



MARKETINGPLAN2014-15

NORTHWEST TERRITORIES

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Northwest Territories
CANADA



Table of Contents

Marketing Plan Overview	4
Organizational Overview	15
Introduction	19
Tourism Industry Overview	21
In Canada	21
In the Northwest Territories	22
Opportunities and Threats	22
Opportunities	23
Threats	26
Product Supply and Demand Review	29
Sport Hunting	29
Sport Fishing	30
Aurora	31
Outdoor Adventure	33
General Touring	35
Business Travel	37
Aboriginal Tourism	38
Visitation Statistics	40
NWT Tourism 2014/15 Marketing Plan	42
Aurora Capital of the World	44
Branding Sport Fishing	45
Integrated Marketing	45
Goal of the 2014/15 Marketing Plan	48



Table of Contents

Strategies	48	Media Promotions	95
Objectives.....	49	Sales and Project Coordination	96
Channel Marketing	49	Summary of Asia-Pacific Budget.....	97
Performance Measures	50	Call Centre	98
Who are we marketing to?.....	50	Summary of Call Centre Budget.....	100
Geographic Markets.....	51	Tourism 2015 - Marketing Program.....	101
Core Marketing Program	55	Summary of Tourism 2015 Budget	102
North America.....	55	Performance Measures	103
Brand Essentials.....	55	North America.....	103
Advertising and Promotion	57	Europe.....	106
Business Travel.....	66	Asia-Pacific	108
Media Promotions	70	Appendix A: Geographical Markets	111
Trade Promotions	74	North America.....	111
Project Coordination.....	79	Asia Pacific	117
Summary of North America Budget	81	Europe.....	127
Europe.....	83	South America.....	135
Advertising and Promotion	83	Glossary of Terms.....	137
Trade Promotions	85		
Media Promotions	87		
Sales and Project Coordination	88		
Summary of European Budget.....	89		
Asia-Pacific	90		
Advertising and Promotion	90		
Trade Promotions	93		



Marketing Plan Overview

Northwest Territories Tourism (NWT Tourism) is a not-for-profit destination marketing organization (DMO) that has been contracted by the Government of the Northwest Territories (GNWT) to market the NWT tourism industry. Our goal is to increase the number of visitors and visitor spending in the NWT. The organization uses a variety of innovative strategies to help build destination awareness and to provide the opportunity for our industry operators to market their tourism products and services. NWT Tourism is active in a number of key domestic and international markets. Our integrated advertising campaigns support the key sectors of sport hunting, sport fishing, Aurora, outdoor adventure, general touring and business travel.

Tourism plays an important role in the economy of the NWT, contributing over \$100 million in visitor revenues to our economy each year. Unfortunately, the tourism industry in the NWT (and Canada) has faced a number of key challenges that have resulted in the decrease in the number of visitors and visitor spending. Global health concerns, a downturn in the economy, natural disasters, volatile currency rates and visa/passport regulations were among the many issues that affected the industry. From 2008 – 2010 the number of visitors and visitor spending in the NWT experienced a period of decline. The last two years have been more promising, with the number of visitors to the NWT increasing from 65,200 in 2010/11 to 75,300 in 2012/13, and the visitor spending increasing from \$94.1 million to \$105.8 million during that same period. The Aurora sector had experienced the biggest increase followed by Outdoor Adventure.

In the current fiscal year (2013/14) NWT Tourism was successful in increasing their marketing budget by an additional \$1.2 million dollars. This increase has enabled NWT Tourism to expand their marketing efforts to our key target markets (Canada, USA, Germany/Switzerland, Japan and Korea) and to include China as a new market.

The overall goal of the 2014/15 NWT Tourism Marketing Plan is to increase visitor spending by approximately ten percent (from \$105.8 million to \$116.4 million) with half of this increase attributable to expanded initiatives funded by the increase in marketing dollars. This projection is based on a review of the visitor spending statistics (increases and decreases) for the past five years. It has only been in



Aurora Borealis.

WAYNE LYNCH



Marketing Plan Overview

the past two years that there has been modest growth, with increases averaging five percent each year. NWT Tourism is cognizant of the fact that there are many factors beyond our control that could potentially have a negative impact on visitor numbers and revenue. NWT Tourism will closely monitor the industry (locally, nationally and globally) on an ongoing basis to determine if any adjustments can/should be made in order to offset/limit any negative impacts that may occur as the result of any unforeseen issues during the upcoming year.

In our efforts to attain this goal, NWT Tourism will use a number of approaches to carry out the various activities of the marketing plan. These include:

- Building on the current momentum of the Spectacular NWT brand.
- Employing a unified approach territorially and regionally and to strengthen our partnerships with our stakeholders.
- Establishing an intimate and interactive dialogue with our consumers.
- Creating a sense of urgency to travel to the NWT.

Keeping these strategies in mind, NWT Tourism has established the following guidelines to help us carry out the various activities of our marketing plan. These currently include

- Developing comprehensive marketing programs that are adapted to fit the specific sectors and geographic markets that we are targeting.
- Focusing on the geographic markets (domestic and international) that are performing well or have shown promising potential for growth.
- Maximizing our investments in our international markets by partnering with the Canadian Tourism Commission (CTC) particularly in markets where the Canada brand leads.
- Utilizing our key trade and media partners to penetrate markets in which NWT Tourism's budget would otherwise have a limited impact.
- Having a prominent call to action that will increase enquiries/website traffic to our local tourism operators.



Marketing Plan Overview

NWT Tourism will focus on the channel approach as a means to reach our target audiences. There are four main marketing channels: consumer, media, travel trade, and meeting, convention and incentive travel (MCIT). Each of these marketing channels will employ a variety of marketing activities including print and web advertising, events, trade shows (consumer, media and trade) familiarization (FAM) tours and sales calls. Social media will play a significant part in each of these channels and will be used to encourage dialogue between past visitors (consumer, media, trade) and potential visitors to the NWT.

The 2014/15 Marketing Plan will follow the same integrated marketing approach that was first introduced in the 2011/12 Marketing Plan. This approach is based on integrating all sector-marketing activities under five key icons. These key icons include:

- 1) Aurora (and winter products)
- 2) Parks and Wilderness
- 3) Lakes and Rivers
- 4) People and Culture
- 5) Northern Realities

All of our key sectors fall within these icons. For example, fishing falls under Lakes and Rivers, whereas Outdoor Adventure falls under a number of icons. So, the paddling component of Outdoor Adventure falls under Lakes and Rivers, whereas the hiking component falls under Parks and Wilderness.

The plan will continue to build on the existing Spectacular brand that promises world-class natural wonders in a place that will enlighten and refresh the traveller both physically and spiritually.

Following the strategic direction of the NWT Tourism Board of Directors, NWT Tourism has staked the claim of being the Aurora Capital of the World. The Aurora Capital of the World mark was developed and will be used in conjunction with the Spectacular Northwest Territories (NWT) brand as a way to enhance our brand. This new mark will be used in combination with the Spectacular NWT brand on all NWT Tourism marketing collateral where there is a natural fit.



Marketing Plan Overview



Aboriginal Arts & Culture.

The Aurora Capital of the World claim is substantiated through scientific findings (accessibility, positioning directly under the Auroral oval, and viewing percentages) long history of Aurora viewing, world-class Aurora operators, and the quality of the NWT Aurora experience. Spectacular NWT will remain prominent in the call to action and continue to be the strategic focus of the Northwest Territories tourism product.

The claim as Aurora Capital of the World has the potential to benefit all regions and tourism products of the NWT that offer Aurora tourism. Similar to how Travel Alberta utilizes the Canadian Rockies as the key icon to attract visitors with the intent of showcasing the entire destination once the visitors have gone to their website, the Aurora Capital of the World messaging has the potential to draw visitors to our website and travel guides, from which we can then showcase all of the NWT to potential visitors.

The 2014/15 Marketing Plan is divided into two sections: (1) Core Marketing and (2) Tourism 2015. The core marketing program targets three main geographic regions (North America, Europe and Asia-Pacific). Our main objective is to target the people who have a keen interest in the products we have to offer and have the economic means and time to afford the trip. Geographic markets are targeted based on size of their middle class, political stability and economic health. There must be a strong match between the specific products the various geographic markets are seeking (as indicated in the Global Tourism Watch profiles that CTC research department provides) and the products and services that are offered by our local tourism operators.

North America

The North American marketing campaign will consist of a number of key activities including brand essentials (travel guides, website, e-newsletter) consumer advertising, meeting, convention, and incentive travel and incentive travel (MC&IT) media promotions, trade promotions and support activities. As domestic travel makes up the largest portion of NWT visitors, Canada will be the main focus of the plan. Several of our local tourism operators have indicated that they are starting to see more visitors from the United States. They have explained that these US clients are mainly coming to experience the Aurora, but are often returning to experience other tourism products including outdoor adventure and



Marketing Plan Overview

fishing. Based on this information, NWT Tourism will consider a few targeted marketing activities in several key locations in the United States.

Consumer advertising will focus on a variety of general awareness and niche marketing campaigns. General awareness campaigns will include print, web, television advertising, consumer shows and special events that have proven to be successful. While it is too early to determine the specific advertising opportunities that will be available to us this coming year, NWT Tourism will be looking to participate in advertising campaigns that have performed well in the past, such as the Globe and Mail and *Arctic Air*. The print and web advertising with the Globe and Mail and television ads on the CBC drama *Arctic Air* have proven to be highly effective in increasing destination awareness and generating operator bookings. NWT Tourism has also participated in a number of consumer shows and special events that have helped to increase awareness and interest in the NWT. NWT Tourism will be seeking out opportunities similar to what has been successful for us in the past that fit within our budget and have the potential to increase the number of unique visitors to our website, increase enquiries to our call centre, and to generate bookings for our tourism operators.

The Meeting and Incentive Travel (MC&IT) market is another key area of focus for NWT Tourism. The business travel sector brings in a substantial amount of revenue each year. Marketing efforts will focus on attracting small to midsize meetings to the NWT, incentive travel for small corporate groups and on the business traveller who is already in the NWT. MC&IT promotions will include the production of an annual NWT Meeting and Convention Planner, the development of an incentive travel lure piece, participation in a number of MC&IT trade shows and hosting a number of meeting planners and incentive travel specialists on familiarization (FAM) tours. NWT Tourism will also place a number of print and web advertisements in publications and on websites that specifically target meeting and incentive planners. NWT Tourism will utilize the services of a MC&IT sales agent to represent us at various meeting and incentive shows and to make sales calls to meeting planners and incentive houses on our behalf.

NWT Tourism will also work closely with the travel media to help grow our consumer awareness. Media promotions are an excellent way to increase



Pingos near Tuktoyaktuk.

STEPHEN WOLFF



Marketing Plan Overview

awareness and interest in the NWT and to acquire significant print, web, social media and television exposure that we could not afford to purchase with our advertising dollars. In order to maximize our return on investment with the travel media, NWT Tourism will participate in a number of initiatives that will build relationships with our key media accounts and encourage them to write travel features that will inspire their readers to visit the NWT. These include attending media-specific travel shows such as Go Media and Media Marketplace, hosting a variety of travel writers on media FAM tours and developing a series of support systems such as story leads and access to an online photo library that will provide travel writers with the tools they require to produce their travel article/productions.

The Travel Trade (tour wholesalers, tour operators and travel agents) also plays a key role in promoting NWT Tourism products, especially in niche markets. Over the past few years NWT Tourism has taken a more strategic approach to working with the travel trade and has moved from merely promoting the destination to selling the destination. As a result of our efforts the interest in the NWT from our travel trade partners is at an all-time high. Unfortunately, many of our local tourism operators are not operating at a level required to do business in an international marketplace. To help move things forward, NWT Tourism is working in partnership with the department of Industry, Tourism and Investment (ITI) to continue delivering annual export-ready workshops.

Travel trade promotions for the coming year include attending trade shows, hosting travel trade specialists on FAM tours and developing a number of resources for the travel trade including product information sheets and cooperative advertising support for tour wholesalers who are marketing NWT export-ready products. Approximately \$52,000 will be allocated to the development of these resources. NWT Tourism enlists the services of a sales agent to promote our destination to the travel trade. In an effort to maintain the integrity of the travel trade program, it is essential that NWT Tourism only promotes those operators who are export-ready, with the understanding that we will work in partnership with ITI to help other NWT businesses who are not at this stage to try and help them achieve this goal.



Marketing Plan Overview

NWT Tourism recognizes that research also plays an important role in our marketing plan as it helps us to undertake a series of performance measurement projects that will help us to analyze the effectiveness of our advertising campaigns and determine the future direction of our marketing activities. Working in partnership with the research department of ITI, a series of research activities will be established for the coming year. Some of the key research activities we would like to accomplish this year include a fishing branding study and social media research. These activities will be closely aligned with consumer segments.

Europe

The European marketing campaign will focus primarily on German-speaking Europe (Germany, Switzerland and Austria). German-speaking tourists are primarily interested in our touring and outdoor adventure products and are typically travelling to the NWT in the summer months. For the past three years, NWT Tourism has been more active in the German market and is extremely pleased with the return on investment, especially with our cooperative marketing campaigns. This past year our German-language website received over 30,000 unique visitors and our German Facebook page has over 15,000 followers. Our key travel trade accounts have reported an increase in enquiries and bookings and while Air Canada does not provide actual numbers, they have reported a significant increase in travel between Germany and the NWT.

Marketing activities for Europe will be similar to those for North America, but on a much smaller scale. Activities will include print (travel magazines) and web advertising, trade promotions and media promotions. Print and web advertising will focus on niche publications and websites that have a dedicated readership of avid Canadian travellers and have proven effective in generating enquiries and bookings to the NWT. Trade promotions will include attending the travel trade marketplace ITB in Berlin and to host one to two trade FAMs from Germany this summer. NWT Tourism will also be looking at hosting one to two media FAMs.



Marketing Plan Overview



Igloo Church in Inuvik.

TERRY PARKER

Asia-Pacific

Our advertising in Asia-Pacific will focus on two campaigns. The first campaign is a “general/main” campaign that will focus primarily on Japan (but will also include Korea to a lesser extent) and a “new market stimulus” campaign that will focus on China. Both campaigns will include a number of key activities including advertising and promotion, trade shows and trade and media FAMs. The focus for these markets will be the Aurora (both summer and winter) as this product is the primary driving force for visitation to the NWT. NWT Tourism will also introduce other products and regions of the NWT whenever appropriate and will work to continue to build destination awareness.

With over 15,800 Aurora visitors in 2012/13, the NWT experienced an all-time record in a number of Aurora visitors, the majority of which are from Asia (primarily Japan). With Aurora Maximum passing its peak last fall (2013) there is a concern that we could experience a decline in this market over the next few years. During recent sales missions to Tokyo, the majority of the travel trade has noted that the bookings are down from last year. They feel this is due to the idea that the Aurora will not be as spectacular now that Solar Maximum has passed its peak. To offset this, NWT Tourism will be looking to partner with the CTC office in Japan to come up with a number of innovative marketing campaigns to get the message out that the Aurora in the NWT will continue to be spectacular in the future. These marketing activities include a special Aurora website that has been developed by the CTC that features Canadian Aurora product (NWT, Yukon and Alberta) and a variety of trade cooperatives with our key trade accounts in Japan.

For the past two years NWT Tourism has become more active in the Chinese market. There continues to be significant growth in the number of Chinese visitors to Canada. With our increased budget in 2013/14 we were able to actively market in China for the first time. NWT Tourism has established a Chinese-language website and social media account (Weibo) and is participating in a CTC-led advertising campaign. In the two short years we have been active in this market, it has been reported that over 1,000 Chinese are visiting the NWT each year and this number is growing. NWT Tourism will carry out a number of innovative advertising campaigns (primarily in partnership with the CTC) as we drive increased visitation from the Chinese market.



Marketing Plan Overview

Call Centre

The Call Centre plays one of the most important roles in our marketing campaigns. It is the front line, managing all of the information requests that NWT Tourism receives and tracking the relative success of our marketing initiatives. NWT Tourism reports on the statistics compiled by the Call Centre monthly to our members. NWT Tourism receives over 7,500 requests annually for our promotional materials and our toll-free line brings in over 2,000 calls each year that are directly related to tourism in the NWT. Call Centre activities consist of mail and delivery, bulk shipping, postage, telephone and upgrade and maintenance of our fulfillment database.

Tourism 2015

The GNWT Department of Industry, Tourism and Investment partners with NWT Tourism on regional marketing, special marketing initiatives and local marketing initiatives. As part of the Tourism 2015 Marketing Strategy, ITI has set aside an annual budget of \$400,000 that is to be used for additional marketing initiatives. Many of the marketing activities that are part of the Tourism 2015 plan may be similar to our core marketing plan initiatives, but will have a regional focus and can target geographic and niche markets that are a suitable fit to the tourism products of a particular region of the NWT. For the 2014/15 fiscal year three main priorities have been identified. These include regional marketing, special marketing initiatives and local marketing. This program sunsets in 2015/16.

Regional marketing is an important part of NWT Tourism's marketing campaigns. Under the regional marketing initiatives program a budget of \$50,000 has been set aside for each region to participate in a number of advertising initiatives. These funds will provide an opportunity to market each region to highlight the key attractions and tourism operators in their region. NWT Tourism will work closely with each region to ensure that all advertising campaigns chosen are aligned with the marketing strategy and the Spectacular Northwest Territories brand.



Marketing Plan Overview

NWT Tourism also recognizes the importance of NWT residents as a local viable market for our tourism operators. Marketing could include newspaper, radio and social media advertising that would encourage travel between regions.

Performance Measures

In order to assess whether NWT Tourism has achieved the goals and objectives that have been set out in the marketing plan, a series of performance measures has been established. All performance measures will be assessed at the end of each quarter and will be reported to ITI, TMAC and the NWT Tourism Board of Directors. These measures are used to inform the development of the annual marketing plan.

Marketing Budget

The total marketing budget for the 2014/15 NWT Marketing plan is \$2,805,045. The majority of the budget (\$2,404,045) is from core funding with the remaining \$400,000 coming from the Tourism 2015 budget. The following table summarizes the proposed marketing budget for this year. Details of this budget can be found throughout the main sections of the marketing plan.



Marketing Plan Overview

2014/15 Marketing Plan Budget Summary

North America	2012/13	2013/14	2014/15
Brand Essentials	\$ 250,000	\$ 445,000	\$ 215,000
Advertising and Promotion	\$ 525,000	\$ 680,000	\$ 940,000
Business Travel	\$ 117,500	\$ 167,500	\$ 152,500
Media Promotions	\$ 88,000	\$ 129,000	\$ 129,000
Trade Promotions	\$ 95,000	\$ 145,000	\$ 180,000
Project Coordination	\$ 124,545	\$ 134,545	\$ 134,545
	\$ 1,200,545	\$ 1,701,545	\$ 1,750,545
Europe			
Advertising and Promotion	\$ 50,000	\$ 134,000	\$ 109,000
Trade Promotions	\$ 31,000	\$ 27,000	\$ 27,000
Media Promotions	\$ 10,000	\$ 20,000	\$ 20,000
Project Coordination	\$ 60,000	\$ 70,000	\$ 70,000
	\$ 151,000	\$ 251,000	\$ 226,000
Asia Pacific (Main Campaign)			
Advertising and Promotion	\$ 60,000	\$ 100,000	\$ 80,000
Trade Promotions	\$ 33,500	\$ 38,500	\$ 38,500
Media Promotions	\$ 10,000	\$ 15,000	\$ 20,000
Project Coordination	\$ 50,000	\$ 60,000	\$ 50,000
	\$ 153,500	\$ 213,500	\$ 188,500
Asia Pacific (China)			
Advertising and Promotion	\$ 0	\$ 100,000	\$ 100,000
Trade Promotions	\$ 0	\$ 10,000	\$ 20,000
Media Promotions	\$ 0	\$ 30,000	\$ 20,000
	\$ 0	\$ 140,000	\$ 140,000
Call Centre	\$ 0	\$ 100,000	\$ 100,000
Tourism 2015			
Regional Marketing	\$ 0	\$ 250,000	\$ 250,000
Special Marketing Initiatives	\$ 0	\$ 130,000	\$ 130,000
Local Marketing	\$ 0	\$ 20,000	\$ 20,000
	\$ 0	\$ 400,000	\$ 400,000
Total Marketing Budget	\$ 1,605,045	\$ 2,805,045	\$ 2,805,045



Organizational Overview



Canoeing in the Sahtu.

CANOE NORTH ADVENTURES

Northwest Territories Tourism (NWT Tourism) is a not-for-profit destination marketing organization (DMO) that has been contracted by the Government of the Northwest Territories (GNWT) to market the NWT tourism industry). Our goal is to increase the number of visitors and visitor spending in the NWT. NWT Tourism was established in 1996 when it assumed responsibility for tourism marketing from the Department of Industry, Tourism and Investment (ITI). The current organization is the latest in a line of tourism industry organizations that trace back over 50 years. A voluntary Board of 14 Directors made up of seven elected tourism operators, six appointed Aboriginal government officials, and one ex-officio representative from ITI governs NWT Tourism. The board meets on a regular basis to guide the organization's marketing activities and to advocate on behalf of the tourism industry. NWT Tourism is ultimately responsible to the Minister of ITI.

The organization is headed by an executive director who oversees a staff of eight, including a marketing director, communications coordinator, marketing partnerships coordinator, marketing coordinator, a travel and special projects coordinator, call centre coordinator, membership services coordinator, and finance officer.

NWT Tourism uses a variety of innovative marketing strategies to help build awareness of the NWT and to provide the opportunity for our industry operators to market their tourism products and services. NWT Tourism participates in a wide range of marketing activities including print and web advertising, social media, consumer and trade shows, familiarization tours and a variety of experiential marketing campaigns. Marketing efforts have supported key sectors that include sport hunting, sport fishing, Aurora, outdoor adventure, touring, Aboriginal/cultural tourism and business travel.

NWT Tourism works closely with each of the regional tourism offices of ITI to ensure that regions are well represented in our marketing activities. Past activities such as FAM tours and our most recent Globe and Mail advertising campaign have been successful in generating awareness, interest and bookings in all of the regions of the NWT. NWT Tourism is working to enhance our communication with the regions and to build on our marketing successes. In the 2013/14 fiscal



Organizational Overview

year, a budget of \$50,000 was allocated to each of the five regions of the NWT for a total of \$250,000 so that they could work collaboratively with NWT Tourism to develop a number of region-specific marketing campaigns.

NWT Tourism also recognizes that Visitor Information Centres play a key role in the success of our marketing initiatives. Being the main point of contact for many of the tourists that arrive in the NWT, the local visitor information centres have the capacity and proven ability to drive business directly to our tourism operators. NWT Tourism promotional materials are distributed by the Visitor Information Centres.

As part of the process for developing the annual marketing plan, NWT Tourism meets several times with the Tourism Marketing Advisory Committee (TMAC) to seek general guidance and feedback on the overall strategy of the marketing plan. TMAC is a special committee that was established by the Minister of Industry Tourism and Investment (ITI). The committee is made up of 12 individuals who represent broad tourism-sector and regional interests, and bring experience and a background in marketing to the table. Two co-chairs, one appointed from outside government, and the other from ITI, oversee the group discussion and coordinate feedback to NWT Tourism. This process has been in place since 2006 and has proven to be highly effective.

In 2011 the Minister of ITI established an Aboriginal Tourism Champions Advisory Council. The purpose of this council is to define Aboriginal Tourism, champion Aboriginal Tourism development in the communities, and to develop product standards and certification of Aboriginal Tourism products. The committee is made up of two co-chairs and seven members who represent a broad range of industry sectors as well as the regional and Aboriginal cultural diversity of the Northwest Territories. The chair of the Board of Directors for NWT Tourism has been appointed as one of the co-chairs of the committee, with the intention of keeping abreast of the activities of the council and to provide key information/insights to NWT Tourism.

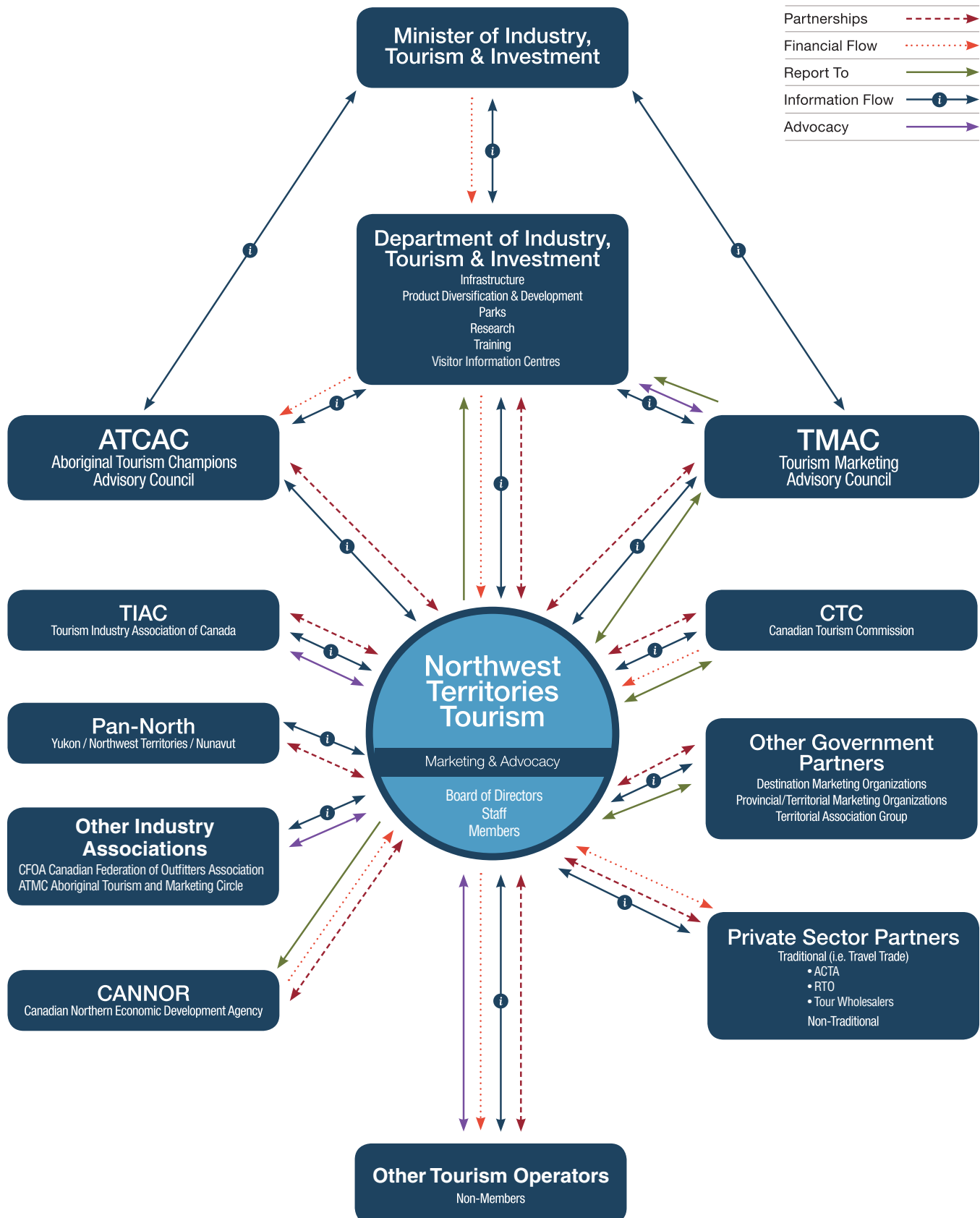


Dempster Highway.



Organizational Overview

NWT Tourism also works closely with a number of other government agencies and private sector partners as a means of leveraging funding and expanding our marketing reach. In addition to the GNWT, key partners include CanNor, the Canadian Tourism Commission (CTC) the Tourism Industry Association of Canada (TIAC) Canada's North Pan-Territorial Committee and other provincial/territorial destination marketing organizations (DMO). NWT Tourism has also worked closely with various traditional and non-traditional partners on a number of innovative marketing initiatives. The following flow chart outlines the interactions between NWT Tourism and our industry counterparts.





Introduction



Canol Heritage Trail.

NWT Tourism marketing initiatives focus on geographic and demographic markets where there is the highest potential to increase both the number of visitors and visitor spending. As a result of a number of very successful marketing campaigns and the exposure we have received through the media, general awareness of the NWT has increased significantly, particularly in the domestic market. Building on these successes the strategic direction of NWT Tourism is to develop comprehensive marketing campaigns that will create a desire and sense of urgency to travel to the NWT. The primary messages of these campaigns will include the ease of travel into the NWT and the diverse activities and experiences that are available. While the NWT is unable to compete on price point compared to other destinations with similar products, the focus will be on quality authentic experiences. The goal will be to position the NWT as an exotic destination with a number of experiences that would be worthy of “the bucket list.” As the DMO for the Northwest Territories, our positioning statement needs to be broad in scope in order to encompass all of our tourism products and services. We encourage our local tourism operators to define their own positioning statements in more detail to reflect their own unique products and services.

In line with the current marketing plan, our main focus will continue to be the North American market (with most of the marketing activities focused on the domestic market). With the addition of Germany and Japan market representatives (General Sales Agents) we have seen some excellent results and are looking to expand our marketing efforts in these key overseas markets. This past year we have also established a presence in the Chinese market and are active with the CTC in a number of media, social media and advertising campaigns. Australia is also on our radar as this market is showing increased visitation to Canada and could be a very lucrative market for the NWT. NWT Tourism will be looking to secure Canadian Northern Economic Development Agency (CanNor) funding to establish a presence in Australia.

Three years ago NWT Tourism made a switch in the marketing plan from a sector based plan to a more integrated marketing approach. The plan was built around 5 key iconic attractions:



Introduction

- 1) Aurora (and winter products)
- 2) Lakes and Rivers
- 3) Parks and Wilderness
- 4) Culture and People
- 5) Northern Realities (Ice Roads, Float Planes, Midnight Sun, etc.)

These icons were chosen because we believe they offer a strong connection to the local tourism products and to the regions of the Northwest Territories and resonate well with our target markets. The new approach allows us to combine smaller sector budgets into one larger amount to target specific demographic and geographic markets that are more likely to visit the Northwest Territories. This new approach was first implemented in February/March of 2011 in a cooperative marketing campaign in the Globe and Mail. The campaign was very successful in building general awareness and generating both enquiries and bookings. Recent research conducted by ITI has indicated that while the images used to portray these key icons could be adjusted to project more warmth, show less solitude, be more inviting and show the entire package (including amenities) the use of these key icons are effective in promoting the NWT. In 2013 ITI conducted several focus groups in Canada on the effectiveness of our key icons. This research has indicated that overall the key icons resonate well with our target audiences. Therefore, NWT Tourism plans to use the key icons as the foundation of all of our advertising campaigns. For example, the Globe and Mail campaign will be organized around a different key icon for each of the weeks that the campaign runs.

NWT Tourism will be launching a new brand and strategy to promote sport fishing. The research underpinning this strategy will be used to develop the iconic imagery for this sector and define how it fits within the Lakes and Rivers icon.



Log church in Colville Lake.

HANS PFAFF



Tourism Industry Overview

In Canada

In 2012 the Canadian tourism industry generated \$81.9 billion in revenue. This was a 4.2% increase from the previous year. The domestic market continues to gain in prominence with approximately 80% of Canadian tourism revenues coming from the domestic market. Domestic travel generated \$66.4 billion into the Canadian economy. Accommodations, transportation and food and beverage experienced the largest growth in this market.

Canada received 16 million international travellers in 2012. This was an increase of 1.7% from 2011. The increase was due in large part to a 2.5% increase from the US market. Spending by overnight international visitors increased by 2.3% in 2012, with a total of \$12.3 billion going towards the Canadian economy. The United States is the largest source of international visitors with over 11.8 million overnight trips to Canada, followed by the United Kingdom (597,000) France (421,000) Germany (277,000) China (273,000) Australia (219,000) and Japan (190,000). While Japan is slightly lower, the numbers have been increasing this year and the market looks to be rebounding nicely.

The Canadian Tourism Commission (CTC) continues to face the challenge of remaining competitive in an international marketplace. In 2013 the CTC budget will drop from \$72 million to \$61 million (with a further reduction to \$58 million in 2014). This reduction in budget has resulted in marketing activity reductions in a number of markets, most notably the elimination of all remaining US activity with the exception of the MC&IT program and Canada Media Marketplace. With these budget cuts CTC will be looking to Provincial/Territorial marketing organizations (PMOs) to increase their marketing spend in their international marketing programs. Canada is being outspent by our competitors at a time when visitation to Canada is dropping. Since 1996 Canada's market share in our key markets has dropped from 25% to 13% and Canada is no longer one of the top ten tourism destinations in the world. Canada has now dropped from 7th to 18th as a destination for international visits.



Tourism Industry Overview

In an attempt to secure more funding the CTC has submitted a proposal for funding for several short- term one-off projects. These include a proposal for a youth tourism marketing strategy and a \$35 million strategy over three years to market in the United States. These proposals are now being reviewed by the Canadian Government.

In the Northwest Territories

Tourism continues to play an important role in the economy of the NWT. The industry currently contributes approximately \$106.7 million to the NWT economy. This is a six percent increase from the previous year. A number of unforeseen occurrences such as a global economic recession, the current state of the NWT sport hunting sector, federal passport and visa requirements, and natural disasters have had an adverse effect on the number of visitors and visitor spending in the NWT in recent years. However, the state of the tourism industry in the NWT is now starting to show signs of growth with the number of visitors and visitor spending increasing this year.

In 2012/13 the total number of visitors to the NWT was 76,400. This was a 17% increase over the 64,380 we received the previous year. 51,200 were travelling for leisure and 24,100 were travelling on business. These travellers spent a total of \$105.8 million, which is a 5.4% increase from 2011/12. Leisure travel revenues totaled \$57.7 million and business travel revenue accounted for \$48.1 million.

In line with the other provinces and territories of Canada, domestic travel makes up the largest segment of travellers to the NWT. Approximately 80% percent of the visitors to the NWT are from Canada (primarily Alberta, BC and Ontario) with international travellers making up the remainder of the market.

Opportunities and Threats

World events, the economy, natural disasters, pandemics, currency values, visa/ passport issues, air access, climate change and competition from other tourism destinations are just some of the many factors that are beyond our control. These



Tourism Industry Overview

can impact NWT tourism negatively or positively. Listed below are a number of opportunities and threats that can have immediate or long-term impacts on our tourism industry. Based on our ability to utilize our marketing efforts to have an impact on the opportunity or threat, a list of the top opportunities and threats has been established. This is followed by an additional list of opportunities and threats that we will continue to monitor on an ongoing basis.

Opportunities

Short Term Opportunities (listed in order of priority)

1. The recent designation of Nahanni National Park Reserve as one of National Geographic's top twenty 'must-see' places in the world.

NWT Tourism will use this designation as a way to promote Nahanni National Park Reserve through our social media and general awareness advertising.

2. Global interest in the NWT is being generated via TV programs such as *Ice Road Truckers*, *Ice Pilots NWT* and *Arctic Air*, as well as the recent exposure of the Royal Visits.

NWT Tourism is taking advantage of this opportunity through a significant media buy on *Arctic Air*, incorporating all of these media draws into our print, web and social media campaigns and hosting media FAMs (i.e. the ET Canada media FAM for the launch of the new season of *Ice Pilots NWT*) to further leverage all of this media attention we are receiving.

3. The RV turn around station pilot project and the new flights between Whitehorse, Yellowknife and Ottawa (Air North) could open up more opportunities to create new packages for the German and Swiss markets.

NWT Tourism is working closely with Fraserway RV rentals and our key trade accounts in Germany and Switzerland to promote the one-way RV rentals. The pilot project got underway in the summer of 2013 and Fraserway has agreed that they will continue the project in 2014. NWT Tourism has supported this initiative with several media FAMs. Air North has established direct flights between Whitehorse, Yellowknife and Ottawa. NWT Tourism will be looking to provide



Tourism Industry Overview

cooperative marketing support to tour operators interested in adding these new products to their offerings. These packages will benefit both the Dempster and Deh Cho routes.

4. Development of the new/market-ready products through the Product Diversification Program and the CTC Signature Experience Collection (four are located in the NWT) has increased product offerings to the travel trade and provided more opportunities to promote the NWT to our key international markets.

Working in partnership with ITI, NWT Tourism is providing Export-Ready training to our local tourism operators in an effort to get more of our local operators to a point when they can be marketed internationally. NWT Tourism is also actively promoting the CTC Signature Experience collection and all other export-ready products through distribution of flat sheets at trade shows, and for use on sales calls, new product updates and cooperative marketing initiatives with some of our key travel trade accounts.

5. Aurora/Solar Maximum has increased awareness and interest in our Aurora viewing products from the Asia-Pacific (Japan, China, and Korea) and our domestic market. The Aurora will continue to be very active in the immediate aftermath of the Solar Maximum.

NWT Tourism has made Aurora front and centre in our marketing promotions, particularly in the Asia-Pacific market. All Aurora promotions have focused on the excellent opportunities to view Aurora in the NWT during Aurora Max and have included more scientific information in the Japanese market as to what sets the NWT apart from other Aurora viewing destinations. More efforts are being made to promote the Aurora to a domestic market through Aurora packages which are advertised on our website and in the integrated marketing campaign. This opportunity will also be leveraged through Aurora Capital of the World promotions.

6. The completion of the Deh Cho Bridge, ongoing improvements to our highway system and the development of an all-season road to Tuktoyaktuk could increase rubber tire traffic.

NWT Tourism will communicate the completion of the Deh Cho Bridge and the



Dall's Sheep.

TERRY PARKER



Tourism Industry Overview

improved highway conditions in our print, web and social media campaigns. We will also keep our key media and trade partners abreast of the development of the all-season road to Tuktoyaktuk.

7. The recent designation of Wood Buffalo National Park as the world's largest dark sky preserve has resulted in significant media exposure that has the potential to increase destination awareness and bring new visitors to the NWT.

NWT Tourism will continue to work closely with the travel media to promote the dark sky preserve at Wood Buffalo National Park.

Other Short Term Opportunities

1. The substantial increase in marketing funds has allowed us to expand our current marketing efforts in our key target markets and to more actively pursue markets such as China.
2. The announcement of the new National Park, Naats'ihch'oh, is drawing new attention to the NWT.
3. Our German, Japanese and North American market representatives are providing a greater presence in these markets and are creating new marketing programs with our key trade partners.
4. To capitalize on the \$400 million Brand USA messaging by offering Canada / the NWT as an add-on to vacations to the USA. The Canadian Tourism Commission is working with key trade accounts to encourage their clients to add destinations in Canada as an add-on to their USA trips.
5. As the fascination with the north grows there are more opportunities for partnerships with a variety of stakeholders including Parks Canada and the Cruise Ship Industry.
6. The publication of recommendations for development of Aboriginal tourism by the Aboriginal Tourism Champions Council offers short term opportunities to move forward on the development of this sector.



Tourism Industry Overview

7. Vast tracts of pristine wilderness such as Nahanni National Park Reserve, the rivers of the Sahtu and the Mackenzie Delta, at a time when wilderness is diminishing in other parts of the world.

Long Term Opportunities

1. The establishment of an NWT conference centre has potential to drive significant growth in the business travel market.
2. Aboriginal tourism is another area that has potential for significant growth, as a number of our international markets are showing keen interest in Aboriginal tourism experiences. Under the guidance of the Aboriginal Tourism Champions Advisory Council, our Aboriginal tourism sector is in the process of defining itself and looking at strategies to build this market.
3. The enhancement of the infrastructure of the Yellowknife Airport (runway length, customs support, etc.) would allow for long-range aircraft from international markets.
4. Industrial projects, such as a new diamond mine, a major hydro project or the Sahtu energy boom are all opportunities to increase the number of business travellers to the NWT.
5. Increased size of our target market, as more boomers become empty nesters and have the time and funds to travel.
6. The potential development of the Mackenzie Valley Highway has the opportunity to significantly increase road traffic into the NWT.
7. Partnerships with Travel Alberta, Kitikmeot, Yukon and Calgary Airport will bring increased air traffic to and within the Northwest Territories.

Threats

Short Term Threats (listed in order of priority)

1. Limited air capacity into the NWT is causing many tour companies and consumers to choose other destinations other than the NWT (i.e. Whitehorse for Aurora viewing) NWT Tourism is looking at ways to increase visitation by working through cooperative marketing initiatives with airlines that are



Tourism Industry Overview

introducing new air routes/connections such as the interline agreement between Japan Airlines (JAL) and WestJet. The CTC is supporting tour companies that are utilizing overseas flights into the USA with connections into Canada.

2. The perception that Aurora viewing is not ideal because Aurora/Solar Max has passed its peak. NWT Tourism is working with CTC to get the message out that Aurora viewing is still exceptional. Japanese tour wholesalers are getting the message through seminars, education, training and marketing.
3. Brand USA's \$400 million campaign has the potential to lure Canada's domestic tourist away from the NWT and to the USA instead. It is no secret that Brand USA sees Canada as one of its most viable markets and started an aggressive marketing campaign in Canada last year. In order for the NWT not to be lost in all of this messaging it is essential that we expand our domestic advertising presence with campaigns such as Arctic Air and the Globe and Mail.
4. Ongoing global recession and strong Canadian dollar could reduce travel by middle-income people. NWT Tourism will need to focus our marketing efforts on media buys (print, web, digital and social media) that target higher income consumers. Further research on market segmentation through Environics would help to ensure we are targeting the right audience.
5. The common perception that as a wilderness destination the NWT lacks the services and amenities of other tourism destinations. While our pristine wilderness is a real draw for many of our potential clients, the messaging from NWT Tourism also needs to include the realistic services and amenities that are available to our guests.

Other Short Term Threats

1. Increased competition in the Aurora sector (Alaska, Finland, Iceland and Norway are our main competition). Whitehorse and Fort McMurray are using aggressive marketing campaigns to gain market share. Iceland is offering four and five day viewing trips from Toronto at prices that are lower than NWT products.



Tourism Industry Overview

2. The deteriorating condition of the Liard Highway has had a significant impact on rubber tire traffic into the Deh Cho region.
3. The deteriorating condition of the highway between Behchoko and Yellowknife has also affected the number of road travellers into the North Slave region.
4. Rising fuel costs (vehicle, aircraft, etc.) are increasing the cost of travel to and within the NWT.
5. The cutbacks at Parks Canada may have a negative impact on visitation to the parks.
6. The establishment of the new National Park (Naats'ihch'oh) will eliminate hunting opportunities in that area.
7. Increased competition for our type of products from locations that can often offer products at a lower price.



Norman Wells.

Long Term Threats

1. The budget cutbacks at the CTC will negatively affect all provincial/territorial DMOs.
2. Rising air costs for flights into the lodges as smaller aircraft such as C-185s have been discontinued or are available in very limited numbers.
3. Aging infrastructure, undercapitalized operations.
4. The ban on caribou hunting will continue beyond 2017.
5. Oil and gas development in Sahtu driving up hotel room prices.
6. The high cost of commercial air travel to the various regions of the NWT makes it difficult to compete against other destination where air travel is less expensive.



Tourism Industry Overview

Product Supply and Demand Review

Sport Hunting

Supply – There are over two dozen sport hunting operators in the Northwest Territories that offer hunts for bison, polar bear, muskoxen, sheep, caribou, moose, grizzly bears and a range of other animals and game birds.

The supply side of sport hunting has experienced a number of setbacks in recent years resulting in declines in the number of sport hunting visitors and revenues. The listing of the polar bear under the Endangered Species Act in the US has significantly decreased the number of polar bear hunters and the suspension of Barrenground caribou hunts due to steep population declines in the Bathurst Herd has eliminated a large segment of our sport hunting activity. The Department of Environment and Natural Resources has indicated that non-resident tags for the Bathurst Barrenground caribou herd will not be available for at least another ten years.

The expansion of Nahanni National Park Reserve will also impact some mountain hunting outfitters over the next decade. Some of our hunting operators are looking at adding new types of hunts such as bison and wolf in an attempt to diversify their product.

Demand – Demand for available hunts continues to be strong (sheep, mountain caribou, muskoxen). Demand for caribou and polar bear hunts are now being filled by other jurisdictions, and the challenge will be to regain market share if and when the restrictions are lifted.

Key Competition – With the current hunting ban of Barrenground caribou, the NWT sport hunting sector is losing market share to Nunavut and Alaska. Both jurisdictions have capitalized by advertising their ability to accommodate the needs of hunters who were previously visiting the NWT.

Demographic Profile

- The age group is 40 to 65, and is predominantly male
- Non-resident Canadian and US accounted for 95% of the market



Tourism Industry Overview

- The largest domestic markets are Alberta, British Columbia and Ontario
- High income groups with the majority of household incomes over \$100,000
- Hunters spend on average more than \$13,000 per trip, plan 19 months in advance, are influenced by word of mouth (56%) and by sports shows (22%)
- For hunters, outfitter reputation is the primary reason for choosing the NWT
- 60% belong to hunting or gun-related associations or organizations

Visitation Analysis

Sport hunting numbers increased slightly over the past year. The number of sport hunters increased from 480 in 2011/12 to 500 in 2012/13. Visitor spending also increased slightly from \$5.5 million to \$5.8 million over the same period.

Sport Fishing

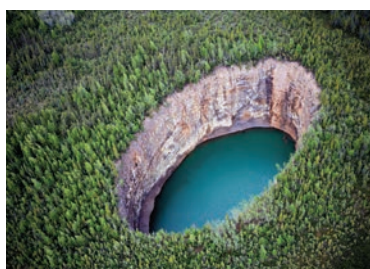
Supply – There are more than 50 fishing lodges and outfitters in the Northwest Territories. Fishing visitors and income has dropped substantially over the past ten years due to structural changes in the market, and most recently the global recession. Overall occupancy at NWT lodges is likely well below 50%, as some lodges are no longer marketing their product.

Demand – The demand for overnight fishing packages has declined significantly. Those looking for traditional fishing packages are indicating a preference for shorter two or three day trips. This has resulted in a significant decline in angler numbers. The demand for day trip packages continues to remain high, particularly among business travellers and the visiting friends and relatives market. Flyfishing and women's fishing clubs continue to grow in popularity.

Key Competition – As indicated in the most recent research from ITI, our main Canadian competitor destinations are Manitoba, Saskatchewan and northern Ontario. Manitoba boasts 152 sport fishing lodges. There are 118 in Saskatchewan and well over 200 in northern Ontario. Many of these lodges are accessible by road and are a short drive away from major populated areas of Canada and the United States. Alaska is our main American competitor.



Tourism Industry Overview



Flying over the Sahtu Region.

Demographic Profile

- Canadian anglers are mostly from Alberta, Ontario, British Columbia and Saskatchewan
- American anglers are mostly from Minnesota, Illinois and California
- 90% of anglers are men, with 2/3 repeat visitors
- The majority are between the ages of 41 and 70
- Incomes of anglers are slightly higher than \$90,000

Visitation Analysis

Sport fishing continues to decline. The number of sport fishing visitors decreased from 4,700 in 2011/12 to 4,000 in 2012/13. Over this same period visitor spending decreased from \$12.9 million to \$10.6 million.

Aurora

Supply – There are over 20 operators offering Aurora viewing as part of their product offerings. About seven of these operators offer Aurora as their main product, while the balance adds Aurora viewing to a menu of other winter products. Most of the Aurora operators are located in Yellowknife, with several providing additional language services in Japanese, Korean and Chinese. A new operator out of Hay River will also be offering Aurora viewing packages in the winter of 2013/14 and a few operators out of Fort Simpson offer fall Aurora viewing packages. One operator in Inuvik offers Aurora viewing as part of their winter packages. The majority of Aurora facilities and services are operating below capacity. The cancellation of the direct flight between Vancouver and Yellowknife has resulted in a significant reduction in air capacity. However, the direct flight from Tokyo to Calgary that began in the winter of 2012 has alleviated some of the problem. Japan Airlines (JAL) has recently formed a partnership with WestJet that could also increase the number of available seats into Yellowknife.

Demand – Aurora visitors comprise the largest portion of overseas visitors to the territory. The majority of these visitors are from Japan, with a small number from Korea and China. The Aurora sector has experienced significant declines in recent years, but the past two years has seen a rebound. The catastrophic



Tourism Industry Overview

earthquake and tsunami in Japan in March 2011 caused a disruption in travel out of the country, but travel is now beginning to return to previous levels as the government of Japan is encouraging its citizens to take extended vacations. With destinations in northern Europe offering luxury winter packages at a significantly reduced rate compared to Canadian destinations, it is difficult to foresee any short term increases in the market. However, we are confident that the market will continue to grow over the long term since the economic reforms introduced by the new prime minister of Japan, Shinzo Abe, are inducing renewed economic growth.

Over the past few years NWT Tourism has tried to increase our market share by promoting to markets in southern Canada and the United States. Marketing efforts are in the early stages, but have generated a great deal of interest. Of all the enquiries NWT Tourism fields, Aurora is always the most popular of the sectors. With some of the Aurora operators now offering packages for the domestic market, we are experiencing moderate growth in this market.

Key Competition – In recent years the key competition in the Aurora sector has been Alaska. The direct charter flights between Tokyo and Fairbanks have eroded a significant portion of the NWT market share over the last few years. Although the number of charters to Fairbanks was beginning to be reduced, they are expected to increase again this winter. Other direct competitors in the Aurora sector are Finland, Norway and most recently Iceland. These northern European destinations are offering luxury packages at reduced rates and are significantly less expensive than our current prices. It is expected that this discounting is simply an effort to get market share, and that these discounted prices cannot be maintained over an extended period of time. Iceland is offering a variety of innovative packages to enhance their Aurora product and have undertaken an aggressive marketing campaign in an effort to put their destination top of mind. Lastly, other Canadian destinations such as Whitehorse and Fort McMurray are stepping up their marketing efforts to establish a greater presence in the Aurora market. While these destinations currently lack the Aurora viewing infrastructure compared to what is found in the NWT, we will need to keep an eye on these competitors to ensure that our Aurora product is the leader in the industry and is top of mind with the consumer.



Tourism Industry Overview

Demographic Profile

- Most Aurora visitors are from Japan
- 2/3 (67%) of visitors are women. Approximately half of the visitors of both genders are under the age of 40. They stay, on average, 3.6 nights
- One fifth are professionals (mostly male) one fifth are at home or retired. The other large groups are clerical staff (mostly female) and civil servants
- 72% found out about Yellowknife from Japanese tour operator brochures. The second largest source of information is friends and family
- They come to view the Aurora with dogsledding as their second most popular activity

Visitation Analysis

The Aurora market continues to show significant growth. The number of Aurora visitors has increased from 7,400 in 2011/12 to 15,700 in 2012/13. This is a 112% increase over the previous year. Visitor spending increased from \$10.2 million to \$15.2 million (49%) over the same period.

Outdoor Adventure

Supply – The NWT has dozens of Outdoor Adventure operators. Only about ten offer fully guided paddling or hiking experiences, while most offer assistance to unguided travellers or combine outdoor activities such as paddling, hiking and bird watching with other activities such as fishing and wilderness lodge experiences. Most operations are centred on better-known rivers (Nahanni, Thelon, Mountain, and Keele).

Outdoor adventure offerings for day trips and products in or near communities are more limited. Canoeing, kayaking and rafting are well established in the NWT, but this sector has room for growth outside the Nahanni. A new Canoeing/Wilderness Adventure Centre opened in Norman Wells last summer and has opened up more paddling options, particularly in the Sahtu region. Other activities such as wildlife viewing and hiking can be developed in the NWT.



Tourism Industry Overview

Demand - The Outdoor Adventure sector is growing on a global scale, especially the demand for high-end adventure and guided trips. As the world continues to adopt the green philosophy, there is an increasing importance in purchasing experiences that are environmentally friendly utilizing minimal impact activities.

Key Competition – The Yukon is our primary competitor for a number of outdoor adventure activities. These include canoeing, kayaking, hiking and wildlife viewing. British Columbia is noted as being a major competitor for hiking, wildlife viewing and soft adventure products, while Ontario and the eastern United States are key competitors for canoeing, kayaking and rafting.

Demographic Profile

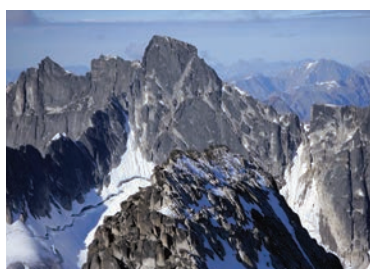
- Income in this group varies from the student or new graduate level to the high income professional looking for a wilderness challenge
- On average, they spend an estimated \$1,544 per person and stay for approximately 14 nights
- Just over 50% of this segment are Canadian, 21% are American, and 27% are from other countries
- Just over 50% arrive by air and the rest drive
- Over 50% of visitors in this segment are repeat visitors
- 67% went wilderness camping, 53% stayed in commercial lodging
- They spend under 12 months planning their trip and are influenced by word of mouth (40%) Internet (29%) and the Explorers' Guide (16%)

Visitation Analysis

The outdoor adventure market experienced a significant increase this year. The number of visitors to the NWT increased from 2,300 in 2011/12 to 3,100 in 2012/13. Outdoor adventure revenue also increased slightly with visitor revenue increasing from \$5.2 million to \$6 million over the same period.



Tourism Industry Overview



Cirque of the Unclimbables.

General Touring

Supply – Because of our physical distance from major markets, the Northwest Territories is a long haul destination. For general touring by road, we offer the Deh Cho Travel Connection - a circular driving route that includes destinations in northern Alberta/BC and the southern part of the NWT - and the Dempster Highway, which is Canada's most northerly public highway. We also have a number of roads that end in communities (Yellowknife, Fort Smith, Fort Resolution, and Wrigley) but offer interesting scenery and road access to specific destinations. NWT roads are being improved gradually and our territorial and national parks are seen as some of the best in all of Canada. There are a total of 34 territorial and 5 national parks in the NWT, most of which attract many visitors each year. The direct flight between Frankfurt and Whitehorse and the RV rental stations in the Yukon are a major driver for German visitation to the Inuvik region. The change of the rental car station in Whitehorse, and thus increased prices, is causing some issues with German and Swiss tour operators. As a result, many of the tour companies are not willing to continue selling rental cars in Whitehorse. This would have an impact on German visitation numbers to Inuvik.

Competition among airlines has resulted in reduced airfares into the NWT and there is now established air access between Whitehorse and Yellowknife. This has the potential to bring many more tourists in from the German and Swiss markets, but the lack of an RV satellite depot will be a deterrent to building packages around the direct flight for the German-speaking tour operators.

Demand – For the general touring market, our focus is on those travellers who have the time and money to take long haul vacations (long haul is defined as a trip of seven or more nights). The primary domestic markets for touring include Alberta and British Columbia. The visiting friends and relatives market is also a key component of the touring market. The general touring market has increased over the past decade, although there was a small dip in the past two recessionary years.

The NWT has also seen growth in the number of German-speaking visitors. The Inuvik region has the highest number of German-speaking visitors in the NWT, primarily because of its position on the Dempster Highway. Germans are also



Tourism Industry Overview

showing an interest in the Deh Cho route. The German market has a strong interest in wilderness, parks and Aboriginal based products.

Key Competition – Again the Yukon is our primary competitor for the touring market. The direct air access from Germany, along with the road touring infrastructure (RV rentals, more paved highways and a variety of circular driving routes) and the direct link between BC and Alaska, position the Yukon to capitalize on this market. BC and northern Alberta are also key competitors for the touring sector.

Demographic Profile

- Mainly in the 55 plus age group with average to high incomes
- Many are retired empty nesters, and most travel by road (88%)
- A fairly even division between male and female
- Canadians comprise 72%, US 17%, other 11%
- Those travelling by air spend on average \$4,720 per party of 2.58 and those by road spend on average \$3,615
- They are generally motivated by nature and culture, concerned about safety and hygiene, value independent travel, want soft outdoor adventure experiences, and 85% are FIT, 15% book packages

Visitation Analysis

Both the general touring and visiting friends and relatives (VFR) showed significant increases this year. The number of general touring visitors increased from 13,400 in 2011/2 to 14,800 in 2012/13. The number of VFR increased from 11,800 in 2011/12 to 13,800 in 2012/13. These were 10% and 17% increases respectively. The combined visitor spending of the VFR and general tourism market for 2012/13 was \$20.7 million, which was a 15% increase over the previous year.



Tourism Industry Overview

Business Travel

Supply – Business travel makes up a significant part of the total number of NWT visitors. There are two forms of business travel. These include Meetings, Conventions and Incentive Travel (MC&IT) and the independent business traveller. There are four communities in the NWT that are capable of hosting small to mid-size conferences. These are Yellowknife, Inuvik, Hay River and Norman Wells. Each of these communities has excellent meeting facilities, guest services and a variety of tourism products. Operators have added more experiential day trips or full day add-ons to adapt to the shorter stays of business travellers. These range from sightseeing tours to boat cruises and Aurora viewing to fishing trips. Other communities such as Fort Smith and Fort Simpson have expressed an interest in the meetings and convention market and are looking at developing the infrastructure (hotels, restaurants, meeting space, etc.) that is needed to attract this market.

Demand – Business travel continues to generate significant revenue for the airline, accommodation, arts and crafts, and restaurant and retail industries. For the past several years, NWT Tourism has invested more in the business sector, and has begun to actively promote the NWT as a meeting and convention destination. There is an increased appetite, particularly by many southern Canadians, to experience the North. This has resulted in increased conference bookings. The return on investment is not usually immediately as apparent as the majority of conferences are booked two to three years in advance.

Key Competition – Whitehorse is the main competitor among northern destinations. Reduced air cost, accommodation packages and a convention centre are all key selling points to the meeting and convention market. The larger centres in southern Canada secure most of the meetings and conventions as they have the infrastructure to support larger meetings and conventions.



Tourism Industry Overview

Demographic Profile

- 60% were between the ages of 40 and 59
- 76% were male and 23% were female
- Party size is usually 1 – 2 people and they usually travel by air
- 69% spent 1 to 3 days in the NWT, 9.5% spent 4 – 7 days
- 44% of travellers participated in a tourism activity
- Majority are university educated in professional, managerial or trades-based occupations
- Average annual income of \$70,000+
- Majority of business travellers are from Alberta, Ontario and British Columbia

Visitation Analysis

The number of business travellers to the NWT declined slightly from 24,300 in 2011/12 to 24,100 in 2012/13. Visitor revenues for 2012/13 totaled \$48.1 million, which was a \$400,000 decrease from the previous year.

Aboriginal Tourism

Supply – A number of market-ready Aboriginal tourism products exist in the NWT, but there is a great potential for expansion. The department of Industry, Tourism and Investment (ITI) is supporting the development of this sector. An Aboriginal Tourism Champions Advisory Council has been established to help define Aboriginal tourism and to look at ways of developing the industry. Aboriginal Tourism is a sector that has good potential for growth.

Demand – Throughout the world there is an increasing demand for authentic Aboriginal tourism products, primarily from travellers from France, Germany and the United Kingdom. Aboriginal tourism experiences can be highly motivating, but serve more as a value added than as a stimulus for choosing to visit a particular destination. Typically visitors would include a full or half-day activity in their current travel plans.



Tourism Industry Overview



GEORGE FISCHER

Western Arctic artist hard at work.

Key Competition – Of all the destinations in Canada, BC has the most established Aboriginal Tourism sector. They offer a vast array of Aboriginal products, and have a great deal of experience working in the national and international markets. Alberta and Saskatchewan also have a number of iconic attractions that are well known in the marketplace.

Demographic Profile

- Age range 50 +, interested in soft adventure (hiking, walks, nature observation, indoor activities)
- Below 50, interested in adventure activities (dogsledding, snowshoeing)
- More likely to be married without children
- Higher level of education



Tourism Industry Overview

Northwest Territories Visitor Statistics

	2008/09	2009/10	2010/11	2011/12	2012/13	% Change from 2011/12 to 2012/13
Aurora Viewing	5,500	5,400	6,800	7,400	15,700	113%
Fishing	7,300	6,400	5,000	4,700	4,000	-15%
General Touring	14,800	14,500	12,900	13,400	15,200	13%
Hunting*	940	760	440	480	500	5%
Outdoor Adventure	2,100	1,900	1,900	2,300	3,100	33%
Visiting Friends & Relatives	9,300	12,900	13,400	11,800	13,800	17%
Total Leisure Visitors	39,800	41,800	40,400	40,100	51,200	28%
Business Travel	33,600	26,200	24,800	24,300	24,100	-1%
Total Visitors	73,400	68,000	65,200	64,400	76,400	19%

* The number of hunters is rounded to the nearest ten because the totals are less than 1,000.



Tourism Industry Overview

Northwest Territories Visitor Spending (millions)

						% Change from 2011/12 to 2012/13	
	2008/09	2009/10	2010/11	2011/12	2012/13		
Aurora Viewing	\$ 7.25	\$ 7.2	\$ 6.4	\$ 10.2	\$ 15.2	49.0%	
Fishing	\$ 17.0	\$ 12.6	\$ 12.0	\$ 12.9	\$ 10.6	-18%	
General Touring	\$ 8.3	\$ 8.1	\$ 9.5	\$ 10.9	\$ 12.6	16%	
Hunting	\$ 12.5	\$ 10.1	\$ 4.3	\$ 5.5	\$ 5.8	5.5%	
Outdoor Adventure	\$ 6.8	\$ 6.1	\$ 5.8	\$ 5.2	\$ 6.0	15%	
Visiting Friends & Relatives	\$ 4.0	\$ 5.4	\$ 6.6	\$ 7.2	\$ 8.4	17%	
Total Leisure Visitors	\$ 55.9	\$ 49.5	\$ 44.6	\$ 51.9	\$ 57.7	11.2%	
Business Travel	\$ 74.6	\$ 58.1	\$ 49.5	\$ 48.5	\$ 48.1	-0.8%	
Total Spending (millions)**	\$ 130.5	\$ 107.6	\$ 94.1	\$ 100.4	\$ 106.7	6.0%	

* Methodology for calculating visitor spending for all segments was updated and revised in 2010/11.



NWT Tourism Marketing Plan 2014/15

Northwest Territories Tourism (NWT Tourism) has prepared a comprehensive marketing plan that will guide our marketing activities for the upcoming fiscal year. This plan is based on the following:

- The most recent research from the Canadian Tourism Commission and the Government of the NWT's Industry, Tourism and Investment (ITI) department
- Feedback from our local industry partners
- Key advice from the NWT Tourism Marketing Advisory Committee (TMAC)
- Advice from Board of NWT Tourism and membership of the Association

The 2014/15 Marketing Plan will follow the same integrated marketing approach that was introduced in the 2012/13 plan. The plan will continue to build on the existing Spectacular brand that was developed approximately seven years ago. The Northwest Territories brand promises world-class natural wonders in a place that will enlighten your mind and refresh you physically and spiritually. Building on the success of past campaigns that have increased interest and awareness in the NWT, marketing initiatives will be designed to inform potential visitors of the ease of access to the NWT and the authentic experiences that await them.

The Northwest Territories Tourism SPECTACULAR NWT brand was developed using intensive, independent customer research. The brand has been in place since 2007. The Northwest Territories, as a small, remote destination, cannot hope to compete with large urban destinations or sun, ski or theme park destinations. However, Northwest Territories Tourism can compete in the growth market sector of global tourism defined as emerging/off the beaten path, long-haul travel destinations. The Spectacular brand provides a clear, compelling way for potential visitors to think about the Northwest Territories. The brand is a motivating "first idea," conveying the vibrancy and natural wonder of the Northwest Territories. It also provides our potential visitors with a unique sense of place, an emotional connection and personal immediacy. The Northwest Territories offers inspirational natural beauty and wonder in a pristine, vibrant world that enlightens the mind and refreshes physically and emotionally.



Bison herd interrupting traffic.

TERRY PARKER



NWT Tourism Marketing Plan 2014/15

Based on the extensive research done to develop the Spectacular brand, the priority audiences for the NWT marketing message are as follows: upscale, North American “Boomer” audience who are affluent, well-educated Canadians and Americans, 40 – 60 years old, who regularly spend \$6,000 to \$8,000 per person on travel annually; sector specific audiences for hunting, lodge anglers, Japanese Aurora market and outfitted adventure enthusiasts; and German road touring audience (fly/drive with RV rentals).

Details of the brand experience are as follows.

Brand Promise: The Northwest Territories has world-class natural wonders in a place that will enlighten your mind and refresh you physically and spiritually.

Brand Voice: Our voice is vibrant, inclusive and welcoming. The NWT is spiritual and connected to nature. We have the heritage of Aboriginal cultures.

Brand's Signature Imagery: Our key brand image continues to be the Aurora. We made our claim to be the Aurora Capital of the World in the early winter of 2013. The Aurora was selected as the key image for the NWT in all research in both Canada and the United States.

Supporting Premier Imagery: vibrant visuals that convey an “other world” or a unique sense of place such as the Nahanni, the Mackenzie River Delta, the Keele River and the caribou migration on the barrens, fishing experiences in spectacular settings, peoples and culture.

The brand has remained consistent since 2008. Basic updates, such as the Spectacular NWT wordmark, have occurred periodically since this time to refresh the brand look. In the coming year, marketing will feature the Aurora Capital of the World mark prominently. The spectacular NWT website will also be featured.

Visually, the Spectacular brand is a unified look that consists of iconic images, colour schemes, uniform fonts (text) a logo and a website domain that were developed with the intent of generating awareness and interest in our key target markets. Before developing the Spectacular brand extensive research was done in some of the key markets in Canada and the United States to determine



NWT Tourism Marketing Plan 2014/15

what our brand should look like so that it had a significant impact in our target markets. All marketing materials will utilize these key iconic images as a tool for building awareness and interest in the NWT with the overall intention of driving the consumer to the spectacularnwt.com website and our Explorers' guide. The end goal is to drive traffic to our local tourism operators so they can make the final sale.

Aurora Capital of the World

Following the strategic direction of the NWT Tourism Board of Directors to “own Aurora as the flagship for our Spectacular brand,” NWT Tourism will include the Aurora Capital of the World mark in all of our marketing collateral, which will complement the Spectacular Northwest Territories (NWT) brand. This mark visually supports the Northwest Territories claim of being the Aurora Capital of the World. This claim is substantiated through scientific research (accessibility, positioning directly under the Aurora oval, and viewing percentages) and the quality of the NWT Aurora experience. Being the first to clearly position this claim will set a precedent for Aurora seekers on the global stage.

The Aurora Capital of the World designation has the potential to benefit all regions and tourism products of the NWT that choose to align themselves with this mark. Similar to how Travel Alberta utilizes the Canadian Rockies as the key icon to attract visitors with the intent of showcasing the entire destination once the visitors have gone to their website, the Aurora Capital of the World messaging has the potential to draw visitors to our website and travel guides, from which we can then showcase all of the NWT to potential visitors.

In the small – but peak – season from May to July, everything happens under our midnight sun, as the Aurora is not visible in the night skies. For summer marketing, the Aurora wordmark will still play a priority role while it is being established and to ensure the claim is promoted year round. At this time, the mark will be used only by Northwest Territories Tourism in all of their marketing collateral.



NWT Tourism Marketing Plan 2014/15



Fishing in the Northwest Territories.

ENDDAH WILDERNESS TRAVEL AND TROUT LAKE LODGE

Branding Sport Fishing

NWT Tourism is in the process of rebranding the sport fishing sector. Brand research commenced in November 2013 with the new strategy and brand scheduled to be launched in spring of 2014.

Integrated Marketing

In the market driven, integrated approach, all marketing campaigns carry a consistent brand image and messaging and all of the various components (print, web and social media) work in unison. The content and approach of the integrated, market driven program will be centred on five key NWT brand icons, each representing travel products and regions of the Northwest Territories. The brand icons, or visualizations of the NWT products that will be marketed, build on existing awareness of NWT products or experiences. These icons are:

1. Aurora (and winter products)

This icon will represent our key Aurora products as well as a range of related products such as dogsledding, snowmobiling, snowshoeing, kite skiing, ice fishing and any other products that are part of an Aurora or winter experience. It will also market the regions or communities most involved with this product, such as Yellowknife, Hay River and Inuvik.

Branding Vision: To be positioned as the world's #1 Aurora viewing destination.

2. Parks and Wilderness

This icon will focus on our best-known parks, but will portray all five national parks, territorial parks, heritage parks, wilderness driving experiences and wildlife viewing and bird watching activities. Since we have parks and wilderness across the territory, it will include all of the regions. The visual icon will be Nahanni National Park Reserve, the salt plains in Wood Buffalo National Park Reserve, or the colourful Barrenlands.

Branding Vision: To position our world-class parks and wilderness as a compelling reason to visit the Northwest Territories.



NWT Tourism Marketing Plan 2014/15

3. Lakes and Rivers

Lakes and Rivers will encompass fishing, paddling, cruising and sightseeing. Visualizations could include big lakes, the Mackenzie River Delta, some of our spectacular waterfalls, sandy beaches and roaring rapids, and the multitude of trophy fishing in our abundant lakes to name a few. This icon covers all regions of the NWT. A new fishing brand is in the process of being developed with input from the industry.

Branding Vision: To be known as one of the top destinations in the world for sportfishing, paddling and rafting.

4. Culture and People

This icon will cover festivals, events, Aboriginal arts and crafts, other cultural products and the people of the Northwest Territories in general, including some of our better-known characters. The Great Northern Arts Festival, Folk on the Rocks, Open Sky Festival and winter carnivals and traditional activities are some of the visualizations of this icon.

Branding Vision: To integrate the warmth and cultural diversity of our people into all of our marketing efforts.

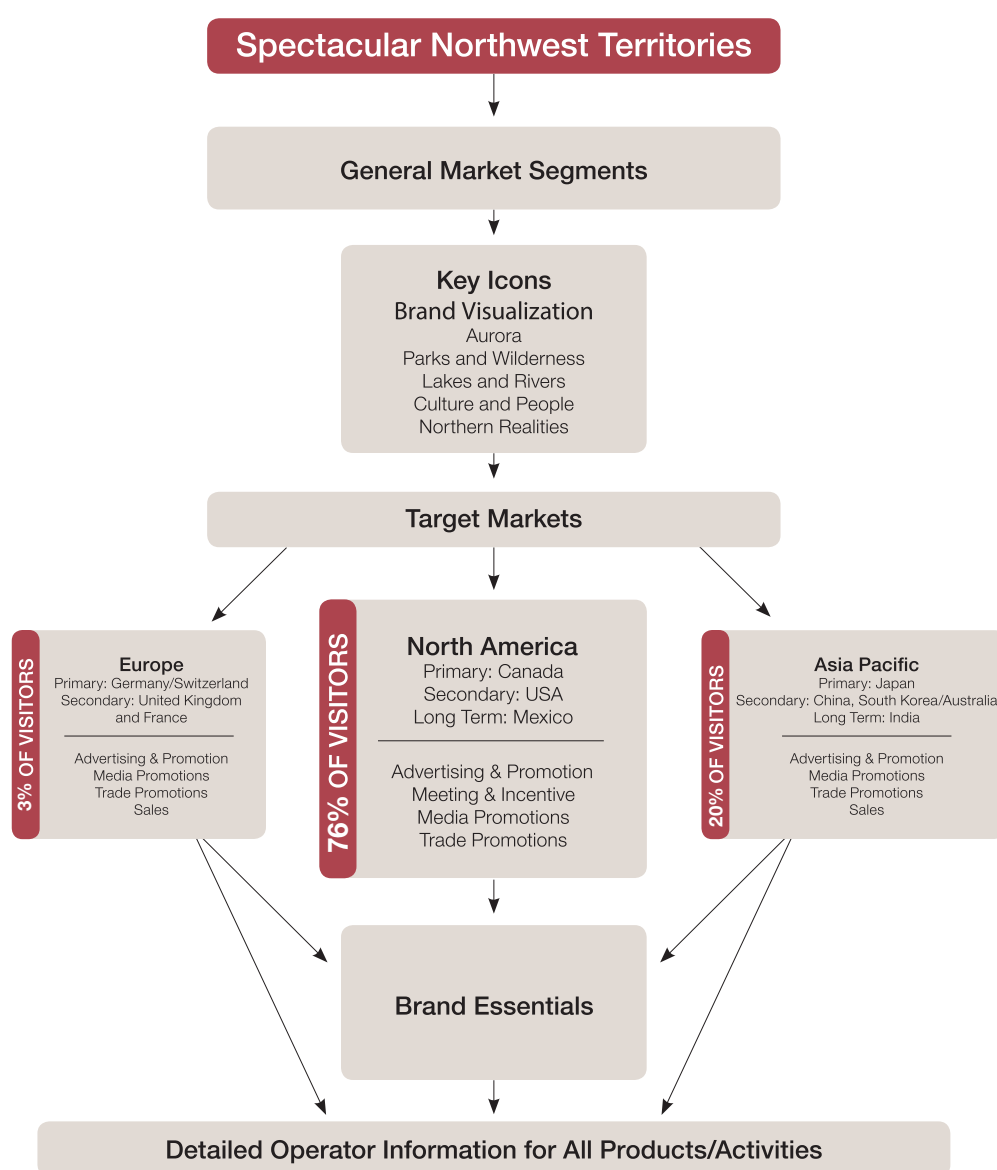
5. Northern Realities

This icon will represent many northern realities that we tend to take for granted, but that are of great interest to visitors. This will include things such as ice roads, midnight sun, -40°C, bush planes and dipping your toe in the Arctic Ocean.

Branding Vision: To add elements of excitement and adventure to the northern package, and to take advantage of publicity that a number of these products already have (e.g. Ice Road Truckers, Ice Pilots NWT, Arctic Air).



NWT Tourism Marketing Plan 2014/15



* Data Source: ITI Tourism & Parks

* 1% of visitors reside in non-target markets



NWT Tourism Marketing Plan 2014/15

The intention of the integrated approach strategy is to use the key icons as the driving force to address key market perceptions that are based on past research. Secondly, this strategy allows NWT Tourism the opportunity to take advantage of more opportunities through flexibility in spending.

NWT Tourism in partnership with ITI carried out a number of focus groups to test our key iconic images to ensure these iconic images were resonating with our target markets. Based on the findings of this research, NWT Tourism will adjust some of the imagery being used to ensure that it has the desired impact on our target audiences.

The overall goal is to generate long-term economic growth in the Northwest Territories through increased visitor numbers and spending. In order to accomplish this, NWT Tourism will be utilizing marketing campaigns that promote the quality of a vacation experience in the NWT that offsets the cost, and dispel the myths about the inconvenient travel and the lack of experiences that are available in the NWT. While NWT is unable to compete on price point against a number of destinations with similar product we will focus on the value of the experience that is offered here in the NWT.

Goal of the 2014/15 Marketing Plan

To increase the number of visitors and visitor spending to the NWT by 10% in order to create a sustainable tourism industry for the NWT

Strategies

In our efforts to attain this goal, NWT Tourism will employ the following strategies

- Build on the current momentum of the Spectacular NWT brand
- Employ a unified approach territorially and regionally and to strengthen our partnerships with our stakeholders (to share marketing intelligence and activities and to keep a consistent branding message)
- Establish an intimate/interactive dialogue with our consumers
- Create a sense of urgency to travel to the NWT



NWT Tourism Marketing Plan 2014/15

Objectives

Keeping these strategies in mind, NWT Tourism will utilize a series of tactics to help us carry out the various activities of our marketing plan. These tactics currently include

- To develop comprehensive marketing programs that are adapted to fit the specific segments and geographic markets that we are promoting to
- To focus on the geographic markets domestically and internationally that are performing well or are showing potential for growth
- To maximize our investments in our international markets by partnering with the CTC, particularly in markets where the Canada brand leads
- To utilize our key trade and media partners to penetrate markets in which NWT Tourism's budget would otherwise have a limited impact in these markets
- Having a prominent call to action that will increase enquiries/website traffic to our local tourism operators

Channel Marketing

NWT Tourism will focus on the channel approach as a means to reach our target audiences. There are four main marketing channels that include consumer, media, travel trade and meeting, convention and incentive travel (MC&IT). Each of these marketing channels will employ a variety of marketing activities including print and web advertising, events, trade shows (consumer, media and trade) familiarization (FAM) tours and sales calls. Social media will play a significant part in each of these channels and will be used to encourage dialogue between past visitors (consumer, media, trade) and potential visitors to the NWT.

Although the marketing plan is produced on an annual basis, long-term goals for the tourism industry are always taken into consideration. Using the guidance and insight of the GNWT publication "Tourism 2015: New Directions for a Spectacular Future" NWT Tourism will work closely with ITI to assess our marketing efforts to ensure we are doing our best to help achieve the overall goals of the plan.



NWT Tourism Marketing Plan 2014/15

We recognize that many issues such as current economic conditions, the earthquake and tsunami in Japan in March of 2011, volatile currency rates, a variety of passport/visa issues and air capacity can have a sizable negative impact on tourism in the NWT and are beyond our control. Yet by working in partnership with ITI and our other industry partners we can look at adjusting our marketing strategy over the long term to ensure we are achieving the best possible results given the unforeseen circumstances the tourism industry may experience.

Performance Measures

In order to assess whether NWT Tourism has achieved the goals and objectives that have been set out in the marketing plan, a series of performance measures has been established. A complete list of performance measures can be found beginning on page 103 of the document. All performance measures will be assessed at the end of each quarter and will be reported to ITI, TMAC and the NWT Tourism Board of Directors.

Who are we marketing to?

In 2006, as part of the NWT Tourism branding project, NWT Tourism worked with Environomics Analytics to determine market segment targets. This information was developed from an analysis of literature requests, fishing license purchases and operator data.

Now over seven years old, this research is out of date. NWT Tourism and ITI are looking to conduct additional research to update our key target markets. Until the new research has been conducted our marketing efforts will focus on key characteristics/criteria including household income, travel motivators, interest in the outdoors, and individuals who are willing to forgo some of the luxuries (but not quality) in exchange for an authentic experience. Our main objective is to target the people who have a keen interest in the products we have to offer and have the economic means and time to afford the trip.

NWT Tourism also looks forward to ITI conducting a much-needed full exit survey in 2014 that will reflect any statistical changes since the last survey that was completed in 2010.

NWT Tourism Marketing Plan 2014/15



Trout Lake.

GEORGE FISCHER

Geographic Markets

Geographic markets for Northwest Territories Tourism are selected using a number of criteria. These include:

1. Strong match between the specific products that specific segments in a geographic market are looking for and our ability to deliver those products.
2. Match between our known and preferred demographics (age, income, education, etc.) and numbers within these demographics who are the active, long haul travellers in a particular geographic market.
3. Current visitation statistics to Canada, to the NWT, and to competing destinations by each geographic market.
4. Travel trends in the specific market.
5. Comparisons of cost, quality and accessibility to competing markets.
6. Uniqueness of our product: hard to find elsewhere, our offerings are among the best in the world (Aurora viewing, paddling, etc.).
7. Ease of access and the strength of the country's economy and their willingness to travel.

Based on the above criteria, Northwest Territories Tourism has categorized its geographic markets as follows:

Primary Markets

Ongoing, active marketing is in these markets. The majority of marketing dollars are spent here.

- North America (Canada, with special emphasis on Ontario, British Columbia, Alberta and Saskatchewan)
- Asia Pacific (Japan, China)
- Europe (Germany/Switzerland)



NWT Tourism Marketing Plan 2014/15

Secondary Markets

Active exploration and testing in these markets is being completed to determine the strength and potential of these markets. They will likely be five years or more away from becoming active markets. Marketing will be done in conjunction with the Canadian Tourism Commission (CTC).

- North America (United States)
- Asia Pacific (South Korea, Australia)
- Europe (United Kingdom)

Long Term Markets

Long-term markets show signs of future strength and may merit small test programs. They will likely be ten years or more away from becoming active markets. The CTC is currently doing some initial sales calls and a small amount of marketing in these areas. NWT Tourism will follow the progress of these markets.

- North America (Mexico)
- Europe (France)
- Asia Pacific (India)
- Other (Brazil)

All of the above markets are being closely and actively examined by the Canadian Tourism Commission, and new developments in each country are published in quarterly reports which are available on the CTC website at the link below.

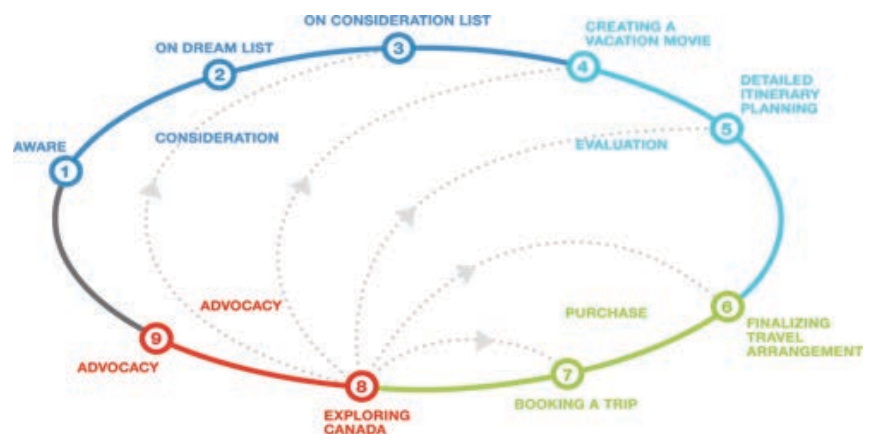
www.corporate.canada.travel/en/ca/markets_products/quarterly_reports/index.html

Brief outlines of the NWT's primary, emerging and long-term markets are included in Appendix A of this plan. These profiles include the research data used to select these markets. All research was obtained from studies and reports prepared from the Canadian Tourism Commission and from the insight of our overseas marketing representatives.

NWT Tourism Marketing Plan 2014/15

Path to Purchase Model

In an effort to influence travellers to visit Canada, the CTC adopted a path-to-purchase model. This model outlines each stage of the consumer's decision-making process. The path-to-purchase model is an effective measuring stick that identifies progress and blockages to building destination awareness, consideration, evaluation, planning and ultimately booking a trip to Canada. CTC research has shown that although 44% of international travellers are considering a visit to Canada less than 1.5 % actually book a trip. Many long-haul travellers do not lock down their detailed itineraries until late in the buying process so influencing travellers at the purchasing stage is just as important as capturing their interest in the early stages of the cycle.



Canadian Tourism Commission - Path-to-Purchase Model

For all emerging markets where the Canada Brand leads, the CTC is taking a leading role in the first three to four stages of the path-to-purchase model and then PMO/DMO will step into the marketing process on the fourth to fifth stages. And lastly the local tourism operators (often working in partnership with tour wholesalers) would speak directly to the sixth, seventh and eighth stages of the process. In core markets (especially the domestic market) where the Provincial/Territorial brand has greater recognition the PMO/DMO would take



NWT Tourism Marketing Plan 2014/15

a more active role in the initial stages of the path-to-purchase model and our local tourism operators would be more involved in communication with their potential customers much earlier in the process. NWT Tourism has an active role in the consideration portion of this model, and specifically on the awareness components. While at times we do promote the creating of a vacation movie and general itinerary planning, this is not our primary role.

To move people along the path-to-purchase journey, and to influence travel bookings, social media plays an important role by encouraging past visitors to Canada to advocate for the destination by sharing their travel stories, recommending various travel experiences and answering specific questions on Canada.

The core marketing program is the most significant component of the NWT Tourism marketing plan and by far the largest funding source. In 2013/14 NWT Tourism actively pursued and achieved an increase to their marketing plan budget by \$1.2 million. This was the first budget increase in many years. It has been instrumental in allowing NWT Tourism to identify China as a new market and to focus on a number of region-specific marketing initiatives with each of the five regions of the NWT.

As per the funding agreement with ITI, the core marketing budget for the 2014/15 marketing plan has been set at \$2,405,045. The core marketing program is broken down into three main geographic regions (North America, Europe and Asia-Pacific).



Core Marketing Program



JASON VAN BRUGEN/CTO

Wood Buffalo National Park.

North America

The North American marketing campaign will consist of a number of key activities including brand essentials, advertising and promotion, meeting and incentive travel, media promotions, trade promotions and support activities. As domestic travel makes up the largest portion of NWT visitors, Canada will be the main focus of the plan. Recognizing that the United States is a market with great potential, NWT Tourism will be looking at doing a few targeted marketing activities and a few smaller initiatives will also take place in several key locations in the United States. Being that our spending is limited in the US market, NWT Tourism considers the US to be a secondary market at this time.

Brand Essentials

Brand essentials are the key pieces that will tie the entire marketing plan together and provide the transition between the advertising of our key icons to promoting all of the NWT Tourism products. For example, a person could be attracted to the Northwest Territories via the lakes and rivers icon, but could search out paddling and fishing on the website or in our travel guide. The brand essentials will include the Explorers' Guide, the Sportsmen's Guide, the NWT Tourism website and the e-NWT newsletter. Each of these promotional tools will feature key information on all of the tourism sectors as well as highlight the various regions of the NWT.

Goal:

- To increase consumer awareness and interest in the NWT within our key markets in Canada (Ontario, British Columbia, Alberta and Saskatchewan) and the United States (California, Minnesota and Illinois) and to build on the momentum of the Spectacular NWT brand.

Objectives:

- To produce and distribute 30,000 copies of our Explorers' Guide (plus 5,000 downloads)
- To produce and distribute 10,000 copies of the NWT Sport Fishing & Hunting Guide
- To develop/maintain a vibrant and user-friendly website that resonates well with our key target markets



Core Marketing Program

- To increase website visitation by 10%
- To increase the number of subscribers to our e-NWT newsletter by 10%

NWT Explorers' Guide

The Explorers' Guide has always played a key role in the promotion of the NWT. In past years 50,000 guides have been produced and distributed through individual orders, as well as bulk shipments to a variety of visitor information centres. In recent years the number of requests for print copies of the guide has reduced significantly as more consumers are opting for the downloadable version from our website. Therefore to save on both printing and shipping costs the number of hard copies of the guide will be reduced from 50,000 copies to 30,000.

With the exception of sport hunting, the Explorers' Guide will feature key information on each of our leisure sectors including sport fishing, Aurora, outdoor adventure, touring and Aboriginal tourism. Building on the Spectacular brand, the Explorers' Guide will once again focus on stunning imagery followed by key travel information. A PDF version of the guide will also be available for download on the NWT Tourism website. To reduce costs (design, printing, fulfillment) further, NWT Tourism will be looking to reduce the number of pages in the guide. As society moves away from print and relies more on digital, NWT Tourism will need to consider the viability of doing a printed version of the Explorer's Guide each year.

Total budget \$80,000

NWT Sport Fishing & Hunting Guide

The NWT Sport Fishing & Hunting Guide will be a stand-alone piece that will feature information on the fishing and hunting opportunities that are available in the NWT. As mentioned above, information on sport fishing will be available in the Explorers' Guide, but the NWT Sport Fishing & Hunting Guide will go into far greater detail, whereas the Explorers' Guide will be more of a lure piece. The guide will include key information on the hunting and fishing sectors, maps, specific information about the various species and provide a list of operators who offer fishing packages and/or guided hunts.

Total budget \$10,000



Core Marketing Program

NWT Tourism Website (SpectacularNWT.com)

Throughout 2013 NWT Tourism has been in the process of developing a new website. The expected completion date of the new website is March 2014. The website is the main anchor of the marketing plan as it has the ability to provide key information on all of the tourism products and services in the NWT and to drive the consumer directly to the websites of our tourism operators. The spectacularnwt.com website receives over 400,000 unique visits each year. This past year there were over 50,000 jump-offs from the NWT Tourism website to our local operator websites.

After the new website is complete by the end of the 2013/14 fiscal year, the website budget for 2014/15 will be limited to hosting, maintenance and any development requirements not completed by the end of the current fiscal year. As websites can quickly become out of date, NWT Tourism is suggesting that a more extensive website development budget be set every three or four years.

Total budget \$110,000

E-News Promotions

E-marketing campaigns have proven to be an excellent form of advertising that have resulted in a significant number of enquiries and visits to our NWT Tourism website. NWT Tourism now has over 18,000 subscribers to our e-newsletter. This method of marketing is highly desirable as the results can be tracked and we have the ability to reach a large target audience at a relatively inexpensive rate. This venue also provides our industry partners the opportunity to promote the various sectors and regions within the NWT. The e-newsletter campaign will have seven editions per year with editorial features and packages to correspond with our seasonal tourism products.

Total budget \$15,000

Advertising and Promotion

Goals:

- To generate increased traffic to our Explorers' Guide, website and social media sites with the end goal of linking the consumer to the products and services of our local tourism operators



Core Marketing Program

- To create a sense of urgency to travel to the NWT and to position the NWT as an exotic place where people can have an authentic northern experience
- To dispel the myth that travel to the NWT is difficult

Objectives:

- To target an audience of over 10 million impressions through our promotional campaigns
- To increase enquiries to our Call Centre (web, e-mail, phone) by 10%
- To increase the number of unique visitors to the spectacularnwt.com website by 10% over the course of the year
- To increase the number of followers on our Twitter accounts by 10%,
- To increase the number of likes on our Facebook page by 20%
- To increase the number of cooperative marketing activities that are available to our local tourism operators
- To increase the number of jump offs from the NWT Tourism website to the websites of our local tourism operators by 10%

Integrated Marketing Campaign

The aim of the integrated marketing campaign is simply to bring a number of elements together in one campaign to deliver greater results and improve return on investment. An integrated marketing campaign aims to present a consistent message via the complementary use of various media and through all of our marketing channels (consumer, media, travel trade and MC&IT). Based on research and marketing intel from the CTC, NWT Tourism will use consumer insights to develop a strategy with the right marketing tactics (online and offline) to produce more interesting and impactful campaigns that will have a higher response rate and generate more leads.

This integrated campaign will address the tourism product mix in the Northwest Territories while delivering a strong, simple message using multiple media sources. These will include online sources such as websites (main, mobile, landing pages) social media, (Facebook, YouTube, Twitter, blogs, e-newsletters) and offline media such as print advertising, travel guides, posters, billboards and more.



Core Marketing Program



Fisherman's Wharf in Hay River.

The integrated campaign will have a central theme so the ads a consumer might see in print will be reinforced online, or in any other media encountered. The campaign theme will be developed by NWT Tourism in conjunction with the Agency of Record and will develop the brand – Spectacular Northwest Territories.

The overall intent will be firstly to make the Northwest Territories top of mind, and secondly to encourage potential visitors to be aware of the great travel products we offer in the Northwest Territories. These ad campaigns will also include information on the ease of travel to the NWT and the authentic experiences that are available. All advertising will have the SPECTACULARNWT.COM website as the prominent call to action, and where appropriate have a strong “how to get here” message.

An integrated marketing campaign allows us to go from the mass media to more specialized (niche) media, which are focused on specific target audiences. It also allows NWT Tourism to improve agency accountability. The integrated campaign will use a number of tactics including print advertising, interactive promotion including web and social media (Facebook, Twitter, Pinterest and YouTube) and other promotional tactics which range from decals on trucks to special promotions in target markets.

Overview of the Integrated Advertising Campaign

The integrated advertising strategy will focus on four main components. These include:

1. Creating a team.
2. Creating excitement in traditional media to drive traffic to our social media channels.
3. Utilizing our community and creating partnerships.
4. Giving a fulfilling call to action to reward our audience.

Develop an Infrastructure – While social media is a cost effective way to extend marketing reach it can be both time consuming and overwhelming. This past year NWT Tourism has done the majority of social media promotions in-house. As part of this process NWT Tourism has enlisted the services of Think!



Core Marketing Program

Social Media (TSM) to conduct a training seminar on social media and to provide ongoing coaching sessions in which TSM audits our social media activities and provides suggestions on how NWT Tourism can be more effective in the process. Our current agency of record manages all programming responsibilities (e.g. setting up contests) while NWT tourism is responsible for posting all content and responding to all comments that are posted on the site.

Creating Excitement – The current media plans that have been developed with CBC (*Arctic Air*) and the Globe and Mail both have unprecedented online content components. These initiatives will have a common call-to-action that will drive traffic to the NWT Tourism social media channels and the spectacularnwt.com website, with the overall goal of connecting consumers with our local tourism operators. The broad reach of these awareness initiatives in Canada's largest media properties will allow the campaign to reach the greatest number of Canadians and draw them into a more personal one-to-one conversation.

Creating a Community – ITI's involvement in social media (NWT Parks, NWT Arts, NWT Film Commission, Come Make Your Mark, etc.) needs to work in unison with NWT Tourism's social media efforts. Similarly all non-government organizations (NWTAC/LGANT) and our local tourism operators all need to be aligned. There are buy-in and partnership opportunities in every campaign that will be explored in order to maximize the size of the community that is talking about and promoting the NWT as a great place to live and visit.

Rewarding our Fans – While contests and prizes may be a part of this approach, the main approach here is to provide people who engage with our social media outlets with a rewarding experience. When they visit our website, do they easily find what they are looking for? When they enquire online do they get a timely response? When they engage in social media, do they get a person to respond to them? These activities differentiate a brand from a business.



Twin Falls Territorial Park.



Core Marketing Program

A few examples of what NWT Tourism is currently doing to implement this strategic direction include:

- Social media training at the NWT Tourism Conference and AGM
- Building on the success of the previous “My Spectacular NWT” campaign
- Yellowknife Mars infographics and photo contest
- Online poll of Globe and Mail readers to determine their travel barriers
- Ongoing website search engine optimization
- Ongoing pay per click advertising
- Ongoing social media training from TSM for NWT Tourism staff

The budget for the 2014/15 integrated campaign is \$865,000 and will be used for the following marketing activities.

General Awareness Advertising

The general awareness campaign will use print and web advertising and will focus primarily on our domestic markets. The Globe and Mail has been utilized in NWT Tourism’s marketing promotions for a number of years now and has proven highly effective particularly when it comes to increasing general destination awareness. It has also generated bookings for a number of our local tourism operators. With a national readership of over 1 million (Saturday edition) in our key target markets, our advertising campaigns have resulted in increased enquiries, website visits and bookings. A campaign of this nature allows our local tourism operators to participate in a larger scale advertising campaign and have a presence in print and on the web. The reach and tactics of the print and digital campaign will be determined by the creative strategy for the entire campaign. Specifically the digital advertising plan will aim to build a community of people interested in various types of NWT travel experiences, develop interactions between NWT Tourism operators and potential or previous visitors, provide an ongoing supply of current information about the NWT as a preferred travel destination and track responses (enquiries, website visits) and sales to determine the effectiveness of the campaign.

Total budget \$250,000



Core Marketing Program

Television Advertising

The reality programs *Ice Road Truckers* and *Ice Pilots NWT* and the CBC hit drama series *Arctic Air* have played a significant role in building awareness and increasing the number of visitors to the NWT. For the past two years NWT Tourism has been the exclusive partner sponsor for *Arctic Air* that has included two 30-second commercial spots, logo placement and official sponsor recognition during the show as well as countless mentions throughout CBC's programming schedule. This past year the commercial also aired several times during the national news and during NHL hockey games, providing us with additional exposure. NWT Tourism has recently confirmed participation in the third season of *Arctic Air* that will begin in January of 2014. While it is too early to determine if there will be an opportunity to participate in a fourth season of *Arctic Air*, NWT Tourism recognizes the value of television advertising and will be seeking out an opportunity to advertise in this medium in the 2014/15 fiscal year.



"Buffalo Joe" from Ice Pilots NWT.

Total budget \$250,000

Sector/Niche Marketing

Although our marketing is focused on an integrated advertising approach, there are times where it is appropriate to market a specific activity or sector. For example, NWT Tourism has taken out advertising in the Milepost to promote to the touring market, Canoe Routes to promote to the outdoor adventure sector, Sky News to the Aurora market and a variety of fishing publications to the sport fishing sector. NWT Tourism recognizes that the Sport Fishing sector has been in decline and therefore fishing will be top of mind when we are considering special marketing campaigns. Additional opportunities to promote specific regions and product will be discussed in the Tourism 2015 section of the marketing plan.

Total budget \$100,000



Core Marketing Program

Social Media

As social media continues to grow in popularity NWT Tourism must increase our presence in this market if we are to stay competitive. Until recently, NWT Tourism had a minimal presence in social media with several Twitter accounts, a newly established Facebook account and a number of YouTube clips. Working under the guidance of Think Social Media, NWT Tourism has seen a significant increase in our social media campaigns, with our Facebook account growing substantially in the last quarter of the 2012/13 fiscal year.

Part of the 2013 social media campaign included a three month long promotion where each week focused on a different theme that was tied directly to our key icons and sectors. Ads were developed and placed on Facebook and YouTube to enhance engagement and a “Like Gate” was developed for our Facebook page to encourage users to “like” our page in order to have access to more photos and information on the NWT. Fans submitted photos were also displayed on the “Like Gate” and promoted on the main page as a way to reward participation. The response from our fans was overwhelming and within the three months of the campaign we went from 3,000 to 20,000 fans. To date we have over 22,500 active and engaged fans. For future listening projects we plan on using programs like Radian6, which is a program that collects statistics on reach of social media advertising and to aid and establish longevity.

A major component of social media marketing is the constant updating and refreshing of material on the spectacularnwt.com website and creating innovative landing pages that will capture the attention of the consumer. These specialized landing pages would also be used as a way to track the effectiveness of our marketing campaigns. Other social media programs including blogs, Linked In, and new digital media programs/websites that no doubt will be established, will constantly be assessed to determine the fit for our marketing goals and objectives. The idea is to build communities of people interested in the Northwest Territories and its tourism and related products. All of this would enable NWT Tourism to maintain a fresh look and to remain current and relevant to our key target markets.

Total budget \$100,000



Core Marketing Program

Special Events

Special events are a great way to build general destination awareness and to increase the number of visitors to, and visitor spending in, the NWT. The events held at Northern House during the Olympics were a prime example of this, as NWT Tourism received a large number of information requests that could be directly linked to the event. Many travellers to the NWT indicated that they were inspired to travel north as a result of visiting Northern House.

NWT Tourism participated in NWT Days in Ottawa in January, which also proved to be highly successful. In December 2013, NWT Tourism participated in a special initiative in Vancouver called “Christmas at Canada Place” located in downtown Vancouver next to the cruise ship terminal. NWT Tourism estimated that over 400,000 people experienced our Aurora exhibit/event over the month of December.

NWT Tourism also has the opportunity to host other smaller scale events such as an exclusive NWT event in Vancouver, Edmonton, Toronto or Calgary. These events would put the NWT and our local operators front and centre with our key target audience. Unlike the current consumer shows NWT Tourism attends, we would have a specific list of people who attended the event and would be able to follow up with them at a later date to determine the rate of conversion.

Total budget \$100,000

Promotional Items

Promotional items such as Aurora luggage tags, NWT souvenir license plates, photography books, etc. make excellent gifts to build relationships with our key influencers and help build general awareness with our target markets. Each year NWT Tourism purchases a variety of promotional items that can be distributed at consumer shows and special events, and can be used for social media contests.

Total budget \$25,000



Sailboats on Great Slave Lake.

GEORGE FISCHER



Core Marketing Program

United States Special Promotion

This past year there has been an increase in the number of United States visitors to the NWT. Many of these visitors are coming to see the Aurora and are choosing to add additional activities such as fishing and outdoor adventure activities to their vacation experience. NWT Tourism recognizes that the United States is a market with a great deal of potential, but we also realize that we have a limited budget to attract these visitors. With the CTC not active in the USA marketplace we would be unable to come in under their marketing umbrella. Therefore we are considering partnering with a prominent airline with good connections between the United States, Calgary/Edmonton with a connection on to the NWT. This campaign would consist of an email promotion through an airlines database, supported by a contest. NWT Tourism would also support this promotion through our media FAM program.

Total budget \$40,000

Total Integrated Advertising budget \$865,000



Core Marketing Program

Consumer Show Program

The consumer show program is an excellent venue to meet face to face with potential visitors and to provide destination awareness of the NWT. Although consumer shows have become less popular with consumers over the years, certain shows such as Quartzsite RV Show have proven effective in marketing the NWT's parks and campgrounds, and adventure shows such as the Toronto and Calgary Outdoor Shows have brought a number of good results to our industry partners. These shows are particularly effective when the local operators attend and are able to sell their product directly to the consumer. The consumer show program also provides an excellent opportunity for cooperative marketing, as NWT Tourism often allocates additional booth space for NWT Tourism members at a number of the shows that we attend each year. The consumer show program is broken down into the following components, Sportsmen Shows, RV Shows and Outdoor Adventure Shows.

Consumer shows will be assessed on three key criteria: feedback from participating operators (booking, enquiries, and overall perception of show) marketing exposure at the show (sponsorship opportunities, show attendance, materials handed out at show) and actual enquiries fielded by NWT Tourism.

While it is too early to determine the exact shows that NWT Tourism will attend, the proposed shows for 2014/15 include the Sacramento and Denver Sportsmen's shows which primarily focus on fishing, the Edmonton Boat and Sportsmen's Show, the Vancouver, Calgary and Toronto Outdoor Adventure Shows and the Quartzsite and Abbotsford RV shows.

Total budget \$75,000

Business Travel

The Business Travel sector brings in a substantial amount of revenue to the NWT. Marketing efforts will focus on attracting small to midsize meetings and conferences to the NWT, and on the business traveller who is already in the NWT. This year we will also target and reach out to incentive travel buyers and position the NWT as an ideal destination for a corporate reward/incentive.



Core Marketing Program

Goal:

- To increase business travel revenues by attracting new meetings and conventions to the NWT and to encourage the business traveller who is already in the NWT to partake in some of our tourism activities

Objectives:

- To promote the NWT as a meeting and convention destination at two MC&IT specific trade shows
- To promote ease of access to the NWT and the authentic northern experiences that are available to conference delegates
- To communicate to meeting and convention planners through special e-news promotions and sales calls
- To host two MC&IT trade /media FAMs that highlight the various meeting destinations in the NWT
- To attract 5 new meetings/conventions to the NWT
- To expand our advertising promotions that are used to target the NWT business traveller

NWT Meeting and Convention Planner

The NWT Meeting Planner has proven to be an effective tool for attracting new conventions to the NWT. This planner features key information that meeting planners are looking for including meeting and accommodation facilities, transportation and other amenities. The meeting planner will focus on the main centres that can host conferences including Yellowknife, Inuvik, Hay River and Norman Wells. Additional information will be provided on a number of communities and lodges that have smaller meeting venues and unique attractions that could provide the perfect venue for smaller meetings. 1,000 meeting planners will be produced in total, and will be distributed at various Meeting and Incentive Travel Shows.

Total budget \$15,000



Core Marketing Program

NWT Incentive Travel (lure piece)

After attending a number of MC&IT shows in Canada and the United States, it has become apparent that the NWT Meeting and Convention Planner is not as effective as a tool to target the groups responsible for developing incentive travel products as it could be. Based on this new information NWT will produce a lure piece that will target the incentive travel market. This lure piece will feature the iconic experiences in the NWT and how they can be used as corporate retreats/rewards. 2,000 copies of this lure piece will be developed and distributed to key incentive houses in Canada and the USA and at MC&IT shows and during sales calls.



Great Slave Lake.

Total budget \$7,500

MC&IT Shows

As part of our strategy to attract meetings and conventions, NWT Tourism attends several meeting and convention shows each year. These include the Canadian Society of Association Executives (CSAE) conference and trade show, Tête-à-Tête, Incentive Canada and a number of MC&IT Shows in the United States. At each show, NWT Tourism and our partners (Inuvik, Yellowknife and Hay River) have attended some of these shows with us in the past) are able to generate a number of key leads and several conferences have been booked as a result.

Total budget \$30,000

FAM (Familiarization) Tours

As NWT Tourism expands our marketing efforts into the Meetings and Convention market, it is important that we offer our key trade and media partners the opportunity to experience our products. We have already been working with several incentive travel promoters who are keen to add NWT fishing, outdoor adventure and Aurora to the package offerings to their clients. We would like to expand our focus this year to include one or two FAM tours to host several meeting planners so that they can see the excellent meeting facilities and the unique add on travel experiences that are available throughout the NWT.

Total budget \$25,000



Core Marketing Program

Advertising and Promotion

As NWT Tourism hopes to attract more meetings and conferences to the NWT, it will be important to advertise in several of the key MC&IT publications such as the CSAE Buyers Directory and Ignite magazine. Other activities include utilizing web ads and an industry newsletter to target the business traveller, and attracting more meetings and conferences to the NWT. In addition to business travel to the NWT, there would be an additional potential for tourism operators to benefit through pre and post conference tours. A small portion of this budget would be allocated to some higher-end promotional items that could be used for sales calls and trade shows.

Total budget \$30,000

Project Coordination

As NWT Tourism works towards building a viable MC&IT market, it is essential that we continue to utilize the services of a dedicated sales agent who has a solid database of key meeting and conference planners and is well versed in the MC&IT market. The MC&IT sales manager will attend a number of MC&IT shows and promotional events and make sales calls to conference planners and incentive houses on behalf of NWT Tourism. The sales manager will also provide NWT Tourism with regular reports and will monitor all MC&IT marketing and sales activities to ensure we are receiving the best possible return on investment.

Total budget \$30,000

Sales Calls

As part of their role, the sales manager for MC&IT will make a number of sales calls on behalf of NWT Tourism. This will include follow-up from trade shows and providing training seminars to meeting planners and incentive houses whenever the opportunity presents itself. The main focus of the sales calls will be our primary markets in Canada (Toronto, Edmonton, Calgary and Vancouver). In order to get the best results while working within our budget the sales manager for MC&IT will arrange any sales calls that require travel to coincide with trade shows they will be attending.

Total budget \$15,000



Core Marketing Program

Convention Bureau

The work that NWT Tourism has done in the MC&IT market is starting to gain some significant momentum. The shows we have attended, along with the sales calls, have generated a number of leads from meeting and conference planners looking to host their conferences in the NWT. Opportunities are sometimes missed, as there is not a designated person in place to follow up on these leads and facilitate the process. Without a person in place to facilitate bringing together partners who can propose to the companies/organizations looking to host conferences in the NWT, providing prompt information on conference facilities/amenities and other necessary items, etc., many of these leads are resulting in conferences being held in other regions in Canada. The Department of ITI recognizes that it would be beneficial to have NWT Tourism take on this role. Initial discussion has begun between ITI and NWT Tourism to establish a convention bureau for which a new staff position at NWT Tourism would be created. NWT Tourism is interested in taking on this program, recognizing that further dialogue is needed regarding actual role, job description, terms of reference, and applicable budget that would be required. NWT Tourism sees value in this strategic direction and will be working closely with ITI to determine how this can happen.

Total budget TO BE DETERMINED

Media Promotions

Media promotions are an excellent way to increase awareness of and interest in the NWT and to acquire significant print, web, social media and television/video exposure that we would not be able to afford to purchase through our advertising dollars. Media promotions include shows and events, FAM tours and support activities.

Goals:

- To increase interest and awareness in the NWT through extensive media coverage
- To showcase our authentic northern experiences and to promote the ease of travel to the NWT



Core Marketing Program



TERRY PARKER

East Arm of Great Slave Lake.

Objectives:

- To generate over \$4 million worth of media coverage
- To meet with 25 – 30 journalists at Go Media Marketplace
- To host 6 to 8 Media FAM tours that feature the various regions of the NWT
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and n-kind support
- To acquire 500 new high resolution images that can be used in NWT promotional collateral and can also be used by the Media to promote our destination

Media Shows and Events

Go Media

Go Media is an annual international marketplace held in various locations throughout Canada. The 2014 event will be held in Winnipeg. Go Media brings together 100 or more tourism industry media representatives and a similar number of travel media from Canada, Asia Pacific, Europe and Latin America. It is an international showcase event that affords industry members an exclusive opportunity to meet with travel media who may be interested in exploring story lines and production potential.

Total budget \$6,000

Media marketplace

Similar to Go Media, Media Marketplace is an annual international marketplace that takes place in the United States. The show alternates between New York City and Los Angeles/San Francisco and attracts a significant number of key travel writers throughout the United States. The 2013/14 event will take place in San Francisco in April of 2014. Registration for the show will take place in the latter months of this fiscal year.

Total budget \$10,500



Core Marketing Program

Tourism Week

Special events such as Tourism Week play an important role in increasing awareness of NWT Tourism and the value of tourism in the territorial economy. This past year, NWT Tourism did a special tourism promotion on Facebook, where we encouraged NWT residents to share their favorite tourism places on our page. In addition, NWT Tourism hosted a special Tourism Week Golf Tournament. The event was a success and NWT Tourism plans to continue with this campaign again in the coming year. The 2014 Tourism Week Golf Tournament will take place in Hay River.

Total budget \$4,500

Media FAMS

Bringing key media to experience the NWT is an excellent way to gain valuable media exposure. This past year, NWT Tourism hosted over 30 travel writers on a number of media FAMS that have covered the various sectors and regions of the NWT. The media exposure generated from these FAMs is in excess of \$3 million, and provides an excellent return on investment. Whenever possible NWT Tourism tries to ensure that each of the regions benefits from the FAM tours that come to the NWT, but the final decision on the areas of the NWT that are visited and the stories that are written is up to the journalists that are seeking to visit. NWT Tourism will consider all media opportunities (print, web, broadcast and social media) to determine what opportunities have the potential for creating the best return on our investment. NWT Tourism closely monitors all media coverage and often chooses to work with journalists who have been here previously and have a great track record of giving excellent media exposure of the NWT. To support the USA marketing campaign, NWT Tourism will seek out one or two prominent journalists from the USA to participate in a media FAM.

Total budget \$60,000



Core Marketing Program

Resources and Support Activities

To assist travel media, NWT Tourism has created a number of resources and support systems. These include media monitoring, photography/video contracts, ongoing maintenance of an online photo/video library, and the development of collateral materials that assist us to communicate our messages to our target audiences.

Media Monitoring

Media Monitoring is done through a software company called MediaMiser. This program provides NWT Tourism with valuable competitive information about media interest, story trends, message penetration, and evaluation for travel media relations. It will allow NWT Tourism to effectively track and report media coverage. This program will help to establish solid benchmarks and will be an effective measure of our return on investment for our strategic communications activities. Reports are generated quarterly and the results from these reports are used to evaluate our performance measures.

Total budget \$15,000

Photography Contracts

Throughout the year we are often contacted by travel writers who are looking for images to support the feature articles they are writing about the NWT. While we do have a lot of great photography, some of what we have in stock is outdated. In order to keep our brand and the marketing of our key icons fresh and vibrant it is important to keep adding new photos and videos to our collection. NWT Tourism plans to purchase a number of photographs and video on an annual basis so that we can continue to have a photo/video library that is extensive and up to date.

Total budget \$20,000



Core Marketing Program

NWT Photo Website

The Online Photo/Video Library for NWT Tourism is available to members of the travel media and the travel trade who are actively promoting tourism to the Northwest Territories. The gallery contains high-resolution images of the Northwest Territories. These images are offered for the sole purpose of promoting tourism to the Northwest Territories. It is important to refresh these images on a regular basis to ensure that they are current and that our most positive images are available for this use. It is also important to update this site to ensure that it serves the audience who uses it as effectively as possible.



North Arm of Great Slave Lake.

Total budget \$10,000

Collateral Materials

Collateral material will include new product updates, an industry newsletter and member communications. Flat sheets will be developed as a hand out to the media for the various media shows and events that we attend. They will include new product updates and other interesting features about the NWT that will entice travel writers to write feature articles on the territory. The industry newsletter and other communications will be used as a way to keep our local tourism operators and other industry partners abreast of all of the opportunities they have to get involved in the marketing initiatives that NWT Tourism participates in.

Total budget \$3,000

Trade Promotions

The travel trade plays a key role in promoting NWT Tourism products, especially to overseas and niche markets. Over the past two years NWT Tourism has taken a more strategic approach to working with the travel trade and has moved from merely promoting the destination to selling the destination. This approach has included the development of flat sheets and other marketing materials to showcase our export-ready products to the Travel Trade.



Core Marketing Program

With the new tourism products that are being developed through ITI's Product Diversification Program, coupled with our NWT Tourism travel trade promotions, interest in the NWT is at an all-time high. A number of key tour wholesalers and receptive tour operators are now carrying NWT Tourism products as part of their tariffs. Unfortunately, many of our local tourism operators are not operating at the level required to do business in the international marketplace. To help move things forward, NWT Tourism has been working in partnership with ITI to develop and deliver an Export Ready program that teaches our local tourism operators how to meet the criteria for working with the travel trade (net pricing, contracts, marketing materials and prompt response times to all enquiries).

In our efforts to maintain the integrity of the travel trade program, it is essential that NWT Tourism only promote those operators that are export-ready. Therefore, NWT Tourism will work in close partnership with ITI's regional tourism staff to ensure that each operator who would like to be involved in the travel trade program meets all of the criteria before we promote them at trade shows and on sales calls or include them in our travel trade FAM tour program. For the last several years NWT Tourism has worked in close partnership with ITI to provide export-ready training to our NWT Tourism operators. This has resulted in an increase in the number of tourism operators who participate in the Travel Trade Program. It is our intent to continue to work in partnership with ITI to provide ongoing export-ready education and training.

Goal:

- To increase the number of NWT export-ready products that are being promoted and sold by the travel trade

Objectives:

- To meet with 70 – 80 tour operators/wholesalers at Rendez-vous Canada and showcase our export-ready products
- To host two Trade FAMs for key wholesalers/receptive tour operators
- To increase participation (and support) of our Trade FAM program by our local tourism operators through market-ready training and in-kind support



Core Marketing Program

- To expand/enhance our Travel Trade promotional collateral (Tour Planner, operator flat sheets, trade website, sample itineraries and special trade website)
- To establish a database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To increase the number of NWT Tourism operators who are involved in the Travel Trade program
- To promote all export-ready packages to the travel trade

Trade Shows

Rendez-vous Canada (RVC) is Canada's premier annual international tourism industry marketplace. The primary objectives of this trade show are to ensure that international buyers have the opportunity to meet with export-ready suppliers of Canadian tourism products and services and to increase awareness in international target markets that Canada is a first-class travel destination.

Business is conducted between Canada's internationally competitive tourism industry sellers, in cooperation with Destination Marketing Organizations (DMOs) and international Buyers (foreign tour operators, wholesalers and packagers). Participation in the event is by invitation only. Typically NWT Tourism meets between 70 and 80 buyers during the event. RVC 2013 will take place in Ottawa.

Total budget \$18,000

Special Trade Promotion

With additional funds for an expanded marketing budget, NWT Tourism will be able to attract the attention of the travel trade through a special hospitality night that would occur on the "free night" during Rendez-vous Canada (RVC). NWT Tourism would invite a select group of key tour operators from North America and our key overseas markets. The hospitality night would provide NWT Tourism and our local market-ready tourism operators with an opportunity to showcase



Core Marketing Program

our products and to forge some solid working relationships with the travel trade. In all likelihood, this would result in more tour operators actively selling NWT tourism products. Other travel destinations and hotel associations have hosted hospitality nights in the past and have found it to be very successful.

Total budget \$14,000

Trade FAMs

Trade FAMs are an excellent way for NWT Tourism to showcase export-ready products to the travel trade and to enable our local tour operators to sell their products in the international wholesale marketplace. While NWT Tourism will make the effort to send FAM tours to each of the regions of the NWT, all NWT trade FAMs will only include local tourism operators with export-ready products. Therefore, Trade FAMs will concentrate more on regions that have operators that meet the required criteria. NWT Tourism is also looking to host FAM tours for smaller receptive tour operators who focus more on niche products so that we can also introduce them to our export-ready products that would be of interest to their clients.

Total budget \$20,000

Resources/Support Activities

Resources and support activities play an important role in assisting the travel trade to carry NWT market-ready products. This includes promotional resources like product information flat sheets, tour planners, new product updates and sample itineraries. All of these collateral pieces help to keep the NWT top of mind with the Travel Trade. Building off the success of the Product Diversification Program, NWT Tourism and our dedicated sales team will use these innovative tools to showcase all of our export-ready products. NWT Tourism will also provide cooperative marketing opportunities such as feature package flat sheet brochures that can be used at various travel trade events and functions.

Resource and support activities will also include cooperative marketing support for our key travel trade accounts. For a number of years, NWT Tourism has been providing cooperative support activities to a number of our overseas tour



Core Marketing Program

operators, particularly in the German-speaking market. Initially this consisted of providing funding support to the tour operators to carry NWT product in their guidebook/tariff. After analyzing the situation, we felt that it was not the best return on investment as the tour operator had little invested and most lacked the motivation to sell the NWT. For example, many tour operators in Germany carried NWT product, most of which NWT paid to place into their brochures. We saw few sales generated from this program. Learning from this, NWT Tourism has moved away from this format, and instead we are only providing funding for cooperative marketing initiatives where the tour operator is making a substantial investment in the marketing of the NWT product. This has proven to be highly effective and we are now seeing a noticeable rise in trade bookings. NWT Tourism will also utilize a travel trade specific e-newsletter and higher end promotional items for our key travel trade accounts. Approximately \$22,000 has been set aside for cooperative marketing initiatives with the travel trade.

Total budget \$52,000

Project Coordination

As the majority of our local operators offer niche products, it is important that they work closely with the travel trade to help generate sales of their product. To help facilitate this, a dedicated North American sales agent has been set in place. The sales manager attends a number of trade shows and events on our behalf and makes numerous sales calls to tour operators and travel agencies in key locations in Canada (Toronto, Vancouver and Calgary) and in the United States. By working with the receptive tour companies such as Jonview, Entrée Canada and Discovery Holidays, NWT product is now being picked up by several of the key receptive tour operators that are located in North America. As most overseas tour operators buy through a receptive operator, it is important that our sales agent ensures that the receptive tour companies are carrying NWT export-ready products. The sales manager will also provide NWT Tourism with regular reports and will monitor all travel trade marketing and sales activities to ensure we are receiving the best possible return on investment.

Total budget \$30,000



Core Marketing Program



Snowshoeing in Deline.

Sales calls

As part of their role the Sales Manager for North America (Trade Programs) will make a number of sales calls on behalf of NWT Tourism. This will include follow up from trade shows and providing training seminars to tour wholesalers, receptive tour operators and travel agents whenever the opportunity presents itself. The main focus of the sales calls will be our primary markets in Canada (Toronto, Edmonton, Calgary and Vancouver).

Total budget \$10,000

Project Coordination

Goals:

- To assess the effectiveness of our marketing campaigns to ensure that they are helping to achieve the overall goals of the marketing plan and are meeting the needs of our industry partners

Objectives:

- To develop a list of performance measures
- To set a baseline/target for all performance measures
- To review all performance measures at the end of each quarter and report findings to TMAC and ITI
- To increase the number of NWT Tourism members by 10%

**NWT membership numbers will be used as an indicator as to whether local industry operators are seeing value in the programs we provide and are benefiting from our marketing efforts*

Agency of Record

In an effort to coordinate advertising campaigns, NWT Tourism requires the services of an agency of record. The agency of record (AOR) plays a vital role in the selection of ad purchases and helps to significantly reduce the cost of ad placements through strategic negotiations with various media representatives. Along with the media buys, the AOR coordinates the development of campaigns and the production of all ad materials to ensure a consistent image and message. This budget covers items such as status meetings and other projects that do not fit within a specific category such as research potential media buys.

Total budget \$40,000



Core Marketing Program

Research

Working in conjunction with ITI, NWT Tourism will undertake a series of performance measurement projects that will analyze the effectiveness of our advertising campaigns and will help determine the future direction of NWT Tourism promotions. As there has been a significant shift in our Call Centre enquiries from phone to web based, NWT Tourism is looking at repurposing our annual conversion study to capture key statistical data. A web based conversion study would allow us more flexibility in the questions we ask and the ability to collect key research data over an extended period of time.

With an expanded marketing budget, it is also important that these new marketing initiatives are evaluated to ensure they are achieving the desired results. While NWT Tourism will be able to set up a number of measures such as enquiries, website visits, tour operator bookings and media coverage, it will be important to utilize more formal research to determine the success of our marketing initiatives. Working in partnership with the research department at ITI, a number of research activities would be set in place that would help us achieve this goal. Some of the key research activities we would like to accomplish this year include social media research and segmentation profiles and branding fishing.

Total budget \$82,000

Partnership Travel

Throughout the year, NWT Tourism participates in several meetings related to the overall tourism agenda, but that does not necessarily tie into one particular marketing initiative. This would include things such as the Deh Cho Travel Connection spring and fall meetings, the CTC Advisory Committee working group, ITI initiatives and meetings with our local tourism operators that occur from time to time.

Total budget \$12,545



Core Marketing Program

Summary of North America Budget

Brand Essentials	2012/13	2013/14	2014/15
Explorers' Guide	\$ 125,000	\$ 120,000	\$ 80,000
NWT Sportsmen's Guide	\$ 10,000	\$ 10,000	\$ 10,000
NWT Tourism Website	\$ 100,000	\$ 300,000	\$ 110,000
E-News Promotions	\$ 15,000	\$ 15,000	\$ 15,000
	\$ 250,000	\$ 445,000	\$ 215,000
Advertising and Promotion			
Integrated Marketing Campaign	\$ 450,000	\$ 605,000	\$ 865,000
Consumer Show Program	\$ 75,000	\$ 75,000	\$ 75,000
	\$ 525,000	\$ 680,000	\$ 940,000
Business Travel			
NWT Tourism Meeting Planner	\$ 15,000	\$ 15,000	\$ 15,000
Incentive Lure Piece	\$ 0	\$ 0	\$ 7,500
MC&IT Shows	\$ 25,000	\$ 25,000	\$ 30,000
FAM Tours	\$ 25,000	\$ 20,000	\$ 25,000
Advertising and Promotions	\$ 12,500	\$ 62,500	\$ 30,000
Project Coordination	\$ 30,000	\$ 30,000	\$ 30,000
Sales Calls	\$ 10,000	\$ 15,000	\$ 15,000
	\$ 117,500	\$ 167,500	\$ 152,500
Media Promotions			
Media Shows	\$ 12,000	\$ 14,000	\$ 16,500
Tourism Week	\$ 6,000	\$ 4,500	\$ 4,500
Media FAMs	\$ 40,000	\$ 60,000	\$ 60,000
Media Monitoring	\$ 15,000	\$ 15,000	\$ 15,000
Photography Contracts	\$ 5,000	\$ 23,500	\$ 20,000
NWT Photo Website	\$ 7,000	\$ 9,000	\$ 10,000



Core Marketing Program

Media Promotions (continued)	2012/13	2013/14	2014/15
Collateral (Flat Sheets, Newsletter/Communications)	\$ 3,000	\$ 3,000	\$ 3,000
	\$ 88,000	\$ 129,000	\$ 129,000
Trade Promotions			
Trade Shows (Rendezvous Canada)	\$ 20,000	\$ 18,000	\$ 18,000
Trade Show – Sponsorships	\$ 0	\$ 15,000	\$ 14,000
Trade FAMs	\$ 13,000	\$ 20,000	\$ 20,000
Resource/Support Activities	\$ 22,000	\$ 52,000	\$ 48,000
*Market Ready Training (AGM)	\$ 0	\$ 0	\$ 40,000
Project Coordination	\$ 30,000	\$ 30,000	\$ 30,000
Sales Calls	\$ 10,000	\$ 10,000	\$ 10,000
	\$ 95,000	\$ 145,000	\$ 180,000
Project Coordination			
**Support Activities	\$ 80,000	\$ 40,000	\$ 40,000
Research	\$ 32,000	\$ 82,000	\$ 82,000
Partnership Travel	\$ 12,545	\$ 12,545	\$ 12,545
	\$ 124,545	\$ 134,545	\$ 134,545
Total North America	\$1,200,545	\$ 1,701,545	\$ 1,750,545

* Market ready training for our AGM typically came from CanNor funding. Our three-year CanNor funding agreement sunsets at the end of the 2013/14 fiscal year. While we have been asked to submit another multi-year funding proposal to CanNor, we anticipate that there will be a lapse in funding for one year.

** Support fees have been significantly reduced, as this budget will only cover activities that do not fit into a particular marketing project such as status meetings and the graphic design of our annual marketing plan. All other projects will be allocated to each individual marketing initiative.



Core Marketing Program



Little Doctor Lake.

Europe

The European marketing campaign will focus primarily on Germany, with some focus on Switzerland, based on current relationships with the Swiss travel trade. Marketing efforts in the United Kingdom and France will be limited to meetings with several tour operators at RVC and perhaps a few smaller projects based on the fit between the trade and our market-ready operators.

Promotions in Germany will include advertising, sales calls and the expansion of the German-language website spectacularnwt.de.

Advertising and Promotion

Goal:

- To increase consumer awareness and enquiries in our German-speaking markets and to create a sense of urgency to travel to the NWT for an authentic northern experience

Objectives:

- To generate enquiries to our NWT info line that is located in Germany
- To increase the number of unique visitors to the spectacularnwt.de website by 25% over the course of the year
- To target an audience of over 2.5 million impressions through our promotional campaigns
- To increase the number of cooperative marketing activities that are available to our local tourism operators

The advertising budget for Germany/Switzerland is \$109,000. With these funds we have been able to undertake a number of key advertising activities. These have included developing a basic German-language website, a lure brochure, placing a few smaller print and web ads, developing a social media site on Facebook and supporting several German tour operators in cooperative marketing initiatives.



Core Marketing Program

NWT Tourism is extremely pleased with our return on investment to date, especially with the cooperative marketing campaigns. This past year the German-language website received over 30,000 unique visits, our German Facebook page has over 15,000 followers and our key travel trade accounts and airline partners have reported significant increases in bookings. While some of these reports are anecdotal, some of our key trade accounts do share their bookings with our German General Sales Agent (GSA) who then includes these in our quarterly reports. With the increased marketing budget we are now able to undertake a number of key initiatives that will help to grow the market further.

Media buys for the upcoming year will include print, web and social media ads, as well as a number of cooperative marketing initiatives with the travel trade. Success will be measured by the number of visits to our website, the number of tour wholesalers that feature NWT market-ready product and the number of packages sold. With the establishment of the RV turn-around station in Yellowknife and Air North's new route between Whitehorse and Yellowknife, several of the cooperative marketing initiatives with the travel trade will focus on promotions that include the flight and/or the RV rental.

Print Advertising

Print advertising will focus on niche publications that have a dedicated readership of avid Canadian travellers. NWT Tourism has had advertising in Kanada, Kanada 360 and Amerika Journal for the past two years and has received a significant number of enquiries. As a result we plan to continue advertising in these publications. Our GSA has done an excellent job in negotiating additional editorial content as part of our advertising buy, adding further value to our investment in this market.

Web/Social Media Advertising

Web advertising will primarily consist of Facebook ads and the ongoing maintenance of our German-language website. The primary focus of the web/social media campaign will be the touring and outdoor adventure sectors.



Core Marketing Program

Cooperative Advertising (Travel Trade)

As the majority of Germans who take trips book through a tour wholesaler or travel agent (over 80%) NWT Tourism will establish a number of cooperative marketing initiatives with our key trade accounts. Activities will include print, web and social media campaigns that have performed well in the past, as well as innovative campaigns that show potential to bring in new bookings to the NWT. NWT Tourism will also provide cooperative marketing support to initiatives that promote the Fraserway RV rentals as well as the flights between Whitehorse and Yellowknife once it has been established.

Consumer shows continue to be a great way to promote the NWT to the German marketplace, particularly the fly-drive market. Several of the key tour wholesalers provide opportunities for DMOs to participate with them at these shows. NWT has been taking advantage of this opportunity and has seen a significant increase in enquiries. As a result, we plan to continue to be active in the consumer show circuit.

All marketing proposals we receive will be reviewed by our GSA to ensure a suitable fit and all tour wholesalers will be required to provide detailed reports to NWT Tourism so that we can assess our ROI. Germany will be the primary focus of our marketing efforts, but NWT Tourism will also work with key accounts in Switzerland, Austria and the Netherlands. Approximately \$50,000 will be allocated to trade cooperatives. \$30,000 will be spent on consumer advertising and the remainder will be used for website and other online campaigns.

Current budget \$109,000

Trade Promotions

Trade promotions will consist of Trade Shows and Trade FAMs.

Goal:

- To increase the number of NWT market-ready products that are promoted and sold by the travel trade



Core Marketing Program

Objectives:

- To meet with 25 – 30 tour operators at ITB and Rendezvous Canada and promote the NWT as a world-class tourism destination
- To host one Trade FAM for key wholesalers/receptive tour operators
- To increase participation (and support) for our Trade FAM program by our local tourism operators through market-ready training and in-kind support
- To increase the database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To promote all market-ready packages to the travel trade that are appropriate for the German/Swiss market

Trade Shows

Each year we attend the travel show ITB, a five-day event held each spring in Berlin, Germany. With over 10,000 exhibitors taking part in the event, ITB is the largest trade show in the world. ITB is open to both the travel trade and the general public. ITB receives over 160,000 visitors each year, with over 95,000 of these from the travel trade.

As is the case with all of the other trade shows, members of the Travel Trade can book an appointment with any of the exhibitors. With the flexible format, the general public can access the information as they would at any consumer show. On average NWT Tourism meets with 20 – 30 tour operators at this event.

Total budget \$17,000

Trade FAMS

NWT Tourism will host one Trade FAM from the German speaking market. As mentioned in the North American section of the marketing plan this year, the focus will be on the receptive tour operators that sell to German and Swiss tour wholesalers. NWT Tourism will work with our tourism operators who have market-ready products to determine which of them are interested in working with the travel trade for Germany.

Total budget \$10,000



Core Marketing Program

Media Promotions

Media promotions will consist of Media FAMs, press releases and attendance at several CTC media meetings and events. Press releases and meetings will fall under the project coordination sales budget.

Goal:

- To generate over \$250,000 worth of media coverage within our key European geographic markets

Objectives:

- To host one media FAM from German-speaking Europe
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and in-kind support
- To write a minimum of six press releases on new activities/products that are being developed in the NWT
- To attend a minimum of two CTC meetings/ promotions to stay up to date on media trends in German-speaking Europe

Media FAMs

Media FAMs will feature touring and outdoor adventure. NWT Tourism will work closely with Denkzauber and the CTC to determine which media will be chosen for these FAMs. Preference will be given to media that match our geographic and demographic markets, and whenever possible they will be encouraged to experience several products when they are in our regions. NWT Tourism also considers past media FAMs and will be looking to send FAMs to regions that have not received a FAM from Germany in the past few years.

Total budget \$20,000



Core Marketing Program

Sales and Project Coordination

Goal:

- To coordinate innovative marketing programs that meet the needs of our key German-speaking trade accounts and our local tourism operators

Objectives:

- To work closely with our key trade and media partners to establish partnership opportunities with NWT Tourism
- To maintain a close working relationship with the CTC office in Germany
- To provide a quarterly report that outlines key insights into the German-speaking market and to report on all current and upcoming marketing activities



Tsiigehtchic ferry.

As previously mentioned, NWT Tourism has contracted Denkzauber to coordinate our German marketing campaign. This contract includes project coordination, the ongoing development of the NWT German-language website, development and placement of all promotional ads and attendance at a number of consumer shows and promotional events on behalf of NWT Tourism.

Denkzauber will work closely with German tour wholesalers to ensure that NWT is top of mind and that they are aware of any new market-ready products as they are developed. Denkzauber will also ensure that NWT Tourism is provided with monthly activity reports to assess our ROI in the German market. With the increased marketing budget Denkzauber will be required to take on additional work to carry out the many new projects that NWT Tourism plans to carry out in this market.

Total budget \$70,000



Core Marketing Program

Summary of European Budget

	2012/13		2013/14		2014/15
<i>Advertising and Promotion</i>	\$	50,000	\$	134,000	\$ 109,000
<i>Trade Shows</i>	\$	16,000	\$	17,000	\$ 17,000
<i>Trade FAMs</i>	\$	15,000	\$	10,000	\$ 10,000
<i>Media FAMs</i>	\$	10,000	\$	20,000	\$ 20,000
<i>Project Coordination/ Support Activities</i>	\$	60,000	\$	70,000	\$ 70,000
Total European	\$	151,000	\$	251,000	\$ 226,000



Core Marketing Program

Asia-Pacific

The Asia-Pacific marketing campaign will consist of two main campaigns. The first is the “General/Main” campaign that will primarily focus on the Japanese market, and the second, “New Market Stimulus” campaign, will solely focus on China. Both campaigns will include a number of key activities including advertising and promotion, trade shows, trade and media FAMs, with only the main campaign also including project coordination/sales. Japan will be the primary focus of the general Asia Pacific marketing campaign, with a few smaller projects taking place with South Korea. With our increase in funding, China has also become a priority and a number of key advertising campaigns will take place in this market. Promotions with Australia and India will be limited to meetings with several tour operators at Showcase and RVC and perhaps a few smaller projects based on the fit between the trade and our market-ready operators.

Advertising and Promotion

Goal:

- To increase the interest and bookings in Japan and our other Asia-Pacific markets

Objectives:

- To generate enquiries to our NWT info line that has been set up in Japan
- To increase the number of visitors to the [spectacularnwt.jp](#) website
- To increase the followers on our Chinese social media site (Weibo)
- To target an audience of over three million impressions through our promotional campaigns
- To increase our current Aurora market, look for ways to expand our promotions to include other products and destinations within the NWT, and to increase the length of stay of our visitors
- To increase the number of cooperative marketing activities that are available to our local tourism operators



Core Marketing Program

Marketing Campaign (JAPAN)

For the past several years, NWT Tourism has participated in a number of smaller advertising campaigns in the Japanese market. These have included promotional events, development of an Aurora newsletter, cooperative marketing initiatives and special events.

There are two main marketing activities that NWT Tourism will participate in. These include the Team Canada trade promotion and the Aurora Kingdom website promotion. Both initiatives are led by the CTC and include other DMO partners from across Canada. The Team Canada program is a partnership between the CTC, NWT, BC, Alberta, Ontario, P.E.I. and the Yukon. Each of the partners contributes to a joint marketing fund that is used towards trade cooperatives, consumer show promotions and sales calls. The program has been running for two years now and is proving to be very successful. Our trade partners in Japan are pleased with the cooperation amongst the various Canadian DMOs, and the number of Japanese visitors to Canada (particularly the NWT) has seen a significant increase.

The Aurora Kingdom project is a partnership between the CTC, NWT Tourism, the Yukon and Travel Alberta. This web based project focuses on positioning Canada as the best place in the world to see the Aurora and features various Aurora packages that can be purchased through the travel trade. Over 75% of the packages on the site are for the NWT. The Aurora Kingdom promotion is set to continue for two more years.

Because Solar Max passed its peak last fall, there is concern we could experience a decline in the Japanese market in the next few years. To offset this, NWT Tourism (in partnership with the CTC) will be looking for opportunities to send the message to the Japanese market that the Aurora in the NWT will continue to be spectacular even after the Aurora max cycle has peaked. Other promotional activities include web and social media advertising, maintenance of our Japanese-language website and sales calls.

Total budget \$80,000



Core Marketing Program

Marketing Campaign (CHINA)

There continues to be significant growth in the number of Chinese visitors to Canada. With our increased budget in 2013/14, NWT Tourism was able to actively market in China for the first time. As NWT Tourism is new to the Chinese market, we have been working closely with the CTC China office on all of our advertising campaigns. Advertising and promotion has and will continue to consist of three main activities including a CTC cooperative advertising campaign, a web/social media campaign and cooperative marketing initiatives with several key trade accounts.

The CTC advertising campaign is a consumer and trade campaign that will consist of a variety of print and web advertisements. Currently BC, Alberta, Ontario and Quebec are participating in the CTC campaigns. The campaign will build off the recent success of the “Canada You Can Be a Star” reality TV campaign that was featured on China’s Travel Channel. The campaign first launched two years ago and gained significant media exposure (television and social media) as thousands of couples across China competed to win five trips to Canada. By investing into the program, NWT Tourism has been able to leverage additional marketing dollars and gain awareness in a market we would otherwise have had difficulty getting noticed in.

NWT Tourism will also work closely with the CTC for all web and social media activities that we undertake in China. Social media is a valuable marketing tool in China as millions of Chinese are active users of social media. Based on recommendations made by the CTC, NWT Tourism has enlisted the services of Dragontrail to carry out our social media and website promotions. Dragontrail currently provides these services to a number of other tourism destinations across Canada and have proved to provide a good ROI.

NWT Tourism will partner with a few of the Chinese tour wholesalers that are looking to carry NWT product. The primary focus will be to partner with receptive tour operators who operate out of the Canadian market, such as TPI and Silk-Way Travel, who operate out of Vancouver.



Western Arctic.

Total budget \$100,000



Core Marketing Program

Trade Promotions

Trade promotions will consist of Trade Shows, Trade FAMs and sales calls. The budget for sales calls will fall under the project coordination budget as this activity has minimal costs, other than the actual person hours of our Japan marketing representatives.

Goal:

- To increase the number of NWT market-ready packages that are promoted and sold by the travel trade

Objectives:

- To meet with over 140 Asia-Pacific tour operators at Showcase Canada, CITAP and Rendezvous Canada and promote the NWT as a world-class tourism destination
- To host two to three Trade FAMs for key wholesalers/receptive tour operators
- To increase participation (and support) for our Trade FAM program by our local tourism operators through market-ready training and in-kind support
- To establish a database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To promote all applicable market-ready packages to the travel trade

Trade Shows

NWT Tourism will attend two Asia-Pacific trade shows. These include Showcase Canada and CITAP. Approximately 20 – 30 tour operators from Japan, Korea, and China also attend Rendez-vous Canada, and NWT Tourism will have an opportunity to meet with some of these tour companies at this time.



Core Marketing Program

Showcase Canada

Showcase Canada is an annual week-long event organized by the CTC, where Canadian sellers meet with Japanese, Korean, Chinese and Indian buyers. NWT Tourism's presence helps establish credibility for the NWT and its tourism operators and generates awareness about the Aurora and our other exceptional tourism products. Throughout the course of this event, NWT Tourism is able to meet with over 125 tour wholesalers and travel agents and showcase NWT market-ready products. Although Aurora viewing was the primary focus for many of the Japanese tour operators, we found that there was an increasing interest in other products including hiking, World Heritage Sites (Wood Buffalo/Nahanni) fishing, outdoor activities and the tundra. The location for Showcase Canada 2013 is China, and the location for 2014 has not been determined yet.

The CTC is in the process of reviewing the structure of Showcase Canada. Depending on the country that the show is held in, participation for the non-hosting countries is beginning to decrease. Therefore, the CTC is looking into the possibility of changing the show format so that it will take place in a couple of countries over the course two weeks and the Canadian sellers would travel to each of the countries to participate in the trade show and make sales calls.

Total budget \$15,000

CITAP

Each December, the city of Vancouver hosts the Canadian Inbound Tourism Asia-Pacific (CITAP) trade show. CITAP provides the perfect opportunity for DMOs to meet with a variety of receptive tour operators who are selling on behalf of the Japanese, Korean, Chinese and Australian markets. CTC representatives provide updates on each of these markets and some insight into new marketing initiatives that are underway. During this time a number of sales calls are made to various Asian travel agencies including JTB, H.I.S. and Maple Fun Tours.

Total budget \$3,500

Japan/Korea Trade FAMs

NWT Tourism will host one to two trade FAMs from the Asia-Pacific market. Based on the feedback given to us by our local Aurora operators the main focus



Core Marketing Program

for the Trade FAMs will be Japan, but may also include Korea. This year the focus will be on attracting key trade partners (i.e. JAL and the tour operators who package with them) who can support our effort to increase air lift into the NWT.

Total budget \$20,000

China trade FAM

NWT Tourism will host one FAM from the Chinese market. As this will be our first time hosting a group from the Chinese market, we will be looking to partner with the CTC China office to bring a small group (4 or 5) from China to experience NWT product.

Total budget \$20,000

Media Promotions

Media promotions will consist of Media FAMs, press releases and attendance at several CTC media meetings and events. Press releases and meetings will fall under the project coordination sales budget.

Goal:

- To generate over \$500,000 worth of media coverage within our key Asia-Pacific geographic markets

Objectives:

- To host two media FAMs from Asia-Pacific (one each from Japan and China)
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and in-kind support
- To write a minimum of six press releases on new activities/products that are being developed in the NWT
- To attend a minimum of two CTC meetings/promotions to stay up to date on media trends in the Japan market



Core Marketing Program

Media FAMs

Japan/Korea

NWT Tourism will host one FAM for the Asia-Pacific media. The main focus will be on Japan and feature Aurora and introduce other key iconic products such as the Nahanni. NWT Tourism has been in discussions with a Japanese videographer who specialized in 3D video. He was in Yellowknife this past winter and has shot 3D footage of the Aurora. He is looking to return in the summer/fall to shoot additional footage. NWT Tourism is looking to support his efforts so that we can attain the rights to the video for special promotional exhibits on the NWT.

Total budget \$20,000

China

This past summer NWT Tourism hosted a video crew from China as part of the CTC “Canada You Can Be a Star Campaign.” The FAM resulted in broadcast coverage that has been shown on the Travel Channel in China. The FAM has been instrumental in building awareness in the Chinese market. This year NWT would be looking at a media FAM, but on a slightly smaller scale as this promotion has run its course. The focus will be on travel writers for magazines that are targeted towards the larger travel trade companies in China.

Total budget \$20,000



Celebrating Aboriginal Day.

Sales and Project Coordination

Goal:

- To coordinate innovative marketing programs that meet the needs of our key Japanese trade accounts and our local tourism operators

Objectives:

- To work closely with our key trade and media partners and to establish partnership opportunities with NWT Tourism
- To maintain a close working relationship with the CTC office in Tokyo
- To provide a regular monthly report that outlines key insights into the Japanese market and to report on all current and upcoming marketing activities



Core Marketing Program

For the past two years NWT Tourism has enlisted the services of Mile Post Consultants as our Japan market representatives. This contract ended on December 31, 2013 and NWT Tourism will have a new GSA contract in place for 14/15. The GSA will be responsible for coordinating advertising campaigns, managing enquiries and making sales calls to our key travel trade accounts. They will also provide NWT Tourism with quarterly reports on their marketing activities so that we can assess our ROI in the Japanese market.

Total budget \$50,000

Summary of Asia Pacific Budget

Main Campaign <i>(*primary focus in Japan)</i>	2012/13	2013/14	2014/15
Advertising and Promotion	\$ 60,000	\$ 100,000	\$ 80,000
Trade Shows	\$ 18,500	\$ 18,500	\$ 18,500
Trade FAMs	\$ 15,000	\$ 20,000	\$ 20,000
Media FAMs	\$ 10,000	\$ 15,000	\$ 20,000
Project Coordination/Support Activities	\$ 50,000	\$ 60,000	\$ 50,000
	\$ 153,500	\$ 213,500	\$ 188,500
New Market Stimulus (*China)			
Advertising and Promotion	\$ 0	\$ 100,000	\$ 100,000
Trade FAMs	\$ 0	\$ 10,000	\$ 20,000
Media FAMs	\$ 0	\$ 30,000	\$ 20,000
	\$ 0	\$ 140,000	\$ 140,000
Total Asia Pacific	\$ 153,500	\$ 353,500	\$ 328,500



Call Centre

The call centre plays one of the most important roles in the NWT Tourism marketing campaign. It is the front line that manages all of the information requests and tracks the relative success of our marketing initiatives. As per the funding agreement with ITI, the call centre budget has been set at \$100,000.

The call centre program is broken down into the following components: Mail Delivery, Service Supplies, Telephone and Upgrades and Maintenance of our Customer Relationship Management (CRM) software and our fulfillment website.

Mail Delivery

Fulfillment plays one of the most important roles in the NWT marketing campaign. Following each of our extensive marketing campaigns, the fulfillment department is busy completing the information requests for consumers. NWT advertising is heaviest in the fourth quarter of each fiscal year and fulfillment is extremely busy between the months of January and March.

Mail Delivery Contract

For the past three years, NWT Tourism has enlisted the services of a fulfillment house in the greater Vancouver area to process individual mail requests. As our guides are printed in the south, this has decreased our shipping and mailing costs, and guides are delivered much more quickly to our consumers. NWT Tourism receives a monthly shipping report that breaks down the status of each shipment and an inventory of guides that remain on hand. To streamline the process even further, NWT Tourism will utilize the services of our GSAs to coordinate the shipping related to their sales calls follow-up. Our GSA in Germany will also coordinate any consumer related fulfillment requests from Europe.

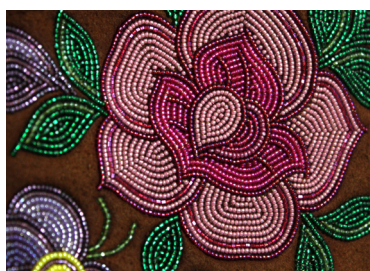
Total budget \$25,000

Bulk Shipping

In late 2008-2009, NWT Tourism established a new shipping point for bulk orders of NWT Tourism guides. The printing company responsible for printing our Explorers' Guide will store and ship bulk orders. These bulk orders are large quantities of boxes and pallets of NWT Tourism guides that previously would have been shipped to Yellowknife at great expense and then shipped out from the NWT Tourism office at an additional expense once a request had been



Call Centre



Traditional Arts and Crafts.

made for the guides. The cost savings in paying a monthly storage fee for the warehouse and shipping within southern Canada has benefitted NWT Tourism through large shipping cost savings, as well as a decreased need for storage space, decreased NWT Tourism staff time and the increased speed at which guides reach their destination.

Total budget \$20,000

Postage Fees & Supplies

Each year NWT Tourism ships 20,000 pieces of mail, the majority of which are travel guides. NWT Tourism has an account with the fulfillment house to cover the Canada Post costs of individual mailings. As there is a significant shift from print to web, the cost of shipping has been reduced over previous years.

Total budget \$31,000

Telephone

The toll-free line brings in approximately 2,000 calls annually that are directly related to tourism in the Northwest Territories. In the months when travellers are starting to plan their vacations, September-March, the enquirer talks to a tourism counselor for an average of 2.5 minutes. During this period, most enquirers request NWT tourism literature/guides and do not yet know much about our NWT tourism product. Closer to the camping/RV season, April-July, callers are more informed prior to calling and have more numerous and detailed questions. As a result, the average call time increases to 5.5 minutes. The majority of calls during this period consists mainly of questions requiring the tour counselors' time and do not result in the mailing of tourism guides.

Total budget \$14,000

Upgrades and Maintenance to CRM and Fulfillment Website

Upgrades to the system include ongoing service to our CRM software (Maximizer) and to our toll free phone system, and additional developments to our fulfillment database that tracks enquiries.

Total budget \$10,000



Call Centre

Summary of Call Centre Budget

	2012/13	2013/14	2014/15
Mail Delivery Contract	\$ 25,000	\$ 25,000	\$ 25,000
Bulk Shipping	\$ 20,000	\$ 20,000	\$ 20,000
Postage Fees	\$ 40,000	\$ 40,000	\$ 31,000
Telephone	\$ 5,000	\$ 10,000	\$ 14,000
Upgrades to System	\$ 5,000	\$ 5,000	\$ 10,000
Total Call Centre	\$ 100,000	\$ 100,000	\$ 100,000



Drummers and Dancers, Western Arctic.



Tourism 2015 - Marketing Program

As part of the Tourism 2015 Marketing Strategy, the GNWT Department of Industry Tourism and Investment has set aside an annual budget of \$400,000 that is to be used for additional marketing initiatives. For the 2014/15 fiscal year three main priorities have been identified. These include regional marketing, special marketing initiatives and local marketing. This program sunsets in 2015/16.

Regional Marketing Initiatives

Regional marketing is an important part of NWT Tourism's marketing campaigns. From the Globe and Mail to *Arctic Air* and from social media to our trade and media programs, NWT Tourism is constantly looking for ways to involve and promote the regions. Under the regional marketing initiatives program, a budget of \$50,000 has been set aside for each region to participate in a number of advertising initiatives of their choice. These funds will provide an opportunity to each region to highlight the key attractions of their area and to promote their regions through general awareness and niche marketing activities that are a match to their region yet would not necessarily be a fit for the rest of the NWT.

The NWT Tourism Marketing Director will work closely with each of the Regional Tourism Development Officers to ensure that the advertising campaigns that are chosen are aligned with NWT Tourism's marketing strategies and our Spectacular brand. Each region will need to develop a marketing plan for these funds and receive approval from NWT Tourism before proceeding with any of these activities. They will also be required to report back on the success of the activities so that NWT Tourism and the regions can assess the ROI of each marketing project.

Total budget \$250,000

Special Marketing Initiatives

ITI will maintain a special fund for marketing that may arise throughout the year. This could cover such things as special events, promotional displays and one time marketing opportunities that we were not aware of at the time of preparing the marketing plan. As opportunities arise, ITI will consult with NWT Tourism on potential projects. In the 2013/14 marketing plan, the special marketing initiatives



Tourism 2015 - Marketing Program

have been used for the Christmas at Canada Place promotion, a double page spread in the Globe and Mail's feature on Canada's North, a Deline trade FAM and the Aurora Capital of the World promotion.

Total budget \$130,000

Local Marketing Initiatives

NWT Tourism also recognizes the importance of the NWT as a viable market for our local tourism operators. Local marketing could include newspaper, radio and social media advertising that would encourage travel between regions. A campaign can target any community in the NWT that is seen as having the potential to attract visitors.

Total budget \$20,000

Summary of Tourism 2015 budget

	2012/13	2013/14	2014/15
Regional Marketing	\$ 0	\$ 250,000	\$ 250,000
Special Marketing Initiatives	\$ 0	\$ 130,000	\$ 130,000
Local Marketing Initiatives	\$ 0	\$ 20,000	\$ 20,000
	\$ 0	\$ 400,000	\$ 400,000



Performance Measures

In order to assess if NWT Tourism has achieved the goals and objectives that have been set out in the marketing plan, a series of performance measures have been established. All performance measures will be assessed at the end of each quarter, and a written report will be submitted to ITI, TMAC and the NWT Tourism Board of Directors.

The following chart outlines the list of performance measures that have been outlined in the 2013/14 and 2014/15 marketing plans.

* The 2013/14 actual numbers are based on the information gathered to the end of the second quarter (September) and the final numbers will be inserted into the marketing plan at the end of the fiscal year (March 31, 2014)

North America

Brand Essentials	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To Distribute 35,000 copies of the Explorers Guide	34,955	35,000	30,000
• To Distribute 10,000 copies of the Sportsmen's Guide	6,416	10,000	10,000
• To increase number page views on our website	672,462	800,000	880,000
• To Increase the number of subscribers to our E-NWT newsletter	18,319	18,000	19,800
Advertising and Promotion			
• To generate 15 million impressions through our advertising campaigns	10.3 M	15 M	15 M
• To increase the number of enquiries to our call centre by 10%	1,833	2,500	2,750



Performance Measures

Advertising and Promotion (continued)	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To increase the number of unique visitors to our website by 15%	217,303	198,000	218,000
• To increase the number of jump-offs from our website to the websites of our local tourism operators by 10%	49,042	67,500	74,250
• To increase the number of followers on our Twitter account by 10%	5,996	7,500	8,250
• To increase the number of fans on our Facebook page by 20%	19,418	20,000	25,000
Business Travel			
• To promote the NWT at 3 MC&IT shows	5	3	3
• To expand the data base of meeting and incentive planners	152	70	250
• To communicate to meeting and convention planners through e-news promotions	0	2	2
• To make sales calls to our key MC&IT accounts	20	30	30
• To host 2 MC&IT FAM tours	2	2	2
Media Promotions			
• To generate over \$2 million worth of media coverage	\$1.4 M	\$2 M	\$8 M
• To meet 35 journalists at Go Media Marketplace and Media Marketplace	41	30	35



Performance Measures



PAUL VECSEI

Fishing for Lake Trout.

Media Promotions (continued)	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To host 10 – 15 media FAMs	9	15	15
• To acquire 500 new high resolution images/video for future promotion	1,510 ph 5 videos	1,000 ph 5 videos	1,000 ph 5 videos
Trade Promotions			
• To meet with 70 – 80 tour operators/tour wholesalers and receptive tour operators at RVC	80	80	80
• TO host two trade FAMs	4	2	2
• To expand the data base of our key travel trade accounts	177	200	200
• To send our new product updates, sample itineraries, etc. to the travel trade	2	2	2
• To make sales calls to our key trade accounts	47	30	30
• To promote all market-ready packages to the travel trade	Done	All pkgs	All pkgs
Project Coordination			
• To set a baseline/target goal for all performance measures	Done	Done	Ongoing
• To review quarterly and report findings to ITI and TMAC	Quarterly	Quarterly	Quarterly
• To Increase the number of NWT Tourism members by 5%	186	182	185



Performance Measures

Project Coordination (continued)	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To leverage \$500,000 through traditional and non-traditional partners	\$ 500,000	\$ 500,000	\$ 500,000
• To increase the revenue that is generated through our cooperative advertising program	\$ 79,250	\$ 82,000	\$ 85,000
• To leverage multi-year funding through CanNor and other key partners	\$ 485,000	CanNor	In Talks
• To establish 3 non-traditional partnerships	1	3	3

Europe

Advertising and Promotion			
• To generate enquiries to our NWT info line that is set up in Germany	508	300	300
• To increase the number of visitors to our German website by 10%	37,332	12,000	35,000
• To increase the number of fans on our Facebook page by 10%	14,543	15,000	17,000
• To target an audience of 5 million impressions through print campaigns our campaigns	28 M	2 M	5 M



Performance Measures

Trade Promotions	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To meet with 25 – 30 tour operators at our key trade shows (ITB and RVC)	74	35	35
• To host 1 trade FAM	1	1	1
• To establish/increase the database of our key travel trade accounts	33	45	150
• To communicate to the travel trade through e-news promotions	2	2	2
• To make sales calls to our key trade accounts in Germany and Switzerland	10	15	15
• To promote all suitable market ready packages to the travel trade	Done	All	Done
Media Promotions			
• To host 1 media FAM	2	1	1
• To generate \$1 million in media coverage	\$ 250,000	\$ 1M	\$ 1M
• To write 6 press releases on new products/activities that are of interest to the German market	10	6	6
• To attend 2 CTC meetings to stay current on marketing activities and ongoing trends	5	2	2



Performance Measures

Asia-Pacific (Main Marketing Campaign)

Advertising and Promotion	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To increase the number of enquiries to our NWT info line in Japan	78	150	150
• To increase the number of unique visitors to our Japanese-language website	5,691	10,000	5,000
• To target an audience of 2 million impressions through our marketing campaigns	1.5 M	2 M	2 M
Trade Promotions			
• To meet with 50 tour operators at our key trade shows (RVC and Showcase)	155	50	50
• To expand our data base of our key trade accounts	349	50	50
• To communicate new product updates to the travel trade through a special newsletter promotion	3	2	2
• To make sales calls to our key trade accounts	22	10	25
• To promote all suitable market ready packages to travel trade	Done	All	All



Float plane.

GEORGE FISCHER



Performance Measures

Media Promotions	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• To host one media FAM	7	1	2
• To generate \$1 million in media coverage	\$ 250,000	\$ 1M	\$ 1M
• To write 4 press releases to help build awareness of the NWT	3	4	4
• To attend 2 CTC meetings so as to stay current on marketing activities and ongoing trends	2	2	2

Asia- Pacific (China)

Advertising and Promotion

• To establish a baseline for the number of unique visitors on our Chinese language website	N/A	N/A	N/A
• To establish a data base for the number of followers on our social media account (Weibo)	N/A	N/A	N/A
• To target an audience of 2 million impressions through our marketing campaigns	N/A	200,000	N/A

Trade Promotions

• To meet with 80 tour operators at our key trade shows (RVC and Showcase)	N/A	80	80
• To establish a database of our key trade accounts	N/A	N/A	



Performance Measures

Media Promotions	2012/13 Actuals	2013/14 Goal	2014/15 Goal
• <i>To host one media FAM</i>	N/A	1	1
• <i>To generate over \$3 million in media coverage</i>	N/A	\$2M	\$3M

Appendix A - Geographic Markets



Fort Simpson Visitor Centre.

The following are brief outlines of the NWT's primary, emerging and long-term markets. These outlines include the research data used to select these markets. All research was obtained from studies and reports prepared by the Canadian Tourism Commission.

North America Canada

Population: 33.4 million

GDP: 1.84 trillion USD – Ranked 13th largest economy in the world

Primary Market

Product Match

Nature and culture remain the top vacation interests of Canadian travellers, although they do seek out local / unique experiences. Interestingly, Canadians are significantly more likely to seek out city activities than they have in the past, and the nature they seek is desired to come with a large city nearby.

Popular niche products include winter activities, Aboriginal culture, water-based journeys, land-based journeys and resorts in natural settings. This makes the NWT a great product match with canoeing, rafting and kayaking adventures, dogsledding and Aurora viewing, and the proximity of nature to the city of Yellowknife, among other things.

An increasing number of travellers are seeking authenticity, personal journeys and life stories. Active outdoor activities and sampling local culture/lifestyles are also gaining in popularity among Canadians.

Demographic Match

30% of Canadian travellers are aged 55 plus. Those who specifically find northern Canada appealing tend to be older, with over 60% of travellers aged 45 plus. Visitors to the North are more likely to be affluent men, which is thought to be a reflection on the outdoor adventure tourism product available.



Appendix A - Geographic Markets

Travel Trends and the Economy

Canadians took 229 million trips within Canada in 2010 and domestic travel accounted for just over 80% of total visitor spending, up from 67% in 2000. With the exposure from Canada's Northern House at the 2010 Olympics in Vancouver and recent hit television series (*Ice Road Truckers*, *Ice Pilots NWT* and *Arctic Air*) there is an increased interest in the North.

Costs and Accessibility

The biggest potential barrier to future travel is affordability, with close to half of respondents fearing they may not be able to afford a trip, while 20% mentioned the economy as a possible limitation. These fears may actually help the domestic tourism industry, as Canadians may opt for destinations close to home rather than pricier international trips.

Airfare and package prices continue to be seen as more expensive than in other countries. Flights are available from many points of origin in Canada, with routing primarily through Edmonton and Calgary, to Yellowknife and beyond. Airfares vary between \$550 return (from Edmonton) up to \$1,700 return (from major centres on Canada's East Coast).

When Canadians think about vacation destinations, their thoughts tend to turn to other experiences they enjoy, such as historical and cultural attractions, sampling local flavours, experiencing a country's unique character.

Perceptions, Product Interests

Canadians have high opinions of their country, awarding it 1st place for Friendly, Beautiful, Informal, Liberal and Confident.



Appendix A - Geographic Markets

United States

Population: 316.7 million

GDP: 15.68 trillion USD – Ranked largest economy in the world

Primary Market

Product Match

US travellers seek nature, culture, and unique / local experiences on international trips. They also value urban experiences with an emphasis on entertainment and cultural activities. Canada captures 1st place in five categories associated with nature and winter activities. Most notably, Canada is strongly associated with beautiful scenery, the #1 tourism experience of US travellers. Canada is also linked with cities close to nature and national parks. These motivations directly tie into the Northwest Territories' Northern Realities icon, including things like the midnight sun, bush planes, ice roads and -40 degree Celsius temperatures.

Demographic Match

Canada tends to draw a relatively homogeneous market – 55+ years, well educated, retired, and from high-income households. Future visitors are slightly more diversified, but the challenge for Canada is to broaden the destination's appeal beyond traditional markets.

Visitation Statistics

US leisure travel represents Canada's largest inbound travel market, accounting for 62% of all overnight inbound travellers in 2011. US leisure travel to Canada slipped 2.9% in 2011 to 9,713,500 overnight trips. US leisure overnight travellers injected \$4.6 billion in Canada's tourism economy.

The US was hard hit by the economic downturn and has been slow to recover. Economic conditions are slowly beginning to stabilize with GDP growth of 2.2% in 2012 and forecasted growth of 3.1% by Q3 of 2013. Unemployment is also expected to fall. The US is the second largest travel market globally with expenditures of \$79 billion in 2011. Outbound travel from the US has been on a



Appendix A - Geographic Markets

downward trend since the economic crisis began, declining an average of 2% per year (down from 64 million trips in 2007 to 58.7 in 2011). Modest increases are expected in 2013 as overall economic conditions improve.

Travel Trends and the Economy

The top barrier to visiting Canada was that other destinations hold more appeal and a further 18% just do not feel compelled to visit. As past visitation to Canada is high, results suggest Canada may be experiencing destination fatigue. Perceived high prices in Canada are also a barrier, with more than a quarter of respondents citing expense, especially gasoline, which 20% of respondents mentioned. This is a critical factor as a large percentage of trips north are by vehicle.

Costs and Accessibility

More than a quarter of respondents also find Canada too expensive. Related to this barrier are high gas prices that were referenced by about one-in-five US travellers. This is a critical factor as a large percentage of trips north are by vehicle, some of which require large refills, e.g., RVs.

Perceptions, Product Interests

US travellers see Canada as friendly and liberal. Canada finished 3rd for “Beautiful,” “Informal,” and “Energetic.” Given Canada’s relatively strong association with these traits suggests they can be leveraged successfully in future marketing efforts. Americans continue to perceive Canada as a beautiful country and an ideal setting to relax or get away from it all. It is seen as an outdoor lover’s paradise with wilderness adventures for travellers who are bold enough to explore it. US travellers have a strong interest in experiencing nature and culture, while maintaining an affinity for city life.



Alexandra Falls.



Appendix A - Geographic Markets

Mexico

Population: 118.4 million

GDP: 1.59 trillion USD – Ranked 11th largest economy in the world

Secondary Market

Product Match

Mexicans clearly enjoy a good mix of experiences, with nature (e.g., scenery, national parks, wildlife, nature close to cities) culture (e.g., seeing historical/cultural attractions, local flavours, local lifestyles) and cities (e.g. museums/galleries, sightseeing/shopping, cities close to nature) all among the top activities. Self-touring, culinary pursuits and city activities such as events and entertainment are all of moderate appeal for Mexican travellers at this point. However, the Mexican travel industry reports that interest in food and wine-related experiences is starting to heat up, as is the popularity of event-based trips, particularly sports events and music festivals in the US.

One significant shift is for land-based journeys, which is seeing a distinctive growth trend. While this is consistent with the soaring interest in adventure travel and outdoor pursuits that is emerging across many of the markets, the other outdoor activities have yet to see the same trend in Mexico. Mexican travellers have very high product interest levels, being keen to try their hand at all manner of activities on their long-haul travels.

Visitation Statistics

Following the introduction of visa requirement for Mexicans travelling to Canada in July 2009, overnight visitation to Canada contracted by 48% over the first year, after which overnight visits from Mexico increased by 6% in the subsequent period between August 2010 and July 2011, and by a further 13% over the following 12 months to July 2012. In 2011, Mexicans made 124,300 overnight trips to Canada, which accounted for \$176 million in tourism receipts, a 12% year-over-year increase.



Appendix A - Geographic Markets

The introduction of visa requirements for Mexican visitors in the summer of 2009 led to an almost immediate plunge in arrivals to Canada. Not surprisingly, awareness also dropped that year (from 35% to 30%) rallying briefly in 2010 (likely because of the Olympic Games) before falling to a low of 29% in 2011.

Travel Trends and the Economy

Results for the market outlook indicator (percentage difference between “will travel more” and “will travel less” in the next 3 years vs. the last 3 years) are fairly optimistic, with this measure tracking steadily upward from a low of +29 in 2009 to +34 in 2011. However, this figure still falls short of the baseline value (+37) pointing to some lingering trepidation in the long-haul marketplace.

Despite Canada's third place finish behind India and China, the positive results indicate that Canada is ahead of the curve in Mexico in terms of being perceived as having quality travel products and experiences. “Uniqueness” and “Desirability” both sit at a robust 73%, with the downswing for Uniqueness finally changing direction and Desirability managing to recover some lost ground.

Costs and Accessibility

The foremost roadblocks for Mexican travellers to Canada are competition from other destinations and cost. Flights are available from Mexico City to Toronto with connections to Edmonton and Yellowknife. A round trip air ticket from Mexico City to Yellowknife is listed on the Internet at \$1,500. Mexican airlines typically connect in Los Angeles and Calgary or Edmonton, which sets the travel time at approximately 13-14 hours.

In mid-2009, Canada introduced visa requirements for Mexican travellers, leading to an abrupt increase for entry issues as a travel barrier the following year. This remains a strong deterrent in 2011, with the rating of 74% ranking it third in the list (up from 7th in 2009 and 13th in 2008). It is also telling that only 10% of those who do not plan to take a long-haul trip in the next two years (i.e., to any long-haul destination) gave passport/visa requirements as a reason. Taken together, these results show the deleterious impact that the tougher entry requirements have had on intentions to visit Canada. Anything Canada can do to streamline visa processing would help to show Mexican visitors that they are still welcome here.



Appendix A - Geographic Markets

Perceptions, Product Interests

While this points to scenery, nature and the great outdoors as Canada's aces in the Mexican market, an alarming trend is emerging, with Canada down significantly on all four of these products in 2011. Fortunately, Canada has managed to maintain its competitive ranking to date, although if current trends continue, it will soon lose out to the US on national parks and to Brazil on water-based journeys.

Asia Pacific

Japan

Population: 126.7 million

GDP: 5.15 trillion USD – ranked 3rd largest economy in the world

Primary Market

Product Match

The Aurora and related tourism products continue to be a strong draw for Japanese tourists.

Historical/cultural attractions and beautiful scenery continue to fight it out for the number one spot, appealing to almost three-quarters of travellers and emphasizing the importance of both culture and nature products in the Japanese market. With a strong showing for national parks in fourth place, nature products may have a slight edge, especially when combined with a city experience. On the culture front, many travellers seem reluctant to explore it in any depth, with related motivations such as experiencing local lifestyles and Aboriginal culture being of considerably less importance than historical/cultural attractions.

Demographic Match

Japan and Germany are the oldest markets, with over a third of travellers who are over the age of 54. However, the trend in 2010 was that increasingly more young travellers are visiting Canada- 42% under the age of 35. Female travellers



Appendix A - Geographic Markets

continue to outnumber Japanese male visitors. The majority of travellers to the North have university or college education and very few have children living in their household.

Visitation Statistics

In 2010, there were 16.6 million departures – 7% below 2000 levels. In addition to external factors such as 3/11 Tohoku Earthquake/ Tsunami and the global economic downturn, lifestyle changes are shifting the priorities of today's Japanese consumers, who are more inclined to purchase goods such as fashions, mobile phones and home entertainment than to spend on travel. The GTW market outlook indicator (percentage difference between “will travel more” and “will travel less” in the next 3 years vs. the last 3 years) had been inching upward from its recession driven plummet in 2008, to sit at +6 in 2010.

Travel Trends and the Economy

The Tohoku disaster obviously had a massive impact on all areas of society early in the year of 2011, with the country currently engaged in rebuilding efforts. In addition, the economy remains a major challenge for Japan as it labours to climb out of a second quake-induced recession, while facing a slowing global economy, rising public debt, a record high yen and sluggish consumer demand. However, new policies introduced by the current Prime Minister, Shinzo Abe, are showing signs of stimulating economic growth, which bodes well for international travel from Japan.

Japan's economy continues to struggle, and as in many markets, travellers are becoming increasingly value conscious. If Canada wants to stay in the game, it needs to up the ante and aggressively market and deliver travel options that offer real value to the Japanese traveller. While Canada's value proposition leaves something to be desired on all four attributes, “Desirability” and “Quality” are the most critical areas to focus on.

Costs and Accessibility

Flights from Tokyo start at \$1,300 return with a stop in Vancouver en route to Yellowknife. The seasonal direct flights from Vancouver to Yellowknife greatly

Appendix A - Geographic Markets



JASON VAN BRUGEN/CTC

Paddling class 5 rapids near Fort Smith.

decrease the travel time between Japan and Yellowknife. Outside of the winter season, travellers fly to Vancouver before connecting via Calgary or Edmonton. As of winter 2012 Air Canada cancelled this direct flight, which has had a significant impact of the amount of air access into the NWT.

In addition to brand image and destination value, cost plays a major role when it comes to destination decision-making. All four of the individual price components that make up the index have been bearing downward during this period. A major contributing factor is Canada's strong currency. While the Yen has soared over the past few years, the Loonie has also been appreciating. The net result is that although the Yen has strengthened against the Canadian dollar, the gains against other currencies have been much greater.

Perceptions

The top five destinations in terms of awareness among Japanese travellers have remained unchanged since the start of the GTW study. The US continues to be the clear market leader, largely the result of a strong showing by "Hawaii." Australia is a distant second, with only about half the number of mentions as the US. Both destinations suffered significant drops in 2009 as the economy faltered, but have since stabilized. However, Australia's commanding lead over Italy has diminished to just 6 ppt this year.

The Japanese describe Canada as open, warm, and authentic.

South Korea

Population: 50.2 million

GDP: 1.29 trillion USD – ranked 15th largest economy in the world

Secondary Market

Product Match

South Koreans like Canada for its beautiful rivers and waterfalls, majestic mountains, opportunities to trek in nature, and to visit friends and relatives.



Appendix A - Geographic Markets

They are interested in our Aurora and winter products. Their interest in majestic mountains also fit with products such as the Mackenzie Mountains in the Sahtu area, as well as flightseeing in Nahanni National Park Reserve.

South Korea represents a significant outbound travel market with 14.1 million trips recorded in 2011. The market peaked at 14.9 million trips in 2007 before contracting as a result of the global economic downturn. The travel market started to recover in 2010 and South Korea is on track to exceed 14.9 million outbound trips in 2012.

Demographic Match

Canada currently draws a relatively homogenous market – the majority of visitors are middle-aged, well educated, and from high-income households or are students. Visiting friends and relatives (VFR) is a primary draw for both past and potential visitors to Canada.

Visitation Statistics

The South Korean travel market began to recover from the effects of the global economic crisis in 2010, with the long-haul market expanding substantially in 2011. Overall outbound trips are predicted to top 14.9 million in 2012, which exceeds the previous record set in 2007. Visitation to Canada has been on the decline since 2006 and estimates for 2013 show further erosion despite an expanding long-haul market and pent-up demand for travel. Australia and New Zealand have faced similar challenges in the South Korean market, as changing travel preferences appear to favour European destinations. While some encouraging signs are evident in travel indicators in 2012, the GTW results continue to show Canada is facing numerous challenges in this market.

Travel Trends and the Economy

The popularity of the US is predicted to continue as the destination that tops the list for all aided and unaided destination awareness and consideration measures. The success the US is enjoying in the South Korean market is



Appendix A - Geographic Markets

partially attributable to the relaxation of visa requirements in 2008, a large Korean population that drives VFR (visiting friends and relatives) traffic, and good air access. Given the dominance of the US in this market (1.1 million South Korean arrivals versus 140,000 for Canada in 2011) there is considerable potential for Canada to draw more South Korean travellers with dual country itineraries.

Travel agents play a key role in the South Korean market, with three-quarters of respondents consulting an agent about their most recent long-haul trip. More than half booked a trip through a travel agent, with a further 22% booking independently after seeking an agent's advice. Given the importance of the travel trade in the South Korean market, it is recommended that the Canadian tourism industry continue to educate agents on the merits of a Canadian vacation.

Cost and Accessibility

While the expense of a Canadian vacation was the most-cited barrier that could prevent a trip to Canada – South Korea is identified as a price sensitive market – travellers seem prepared to pay for a quality experience as evidenced by Switzerland's strong performance on numerous value metrics. Itineraries emphasizing unique experiences relevant to South Koreans may boost visitation.

Perceptions

To attract more South Korean travellers, Canada must more effectively leverage its assets and tailor offerings to visitors' preferences. Seeing beautiful scenery remains the #1 product interest of South Korean travellers, for which Canada receives top billing. Other top-ranking activities relate to historical / cultural, culinary, and urban experiences, as well as opportunities to experience a country's uniqueness / authenticity. None of these experiences are strongly associated with Canada at this time. While Canada does offer these types of experiences, the perception is that it does not measure up relative to other countries in the competitive set. Focusing on product strengths is key to changing perceptions.



Appendix A - Geographic Markets

Australia

Population: 23.2 million

GDP: 1.54 Trillion USD – Ranked 12th largest economy in the world

Secondary Market

Product Match

Outdoor / nature, cultural experiences and city activities are important to Australian travellers. Canada has numerous strengths to leverage in this market – notably a 1st place ranking for beautiful scenery and positive results for nature close to cities, national parks, and wildlife viewing. While not a top experience sought, there seems to be a growing interest in multi-day guided tours by bus or train, which the Canadian tourism industry can capitalize on.

Demographic Match

Recent visitors to Canada are a relatively homogeneous group – close to half are 55+, with a quarter being retired. They are more likely to have been on a fully escorted tour and are more likely to have used a travel agent to book the trip. Having friends and relatives in Canada is a big draw both for recent visitors and those considering Canada, which the tourism industry is encouraged to leverage.

Visitation Statistics

The Australian travel market has been somewhat insulated from the global economic crisis which began in 2008. Australia's high commodity prices and solid financial management has kept the global economic crisis at arm's length and caused the Australian dollar to appreciate against the US dollar in recent years. Canada has seen considerable growth out of the Australian market in recent years. Despite predictions of slower economic growth in 2013, the number of Australians coming to Canada is expected to grow modestly, solidifying Australia as an important market for Canada.



Coppermine River.



Appendix A - Geographic Markets

Travel Trends and the Economy

Australians are relatively optimistic about their ability to take long-haul trips in the next 2-3 years, with 40% saying they will travel more than they have in the recent past and 46% saying they anticipate travelling about the same amount.

Canada has seen considerable growth out of the Australian market in recent years, attracting 216,000 visitors in 2011. In 2012 a record 235,000 Australians are expected to visit Canada. Modest growth (5%) is forecast for 2013.

Cost and Accessibility

Tied to the concern about affordability possibly limiting future long-haul travel, the top barrier for visiting Canada by a wide margin was the perception that a Canadian trip was cost prohibitive. This suggests the destination must do more to convince Australian travellers of the value of a Canadian vacation.

The 2nd most cited barrier preventing a trip to Canada was a preference for other destinations. This, combined with a low awareness of vacation opportunities in Canada (6th overall) suggests communicating relevancy is also important to overcome the idea that other destinations can better deliver the experiences Australians are seeking.

Perceptions, Product Interests

Australians strongly associate Canada with being beautiful and friendly, two key brand personality traits to capitalize on. Further, Canada earned 1st ratings for inspiring geography, a destination worth paying a bit more for (quality) and unique features not offered by other destinations (uniqueness). These results not only suggest Canada has a very good reputation among Australian travellers, but also identify messages to incorporate into future marketing campaigns.



Appendix A - Geographic Markets

China

Population: 1.4 billion

GDP: 8.23 trillion USD – Ranked 2nd largest economy in the world

Secondary Market

Chinese travellers' product interests centre on scenic beauty, nature experiences close to cities, cultural and urban activities, and unique and local experiences. Canada performs fairly well on scenery and nature aspects, but lags behind Australia. Canada is rated poorly on cultural activities and unique and local experiences, identifying perceptions the destination needs to change.

Product Match

"Seeing beautiful scenery" is the top-rated product interest Chinese travellers are also interested in nature activities close to cities. Other top experiences relate to cultural and urban activities and unique and local activities. Viewing the Aurora Borealis is also a huge draw to this market, which is an excellent match for the NWT.

Demographic Match

Chinese visitors to Canada are mainly in the middle and older age groups and primarily come from the higher income groups. However, the greatest potential is the 18-34 age group, that is currently least likely to visit. The challenge for the tourism industry is converting the younger population's interest into actual visitation.

Travel Trends and the Economy

Thanks to robust economic growth, rising incomes, and relaxation of travel restrictions, the Chinese travel market has expanded exponentially in recent years. While economic conditions were somewhat uncertain in 2012 due to inflationary concerns and slowing GDP growth, forecasts call for continuing growth that bodes well for outbound tourism. While growth prospects are strong, the greatest challenge for Canada is competing against established and emerging destinations for the lucrative Chinese market.



Appendix A - Geographic Markets

In 2012, all respondents were asked what factors they could foresee curtailing future long-haul travel. The top factors that could curtail travel are safety concerns (42%) and lack of time to travel (41%). Two other reasons related to safety (international conflicts / war and health risks) emerged in the top 5 barriers, suggesting Chinese travellers have many hesitations about international travel. Canada may gain some traction in this market by emphasizing the relative safety a Canadian vacation offers.

Cost and Accessibility

Cost is the top perceived barrier to visiting. Marketing efforts should highlight the value of a Canadian vacation (rather than price) and experiences unique to the destination. Fear of poor weather and difficulty in acquiring visas are also barriers. For the former, this may be an awareness issue that can be addressed through advertising and education of travel agents, and encouraging visitation during the summer.

Perceptions, Product Interests

In terms of personality perceptions, Canada's top result was a 3rd place finish for "Friendly," behind Australia and New Zealand. Canada achieved 4th place finishes for "Beautiful," "Liberal," and "Intriguing" behind a combination of Australia, the US, New Zealand and France. With a 3rd place finish as the highest rating, there are many opportunities to strengthen brand perceptions of Canada in Chinese travellers' eyes.

India

Population: 1.2 billion

GDP: 1.83 trillion USD – Ranked 10th largest economy in the world

Long Term Market

Product Match

The top motivators for long-haul travel were to see beautiful, unspoiled nature, to visit family and friends, to enjoy the destination's entertainment, nightlife, shopping and city activities, to experience an interesting culture and affordability.



Appendix A - Geographic Markets

Demographic Match

The age composition of Indian travellers has fluctuated over the past decade with no clear trends. For 2011, over two thirds of visitors were over age 35 and only a small proportion was youth under 18 years (6%).

Visitation Statistics

Outbound long-haul travel from India to destinations beyond Southeast Asia and the Middle East dipped slightly in 2009 but recovered quickly. Similarly, travel to Canada slowed in 2009 but promptly returned with a 25% increase in 2010. Canada performed well through 2011 with an 8% increase in overnight arrivals from India. The CTC estimates a 5% increase in both 2012 and 2013, to 138,000 and 146,000 overnight arrivals respectively.

Travel Trends and the Economy

Travel to Canada to visit friends and family has driven most of the growth in arrivals over the past decade, increasing from 13,000 trips annually in 2002 to 70,000 trips in 2011.

Costs and Accessibility

Affordability remains a challenge for Canada, especially given the depreciation of the rupee. Indian travellers also acknowledge that they don't know much about Canada and admit there are other places they would rather visit. While travellers have strong perceptions of Canada's natural beauty, they look to other destinations for important attributes such as entertainment and cultural experiences. Perceptions of Canada's visa requirements also pose as a potential barrier for some travellers.

Perceptions, Product Interests

Ontario is the most popular destination, followed by British Columbia.

Appendix A - Geographic Markets



Acho Dene Native Crafts store in Fort Liard.

Europe Germany

Population: 80.4 million

GDP: 3.4 trillion USD – Ranked 4th largest economy in the world

Primary Market

Product Match

The primary reasons for Germans to travel to Canada are National Parks, beautiful scenery and observing wildlife in their natural habitats. These interests make German tourists a good match with tourism products such as Nahanni National Park Reserve, Wood Buffalo National Park and to a lesser degree Tuktut Nogait Park (due to the increased challenge of accessibility). Road touring on the Deh Cho and Dempster routes is also popular with these groups who represent a large proportion of campground permits issued. Also, Aboriginal culture is a large draw for travellers from Germany.

Demographic Match

Over 40% of recent travellers to Canada have close friends or relatives here, suggesting VFR travel is an important market. Unlike other GTW markets that see a predominance of older visitors, German visitors to Canada tend to be middle aged. They are likely to be married, employed with higher than average incomes and have children under 18-years of age in the household. These demographics should be considered when designing marketing collateral for the German market.

Visitation Statistics

Of the 85 million trips Germans made in 2011, 10% of this travel is classified as long-haul. Canada is the fourth highest recipient of this travel at 290,000 visits, slightly more than Brazil at 242,000 visits. The US (1.8 million visits) China (637,000) and Thailand (600,000) take the first three spots. From a marketing and economies of scale perspective, capturing or sharing some of the German market destined for the US has considerable potential for Canada to boost visitation.



Appendix A - Geographic Markets

Travel Trends and the Economy

On an unaided basis for destinations under consideration for long-haul trips in the next 2 years, Canada ranks 2nd behind the US and just ahead of Australia. On the aided measure, Canada takes top spot, up from 3rd last year. Canada is marginally ahead of the US and Australia.

Important to note is that travel agents play a role with trip-planners in this market and they end up booking close to half of all trips. This is a substantial percentage and illustrates the importance of this channel in the German market. Ongoing efforts to educate and engage travel agents are warranted.

Costs and Accessibility

In 2012, all respondents were asked what factors they could foresee curtailing future long-haul travel. Results show that just over one-third of Germans fear “personal reasons” such as illness and family commitments could limit future travel, followed closely by fears of international conflicts. Related to this are safety concerns (#4) and health risks (#6). Economic concerns are also prevalent, with one-third saying they may not be able to afford to travel and 23% mentioning the poor economy as a possible impediment. Canada may gain some traction in this market by emphasizing the relative safety and peacefulness a Canadian vacation offers.

There is no direct flight access to Yellowknife from Germany. Stopover connections from German cities are possible via various Canadian gateways (Vancouver, Calgary, Toronto or Montréal). Flights from major cities in Germany to Yellowknife cost on average \$2,400 CAD currently. Germany also has direct flights to Whitehorse, Yukon, where travellers can depart on their driving adventure on the Dempster Highway or fly to Inuvik. In the summer of 2013 an RV turn-around station was established in Yellowknife as a pilot project to attract one-way rentals in and out of Yellowknife. Already well received, if the project is successful it could potentially lead to a full service RV rental station in Yellowknife.

Perceptions

In terms of personality trait association, Canada’s top results were a 1st place finish for “Liberal” and a 2nd place rating for “Confident” (behind the US).



Appendix A - Geographic Markets

Canada finds itself in 3rd place for “Beautiful,” “Friendly,” “Informal,” “Authentic” and “Intriguing” behind Australia and New Zealand in these categories. Given Canada’s relatively strong association with these traits suggests they can be leveraged successfully in future marketing campaigns.

Nature and culture are the top vacation interests of German travellers. “Seeing beautiful scenery,” is the number one interest and several cultural interests appear in the top-10 choices. Canada is strongly associated with scenic beauty, with a considerable lead on 2nd place New Zealand. Further, German travellers appear to appreciate experiences unique to the destination.

Switzerland

Population: 8.01 million

GDP: 632 billion USD

Primary Market

Spending on foreign travel: 15.6 billion Swiss Francs / USD 15 b
(out of country travel worldwide)

Number out of country trips: 14 million
(71% leisure; 16% business; 13% miscellaneous)

Within Europe: 9.86 million

Average duration per trip: 6.5 days

Outside Europe: 1.32 million

Average duration per trip: 15.4 days

Daily average spending: 185 USD (on out of country travel per person)

Product Match

The primary reasons for the Swiss to travel to Canada are National Parks, beautiful scenery and observing wildlife in their natural habitats. These interests make Swiss tourists a good match with tourism products such as Nahanni National Park Reserve, Wood Buffalo National Park and to a lesser degree Tuktut Nogait Park (due to the increased challenge of accessibility). Road touring on the Deh Cho and Dempster routes is also popular with these groups who represent a large proportion of campground permits issued. Also, Aboriginal culture is a large draw for travellers from Switzerland.



Appendix A - Geographic Markets

Demographic Match

The average age of the Swiss population is increasing. There is a growing cohort of well-to-do senior citizens with plenty of time to spend on high-end travel.

Visitation Statistics

In 2011, Swiss travellers made over 105,425 overnight trips to Canada for leisure and business travel, an increase of 6% over 2010.

The leading overseas destinations in 2009 were:

- United States 350,000 (>2)
- Egypt 145,000 (>2)
- Thailand 113,000 (<3)
- Canada 107,000 (>1)
- Brazil 100,000 (<>)

Travel Trends and the Economy

The Swiss economy is classified as one of the world's strongest economies. In 2010, Switzerland was ranked 19th with its GDP in a worldwide comparison, regarding the GDP per capita it is ranked 4th. The Swiss unemployment rate is under 3%, which is extremely low. The Swiss Franc has gained enormous strength during the summer months of 2011 compared to the Canadian Dollar; however it has currently started to decrease a little.

Costs and Accessibility

There is no direct flight access to Yellowknife from Switzerland. Stopover connections from Swiss cities are possible via various Canadian gateways, e.g. Toronto or Montréal or via other European Airports, e.g. Frankfurt or London and then Vancouver or Calgary. Flights from major cities in Switzerland to Yellowknife cost on average \$2,000 CAD currently.



Samba Deh Falls.

TERRY PARKER



Appendix A - Geographic Markets

Perceptions, Product Interests

The typical Swiss tourist to the U.S. likes to travel individually. They enjoy the excellent travel infrastructure, which most consider a “trademark” of Canada. Groups are now mostly special interest (associations, reader travel/newspapers) or senior citizens. The average Swiss traveller is well informed about Canadian politics and life. Most enjoy an above average purchasing power as a result of high incomes and the advantageous exchange rate between CAD and EUR. Swiss attach importance to punctuality, quality of service, food and good accommodation. They are known to pay somewhat more for quality. Most speak at least basic English.

Swiss residents perceive Canada as warm, intriguing and youthful. They feel that Canada is a place with unique features that other destinations don’t offer, and that this is a dream destination that they would visit if money were not an issue.

The main competitive advantage of NWT’s image appears to be its outdoors. It is also seen as a culturally diverse place to visit. Products to be promoted are:

- outstanding scenery, National Parks, forests and wildlife
- exciting outdoor activities (canoeing, kayaking, hiking, etc.)
- a very safe, civilized destination with friendly local people
- large variety of cultural possibilities

United Kingdom

Population: 63 million

GDP: 2.4 trillion USD – Ranked 6th largest economy in the world

Secondary Market

Product Match

The UK is Canada’s largest inbound overseas market. The British identify their first motivation for travel as nature with beautiful scenery, followed by National Parks and wildlife. Culture is also a draw for tourists to Canada. A majority of these travellers prefer multiple days of self-touring over guided tours. Research shows that UK residents are more likely to enjoy scenic drives, hiking and walking



Appendix A - Geographic Markets

activities, and viewing scenery and wildlife. This aligns with NWT products such as the Dempster Highway, the Deh Cho Travel Connection, Wood Buffalo National Park and territorial parks, among other things.

Demographic Match

Canada currently draws a relatively homogenous market – the majority of visitors are 55+ years, retired, and from high-income households. Those expressing future interest are more diverse (younger, less wealthy). The challenge for the Canadian tourism industry is converting those professing interest into actual visitors.

Visitation Statistics

23% of outbound travel is long-haul, with a total of 15.9 million trips in 2012. Canada is the 4th most visited long-haul destination, just ahead of Australia. The US is by far the most popular destination.

The UK emerged as one of the largest outbound travel markets in the world in the past decade. Short and long-haul volume peaked in 2007-2008 at 77.2 million trips before the UK economy was hard hit by the global recession, which saw travel volumes decline markedly in subsequent years. While inflation dipped in 2012, fears of a double dip recession lingered with no growth in GDP recorded. The British pound gained some strength against the euro in 2012, but depreciated modestly against US and Canadian currencies. Outbound travel showed signs of recovery in 2012 with 70.4 million trips taken, up from 67.2 million in 2011. However, growth was largely limited to short-haul destinations.

Travel Trends and the Economy

Travel agents still play a role in the UK market, with close to half of respondents seeking an agent's input on their most recent long-haul trip. Just one-third actually booked a trip through a travel agent, which is low relative to other GTW markets. While travel agents may be fading in importance in the UK market, programs to educate them on the merits of a Canadian vacation still have value.



Appendix A - Geographic Markets

Costs and Accessibility

Affordability is a major consideration for UK travellers. Just 39% of UK travellers feel Canada offers good value for money versus 54% for the top ranked US. The expense of a Canadian vacation was the most cited barrier that could prevent a trip to Canada, identifying a key issue for the Canadian industry to address.

Perceptions

UK residents perceive Canada as warm, intriguing and youthful. They feel that Canada is a place with unique features that other destinations don't offer, and that this is a dream destination that they would visit if money were no object.

France

Population: 65.35 million

GDP: 2.60 trillion USD – Ranked 5th largest economy in the world

Secondary Market

Product Match

The top vacation pursuits in this market have remained very consistent over the last few years, with a mix of nature (e.g., scenery, national parks, wildlife, nature close to cities) and culture (e.g., local flavours, local lifestyles, historical/cultural attractions, Aboriginal culture, city culture) being an irresistible combination for French travellers. In fact, except for one minor shift, the top ten interests are not only the same as last year, but appear in the same rank order, with no emergent trends.

Demographic Match

Typical visitors to Canada are 55 or older. Most are still employed full time in the workforce. A large percentage are men, possibly drawn to outdoor adventure activities. Recent visitors to Canada are more upscale and likely to have friends and relatives in Canada.



Appendix A - Geographic Markets

Travel Trends

The 2011 GTW results showed that fewer travellers are now making long-haul travel a priority in their lives. At 90%, those who said that long-haul travel is important to them is down by three percentage points (ppt) this year, which is not surprising given the larger planner contingent in the French market.

Cost and Accessibility

These Price Perceptions hold still more positive news for Canada. This extends an uphill streak that began in 2008, with a more than 4-point increase over the four-year period. In fact, each and every component of the Price Perceptions measure has surged this year, with most of them now 9 or 10 ppt higher than the baseline measure. These results dovetail with the easing of “affordability” attribute as a hurdle for long-haul travel in general. With the French economy riding strong, the euro picking up steam and consumer confidence on the rise at the time of the GTW fieldwork, it isn’t surprising that long-haul destinations like Canada are being viewed in a more positive light.

Direct flights between Paris to Calgary are available on a daily basis. Flights from Paris to Yellowknife are listed at approximately \$1,600.

Perceptions, Product Interests

French travellers are also unique in that, after scenery and touring, their dream vacations to Canada are more likely to be built around winter experiences such as snowmobiling, dogsledding and winter scenery. This is consistent with previous years, when winter imagery emerged repeatedly as appealing icons of Canada. In addition, skiing and other winter activities are growing motivators for travel to Canada, indicating that winter imagery could continue to figure prominently in Canada’s marketing efforts for maximum impact.



Appendix A - Geographic Markets

South America

Brazil

Population: 201 million

GDP: 2.39 trillion USD – Ranked 7th largest economy in the world

Long term market

Product Match

The Brazilian market is looking for a variety of experiences including action/adventure sports, arts and culture, nature, heritage activities and travel for the sake of exploration. There is a potential match for canoe/kayak/raft adventures, wildlife viewing, flightseeing, National Parks, pingos, and the Great Northern Arts Festival.

Demographic Match

Canada currently draws a relatively homogenous market – the majority of visitors are over 35, well-educated, from high income households and belonging to the A1 and A2 social class. Those expressing future interest in Canada are younger than current visitors. Should the Canadian industry opt to pursue the younger market, different strategies may be required.

Visitation Statistics

The Brazilian outbound travel market grew from 2.2 million trips in 2002 to an estimated 7.5 million trips in 2011. Despite lower than anticipated economic growth, the Brazilian tourism market is predicted to continue to expand and top 8.3 million trips in 2012. Continued market expansion has resulted in many destinations pursuing the Brazilian market.



Appendix A - Geographic Markets

Slightly less than half of survey participants had actually taken a long-haul trip in the past three years, with the remaining 53% aspiring to travel long-haul in the next two years. While visitation to Canada has doubled over the last decade (from 35,000 in 2002 to an estimated 80,000 in 2012) the country's share of this market is still small.

Travel Trends and the Economy

Travel agents play a pivotal role in the Brazilian market, with almost three-quarters of respondents seeking an agent's input and one half actually booking a recent trip this way. Staying engaged with the Brazilian travel trade is key to future success.

Costs and Accessibility

GTW survey results suggest Brazil is a price sensitive market and recent currency devaluations have made affordability a major consideration for Brazilian travellers. Just 43% of Brazilian travellers feel Canada offers good value for money (versus 54% for the top-ranked US) and the expense of a Canadian vacation was the most cited barrier that could prevent a trip.

Perceptions, Product Interests

Canada is competitive on two top ranking activities – beautiful scenery and nature experiences close to cities.



Glossary of Terms

Goal: The purpose toward which an endeavor is directed.

Objective: A series of steps or activities that help to achieve a desired goal.

Brand: The marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products

Icons: Destinations and/or images that are very famous and well known. They can be used to represent or symbolize a particular region or destination.

Channels: Information distribution streams by which we communicate to the travel consumer. There are four main channels, which include consumer direct marketing, travel trade, media, and MC&IT professionals.

Tactics: The actual means used to gain an objective

Strategy: The overall campaign plan, which may involve complex operational patterns, activity, and decision-making that lead to tactical execution.

Target Market Segments: Geographic and/or demographic groupings based on things like geographic countries, regions/cities within a country, household income, age, gender, education and etc.

Market Sectors: These are the specific categories of tourism-related activities that are grouped together based on common elements/traits. In the NWT there are 6 main sectors. They are as follows: Fishing, Hunting, Outdoor Adventure, Aurora, General Touring and Business Travel. Once Aboriginal Tourism has been more clearly defined and established it will be considered a separate sector on its own. At the present time it falls under General Touring.



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C A N A D A

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