u>26.00</u>	<u>          </u>	<u>(-) 26.00</u>
	7,988.00	9,599.60	(+) 1,611.60

The sole reason for the cost overrun of \$1,611.60 was due to **air/** travel. In our budget, we had anticipated flying John **Stelfox** (instructor) from **Sachs Harbour** to **Inuvik** and the **Tuktoyaktuk** guides from **Sachs Harbour** to **Tuktoyaktuk** via scheduled air service. However, because of the length of the training session in **Sachs Harbour**, it was necessary to charter an aircraft back to **Inuvik**.