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Western Arctic

Tourism Strategy

Draft Volume 10

INUVIK

Western Arctic Visitors Association Economic Development and Tourism

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PREFACE

In the fall of 1986, the Western Arctic Visitors Association **commissioned** the consortium of **Pelman** Architects, MacLaren **Plan-**search and Addison Travel Marketing to prepare a comprehensive tourism development and marketing strategy. The consultants were also asked to prepare architectural plans for a proposed WAVA Visitors Centre and a conceptual development scheme for the Dempster Highway.

The study was funded under the Economic Development Agreement and overseen by the Department of Economic Development and Tourism.

The goals of the study were to create an action oriented plan that will achieve the following:

- o increase awareness of the long term potential of the tourism industry;
- o develop a commitment by both individual operators and **communi-**ties as to becoming involved in tourism; and
- o to identify the implementation requirements for the construction of much needed facilities and the implementation of new tourism opportunities (package tours, outfitters, etc.).

The objectives of the study are as follows:

- o to **devel**op a background of information on tourism development in the Western Arctic Region for the public and private sector;
- o to detail a specific implementation strategy for tourism development;
- o to increase the **community** awareness of tourism opportunities and potential developments;

- o to provide a specific marketing strategy for the region with definite action oriented goals to be implemented prior to the completion of the study;
- o to develop tourism products and prepare prefeasibility studies for a number of projects during the planning process; and
- o to encourage private sector development in the Western Arctic tourism industry.

The study then was clearly meant to encourage locals to become actively involved in the travel industry as well as provide operators and government with a blueprint for future tourism development.

At the onset of the study, interest in tourism development opportunities was relatively low, and the impact of the oil and gas industry was very much in evidence. Gradually, however, as the reality of the downturn in gas exploration set in, many local entrepreneurs became enthusiastic about the travel industry. The last half of the study process was marked by extraordinary involvement of the local people.

The study also had the ongoing support of the GNWT particularly the Department of Economic Development and Tourism in both **Inuvik** and **Yellowknife**.

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1. INTRODUCTION

The Region

"You mean you can really drive to the Arctic? Sounds like a winner. **Whats'** there to do when you get **there?**"¹

Despite his basic lack of knowledge of the Western Arctic, this gentleman 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 during 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 70% over 1986. Improved conditions on the Dempster 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.

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.

THE COMMUNITIES

The development strategy is based on a **community-based** approach which is fully consistent with GNWT tourism policies and the community resources of the Western Arctic. **Community-based**

tourism focuses tourism activity on communities where most services are located. Tourism products will be developed in and around **communities** enabling visitors to experience both the northern environment and as well as the social fabric of the **community**.

With tourists using a **community** as a base point for tours to surrounding attractions, local tour operators can utilize existing local services, thereby enhancing the benefits of tourist expenditures for each **community**. Furthermore, by bringing tourists through the **communities**, local residents can be encouraged to participate in the planning of tourism development. The intent of a community-based approach to tourism development is to concentrate the economic and social benefits from tourism in the communities and to offer visitors the unique experience of participating in a **community's** culture and lifestyle.

While each community acts as a service centre, it is also part of a network of communities offering visitors different experiences. For balance in the region, **communities** need to establish individual themes with identifiable character and types of experience. Cooperation, not competition, is essential.

The quality of the tourist experience is closely associated with the degree of **communication** between the various components that make up the attractions and services. The performance of one operator affects the success of others. The quality of the tourist experience in one **community** affects the overall regional tourism experience. Communication between operators and communities allows for better industry understanding, cooperation and performance.

The **community-based** approach also recognizes that individual communities develop at different rates. The positive experience of the more aggressive communities can demonstrate to other

communities the benefits from tourism development and how tourism projects can be successfully implemented. If one community wishes to proceed at a faster pace than others, its travel products could be packaged with the products of communities in other regions (e.g. Arctic Coast, Dawson City of Big River).

Each **community** will match its unique natural and cultural resources with the overall regional themes and development concept. In order to respect the integrity of each **community**, as well as respond to the variety of market segments, it is possible to suggest a distinct focus for each **community**. In some cases more than one primary tourism activity may be suggested. For instance it is not necessary to suggest that wilderness tours are more important in Sachs Harbour than sport hunting. In addition, secondary themes are sometimes appropriate for certain **communities**.

Designating a particular orientation for a **community** does not imply that it is locked into a rigid description. The purpose is however, to create an integrated and balanced development plan throughout the region, as well as promote **inter-community** collaboration. The latter is potentially achieved, for instance, by two adjacent communities offering complementary activities in an overall **two-community** package.

The themes and **subthemes** proposed for each **community** are summarized on the following table:

COMMUNITY THEMES

COMMUNITY	THEME	SUBTHEME
<u>A. MCKENZIE RIVER AREA</u>		
a) Norman Wells	Mackenzie River Canol Trail	Oil and Gas Industry Interpretation
b) Fort Franklin	Trophy Sportfishing	Native Li festyle
c) Fort Norman	Sport Hunting	Wilderness Tours
d) Fort Good Hope	Mackenzie River Arctic Circle	Sport Hunting/Fishing Dene Culture
e) Colville Lake	Sportfishing	Native Li festyle
<u>B. MACKENZIE DELTA AREA</u>		
a) Inuvik	Regi onal Stagi ng Area Mackenzie Delta	Destinati on Attracti ons Informati on Servi ces
b) Aklavik	Ri chardson Mountai ns Hi story	Herschel Isl and Sport Hunting Arts and Crafts Mackenzie Del ta
c) Fort McPherson	Dempster Hi ghway Vi si tor Servi ces	Loucheux Culture Sport Hunting Dempster Patrol Peel River Interpreta- ti on
d) Arctic Red River	Dempster Hi ghway Servi ces	Native Culture Fi sh Camp
<u>c. ARCTIC OCEAN AREA</u>		
a) Paulatuk	Nature/Ocean Tours Wilderness Lodge	Sport Hunting/Fishing Inuit Culture Arts and Crafts
b) Sachs Harbour	Banks Isl and Nature Interpretation	Sport Hunting
c) Tuktoyaktuk	Arctic Ocean Touring Inuit Culture	Pingos Oil and Gas Sport Hunting

WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitor Association
Economic Development and Tourism
Threat

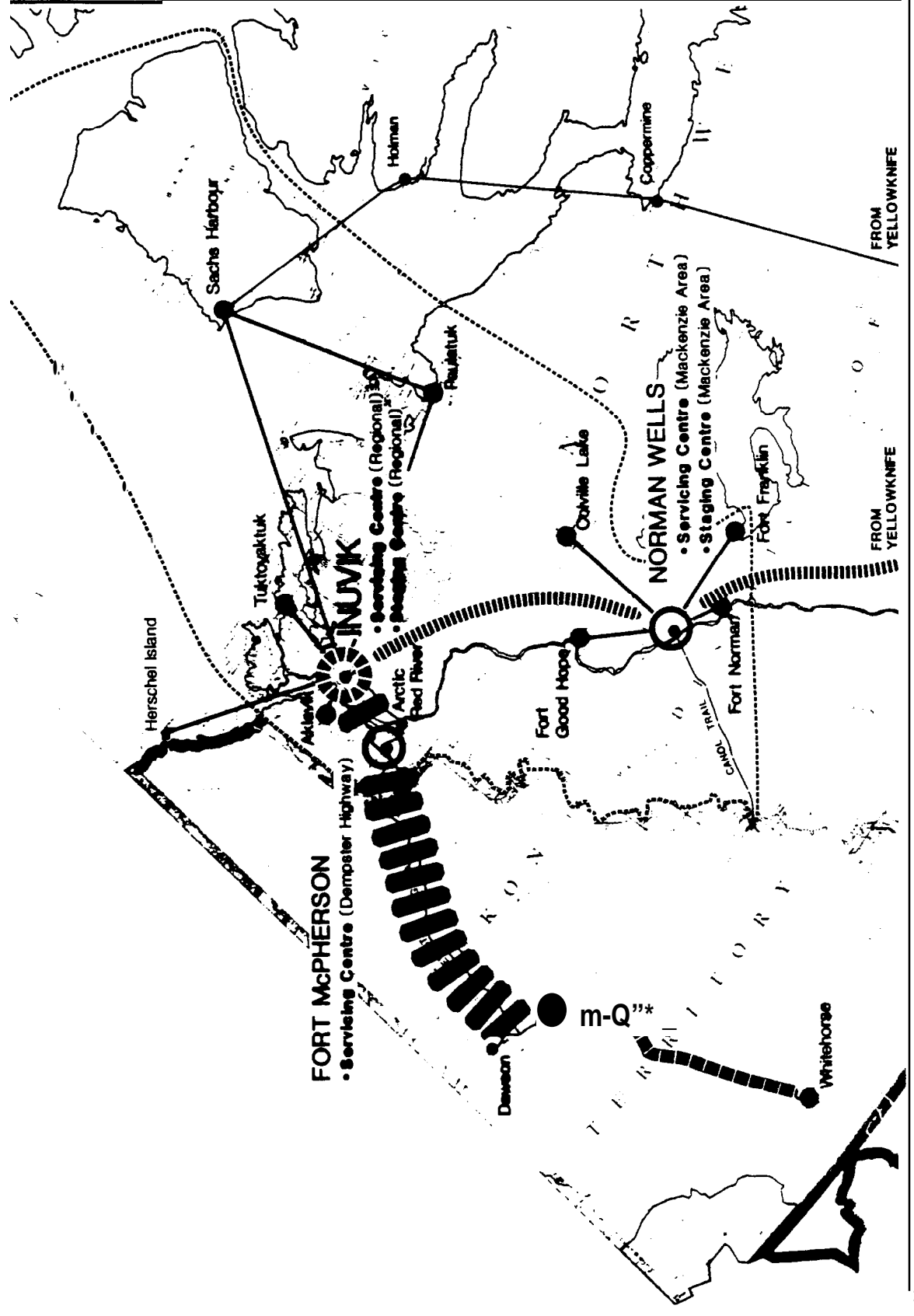
LEGEND

Regional Boundary

Rubber Tire
Access Route

Air Access Route (|||||)

Development Concept



WESTERN ARCTIC

Tourism Strategy

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

LEGEND

Regional Boundary

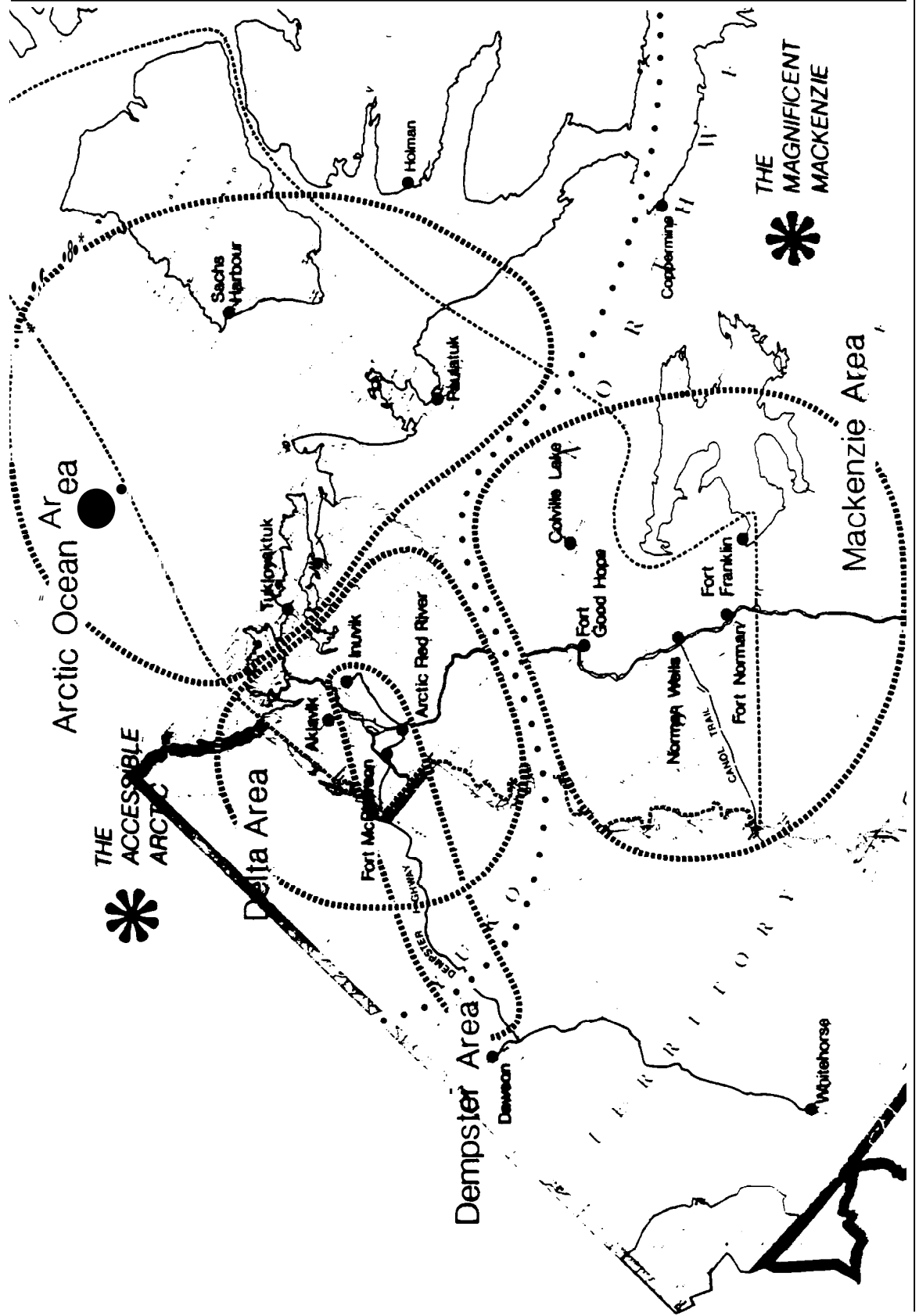
Sub-Region

Theme

Area/Corridor Boundary

Attraction Concept

Map drawn by ANICE ANDERSON
for W.A.V.A. Associates, April 1981
ACCURATE TRAVEL MARKETING



2. EXISTING TOURISM FACILITIES/ACTIVITIES

Inuvik

Inuvik continues to emerge as the major destination and staging area in the Western Arctic and its importance to tourism development in other communities cannot be underestimated. The 2000 plus tourists that visited the coastal community of Tuktoyaktuk and the Delta community of Aklavik in 1987 did so because of the efforts of **Inuvik's** Antler Aviation and Aklak Air operators. In fact, these communities have become **Inuvik's** best attractions and a day trip to either one of these communities usually means another night in **Inuvik**. Many people, however, do not take a trip to the coast or Delta in part because of the lack of activities/attractions in **Inuvik**; particularly if the party has to wait a day or two for a charter to fill up. **Inuvik** lacks the attractiveness to keep people in the town or to entertain them while they are waiting for a flight to other parts of the region.

Delta/River Cruises

There have been small efforts to establish ½ day and day tours on the river, however, they have not been adequately organized and pricing is not appropriate.

The intent of starting with small boat cruises until a larger vessel can be found that responds to greater volumes including caravans, bus tours, etc. is excellent. These tours could be worked on during the winter enabling them to be properly sold and delivered in the 1988 season. They must, however, be operated on a full time, scheduled basis at a fixed charge per person. The concept of charging a flat fee for 10 people and leaving the visitor to 'guess' what the final price may be does not work for the consumer and the trips will not sell.

Western Arctic Visitor Centre

The extraordinary response of the public to day trips, community tours and **flightseeing** clearly demonstrates the travelers interest in purchasing packages, many of them in excess of \$100.00. The consultants will work with operators on developing more extended trips which could effectively give the region approximately 50 product offerings by the year **1990**. It is imperative that a major interpretation, product demonstration and sales facility be constructed in order to support these Western Arctic packages.

The consultants have prepared a final design (Volume 3) for the facility to be located on the Mackenzie Road at the entrance to the downtown core. It will be approximately 8000 **sq.ft.** and include:

1. Exhibition Area: 3000 **sq.ft.**
 - a) Mackenzie Area
 - b) Delta Area/Dempster Highway
 - c) Arctic Coast/Ocean Area and Herschel Island

Exhibits will be portable and capable of being stored, enabling the space to be used as classrooms, (Arctic College Tourism Training), **community** events, meetings etc., during the winter months.

2. Lounge

A comfortable bright, sunken lounge will provide a gathering/meeting/relaxing place for tourists. It will be adjacent to the Western Arctic Resource Library and include the necessary amenities to make this an inviting area. The more time the tourists spend in this building, the more likely they are to purchase package tours and other products.

3. Sales Desk

The sales area will be located at the heart of the building and will reinforce this facility as a point of sales for Western Arctic product. Visitors will pass it both before and after they experience the exhibits and audio visual show.

4. Audio Visual Room

An audio visual room will be located at the end of the exhibit hall and just before passing the sales desk. It will primarily display a 15 minute film/slide show on the region followed by 5 minute presentations of major packages. This facility will also accommodate a wide variety of films in the evenings (such as those now showing in **Grollier** Hall). During the winter, it would serve both **community** and Arctic College interests.

5. Administration Area

Office space is provided for **WAVA**, Parks Canada, internal library and at least one other organization that might locate in the next few years (**ie.** Guided Arctic Expeditions, inbound operator, etc.).

6. Craft Workshop Area

A craft demonstration space is provided to demonstrate local craft production. A different artist could be brought in each week. The space could also be used for day long craft workshops where small groups, 5 to 10 tourist could take a course in some aspect of craft production (beadwork, carving, sewing wall hangings, tanning, **etc.**).

7. Outdoor Plaza

This space would be used for exterior displays (kayaks, **sleds, etc**), fish smoking, demonstrations and entertainment. It could also include a stage and observation tower. Located on

the Mackenzie Road side of the **centre** it would serve as an attraction to bring people into the building.

Nature/Cultural Attraction

While the **WAVA Centre** will initially serve as an attraction it will eventually be necessary to have a major theme park/ **attraction** that adequately represents and displays the natural and cultural features of the Western Arctic.

Ideally it should be located close to the **WAVA Centre** as part of the proposed town **centre** complex. A number of themes have been proposed and any combination **would** be appropriate:

Northern/Native Shelter including everything from skin tents, to sod houses to log cabins;

Transportation;

Game Farm displaying a variety of northern animals - especially those such as caribou which tourists expect to see but rarely get a chance to.

Emphasis would be placed on tourist participation such as the construction of a tent or kayak.

Recreational Vehicle Campground

While the renovation of **Chuk** Park and the expansion of **Happy Valley** campgrounds will meet the short term **R.V.** requirements they will not adequately serve the additional 2000 to 3000 **R.V.'s** that can be expected by 1992.

Chuk Park is -too far from town to serve the interests of the travelers. They cannot walk from the park to town, thus

encouraging them to bring their equipment into town and creating major traffic jams. Also it will be many years before **Chuk** Park can be made attractive even with the existing large planting programs. It will always be an important facility to the overall tourism plant for **Inuvik**. In the long term **Chuk** Park could serve as an overflow area for a fully equipped, attractive, close-to-town campground.

Happy Valley is situated on a valuable piece of land and although it may expand to the north (with land fill) it will never have the land base to be a full service **R.V.** campground. Instead it should position itself as a low cost fixed **accommodation** facilities (*ie.* tent frames, small cabins) charging \$30.00 to \$40.00 per night/unit.

The best **R.V.** campground location still seems to be the cemetery site. The land is potentially available, it **is** relatively **close** to the **centre** of town (although a shuttle service may be provided by a local taxi company) is pleasantly located on the lake (paddle boats, canoeing, bird watching) and has the land necessary for 50 to 70 campsites. It should be fully serviced (showers, laundromat, sewage, water and electricity) enabling the responsible developer (private operator, Town of **Inuvik**, **Inuvik** Band, etc.) to charge \$20.00 to \$25.00/day. Every effort would be made to encourage extended stay (*ie.* reduced rates for 3 days) and parking for those taking multiple day packages to the communities.

Main Street Upgrading/Town Centre

The presentation last spring, by the consultants, of a downtown revitalization/town **centre** concept met with limited interest when presented to town council. While the latter may be more long term it is imperative that efforts be made to make Mackenzie Road more attractive and appealing to visitors. Facade treatment, **colour**, street furniture, banners, moderate landscaping, organized parking, rest areas, etc., **will all** be located in our **final** plan.

With the loss of a major building through fire its reconstruction as an attractive retail service (confectionery, arts and crafts, fast food restaurant, books and magazines, outdoor terrace) can become a focus to the town as well as a stimulant to attractive facade treatment.

The Town Centre Concept will require a major **commitment** by Council including, land exchange and compensation for the Anglican Church. But its long term value as a site for a:

- natural/cultural theme park
 - recreation **centre/library** complex
 - parking
- could make this initiative a priority in subsequent years.

Tourism Activities

The **Inuvik** Band in" collaboration with Economic Development and Tourism has displayed remarkable initiative in providing imaginative and popular tourism activities in Jim Koe Park. Northern Games, fish bakes, storytelling, etc. are the type of activities that allow the tourists to interact with the local population.

It does not seem that **Inuvik** is interested in organizing major summer festivals (such as **Dawson** City for example) and so these ongoing nightly activities are unique to the north.

In fact it can be argued that a continual summer program of tourist entertainment has a much greater impact because it reaches many more tourists over the summer than simply one major weekend (or week) event.

Inuvik

o Existing Facilities

See Table 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, bird life,
 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 Dan 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;

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 $\frac{1}{2}$ 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;

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).

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

3. DEVELOPMENT OPPORTUNITIES (**INUVIK** REGION)

1. BACKGROUND/RATIONALE

- 0 since the termination of the **Norweta**, boat cruises of the Delta are once again being considered an important attraction for **Inuvik**;
- 0 the **Norweta** is for sale in **Tuktoyaktuk** although other boats could be considered;
- 0 very important attraction to holding tourists in **Inuvik**; and
- 0 most often request at **Inuvik** Visitor Centre is for river activities.

2. DESCRIPTION

- 0 vessel has to accept a **motorcoach** passenger load e.g. 40 people;
- 0 based in **Inuvik** offering trips to **Aklavik**, Reindeer Station and occasional cruise-fly packages to Herschel and **Tuktoyaktuk**; and
- 0 one-half day, one day and overnight optional packages all inclusive including meals and onshore experiences (native fish camp, tea and bannock, etc.).

3. OBJECTIVES

- 0 increase length of stay in **Inuvik**;
- 0 provide a quality/unique attraction for visitors to **Inuvik**;
- 0 provide a water link between **Inuvik** and **Aklavik**, **Tuktoyaktuk** and possibly Arctic Red River;
- 0 provide opportunity to experience the Delta, its wildlife and beauty; and
- 0 provide local employment.

4. MARKETING STRATEGY

- 0 produce a brochure;
- 0 target **R.V.** operators and caravans, auto trip planners, **motorcoach** operators, business travelers with an extra day and post-convention delegates out of **Yellowknife**;
- 0 prepare a press release;
- 0 offer both passenger and freight service;
- 0 advertise in Up Here, Sunset, weekly newspaper chains - Ontario, Alberta and B.C.; and
- 0 attend consumer shows, Alberta and London Free Press, plus Seattle and Portland.

5. RESPONSIBILITY AND IMPLEMENTATION

o joint venture between Native Organization and private sector or Local Development Corporation.

6. PERFORMANCE INDICATORS

- o add to overall attractions;
- o extend length of stay by $\frac{1}{2}$ day average;
- o appeal to 30% of visitors;
- o increase overall expenditure by \$100.00/day/passenger;
- o additional expenditure of \$500,000.00 per year by 1993;
- o increase interest in coming to **Inuvik**; and
- o increase impact on **Aklavik** and Tuktoyaktuk.

7. OPPORTUNITIES AND CONSTRAINTS

- o relatively low ticket price for $\frac{1}{2}$ day packages;
- o flexibility of product offering; and
- o short season for relatively high capital and operating costs.

8. IMPLEMENTATION STEPS

- o identify potential operators;
- o identify available vessels;
- o apply for support or joint venture funding;
- o preparation of feasibility study; and
- o **acquire** appropriate vessel.

9. COSTS

Acquisition: \$150,000

Start-up: \$110,000

Total Costs: \$260,000

10. REVENUE AND OPERATING COSTS

Revenue in 1993

0 One-half day passengers (30% of visitors to Inuvik)	
- 24,000 x .30 x \$49.00/half day	\$352,800.00
80 passengers x 2 day packages x \$250.00/day	<u>40,000.00</u>
TOTAL:	\$392,800.00

costs

Salaries - Captain	\$ 25,000.00
Deck Hands (2)	28,000.00
Assistant	10,000.00
Fuel (\$1,000.00/day)	120,000.00
Insurance	20,000.00
Food Suppliers	72,000.00
Marketing	15,000.00
Maintenance	20,000.00
Debt Servicing	25,000.00
Commissions	10,000.00
Fees	<u>5,000.00</u>
TOTAL:	\$350,000.00

PRIORITY I

**DELTA BOAT TOURS
INUVIK**1. BACKGROUND/RATIONALE

- o lack of access to the Delta for visitors;
- o while tours have been available they have been very unstructured and have not attracted much volume; and
- o information on river activities predominant request at Inuvik Visitor Centre and campgrounds.

2. DESCRIPTION

- o serving the small groups, couples or individuals who want a short excursion (rather than a cruise) to nearby Delta attractions (birdlife, fish camps, etc.);
- o up to 10 people per boat; and
- o regular scheduled departures from waterfront.

3. OBJECTIVES

- o provide relatively low cost attraction (i.e. \$25.00 for 2-3 hours);
- o demonstrate Delta activities and qualities;
- o increase length of stay; and
- o encourage private investment due to low capital cost requirements.

4. MARKETING STRATEGY

- o prepare flat sheet;
- o advertise in Canadian and Up Here magazines, plus News North;
- o target Inuvik Visitors seeking a low budget northern water-based experience and individual R.V. operators; and
- o Promote at visitor Centres in Dawson City, Eagle Plains and Inuvik.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Private sector; and
- o assistance with marketing and promotion.

6. PERFORMANCE INDICATORS

- o 20% of visitors by 1993;
- o additional revenues of \$120,000.00 to the region;
- o increase average length of stay by 1/3 day/person; and
- o improve attraction mix of Inuvik.

7. OPPORTUNITIES AND CONSTRAINTS

- o several available craft in town; and
- o individual owners not necessarily reliable.

8. IMPLEMENTATION STEPS

- o identify appropriate individuals with adequate vessels; and
- o **provide** necessary support funding for start-up.

9. COSTS

Start-up: \$40,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

24,000 x 20% x \$25.00 \$120,000.00

costs

Salaries - operators (20) @ \$3,500.00/month	\$28,000.00
guides (2)	10,000.00
Fuel (\$10,000.00/month)	40,000.00
Maintenance	10,000.00
Insurance	4,000.00
Marketing	2,000.00
Commissions	<u>4,000.00</u>
TOTAL:	\$98,000.00

PRIORITY I

TOURISM ACTIVITIES
INUVIK1. BACKGROUND/RATIONALE

- o tourists expect to be entertained and introduced to northern and native activities and games;
- o since major festivals seem unlikely (and probably not necessary) emphasis could be placed on small ongoing special events; and
- o **people** are looking for cultural activities to view or participate in.

2. DESCRIPTION

- o a variety of games, entertainment and activities were provided in 1987 that were very popular with the tourists; and
- o activities would include: native games, short skits, dances, fish feeds, native food tasting, musical entertainment, picnics and hikes, etc.

3. OBJECTIVES

- o express northern hospitality and improve the memorability of **Inuvik**;
- and
- o obtain public funding support initially but eventually self sufficient.

4. MARKETING STRATEGY

- o Prepare **flat** sheets and **posters**;
- o promote at visitor centres in Dawson City, Eagle Plains and campgrounds;
- o target all visitors to **Inuvik**; and
- o advertise in Up Here, Harrowsmith, **Real** Travel.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Town of **Inuvik**; and
- o **WAVA**.

6. PERFORMANCE INDICATORS

- o increase length of stay by 1/4 day;
- o improve understanding of **Inuit, Metis** and Dene Culture;
- o increase guest/host contact and visitor participation in events; and
- o encourage young people to become involved in tourism as entertainers, performers.

7. OPPORTUNITIES AND CONSTRAINTS

- o relatively low revenue generating capacity, therefore ongoing government support required; and
- o daily/weekly activities are more appropriate than major festivals.

8. IMPLEMENTATION STEPS

- o WAVA/Town of Inuvik establish a coordinating body;
- o select a contracted organization e.g. **Inuvik** Band Council or create something like an **Inuvik** Cultural Events Association; and
- o plan programs and establish schedule.

9. COSTS

Total Costs: \$75,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

Total visits to **Inuvik** in 1993 will be **approximately** 24,000

60% of visitors @ \$5.00 each \$72,000.00

costs

Salaries - 1 coordinator (4 months)	\$12,000.00
10 part time	20,000.00
Advertising	2,000.00
Refreshments	10,000.00
Material	<u>3,000.00</u>
TOTAL:	\$47,000.00

1. BACKGROUND/RATIONALE

- 0 there will be well in excess of 50 packaged product offerings in the Western Arctic over the next few years, this could be enough to encourage the establishment of a local inbound operator to promote and coordinate multiple packages; and
- 0 to increase length of stay within the region it is imperative that visitors are offered excursions out of **Inuvik** for one or two nights.

2. DESCRIPTION

- 0 operator could sell all **WAVA** product and work in collaboration with other tour operations in the **N.W.T. and Yukon**; and
- 0 they could also play a role in product development and training and be instrumental in promoting some of the more remote packages such as in **Paulatuk** or Fort Norman.

3. OBJECTIVES

- 0 aggressive promotion of **WAVA** product;
- 0 develop multiple area packages (e.g. fishing at **Drum Lake and Paulatuk** or boat tour at Norman Wells/Fort Good Hope and Inuvik/Aklavik);
- 0 create one identifiable representative to sell Western Arctic product; and
- 0 encourage/promote travel to the smaller communities in the Western Arctic.

4. MARKETING STRATEGY

- 0 produce a product brochure;
- 0 advertise in travel trade magazines such as Agent Canada, Travel Agent West, etc.;
- 0 target Southern Wholesalers with a variety of Adventure Travel interests, such as Mountain Travel, Joseph Van Os Adventure Tours, Great Expeditions, Contacts Pacific, etc.; and
- 0 select consumer shows, London Free Press, Dallas, Anaheim, etc.

5. RESPONSIBILITY AND IMPLEMENTATION

- o private sector; and
- o private sector/Development Corporation joint venture.

6. PERFORMANCE INDICATORS

- o increase tourism expenditures by promoting more package tours and day tours;
- o increase daily expenditure and length of stay to region;
- o increase marketing capacity of outfitters in communities; **and**
- o generate approximately \$500,000.00 in sales by 1993.

7. OPERATIONS AND CONSTRAINTS

- o possibility to combine this service with other tourism related **services**(e.g tour supplier, consulting, hospitality training, meeting and conference planning);
- o difficult to make enough revenue to support an inbound **only** operation; and
- o many products in each community have necessary expertise to develop product but not to sell, therefore they will use inbound operator.

8. IMPLEMENTATION STEPS

- o identify inbound tour operators;
- o establish liaison between **communities** and operator;
- o develop preliminary product, identification including prices, schedules, services, etc.; and
- o **product** brochures describing product and promote.

9. COSTS

Equipment: \$70,000
 Start-up: \$60,000
 Total Costs: \$130,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

(will come from several market segments)

o 10% of R.V. and automobile travelers book a \$100.00 tour	\$180,000.00
o 25% of package tours to region averaging \$1,000.00/package/person	382,000.00
o 20% of air travelers book \$100.00 tour	<u>21,000.00</u>
	\$583,000.00
At 15% commission total revenues would be:	\$87,450.00

costs

Salary - Manager (8 months)	\$24,000.00
Assistant (4 months)	10,000.00
Part Time	5,000.00
Office Administration	10,000.00
Marketing	20,000.00
Insurance	<u>4,000.00</u>
TOTAL:	\$73,000.00

PRIORITY II

**R.V. RESORT CAMPGROUND
INUVIK (IN TOWN)**1. BACKGROUND/RATIONALE

- 0 lack of **R.V.** campground facilities close to **Inuvik** to accommodate the expected increase in **R.V.** traffic over the next 5-10 years (59% increase in 1987);
- 0 despite upgrading of Chuk Park there is a long term demand for a well planned, attractive, resort styled campground that encourages additional overnight stays;
- 0 must be within walking distance or short bus ride from **Inuvik** to reduce the impact on the demand for parking; and
- 0 ultimately an **R.V.** caravan site is necessary.

2. DESCRIPTION

- 0 attractive, well planned, treed site, close to water body and downtown **Inuvik**, good views, walking trails;
- 0 full service sites with amenities like, hot tub and sauna, laundromat, paddle boats and canoes, games area (checkers, shuffle board) and lounge/ T.V. room; and
- 0 phase I - 50 sites (1990), to be increased over time to 125 (1997) sites.

3. OBJECTIVES

- 0 provide a campground facility that corresponds to the expectations and experiences of the **R.V.** operators for an economically viable price (\$25.00/night);
- 0 establish a facility that encourages greater length of stay - with its consequent impact on package trip purchases; and
- 0 reflect the trend in the **R.V.** community towards higher quality/resort style facilities.

4. MARKETING STRATEGY

- 0 target **R.V.** Operators, **R.V.** Associations, Campers/Tenters, Auto Trip Planners, **R.V.** Caravans;
- 0 attend **R.V.** shows such as Anaheim, Vancouver, San Francisco and **R.V.** Association gatherings; and
- 0 advertise in Milepost, Trailer Life, Westworld, etc.

5. RESPONSIBILITY AND IMPLEMENTATION

o joint venture between Native Band or Development Corporation and private sector.

6. PERFORMANCE INDICATORS

- o additional expenditures of \$45 ,000.00;
- o increase length of stay;
- o campground users admission \$25.00/day;
- o extra expenditures \$20.00/person (in town);
- o on-site purchase \$15.00; and
- o increase service/operations near R.V. campgrounds.

7. OPPORTUNITY AND CONSTRAINTS

- o development should only be started when others are running at full occupancy;
- o cemetery site may not be available in 3-4 years; and
- o relatively high cost of developing quality campsites for short season.

8. IMPLEMENTATION STEPS

- o Municipality identify selected site;
- o Municipality enter into a joint venture with a private operator;
- o approach Economic Development and Tourism for funding;
- o begin planning process; and
- o commence construction.

9. COSTS

Planning: \$100,000

Construction: \$1,325,000

Start-up: \$125,000

Total Costs: \$1,550,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

There will be 6,400 R.V.'s into Inuvik in 1993. Assuming:

- o 50% or 3,200 stay at the proposed campground
- o 35% or 2,240 stay at Chuck Park
- o 15% or 960 stay at Happy Valley

There will also be approximately 500 tenters who arrive by automobile for a total demand of 3,700 to accommodate R.V.'s and tents at the new campground. By 1993 they will be staying an average of approximately 2.5 nights creating a demand for 9,250 visitor nights.

Over a 12 week period a 120 unit facility will provide 10,080 for a healthy 92% occupancy.

o 9,250 visitor nights x \$25.00	\$231,250.00
o Plus on-site purchases of \$30.00 x 3,200 unit	<u>96,000.00</u>
TOTAL:	\$327,250.00

costs

Salaries - Manager (6 months)	\$ 20,000.00
Assistant (5 months)	15,000.00
Staff (6) (4 months)	60,000.00
Administration	5,000.00
Maintenance	17,000.00
Supply Purchase	50,000.00
Insurance	5,000.00
Marketing	15,000.00
Utilities	30,000.00
Transportation	3,000.00
Special Events	<u>10,000.00</u>
TOTAL:	\$230,000.00

1. BACKGROUND/RATIONALE

- o need for lower budget accommodation since approximately 15% of Dempster Highway traffic arrives by automobile;
- o maximize return at existing campground due to its strategic location in Inuvik and attractive setting (Happy Valley); and
- o budget location for cyclists.

2. DESCRIPTION

- o small, rustic double unit cabins (located on prime sites of Happy Valley), lodge style including restaurant and other facilities;
- o common services and only basic bedding provided; and
- o approximately 8-10 units, charging \$30.00-\$35.00/night.

3. OBJECTIVES

- o provide alternative accommodation niche or overflow when hotels are occupied;
- o encourage expenditures in other sectors because of lower accommodation costs;
- o create another private sector opportunity; and
- o increase length of stay because of affordable accommodation.

4. MARKETING STRATEGY

- o 1-800 Hot Line requests;
- o target motorists looking for lower cost accommodation and small groups;
- o advertise in weekly newspaper groupings, B.C., Alberta, Washington, and Oregon; and
- o advertise in Westworld Magazine.

5. RESPONSIBILITY AND IMPLEMENTATION

- o joint venture between Native organization and private sector or Local Development Corporation.

6. PERFORMANCE INDICATORS

- 0 augment existing revenues by \$36,000.00 in 1992;
- 0 increase length of stay in community by 1 day;
- 0 appeal to more diverse economic groupings; and
- 0 produce equivalent of two jobs.

7. OPPORTUNITIES AND CONSTRAINTS

- 0 political objections from existing operators;
- 0 difficulty pay back in short 100 day season; and
- 0 possible accommodation rentals during winter if insulated.

8. IMPLEMENTATION STEPS

- 0 site selection;
- 0 private operator initiative;
- 0 arrange joint venture with Native Development Corporation;
- 0 support from Economic Development and Tourism; and
- 0 planning and construction.

9. COSTS

Construction: \$100,000

Start-up: \$10,000

Total Costs: \$110,000

10. REVENUE AND OPERATING COSTSRevenue in 1991 (10 Units)

80% occupancy of 100 day season at \$35.00/night	\$28,000.00
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costs

Additional Staff (2) @ \$3,000.00/month	\$16,000.00
Maintenance	3,000.00
Marketing	1,000.00
Utilities	2,000.00
Insurance	<u>1,000.00</u>
TOTAL:	\$23,000.00

PRIORITY II

WATERFRONT DEVELOPMENT
INUVIK1. BACKGROUND/RATIONALE

- o the waterfront is an attractive staging area for boat trips, yet it is very unstructured and has no facilities for tourists;
- o area is also appealing for low cost tourist accommodation and seasonal restaurant; and
- o some recreational fishing could be generated with proper infrastructure and rentals available.

2. DESCRIPTION

- o an adequate docking boat tour arrival/departure area could be constructed as part of the overall waterfront development, and could include:
 - small marina
 - food service (possibly in association with accommodation)
 - gas/oil supplies

3. OBJECTIVES

- o increase access to the water to encourage acquisition of boat trip packages;
- o reflect **Inuvik's** Delta location; and
- o provide food services and seasonal accommodation on the waterfront.

4. MARKETING STRATEGY

- o target all visitors to **Inuvik**; and
- o advertise *in News North, Up Here, Sunset.*

5. RESPONSIBILITY AND IMPLEMENTATION

- o Town of **Inuvik** and private operators (food services, boat, accommodation).

6. PERFORMANCE INDICATORS

- o contribute to 20% of boat cruise traffic;
- o increase length of stay by 1 day due to lower accommodation costs;
and
- o increase repeat visitation especially for budget **traveller**.

7. OPPORTUNITIES AND CONSTRAINTS

- o waterfront location has appeal for food and accommodation servicing
and could increase interest in visiting the Delta;
- o create **food/accommodation/cruise** packages;
- o location outside of the downtown area suggests it will be necessary
to close in winter; and
- o it is in competition with existing hotel/restaurant operators.

8. IMPLEMENTATION STEPS

- o prepare feasibility study;
- o application for bank financing or joint venture with Native
Development Corporation;
- o prepare plans and specifications;
- o construction; and
- o prepare **all inclusive** packages for marketing.

9. COSTS

Total Costs: \$300,000

10. REVENUE AND OPERATING COSTSRevenue in 1994

0 Food service (serves 30)	
- June, 50 people/day x \$15.00	\$ 22,500.00
- July, 120 people/day x \$18.00	67,000.00
- August, 120 people/day x \$18.00	67,000.00
- September, 75 people/day x \$12.00	27,000.00
0 Marina 20 users x \$200.00/month x 4 months	16,000.00
o Accommodation 12 units x \$40.00	
- June, 40% occupancy	5,760.00
- July, 90% occupancy	13,640.00
- August, 90% occupancy	13,640.00
- September, 65% occupancy	<u>9,600.00</u>
TOTAL:	\$242,140.00

costs

Salaries - Manager (8 months)	\$ 32,000.00
Staff (4 months) - food/retail (4)	12,000.00
accommodation (2)	8,000.00
marina (2)	6,000.00
Food (\$10.00/person)	120,000.00
Maintenance	10,000.00
Insurance	5,000.00
Promotion	5,000.00
Utilities	20,000.00
Training	<u>3,000.00</u>
TOTAL:	\$221,000.00

1. BACKGROUND/RATIONALE

- 0 tourists are generally disappointed in the appearance of **Inuvik** following their 2 day excursion up the Dempster Highway;
- 0 little has been done to improve the aesthetics of the city **centre**;
- and
- 0 attractive downtown will encourage visitors to stay longer and develop a sense of pride with residents.

2. DESCRIPTION

- 0 revitalization could include: a) facade treatment; and b) street landscaping;
- 0 **colourful** (rainbow) facades could be added to each building in a coordinated fashion;
- 0 trees, flowers, benches, kiosks and organized/structured parking could be included in the street treatment; and
- 0 from Mackenzie Hotel to Home Hardware.

3. OBJECTIVES

- 0 improve the image of **Inuvik** as a tourist destination community;
- 0 create a memorable theme for the visitor and attractive environment for the resident; and
- 0 create a strong visual character for the town that is distinguishable, appealing and marketable.

4. MARKETING STRATEGY

- 0 target all destination oriented rubber tire and air travelers;
- 0 target **R.V.** associations seeking unique northern and community destinations for their members; and
- 0 target **motorcoach** operators such as Horizon Holidays, Wells Gray Tours, Atlas Tours, **Nigel** Tours, Rainbow Tours, etc.

5. RESPONSIBILITY AND IMPLEMENTATION

- 0 Town of **Inuvik**, downtown businesses, WAVA and Economic Development and Tourism.

6. PERFORMANCE INDICATORS

- o increase overall length of stay by $\frac{1}{2}$ day;
- o additional expenditure \$20.00/person; and
- o the enhancement of Inuvik's image.

7. OPPORTUNITIES AND CONSTRAINTS

- o apparent lack of interest by city officials and local businesses;
- o excellent example of impact in Whitehorse;
- o potential for EDA support; and
- o opportunity for a unique northern destination image.

8. IMPLEMENTATION STEPS

- o Town Council initiate meeting with downtown businesses Chamber of Commerce;
- o **preparation** of design alternatives;
- o preparation of proposal to EDA; and
- o joint funding arrangement between Inuvik, Economic Development and Tourism, Downtown Revitalization Funding and local businesses.

9. COSTS

Planning: \$100,000

Construction: \$1,000,000

Total Costs: \$1,100,000

10. REVENUE

Difficult to measure but if 75% of people in 1993 spend an additional \$20.00 because of improved aesthetics this would result in an additional \$360,000.00 in retail sales. The project will have generated its costs in 3 to 5 years.

PRIORITY III

CAMPBELL HILLS PARK
INUVIK1. BACKGROUND/RATIONALE

- o the Park provides a **close-to-Inuvik** opportunity to experience the natural environment; it is especially famous for its Peregrine falcon habitats which although protected can still afford the visitor a chance to see this bird;
- o provides opportunities for guided day excursions from **Inuvik**; and
- o to develop addition of another attraction for the increasing number of visitors.

2. DESCRIPTION

- o emphasis will be placed on trail construction, access, interpretation signage and possibly primitive campsite (including tent/equipment rental).

3. OBJECTIVES

- o to provide hiking, day trip and nature interpretation opportunities in proximity to **Inuvik**; and
- o to develop additional 1 or 2 day tour options.

4. MARKETING STRATEGY

- o target more adventurous **R.V.** operators and birdwatchers; and
- o advertise in Birdwatcher, Birders World and **R.V.** Magazines.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Economic Development and Tourism and **Inuvik** Native Band.

6. PERFORMANCE INDICATORS

- o increase length of stay by 1 day;
- o increase awareness of natural environment of the area; and
- o additional expenditures in region due to increased length of stay.

	1989 (' ye)	1990 (' 000) \$	1991 (' 000) \$	1992 (' 000) \$	1993 (' 000) \$	1994-1995 (' 000) \$
MACKENZIE DELTA AREA						
<u>INUVIK</u>						
1. TOUR CRUISE BOAT ACQUISITION						
Acqui si ti on/Refi t	150					
Start-up	40	40	20	10		
2. DELTA BOAT TOURS						
Start-up	20	20				
3. R.V. RESORT CAMPGROUND						
Pl anni ng		100				
Constructi on			500	500	325	
Start-up				50	25	50
4. SEASONAL UNI TS (HAPPY VALLEY)						
Constructi on		50	50			
Start-up		5	5			
5. DOWNTOWN REVITALIZATION						
Pl anni ng			100			
Constructi on			100	200	300	400
6. HATERFRONT DEVELOPMENT			150	100	50	
7. TOURISM ACTIVITIES	25	30	10	10		
8. INBOUND TOUR OPERATOR						
Equi pment	20	20	30			
Start-up		25	15	10	10	
9. CAMPBELL HILLS PARK						
Pl anni ng		20				
Constructi on			100	100	50	
TOTAL:	\$ 255	\$ 310	\$1,080	\$ 980	\$ 760	\$ 450
GRAND TOTAL:	\$3,835,000					

MACKENZIE DELTA AREA (\$'000)

	ECONOMIC DEVELOPMENT AND TOURISM	EDA	SPECIAL ARDA	NEDP	NATIVE DEVELOPMENT CORPORATION	ESKIMO LOAN FUND	HAMLET/TOWN COUNCIL	REGIONAL DEVELOPMENT CORPORATION	NORTHERN HERITAGE CENTRE	LENDING INSTITUTIONS SMALL BUSINESS LOAN FUND	PRIVATE OPERATOR EQUITY	
INUUVIK												
1.	TOUR CRUISE BOAT ACQUISITION											
	Acquisition/Refit		50		a 50					25	25	
	Start-up	30	30		30						20	
2.	DELTA BOAT TOURS											
	Start-up	20	20									
3.	R.V. RESORT CAMPGROUND											
	Planning	100										
	Construction		500	500	325							
	Start-up	50	50		25							
4.	SEASONAL UNITS (HAPPY VALLEY)											
	Construction		50		50							
	Start-up	10										
5.	DOWNTOWN REVITALIZATION											
	Planning		50				50					
	Construction		700				300					
6.	HATERFRONT DEVELOPMENT	50	100							100	50	
7.	TOURISM ACTIVITIES	55					20					
8.	INBOUND TOUR OPERATOR											
	Equipment	20								25	25	
	Start-up	30	30									
9.	CAMPBELL HILLS PARK											
	Planning	20										
	Construction	250										
TOTAL:		635	1,580		500	480	370			150	120	

PRIORITY I

WESTERN ARCTIC VISITORS CENTRE
INUVIK

1. BACKGROUND/RATIONALE

- o no attractive and identifiable information centre in the Western Arctic;
- o lack of tourist focus and gathering points in Inuvik;
- o inadequate sales outlet;
- o identified by industry as important for promoting tourism; and
- o potential location for Arctic College hospitality training.

2. DESCRIPTION

- o attractive colourful building located in a central location;
- o contains lounge/gathering area, reception and sales desk, interpretive exhibits on the Mackenzie Delta, Arctic Ocean Area, Dempster Highway, Herschel Island/North Yukon Park and arts/crafts workshop;
- o small A-V theatre, administration offices for WAVA, Parks Canada and others, small regional resource library; and
- o attractive plaza including amphitheatre and observation tower.

3. OBJECTIVES

- o increase the sale of package tours to the communities;
- o create a focus/reception area for tourists that indicates the region's interest in tourism;
- o indicate to tourists what exists in the rest of the region thus increasing their length of stay and overall expenditure; and
- o contribute to operational costs by generating revenue through commission sales of packages.

4. MARKETING STRATEGY

- o target R.V. operators who have come up the Dempster Highway, particularly those Adventure Travelers who have the time and financial resources to purchase packages and flights to other Western Arctic locations;
- o target business travelers who want to take advantage of their trip to experience other communities;
- o develop central selling area for all tourism products; and
- o advertise in Up Here, Milepost and Explorers Guide.

5. RESPONSIBILITY AND IMPLEMENTATION

0 Western Arctic Visitors Association with funding from Economic Development and Tourism, Parks Canada and Arctic College; and
 0 operated by **WAVA** and leased back to various agencies.

6. PERFORMANCE INDICATORS

0 increase length of stay in **Inuvik** by 1/2 day;
 0 provide 1 full time and 4 part time jobs;
 0 increase sales of tour packages;
 0 enhance sales of arts and crafts; and
 0 act as a focus for tourism activities in **Inuvik** - tours, arts and crafts, etc.

7. OPPORTUNITIES AND CONSTRAINTS

0 need for a focal point to display culture, history and tourism in the Western Arctic; and
 0 excellent opportunity for sales of packages for all Western Arctic product.

8. IMPLEMENTATION STEPS

0 arrange financing which may include:
 - private operator constructing building
 - Native Development Corporation constructing facility
 with support from:
 - Economic Development Agreement
 - Economic **Development** and Tourism
 - Small Business Loan;
 0 prepare business plan;
 0 establish final rental rates for:
 - **WAVA**
 - Economic Development and **Tourism**
 - Parks Canada
 - Inbound Operator
 - Arctic College
 others, and **confirm** occupancy;
 0 prepare final construction drawings and construct; and
 0 **commence.**

9. COSTS

Construction: \$1,900,000

Start-up: \$175,000

Total Costs: \$2,075,000

10. REVENUE AND OPERATING COSTSRevenue in 1993a) Space Rental (between \$17.00 and **\$20.00/sq. ft.**)

o WAVA - Office	\$ 14,000.00
Resource Library	4,000.00
o Parks Canada	32,000.00
o Inbound Operator	10,000.00
o Economic Development and Tourism (4 months) display/theatre	50,000.00
o Workshop Area - artists, Native Corporations, etc.	5,000.00
o Arctic College (8 months) 4 classrooms	52,000.00
o Meeting Room	6,000.00
o Functions/Theatre Rental	5,000.00

b) Commission Package Tour Sales **(10%)**

Based on 21,000 R.V. and automobile visits

o 25% buy for \$90.00	47,250.00
o 10% buy for \$250.00	<u>52,500.00</u>
TOTAL:	\$277,750.00

costs

Salaries - Facility Manager	\$ 40,000.00
Summer Staff (4) (4 months)	48,000.00
Administration/Marketing	12,000.00
Maintenance Contract	28,000.00
Insurance	6,000.00
Heating (\$3.00/sq. ft.)	28,000.00
Utilities	12,000.00
Refreshments	3,000.00
Debt Servicing	<u>100,000.00</u>
TOTAL:	\$277,000.00

1. BACKGROUND/RATIONALE

- o Inuvik is both the terminus of the Dempster Highway as well as a major destination within the Dempster Tourism Development zone. Despite its important position within the Western Arctic it totally lacks attractions. This is both a disappointment to visitors as well as a missed opportunity for the region to both increase length of stay as well as encourage visits to other communities;
- o the concept of a Native Heritage Attraction is a direct response to a constant request by tourists for greater contact with the native people. This facility would enable arriving tourists to both meet tourists as well as learn more about their contemporary and traditional lifestyles; and
- o while it might be argued that such a facility might better be located in one of the communities e.g. Aklavik, it is felt that it would receive the greatest exposure in Inuvik and as such have a major impact on encouraging the movement to other communities.

2. DESCRIPTION

- o the native theme attraction would present a number of facets of native (Dene, Metes, Inuvialut) life. The heritage and lifestyle of the people would serve as the focus and the development would include:
 - traditional shelters
 - making of clothing
 - display of certain local wildlife such as caribou, fox, etc.;
- o the presentation would also be very dynamic and participative. Emphasis would be placed on creating opportunities for interaction between the natives and the tourist through:
 - storytelling
 - preparation of native foods
 - demonstration of native games
 - discussions on native lifestyle, values and customs;
- o the latter activity would also be important in preparing tourists who are about to visit other communities; and

o the development would be located close to the **WAVA Centre** and would complement this facility. For instance the **WAVA Centre** would be more focussed on the sale of tour packages and the demonstration of contemporary arts and crafts production. Together the two projects would be a major draw for the **community** as well as an excellent way to introduce the public to the qualities of the northern native people.

3. OBJECTIVES

- o to encourage tourist movement to other communities;
- o **provide visitors** with a greater appreciation of native lifestyle and northern heritage;
- o contribute to at least a 1/2 day longer stay for approximately 3/4 of the **Inuvik** visitors; and
- o create native employment opportunities especially for craftsmen and youth.

4. MARKETING STRATEGY

- o prepare a brochure;
- o advertise in Milepost, Trailer Life, Wheelers Guide, etc.; and
- o promote **special** events at tourist facilities in Whitehorse, Dawson, Eagle Plains.

5. RESPONSIBILITY AND IMPLEMENTATION

- o proponent **might** be several Native Development Corporations in a joint venture partnership.

6. PERFORMANCE INDICATORS

- o encourage 70% of visitors to **Inuvik** to spend approximately 2 hours; and
- o increase economic benefits to Native Development Corporations by \$500,000.00.

7. OPPORTUNITIES AND CONSTRAINTS

- o there are virtually no theme attractions in the **N.W.T.** and none in the Western Arctic;
- o these types of attractions in particular appeal to senior R.'f. markets;
- o can be a definite draw to reverse the situation where 25% of travelers who drive the Dempster do not come to **Inuvik**; and
- o may be difficult to bring Native Development corporations together initially, therefore the catalyst could be **WAVA** or the local **RTO's**.

8. IMPLEMENTATION STEPS

- o **WAVA** brings together Native Development Corporations from throughout the Western Arctic;
- o establish a Joint Venture Partnership which may include additional investors;
- o prepare initial **plans** and feasibility study;
- o arrange the necessary financing;
- o prepare construction drawings;
- o hire staff for operations and programming; and
- o construct.

9. COSTS

Planning: \$125,000

Construction: **\$825,000**

Start-up: \$105,000

10. REVENUE AND OPERATING COSTS

Revenue in 1993

Because of the uniqueness and Popularity of the native/heritage attraction, it will likely attract approximately 70% of volume arriving by the Dempster Highway (i.e. 70% of 22,270 or 15,589 visitors).

Admission - 15,589 visitors x \$12.00	\$187,068.00
Special Events - attended by 30% of visitors or 4,676 x \$5.00	23,380.00
Sale of Crafts and Reproductions	
- 10% of 15,589 x \$30.00	46,767.00
- 20% of 15,589 X \$20.00	62,356.00
- 40% of 15,589 X \$10.00	<u>62,356.00</u>
Total:	\$382,000.00

costs

Manager, 6 months @ \$3,500.00	\$ 21,000.00
6 staff, 4 months @ \$2,500.00	60,000.00
4 Craftsmen, 3 months @ \$3,000.00	36,000.00
Special Entertainment	20,000.00
Administration	25,000.00
Utilities	4,000.00
Maintenance	30,000.00
Animal Care	20,000.00
Insurance	2,000.00
Special Events	10,000.00
Marketing	<u>10,000.00</u>
TOTAL:	\$238,000.00

With approximately \$140,000.00 profits each year, money can be used to continually upgrade the product as well as return revenue to the Native Development Corporations to finance cultural/heritage events.

REGIONAL DEVELOPMENTS	1989 ('000) \$	1990 ('000) \$	1991 ('000) \$	1992 ('000) \$	1993 ('000) \$	1994-1995 ('000) \$
1. MESTERN ARCTIC VISITORS CENTRE						
Construct on Start-up	1,000	500	400 60	50	25	40
2. REGIONAL CULTURAL HERITAGE CENTRE ATTRACTION						
Pl anni ng Constructi on Start-up		125 50	400 40	275 10	150 5	
TOTAL:	\$1,000	\$ 675	\$ 900	\$ 335	\$ 180	\$ 40
GRAND TOTAL:	\$3,130,000					

REGIONAL DEVELOPMENTS (\$'000)

ECONOMIC DEVELOPMENT AND TOURISM

EDA

SPECIAL ARDA

NEDP

NATIVE DEVELOPMENT CORPORATION

ESKIMO LOAN FUND

HAMLET/TOWN COUNCIL

REGIONAL DEVELOPMENT CORPORATION

NORTH RN HERITAGE CENTRE

LENDING INSTITUTIONS
SMALL BUSINESS LOAN FUND

PRIVATE OPERATOR EQUITY

1. WESTERN ARCTIC VISITORS CENTRE

Construction Start-up

175

900

1,000

2. REGIONAL CULTURAL HERITAGE CENTRE ATTRACTION

Planning Construction Start-up

125

675

105

50 100

TOTAL:

300 1,680

50 100

1,000

4. COMMUNITY TOURISM MARKETING STRATEGY

The regional marketing strategy outlines marketing expenditures for the Western Arctic from 1989 to 1995. Each community must also participate in the **overall** marketing plan through;

- o expenditures by local suppliers and operators;
- o expenditures by hamlets; and
- o **joint** expenditures with **WAVA**.

Community based marketing **will** take the form of;

- o consumer magazines;
- o brochures and flat sheets;
- o tour operator familiarization tours;
- o consumer travel shows;
- o travel writers;
- o videos;
- o inquiry fulfillment;
- o mailing list development;
- o **WAVA** special promotions/media events;
- o in-house promotions/give aways;
- o marketing support; and
- o marketing research.

The marketing plan is tailored to reflect the general orientation of TIA an Travel Arctic, but is more target specific, **focusing** on identified market segments to the Western Arctic and the individual **community** product offerings.

OVERALL GOALS

Individual **communities** will participate in the regional strategy by supporting specific objectives including;

- o Focusing on the western United States and increasing their share from 40% to 60% of the overall market. This will necessitate lowering the Canadian components from 60% to 40% and bringing the geographic breakdown more in line with the Yukon.
- o Capitalizing on the Dempster Highway by increasing rubber tire volume to **Inuvik** by 30% per year over the first 3 years of the plan.
- o Increasing the Western Arctic market share of travel industry revenue to the **N.W.T.** by 5% in the first three years, thus solidifying the Western Arctic's position as a major **N.W.T.** destination region.
- o **In** Canada, focusing on southern Ontario especially in those populated areas that can deliver the volumes.
- o Promoting in high population areas and increase Western Arctic tourism 3 fold over the next 5 to 7 years (See Market Projections).

COMMUNITY MARKETING OBJECTIVES

Each **community** strategy has been designed to meet the following objectives:

- o focus on new adventure travel activities such as canoeing, hiking, fishing, cultural inclusion, etc.
- o working closely with **TIA-N.W.T.** and Travel arctic by:
 - responding rapidly (fulfillment) to 1-800 number leads
 - complementing generic travel Arctic advertising with community product specific advertising
 - maintaining a 80% level of target specific promotion within the **community** local operator budgets

- o appealing for the most part to:
 - hiking, canoeing, hunting and fishing, and cultural/nature interpretation tour wholesalers and consumers.

- o **placing** a major emphasis on print material which reaches high numbers and supports inquiry fulfillment 1-800 requests, **travel** magazines, etc.

- o advertising in specifically high end magazines that appeal to consumers that are:
 - activity oriented
 - interested in specific products and prices
 - oriented toward culture and nature interpretation
 - potentially interested in package tours

COMMUNITY MARKETING EXPENDITURES (1989 Dollars)

The following tables outline, on a Year by Year basis the marketing activities for your **community**. Responsibility for many of these expenditures are to be cost shared with WAVA as well as other funding sources. As well all displayed cost do not necessarily suggest that your **community** need participate. However the opportunity is there to be involved in such activities as trade shows, the regional directory, regional videos, etc.

MARKET PROJECTIONS FOR THE WESTERN ARCTIC

<u>MARKETS</u>	<u>ACTUAL 1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
<u>Rubber Tire</u>							
R.V.	4,815	5,906	7,677	9,980	12,475	15,594	17,933
Auto	850	1,027	1,334	1,735	2,168	2,710	3,116
Coach	649	690	750	810	870	930	990
Small Vans	47	83	113	143	173	193	230
<u>Hunting</u>							
Beaufort Area	86	95	-	104	112	120	125
Bear Area	180	204	228	252	276	300	320
Aklavik/McPherson	-	5	10	20	30	40	45
<u>Fishing</u>							
Trophy	260	300	360	440	520	560	600
Wilderness	92	100	120	200	260	300	320
<u>Adventure Travel</u>							
Hiking	-	30	60	120	240	360	420
Canoe/Kayak/Zodiac	57	100	130	170	220	286	352
Boat Cruise (Package Only)	-	20	72	88	106	140	160
Wildlife/Photo/Herschel	18	60	120	180	270	351	456
Culture/Arts and Crafts Workshops	-	20	40	60	80	120	140
<u>Air</u>	<u>750</u>	<u>790</u>	<u>830</u>	<u>870</u>	<u>915</u>	<u>960</u>	<u>1,056</u>
TOTAL:	7,804	9,430	11,845	15,172	19,715	22,964	26,263

MARKETING STRATEGY SUMMARY

	1989	1990	1991	1992	1993	1994, 95
CONSUMER MAGAZINES	40,670	2,330	41,170	36,220	37,100	66,400
BROCHURES, OPERATOR AND GENERAL WAYA	165,500	30,000	130,500	38,500	143,800	1,6,000
COMMUNITY FLAT SHEETS	22,000	18,700	23,500	22,400	27,500	58,800
TOUR OPERATOR, FAMILIARIZATION TOURS	2,800	8,150	8,000	2,900	5,050	-
CONSUMER TRAVEL SHOWS	33,900	37,000	40,220	31,950	27,550	40,900
TRAVEL WRITERS	8,500	11,900	10,200	10,400	3,500	8,800
YUKON CO-OP WITH WRITERS	9,000	9,900	10,900	7,100	7,800	18,200
VIDEOS	50,000	77,000	64,000	75,000	77,000	100,000
INQUIRY FULFILLMENT	2,500	6,000	23,000	30,300	36,300	85,000
MAILING LISTS	35,250	42,500	51,500	62,000	76,000	173,000
WAYA SPECIAL PROMOTIONS (MEDIA) EVENTS	20,000	8,000	8,000	0,000	15,000	30,000
IN-HOUSE PROMO/GIVE AWAYS	9,700	11,200	14,200	18,500	23,000	22,000
MARKETING SUPPORT	17,000	11,500	12,500	12,500	12,000	19,000
MARKETING RESEARCH	91,500	5,000	78,000	58,500	37,000	8,000
GRAND TOTAL:	528,320	339,280	515,890	410,470	320,010	1,03,040

CONSUMER MAGAZINES

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994/95
	<u>RUBBER TIRE WAVA)</u>						
o	Milepost	800	920	970	1,020	1,070	2,400
o	B.C./Alaska/Yukon Guide	230	250	-	300	330	-
o	Trailer Life	500	530	570	-	620	-
o	Woodalls R.V. Directory	460	-	500	-	540	-
o	Rand-McNally	320	560	-	610	-	1,450
o	Wheeler's Guide	080	-	520	560	-	1,340
o	West World (BCAA, AMA)	2,800	1,200	1,500	-	3,000	-
o	State Automobile Assoc. Magazines						
-	Washington	400	-	450	-	500	-
-	Oregon	400	440	-	490	-	1,200
-	California (north)	-	500	-	550	-	1,300
-	California (south)	400	-	460	-	520	-
-	Texas	300	-	370	-	420	1,050
-	Georgia	-	200	50	400	330	1,100
-	Alabama	-	-	3	300	-	-
-	Florida	300	-	1	380	430	-
-	Michigan/Pennsylvania	-	350	1	420	-	1,100
-	Ontario	600	650	700	-	-	-
o	Co-op with Yukon						
-	Herschel	1,000	1,100	1,200	1,350	-	-
-	Dempster	1,400	1,600	1,800	2,000	-	-

CONSUMER MAGAZINES Continued)

YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY						

RUBBER TIRE/LOCAL OPERATORS

o Advertise in:						
o a) Milepost						
o b) Automobile Assoc.						
o c) B.C./Alaska/Yukon Guide						
o d) Up Here/Sunset						
o e) Canadian						
o f) N.W.T. Explorer	8,500	9,300	9,200	11,200	2,400	26,000
o Antler						
o Aklak Air						
o Sunrise Helicopter						
o Inuvik Campground						
o Delta Boat Cruise						
o Fishing Lodge						

CONSUMER MAGAZINES (Continued)

TNIIVTK	1989	1990	1991	1992	1993	1994/95
YEAR ACTIVITY						
<u>NATURE INTERPRETATION</u>						
1. BANKS ISLAND OUTFITTERS						
o Sierra	540	580	640	00	720	-
o Outdoor Photographer	560	610	-	-	-	1,850
o Canadian Geographic	490	530	570	-	650	111
o Equinox	580	630	-	0	-	-
o Bridwatcher	310	340	370	-	430	-
2. RICHARDSON MOUNTAINS (AK-AVIK)						
o Backpacker	320	360	400	-	480	-
o Explore	300	330	-	400	-	1,100
o Sierra	540	-	640	-	720	-
o Canadian Geographic	490	530	-	610	-	1,600
o Equinox	580	630	-	-	-	-
3. HORNADAY/BROCK: PAULATUK OUTFITTERS						
o Canadian Geographic	490	530	570	-	-	-
o Sierra	540	-	640	-	710	-
o Equinox	580	630	-	710	-	1,700

CONSUMER MAGAZINES (Continued)

NIIVIK	YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY							
4. HERSCHEL ISLAND (AKLAVIK OUTFITTER)							
o Birdwatcher		30	340	370	-	430	-
o Seasons (Federation of Ontario Naturalists)		300	410	450	490	-	130
o Sierra		500	590	640	-	-	1,700
o Equinox		500	630	670	-	-	-
o Canadian Geographic		400	530	570	610	-	-
5. TUKTOYAKUK COASTAL TOURS							
o Sierra		540	-	640	690	720	-
o Equinox		580	430	670	-	-	-
<u>CANOEING</u>							
o Explore		600	660	-	800	-	2,000
o Canoe		520	570	-	650	700	-
o Outside		450	500	550	-	660	1,600
o Che-Mun		300	330	360	400	440	1,100

CONSUMER MAGAZINES (Continued)

INUVIK	1983	1984	1985	1986	1987
YEAR	ACTIVITY				
<u>CULTURE</u>					
1. ARTS AND CRAFTS WORKSHOPS					
	Tuktoyaktuk AkIavik Paulatuk				
	o Crafts Plus	480	520	590	1,500
	o Harrowsmith	580	620	-	1,650
	o Crafts Magazine	470	510	580	1,450
2. CULTURAL INCLUSION					
	Tuktoyaktuk Paulatuk AkIavik				
	o University of Edmonton	600	450	40	-
	o University of Toronto				
	o University of Montreal				
	o Alumni Newsletters				
	o Canadian Review of Sociology and Anthropology	520	560	-	470
<u>BROCHURES</u>					
1. WESTERN ARCTIC PRODUCT DIRECTORY					
	Design	20,000	-	-	12,000
	Printing	50,000	-	-	60,000
2. DEMPSTER HIGHWAY					
	Design	4,000	-	-	2,000
	Printing	12,000	-	-	5,000

BROCHURES

INUVIK	1989	1990	1991	1992	1993	1994/95
YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY						
1. WESTERN ARCTIC PRODUCT DIRECTORY						
Design	20,000	-	10,000	-	12,000	12,000
Printing	50,000	-	55,000	-	60,000	65,000
2. DEMPSTER HIGHWAY						
Design	4,000	-	1,500	-	2,000	-
Printing	12,000	-	13,500	-	5,000	-
3. INDIVIDUAL PRODUCT						
o Boat Cruise Design	1,000	-	-	-	-	-
o Boat Cruise Design Printing	4,000	-	5,000	-	6,000	-
o Boat Tours Design	1,500	-	-	-	-	-
o Boat Tours Design Printing	3,000	-	3,500	-	4,000	-
o Inbound Operation Design	1,500	-	-	-	-	-
o Inbound Operation Design Printing	3,000	-	3,500	-	4,000	-
o Richardson Mountain Camp Design	-	1,000	-	-	-	-
o Richardson Mountain Camp Design Printing	-	2,000	-	2,500	-	400
o Herschel Island Design	1,500	-	-	-	-	-
o Herschel Island Design Printing	3,000	-	3,500	-	4,000	-
o Banks Island Outfitters Design	1,500	-	-	-	-	-
o Banks Island Outfitters Design Printing	2,000	-	2,000	-	2,500	-
o Paulatuk Camps Design	-	1,000	-	-	-	-
o Paulatuk Camps Design Printing	-	1,500	-	2,000	-	-

BROCHURES (Cont. nued)

TUNIVTK	1989	1990	1991	1992	1993	1994/95
YEAR	ACTIVITY					
o	1,500	-	-	-	-	-
	2,500	-	3,000	-	3,500	-
o	1,000	-	-	-	-	-
	1,500	-	2,000	-	2,500	-
o	-	1,000	-	-	-	-
	-	2,000	-	2,500	-	6,400
o	1,500	-	-	-	-	-
	2,000	-	2,500	-	-	6,400
o	4,000	-	1,000	-	-	-
	8,000	-	9,000	-	10,000	-

COMMUNITY HANDOUTS/FLAT SHEETS

COMMUNITY HAND OUTS AT VISITOR CENTRES OR MAIL OUTS

o Inuvik	3,000	3,300	3,700	4,100	4,500	11,000
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TOUR OPERATOR FAMILIARIZATION TOURS

1. FIESTA WAYFARER HOLIDAYS

o Transportation	400	450	-	-	-	-
o Accommodation	600	700	800	-	-	-
o Land Cost	1,500	1,500	1,700	-	-	-

2. HORIZON HOLIDAYS

o Transportation	400	-	-	500	-	-
o Accommodation	300	-	-	400	-	-
o Land Costs	1,500	-	-	2,000	-	-

CONSUMER TRAVEL SHOWS (Continued)

TRAVEL	1989	1990	1991	1992	1993	1994
YEAR						
ACTIVITY						
HUNTIN						
1. GUIDED ARCTIC/FNAWS 2 Persons						
o Booth	1,400	1,500	1,600	1,700	1,800	4,000
o Travel	1,800	1,900	2,000	2,100	2,300	5,500
o Accommodation	2,000	2,200	2,400	2,600	2,800	6,300
2. GUIDED ARCTIC/SAFARI CLUB (2 Persons)						
o Booth	1,500	1,600	1,700	1,800	2,000	4,600
o Travel	1,800	1,900	2,000	2,100	2,300	5,300
o Accommodation	2,000	2,200	2,400	2,600	2,900	6,800
TRAVEL WRITERS						
BY PRODUCT SEGMENTS						
1. CANOE/RAFTING						
o Transportation	800	900	-	1,100	-	2,800
o Accommodation	600	700	-	900	-	2,200
o Land Costs	1,200	.300	-	1,600	-	3,800

TRAVEL WRITERS (Continued)

TRAVEL WRITERS	1988	1989	1990	1991	1992	1993	1994/95
2. FISHING							
o Transportation	-	900		1,000	1,100	1,200	-
o Accommodation	-	500		600	700	800	-
o Land Costs	-	1,000		1,200	1,300	1,500	-
3. HERSCHEL ISLAND							
o Transportation	1,100	1,200		1,300	-	-	-
o Accommodation	600	700		800	-	-	-
o Land Costs	1,600	1,800		2,000	-	-	-
<u>YUKON TRAVEL WRITER CO-OP</u>							
1. CO-OP WITH TOURISM YUKON ON 6 WRITERS PER YEAR ON DEMPSTER HIGHWAY							
o Transportation @ \$700.00	4,200	600		5,100	2,800	3,100	7,200
o Accommodation @ \$300.00	1,800	2,000		2,200	1,500	1,700	4,000
o Land Costs @ 500.00	3,000	3,300		3,600	2,800	3,000	7,000

VIDEOS (20 COPIES EACH)

INUVIK	1989	1990	1991	1992	1993	1994/95
YEAR ACTIVITY						
o Herschel Island	28,000	-	-	-	25,000	-
o Banks Island	-	36,000	-	-	-	25,000
o Mackenzie Delta	22,000	-	-	-	-	-
o Inuvik/Tuktoyaktuk Tour	-	-	1,000	-	-	-
o Richardson Mountains and Firth River	-	-	30,000	-	-	-
o Dempster Highway	-	-	20,000	-	-	-
o Hornaday/Brock River	-	-	-	-	2,000	-
o Western Arctic	-	-	-	10,000	-	-

INQUIRY FULFILLMENT

1. WESTERN ARCTIC VISITORS ASSOCIATION
o Response and Follow-up

2. TOUR OPERATORS	2,500	4,000	4,000	0,500	0,000	23,000
3. HUNTING OPERATORS	2,500	3,000	5,000	6,000	8,000	20,000
4. HOTELS	1,500	1,800	2,000	2,300	2,600	6,000
5. AIRLINES	2,500	3,000	4,000	5,500	6,000	14,000
	1,000	1,300	1,400	2,000	2,200	5,000

MAILING LISTS

N	YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY							
1. WESTERN ARCTIC VISITORS ASSOCIATION							
o Media/Writers							
o Retail Agents		5,000	6,000	7,000	8,500	0,000	22,000
o Tour Operators							
o Interline Airline Staff							
o Clubs/Associations							
2. TOUR OPERATORS (15)		3,000	5,000	8,000	11,000	6,000	40,000
3. HUNTING OPERATORS (9)							
o HTA (2)			1,000	6,000	9,000	23,000	52,000
o Guided Arctic (1)		12,500					
o E-1, E-6 (6)							
4. FISHING OPERATORS (8)		8,000	9,000	0,000	11,000	2,000	25,000
5. HOSPITALS (11)		1,500	2,500	3,500	4,500	6,000	14,000
6. AIRLINES/HELICOPTERS (7)							
o Special Charters		5,000	6,000	7,000	8,000	9,000	20,000

MAVA SPFC AI PROMOTIONS (MEDIA) EVENTS

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994
1.	MACKENZIE RIVER DISCOVERY EVENTS						
o	Re-enactment of Mackenzie Voyage	20,000	-	-	-	-	-
2.	DEMPSTER HIGHWAY						
o	R.V. Wilderness Rally	-	8,000	-	-	-	10,000
3.	TOP OF THE WORLD SKI MEET	-	-	8,000	-	-	0,000
4.	AKLAVIK-HERSCHEL ISLAND						
o	Inuvik Boat/Canoe/Kayak Race	-	-	-	0,000	-	10,000
5.	THOMSON RIVER-BANKS ISLAND						
o	National Park Designation and/or Canol Trail International Heritage Designation (50th Anniversary)	-	-	-	-	5,000	-
<u>IN-HOUSE PROMO/GIVE AWAYS</u>							
1.	WESTERN ARCTIC VISITORS ASSOCIATION						
o	Trailer Life Magazine Draw	2,000	-	2,000	-	-	2,000
o	(Western Arctic Tour)	-	2,000	-	-	2,000	-
o	Milepost	-	-	-	2,000	-	2,000
o	Explorer Magazine	-	-	-	-	-	-

IN-HOUSE PROMO/GIVE AWAYS (Cont. nued)

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994
2. LOCAL TOUR OPERATORS/SUPPLIERS							
o	5 Mackenzie Boat Cruise	1,000	-	-	1,000	-	-
o	Inflight Magazine Promo	-	2,500	-	-	-	2,500
o	Outdoor Photographer (Banks Island)	-	-	2,500	-	-	2,500
o	Equinox Magazine (Herschel Island)	-	-	-	-	-	-
o	Canadian Geographic	-	-	-	1,500	-	-
o	(Tuktoyaktuk Cultural Inclusion)	-	-	-	-	2,500	-
o	Sierra Magazine (Richardson Mountains)	-	-	-	-	-	-
o	Field and Stream	-	-	-	-	-	-
o	(Hornaday/Brock River Tour)	-	-	-	-	2,500	-
o	Wilderness Camps	-	-	-	-	-	-
3. HUNTING OPERATORS							
o	Sachs Harbour HTA	4,000	-	-	-	4,900	-
o	Muskox/Caribour Hunt	-	3,000	-	3,000	-	3,000
o	E-1 Outfitter Sheep Hunt	-	-	3,000	-	3,000	3,000
o	Aklavik HTA Sheep Hunt	-	-	-	5,000	-	-
o	Tuktoyaktuk HTA Polar Bear Hunt	-	-	-	-	-	-
4. FISHING OPERATORS							
o	Eskimo Lake	-	-	-	1,000	-	-
o	Sitidgi Lake	-	-	-	-	1,000	-
5. HOTELS							
o	Inflight Magazines	1,000	1,000	1,500	1,500	2,000	2,000

MARKETING RESEARCH

INUVIK	1989	1990	1991	1992	1993	1994/95
YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY						
1. WESTERN ARCTIC VISITORS ASSOCIATION						
o Western Arctic and Dempster Highway Exist Survey and Updates	82,000	-	40,000	5,000	20,000	-
o Analysis of Industry Survey Data	12,000	5,000	5,000	5,000	5,000	0,000
2. TOUR OPERATOR SURVEYS	1,000	1,500	2,000	2,500	2,500	5,000
3. HOTEL SURVEYS	500	500	1,000	1,000	1,500	3,000
4. FISHING AND HUNTING SURVEYS	-	8,000	-	-	8,000	-
5. MARKET STRATEGY UPDATE	-	-	32,000	-	-	-
6. DEVELOPMENT PLAN UPDATE	-	-	-	50,000	-	-

5. TRAINING PROGRAMS

Each community project will **reuire** some level of training. It will generally be the responsibility of Arctic College, **Continuing Education and Renewable Resources** to deliver these **programs**. Where possible, courses will be given in the various **communities**; however, it will frequently be necessary to conduct training in **Inuvik** or Norman Wells because of the availability of certain training services.

Courses will generally be 1 to 4 weeks long. The following number of training weeks are proposed for your community.

**MACKENZIE DELTA AREA
Training (Weeks)**

	MANAGEMENT	MAINTENANCE	GUIDES	COOK	MAIDS	MARKETING	BOOKKEEPING/ACCOUNTING	CRAFTS INSTRUCTOR	COMPUTER SKILLS	WAITER/WAITRESS	HOST/HOESST
<u>INUUVIK</u>											
1.	TOUR CRUISE BOAT ACQUISITION	8	2	2x2		2					2
2.	DELTA BOAT TOURS		2			1					
3.	R.V. RESORT CAMPGROUND	8	2	4		4	1		1		2
4.	SEASONAL UNITS	4	2			1					- 1
5.	DOWNTOWN REVITALIZATION										
6.	WATERFRONT DEVELOPMENT	8	2	2x2	4	2x2	2	2	1	2x2	2
7.	TOURISM ACTIVITIES	2	4								2
8.	INBOUND TOUR OPERATOR	8		2		8					4
9.	CAMPBELL HILLS PARK	4		2x2		1					
<hr/>											
TOTAL:		42	14	18	4	4	19	3	2	4	13

REGIONAL DEVELOPMENTS Training (Weeks)		MANAGEMENT	MAINTENANCE	GUIDES	COOK	MAIDS	MARKETING	BOOKKEEPING/ACCOUNTING	CRAFTS INSTRUCTOR	COMPUTER SKILLS	WAITER/WAITRESS	HOST/HOESSE
1.	WESTERN ARCTIC VISITORS CENTRE	8	2				4	2		1		8x1
2.	REGIONAL CULTURAL HERITAGE CENTRE ATTRACTION	8	2				4	2	"	1		4x2
TOTAL:		16	4				8	4		2		16

APPENDIX A

INVUIK INBOUND OPERATOR

INTRODUCTION

The Western Arctic Tourism Region has experienced significant growth in visitor volume during recent years. Between the years of 1986 and 1987, an increase of 60% took place on the Dempster Highway alone. This phenomenon is attributed largely to the interest sparked in the north during Expo '86, as well as major improvements made to the Dempster Highway during 1986 on the Yukon side. As a result of these factors and the Western Arctic marketing strategy which will start to be implemented in 1988, total visitor volume is projected to increase almost 3.5 times the 1987 figure of 7,804 visitors by the year 1993.

The likelihood that the region will be able to attain such high levels of growth within a relatively short period of six years will depend largely on its abilities to:

- o develop tourism resources into products which meet the needs and interests of the marketplace; and
- o package, promote and distribute these tourism products to target markets.

Purpose

The WAVA marketing strategy makes recommendations on over 50 different tours, activities, packages and events which could potentially be developed and made available by 1993. From a current base of 7, this surge in tourism development or to the possible need for the establishment of a local representative or inbound operator to effectively coordinate and market these for the region.

The purpose of this **prefeasibility** study is to investigate this opportunity, being cognizant of the following objectives:

- o create inter-product development with multiple area packages;
- o encourage travel to the smaller and more remote communities in the Western Arctic; and

0 provide the expertise to act as one cohesive, identifiable Western Arctic representative and' aggressively market a range of WAVA products.

The task for this was undertaken through an overview of the region's tourism products and markets and an analysis of how the travel trade brings these together in the north. The latter was done through in-depth interviews with a selection of northern-based tourism operators (ground, inbound, wholesale, etc.) which provided valuable information on marketing, particularly in terms of distribution and promotion. Some of these also provided a basis for comparison and/or possible future trade linkages.

2

TOURISM MARKETPLACE ANALYSIS

Products

The Western Arctic's primary tourism resources involve the uniqueness and beauty of its natural, cultural and historical attractions. The **Dempster** Highway which brings visitors from **Dawson City** in the Yukon to **Inuvik** in the Northwest Territories, is the only highway in North America that crosses the Arctic Circle. Also, the **Ogilvie** and **Richardson Mountains** along the way provide the only opportunity for travelers to enjoy an **unglaciated** landscape. **Inuvik**, at the northern end of the highway, is accessible to the water-based activities of the **Mackenzie River** and **Delta** and the **Beaufort Sea**. The communities of the region are rich with the native culture (i.e. crafts, food and entertainment) of the local **Dene** and **Inuit** people as well as memories of famous events like the **Klondike Gold Rush** which brought thousands of prospectors through **Fort McPherson** on the **Dempster Highway**.

As a **result** of its accessibility (primarily by land) **Inuvik** continues to emerge as the major destination and staging area to the region's tourist points of interest. Its importance to tourism development in other communities cannot be underestimated - especially given the fact that communities such as **Tuktoyaktuk** on the coast and **Aklavik** on the **Delta** have become among **Inuvik's** best attractions due to the efforts of **Antler Aviation** and **Aklak Air** operations. A day trip to either one of these communities usually means another night in **Inuvik**.

However only a limited number of activities are available for visitors in and around Inuvik. In 1987, a summer cultural program was organized by Economic Development and Tourism and the Denji Native Corporation for the first time. This proved to be successful with both visitors and residents alike. The Inuvik Visitors Centre also offered occasional activities such as a walking and tours of the Igloo church and slide shows.

Market

Travelers to the Western Arctic can be divided into five segments based on their mode of travel and trip purpose as follows:

	1987% OF TOTAL VISITORS
Rubber Tire	81
Adventure Travel	1
Hunting	3
Fishing	5
Air	<u>10</u>
TOTAL:	100

Rubber tire traffic is clearly the main source of visitors within the overall market. It comprises recreational vehicles (R.V.), automobiles, coach and small van tours driving the 750 km Dempster Highway. Due to the significant contribution which this segment makes to total visitor volume, it is important to understand that this groups' interests are primarily outdoor and heritage related activities such as camping, shopping for crafts, visiting museums/historic sites, nature study and fishing. Accordingly, the primary visitor markets' interests tie in directly with the tourism resources and potential product offerings of the region.

The three Western Arctic activity-related market segments i.e. (adventure, hunting and fishing) are largely comprised of people traveling on all-inclusive package tours who are also likely to pass through Inuvik at some point on their itinerary. The air travel segment includes people on business, visiting friends and relatives and sightseeing in the region.

Product/Market Matching Opportunities

Our analysis indicates that despite some new tourism offerings and improvements to both facilities and services, there is **still** a **large** gap in terms of "things to see and do" for many of the visitors to the Western Arctic. Although the region provides the resources which the markets desire, in many cases the product and corresponding infrastructure is not sufficiently developed or integrated for visitors to fully enjoy their visit. For example, many people do not take a trip to either the Arctic coast or communities because of the lack of activities and attractions in **Inuvik**. This is particularly true if a travel party must wait one or two days for a charter to fill up. **Inuvik** itself lacks enough interest to keep people in the town or to entertain them while they are waiting for a flight to other parts of the region.

Operators we interviewed who are currently bringing groups into the area or who may offer packages in the future, also commented on the lack of programming as well as the need for local experts to guide visitors to the region's unique tourism resources.

Since the town of **Inuvik** currently receives over 6,000 Dempster Highway travelers at its doorstep, this market's needs in terms of cultural and outdoor activities and sightseeing attractions must be catered to immediately in order for the Western Arctic to meet its long term objectives for growth and prosperity. Otherwise, the resultant risk of somewhat bored and discontent travelers returning south can lead to extremely damaging word-of-mouth advertising. This could then filter through to the region's other market segments. Clearly an opportunity exists for an **Inuvik-based** organization to develop and market additional tourism products for both the independent walk-in market and tour operators. These would have the inbound-operator acting as a local tourism operator and ground-handler respectively.

Previous market analysis of existing and potential **Dempster** travelers have also revealed varying degrees of discontent with the necessity of driving both ways on the highway. The possibility of an **R.V.** exchange was further investigated here. However, there are several complications in working out such an arrangement due to the resultant loss of control for an **R.V.** rental company when customers exchange keys for a vehicle at a distant location and scheduling problems. The latter is due largely to the fact that **Inuvik** is relatively isolated and, therefore, receives only a limited number of visitors.

One **R.V.** rental company we contacted provided a typical scenario for an exchange program it offers between **Whitehorse**, Yukon and Anchorage, Alaska. Upon booking, customers are charged a \$1,000.00 deposit plus a high drop-off fee of **\$500.00**. A reliable intermediary is available at the opposite end to ensure that the transition runs smoothly. The money-making incentive for this third party is to ensure that the vehicle is booked back to **Whitehorse**. A commission of \$300.00 can be earned this way, as the drop-off price is reduced to \$200.00.

The difficulty in working out a similar deal in terms of an **Inuvik** exchange lies largely with the **Dempster** itself, as few companies allow their vehicles to be driven on the highway because of the poor road conditions. One company that does, has a **Dempster** exclusion clause which causes the renter to bear all responsibility for damaged tires, vehicle towing, etc. due to the area's lack of services. Any mechanical problems which occur on the **Dempster** can result in further delays of rental returns. With their already short season, northern rental companies simply cannot afford such inefficiencies. In addition, one potential participant commented that the majority of **R.V.** rental clients are European with as much as 4 to 6 weeks of holiday. Therefore, they are not pressured for time and the owner had received few complaints from them about having to drive both ways. Despite this, some definite interest in working with a Western Arctic representative in **Inuvik** was triggered particularly with the predicted growth in **Dempster** popularity, recent highway improvements and the additional services and facilities planned for construction, as well as recognition of the need to provide customers with a desired range of tourism products and services.

Other, perhaps secondary, product/market matching opportunities for an inbound operator are related to the three Western Arctic activity segments. Of these, adventure travel is expected to demonstrate the most substantial growth, which is in line with international trends in tourism. The number of adventure related activities and packages will increase accordingly, as identified in the overall WAVA strategy, and thereby provide future opportunities for a Western Arctic inbound operator.

At present, the owners of hunting and fishing lodges tend to handle most aspects of package development themselves due to the specialized nature of the target marketing required. However, in the long run, as these markets grow and the Western Arctic Region as a whole becomes better known, it will become increasingly effective for the hunting and fishing segments to integrate their individual efforts with those of the region.

Visitors in the air travel segment may also provide future opportunities for an inbound operator in Inuvik because they usually have more time and money to spend than those who drive to an area.

The development and marketing of tourism products which match the region's resources with the demand of the marketplace as described here and identified further in the WAVA marketing strategy would be the role of an inbound operator. The following section discusses the extent of this with respect to how various existing operators in the north have evolved and successfully sold their own tourism products and services.

ANALYSIS OF MARKETING MIX ALTERNATIVES FOR AN INBOUND OPERATOR

In preparation for the region's future tourism product development and marketing, this analysis looked at the overall distribution network for tourism products, particularly packages, and found that there are five different ways in which they can be distributed from tourist operators to end consumers (Table 4.1). Four of these explicitly involve travel trade intermediaries. The distribution system becomes increasingly complex as additional parties are added to the flow and share in the responsibility of the product/package development and/or marketing. As a result of this and our interviews with operators in the north, there are three marketing mix (product, price, distribution and promotion) alternatives available from an inbound operator to be located in Inuvik.

For the purpose of this discussion, we have defined two types of tourism product/packages:

o Mini-tours

These are short (i.e. half or full day) trips or activities to nearby sites and attractions.

o Complete Tour Packages

These are longer (overnight) tours which require more coordination and planning for accommodation, meals, transportation, etc. than mini-tours.

Based on the type of product offerings and the tourism function(s) of the inbound operator (i.e. ground handler, wholesaler, retailer, etc.), the three alternatives are listed below in ascending order of their complexity and risk in development and marketing expenditures. Following a discussion of these, Table 4.2 provides a diagrammatic explanation of the proposed inbound operator's role and the corresponding distribution and marketing flow of each.

TABLE 4.1
DISTRIBUTION NETWORK FOR TOURISM PRODUCTS AND PACKAGES

1.	TOURIST OPERATOR	----	CONSUMER
2.	TOURIST OPERATOR	----	RETAIL TRAVEL AGENCY ----- CONSUMER
3.	TOURIST OPERATOR	----	LOCAL WHOLESALER ----- RETAILER* ----- CONSUMER
4.	TOURIST OPERATOR	----	TARGET MARKET WHOLESALER ---- RETAILER ----- CONSUMER
5.	TOURIST OPERATOR	----	LOCAL WHOLESALER ----- TARGET MARKET WHOLESALER ---- RETAILER ---- CONSUMER

Source: John Murray
 Cresap, McCormick and **Paget/Barward**
 Speech on Travel Industry Research
 Tourism Travel and Research Association 1986 Conference
 September 28-29. Toronto, Ontario

* Note that in system 3 the wholesaler almost always acts the retailer at the same time. This often also true, but to a lesser degree in systems 4 and 5.

III. HIGH COMPLEXITY AND RISK

This alternative may involve both of the above, as well as the even more complex and risky understanding of having the inbound operator assume full responsibility of product development, distribution and marketing of complete packages directly to the target market at all levels. In this sense the inbound operator is acting as a local regional wholesaler in the coordinating function and as target market wholesaler in the distribution and marketing function.

All of our interviewees commented on the patience and persistence required in setting up their operations. The brief duration of the northern tourist seasons makes it impossible to survive solely as an inbound operator. As a result, they tend to offer a combination of services such as outbound travel and retail (commission) sales for other local operators and/or take on some non-tourism related employment during the winter months.

Costs are high in the north and the major expenses in package development are transportation, accommodation/meals and wages. With packages typically marked up at only 20-30% of cost, 10-15% of which goes to the travel trade in commissions, profitability is highly sensitive to variations in market conditions. Furthermore, as intermediaries become involved in the marketing of tourism products, either the price to the end consumer increases or the return to the tourism operator decreases.

TABLE 4.2

THREE MARKETING MIX ALTERNATIVES FOR INBOUND OPERATOR

DISTRIBUTION AND MARKETING

DEGREE OF COMPLEXITY/ RISK	PRODUCT/PACKAGE DEFINITION	ROLE OF INBOUND OPERATOR	OTHER INTERMEDIARIES	TARGET MARKET CONSUMER
I. LOW	IB	IB as operator	None	walk-in/ independent traveller
	LT	IB as local wholesaler and/or retailer	None	walk-in/ independent traveller
	IB and/or LT	IB as ground handler and/or local wholesaler	Tour Company	Tour Group
II. MEDIUM	IB and/or LT and/or RT	IB as local/regional and target market wholesaler	Target Market Wholesaler	Target Market Retailer
I. HIGH	IB and/or LT and/or RT	IB as local/regional and target market wholesaler	None	Target Market Retailer

Note: Alternative II may also include I and Alternative III may include I and/or II.

IB = Inbound Operator (Inuvik-based)
 LT = Local (Inuvik) Tourism Operator(s)
 RT = Regional (Western Arctic) Tourism Operator(s)

RECOMMENDATIONS

The immediate goal of an inbound operator in Inuvik should be to work with local and regional people in a coordinating role and as a tourism operator where necessary to develop and sell tourism products that meet the demonstrated needs of:

- o the already existing and captive Dempster market; and
- o existing and potential tour operators bringing groups into the area and seeking a local representative or ground handler.

In the short run, Alternative I which is low in complexity and risk is recommended to set up the tourism product supply and marketing infrastructure. The resulting coordination of local and regional tourism operators and their activities will greatly improve both visitors' memorability of Inuvik and the travel trades perception of the Western Arctic as a destination worthy of consideration.

Thus the ground work will be set for a continuum of long term growth in more complete Western Arctic package development and marketing. This future situation would resemble a combination of Alternatives I and II where complete packages would be introduced to the marketplace in stages and thereby allow the operation to meet the three organizational objectives outlined earlier. The integration of Alternative 111 is not recommended due to the high costs of marketing and the fact that an operation of this type would not be financially viable in the Western Arctic given the characteristics of the marketplace.

The following sections provide short term (1988) and long term (1989-1993) strategy recommendations for the marketing mix of an inbound operator located in Inuvik.

Product

Short Term Strategy

- o Develop and sell an Inuvik region tourism (mini-tour) product line that expresses northern hospitality and shows the uniqueness of this part of the world. Some examples could include native games, crafts, entertainment and food tasting as well as guided tours to nearby natural, cultural, historical and industrial (i.e oil) sites of interests. (see WAVA strategy for more details of recommended products).
- o Build contact with local and regional tourism operators to sell their product/packages, on a commission basis and thereby coordinate product development and marketing efforts for the region. This will then naturally evolve into a Western Arctic representative/expert role.
- o Seek an R.V. exchange agreement with a rental company (most likely located in Whitehorse).

Long Term Strategy

- o Maintain short term strategy.
- o Develop one or two complete Western Arctic tourism packages, focussing on naturalists and adventure travel (i.e. Herschel and Kendel Island trips), for introduction into the marketplace by 1989 (see WAVA strategy for more details of recommended products).
- o Gradually add new product/packages once a sound reputation has been built and the initial ones have been either fine-tuned to a profitable level or eliminated if necessary.
- o Investigate other complementary tourism related services such as hospitality training and consulting and/or conference planning to generate additional revenue and help support the existence of an inbound operation.

Price

Short Term Strategy

- o Determine at least 1 relevant variable costs (i.e. mileage, wages, etc.) in setting each tourism product/package price. Also consider an allocation of fixed costs (i.e. **marketing**) that are not directly attributable.
- o Add approximately 30% to the above cost in order to set the selling price in line with industry norms.
- o Estimate the break-even point in terms of customer volume for each product/package.

Long Term Strategy

- o Maintain short term strategy at a profitable level.
- o Pursue the same for new complete packages introduced.

Place/Distribution

Short Term Strategy

- o Sell tourism activities directly to independent walk-in travelers (mainly rubber tire as discussed but also some air).
- o Sell ground handling and regional coordination services and expertise to tour companies and packagers.

Long Term Strategy

- o Maintain short term strategy.
- o Sell complete packages to wholesalers in target markets.

Promotion

Short Term Strategy

- o Target the walk-in market via the distribution of brochures at visitors centres in Whitehorse, Dawson City, the Dempster Highway, etc. as well as camping grounds, hotels and motels.
- o Advertise in Northwest Territory and Yukon tourism and publications.
- o Provide the Arctic hotline with promotional material to use in answering enquiries (i.e. mail-outs).
- o Create trade awareness and interest through direct mail marketing.
- o Sell directly to tour companies and wholesalers located in B.C. and Alberta.
- o Follow-up trade promotions by inviting participants and travel writers on familiarization.

Long Term Strategy

- o Maintain short term strategy.
- o Develop wholesaler contact for Western Arctic complete packages by continuing to build on those relationships already made.
- o Create new wholesaler interest through more extensive direct mail marketing and by attending trade shows such as TourNorth and TourCan.
- o Invite wholesalers for familiarization tours.

FINANCIAL ANALYSIS

The inbound operator will establish in 1989 and begin operation in 1990. The private company will require significant financial support in the first year where it is projected to lose \$11,000.00 after taxes and \$13,000.00 in year 2. This financial injection is considered important to maintain this critical service. The project will become viable in 1993.

Revenue estimates are based on attracting walk-in R.V. traffic, especially to buy the 2-3 day packages, as well as selling week packages (fishing, wilderness adventure).

Guides and community tours will also be available as additional revenue sources.

Line items:	Year	1991	1992	1993
Gross commission on packages sold:				
- Rv/ automobiles		31,574	36,310	43,571
- Wilderness fishing		10,800	12,420	14,904
- Adventure travel		45,840	52,716	63,259
- Air		3,168	3,643	4,372
Revenue from tourism services:				
- Guide services		6,000	6,900	8,280
- Community tours		4,200	4,830	5,796
Total gross sales		101,582	116,819	140,182
(COST OF GOODS SOLD)				
Total cost of goods sold		0	0	0
Gross profit		101,582	116,819	140,182
(OPERATING EXPENSES)				
Employee wages		84,320	88,536	92,963
Employee benefits		12,648	13,280	13,944
Office administration		15,000	15,600	16,224
Marketing		5,000	5,200	5,408
Insurance		4,000	4,160	4,326
Car lease		4,200	4,200	4,200
Depreciation		2,000	4,800	4,320
Total operating expenses		127,168	135,776	141,386
Operating income/loss		(25,587)	(18,958)	(1,203)
Other income - Startup subsidies		20,000	10,000	10,000
Other expenses-Interest expenses		5,000	5,000	5,000
Profit before taxes		(10,587)	(13,958)	3,797
Taxes -n/a				
Net income/loss		(10,587)	(13,958)	3,797

	1991	1992	1993
Revenues will be generated from several sources:			
1-15 % Gross commission on packages sold:			
Rv/Automobiles (21049 people) @ 10 % sold pkgstavg \$100 @15 % I	\$31,574	\$36,310	\$43,571
(15 % I + 20 % I growth)			
2-Wilderness fishing:			
Fishing(320 people) @ 15 % sold pkgstavg \$1500 @15 % I com	\$10,800	\$12,420	\$14,904
(15 % I + 20 % I growth)			
3-Adventure travel:			
Adventure travel(1528 people) @ 20 % sold pkgstavg. \$1000 @15 % I com	\$45,840	\$52,716	\$63,259
(15 % I + 20 % I growth)			
4-Air travel:			
Air travel(1056 people) @ 20 % sold pkgstavg. \$1000 @15 % I com	\$3,168	\$3,643	\$4,372
(15 % I + 20 % I growth)			
Revenue from tourism services:			
1-Guide / ground handling services(\$1000 per wk. @ 6 wks)	\$6,000	\$6,900	\$8,280
2-Community tours (avg. \$100 per group touravg. tours per wk @ 6 wks.)	\$4,200	\$4,830	\$5,796
Community tours (\$100 @ 76 % I)			
Operating expenses:			
Manager /owner(\$40,000p/a)	\$40,000	\$42,000	\$44,100
Secretary(\$21,000 p/a)	\$21,000	\$22,050	\$23,153
Assistant(\$16 wk @ \$600 per/wk)	\$9,600	\$10,080	\$10,584
Local guide(\$600 @ 700 p/wk)	\$11,200	\$11,760	\$12,348
Local tour guide(\$600 @ 700 p/wk @ 815 per)	\$2,320	\$2,646	\$2,778
Total employee expenses:	\$84,320	\$88,536	\$92,963
Employee benefits(15 % of wages paid)	\$12,648	\$13,280	\$13,944
Office administration(fuel/utilities)	\$18,000	\$18,720	\$19,469
Promotional marketing	\$20,000	\$20,800	\$21,532
Insurance	\$4,000	\$4,160	\$4,326
Lease of a car(\$350 per/m all yr.	\$4,200	\$4,200	\$4,200
Capital + Startup Costs:	\$20,000	\$30,000	\$10,000
Capital costs	\$20,000	\$10,000	\$10,000
Startup costs			
Depreciation expense on capital costs:	\$2,000	\$4,800	\$4,320
cca class not determined- cca rate =10 %			
All start up costs shown as incoming subsidies			

PRO FORMA INCOME STATEMENTS
Inbound Tour Operator
(1991-1993)

APPENDIX B

PACKAGE TOUR DEVELOPMENT

PACKAGE TOUR DEVELOPMENT

INTRODUCTION

Package tours are potentially a very popular and viable Western Arctic travel product offering to the various market segments. Long haul air travelers, R.V. operators and motorcoach passengers are all potential buyers of a wide range of package tours which may include:

- o community tours;
- o 1 day boat tours;
- o 2 day nature tours;
- o 3 day culture inclusion tours; and
- o 5 day wildlife observation.

Package tours tend to be in the best interest of both consumers and the various suppliers.

2

REASON FOR PACKAGE TOURS

Consumer

- o ease of payment to suppliers;
- o security of dealing with a specialist operator;
- o cost savings from bulk buying (air charters, food, etc.);
- o peace of mind for older Western Arctic market segments (i.e. ± 60 years old); and
- o social contacts of group travel.

Operator

- o defined product easier to develop and market;
- o availability of technical assistance;
- o easy to modify product;
- o knowing when and how many are arriving, therefore ease of:
 - o scheduling
 - staffing
 - minimizing impact on community;

- o easier to market to southern wholesalers; and
- o advanced bookings assist:
 - cash flow
 - advanced equipment/food purchases
 - staffing **pretraining**

Hotels

- o advanced staffing and food purchases; and
- o defining room availability (block booking).

Airlines

- o dedicate appropriate aircraft; and
- o advanced charter scheduling.

Guides

- o structured work conditions; and
- o assured salary.

Outfitter

- o advanced purchasing/staffing; and
- o setting up camps for special interest travel.

Inbound Operator

- o Employment opportunity based on commission sales.

There are also certain constraints associated with package tours including:

- o raising expectations of suppliers; and
- o **group cancellations.**

STEPS TO DEVELOP A TOUR PACKAGE

step 1 - Commitment to Offering Package Tours

While this step may seem obvious, it is important to remember that because of start-up costs, it is important to be totally dedicated to carrying through with establishing tour packages including:

- o advanced supply purchases;
- o hotel guarantees;
- o non-refundable rentals; and
- o advanced marketing.

Step 2 - Evaluate Your Potential to Provide Tours

a) An assessment must be made of your available/reliable:

- o equipment - boats/kickers
 - hotel rooms
 - tent frames
 - 4 wheelers
- o financing - personal
 - funding sources

b) Local natural/cultural/historic resources

An assessment must be made of resources that are adjacent to your community.

- e.g. - birdlife/wildlife
- historic sites
 - fishing rivers
 - unique natural features
 - etc.

Step 3 - Estimate Realistic Market Opportunity

a) contact WAVA for current market data

b) using the projections of the MATS study estimate % market share of each market segment:

- e.g. - R.V. operators
- wildlife packages
 - arts and crafts workshops
 - hikers/canoists

c) calculate the projected volume on a segment by segment and week by week basis

Step 4 - Define Particular Package Components or Packages

Determine key attractions and package components on a daily basis including:

- 0 airport meet/greet
- 0 transportation to community
- 0 hotel accommodation
- 0 hotel meals
- 0 evening entertainment/elders storytelling
- 0 community tour/sightseeing
 - arts and crafts
 - historic sites
- 0 transportation (including 4 wheelers, site charters, snowmobile, boats, HTA boat) to sites of interest such as:
 - bird sanctuary
 - peregrine falcon nesting areas
 - Richardson Mountains
 - fish camp
 - ramparts
 - rivers
- 0 daily meal requirements (native foods)
- 0 overnight (tent **frame/camp**) accommodation
- 0 guided hikes and canoe trips
- 0 return trip to community
- 0 hotel accommodation (if necessary)
- 0 delivery to airport
- 0 departure gift

Step 5 - Costs of Package by Individual Components (1988)

The following are typical rates and pricing formulas

- a) Hotel Rates (15-20% reduction for group **reservation**)
 - Hotel Food (15-20% reduction)
 - Discount Food/Accommodation back to customer 5-10%
- b) Scheduled Airlines Service - 20-25% reduction on group, add back a 10% mark-up
 - Charter Airlines - 12% mark-up on net charter rates

c) Boat Transportation

Net **cost** to boat supplier of **fuel** (\$2.50/gallon), guide (\$150.00/day), boat **rental** (\$50.00/day for 18-20) plus a 15% mark-up. Larger boats (e.g. HTA boats) will have a **flat** rate of \$100.00/hour of operation plus a 15% mark-up

d) Operator Suppliers

- o food/beverage - add 35% mark-up to cost
- o clothing - \$30.00/day
- o fishing gear - \$10.00/day
- o use of camping equipment - \$30.00/day
- o tent frame accommodation - \$45.00/day double occupancy
- o fuel (\$2.50/gallon x 30% mark-up)

e) Commissions

- o travel agents - 10%
- o NAVA **Centre** - 10%
- o inbound operator - 15%
- o southern wholesalers - 17.5%

f) Salaries

- o owner/operator/guide - \$175.00/day
- o assistant guide - \$125.00/day
- o cook - \$125.00/day
- o entertainers/storytellers - \$20.00/hour

g) Additional Equipment

- o snowmobile rental - \$50.00/day plus fuel
- o 4 wheeler - \$50.00/day plus fuel

Step 6 - Final Itinerary and Package Design

Packages should take into consideration:

a) Duration of Package Tour

- o most between 3 to 5 days on the tour itself
- o exceptional tours - 7 days

b) Typical Daily all Inclusive Rates (1988)

- o nature/hiking - \$250.00/day
- o use of boat transportation - \$275.00/day
- o wilderness lodge accommodation - \$300.00/\$325.00/day
- o community hotel accommodation - \$300.00/day
- o side charters - \$300.00/day

c) Typical Inclusions (Amenities)

- o airport greeting/baggage handling
- o meeting local families
- o native foods
- o non-scheduled community time for arts and crafts shopping
- o introduction to local characters, leaders, artists
- o "sushi in Sachs"
- o introduction to native lifestyle, customs, beliefs
- o non-scheduled/spontaneous participation such as:
 - whale watching
 - fishing
 - inclusion in special cultural events
 - skinning
- o gift giving - local craft

Step 7 - Prepare a Business Plan and Arrange Financing

a) Business Plan includes:

- o market forecast
- o revenue projection
- o operating costs
- o financing charges
- o profit/loss

This is prepared over a five year basis

b) Define Financing Package Including:

- o operator equity
- o cash and equipment
- o loan
- o grant

- c) Approach Funding Sources Including:
 - o Economic Development and Tourism
 - o EDA
 - o Special ARDA
 - o Small Business Loan
 - o Eskimo Loan Fund
 - o Native Development Corporations
- d) Private Equity Should be Between 20% and 40%
- e) Secure Financing Package

Step 8 - Market the Packages

- a) Design and Print Flyers or Brochures
 - o Publish price every year in U.S. and Canadian funds
 - o Average brochure cost of printing (10,000) is \$4,000.00
 - o Distribution of Literature
 - WAVA Centre
 - Dawson City
 - inbound operator
 - Travel Arctic
 - Arctic Hotline
 - written inquiries
 - direct mail
 - travel trade show use
 - o Magazine Advertising
 - **\$1,000.00 to \$1,500.00/year**
 - generally 8-10% of projected revenue in first year, then 5-7%
 - target marketed - using media identified by WATS study and **TIA/Travel Arctic**
 - o Travel/Trade Shows
 - 2/year at \$2,000.00 each with assistance from WAVA/TIA NWT
 - o Travel Writer Visit once every 2 years
 - cost to operator \$500.00

An example of a typical tour includes:

NATURE CANADA PACKAGE TOUR - 5 DAY ITINERARY

AKLAVIK BAND COUNCIL

The following costs will be directly incurred to provide a 5 day all inclusive package for four groups of five people out of a Richardson Mountain Naturalist Lodge and the Richardson Mountains. They are divided into those that can be marked up and those that are fixed.

<u>PER GROUPS OF FIVE</u>	<u>MARK-UP</u>	<u>FIXED</u>
Day 1	Inuvik to Aklavik (Rt.)	\$ 350.00
	Community Tour	50.00
	Community Host (5 hrs)	\$ 50.00
	Lunch (\$15.00 x 5)	75.00
	Gas to Camp	20.00
	Boat Rental (½ day)	40.00
	Supper (\$20.00 x 5)	100.00
	Accommodation (\$30.00 x 5)	150.00
Day 2	Birdwatching Day	
	Breakfast (\$10.00 x 5)	\$ 50.00
	Short Boat Tours - Boat	50.00
	- Gas	20.00
	Lunch (\$15.00 x 5)	75.00
	Supper (\$20.00 x 5)	100.00
	Accommodation (\$30.00 x 5)	\$ 150.00
Day 3	Hike to Richardson	
	Meals	\$ 185.00
	Gas/Boat	60.00
	Overnight (\$20.00 x 5)	\$ 100.00
Day 4	Return to Camp	
	Meals	\$ 200.00
	Gas/Boat	60.00
	Accommodation	\$ 150.00
Day 5	Camp-River Tour-Aklavik/Iuvik	
	Breakfast/Lunch	\$ 150.00
	Boat/Gas	100.00
TOTAL:	\$1,335.00	\$ 950.00

PLUS WAGES

o head guide (\$150.00/day x 5 days)	\$ 750.00
o camp cook (\$125.00 x 5 days)	625.00
o camp assistant (\$110.00 x 6 days)	<u>660.00</u>
SUBTOTAL :	\$3,370.00
Plus 20% mark-up:	<u>674.00</u>
SUBTOTAL:	\$4,044.00
Plus (fixed costs)	<u>950.00</u>
TOTAL:	\$4,994.00

These costs are based on the following basic assumptions:

- o meals - breakfast **\$10.00**
- lunch **\$10.00 - \$15.00**
- supper **\$15.00 - 420.00**

Maximum use will be made of country foods especially fresh fish, bannack, caribou, etc.

- o boat rental \$50.00/day
- o accommodation \$20.00 - \$30.00/night

Assuming tents/equipment are purchased under funding source, each of these tours can return an attractive \$1,264.00 to the band (or \$674.00 @ 20% mark-up plus \$950.00 accommodation which has no operation expenses) or approximately \$8,000.00 for the five groups. This money would also offset the price of tents if the Bands had to purchase them.

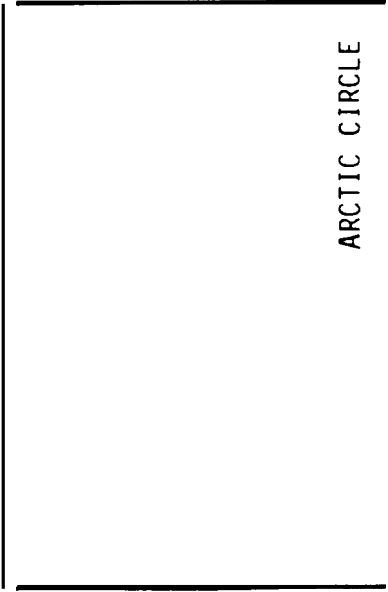
The price then is a very competitive \$995.00 per person out of Inuvik.

These are exactly the types of trips we like to see and would encourage for **Akalvik**. Consider it as a pilot project with several tours of 5 being offered during the rest of the **summer**.

SAMPLE PACKAGE TOUR BROCHURE OUTLINE

**DAILY JET SERVICE TO
NORMAN WELLS**

- regular Canadian Airlines 737 Jet Service from Calgary and Edmonton both of which are serviced by major American and European Airlines
- arrive at Norman Wells, a modern Northern community with all tourism services

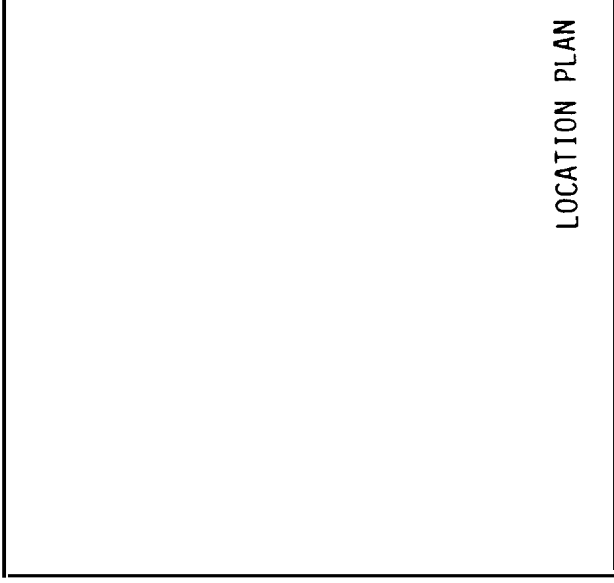


ARCTIC CIRCLE

**CAMP AT THE ARCTIC
CIRCLE**

- experience the midnight sun
- feast on local native food (and champagne)
- relax in comfortable, arctic tent frames
- be entertained by native story tellers and learn of the Dene Culture

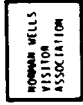
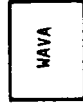
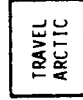
**NORMAN WELLS, NWT,
CANADA**



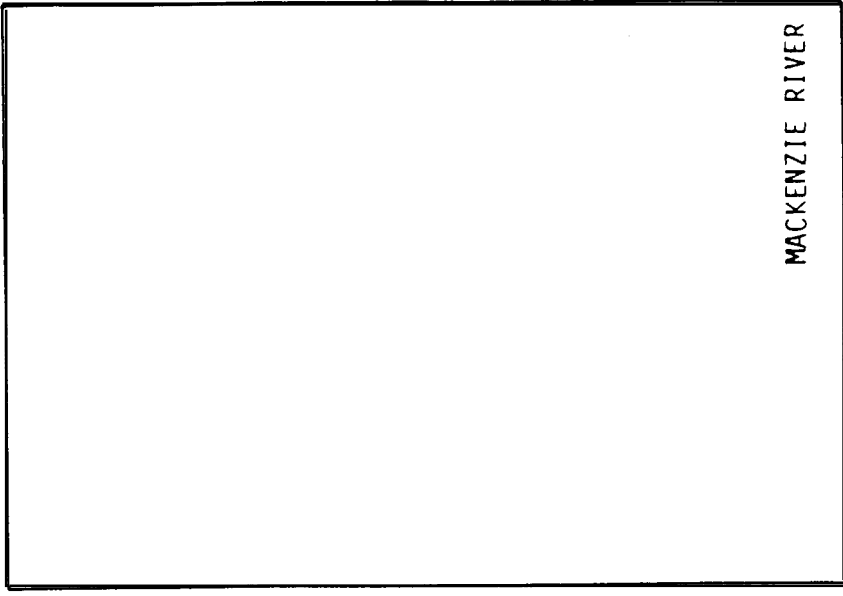
LOCATION PLAN

FRANK AND CATHY POPE
MOUNTAIN RIVER TOURS
P O. BOX 440, NORMAN WELLS
NORMAN WELLS, N.W.T.
CANADA

PHONE: *03 587-2285 2324



**MACKENZIE
RIVER
TOURS**

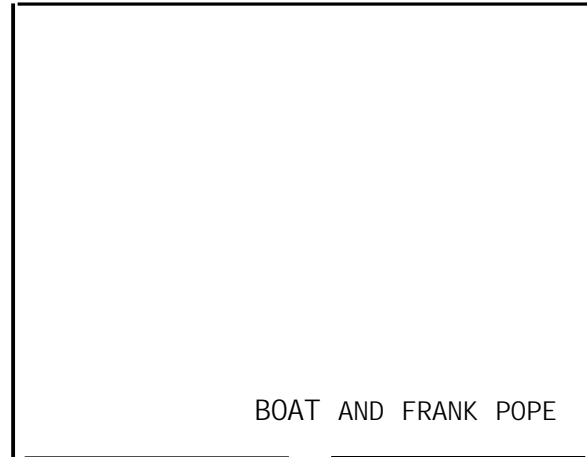


MACKENZIE RIVER

NORTHWEST TERRITORIES

YOUR HOSTS

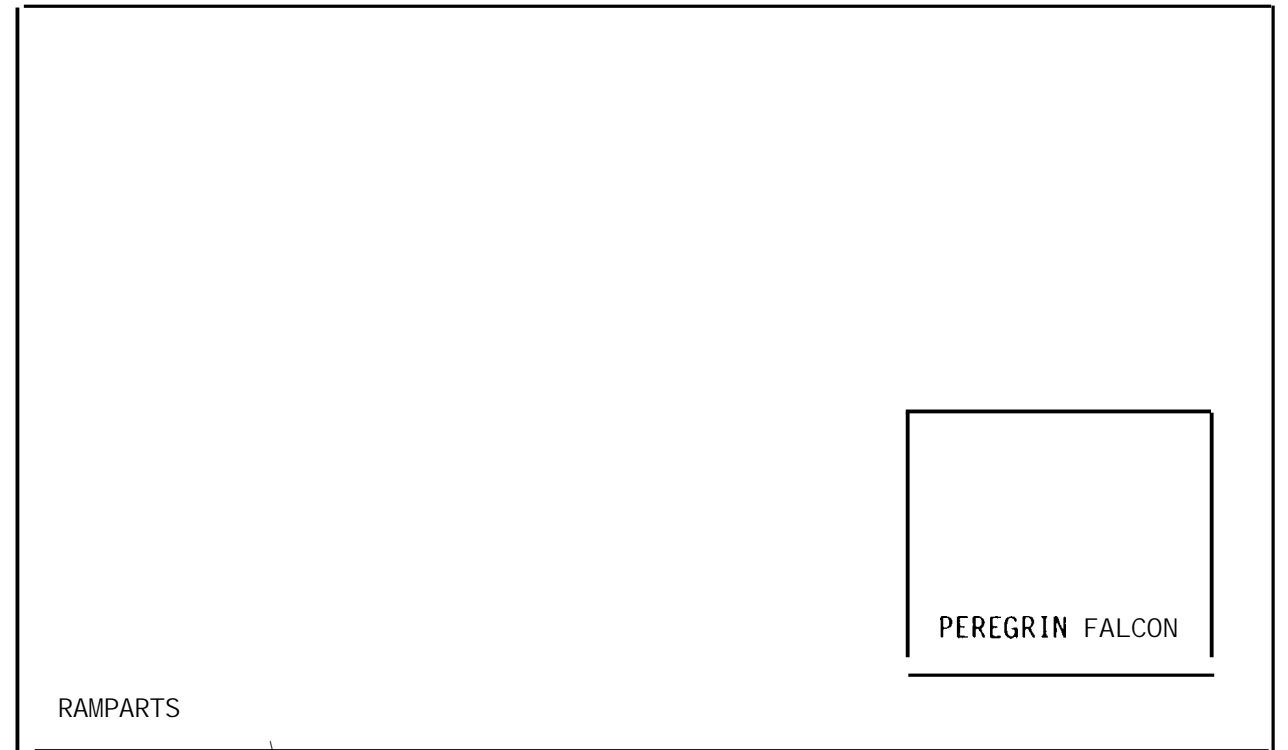
FRANK AND CATHY POPE



THE VESSEL

THE ACCOMMODATION

- Dene style tents
- trapper's log cabin
- quality hotels



DISCOVER THE WILDLIFE AND HISTORY OF ONE OF CANADA'S GREATEST RIVERS

- follow the route of the early fur traders
- explore the remains of shoreline camps
- visit local native fish camps
- tour native communities
- visit the historic church at Fort Good Hope

EXPERIENCE THE FAMOUS MacKENZIE RAMPARTS

- view the rare nesting peregrine falcons from a river location
- cruise at the foot of the magnificent ramparts
- photograph the unique rock formation