

# TOWARDS A \$235 MILLION NWT TOURISM INDUSTRY

5-YEAR NWT TOURISM **MARKETING STRATEGY**

DECEMBER, 2016

**SPECTACULAR**  
**NORTHWEST**   
**TERRITORIES**



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## Acknowledgements

NWT Tourism (NWTT) acknowledges the financial support of the Government of Canada, who made funding available through CanNor for the development of this five year tourism marketing strategy. Their commitment to the growth of the tourism industry in the Northwest Territories is appreciated, and their ongoing support of the implementation of this strategy will be key to its success.

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## Proviso

A detailed marketing strategy normally evolves from the goals, objectives and broad recommendations of an overall tourism business plan and is based on current and detailed market intelligence. Unfortunately, neither of these two prerequisites were available through the development of this strategy.

Due to a number of external circumstances including the fall election, Tourism 2020, the Government of the Northwest Territories five year tourism plan, and the latest tourism visitation and expenditure statistics had not yet been released at the time this strategy was prepared.

However, we were able to access a draft of *Tourism 2020*, and we were also guided by the actions outlined in the Northwest Territories Economic Opportunities Strategy to increase opportunities in tourism.

We also used the extensive research library of both ITI's Tourism and Parks Division of Industry, Tourism and Investment/GNWT and Destination Canada, including the recent sport fishing research undertaken by GNWT and NWTT and the last published exit survey. We reviewed destination marketing strategies and practices from other Canadian jurisdictions and considered this information, as well as our knowledge of the NWT Tourism industry and our knowledge of emerging marketing tactics (particularly in the digital world) to develop this five-year marketing strategy. We provided a copy of our draft strategy to the Tourism Marketing Advisory Committee for review and discussion, and we considered their input in this final version. And finally, when the Tourism 2020 Tourism plan became available to NWT Tourism in October 2016, we received it and made final edits to this strategy to bring alignment with it.

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## Message from the Chairperson

In October, 2015 the *Huffington Post* selected Yellowknife and its Aurora viewing product as Canada's fastest growing travel destination. On *Trip Advisor*, more than a dozen NWT operators have 4-star or higher ratings and the site has nearly 8,000 reviews of our tourism products. And the list goes on, proving that the NWT Tourism industry is on the move.

But we still have a long way to go, and much to do, if we are to capture a larger share of the Aurora market, the fishing market, the outdoor adventure market, the touring market. Over the next five years we want to grow the value of the NWT tourism industry by over **40%**. That's an average of **8%** a year, which is no small task.

To do this we need the co-operation, inspiration and motivation of all tourism stakeholders across the Northwest Territories. We need the ongoing support of our government partners and we need a strategy.

This document sets the strategic marketing direction for NWT Tourism over the next five years. Our job, as your industry association, is to market travel opportunities in the NWT and build a bigger and better tourism industry for stakeholders and residents.

Your job, as a stakeholder in this industry, is to deliver the most spectacular product possible, so our visitors become our ambassadors, telling more and more people about this destination and what it has to offer.

I would like to thank CanNor for funding the development of this strategy, the NWT Tourism Board for supporting its development, and the Tourism Marketing Advisory Committee (TMAC) for their review of our draft and for their advice which has been considered in this final version. Thanks also to the stakeholders who had input into the strategy at public meetings held across the Northwest Territories. May we all look forward to *Spectacular performance* in the NWT tourism sector.



**Donald Morin**  
Chairperson  
NWT Tourism



**DONALD MORIN**

*Chairperson, Northwest Territories Tourism*

## Methodology

This strategy was developed with input from the NWT Tourism industry and the Government of the NWT. Three regional meetings were held during February and March, 2015: Inuvik (Western Arctic) Hay River (South Slave and Deh Cho) and Yellowknife (North Slave and Sahtu). As part of these meetings, participants detailed the perceived strengths and weaknesses of their tourism product, suggested opportunities to expand tourism (many were product/activity or infrastructure related) and discussed threats to tourism which ranged from forest fires, poor road conditions to the world economy. These comments were considered in the development of this strategy



Destination Canada (formerly the Canadian Tourism Commission) insights, statistics and trends were used to confirm priority markets for NWT Tourism. EQ segmentation data (note 1) for these markets was used in establishing key strategic marketing priorities.

The authors of this report also worked closely with the staff of NWT Tourism. Prior to the start of developing a new marketing strategy, senior NWT Tourism staff visited tourism stakeholders in all regions in 2014 and the learning and input from these regional meetings also informed the strategy development.

Also, a full day “branding/marketing” workshop was held in June 2015 with all NWTT staff, to discuss issues and directions to be considered in this strategy. NWT Tourism supplied the association’s marketing mission and vision, reviewed preliminary documents and provided written comments. Prior to presenting the final strategy to the Board of Directors, this document was prepared for presentation to the Board and to the Tourism Marketing Advisory Committee (TMAC), as a draft.

The NWT Tourism Board of Directors reviewed the draft strategy along with the comments and questions from TMAC, and provided final direction for the strategy to be completed after review of the finalized Tourism 2020 plan from GNWT, which became available in October 2016. Tourism 2020 was reviewed in October 2016 and final edits to the 5 Year Marketing Strategy were completed in November.

### NOTE 1

*EQ stands for Explorer Quotient and was developed for Destination Canada by a well respected Canadian research firm. Basically EQ is a market segmentation system that is based on the science of psychographics. Psychographics looks deeper at people's social values and views of the world. It goes beyond demographic segmentation (age, geography, income) and helps to find out why different types of people seek out entirely different types of travel experiences.*





## Executive Summary

Over the past 10 years the NWT tourism industry has achieved a strong record of success. Between 2005 and 2015 leisure visitor numbers increased by 46% and leisure visitor expenditures increased by 39%. The increases were driven by the Aurora sector (196% increase), general touring (164% increase) and visiting friends and relatives (124% increase).

The majority of NWT visitors continue to be Canadians (57%) with Asians (Japan, China, South Korea) accounting for nearly one third of all visitors in 2015/16.

Global tourism growth is projected to continue at an annual rate of 5% (United Nations World Tourism Organization) fuelled by an increase in global wealth. As demand for travel grows, more high-quality and authentic experiences will be sought by Canadians and travellers around the world. And more countries and Canadian jurisdictions will be competing for these travellers.

To capitalize on this growth opportunity, NWT Tourism is proposing a marketing strategy that, when paired with the investments by GNWT in product development and training outlined in Tourism 2020, will grow the tourism industry, provide economic benefits to all regions of the Northwest Territories and be sustainable for the next five years.

**The five year goal of this strategy is to grow the number of leisure visitors to the Northwest Territories by 56% (from 63,010 in 2015/16 to 98,407 in 2020/21) and to increase expenditures from leisure visitors by 51% (from \$92 million in 2015/16 to \$139.3 million in 2020/21).**

**The five year goal is to also grow the number of business visitors to the Northwest Territories by 27% (from 30,900 in 2015/16 to 39,344 in 2020/21) and to increase expenditures from business visitors by 27% (from \$75.2 million in 2015/16 to \$95.7 million in 2020/21).**

The strategy will guide marketing activities commencing in the 2016/17 marketing plan to take advantage of the conditions that currently favour increased leisure travel such as:

- Currency exchange rates
- More Canadians travelling within Canada
- Lower fuel prices
- Growing interest in Aurora viewing
- Canada's 150th anniversary
- Destination Canada's 3-year US marketing initiative
- More baby boomers retiring and travelling

These are optimistic targets but they are achievable when compared to other visitor targets across Canada. As examples, Destination Canada is projecting a 7.5% increase in US Visitors in the next three years; BC is projecting a 5% increase in visitor revenues in 2016; Manitoba is projecting an increase in tourism expenditures of 35% by 2020; Newfoundland and Labrador reported a 36% increase in non resident tourism spending between 2012 and 2014.

It should be noted that all of these actual or projected numbers were, or will be supported by aggressive marketing programs.

### HOW WILL NWT REACH ITS TARGETS?

Six strategic and measurable objectives will guide tourism marketing activities. Each objective is supported by one or more key strategies as follows:

#### OBJECTIVE 1 - *Markets*

##### Increase the visitor spend to \$235 Million by 2020

- Target geographic, demographic and psychographic markets that best match current NWT tourism attractions and activities and provide a balanced portfolio of markets.
- Identify and concentrate on affordable niche markets
- Market tourism as a year round industry by
  - Increasing the number and extending timing of conferences
  - Encouraging sports tourism and educational tourism
  - Focusing marketing in seasons where occupancy reflects opportunity and most room for growth.
- Improve the buying process for potential visitors via
  - Prompt decision-making across all digital platforms
  - Encourage operator packaging online to shorten the path to purchase.





## **OBJECTIVE 2 - Brand**

### **Strengthen and uphold the Spectacular NWT Brand**

- Raise awareness of NWT in targeted markets
  - Build the Spectacular brand as the single entity to promote all NWT tourism sectors, products and regions
  - Make visitors brand ambassadors
  - Engage NWT residents as tourism ambassadors
  - Consider mass media (*television*) for wider brand awareness
  - Concentrate efforts on earned media
  - Integrate marketing efforts across all platforms

## **OBJECTIVE 3 - Product / Attractions**

### **We lead with our best**

- Work with regions to develop a “best” list and consistently and repetitiously market the best
- Establish and implement market/trade ready standards and grow the numbers of NWT suppliers that are market/trade ready through training partnerships
- Provide incentives for operators to complete market/trade ready training through co-operative marketing programs.
- Encourage more third parties to sell NWT products (wholesalers, receptive tour operators, travel agents, etc.)

## **OBJECTIVE 4 - Efficient and Effective Partnerships**

### **We will strengthen our partnerships to enhance marketing efforts**

- Formalize investment partnerships with our stakeholders
- Use stakeholder partnerships for data collection
- Seek out and establish traditional and non-traditional partnerships

## **OBJECTIVE 5 - *Alive in a Digital World***

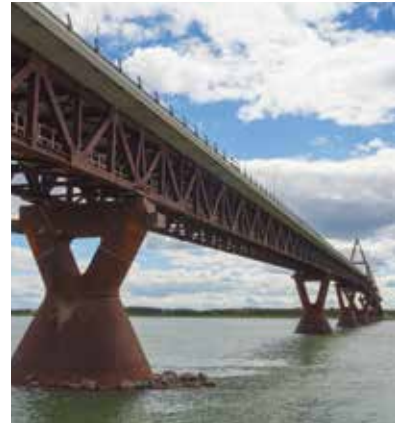
### **We will make digital marketing the centerpiece of all marketing programs**

- Establish and maintain year-round, in-market digital campaigns, developing tactics and timing based on a smart combination of demographics, psychographics and geographics
- Focus budgets and activities in the social and content marketing areas
- Build, enhance and market website content to target 50,000 monthly visits by 2018

## **OBJECTIVE 6 - *Research / Performance***

### **We will strengthen how research and results guide our decisions making**

- Establish baseline statistics, measure results and analyze trends
- Conduct real-time research re in-market performance
- Share data with tourism stakeholders
- Conduct EQ research to assess campaign results





# INTRODUCTION

1.0

## 5-YEAR NWT TOURISM MARKETING STRATEGY



## Introduction

Tourism is an important segment of the NWT economy and generates more revenue than all other renewable resources combined. Although it contributes only 3.5% to the GDP of the NWT, it does employ over 12% of NWT residents, and reaches into almost every NWT community.

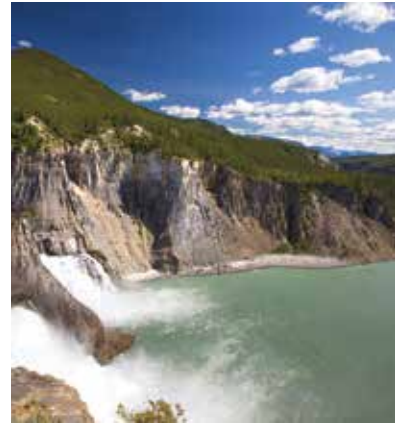
Tourism currently contributes \$167 million to the NWT economy and this number could increase substantially with continued investment in expanding and improving our products and activities, and solid marketing investment that reaches high potential markets with enticing information about our spectacular destination.

The NWT needs new, successful and growing industries to expand its economy. Although non renewable resources may always form the economic base of the NWT, the tourism industry, with support from the GNWT, is ready to assume higher precedence in the NWT economy.

The last NWT tourism marketing strategy was developed over 10 years ago. The current strategy responds to the advice from the Tourism Marketing Advisory Committee (TMAC) who suggested that a strategy be developed in order to plan further ahead for the industry.

The purpose of this five-year strategy is to create a marketing framework that will guide the annual marketing plans of NWT Tourism, ultimately attracting more visitors to the Northwest Territories, and expanding general awareness of the Northwest Territories in Canada and in a handful of international markets. The strategy will also provide transparency to all our tourism stakeholders regarding our longer term direction.

The importance of integrated product development and marketing cannot be overstated. Marketing without product development is risky; product development without an accompanying marketing strategy is futile. Since product drives marketing and demand, and product development is a responsibility of the GNWT's Department of Industry, Tourism and Investment, this strategy assumes maintained funding and emphasis for product development by GNWT will support the success of the marketing strategy.





# CURRENT SITUATION

2.0

## 5-YEAR NWT TOURISM MARKETING STRATEGY



## 2.1 Global Overview

**Globally tourism has become one of the fastest growing economic sectors. Some global trends include:**

- Long haul travel continued to grow faster than short haul travel. The seven largest long haul source markets for Canada are: the USA, UK, France, Germany, China, Australia and Japan.
- China is surging as one of the world's largest outbound travel markets. From 2009- to 2013 the number of Chinese outbound trips grew by 53% which was twice as much as the overall global growth of 22%
- Technology and social media are transforming the travel industry. Internet travel testimonial sites such as Trip Advisor are changing how the web is used to make travel decisions and mobile phone apps and maps are becoming today's visitor information centres of choice
- Changing traveller demographic trends: An increase in women only travel, multi generation family travel, millennial travel and active seniors travel
- Changes in generational travel patterns: Boomers (Age 52 – 70), Gen X (Age 35 – 51) and Millennials (18-34)
  - Travel by boomers has stabilized after declining during the early 2000s. Retiring baby boomers, a fairly large population group will take advantage of their wealth and free time and travel more
  - Gen X adults have reduced their travel over the past 10 years
  - Millennials have travelled more both at home and abroad
- Interest Based Tourism: Catering to specific interests of travellers rather than general touring, is quickly defining new markets
- A move from market segmentation based on geography to interest based tourism is a new driving force in the global tourism market







## 2.2 NWT Overview

**Tourism accounts for approximately 3.5% of the GDP of the Northwest Territories.**

It is the largest renewable resource industry in the NWT, but is a relatively small industry when compared to the non-renewable resource sector. Tourism is an export industry that contributed over \$167 million “new dollars” to the NWT economy and employed approximately 2,600 people.

In the Economic Opportunities Strategy (EOS) released by the GNWT in 2013, after extensive consultation across the territory, the authors forecast annual tourism industry growth of 2.5% over the next five years. This projection was exceeded by over 20% in 2013-14, mainly due to the increasing number of Aurora visitors, particularly from China.

The EOS also stated: “Direct and indirect benefits from tourism are far reaching but growth in this sector is dependent on attracting new markets, developing new products and engaging more NWT residents into the sector.”

In October 2016, the GNWT issued its visitation numbers for 2015/16. Tourism visitation grew 11% over the previous year, going from 84,810 visitors to 93,910 visitors. Visitor spending rose 14% from \$146.6 million to \$167 million.

## 2.3 Trends in NWT Tourism

Despite the world recession (starting in late 2008) and the closing of caribou sport hunting in the NWT, both the number of visitors and visitor spending has grown substantially during the 10 years between 2005/06 and 2015/16.



### NWT TOURISM VISITATION AND SPENDING

**TABLE 1: INCREASE IN NUMBER OF VISITORS OVER PAST 10 YEARS**

# of Visitors	2005-06	2015-16	Change
Aurora Viewing	10,200	24,300	138%
Fishing	7,200	4,600	-36%
General Touring*	13,300	19,000	43%
Hunting	1,300	510	-61%
Outdoor Adventure	2,200	2,400	9%
Visiting Friends and Relatives	9,000	12,200	36%
<b>TOTAL LEISURE</b>	<b>43,200</b>	<b>63,010</b>	<b>46%</b>
Business Travel	24,600	30,900	26%
<b>TOTAL VISITORS</b>	<b>67,800</b>	<b>93,910</b>	<b>39%</b>

\*Source: GNWT / ITI.

**TABLE 2: INCREASE IN VISITOR EXPENDITURES OVER PAST 10 YEARS (MILLIONS)**

	2005-06	2015-16	Change
Aurora Viewing	\$13.4	\$39.7	196%
Fishing	\$16.9	\$9.7	-43%
General Touring*	\$7.5	\$19.8	164%
Hunting	\$17.4	\$7.2	-59%
Outdoor Adventure	\$7.1	\$7.0	-1%
Visiting Friends and Relatives	\$3.8	\$8.5	124%
<b>TOTAL LEISURE</b>	<b>\$66.1</b>	<b>\$91.9</b>	<b>39%</b>
Business Travel	\$54.7	\$75.2	37%
<b>TOTAL VISITORS</b>	<b>\$120.8</b>	<b>\$167.1</b>	<b>38%</b>

\*Source: GNWT / ITI.

The travel experiences showing the largest increase during this period were Aurora viewing, general touring, visiting friends and relatives and business travellers. Hunting had the highest decline, followed by fishing.



The overall visitor numbers increased by 39% during the 10 year period and the visitor expenditures increased by 38% during that period. The average expenditure per visitor increased for business while combined with leisure was relatively flat.

**TABLE 3: AVERAGE EXPENDITURES PER VISITOR OVER PAST 10 YEARS**

	2005/06	2015/16	Change
Aurora Viewing	\$1,314	\$1,634	24%
Fishing	\$2,347	\$2,106	-10%
General Touring*	\$564	\$1,042	85%
Hunting	\$13,385	\$14,118	5%
Outdoor Adventure	\$3,227	\$2,917	-10%
Visiting Friends and Relatives	\$422	\$698	65%
Average Leisure Visitor	\$1,530	\$1,459	-5%
Business Travel	\$2,224	\$2,434	9%
<b>AVERAGE EXPENDITURES</b>	<b>\$1,782</b>	<b>\$1,780</b>	<b>0%</b>

Over the past five years, the number of licensed tourism operators in the NWT has also dropped from 111 in 2010 to 99 in 2015, with the Western Arctic showing the largest decline. As operators and properties age, and with few new operators entering the market (apart from new Aurora operators primarily in Yellowknife) this trend could continue over the next five years and may accelerate as other economic activity in the regions declines.

**TABLE 4: CHANGE IN NUMBERS OF LICENSED TOURISM OPERATORS**

Region	2010	2015
Western Arctic	24	8
Sahtu	15	15
Dehcho	11	9
North Slave	36	39
South Slave	25	28
<b>Total</b>	<b>111</b>	<b>99</b>

\*Source: GNWT / ITI.

## 2.4 Visitors and Markets

The majority of visitors to the Northwest Territories come from Canada. In 2015/16 Canadians made up 57% of leisure visitors to the NWT and came mainly for general touring or to visit friends and relatives. Asian visitors (Japan, China, Korea) made up the second largest group at 28% visiting NWT, mainly for Aurora viewing. Visitors from the USA are a distant third at only 8% percent of visitation. The 2010 decision by Destination Canada to stop marketing in the United States may have impacted the declining number of US visitors. Currently the majority of hunting visitors are from the United States. While once the mainstay of our fishing industry, American fishers make up only 25% of the total fishing visitation.



Leisure travellers made up 67% of the total visitors to the NWT in 2015/16, while business travellers, including conference attendees, made up 33% of visitors.

Since 2005/06 the number of leisure travellers has increased by 3% of total visitors, while the number of business travellers has declined by 4% of total visitors. While business travellers in 2015/16 made up only 33% of all travellers, they accounted for 45% of all visitor spending, verifying the important value of this sector.

The demographics of our visitors vary by sector and market. For example, the Asian Aurora viewing market tends to be younger (20-34) with a higher percentage of female visitors, while the fishing/hunting sectors are mainly in the 35-65 age group and are over 90% male visitors. Well-educated professionals make up the majority of visitors across all sectors. Only fishing and general touring show a high number of retired individuals. *(Source: 2015 Road Visitor Survey)*

## TABLE 5: LEISURE TRAVEL TO THE NWT

BY SECTOR/GEOGRAPHIC LOCATION 2015/16

	Aurora		FISHING		OUTDOOR ADVENTURE		HUNTING		GENERAL TOURING		VISITING FRIENDS AND RELATIVES	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Canada</b>	5,048	21%	3,362	73%	1,965	83%	107	21%	14,048	74%	11,225	92%
<b>USA</b>	161	1%	1161	25%	250	11%	346	67%	2,848	15%	488	4%
<b>Japan</b>	10,238	42%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>China</b>	4,995	21%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Korea</b>	2,257	9%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Europe / Other</b>	1615	%	100	2%	175	7%	60	12%	2088	11%	488	4%
<b>Total Leisure Visitation</b>	<b>24,314</b>		<b>4,623</b>		<b>2,377</b>		<b>513</b>		<b>18,984</b>		<b>12,201</b>	

\*Source: GNWT / ITI.

## 2.5 Current Products and Services

Products and services in the travel industry are categorized under the five “A’s”: Access, Accommodation, Attractions, Activities and Amenities. Unfortunately, outside of Yellowknife (and even in Yellowknife) the NWT is lacking in these prime travel requirements. Development of these products and services is outside the responsibility of NWT Tourism, but it should be noted that successful marketing by NWT Tourism is dependent on the quality and range of our industry’s five A’s.

### ACCESS

Air access is expensive and limited into some communities. At peak times (winter Aurora viewing) capacity is a problem, as are connections to the NWT on flights from other countries. Also in some communities there is limited transportation between an airport and a hotel or attraction. Roads in the southern NWT are gradually getting chip sealed (the federal government recently announced a multi-million dollar program to improve NWT roads), but road quality has been an impediment to travel, particularly coach travel in the Dehcho region. Also, many communities do not have year round road access. There is one rail line serving the NWT with a terminus in Hay River, but passenger travel on this single line to the NWT is not available.

### ACCOMMODATIONS

Travellers are looking for comfortable accommodations, with private bathrooms, and access to other services, including meals and possibly a bar. They are also looking for at least a few selections (hotel, motel, B&B). Apart from the major centres, the NWT has limited accommodations; many are not at a market-ready level and can be quite expensive. As well many small centres can only accommodate a very small number of visitors at a time, which limits some group opportunities.

### ATTRACTIONS

Attractions are key elements that need to be considered in assessing the tourism potential of an area. While there are natural attractions in or near to every community in the NWT, few can be accessed, interpreted or visited without the services of local guides and fairly substantial expenditures. Many planned attractions such as festivals and events are based on good ideas, some are very well organized for visitors, and some need a lot of work if they are going to attract and provide hospitality to visitors. Successful attractions have “distance pull” which means that people will travel long distances and spend money to see them. A prime example is the Aurora product which attracts thousands of Asian visitors.





Others could be the magnificent Mackenzie River if cruises on the river were available, National Parks in the NWT and unique bird or animal species. Packaged tours, such as river paddling expeditions or fishing lodge stays can also be considered attractions.

### ACTIVITIES

Activities provide interesting or entertaining options for people once they are in an area. Within communities, there is a shortage of visitor activities that will encourage visitors to spend money or stay longer. Also, for fully independent travellers (FIT), it is often difficult to locate activities within a community, although visitor centres in the larger communities can direct visitors to activities. It should be noted that activities are important, but they cannot replace attractions to lure visitors. Examples of activities include hikes on the Frame Lake Trail in Yellowknife, a jet boat trip to the falls out of Hay River, a boat tour on the Mackenzie River around Inuvik. Visitors do not come to a destination for these types of activities, but they do expect a destination to have a range of these kinds of activities available once they are in a specific location.

### AMENITIES

Amenities are services most visitors take for granted until they are not there. They include visitor information centres, cell phone and Internet service, drinking water, garbage bins, signage, washroom facilities, benches etc. These are services that should be provided by the communities, at municipal parks and at major attractions.

Based on the 5 A's, and using a simple point system we assessed the "tourism readiness" of each region and community in the NWT. For example, if a community was near to, or a gateway to a National Park attraction and was taking advantage of that attraction, they could score a 4 or 5 out of five. Or a community with frequent flights each week would score higher than a community with a limited number of weekly flights.

According to this preliminary readiness ranking there are only six NWT Communities that are tourism ready, (ranked higher than 50% on the five As) while the others require improvement in several of the five key components, if they are to attract visitors, and if they want visitors. (see Appendix A). The development of attractions or events to a market-ready standard can drive up tourism potential for a region or community.

Product and service readiness and related product development, although not the responsibility of the territory's Destination Marketing Organization, is a crucial ingredient for the success of NWT Tourism's marketing efforts.

## 2.6 External Influencers

External influencers are often unexpected. Over the years, there have been many negative external influencers that have impacted tourism in the NWT. On a global scale the NWT was negatively influenced by 9/11, SARS, global recessions, changes in currency values, high fuel costs. Closer to home, forest fires in the summer of 2014 closed both highways and parks and generated negative publicity about travelling to the territory.

The tourism industry is also influenced by technology which has changed the way interactions take place with potential visitors. The Internet is creating much more informed travellers, is influencing destination selection, and is reducing the time taken to select a vacation destination.

In the aviation industry the NWT has benefited by increased air service to the capital city and lower fares as a result of an increased number of carriers, stiffer price competition and the lower price of fuel. Canada is poised to benefit from the lower Canadian dollar, particularly in relation to the US dollar. At the same time there are air and hotel capacity problems in Yellowknife and it has been difficult to encourage a substantial number of travellers to select other NWT destinations due either to high air fares, limited facilities or the additional time needed to travel further.



## 2.7 SWOT Analysis

A SWOT analysis is a useful technique for understanding the strengths, and weaknesses of the NWT Tourism industry in order to identify both the opportunities and the threats the industry faces.

A detailed SWOT Analysis is included in Appendix C. Following are some of the highlights:

### STRENGTHS

- Significant spectacular natural assets including Aurora, wild rivers, numerous lakes, mountains, ocean coast, etc.
- Continent's most northerly public highway
- Five airlines serving the North from two major gateways in Edmonton and Calgary.
- Authentic Aboriginal culture
- Healthy fish populations





### **WEAKNESSES**

- Yellowknife centric tourism
- High travel costs, especially outside of Yellowknife
- Limited activities
- Insufficient infrastructure
- Limited services

### **OPPORTUNITIES**

- Inuvik Tuk highway and access to the Arctic Ocean
- Five National Parks and a sixth being planned. Two are UNESCO World Heritage Sites.
- Fly-fishing, and women fishers
- Hiking trails (Canol)
- Conferences, meetings, events

### **THREATS**

- Stiffer competition for the Aurora visitors
- Price advantage of fishing lodges in northern parts of provinces
- Changing air transport regulations and fee increases
- Anti hunting lobbies
- Lack of capacity (airlines, accommodation, human resources) to sustain a growing market

## **2.8 Current Marketing Approaches, Activities**

NWT Tourism's marketing efforts are directed mainly at consumers followed by travel trade and media. Although still the smallest portion of the marketing efforts, the NWT is being marketed as an ideal location for conferences and incentive travel, through the Conference Bureau established within NWTT in 2015 and responsible for conference promotion.

NWT Tourism's marketing is influenced by a political need to satisfy pressures that marketing dollars be allocated by region and sector. This requirement can impact the effectiveness of marketing investments that are aimed at achieving overall destination awareness for the territory as a whole.

Consumers that contact NWT Tourism's Call Centre do not identify which region of the territory they are visiting. They are focussed on the activity or experience they want to consider. While balancing political requirements, NWT Tourism must aim to meet consumer needs.

For example the consumer market is divided first by NWT regions (6 including Yellowknife), and then by product segments such as fishing, hunting, Aurora, outdoor adventure, general touring, VFR (total of 6) Within the marketing mix there are further breakdowns to promote festivals, road routes, parks. And finally these segments must be matched to markets, considering demographics, geographic sources and psychographics.

This approach to segmentation effectively results in every player getting a small piece of the marketing budget, and ultimately dilutes the Destination Marketing Organization's (DMO's) ability to generate much needed brand and destination awareness for the territory as a whole.

Although this segmented approach has helped increase tourism numbers in some NWT regions and sectors, many competing DMOs across Canada are replacing segmentation with a strong, highly integrated brand approach, which can build the awareness and reputation of the destination, while assisting sectors, products and regions that have developed, market-ready tourism attractions and activities.



## 2.9 Stakeholders

The global tourism industry comprises a complex network of stakeholders and groups that have an interest in the development, management and marketing of tourism for a particular destination. The support, commitment and co-operation of these stakeholders is essential not only for the future of the industry, but also for the successful marketing of the industry.

The tourism stakeholders in the Northwest Territories include those directly involved with the industry (NWT Tourism, operators, hospitality businesses, government, airlines, retailers, visitor centres, etc) as well as those indirectly involved, such as film producers, visual and performing artists, trappers, diamond producers and polishers and Aboriginal communities. The stakeholder network extends even further into municipalities, NGOs, educational institutions, residents, etc.

The stakeholder network has a role to play in the implementation of the NWT Tourism strategy. Currently NWT Tourism communicates regularly with many of these stakeholders, but does so on an adhoc basis generally. Implementation of formalized communications on a calendar schedule to maintain and improve relationships will assist the industry to move to reduction of duplication of services and longer term planning.



## 2.10 Competition

In today's connected world, competition for travel dollars is fiercer than ever. To meet the challenges of competition, in light of NWT's more expensive, more distant product, NWT Tourism has to emphasize its unique selling proposition (USP) for each product, something it has been working on for many years. Following are some obvious competitive markets for NWT products and the USP NWT Tourism uses to enhance its position.

### AURORA

**Competitors:** Iceland, Finland, Alaska plus secondary competitors such as Yukon and Fort McMurray Alberta

**USP:** Aurora Capital of the world – scientifically proven to have better opportunity to view spectacular Aurora here than anywhere else

**Competitive weakness:** Cost, airline connections/capacity; limited product extension apart from "viewing".

### FISHING

**Competitors:** Northern sections of most Canadian provinces offering the same sport fishing species. Midwest U.S. locations, South America – Brazil, Patagonia

**USP:** Within the species available, NWT has the largest fish populations, in the cleanest waters, in the most spectacular wilderness environment.

**Competitive weakness:** Cost, access. Quality of facilities and lack of diversity in add-on activities as identified in 2014 NWT Sport Fishing research.

### PADDLING

**Competitors:** BC, Ontario, Quebec in Canada. Many more in USA and growing paddling market in Central America.

**USP:** The ultimate in remote wilderness river expeditions

**Competitive weakness:** Cost, access. Limited number of new rivers offered for repeat customers

### LONG HAUL ROAD TOURING:

**Competitors:** Yukon, Alaska, Canada's Coasts (East and West) Misc. USA.

**USP:** Dempster – only public highway to top of the world, and soon to the Arctic Ocean. Dehcho Connection – Spectacular, remote wilderness, where you count the bird and animals species and not the fast food concessions.

**Competitive Weakness:** limited fly/drive opportunities. Current ones are accessed through Alberta or Yukon. Not possible to rent an RV from within the NWT. Distance, ruggedness and poor road conditions. Insufficient services and sometimes difficult to access.



### ABORIGINAL TOURISM

**Competitors:** Yukon, Alaska, British Columbia, Nunavut, Alberta, Saskatchewan and other Canadian provinces and southwestern US states.

**USP :** The Northwest Territories has three distinctive aboriginal peoples: Dene, Metis and Inuvialuit, each with different cultures and traditions. Many of the NWT's aboriginal people continue to be closely tied to the land for sustenance and maintaining centuries-old lifestyle. Traditional aboriginal dancing, drumming, games and food can be enjoyed by visitors to the Northwest Territories.

**Competitive Weakness:** The NWT Aboriginal tourism product is not always available or accessible. Drum dancing, hand games, Dene and Inuvialuit sports etc, can be seen at certain events. There is no central place where visitors can learn about NWT Aboriginal culture, unlike Yukon and many other destinations that have central cultural centres that welcome visitors.

# CONTEXT FOR A FIVE YEAR STRATEGY

3.0

5-YEAR NWT TOURISM MARKETING STRATEGY



## 3.1 A Quick Look Back

**The last major NWT Tourism Marketing Strategy (not to be confused with an annual tourism marketing plan) was completed in 2005.**

Following are the eighteen 2005 tourism marketing strategic objectives, and the results to date. The objectives were grouped into five main areas:

1. Awareness Marketing
2. Niche Marketing
3. See More NWT
4. Product Promotions
5. Umbrella Programs

### **AWARENESS MARKETING**

**1. By 2010 have name, image and product recognition in at least six Canadian markets and six niche markets.**

The new Spectacular brand was developed and is gaining awareness across Canada and in niche "Aurora" markets (ITI survey 2009 and anecdotal evidence.)

**2. Increase the value of four key markets (outdoor adventure, general touring, Germany and Japan) by \$14 million.**

This has been achieved, although the German market was not measured as a separate country by the GNWT.

**3. Revive visitation for the hunting segment to 1,400.**

A ban on caribou sports hunting made this objective impossible to achieve.

**4. Stop the decline in fishing visitation numbers.**

Unfortunately fishing numbers have continued to decline, although 2015/16 GNWT statistics show a small increase in fishing visitors in the NWT over 2014/15 numbers.

**5. Increase VFR numbers by encouraging northerners to become ambassadors.**

VFR numbers have increased over the past 10 years, by 36%.

**6. Generate extensive word of mouth sales through an ambassador program.**

This objective involved some partnerships, but is difficult to measure.





#### **7. Participate in non-traditional partnerships**

This initiative involved participation in southern events, setting up tourism-specific events in target markets and aligning with diamond companies. Some of this work has been ongoing over the years (Northern House, Canada Place, NWT Days) but no measurements are available.

#### **8. Communicate the value of the tourism industry to industry, media, communities and government**

This is an ongoing task of the NWTT and could be measured by number of E-newsletters, public events in the NWT, regional and community visits, media coverage.

#### **9. On an annual basis, capture statistics and information on market and industry trends to strategically improve marketing activities.**

This is ongoing with specific studies commissioned each year. Much more could be done on an annual basis, if funding was available.

#### **10. Increase the number of articles written/broadcast about the NWT as a travel destination by a minimum of 20% annually until 2020.**

This included everything from development of a new media kit and a media newsletter, to support of books and films, more photo shoots, and use of a media monitoring service. Most of these tactics are in place and likely the amount of media coverage has more than doubled in the past 10 years.

### **NICHE MARKETING**

#### **1. Target, convert and track visitors from niche markets (cultural, education, extreme, diamonds, reunions, incentive travel, etc) as new product is developed. Goal is to host 1,000 niche visitors over five years.**

Two markets targeted were festivals and events and winter outdoors. There are no statistics to measure success, although we do know more people are participating in winter products, and an extreme winter event (now defunct) did attract visitors to the NWT.

### **SEE MORE NWT**

#### **1. Increase visitor stay on average by one day and visitor expenditure on average by \$200 per trip.**

A *See More NWT* program was launched and operated for a few years, via the distribution of booklets to all visitor centres. Expenditures per person, per trip do not seem to have increased over the years, based on the 2015/16 statistics.

Overall, per trip expenditures are decreasing, likely due to the decline in hunting and fishing expenditures, and the propensity to take shorter trips to the NWT. In 2015/16 average leisure expenditure per visitor was \$1459, down from \$1530 in 2005/06.

## PRODUCT PROMOTIONS

### 1. Increase NWT product readiness for European and Asian Markets

We now have more market/trade ready NWT operators involved in these markets.

### 2. Inform members of latest trends, research, and opportunities at least once per month

This objective suggested an FYI newsletter for the industry. This has now been in effect for some years.

### 3. Facilitate the promotion of new and existing products in primary and secondary markets throughout the world

This involved the initiation of a government-funded program to match tourism operator marketing expenditures. This program is in effect and has been operating successfully for nearly 10 years.



## UMBRELLA PROGRAMS

### 1. Improve Customer satisfaction with trip planning services and media requirements through the website and toll free information line.

Ten years later the Internet has taken over as the main trip planning service, with the toll free information line receiving fewer calls each year.

### 2. Convert web visits to real visits to the NWT

This included everything from redesigning the website to adding Japanese and German sites, product specific sites (fishing) and many more tactical items. Many of these have been completed.

### 3. Improve the image and message of the NWT by making available high quality photos and film for promotional purposes on an annual basis.

This is being done, and additional images are added yearly.

**Summary:** Many of the strategic directions and related tactics proposed 10 years ago are in effect today and assist NWT Tourism to reach its





goals. However the world has changed in the past 10 years, and new strategic objectives are needed to address changes such as the ever-expanding use of the Internet and accessing it by mobile devices as a main method of communicating, the global economy, the emergence of more full time, rather than part time tourism operators in the NWT, the decline of the sport fishing sector and the aging of our existing market.

## 3.2 Tourism Globally

**Tourism is a phenomenon of wealth: the more money people have, the more likely they are to travel.**

As the world becomes wealthier, demand for tourism increases. Over the past 10 years global wealth has doubled — from US\$113 trillion to US\$241 trillion. And that growth is projected to continue, at an annual rate of 5% according to the United Nations World Tourism Organization. Hardly surprising then, that the outlook for tourism globally is bright.

Existing and emerging destinations are competing vigorously to offer a range of diverse experiences and activities to an increasingly sophisticated traveller. Tomorrow's travellers will demand higher levels of control, comfort, security, and personalization, from their travel experiences. In the face of increased global competition, winning the hearts and minds of travellers has never been so critical.

Strong economic conditions and personal disposal income will remain major tourism drivers. However, economic volatility is the biggest influencer of travel demand as it translates into changes in consumers' discretionary spending patterns.

Ongoing price fluctuations in fuel and exchange rates do impact vacation travel decisions. Exchange rates, in particular, can impact total visitation as well as how much visitors spend during travel.

Safety also impacts leisure travel. Terrorist attacks (9/11, Paris) and disease (SARS, Ebola Zika virus) can impact global tourism.

Sustainable tourism is also becoming more important. There is a growing requirement for travellers to know they are making environmentally responsible consumer choices.

## 3.3 Destination Marketing as an Engine of Economic Development

**The benefits of destination marketing extend far beyond the benefits that accrue directly to the tourism and hospitality industry.**

Successful destination marketing can also drive economic development and growth. It can be a catalyst in the development of transportation networks, raise the overall profile of a destination in order to attract new residents, bring influencers to a destination for conferences and meetings to deepen connections with an economic sector and can generally raise the quality of life through the addition of amenities and standards that are valued by residents and are important in attracting investment to a range of sectors within a destination's economy.



## 3.4 Opportunities and Challenges

In establishing the direction of the NWT Tourism marketing strategy, the following opportunities and challenges have been considered:

### OPPORTUNITIES

#### Global Growth

Buoyed by a fast-growing middle class in emerging economies, international tourism revenue is expected to more than double over the next 20 years, with annual growth in the range of 5%. By 2020, nearly one in five people on the planet will have the means to travel abroad. Northwest Territories Tourism will focus on the geographic markets with the highest incremental growth potential over the five years.

#### High Potential Segments

As the world changes, we need to hone our market intelligence to enable us to pinpoint high-potential travellers from our best geographic markets. Insight-driven consumer segmentations for geographic markets, demographics, travel behaviours and emotional motivations can be leveraged to deliver a higher return on investment for marketing efforts. Tools such as the Destination Canada Explorer Quotient (EQ) segmentation will assist in narrowing the focus. As the market continues to change, the NWT must also continue to research and identify segments with strong future potential.



### **Connectivity**

Information technology advances have revolutionized the way people research and book their travel. Today, over 80% of travellers conduct general trip planning and travel research online. This creates new opportunities to gather deep insight into travel motivations, planning behaviours, and decision-drivers. The resultant pool of data will allow NWT Tourism to offer more personalized, relevant and compelling information to guide travel planning and real-time, in-market visitor services.

### **The Sharing Mindset**

Approximately 70% of today's travellers will share their travel experiences with friends and family through social media. Word-of-mouth referrals and recommendations are the most powerful marketing tool in the travel industry. NWT Tourism and the tourism industry must engage travellers and leverage NWT residents and tourism businesses to become brand ambassadors to increase positive visitor experiences, on-line engagement, and recommendations through social media.

### **CHALLENGES:**

The following Challenges have informed the strategic direction:

#### **Global Competition**

As one of the world's fastest growing economic sectors, tourism has become increasingly competitive. Traditional destinations are increasing their tourism marketing efforts, and are also continuing to evolve and invest in their brand strategies, with elaborate long-term strategic plans that are consistently being monitored and adapted to changing market trends.

Also, new and emerging destinations are actively vying for their share of tourism revenue. While technology and social media have made it even easier for travellers to explore destination opportunities and easier for marketers to target their markets, DMOs require more resources to maintain "top of mind" in this crowded environment. Potential travellers are more aware of the choices about where to visit, including new and exotic locations. The fundamental strategic choice for brands is either low cost or strong differentiation. In light of this, NWT must highlight the value proposition and provide compelling motivations to visit NWT now by being Spectacularly different.

### **Lack of Awareness**

In many existing and potential markets, according to both current research and anecdotal information, there appears to be limited awareness and vague perceptions about what NWT offers. NWT has lots of attractions, but many need to be refined in quality and continuously promoted with targeted messaging. Awareness is growing for our Aurora attraction in all active markets, but packaging and access is not well defined for the North American market. Travellers need to understand where they are going and what to expect when they get there. A clear, consistent brand and coordinated messages to support the brand are essential.



### **Travel Barriers**

Real and perceived travel barriers obstruct our efforts to increase non-resident traveller visitation and tourism revenues for NWT. The reality is that it takes deliberate planning and determined effort to visit the NWT. Travel distance, travel time, travel cost, and travel access are significant barriers for visitors, and a major competitive disadvantage for the NWT industry.

Long-standing access issues particularly, must be resolved, as the cost, availability, and quality of air, and land access continue to be significant impediments to the growth of the NWT industry. While NWT cannot control the business decisions relating to access, we can help identify and implement solutions based upon a collaborative business-case approach that is relevant for transportation partners and the tourism industry

### **Changing Channels**

Consumers are becoming more online savvy. Increasingly they're using online self-serve channels to research, plan and book travel. Convenience, the ability to compare prices, and the comprehensive nature of online information available to the consumer has created a rise in consumer use of online travel agencies (e.g. Expedia, Agoda, Webjet), ratings services (e.g. Trip Advisor, DaoDao, Yelp) as well as price-shopping sites (e.g. Hotel.com, Trivago). Half of leisure travellers visit online travel agencies (OTAs) for inspiration when they are considering destination options and narrowing their choices. Globally, OTAs account for 47% of online bookings. In the future, it's expected that online travel planning will continue to increase in many markets, and the OTAs and rating services will influence this change for both trip planning and purchase. This has profound impacts on more traditional ways of doing business. NWT Tourism must effectively leverage the power of OTAs and rating services as a key source of travel influence. In light of these opportunities and challenges, a strategic market-focused approach is required for sustainability and growth.



## 3.5 Overall Marketing Approach

**It is increasingly important to present dynamic, relevant and timely content year-round to capture travellers with information they need, at the time they need it.**

The evolution of the marketing strategy requires continuity of the Northwest Territories' message to actively engage with travellers throughout all seasons and increase exposure during peak periods. Marketing will build upon a strong brand foundation in both domestic and international markets, ultimately moving travellers through the path to purchase, resulting in more visits to NWT.

### **Key Priorities**

To deliver on the strategy we will, focus on these key priorities:

Influencers are sites such as Trip Advisor, well known travel bloggers or other sites or channels used by people to obtain information on specific products.

- Plan for greater integration with all channels including media, social media, travel trade and meetings, incentives, conferences and exhibitions (MICE) resulting in a coherent message across all media, directed to a variety of audiences.
- Extend sales channels with key trade relationships that influence the target customer to close the sale
- Develop partnerships that strengthen the NWT brand

## 3.6 Priority Actions

**TABLE 6: PRIORITY ACTIONS**

PRIORITIES	REQUIREMENTS
Brand Renewal and Rejuvenation	<ul style="list-style-type: none"> <li>Strengthen the NWT Brand</li> <li>Ensure consistent messaging</li> <li>Differentiate from our competitors</li> <li>Reinforce our brand identity</li> </ul>
Engage The Market	<ul style="list-style-type: none"> <li>Digital Engagement Strategy</li> <li>Experiential Strategy</li> <li>Audience Strategy</li> <li>Stakeholder Strategy</li> </ul>
Remove Barriers To Entry	<ul style="list-style-type: none"> <li>Assist in identifying interest-based packages</li> <li>Create strategic alliances</li> <li>Address safety concerns (forest fires, roads, wildlife)</li> </ul>
Use On-Going Metrics For Greater Accountability	<ul style="list-style-type: none"> <li>Establish a set of performance indicators to benchmark 2016</li> <li>Track marketing performance and investment, providing quarterly trend analysis.</li> </ul>



## 3.7 A Partnership Approach

**The goal of increasing tourism revenues and bringing more travellers to the NWT is a shared one.**

Multiple partners have an important stake in this sector and there is ample opportunity to coordinate efforts. Simultaneously, working in consultation with other parts of government, communities, businesses, and stakeholders, NWT Tourism will provide strategic destination management oversight and work with its industry partners to increase the focus on destination development, which is critical for the long-term prospects of the industry. NWT Tourism will collaborate with other groups and organizations, to ensure the benefits of tourism growth are felt in the local economies of communities throughout NWT.

### **NWT Tourism’s Role:**

- At a territorial level, NWT Tourism’s role is to drive demand (to market the strengths of NWT to consumers, the travel trade and media – not to market individual products or locations). NWTT’s role is also to create opportunities for individual products and locations to leverage DMO investment for their own marketing.



- Build long-term brand equity in key markets; inspire consumers to actively consider NWT as their vacation choice, and connect consumers and travel trade with local tourism suppliers/operators.
- Provide consumer insights and shareable, scalable platforms and technologies that help NWT businesses be more formidable competitors.

**Working with partners:**

- Work in collaboration with other parts of government, communities and industry to ensure destination development is strategically focused to meet NWT goals and the goals of partners (Film commission, Arts and Crafts unit, Air Transport Association, diamond industry, fur harvesters, Chambers of Commerce etc.)
- Working in consultation, assist communities, Regional Tourism Officers (RTOs) and other service providers so that they understand what the visitor is looking for and how products, experiences and services can be enhanced in order to ensure NWT visitors become destination advocates.
- Support industry by providing highly valued destination trip planning information







# STRATEGY FOR GROWTH

4.0

5-YEAR NWT TOURISM MARKETING STRATEGY



## 4.1 Mission, Vision, Goals & Objectives for the Next Five Years.

### **NWT TOURISM MARKETING MISSION**

We inspire travellers to visit the NWT by showcasing the vibrancy of our people, the authenticity of our cultures and the awe-inspiring land that surrounds us, generating economic benefits in all regions of the NWT.

### **NWT TOURISM VISION**

Northwest Territories is a growing tourism destination that offers awe-inspiring natural and authentic experiences that are enjoyed through a multi-sensory journey of discovery. Visitors here enjoy personal growth and rejuvenation as they connect with our people and the breathtaking natural environment that surrounds us.

### **NWT TOURISM GOAL**

To expand the NWT tourism industry and the economic benefits to participants in the industry, and to contribute to the economic development of the NWT

### **STRATEGIC OBJECTIVES**

1. Increase the visitor spend to \$235 million by 2020
2. Strengthen and uphold the SpectacularNWT Brand
3. Lead with our best
4. Strengthen our partnerships to enhance marketing efforts.
5. Make digital marketing the centerpiece of all marketing programs
6. Strengthen how research and results drive our decision making





## 4.2 Strategic Objectives and Directions

Following is a summary of the main objectives , key strategies and strategic directions suggested to meet each objective.

### OBJECTIVE 1 - *Markets*

Over the next five years increase the number of annual visitors to 137,000 and increase annual visitor expenditures to \$235 million

#### KEY STRATEGY

- **Target markets (geographic, demographic, psychographic) that best match NWT tourism attractions and products.**

The world is changing and NWT tourism’s market selection approach is changing to keep up with the times. Although Geographic and Demographic considerations will continue to be used in market selection, behaviour and interests (Psychographics) will become a more important component in the market/ product matching process.

#### GEOGRAPHIC MARKETS

##### Background - Geographic Markets

The majority of NWT visitors are from Canada. Japan continues to provide the most international visitors, followed by China. Prior to the development of the NWT Aurora product, the United States was the leading international market, travelling to the NWT for fishing, hunting and general touring. Following the recession of 2008 and the decision by Destination Canada (the Canadian Tourism Commission) not to promote Canada in the US consumer market, our US visitation numbers dropped dramatically.

Over the past 10 years, NWT Tourism has consistently marketed to Canada, United States, Japan and German-speaking Europe. More recently South Korea, then China were added. And preliminary testing has started in the Australian market as a result of increased Australian traffic to Canada and the NWT.

*For details on the selected geographic markets and specific goals and objectives for each country, see Appendix D*

### **Strategic Directions: Geographic Markets:**

- Take advantage of past marketing efforts, and continue marketing to the six prime geographic targets (Canada, US, Japan, Germany, China and South Korea). Measure growth in these markets and be prepared to lesson or stop marketing efforts in geographic markets that show a substantial decline over three to four consecutive years.
- Re-enter the US market immediately and strongly.  
Now is the time to lure the sport fishing market back to the NWT. Develop tactics to intercept US RVers bound for Alaska and divert them to the Deh Cho Connection or the Dempster Highway. Capitalize on Destination Canada's re-entry into the US market and it's planned 2017 US Angling Program. (ITI stats show that in 2015/16 1160 US residents came to the NWT for fishing)
- Establish a new "test" geographic market every three to five years. (Currently Australia). At the end of the test period, determine effectiveness and growth of the market, and decide if marketing should continue to that country. By adding new geographic markets and possibly discarding non-producing ones, the NWT can create a better balance of geographic markets. Reliance on one or two markets can be risky, in the event of major economic or political change in that market.
- Concurrent with test marketing a geographic location, establish a few potential new markets to research. For example, the UK supplies the second largest number of travellers to Canada followed by France. Through EQ and other research vehicles determine if these or other countries should be tested as possible future markets for NWT tourism products.
- Ensure NWT products and related marketing has "distance pull" since almost all of our prime markets are more than 1,000 kilometres distant. People will travel over 1,000 kilometres for a weekend in Vegas, or to attend Caribana in Toronto. NWT marketing -- whether for a weekend of Aurora viewing, a weeklong paddling or fishing trip, or a flight over Nahanni National Park and Virginia Falls-- has to convince people that a specific experience is worth the distance to be travelled for the experience.
- Partner with Destination Canada when programs match NWT's geographic target markets.





## DEMOGRAPHIC MARKETS

### Background - Demographic Markets

The aim of every DMO is to secure high value/high yield visitors. As a high cost travel destination, NWT attracts many visitors who are willing to pay \$2,500 and higher for their visit here. And some, particularly hunters will pay more than \$10,000 for a Northwest Territories experience.

### Strategic Directions: Demographic Markets

- Target visitors with \$100,000 plus household incomes. These visitors may be professionals, business owners, or skilled trades people.
- Target today's very busy professionals with shorter getaways that meet their lifestyle needs. Encourage operators to package two, three and four day experiences.
- Target multi-generational families for higher per party numbers.
- Attempt to lower the age demographic. The current average age of an NWT visitor is closer to 60 than it is to 40. (2015 Road Visitor Survey) Although more baby boomers are entering retirement and will continue to make up a large number of our visitors, we should be placing more emphasis on attracting Gen X (35 – 54) who are established in their careers and Millennials (18-34) who value experiences higher than possessions. Specific marketing tactics should be developed to reach these younger audiences.

## PSYCHOGRAPHICS

### Background Psychographic Markets

For the past eight years the NWT's general target markets by interest and behaviour were *Active Escapists* and *Outdoor Enthusiasts*. These segments were identified by detailed research (Envionics 2007) and were assessed as appropriate in 2008. Since then Destination Canada has introduced EQ (Explorer Quotient), a market segmentation tool that can be used by participating DMOs to identify market segments that match NWT attractions and products to segment interests and behaviour. For example NWT products are not a good match for people whose main interest is visiting urban centres. But the NWT does appeal to people who enjoy experiences off the beaten path, or are interested in the history of a location. EQ helps to find these interest groups.

In late 2015 NWT Tourism invested in an EQ partnership with Destination Canada and now has access to the system's research data. With this access, each new market can be profiled prior to the start of active marketing. As an example the fishing sector was profiled last year in a research project completed by Environics for NWT Tourism and the GNWT, and valuable psychographic information is now being applied to the content marketing program.



### **Strategic Directions – Psychographic Markets**

- Complete preliminary and “deep dive” EQ online research to obtain a better understanding of the interests and behaviour of specific target markets. Use this information to guide decisions. For example if EQ research says that people who fish are high Internet users, then a campaign directed to fishers would make high use of the Internet. Or if EQ information says many people in a particular country purchase their vacation packages via a travel agency, then a program could be developed for travel agencies in a target market.
- Partner with Destination Canada when programs match the interests/ behaviours of the NWT market .

### **Identify and concentrate on affordable niche markets**

- Using Internet tools such as Radian6 and EQ and working with GNWT's research department, identify interest in, and engage with niche markets that may not be reached via mass marketing. Some niches that could be investigated include: women fly fishers; American cyclists; people who live in cities called Aurora; Germans interested in Aboriginal culture.

### **Market tourism as a year round industry**

- For years the tourism industry had two prime seasons: summer (June to September and winter (December to end of March). Little happened in the other four months. With the introduction of late summer/fall Aurora viewing, another month has been added to the tourism season, however little happens during the freeze up/break up seasons. Attempt to fill the void with conferences and special interest tourism.
- Increase the number of conferences and meetings in the NWT in both high seasons and off seasons. Work with facilities and operators to offer special incentives for conferences in slow tourism seasons (usually around freeze up and break up). Attempt to book conferences outside of Yellowknife, where facilities and capacity is available and where in some locations, winter stretches into May, offering winter products to conference attendees.



- Encourage operators to develop and provide off-season add on packages for conference delegates (art tours, story telling, Dene drumming). These additional options could assist in marketing a lesser-desired season. Encourage NWT members of national associations or professional organizations, to work with NWTT to secure their organization or association's conference. Make the "off season" as attractive as the high seasons.
- Increase sports tourism and education tourism by working in partnership with NWT sport associations (cross country skiing 2016 national championships in Whitehorse) curling (Tournament of Hearts in Grande Prairie) and learning institutions such as Aurora College or the Yamozha Kue Society (Dene Cultural Institute). The main role of NWT Tourism would be to offer assistance with the pitches to secure these major events, and to assist with the marketing.
- **Improve the decision-making and buying process for potential visitors**  
The path to purchase is getting shorter as more and more people do their vacation shopping online. Prompt decision-making across all digital platforms, and encourage operators to package their experiences, so they are easier to purchase by someone who knows little about the NWT.

## **OBJECTIVE 2 - Brand**

**Strengthen and uphold the Spectacular Brand.**

### **KEY STRATEGY**

- **Raise market awareness of the NWT by ensuring the spectacular NWT tourism brand speaks to our audience on an emotional level, differentiates us from competitors, converts interest to visitors and is used consistently at emotional, visual and executional levels.**

### **Strategic Direction:**

- Build the Spectacular brand as a single entity to promote all NWT tourism.
- Work with GNWT and other stakeholders to expand use of the brand in the development and promotion of all tourism related products and services. Ensure consistent use of the brand across all channels/media

- Make brand elements available to approved stakeholders for use in their marketing efforts, and encourage brand use through cooperative marketing programs.
- Make visitors brand ambassadors
- Set up programs on social media, on advocacy sites such as Trip Advisor and on the NWT Tourism site, making it easy for visitors to share their NWT stories.
- Encourage operators to consider the brand in the development of their products.
- Build awareness and “mind movies” of the brand in targeted markets via use of mass media. Television rates high in developing brand awareness for a product or destination.
- Enhance the NWT presence in target markets via earned media. For a small jurisdiction, NWT receives a more than adequate share of media coverage, mainly through its media FAM program. Since editorial coverage often has more value than advertising, and generally costs less, additional resources should go to increasing earned media in target markets.
- Integrate marketing efforts for more brand impact in the marketplace. Content marketing integrates channels and content, to convey one spectacular NWT experience across all media and product lines. This helps in developing the NWT mind movie. As an example, if you hear the word Hawaii, almost immediately your mind movie shows beaches, palm trees, flowered leis. NWT needs its own mind movie.

### OBJECTIVE 3 - Product / Attractions

**Always lead with our best.**

#### KEY STRATEGY

- **In-market materials should always highlight the best attractions and experiences available to visitors to the Northwest Territories.**

#### Strategic Direction:

- Set marketing criteria for “best” attractions, assessing distance-pull, availability, related services, competitive advantage - and with regions develop a list by region and sector. Use this list for marketing content,

**TABLE 7: SEASON DURATION**  
measured in weeks (approximate)

	Summer /Fall	Winter /Spring	Total
Aurora	8	20	28
Other winter	0	20	20
Fishing	16	16	32
Hunting	10	12	22
Outdoor Adv.	10	0	10
Gen. Touring	18	0	18
VFR	26	26	52
Business Gen.	26	26	52
Conference	18	16	34

**TABLE 8: SEASON ACTIVITY**

Summer/Fall	Winter Spring	
<b>Busiest</b>		
June	December	
July	January	
August	February	
September	March	
<b>Slowest</b>		
May	November	breakup/
October	April	Freeze up
Over the past 20 years NWT has expanded its tourism season to cover 8 months, with potential to extend to nine months, with the addition of April.		





media FAM tours, ads, social media. For example the Dempster Highway could be on the list, since people will come from afar to drive the most northerly public highway on the continent.

- Establish and implement market-ready and trade-ready standards and implement by providing training to these standards in partnership with GNWT and others. Provide incentives for operators who have completed market/trade ready training to participate in cooperative marketing, including media FAMS, Travel Trade FAMS, cooperative trade shows and advertising.
- Use the “best” repetitiously to enhance awareness and provide a connection to local operators. As an example, the “best” Aurora is used in many in-market campaigns to firstly encourage people to come to the NWT, and secondly to direct a potential visitor’s interest to the many operators who offer Aurora-viewing products.
- Use more third parties to sell NWT products.
  - Increase the number of wholesalers and receptive tour operators to address priority geographic markets
  - Increase NWT presence with travel agents in countries where people purchase vacations through a travel agent

#### **OBJECTIVE 4 - *Effective and Efficient Partnerships***

**Strengthen our partnerships to enhance marketing efforts**

##### **KEY STRATEGY**

- **Build partnerships with win-win potential for all parties involved.**

##### **Strategic Direction:**

- Formalize investment partnerships  
Currently the co-op marketing program involves a selection of buy-ins in consumer shows, print and other media. Operators also partner with NWTT on providing air passes or reduced fares, or hosting media or trade fams. An investment partnership should be established, with cash or in-kind values set at the beginning of the fiscal year tied to specific marketing programs and objectives. This could include pursuing formalized investment partnerships with input and involvement from Regional Tourism Development Officers, Municipalities and Aboriginal Government and local businesses. As an example Manitoba Tourism has a corporate partnership made up of 12 companies who committed \$900,000 to one marketing campaign. Having these commitments in hand would assist NWT Tourism with ongoing marketing activities

that benefit the partners as well as the NWT, and would reduce the time required to round up partners for specific activities. A structured investment partnership will strengthen marketing activities with both financial and in kind contributions. Reporting to partners on results is a necessary success ingredient.

- Use stakeholder partnerships for data collection  
Tourism data collection in the Northwest Territories is not easy. We suggest a stakeholder partnership be established to collect visitor data from partnership members. This would provide more current, aggregated information on numbers and sources of visitors for specific months, events, campaigns, etc. Anonymity would be an important part of the collection system.
- Traditional and non-traditional partnerships  
Seek out high profile companies or organizations that could benefit from a partnership with NWT Tourism and present proposals to them. Proposals could be short or long term. Partners could range from a fly fishing store in downtown Toronto, to the professor in California who wants to release a weather balloon in the north to photograph the Aurora from 90,000 feet, to major outdoor retailers such as Orvis or Cabela's.
- Aboriginal partnerships  
Most of the visitors to the Northwest Territories are interested in the history and culture of our aboriginal population. An authentic aboriginal experience could be the highlight of a vacation to the NWT. This experience could range from participating in hand games or drum dances, to spending time at a traditional fish camp, learning how hides are prepared for clothing, or sitting around a fire listening to elders' stories. More Dene, Métis and Inuvialuit are becoming involved in the tourism industry as operators, but the demand for aboriginal tourism products, is growing, especially in our international markets. Many aboriginal tourism operators in small communities are only positioned or prepared to take walk-in visitors and aren't market ready or easily accessible.

Through possible partnerships with Aboriginal development corporations or governments, NWT Tourism could assist with incorporating these high demand products into specific events and packages, and market them accordingly.

- Working in alignment with GNWT as a partner, actively engage NWT residents to be travel ambassadors. Many are already travel





ambassadors. More would be interested. An official ambassadors program is probably the best way to mobilize residents to spread the word. Include materials that ambassadors can hand out when they are travelling outside the territory, or they can give to visitors they meet within the territory. Hand-out items could be a small NWT pin or possibly a small USB stick with a few videos on it.

## **OBJECTIVE 5 - *Alive in a Digital World***

**Make digital marketing the centerpiece of all marketing programs**

### **KEY STRATEGY**

- **Although traditional media should continue to be part of the overall NWT marketing campaign, a larger portion of the marketing dollars should be devoted to online marketing.**

- Although overall television advertising expenditures in Canada are still higher than digital expenditures, the amount spent on digital is increasing at a faster rate than any other medium. Television continues as the best medium for awareness advertising, but it is also the most expensive advertising. At the same time, more people are looking for, planning and buying vacation products online.

### **Strategic Direction:**

- Spread the digital advertising campaigns over the entire year, while focusing tactics, timing and messaging to best respond to known demographic, geographic and psychographic for high yield reach. In the past, digital campaigns were seasonal in support of fishing or Aurora, with large expenditures during short periods of time. In future, digital campaigns should run year round to drive people to the website.
- Enhance focus in budgets and activity for content marketing, social media, online search and engagement, and paid digital media.
- Continue to enhance the website hub, add stories, provide more links to the stories, and target an average of 50,000 unique visitors per month by the end of 2018.

## OBJECTIVE 6 - Research / Performance

Strengthen how research and results guide our decision making

### KEY STRATEGY

- **Timely research, planned, implemented, reviewed and interpreted with key partners will underpin marketing success, guiding messaging, timing and tactics.**
- Once a promotional campaign or ad is in market, a range of metrics need to be monitored regularly to measure performance. These include everything from web visitors, to Internet buzz.
- Final success of a campaign is measured as ROI (or return on investment), which is difficult for a Destination Marketing Organization (DMO) to measure, since the DMO does not actually sell the product, so it can't track actual sales. However, the DMO can and will track all interactions between a potential visitor and NWT Tourism digital properties.... and eventually operators (via operator jump offs from the website). To meet research requirements and track progress and performance of all in-market campaigns and activities the following will be required.

### Strategic Direction:

Working closely with GNWT ITI's Research Division and other partners:

- Establish baseline data (where we are at the start of year 1) of the strategy to measure progress against the baseline in annual plans.
- Conduct real time research re in-market performance
- Share data with stakeholders on a regular basis to assist with their decision- making
- Conduct research as required. (Demographic, Geographic and Psychographic).
- Partner in a study to establish the socio-economic impact of tourism in the NWT.
- Participate in industry collaboration on key performance metrics.
- Benchmark brand and destination awareness in Canadian marketplace re-assess mid way and at end of strategy.





## 4.3 Five Year Projection Assumptions

The five year projections that follow were based on a number of assumptions:

- The Asian market for our Aurora product will grow, based largely on the expected increase in visitors from China, assisted by new direct flights between Beijing and Calgary
- The US market will grow through the efforts of both Destination Canada (launching a 3-year, \$30 million campaign into the US market) and increased marketing expenditures by NWT Tourism in the US market
- The sport fishing sector will begin to bounce back, assisted by increased marketing expenditures, and fishing product enhancements/changes to meet the needs of the new fishers, including female fishers.
- Visiting friends and relatives will continue to grow, as air access improves and travel costs go down (Air North from Ottawa as an example)
- General touring will increase as long as fuel prices are lower, the US dollar buys more in Canada, and Canadians choose to travel in Canada, rather than pay more to travel in the US.
- A general increase in awareness of NWT as a travel destination will help. The new Spectacular brand has now been in-market for eight years, and gradually the NWT is being added to the bucket lists of travellers around the world.
- The marketing budget for NWT Tourism will remain the same as it was in 2016/17 and GNWT's Tourism 2020 outputs, model and assumptions apply.

**TABLE 9: PROJECTED 5 YEAR VISITATION BY SECTOR**

	VISITING FAMILY AND RELATIVES	GEN TOUR	FISHING	HUNTING	OUTDOOR ADVENTURE	AURORA	LEISURE	BUSINESS	TOTAL
16/17	12,200	19,000	4,600	510	2,400	24,300	63,010	30,909	93,919
17/18	13,045	21,469	4,235	510	2,543	28,292	70,093	32,831	102,924
18/19	13,947	24,258	3,898	510	2,694	32,940	78,248	34,872	113,121
19/20	14,913	27,410	3,589	510	2,854	38,352	87,628	37,041	124,669
20/21	15,945	30,972	3,304	510	3,024	44,652	98,407	39,344	137,751

**TABLE 10: PROJECTED 5 YEAR SPENDING BY SECTOR (MILLIONS)**

	VISITING FAMILY AND RELATIVES	GEN TOUR	FISHING	HUNTING	OUTDOOR ADVENTURE	AURORA	LEISURE	BUSINESS	TOTAL
16/17	\$8.52	\$19.80	\$9.69	\$7.20	\$7.00	\$39.71	\$91.92	\$75.20	\$167.12
17/18	\$9.10	\$22.37	\$8.92	\$7.20	\$7.42	\$46.24	\$101.25	\$79.88	\$181.13
18/19	\$9.73	\$25.28	\$8.21	\$7.20	\$7.86	\$53.83	\$112.12	\$84.84	\$196.96
19/20	\$10.41	\$28.57	\$7.56	\$7.20	\$8.32	\$62.68	\$124.73	\$90.12	\$214.85
20/21	\$11.13	\$32.28	\$6.96	\$7.20	\$8.82	\$72.97	\$139.36	\$95.72	\$235.08



# STRATEGY IMPLEMENTATION

5.0

5-YEAR NWT TOURISM MARKETING STRATEGY



## 5.1 Overview

Tourism offers excellent opportunities to diversify the NWT economy, attract new investments, employ more residents and expand awareness of the NWT across Canada and around the world.

The Northwest Territories has a range of world-class attractions, and the world has hundreds of thousands of people interested in these NWT attractions -- people who can afford to pay for an authentic, inspiring, and often exciting experience such as, Aurora viewing, wildlife viewing, visiting natural wonders and historic sites, authentic culture, paddling, fishing.

The connection between our attractions and the people they will appeal to is marketing. Tourism marketing increases awareness of the NWT as a travel destination, connects NWT attractions or products to the people who are interested in them, and supports the traveller's decision-making process.

Effective destination marketing is well planned, adequately financed and well executed. To increase visitors, and visitor spending in the Northwest Territories, additional funding is required not only for developing and implementing marketing activities but also for having people in place to assist with planning and implementation, and to monitor the effectiveness of all activities.

The implementation section of this strategy is articulated annually in the development and approval of the marketing plan for the Northwest Territories. The staff needed to do the job, the timing and approach to implementing tourism marketing, and the assistance required from governments to successfully build the tourism sector is presented annually to NWT Tourism's Board and the GNWT.

### EFFECT OF TOURISM EXPENDITURES

***An increase in visitor expenditures will stimulate the NWT economy in many ways:***

#### **More jobs – both full time and seasonal**

According to Statistics Canada (2012), of all the provinces and territories, British Columbia's tourism industries had the largest share of jobs in the province's total economy at 12.2%. The Northwest Territories was close behind at 12.1%. Next was Yukon with tourism industry jobs making up 11.3% of the total economy.







The workweek was shorter in tourism industries than in the local economy in each province and territory. The Northwest Territories has the smallest gap with a 33.6 hours workweek in tourism industries, relative to 34.1 in the local economy.

These figures address the importance of the tourism industry in the Northwest Territories' wage economy. Growth in the tourism sector will increase growth in the tourism industry's share of jobs, making it a fairly large player in the NWT job market. As well, the tourism industry provides more opportunities for females and under-educated individuals than most other industries.

### **More income to GNWT**

A successful tourism industry can make a larger contribution to GNWT revenues in the following ways:

- Larger portion of NWT's share of personal income taxes and payroll taxes
- Larger income from corporate taxes (NWT gets a share)
- More sales of various tourism licences, camping permits, bridge tolls, to move more supplies to the NWT, NWT airport landing fees and arrival fees, other government charges, etc.

### **Spin off effects**

- More awareness of the Northwest Territories generated through tourism can assist in recruiting people to the NWT, grow our population and increase the total amount of the federal transfer payment to the GNWT (per capita allocation is close to \$30,000)
- More awareness of NWT for potential investors could result in more services for residents as well as visitors
- Support for related sectors through the sale of products and services (arts and crafts, fur, local diamond retailers, other cottage industry products)
- Sustainability for a range of small businesses that could not likely survive without the tourism industry.

### **Multiplier Effects**

The contribution of tourism to the NWT economy goes far beyond the direct sales of tourism products to visitors. The multiplier effect adds substantial value to the industry.

The simplest explanation of the multiplier effect is how many times money spent by a tourist circulates through the territorial economy. For example, a tourist can pay an operator for a three-day package (direct expenditure). In turn the operator pays staff wages (fishing guides, bus drivers, chefs) to deliver the product (indirect expenditure). And finally the staff person may use some of his/her wages to buy a hamburger, or a new pair of jeans or get a hair cut (induced expenditure). The indirect and induced expenditures make up the multiplier effect.

A 2015 report by the World Travel and Tourism Council entitled *Travel and Tourism Economic Impact Canada, 2015* showed that Tourism in Canada made a direct contribution of \$23.1 billion in 2014 and a total contribution, counting indirect and induced expenditures of \$88.6 billion. This indicates that for every direct dollar spent by a visitor, another 3.8 dollars are generated within the economy, or a multiplier of 3.8

While no information is available on the tourism multiplier for the NWT, it is likely lower than the Canadian multiplier, since we have fewer goods and services available here, and often have to buy them from outside the Northwest Territories. A conservative estimate of an NWT multiplier might be 2.5, which when applied to visitor expenditures, shows the larger contribution the industry makes in the NWT.

### **Quality of life**

A vibrant tourism industry creates many local restaurants and entertainment options which can be enjoyed by local residents. This also makes communities more attractive to those with the skills needed to fill the broader labour market.

### **Leakage**

Leakage is when portions of visitor expenditures do not have an impact on our economy. This happens mainly when tourism business operators in the NWT are not resident (taxes on profits accrue to a different province or territory) or when some direct, but mainly indirect impacts, are limited because an operator does not hire locally, does not purchase any supplies or services locally. Although we do have non-resident operators, most prefer to use northern services and suppliers, and will hire locally if they can find staff. As well, some have incorporated their businesses in the Northwest Territories and file NWT corporate tax returns, although they may live elsewhere. A growing tourism industry has the potential to increase NWT ownership and purchases as well as jobs.





## 5.2 Human Resources

Implementing a marketing strategy involves much more than placing ads, establishing contacts with the trade and organizing consumer shows.

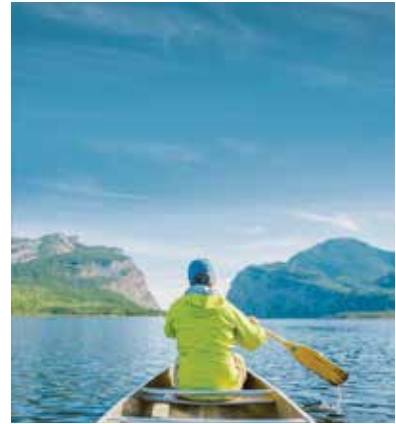
In today's world, marketing involves matching experiences to specific market needs; engaging with potential customers to help them make sense of so many choices; measuring effectiveness of marketing programs; identifying emerging trends, analyzing marketable products and matching products with main or niche markets; developing partnerships, encouraging new attraction/events with "distance-pull" ensuring the destination is well represented in the travel media, and so much more.

In 1996 the responsibility for marketing NWT Tourism was transferred to NWT Tourism, a not for profit, membership-based organization. Over the years, NWT Tourism has assumed more responsibility and with government funding has expanded its marketing efforts. Its marketing budget has tripled, from just under \$1 million in 1996 to close to \$3 million in 2015/16. Core administration has been maintained at close to \$1 million. Since 2010, NWT Tourism has had nine positions based in the NWT. The staff manage GNWT's destination marketing, pursue additional marketing funds from other partners and in 2015/16 managed marketing projects valued at 3.5 million dollars. They also manage contractors in some international markets and are responsible for metrics and ROI in all market countries.

Key in the long term success for marketing will be minimizing staff turn over to build capacity, providing training and professional development for a team working in a fast-paced marketing environment that is highly technical and rapidly evolving, and ensuring the staffing complement is adequate to manage the growing workload of a 24/7 digital marketing world.

## 5.3 Timing

Longer term strategic marketing should begin if NWT waits another year or two, the window of opportunity may still as soon as possible be there, but competition from other jurisdictions taking advantage of this window of opportunity, may leave the NWT behind the pack.



## 5.4 Government Commitment

Marketing is only one component in a very complex tourism industry. Other components, many within Government of the Northwest Territories jurisdiction, are products, product quality, infrastructure, regulations, human resources.

To build a tourism industry in the Northwest Territories, many of the issues facing the sector need to be addressed by Government, who in turn have to determine how to best use resources to grow the tourism industry and make it a strong pillar of the NWT economy.

A report completed for the Government of Ontario identified four broad themes for government support to the tourism industry. These themes also apply in the Northwest Territories. They are:

- Leadership of Government
- Focus and target on high potential products and attractions
- Support, collaboration and partnership with the industry
- Making it easier to do business.

The GNWT's commitment to tourism product development and training, is articulated in Tourism 2020. To compete successfully, strategic marketing requires continued government support, including stable multi-year committed financial support to uphold its marketing organization and its marketing programs.

### **Support collaboration and partnership with the industry**

A unified voice representing the tourism industry helps the GNWT officials directly responsible for tourism, focus on what is most important to support the sector. This industry-government partnership helps drive important activities such as significant infrastructure projects that can impact tourism across sectors and stakeholders.



## 5.5 Monitoring Process

In a monitoring plan, each of the metrics below should be assessed a value, in order to determine the effectiveness and ROI of marketing efforts. For example a quick website visit, may have a lower value than a 5-minute website visit. And a sign up for a newsletter could have a higher value than a web visit.

### 1. Consumption Metrics

How many people visited the website, downloaded a guide, watched a video, read a story, etc.

### 2. Sharing Metrics

How often is NWT content shared and with whom? This measures likes, forwards, inbound links, effectiveness of boosts.

### 3. Lead Generation Metrics

These measure how many people sign up for newsletters, fill in a form, go from the NWTT site to an operators site

### 4. Sales Metrics

This would measure online sales (a future possibility) and offline sales.

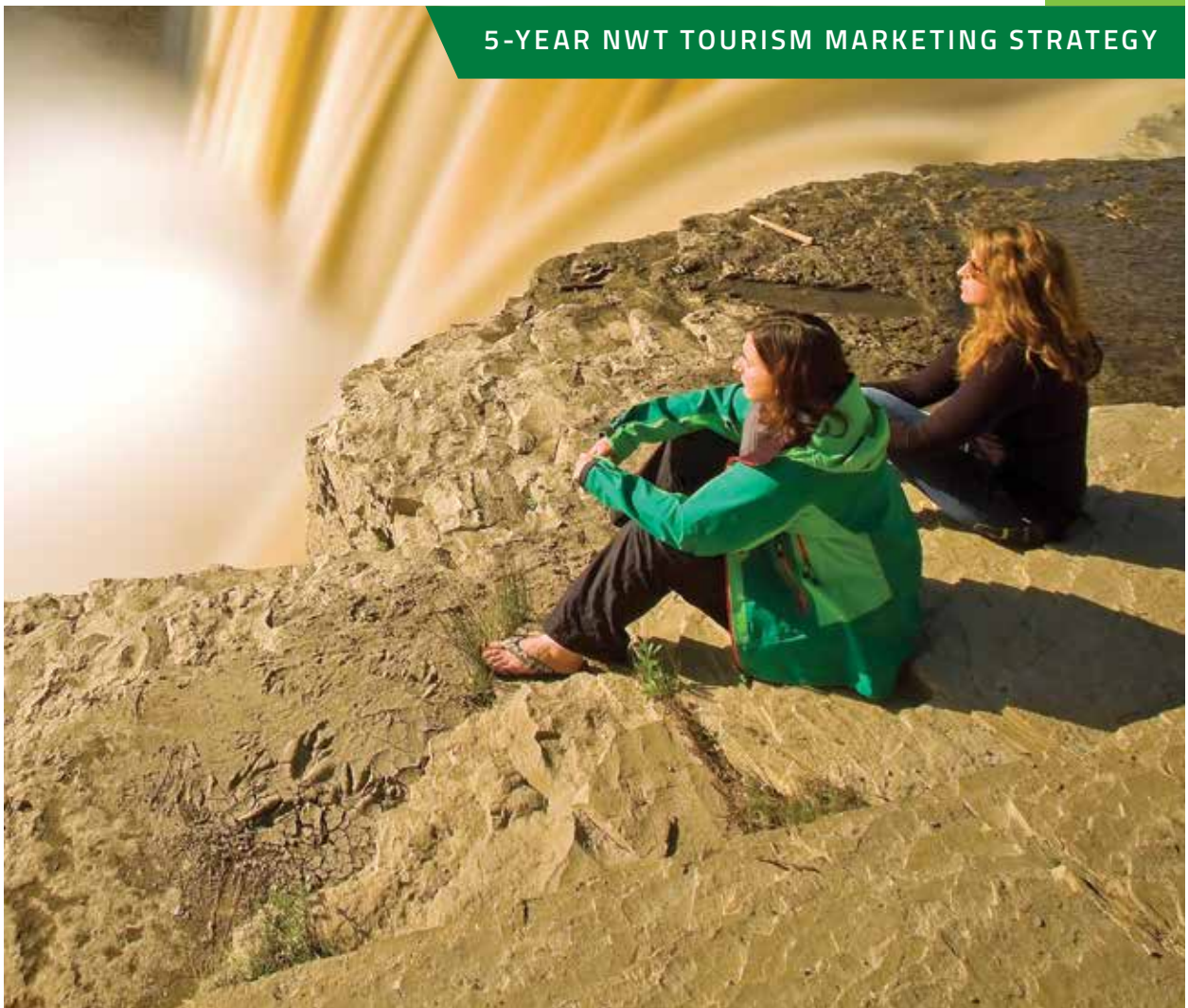
Monitoring performance takes a lot of time and work and should start with a detailed program that itemizes all measurable items, and assigns value to each item. While NWTT can measure ROI on some of the aspects of its marketing, this strategy relies on the valued partnership and collaboration with GNWT ITI who collect visitor and other related data.





# APPENDICES

## 5-YEAR NWT TOURISM MARKETING STRATEGY





# APPENDIX

# A

## READINESS RATINGS





## APPENDIX A - READINESS RATINGS BY REGION AND COMMUNITY

Region	Community	Number of Licenced Ops.	Access Air	Access Road	Accomm.	Amenities	Attractions Raw	Developed	Activities For Visitors	TOTAL	
<b>WESTERN ARCTIC</b>	Aklavik		3	0	1	1	3	1	1	10	28%
	Fort McPherson		0	3	2	1	3	1	1	11	31%
	Inuvik		4	3	4	4	4	3	3	25	71%
	Paulatuk		2	0	2	1	3	1	1	10	28%
	Sachs Harbour		2	0	1	1	3	1	0	8	23%
	Tsiigechitc		0	3	0	1	3	1	1	9	26%
	Tuktoyaktuk		2	2	1	1	3	2	1	12	34%
	Ulukhaktuk		2	0	2	1	3	2	2	12	34%
										97	35%
Max. 35 points per community x 8 communities - 280											
<b>SAHTU</b>	Colville Lake		1	0	1	0	3	0	0	5	14%
	Déljine		3	0	3	1	4	3	3	17	49%
	Fort Good Hope		3	0	1	1	3	1	1	10	29%
	Norman Wells		4	0	3	3	4	3	3	20	57%
	Tulit'a		3	0	2	1	3	1	1	11	31%
										63	36%
Max. 35 points per community x 5 communities - 175											
<b>DEHCHO</b>	Fort Liard		0	3	3	3	3	1	1	14	40%
	Fort Simpson		4	3	4	3	4	3	2	23	65%
	Jean Marie R.		0	3	1	0	2	0	0	6	17%
	Nahanni Butte		0	0	1	0	4	0	0	5	14%
	Trout Lake		0	0	0	0	2	2	2	6	17%
	Wrigley		0	3	0	0	2	0	0	5	14%
										59	28%
Max. 35 points per community x 6 communities - 210											
<b>NORTH SLAVE</b>	Behchokq		0	4	1	2	3	1	0	11	31%
	Gamèti		3	1	2	1	2	1	0	10	28%
	Lutselk'e		3	0	1	0	4	1	1	10	28%
	Wekweèti		3	1	2	0	3	0	0	9	26%
	Whati		3	1	1	0	3	0	0	8	23%
	Yellowknife		5	4	5	5	5	5	5	34	97%
										82	39%
Max. 35 points per community x 6 communities - 210											
<b>SOUTH SLAVE</b>	Enterprise		0	4	3	2	3	1	1	14	40%
	Fort Providence		0	4	4	2	3	2	2	17	49%
	Fort Resolution		0	3	2	2	3	1	1	12	34%
	Fort Smith		4	4	4	4	4	4	4	28	80%
	Hay River/Rsv.		3	4	4	4	4	4	4	27	77%
	Kakisa		0	4	1	0	3	1	0	9	26%
										107	51%
Max. 35 points per community x 6 communities - 210											
<b>YELLOWKNIFE</b>	Yellowknife		5	4	5	5	5	5	5	34	97%



## APPENDIX

## B

### INFRASTRUCTURE CHECKLIST



## APPENDIX B - TOURISM INFRASTRUCTURE CHECKLIST

Compared against Yellowknife which has the highest level of tourism infrastructure in most cases.

		Yellowknife	South Slave	North Slave	Dehcho	Sahtu	W. Arctic	
<b>Access Into</b>	Air	5	2	2	2	3	4	
	Road	4	4	0	3	0	3	
	Rail	0	1	0	0	0	0	
<b>Access Within</b>	Bus services, terminals	2	2	2	0	0	1	
	Airports	5	3	2	2	2	3	
	Taxi services	5	3	1	2	2	4	
	Courtesy shuttle buses	4	1	0	0	1	1	
<b>Attractions Natural</b>	Rivers and lakes	5	5	5	5	5	5	
	Fishing	5	5	5	2	4	2	
	Mountains	0	0	0	4	4	3	
	Aurora	5	4	4	4	4	4	
	National Parks	0	5	3	5	3	5	
	Sanctuaries, wildlife reserves	0	3	3	0	0	3	
	Wilderness areas	5	5	5	5	5	5	
	Scenic Vistas, lookout	5	4	4	4	4	4	
<b>Attractions Built</b>	Museums	5	5	0	0	3	0	
	Buildings/architecture	3	3	1	2	1	3	
	Historic sites	5	3	1	2	4	3	
	Cultural centres, displays	2	4	0	0	1	1	
	Active agriculture	2	4	2	2	1	1	
	Manufacturing/processing	0	3	0	0	0	2	
	<b>Recreation facilities</b>							
	swimming, pools	4	4	0	9	0	4	
	golf	3	4	1				
	walking trails	4	3	0	0	1	2	
<b>Local Tours</b>	Half day tour	5	3	0	2	0	3	
	Full day tour	5	3	0	2	0	3	
	Special interest tours	5	3	0	2	4	4	
<b>Accommodations</b>	Hotels	5	3	1	2	2	4	
	Motels	5	2	1	1	0	1	
	Guest houses	2	4	1	3	1	2	
	Bed and breakfasts	5	4	2	3	1	2	
	Campgrounds, RV parks	5	5	4	4	1	3	
	Apartment suites	5	4	0	3	0	4	
	Houseboats	2	0	0	0	0	0	
<b>Amenities</b>	Restaurants	5	3	1	2	2	4	
	Coffee shops	5	4	1	2	2	2	
	Fast Food outlets	5	3	0	1	1	2	
	Night clubs/entertainment	2	2	0	0	0	2	

**Note:** In this chart Yellowknife is not included in the North Slave.

## APPENDIX B CONTINUED - TOURISM INFRASTRUCTURE CHECKLIST

		Yellowknife	South Slave	North Slave	Dehcho	Sahtu	W. Arctic
<b>Support Amenities</b>	Public Showers	3	3	3	0	0	3
	Laundromats	3	3	0	0	0	0
	Banks, ATMs	5	4	3	3	3	4
	Medical Services	5	4	2	2	2	4
	Vehicle repair services	5	4	1	2	2	3
	Mobile phone services	5	4	4	4	4	4
	Post office	5	5	4	4	4	4
	Convenience stores	5	4	2	2	2	3
	Supermarkets	5	4	3	3	3	4
<b>Entertainment</b>	Live theatre	2	2	0	0	0	2
	Bars with entertainment	2	2	0	0	0	2
	Gaming	0	0	0	0	0	0
<b>Special Events and Festivals</b>	Sporting	5	4	2	2	2	3
	Arts/culture	5	3	1	2	2	4
	Heritage	3	2	2	2	2	3
	Music	4	2	0	2	2	3
	Horticultural	4	3	0	0	0	2
<b>Cultural</b>	Art galleries	5	2	0	0	2	3
	Exhibitions	0	0	0	0	0	0
	Performing arts and music	5	2	1	1	1	2
	Regional food	4	3	3	3	3	3
	Heritage	5	3	2	2	2	3
	Aboriginal	1	2	2	2	2	2
<b>Special Interest</b>	Birdwatching	2	5	0	0	0	1
	Wildflower tours	2	2	0	0	0	2
	Photography	4	3	0	0	0	1
	Educational study tours	2	0	0	0	0	0
<b>Adventure</b>	Canoeing, rafting	3	3	1	4	5	1
	paddleboarding	2	0	0	0	0	0
	Climbing	0	0	0	4	2	0
	Aerial tours	4	2	0	4	4	3
	Kite skiing	2	0	0	0	0	0
	Jet boating	0	3	0	2	0	0
	Sailing	2	1	0	0	0	0
<b>Arts &amp; Crafts</b>	Markets	1	2	0	0	0	0
	Sales outlets	4	2	0	1	3	3
	Exhibition	0	0	0	0	0	2
	Cottage industry - visits	0	2	0	0	0	2

## APPENDIX B CONTINUED - TOURISM INFRASTRUCTURE CHECKLIST

		Yellowknife	South Slave	North Slave	Dehcho	Sahtu	W. Arctic
<b>Visitor Services</b>	Visitor Information Centres	5	3	0	3	2	3
	Road side interpret. information	5	4	3	2	2	2
	Road signage	5	3	1	2	0	2
	Other Interpretive Info.	5	3	1	2	2	3
	Drives/touring routes	4	3	0	3	0	3
<b>Education and Training</b>	Hospitality skills	3	2	1	1	1	2
	Customer Service	3	2	1	1	1	2
	Interpersonal skills	4	3	1	1	1	3
	Small business management	4	3	1	1	1	2
	Small business marketing	4	2	0	0	2	2
	Communications	3	2	0	0	1	2
	<b>TOTAL</b>	<b>298</b>	<b>243</b>	<b>97</b>	<b>147</b>	<b>127</b>	<b>201</b>
	Measure out of 435	69%	56%	22%	34%	29%	46%

### RATING SYSTEM FOR ASSESSING 5 READINESS

Rate against Yellowknife which has the highest level of all

#### 5 points

Adequate and developing

#### 4 points

Approaching adequate. Some development

#### 3 points

Barely adequate. Needs work

#### 2 points

Potential to develop to adequate level

#### 1 point

Inadequate to meet needs of visitors

#### 0 point

Non existent



## APPENDIX

## C

### SWOT ANALYSIS



# APPENDIX C - SWOT ANALYSIS (1)

Attractions	Strengths	Weaknesses	Opportunities	Threats
<b>AURORA VIEWING</b>	<ul style="list-style-type: none"> <li>Proven as the best aurora viewing location in the world due to geography</li> <li>Mature, experienced operators working with travel trade</li> <li>High awareness in our target markets</li> <li>Many new operators</li> </ul>	<ul style="list-style-type: none"> <li>Yellowknife-centric with few operators outside the capital</li> <li>Mainly dependent on Asian market with limited penetration into other markets</li> </ul>	<ul style="list-style-type: none"> <li>More operators outside of Yellowknife in secondary communities such as Hay River</li> <li>Attract new markets while retaining the traditional Asian markets</li> </ul>	<ul style="list-style-type: none"> <li>Iceland and Finland aggressively marketing Aurora</li> <li>Downturn in Asian economy (Japan, Korea, China)</li> </ul>
<b>FISHING</b>	<ul style="list-style-type: none"> <li>Hundreds of lakes/ rivers</li> <li>Healthy and plentiful fish stock</li> <li>Trophy-sized fish</li> <li>Mainly only lodge on lake</li> <li>Experienced operators</li> <li>Growth in day trips as an activity</li> </ul>	<ul style="list-style-type: none"> <li>Need more peripheral products to support fishing (ie fly tying, cooking)</li> <li>Aging operators and aging infrastructure</li> <li>Visitor demographic not broad enough</li> <li>Land Use Permits</li> </ul>	<ul style="list-style-type: none"> <li>Flyfishing. Only growth market within the international fishing industry</li> <li>Fishing related events</li> <li>Expand demographics - women, families, younger men</li> <li>New geographic markets outside of North America</li> </ul>	<ul style="list-style-type: none"> <li>Competition from lodges in northern parts of provinces who offer same species at lower cost, and benefit from larger provincial marketing budgets and longer seasons</li> </ul>
<b>OUTDOOR ADVENTURE (Mainly Paddling)</b>	<ul style="list-style-type: none"> <li>Established, experienced operators</li> <li>Remote rivers through uninhabited terrain, with amazing scenery</li> <li>Canoeing centre in Sahtu</li> <li>A growing market segment</li> </ul>	<ul style="list-style-type: none"> <li>Aging visitor demographic</li> <li>Not enough range of products. (limited hiking, no climbing, etc)</li> <li>Not enough "soft" products to attract affluent retirees or older adults</li> <li>Aging operators who will soon be looking to sell businesses</li> </ul>	<ul style="list-style-type: none"> <li>Hiking, particularly Canol Trail</li> <li>More shorter trips on rivers closer to communities</li> <li>Build a program around our Heritage Rivers (currently we have 3 and should nominate more)</li> </ul>	<ul style="list-style-type: none"> <li>Rising cost of air transportation to access remote rivers</li> <li>Competition from other paddling destinations include Colorado, Ontario, etc</li> <li>Changing air transport regulations affecting transport of paddlers and gear</li> </ul>
<b>TOURING</b>	<ul style="list-style-type: none"> <li>Varied and spectacular landscapes</li> <li>Most northerly public highway</li> <li>Arctic Coast</li> <li>Guided and unguided tours available</li> </ul>	<ul style="list-style-type: none"> <li>Limited Circle Routes</li> <li>Limited number of packages</li> <li>Limited local activities</li> <li>Few multi-destination tours</li> <li>High airfares, costs</li> </ul>	<ul style="list-style-type: none"> <li>Inuvik Tuk Highway</li> <li>Mackenzie Highway Extension</li> <li>Attract increasing number of baby boomers entering retirement</li> <li>Develop unique and differentiated experiential tour packages</li> <li>Develop amenities to attract more RV travellers</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funds to invest in infrastructure along new highway routes</li> <li>BC, Alberta, Yukon offer a larger number of diversified tours with higher awareness levels</li> </ul>

## APPENDIX C - SWOT ANALYSIS (2)

Attractions	Strengths	Weaknesses	Opportunities	Threats
<b>NATIONAL PARKS</b>	<ul style="list-style-type: none"> <li>Among the best in the world</li> <li>Marketing investments by parks</li> <li>Total of five parks with a sixth one being developed</li> <li>Two are UNESCO World Heritage sites</li> <li>Distinctive, themed attractions per each park</li> </ul>	<ul style="list-style-type: none"> <li>Only one of our six parks is accessible via road. Rest are fly in and some very remote parks are expensive to access</li> <li>Parks fees are over \$100 per person, adding to cost of an already expensive trip</li> <li>Problems re Parks packaging products</li> </ul>	<ul style="list-style-type: none"> <li>Work with Parks staff to identify existing and new products that are marketable to our target audiences (ie. Whooping Crane program in WBNP)</li> <li>Thai Dene Nene proposed products for new park in East Arm</li> </ul>	<ul style="list-style-type: none"> <li>Conservation and aboriginal land use politics</li> <li>Other National Parks that are easier and cheaper to access</li> </ul>
<b>CULTURAL</b>	<ul style="list-style-type: none"> <li>Authentic aboriginal art, crafts, culture, heritage and history, representing Dene, Metis and Inuvialuit</li> <li>Explorers, fur trade history and present day descendants</li> </ul>	<ul style="list-style-type: none"> <li>Hides of certain species cannot be taken in to some countries (Polar bears into USA)</li> <li>Merchandising aboriginal arts and crafts</li> </ul>	<ul style="list-style-type: none"> <li>High Global demand for authentic Aboriginal products that allow visitors to participate and learn</li> <li>Better integration of arts and crafts into the tourism industry</li> <li>Development of performing artists thru cultural programming</li> </ul>	<ul style="list-style-type: none"> <li>Strong Aboriginal tourism competition from BC, Alberta, Saskatchewan and Yukon</li> <li>Loss of traditional skills (trapping, preparing hides, drying fish, ornate beadwork on traditional clothing) as Aboriginal peoples move more into the wage economy and away from traditional lifestyle</li> </ul>
<b>HUNTING</b>	<ul style="list-style-type: none"> <li>Wide range and secure populations of many large mammals ranging from muskox and polar bear to sheep, goats and moose</li> <li>Visitors willing to pay high prices to experience an NWT Hunt</li> <li>Mainly high quality operators</li> <li>One of the few places in the world that provides Muskox hunts</li> </ul>	<ul style="list-style-type: none"> <li>Hides of certain species cannot be taken in to some countries (Polar bears into USA)</li> </ul>	<ul style="list-style-type: none"> <li>Potential cull species whose populations are expanding at a high rate</li> </ul>	<ul style="list-style-type: none"> <li>Depletion of species population (as happened with barrenground caribou)</li> <li>World wide competition for big game hunts</li> <li>Opposition from anti hunting groups</li> </ul>
<b>EVENTS</b>	<ul style="list-style-type: none"> <li>Growing number of music, sport, cultural festivals</li> <li>Festivals in most months of the year, with March being the most popular, followed by August, July and June</li> </ul>	<ul style="list-style-type: none"> <li>Shortage of festivals with international appeal. Most are developed for local audiences</li> <li>Limited funding and experience to support the development of festivals as "attractions" for visitors</li> <li>Lack of promotion for festivals that can be classified as visitor attractors</li> <li>Limited human resources that are required to plan and stage a major event</li> <li>Limited facilities, services to stage major events</li> </ul>	<ul style="list-style-type: none"> <li>Concentrate investment dollars on festivals that have visitor attraction appeal</li> <li>Develop and market Niche festivals such as the Dark Sky festival or Paddlefest for visitors</li> <li>Work with event organizers to develop an integrated approach so market ready events are packaged and promoted in advance</li> <li>Attract one major external event per year (sporting, music, etc. – such as Arctic Winter Games, or Tuk Beach party and use to strengthen the NWT spectacular brand.</li> <li>150th anniversary celebration</li> </ul>	<ul style="list-style-type: none"> <li>Many events across Canada upstage our relatively small events</li> <li>NWT events do not garner extended national media coverage such as that received by the Yukon Quest</li> <li>Without substantial resources, our event sector will not grow</li> </ul>



## APPENDIX C - SWOT ANALYSIS (3)

Attractions	Strengths	Weaknesses	Opportunities	Threats
<b>CONFERENCES</b>	<ul style="list-style-type: none"> <li>Remote and exotic location</li> </ul>	<ul style="list-style-type: none"> <li>Limited number of potential conference locations</li> </ul>	<ul style="list-style-type: none"> <li>Development of conference specific infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Reduced activity in the non-renewable resource sector</li> </ul>
	<ul style="list-style-type: none"> <li>Once in a lifetime opportunity to visit Canada's NWT</li> </ul>	<ul style="list-style-type: none"> <li>Shortage of accommodation to handle large conferences</li> </ul>	<ul style="list-style-type: none"> <li>Develop more niche activities catering to the conference visitors</li> </ul>	<ul style="list-style-type: none"> <li>Lack of capacity in accommodation, airline seats</li> </ul>
	<ul style="list-style-type: none"> <li>Delegates make extensive use of local activities</li> </ul>	<ul style="list-style-type: none"> <li>Conference organizers want to hold their conferences in high season, when facilities are already stretched</li> </ul>	<ul style="list-style-type: none"> <li>Make the NWT the "in" place to hold a meeting (board of directors of large corporations) or conference of less than 500 people</li> </ul>	
<b>ACCESS CONSIDERATIONS</b>				
<b>AIR</b>	<ul style="list-style-type: none"> <li>Serviced by five airlines from South</li> </ul>	<ul style="list-style-type: none"> <li>No air charter service as in Yukon</li> </ul>	<ul style="list-style-type: none"> <li>Charter flights from Europe (as in Yukon) and from key NA markets</li> </ul>	<ul style="list-style-type: none"> <li>Cheaper fares to competitor destinations</li> </ul>
	<ul style="list-style-type: none"> <li>Two of the five offer interline options</li> </ul>	<ul style="list-style-type: none"> <li>Insecure capacity in peak season</li> </ul>	<ul style="list-style-type: none"> <li>Forge stronger alliance with airlines with win-win propositions</li> </ul>	<ul style="list-style-type: none"> <li>Lack of interest in tourism by our northern regional carriers and limited package offerings</li> </ul>
	<ul style="list-style-type: none"> <li>One direct flight from Ottawa</li> </ul>	<ul style="list-style-type: none"> <li>Awkward frequency on direct flight from Ottawa</li> </ul>	<ul style="list-style-type: none"> <li>New KLM and China flights to Calgary</li> </ul>	<ul style="list-style-type: none"> <li>Volatility of labour and fuel costs</li> </ul>
		<ul style="list-style-type: none"> <li>No Canada Customs in NWT at airport</li> </ul>		
		<ul style="list-style-type: none"> <li>Higher airfares</li> </ul>		
	<ul style="list-style-type: none"> <li>Limited accessible data on passenger flows</li> </ul>			
<b>ROAD</b>	<ul style="list-style-type: none"> <li>Most northerly public highway</li> </ul>	<ul style="list-style-type: none"> <li>Conditions of roads</li> </ul>	<ul style="list-style-type: none"> <li>Inuvik Tuk Highway to access Arctic Ocean year round</li> </ul>	<ul style="list-style-type: none"> <li>Road conditions often deter visitors from venturing to the NWT</li> </ul>
	<ul style="list-style-type: none"> <li>Federal and territorial funds allocated to improve southern NWT highways</li> </ul>	<ul style="list-style-type: none"> <li>Length of roads and lack of activities between communities</li> </ul>	<ul style="list-style-type: none"> <li>Proposed extension to Highway 1 down the Mackenzie Valley, initially to Norman Wells</li> </ul>	<ul style="list-style-type: none"> <li>Forest fires or other acts of nature can close our roads</li> </ul>
	<ul style="list-style-type: none"> <li>Public winter roads</li> </ul>			<ul style="list-style-type: none"> <li>Limited traffic makes distance more daunting</li> </ul>
<b>SERVICES</b>				
<b>HOTELS, MOTELS, LODGES</b>	<ul style="list-style-type: none"> <li>Most regional centres have at least one acceptable, full service hotel. There are over 80 hotels, motels and B&amp;Bs across 33 communities</li> </ul>	<ul style="list-style-type: none"> <li>Range of accommodation is limited in many communities</li> </ul>	<ul style="list-style-type: none"> <li>Direct more product development funding to hotel improvements in centres with higher tourism potential</li> </ul>	<ul style="list-style-type: none"> <li>Competitors are upgrading facilities to attract new travellers, sports events</li> </ul>
	<ul style="list-style-type: none"> <li>The number of comfortable B&amp;Bs is increasing, particularly in regional centres</li> </ul>	<ul style="list-style-type: none"> <li>Private baths are not always provided</li> </ul>	<ul style="list-style-type: none"> <li>Consider Public/Private Partnerships in emerging destinations, such as Tuktoyaktuk</li> </ul>	
		<ul style="list-style-type: none"> <li>Cost is fairly high with few if any low priced hostels, etc.</li> </ul>		
		<ul style="list-style-type: none"> <li>WiFi not always available</li> </ul>		
		<ul style="list-style-type: none"> <li>Lodges need more amenities and services</li> </ul>		

## APPENDIX C - SWOT ANALYSIS (4)

Attractions	Strengths	Weaknesses	Opportunities	Threats
<b>SERVICES</b>				
<b>VISITOR CENTRES</b>	<ul style="list-style-type: none"> <li>• Three year-round and nine seasonal visitor centres</li> <li>• Airport info centre in Yellowknife via seniors society</li> </ul>	<ul style="list-style-type: none"> <li>• Unsystematic data capture methods</li> <li>• Quality and accessibility of data</li> <li>• Limited funding to upgrade and maintain visitor info centres/service</li> <li>• Capital City VIC in desperate need of repair</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a systematic approach to data capture at all visitor centres</li> <li>• Develop a tailored professional development program for VIC managers and staff</li> <li>• Consider a small info centre (similar to Dawson) in Northern BC. to divert people from the Alaska Highway to the Liard Trail</li> <li>• Brand all VICs with Spectacular NWT</li> </ul>	<ul style="list-style-type: none"> <li>• Visitor centres could close due to lack of funding</li> <li>• VC displays and information resources out of date and inadequate to promote NWT attractions.</li> </ul>
<b>PARKS</b>	<ul style="list-style-type: none"> <li>• Five national parks and 33 territorial parks</li> <li>• Online booking for territorial parks</li> <li>• Spacious campsites and generous facilities</li> <li>• Well trained visitor experience providers at National Parks</li> </ul>	<ul style="list-style-type: none"> <li>• Parks away from major centres such as Yellowknife or Hay River operate far under capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Develop diversified accommodation offerings, including small cabins</li> <li>• Provide more incentives for longer term stay in underutilized parks</li> <li>• Increase park activities to encourage use and lengthen stays (test with parks)</li> </ul>	<ul style="list-style-type: none"> <li>• Over bookings around Yellowknife can create negative perceptions (visitors unable to camp close to city)</li> </ul>
<b>HOSPITALITY</b>	<ul style="list-style-type: none"> <li>• Generally have a reputation for being friendly people</li> <li>• The number of comfortable B&amp;Bs is increasing, particularly in regional centres</li> </ul>	<ul style="list-style-type: none"> <li>• Many of our smaller communities have limited experience with visitors from outside the NWT</li> </ul>	<ul style="list-style-type: none"> <li>• Re-instate a program such as Northernmost Host</li> <li>• A program in high school delivered annually in each region</li> <li>• Re-instate Aurora College tourism training programs in hospitality, service and other related tourism activities</li> </ul>	<ul style="list-style-type: none"> <li>• An inhospitable reception and poor service deters repeat visitation and impacts the overall image of a destination, via people who broadcast their experiences on social media</li> <li>• Increasing use by travellers of 3rd party recommendations (Trip Advisor)</li> </ul>



# APPENDIX

# D

## TARGET MARKETS



## APPENDIX D - TARGET MARKETS

**There are many potential geographic markets available to the Northwest Territories, however NWT Tourism can only afford to pursue a few with its limited resources.**

Since NWT has already done extensive marketing work in Asia and Germanic Europe, we suggest that work continue in these markets. With the current exchange rate of the US dollar in Canada, it is recommended that NWT engage in a strong and immediate return to the American market, targeting six to eight states. And of course Canada will remain NWT's top priority market.

For all markets NWT must be looking for high yield/high growth potential.

Currently NWT is heavily invested in the Asian market, particularly Japan and China. This could pose substantial risk if a world event impacted this market, as it did following 9/11. For this reason it is suggested intensive work begin on building the US market and the German market, so the NWT visitor portfolio is more widely distributed.

### PRIORITY MARKETS

1. **Canada** – always the NWT's leading market
2. **United States** – return to this market
3. **Japan** – already heavily invested
4. **China** – already heavily invested
5. **Germany (Switzerland)** – already heavily invested
6. **South Korea** – add on to other Asian markets

### TEST MARKETS (piggybacking on Destination Canada's efforts)

7. **Australia** - #6 market for Canada. With limited to no marketing Australian visitors to the NWT are increasing in numbers

### LONGER RANGE MARKETS

8. **United Kingdom** - #2 market for Canada and potential to funnel some of the traffic to the Northwest Territories
9. **Mexico** - #10 market for Canada, but opportunities for cold weather experiences

*Following are market plans for each of our priority geographic markets.*

**TABLE 24:  
VISITOR SOURCES RANKING**

(Outside of Canada 2013-14)

	All Canada	NWT
USA	1	3
UK	2	N/A
France	3	N/A
Germany	4	6
China	5	2
Australia	6	N/A
Japan	7	1
India	8	N/A
S. Korea	9	4
Mexico	10	N/A
Brazil	11	N/A
Other		5

## Key Information

Canada has always been the leading Geographic market for the NWT. Most visitors are from Alberta, British Columbia and Ontario, and most come for general touring or to visit friends and relatives. They also make up the majority of fishing visitors (79%) outdoor adventure visitors (75%) and in 2013-14 they started to show more interest in our Aurora product, accounting for 11% of our Aurora market.

In 2013-14 Canadian visitors made up 60 percent of the total number of NWT leisure travellers and we expect they will continue to be the leading market for years to come as they are in the rest of Canada.

The United States continue to be the main competition for Canadian travellers and over 80% of trips made outside Canada are to the United States. Canadians who do travel in Canada, generally travel within their own province, but the most current statistics from Stats Canada show that approximately 7.5 million domestic trips were made outside their home province. Of this number, the NWT captured approximately 0.4% of the market.

Of Canadians who are likely to take a vacation trip within Canada, the destinations they are most likely to visit are BC (25%), Alberta (18%), Ontario (18%) and the Atlantic Region (18%). Of those likely to take a trip within Canada, more than half (52%) have seen some form of advertising for destinations in Canada.

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## Trend Data

Although we do not have access to trend data, we expect the number of Canadian visitors has remained fairly constant, although the number of Canadian visitors as a percentage of our total visitors has likely dropped, due to the increases in Asian Aurora visitors.

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## Strategy

- Establish a Canadian market for Aurora products
- Promote 'new' fishing to a younger Canadian market
- Work with NWT communities and organizations to encourage continued growth in the VFR market.
- Build awareness for our destination

## Five Year Goal

Increase the number of Canadian visitors by 18% to a total of 40,000 in the year 2020-21.

## How we'll get there

- Establish a much larger NWT presence in the Canadian market via earned media coverage, special events in target markets, partnerships in target markets
- Encourage more packaging to the Canadian market
- Work with airlines and ITOs to establish air charters from key locations for select products and activities.
- Position NWT as not only spectacular, but the most exotic destination within Canada.

**Five Year Objectives**

1. Generate increased awareness for the NWT as a travel destination via participation in Canada’s 150 anniversary celebrations
2. Increase the number of Canadian Aurora visitors by close to 50% over the next five years - from 2300 to 3400
3. Increase the yield from Canadian fishing visitors by attracting more Canadian lodge visitors.

2. Aurora Viewing

Six of the seven groupings rank this activity in their list of most appealing activities, but only one group, Free Spirits, ranks it in the top five.

*All indicate that websites are the main source of trip planning, with websites of online retailers, travel agencies or tour operators rating highest for four of the seven groups*

**Target Markets**

**EQ segmentation for Canada identifies 7 groupings for Canadian travellers as follows:**

Free Spirits • Cultural Explorers • Authentic Experiencers • Personal History Explorers • No Hassle Travellers • Rejuvenators • Gentle Explorers

**When assessing NWT activities to activities that are most appealing to these groups the following rank highest:**

1. Wildlife viewing and bird watching  
All seven groupings rank this as an appealing activity, while four of the seven rank it #2
3. Visiting, and participating in activities in National, Provincial or Territorial parks is ranked as an appealing activity for six of the seven groupings. Four of the seven groupings rank it in the top five.

	FREE SPIRITS	CULTURAL EXPLORERS	AUTHENTIC EXPERIENCERS	PERS. HISTORY EXPLORERS	NO HASSLE TRAVELLER	REJUVENATORS	GENTLE EXPLORERS	INTEREST IN NWT
<b>Wildlife viewing/bird</b>	2	5	2	2	4	2	3	<b>7</b>
<b>National/Prov/terr. Parks to participate/view nature</b>	3	6	4	8	0	4	4	<b>6</b>
<b>Viewing Aurora</b>	5	8	0	6	10	6	10	<b>6</b>
<b>Visiting small towns and villages</b>	0	9	3	0	0	0	0	<b>2</b>
<b>Visiting historic sites</b>	7	0	7	0	5	0	0	<b>2</b>
<b>Visiting natural wonders</b>	0	0	0	0	6	9	7	<b>3</b>

**Key Information**

The USA is the world’s largest economy and the second largest outbound market after Germany. The USA is also Canada’s largest inbound market, accounting for about 70% of total international arrivals in Canada. Although the US market declined following the economic downturn in 2008, Destination Canada reports arrivals were up nearly 6% in 2015 compared to 2014. An improving US economy, a lower unemployment rate and increased consumer consumption, as well as the depreciation of the Canadian dollar (one US dollar equals 1.39 Canadian dollars in December 2015) and lower fuel prices are factors influencing this change. Although many Americans travel only to border cities for short trips, the current exchange rate could encourage travellers to take more long haul trips to some more distant, expensive and exotic Canadian destinations.

Among Americans already considering a trip to Canada 25% associated the trip with scenery and natural beauty. This increased to 32% for the over 55 age group.

For the American traveller friends and family are the most influential source of information and advice when it comes to taking a vacation. Travel agents, travel guide books and traveller review websites are also influential in decision making. The least effective according to US travellers are online advertising, magazine or newspaper advertising, e-mail promotions, outdoor advertising and TV commercials.

US travellers are high smart phone, social media users and are prone to share their vacation photos on social media. Potential US travellers are almost evenly divided between Millennials, Gen X and Boomers.

US travel market trends include: multi-generational travel, Pop culture tourism (Hobbit in New Zealand) cycling among men (now more popular than golf) women without children and wellness travel.

On the Destination Canada “potential to visit” assessment for American travellers, NWT tied with Saskatchewan for the second last place while Manitoba and Yukon were only slightly ahead of us.

The most popular type of trip for an American traveller is touring, heavily skewed to the 55 plus market.

Of the top 10 activities Americans participated in while visiting Canada, four are available in the NWT: wildlife viewing (#3); hiking (#4) Fishing (#7); Cycling or biking (#9)

Nature and scenery is #1 on the list of what intrigues or excites American visitors.

There is limited interest in visiting northern Canada with only 1% saying they would likely visit that region, similar to the 1% who said they would likely visit Manitoba or Saskatchewan. Ontario and British Columbia are the main draws.

Expense was the main barrier to visiting Canada (amplified for Northern Canada) followed by poor weather (also amplified for Northern Canada).

Prior to the introduction of the Aurora Viewing product, the USA was our largest foreign market, making up the majority of our fishing and hunting visitors, as well as general touring visitors.

Although the NWT fishing market is declining, operators have encouraged NWT to have a stronger presence in the US market which currently provides less than 20% of our fishing visitors. It should also be noted that fishing ranks number seven on the top 10 activities American travellers participated in while visiting Canada.

NWT visitor statistics show that the NWT received just over 2,500 US visitors in 2013-14. Fishing continued to be the main attractor, followed by Aurora viewing and general touring.

Fishing	25%
Aurora Viewing	18%
General Touring	18%
VFR	6%
Hunting	12%
Outdoor Adventure	11%

Over the past five years Destination Canada (then CTC) and NWT Tourism have reduced promotion to the US travel market

**Trend Data**

**INBOUND TRAVEL TO CANADA FROM THE UNITED STATES**

	2007	2008	2009	2010	2011	2012
Overnight trip to Canada (000's)	11,423.3	10,570.7	9,922.5	11,748.5	11,597	11,886.7
Year to year change	-4,0%	-7,5%	-6,1%	0,7%	-1,3%	2,5%
Receipts (\$M)	5,517.20	5,019.4	4,708.5	6,254.4	6,1330	6,333.8
Year to year change	-3,7%	-9,0%	-6,2%	2,8%	-1,9%	3,3%

Source: Statistics Canada

**Strategy**

Target higher value visitors in the Fishing, Aurora viewing and general touring sectors. Concentrate on the following markets that already show strong Canada visitation: Midwest states for fishing (per Environics fishing research); east coast (New York, Mass) and west coast (Washington and California) for Aurora viewing and general touring – markets that NWT targetted during the early years of the Spectacular brand launch.

**Five Year Goal**

To double the number of US visitors from 2500 to 5000 by targeting specific demographics in specific states based on Destination Canada’s EQ data. To target Aurora, fishing and general touring visitors.

**Five Year Objectives**

1. Increase the NWT presence within the US travel trade and aim to attract niche markets via wholesalers.
2. Divert some of the thousands of Alaska Highway RVers by encouraging them to take the road less travelled and try the Northwest Territories. Encourage people to try the Deh Cho connection in addition to, or instead of, the Alaska Highway. Monitor changes in traffic/visitors.
3. Involve prominent US media in at least one Aurora fam tour per year.
4. Recapture the US fishing market by appealing to the “new” needs of American fishers, and building a reputation as the place for fly fishing, women fishers and multi-generational fishers (grandfather, daughter and grandson). Double the number of American fishers.
5. Actively target Americans in online/social media efforts, and engage them in online conversations related to their product interests.
6. Develop and nurture niche markets for Aurora, fishing and general touring. For example, NWT could partner with one or more of the 20 US cities named Aurora, considering the fact that Aurora Colorado has over 300,000 residents and Aurora Illinois has nearly 200,000 people.

**How we’ll get there**

- Increase the number of packages priced directly from key US cities
  - Concentrate on only a limited number of US states/cities
  - Leverage Canada’s 150th anniversary and related NWT events to draw general touring travellers
  - Use social media tools to target traveller types
  - Establish stronger relations with US travel trade and identify and introduce several RTOs to NWT attractions and activities
- Capture part of the US market visiting BC (attracts second highest number of U.S. visitors) by offering an add on trip to the Arctic Coast via a partnership with Air North
- Establish Aurora partnerships across the US with Aurora cities, observatories, schools of astronomy

**Market Segments US**

Within in the EQ system, US travellers fall into three groupings: Free Spirits, Cultural Explorers and Authentic Experiencers.

Most of the activities that appeal to Canadian travellers also appeal to US travellers, with the notable exception of the Aurora. No grouping mentioned Aurora as an appealing activity, likely because they had not heard of it. However all three groupings listed wildlife viewing/bird watching as an appealing activity, and two of the three groupings were interested in national/territorial parks, historic sites, natural wonders and visiting small towns.

**MATCHING NWT ACTIVITIES** (with Activities that most appeal to EQ segments)

	Free Spirits	Cultural Explorers	Authentic Experiencers	Groups Applies to
Wildlife viewing / bird watching	8	6	2	3
National/Prov/terr. Parks to participate / view nature	2	7	0	2
Viewing Aurora	0	0	0	0
Visiting small towns and villages	0	8	10	2
Visiting historic sites	0	10	5	2
Visiting natural wonders	0	3	6	2



**Key Information**

Japan has the world’s third largest economy, but this economy has been stagnant in the past few years, resulting in a decrease in long haul travel. In 2014 a total of 258,500 Japanese selected Canada as their travel destination. Although final NWT figures are not yet available, it appears that the number of Japanese visitors to the NWT declined between 2013-14 and 2014-15 which is in line with an overall decline in long haul travel by the Japanese. However the exchange rate between the Canadian dollar and Japanese Yen may encourage more NWT visits in the future.

Older travellers aged 55+ represent a growing number of Japanese visitors to Canada, now matching the number of travellers in the 25-34 age category.

Japanese visitors come to the Northwest Territories for Aurora viewing and four of the 24 operators offer services in Japanese. Few Japanese participate in any other NWT product offerings. Within Japan there is a high level of awareness of NWTs Aurora product.

Destination Canada predicts that long haul travel from Japan to Canada will bounce back in the coming years and suggests that a growing retiree population with time and budget to explore the world will bolster this geographic market.

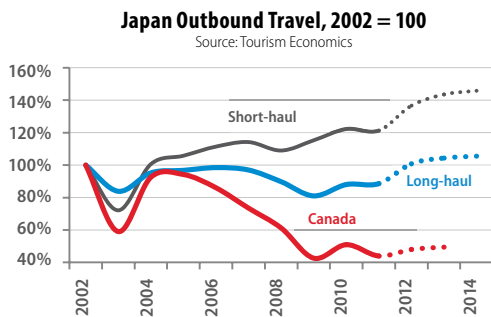
To date, based on anecdotal information, the majority of current Japanese visitors to the Northwest Territories are younger professionals, with more females than males making the trip.

Time and cost are the main barriers to travel to Canada. Main motivators for Japanese travellers are visiting historical attractions, experiencing an interesting culture, seeing something unique and affordability.

The main barrier to a trip to Canada is that it requires too much time.

Travel shows on television and word of mouth play an important role at the early purchase stage. For trip planning the Japanese use a mix of traditional and online resources including travel books, brochures, online retailers and destination specific websites. They book their trips within four weeks of departure, and there is an increase in last minute bookings.

**Trend Data**



**Strategy**

To continue to work with existing Aurora operators to grow the market. Start the process of motivating an older, retiree market to visit the Northwest Territories and adjust the product as needed for this market. Consider new add-on activities to the Aurora product to add more depth to the brand, and to encourage repeat visitation.

**Goal**

To rebuild the Japanese Aurora market to its 2013-14 level of close to 15,000 visitors over 5 years. (Preliminary 2014-15 data shows a market drop to 6,800 visitors)

**Objectives**

1. Build the retirees portion of the market to 30% of total Japanese visitors
2. Increase per person expenditures by offering more activities at the Aurora destinations, and variation in actual Aurora packages (weddings, honeymoons, anniversaries, birthdays)
3. Maintain the high awareness of the Aurora/Yellowknife product in Japan

## How we'll get there

1. Continue to attend major travel shows in Japan with operators.
2. Complete minor destination repositioning to broaden the NWTs appeal.
3. Expand aviation partnerships in hopes of having direct air flight from Vancouver to Yellowknife during Aurora season.
4. Maintain an active media presence in Japan.
5. Allocate a separate marketing budget to the Japanese GSA to attract Japanese retirees to the NWT.
6. Working with operators, pilot new Aurora packages which could include wedding and honeymoon packages.
7. Encourage trade to pick up new programs.

## Target Market Segments

### Free Spirits

Attracted to exciting experiences they cannot find at home including learning about other cultures and customs and trying different cuisine. Travelling provides an opportunity to take a break from their daily life and be a little more indulgent.

### Personal History Explorers

Are open to different culture and want to experience what it's like to live as the locals do. They will carefully research the history of a destination before visiting. They are more comfortable travelling with a guide because of their security concerns.

### Cultural History Buffs

Travel as much as possible and tend to take longer holidays of at least two weeks. They immerse themselves in the local culture by learning the language and veering off the beaten path. They will avoid organized tours in favour of independent travel

**Key Information**

China's continued economic strength and growing middle-class has generated double digit growth in Chinese visitors to Canada. In the Northwest Territories the number of Chinese Aurora visitors was close to 3,000 in 2014-15 and is expected to continue growing although the pace of economic expansion in China is currently in a downward trend. The CNU (Chinese Yuan Renminbi) is expected to appreciate in terms of the Canadian dollar in the coming years, improving the value perception of Canada as a leisure travel destination.

In 2013 Chinese travellers overtook Germans as the world's biggest spending travellers. Although the Chinese make over 80 million international trips annually, only 10 percent of these (8 million) were to long haul destinations. Of the approximately 454,000 Chinese visitors to Canada in 2014 less than 1% (0.6%) travelled to the Northwest Territories.

There are direct flights to Canada from five mainland China cities. (Hong Kong not included) A new direct flight between China and Calgary is starting soon. Over 60% of Chinese visitors arrive on non stop flights from China to Canada while 18% arrive following a visit to the USA.

Eleven of our 24 NWT Aurora operators now offer services in Chinese, surpassing the numbers offering service in Japanese (4) and Korean (4).

Most Chinese visitors come for a relatively short Aurora viewing experience. They are also interested in other outdoor products, but these products may need some adjustments to meet their needs.

Tour guides play an important role in facilitating Chinese visitor experiences. The quality of the tour guiding can be an important satisfier, or a key dissatisfier.

A workshop on meeting the needs of Chinese visitors was held in the NWT in November 2015, and as the market expands, more of this type of training should be offered to NWT operators to enhance and improve the experience for Chinese visitors.

Most Chinese visitors visit Yellowknife for Aurora viewing, but a smaller number are seeking adventure off the beaten path, and in the summer of 2015, some 50 Chinese visitors travelled the Dempster Highway to Inuvik.

In choosing to visit Canada and in deciding what to do while in Canada, visitors were most influenced by photos they saw through social networks. In addition, discussions with past visitors and online sources such as traveller reviews, a destination specific website and booking sites appeared to have a strong influence.

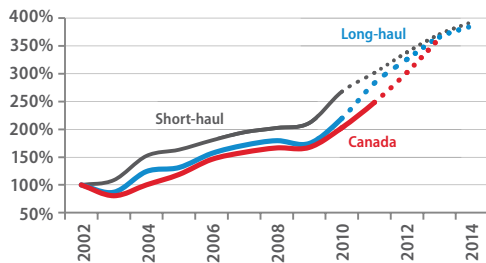
Nearly half of recent Chinese visitors to Canada travelled on a fully escorted tour or with some guided tours, while 35% opted to travel independently.

The majority of recent visitors consulted with a travel agent for their holiday to Canada and over half booked their Canadian holiday with a travel agent.

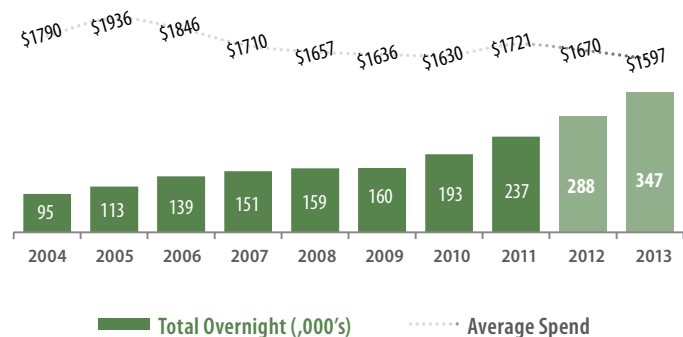
The majority of the target travellers are online and mainly use QQ and Weibo.

**Trend Data**

**China Outbound Travel, 2002 = 100**  
Source: Tourism Economics



**Overnight Arrivals and Spend, 2004 to 2013**  
Source: Statistics Canada, CTC Forecasts



**Strategy**

- Actively target high yield visitors and develop appropriate activities, based on research, that could extend their stay by at least one day.
- Be where the travel decisions are made: online, travel agents
- Establish a market for other NWT products, in addition to Aurora

**Five Year Goal**

Assuming that the Chinese economy continues to be buoyant, triple the number of Chinese visitors over the next five years. Increase per visitor revenue by 25% by extending their stay by one day.

**Five Year Objectives**

1. Expand awareness of our Aurora product in high yield Chinese markets, via social media, media fms (similar to Godfrey Gau) and supported video productions. Aim for at least \$1 million equivalent in media coverage in China in each of the next five years.
2. In addition to Aurora, sell Cultural, Outdoor Adventure and Touring products to the Chinese markets (specific products based on research). Target a total of 1,000 Chinese visitors who will come to the NWT for attractions other than Aurora.

## How we'll get there

- Establish an inmarket presence in China (Hong Kong or Beijing –depending on where largest number of Chinese visitors come from) to feed market needs and intelligence to NWTT and NWT operators and to oversee marketing activities in China.
- Ensure all materials for the Chinese market are mobile responsive and expand the NWTT social media presence in China. Use video as much as possible. (not Face Book)
- Offer at least one media fam tour to Chinese based media each year
- Outside investors – participate in GNWT Trade Missions to China
- Attend at least one major travel marketplace in China each year
- Improve visibility of our product with selected travel agents
- Develop and test a combination Aurora/Diamond product tailored to the Chinese market
- Partner with NWT operators to promote individual products

## Target Market Segments

### Free Spirits

Are strong minded individuals who thrive on initiative and accomplishment but also live for travel. They like to immerse themselves in both nature and culture and appreciate being pampered when on holidays.

### Social Samplers

Are curious about the world around them. When they travel they are spontaneous and like to wander at their own pace, discovering places that only locals know about. Like free spirits, they like to immerse themselves in both nature and culture

### Personal History Explorers

Love learning about history and culture. They prefer organized tours for safety reasons and itineraries that allow them to see everything.

### Cultural History Buffs

Want to stand in the places where history happened. They seek authentic travel experiences and prefer to discover things on their own.

**Key Information**

Germany is Europe’s largest (and the world’s fourth largest) economy and the largest outbound travel market in the world. Germans made over 92 million overnight trips outside of Germany in 2014, but only 9 million were to long haul destinations. The German economy is one of the strongest in the world and was projected to trend upward in 2015

German long haul pleasure travellers perceive Canada as a top destination to visit, ranking second behind the US and tied with Australia for awareness and top-of-mind consideration. Germans also rank Canada and New Zealand as the best places among the key competitors for offering authentic and relevant experiences. Cost is one of the main reasons cited for not visiting Canada.

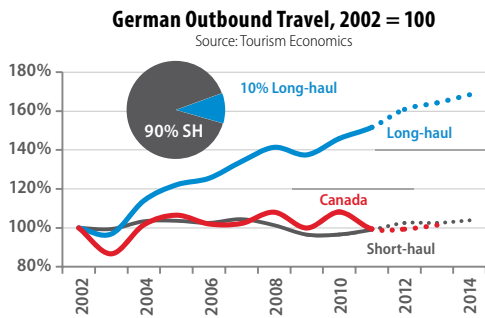
In 2013-14, according to the ITI tourism statistics NWT welcomed fewer than 500 (although some say over 1,000) German visitors. On the other hand, Yukon

welcomed over 7,000 German visitors, who in summer often arrived on charter flights directly from Germany.

In choosing to visit Canada and deciding what to do while in Canada, recent visitors were most influenced by past visitors plus a mix of traditional media, the travel trade and online sources. Recent visitors to Canada were more influenced by travel agency brochures than travellers visiting other destinations.

Over 60% of recent visitors travelled independently, while one quarter opted for at least some guided tours. The majority booked within three months of travelling. People over 55 make up the majority of visitors, followed closely by families with children.

**Trend Data**



**Strategy**

Target visitors over 55 and families to take a touring/driving vacation to the Northwest Territories. Ensure all product offerings also include an opportunity to learn about the history and culture of the Northwest Territories. Test more outdoor products in the German market.

**Goal**

To make a substantial breakthrough in the German market and increase the number of German visitors to 3,000 by 2020-21. Target new market segments with product matches generated by EQ, so 20% of German market are coming for products other than general touring.

**Objectives**

1. Sell up to 500 fly/drive packages annually by 2020-21.
2. Attract up to 500 visitors via authentic history/cultural packages
3. Improve German market access to a range of NWT products
4. Increase the number of German travel trade offering NWT products
5. Have a strong presence with at least 200 prominent German travel agencies
6. Increase the German traffic on the Dempster Highway

### How we'll get there

1. Increase the budget allocated to the German market
2. Include numerous testimonials from previous German visitors to the NWT on the NWT's German website.
3. Increase capacity in the fly/drive market.
6. Work closely with Yukon Tourism to persuade German RVers to try the Dempster, rather than heading for Alaska. Add Dempster incentives, paid for jointly by NWTT and operators. For example, could offer a free or half price hotel room in Inuvik for those who complete the Dempster route.
7. Start now to promote driving to the Arctic Ocean on the soon to be completed Inuvik Tuk Highway. Establish system to track the first 1,000 visitors to drive up the Dempster and all the way to Tuk.
8. Focus on repeat visitors.

### Target Market Segments

Destination Canada has identified the following targets for German long haul travellers.

#### Free Spirits

Attracted to exciting experience they cannot find at home. German Free Spirit are less inclined to show off and indulge in luxury products. They also have a stronger preference for group travel.

#### Cultural Explorers

Enjoy going off the beaten path. They love learning about the history of the places they visit and immerse themselves in the modern culture. They prefer not to be constrained by a set schedule.

#### Authentic Experiencers

Also enjoy learning about history and culture, but they prefer to chart their own itinerary and avoid the tourist crowds.

**Overview**

South Korea has a growing economy with a GDP increase of over 5% in 2014. Arrivals to Canada dropped each year between 2006 (189,000 arrivals) and 2013 (128,000 arrivals) but are projected to grow starting in 2015 -2016. The 18-34 age group represents 41 percent of visitors to Canada, while the 55 and older group accounted for only 10% of visitors. The arrival point for 52% of South Korean visitors is Vancouver.

Main competitors for Canada in the long haul South Korean market are US, Australia, France and the UK.

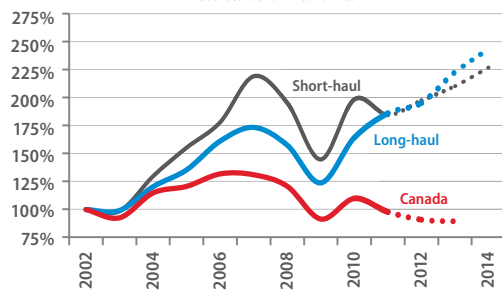
In choosing to visit Canada South Koreans are most influenced by past visitors. Online sources are also influential with travel blogs, destination websites and social networks among the most important influencers.

More than half of South Korean visitors travel independently and most consult with a travel agent for information or to book their holiday to Canada.

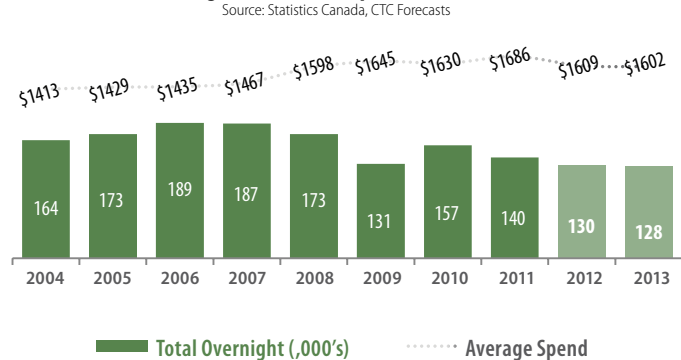
In 2013-14 1,350 Korean visitors came to the Northwest Territories. They came mainly to view the Aurora. Four licenced NWT tourism operators offer service in Korean.

**Trend Data**

**South Korean arrivals to international destinations, 2002 = 100**  
Source: Tourism Economics



**Overnight Arrivals and Spend, 2004 to 2013**  
Source: Statistics Canada, CTC Forecasts



**Strategy**

Develop the South Korean market as a stand alone market, apart from the other Asian markets, yet connected by travel logistics and product needs

**Goal**

More than double the number of Korean visitors to the NWT over the next five years.

**Objectives**

1. Establish up to three new wholesalers to package/sell NWT Aurora to the Korean market.
2. Arrange at least one South Korean media fam tour per year
3. Establish partnerships in the South Korean market in areas of air travel (Air Korea flights to Canada sub-contracted to WestJet)

**How we'll get there?**

1. Establish a contract GSA in Korea to work part time
2. Hold one travel trade event in Korea each year
3. Setup a loose partnership with WestJet who handle most of Korean Air's flights to Canada
4. Set up an Aurora Club (Korean chapter) to promote and maintain interest in the Aurora Borealis.
5. Consistently add new content to consumer direct digital channels in Korean language.

**Target Market Segments**

**Free Spirits**

Are attracted to exciting experiences they cannot find at home. They want to learn, explore something new and engage in local culture. They also appreciate being pampered.

**Personal History Explorers**

Are interested in learning about their own heritage. They also enjoy learning about the history of the places they visit and immerse themselves in the modern culture and experience local cuisine. They prefer organized tours that allow them to socialize with others.

**Cultural History Buffs**

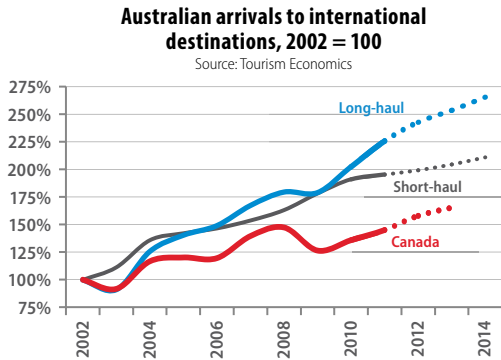
Enjoy a diversity of both active and relaxing activities. They want to explore new places and engage with the local people. They are not afraid to try new things even if they feel a bit uncomfortable and they seek authentic experiences. They prefer to have the freedom to chart their own itinerary rather than be confined to a set schedule.

**Key Information**

The Australian economy remains stable as does the Australian dollar. Over 80% of Australian outbound travel is bound for long haul destinations beyond the South Pacific. Canada appears high on the long haul destinations being considered, and the number of visitors has been trending upward for the past few years. BC and Ontario are the Canadian destinations of choice. Australian long-haul travellers have an immense appreciation for Canada's outstanding natural beauty which inspires them to explore our geography, far more so than when considering the US or other destinations. Australians are intrigued with our culture and history and the shortage of attractions is a weakness re making a Canadian choice. Although Australians use the internet for product research, they still tend to make their travel purchase via a travel agent.

Most Australian travellers to Canada arrived via Air Canada during the summer, and are likely to be 55 years or older. Accurate numbers of Australian visitors to the NWT are not available, but the visitor centre in Yellowknife reports an increase in Australian visitors, who often reference Ice Road Truckers, or Ice Pilots as a motivator on the path to purchase. Over the past decade, NWT Tourism has done very little marketing in Australia, apart from some buy ins to Destination Canada programs. Cost is the major deterrent to a trip to Canada.

**Trend Data**



**Strategy**

Start investing in this market, and monitor results to determine potential as a long haul market

**Five Year Objectives**

To attract 1,000 Australian visitors per year to the Northwest Territories for general touring (including history activities such as DC 3 flights)

**Five Year Goal**

Decide if Australia should replace Korea as a Priority 1 market.

**How do we get there?**

1. Establish trade contacts in Australia.
2. Attend annual trade marketplace Corrohouse.
3. Work with Destination Canada on a market campaign partnership.