Visitor Markets
Strategic Overview

NORTHWEST TERRITORIES

Northwest Territories Industry, Tourism and Investment

Strategic Overview of Current and Potential Visitor Markets Of the Northwest Territories:

- A standalone reference document to help guide product development and investment (mid – long term) in response to market demand.

- An information resource on markets for a series of product development workshops to be held with industry stakeholders.

outcrop

October, 2007

GOALS

The overarching goal of this Strategic Overview is to help make information and learning more easily accessible to stakeholders and thereby help tourism succeed, grow and achieve the ambitious goals set out in *Tourism 2010: A Tourism Plan for the Northwest Territories.*

Tourism currently contributes more than $100 million to the economy of the Northwest Territories and generates more revenue than the combined revenue of all other renewable resources activities. *Tourism 2010: A Tourism Plan for the Northwest Territories* set out as key objectives:

- Foster the development of new tourism businesses, help existing businesses grow.
- Increase tourism revenues to $145million by 2010.

The Northwest Territories has access to a vast array of statistics, surveys, research and information through a number of sources including the World Tourism Organisation, the Canadian Tourism Commission, Northwest Territories Tourism, and the Government of the Northwest Territories in addition to publicly available information from sources such as Statistics Canada and the provincial and Territorial governments across Canada. A full bibliography of sources is appended.

This strategic overview of the Visitor Markets information, learning, key trends, and best practices is available as a tool for stakeholders to assist in the development and marketing of products that are attractive to visitors and successful for operators.

The underlying assumption is that understanding what our best potential visitors think and want is critical to success and the achievement of our goals. The tourism market is global, huge (over 842 million visitor arrivals in 2006) and intensely competitive. Not all potential visitors are the best visitors for the Northwest Territories. And our best potential visitors have choice. Tourism products that are developed and marketed to best meet visitor preferences will be more successful than those which don't understand trends in visitor markets, visitor motivation and visitor preference.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

World Tourism continues to grow – led by significant growth in the market sector that the Northwest Territories participates within: 'emerging, off the beaten path', long haul travel destinations. Long haul travel is forecast to grow worldwide by 33% through 2020.

In 2007, better than expected global tourism performance has been recorded to-date (January – April, 2007) with a 6% increase in total tourism arrivals. 'Off the beaten path' destinations continue to lead growth. (Source*: United Nations World Tourism Organisation, 'Barometer' January 2007 and June 2007).*

Worldwide, and particularly across North America, leisure travel has been changed by the growth of affluent, well-educated adult travelers and the decline of the middle-income family travelers. Extensive, quantitative research indicates that the NWT's current and highest potential 'best' audiences are:

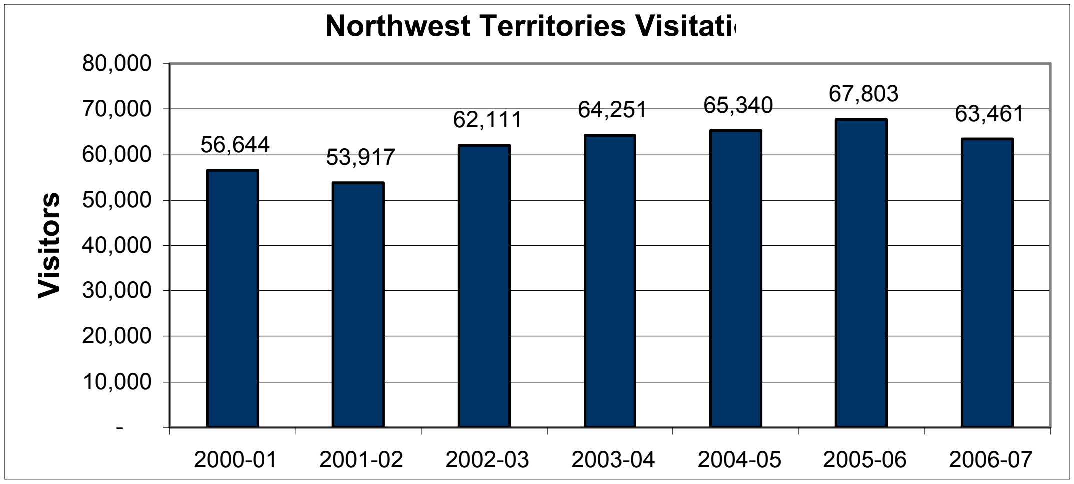
- The upscale North American 'Boomer' Audience: affluent, well educated Canadians and Americans, 40 – 60 yrs old, who regularly spend $6 - $8k per person on travel, annually.
- Sector specific audiences for hunting, lodge fishers, Japanese Aurora and 'outfitted' outdoor adventure enthusiasts.
- German touring audience, (the Dempster highway and the Deh Cho).

The priority audiences prefer 'off the beaten path' escapes from the stress of daily life for travel experiences that are rejuvenating and intellectually stimulating. They look for a sense of awe and wonder in natural environments. These travelers are active, looking for a 'suite of activities'. They are knowledgeable, experienced and they like having choice. The growth of affordable global travel plus on line access for research, trip planning and purchasing has opened the world of possibilities to these travelers –and in turn created global competitors for NWT.

> For example, the fishing visitor looking for a remote fishing experience surrounded by natural beauty, can chose between New Zealand, Northwest Territories or the Amazon river basin.

The Northwest Territories is well positioned to succeed with these audiences. These visitors seek off the beaten path escape, rejuvenating travel experiences and a 'sense of awe and wonder in natural environments. The Northwest Territories has all of these credentials, and areas of significant advantage over competitors.

Current State of Visitor Markets
After gradual recovery in total visitors following 9/11 and the declines in 2001/02, the total number of visitors to the Northwest Territories in 2006/07 declined.



Business travelers increased in numbers in 2006/07, for the 7th consecutive year. Leisure visitors declined for the first time since 2001/02. The sharpest decline in Leisure Visitors is in the Japanese Aurora sector. The decline in NWT Aurora visitors can be related almost directly to the additional direct JAL flights to Fairbanks, Alaska from Japan.

While total fishing visitors declined, Lodge fishers stabilized and Lodge Fishing Sector spending improved. Hunting and Outdoor Adventure Visitor numbers are holding. Of note, declines in tourism were seen across Canada in 2006/7.

Changing Domestic Canadian Travel patterns.
The single largest Visitor Market for the Northwest Territories is other Canadians. Statistics Canada reported a slowdown in domestic tourism in the second quarter 2007. Spending by Canadians on tourism in Canada was only +0.4%, the slowest pace in four years. (*Statistics Canada: National Tourism Indicators, September 27, 2007*). The Bank of Canada has reduced the 2008 economic growth forecast to 2.3% from 2.6% citing the strong dollar, the credit restrictions and the slowdown in the United States' economy.

Statistics Canada continues to forecast overall growth in domestic Canadian travel with travel from Ontario to other provinces remaining strong powered by continued economic strength/high disposable incomes of the affluent Ontario travelers.

However there are risks for all segments of domestic travel as: 1) the strong Canadian dollar makes travel outside of Canada less expensive/more attractive for affluent travelers; and, 2) high/increasing gasoline prices increase the cost of road travel within Canada for less affluent travelers and for popular, traditional activities such as camping.

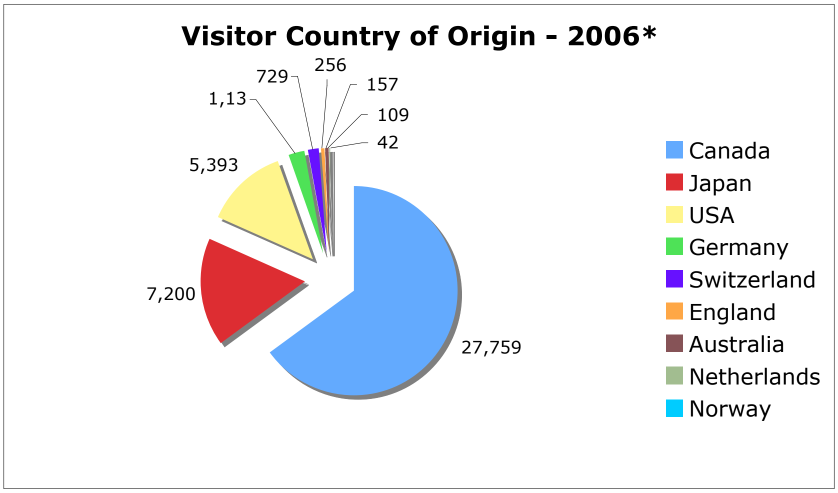
For example, Ontario is forecasting that the number of inbound domestic visitors from other provinces will shrink at an annual average of 0.2% per year through 2011.

United States: Slowing Economy, Passport/Document Uncertainty.
The Conference Board of Canada projected declines in US leisure travel to Canada in May 2007, before the most recent gains by the Canadian dollar and US economic declines (*Domestic, US and Overseas Travel to Canada: Short Term Markets Outlook).* In October 2007, the Bank of Canada forecast reduced its US Economic Outlook forecast to 2.1% growth in 2008, down significantly from 3.0% previously.

This economic decline alone would reduce already sagging tourism projections. The Western Hemisphere Travel Initiative (WHTI) adds further uncertainty and restrictions as only a small minority of Americans hold passports. This initiative, requiring passports for American travelers returning to the USA will be fully implemented in the summer of 20088. There have already been sharp declines in the number of visitors from the USA to Canada over the past few years. Going forward, the WHTI changes to passport regulations, the US 'credit crunch', continuing high fuel prices and the strong Canadian dollar are expected to limit growth in visitors from the U.S. to Canada.

Same day and road leisure US travelers in particular are in decline now and expected to decline further through 2011. In contrast, business, air travelers and more affluent visitors from the US show growth now and are expected to grow in importance.

Japanese NWT Aurora Tourism is down and under pressure.
Japan is the 5th largest outbound travel market currently and is forecast to be the 2nd largest outbound travel market globally by 2020. However, modest/no growth is forecast from Japanese visitors to Canada overall. Japanese arrivals to most traditionally popular long haul destinations are all under pressure. In contrast, The NWT has been notably successful rebuilding Japanese Aurora tourism post SARS and Japanese Visitors are the second largest group of visitors to the Northwest Territories, ahead of American Visitors.



Japanese/Aurora travelers to the NWT declined in 2006/07 for the first time post 9/11. These recent declines are judged more a factor of the recent efforts by Alaska to attract Japanese Aurora tourism (at the expense of the NWT and Yukon industry). Alaska's initiatives include: infrastructure (Fairbanks airport capable of handling large intercontinental planes) and the concurrent addition of direct international flights from Tokyo to Fairbanks Alaska.

In January 2007, the JAL service was expanded to 10 charters from 7 the previous year, bringing seasonal capacity to 3,500 Japanese Aurora visitors. The charter service was also expanded to include Osaka and Nagoya airports as well as Narita/Tokyo airport, further improving access and convenience within Japan.

The NWT's Japanese market will continue to face significant pressure for the foreseeable future. The coming direct Air Canada connection from Vancouver to Yellowknife will improve convenience for Japanese visitors, but cannot alone fully offset the other factors: the more convenient, direct access to Fairbanks; the recent strength of the Canadian dollar creates a cost advantage for Alaska; the (additional) high cost of airfare to the Northwest Territories.

Germany: Largest outbound tourism market globally.
Germans have led outbound tourism globally for some time and are expected to remain the single largest source of tourists globally through 2020. The Northwest Territories has had success attracting German Visitors for 'hard' outdoor adventure and fly/drive vacations: Dempster/Inuvik travel from Whitehorse; and Deh Cho travel out of Edmonton. German hunters are a potential source for the Hunting sector. Germans remain a significant potential source for Visitors. Infrastructure (direct charter airport access) would significantly improve NWT opportunities.

Australia: A small visitor market overall but potentially significant for NWT.
More than half Australian leisure travelers to Canada are visiting friends and relatives. With the arrival of BHP Billiton, an international company headquartered in Australia, there has been a growing population of Australians in Yellowknife. Currently, CTC

reports aprox. 8,000 Australian travelers visited NWT/Nunavut in 2006, and approx. 16,000 Australian travelers in the Yukon in 2006. The Northwest Territories offers travel experiences that are 'top areas of interest' for Australians: 'Feeling of the purity and freshness of untouched nature'; wild animals in their environment'; 'polar bears'; and, 'Viewing Aurora'.

Mexico: An emerging 'Core' market for Canada.
Mexicans have increasingly chosen to travel to Canada over travel to the United States reflecting worries about safety, the 'welcome'/travel hassles they might face even in transit while in the USA; and, VISA requirements for the USA.
The Canadian Tourism Commission planned marketing focus in Mexico is to position Canada to a primary audience of 30 – 40 year olds for city/urban and (downhill) skiing vacations in Canada. This positioning is not central to NWT tourism products and Mexico is not seen as a short-term opportunity for the NWT. However, Mexicans are attracted to tourism icons, such as Niagara Falls, the Canadian Rockies and there may be an Aurora opportunity longer term.

Korea: 18% growth; 10th largest outbound tourism market globally
Aurora, incl Aurora honeymoons are identified by CTC as long term opportunities.

China: 12% growths, 6th largest outbound tourist market globally.
Canada does not currently have 'approved destination' status for Chinese visitors. Nonetheless, significant growth is forecast for Chinese leisure and business travel to Canada and the Northwest Territories sent a delegation to China in September 2007 to explore building the Chinese visitor market for NWT tourism. The delegation was encouraged to focus on business incentive travel as an initial opportunity while building the long-term relationships necessary to develop this market.

NWT Opportunities Overall

A clear focus on the Priority Visitors

The upscale North American 'Boomer' Audience: Affluent, well educated Canadians and Americans, 40 – 60 yrs old, who regularly spend $6 - $8k per person on travel, annually. They travel 'off the beaten path' to escape the stress of daily life for travel experiences that are rejuvenating, relaxing, and intellectually stimulating.

The global tourism market is huge: 842 million tourism arrivals worldwide in 2006. Not every traveler is the highest potential NWT visitor. By identifying a specific, high potential visitor market, NWT products and services can be positioned to best meet needs and preferences of that visitor market, and NWT will be more successful:

Sustainable Tourism Resources

- The Natural tourism resources that are in the NWT are finite. Rather than simply increasing the volume of visitors, we need to focus the messages for the people who can most appreciate what is here and who can help NWT maintain a high quality visitor experience that is sustainable for the future

Competitive Impact

- Northwest Territories has a limited budget that is significantly lower than our competitors. The bigger the target, the further the budget has to stretch and the lower the impact, both absolute and relative to our competitors.
- Marketing efforts are most effective with the audience most interested in the experiences that NWT can offer: products can be developed to bet meet the needs of a specific group with a specific travel spending ability; communications build awareness more quickly; awareness converts into purchase more efficiently; higher vacation satisfaction results when NWT experience/products meet visitor audience preferences.

Economic Benefit

- Tourism has economic and social roles for our community. Some visitors contribute more to the tourism industry than others. Targeting high ROI visitors helps ensure that Tourism is a profitable industry for those who work in it and positively reinforce the heritage and values of our people and communities.

Importance of a clear, consistent NWT Brand image for Visitors.

Our visitor have choices – and are marketed to by alternatives who present clear, consistent brand positioning and images: Alaska, BC, Alberta plus global alternatives such Chile, Peru and New Zealand. Research has played a key role in identifying a strong position for the NWT that is motivating to the priority audiences.

"The Northwest Territories offers inspirational natural beauty and wonder in a pristine, vibrant world that enlightens the mind and refreshes physically and emotionally."

Visitor expectations for a premium experience are changing.
Amenities escalation.

The Northwest Territories Lodge and guided products are premium price products. The priority audiences expect an upgraded/premium experience, services and amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack and hot water.

Green isn't just about eco-tourism.

North Americans are embracing more environmentally sensitive options as well as natural and organic options in their personal life. These are now mainstream choices for urban, upscale North American adults. For the priority audiences, global ecological concerns are a key value.

Authentic experiences

Our audiences are experienced travelers. They are looking for 'experiential travel' – authentic local experiences including gaining a sense of place – local food, culture, history as well as activities.

Visitor Satisfaction

The best marketing is done by returning visitors talking about their NWT vacation to friends, co-workers, neighbours and family. Poor visitor satisfaction scores are a warning that our current visitors may not be carrying positive messages about the Northwest Territories experience. Current visitors gave low satisfaction scores to:

- 'Value for money' restaurants, hotels/motels.
- 'Road and Highways'
- 'Selection' and 'Price of souvenirs', 'Arts and Fine Crafts'
- 'Shopping'
- 'Cleanliness of town's - especially important in an area marketed as pristine wilderness.

Role of the Internet

Internet is the preferred source of information, a convenient place for booking travel, a source of independent advice as well as the forum for visitors to 'tell their story'

Vancouver 2010: Winter Olympics opportunities

The Winter Olympics will be held in Vancouver in 2010. The VANOC team are forecasting between 933,000 – 3,000,000 incremental visitors to Vancouver and British Columbia over the Olympic period (pre/during and post). With the new Air Canada direct flight between Vancouver and Yellowknife, there is even more opportunity to capitalize on the world attention and market NWT tourism products.

NWT Sector Opportunities

Aurora Recovery

Japanese Aurora Recovery

Airport Infrastructure:

Long term, the opportunity is to provide convenience of access to Japanese Visitors: direct flights to Yellowknife from Japan to compete with the Alaska and Yukon alternatives.

Japanese Travel Trade support

Short term, there may be opportunities with the Japanese travel trade who previously booked travel to NWT. They may also have the objective of increasing Japanese travel to NWT and may be a source of support and marketing ideas to offset the Alaska Aurora tourism/increase NWT Aurora tourism.

Product awareness and 'salience' in the trend conscious market.

Participate in CTC efforts to rebuild 'Canadian' awareness overall and leverage opportunities to build awareness of the NWT Aurora product and its advantages.

North American Aurora Interest.

North American priority audiences responded very positively to the Northern Lights product in focus group testing. In the spring 2007 NWT tourism brand advertising, some NWT operators participated with specific Aurora product offers in the Northern Lights ads. Response was very good.

NWTT Environics TAMS data shows that NWT priority audiences are a good audience for Northern Lights. Further, CTC TAMS data shows interest broadly among Canadian and American affluent 40 – 60 yr old travelers.

Fishing Recovery

Product and affluent Visitor experience expectations

For the lodge fishing visitors in particular, the Northwest Territories fishing experience is a *top quality, wilderness fishing experience* involving:

1. Personal attention, complete service, quality, local food;
2. The (moving) wilderness experience of pristine, vast lakes/land where few have ever been before, overwhelming scenery and 'spectacle of nature'; the quiet, serenity and escape; season start – midnight sun, end - the Northern Lights; and,
3. The excellent fishing experience itself: the trophy fish; the expert guides; shore lunch; quality fishing boats, safety and fishing equipment.

Changing Target Audience Profile and marketing

Canadian: Affluent, well educated (University +), Middle-Aged (35-59) families with teenagers and young adults at home, dual income families

with above average HH Income ($114.9k average), living in: 60.3% - Ontario; 16.6% - Alberta; 11.1% - BC
American: Affluent, well educated (University and post-graduate degree), middle-aged (45-59) married couples with their own children at home, high income (average $150k+).

Environmental best practices are an important part of the NWT target audience value system and visitor expectations for premium, eco-friendly practices are here to stay. Tourism products are expected to be/become ecologically aware, sustainable, conscious of environmental 'footprint', energy impact, pollution, etc.

- Environmental 'best practices' are now a characteristic of 'best practices' fishing lodge operators (Tasu Sound, Nimmo Bay and many others).
- Fishing operators have already suggested that GNWT could facilitate upgrading environmental practices via developing and implementing an alternative energy use incentive program directed at the NWT outfitted sport fishing industry. (Source: *2006 Survey of NWT Operators.*)

The affluent North American Visitors expect upgraded amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack, working plumbing and hot water as part of a premium experience.

Hunting

Alternative visitor markets are important. The US Hunting visitors may face restrictions. German hunters may be a market to develop for NWT. German hunters may help offset any potential loses of US Polar Bear hunters.

Outdoor Adventure

- Maintain 'hard adventure' products
- Develop 'soft adventure products

From the NWT priority Affluent Boomer visitor perspective, 'Soft Adventure' relates to outdoor active lifestyle opportunities that are less intense than traditional 'Hard Adventure'. Soft Adventure involves a suite of activities including: wildlife viewing, (Northern Lights, Flora, Fauna), river rafting, snowshoeing, and dog sledding. Source: *Northwest Territories Tourism, September 2007.* EnvironicsAnalytics

Business Traveler Opportunities

Business Traveler is the largest single visitor group in the NWT. As the NWT economy continues to grow and expand, the Business traveler segment will continue to expand.

Business Travelers influence potential leisure travelers in addition to being a source of leisure travel activity themselves.

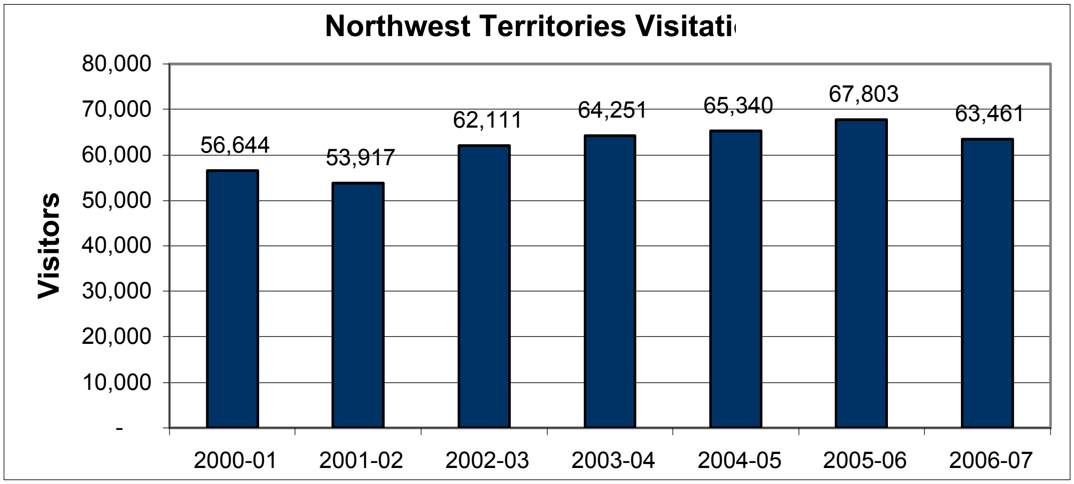
Currently, there are few products designed for business traveler to the NWT. This is a lost revenue opportunity for NWT tourism. It is potentially a lost image/reputation opportunity as well. Business travelers who experience a tourism/ recreational activity in the Northwest Territories while traveling on business generally have much more positive things to say about the NWT than those who do not. Source: *NWTT Blogs Report* 2006.

PART 1: CURRENT VISITOR MARKETS FOR NORTHWEST TERRITORIES

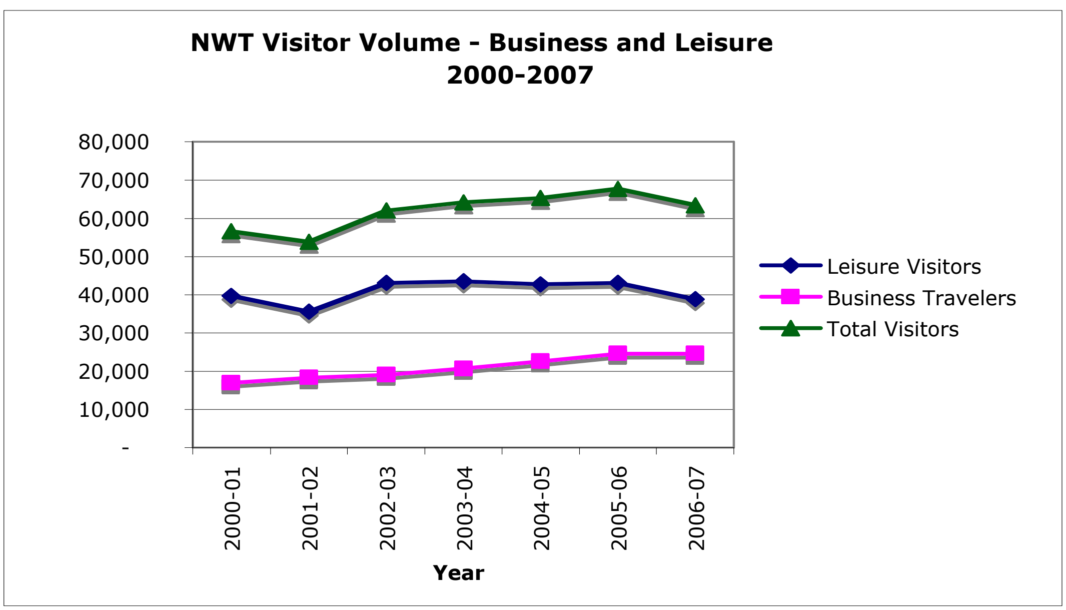
PART 1: CURRENT VISITOR MARKETS FOR NWT PRODUCTS

Current State Major Visitor Markets:

Total Visitors declined in 2006/07. After gradual recovery in total visitors following 9/11 and the declines in 2001/02, the total number of visitors declined to 63,461:



Business travelers increased in numbers in 2006/07, for the 7th consecutive year. Leisure visitors declined for the first time since 2001/02:

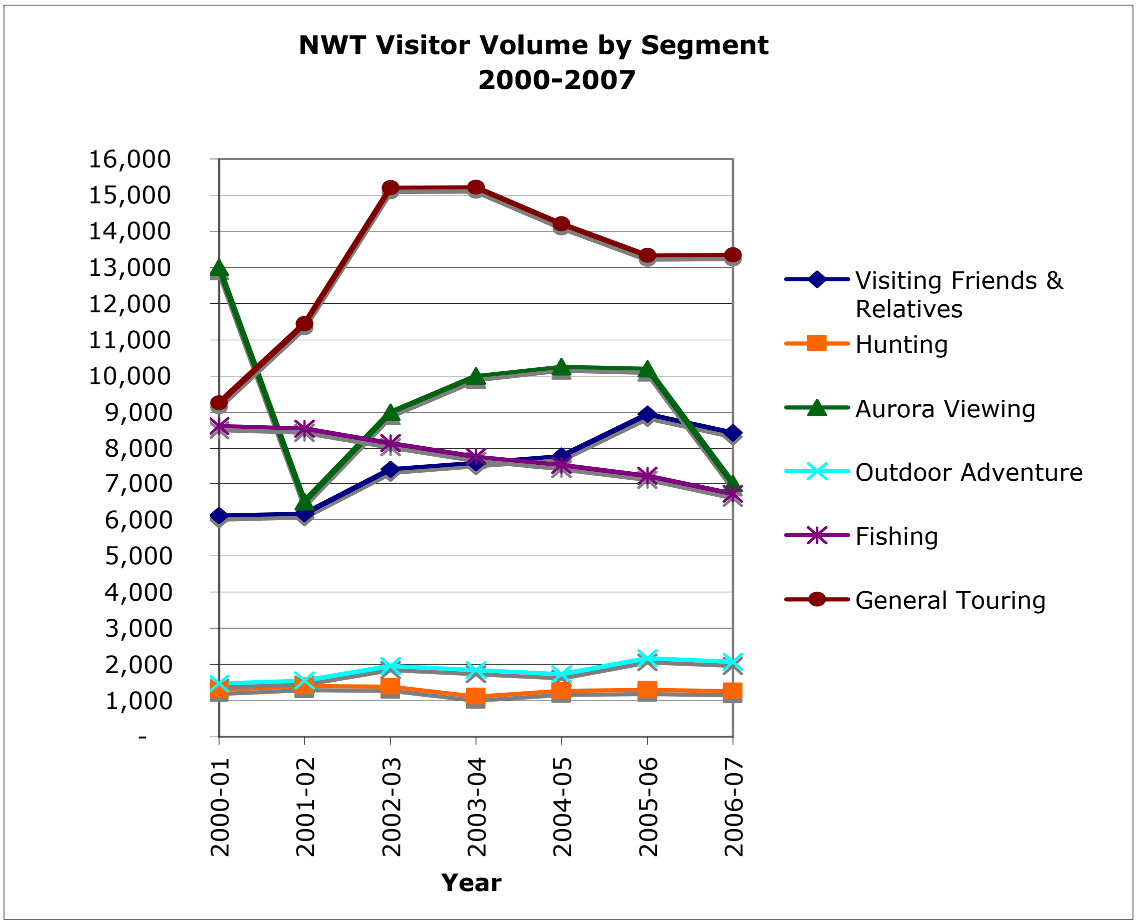


Part 1: Current Visitor Markets for NWT Products

Current State: Key Leisure Visitor Sectors

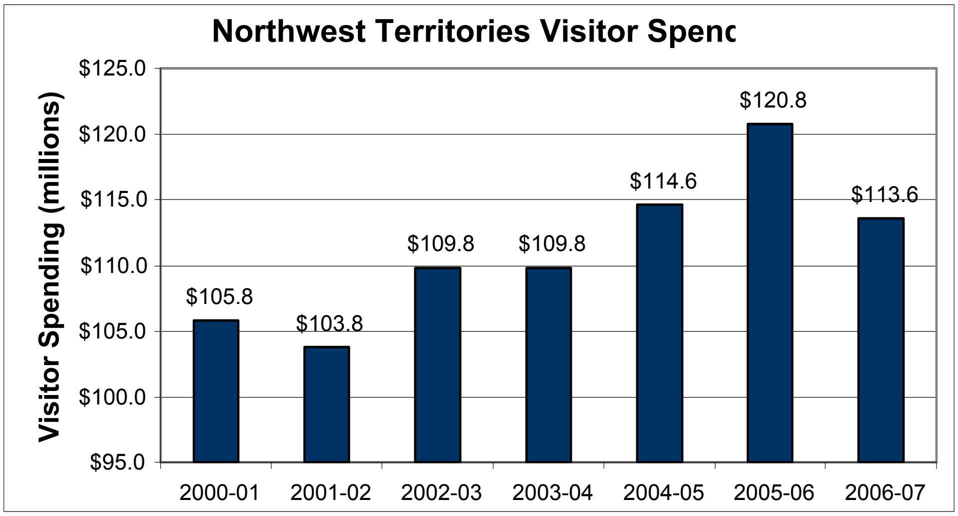
The decline in Leisure Visitor numbers is related to specific sectors. The sharpest decline is in the Japanese Aurora sector. The decline in NWT Aurora visitors can be related almost directly to the additional direct JAL flights to Fairbanks, Alaska from Japan.

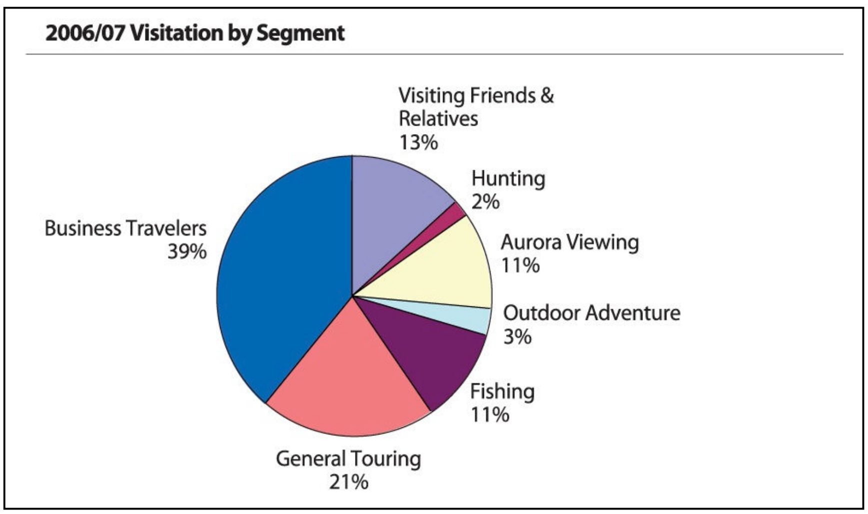
While total fishing visitors declined, Lodge fishers stabilized and Lodge Fishing Sector spending improved (see page 19, Angling/Fishing Sector Detailed Profile). Hunting and Outdoor Adventure Visitors are holding as well as 'Visiting Friends and Relatives'. Of note, declines in tourism were seen across Canada in 2006/7.



Part 1: Current Visitor Markets for NWT Products:

Current State: Total Visitor Spending declined in 2006/07, consistent with the overall visitor volume declines.





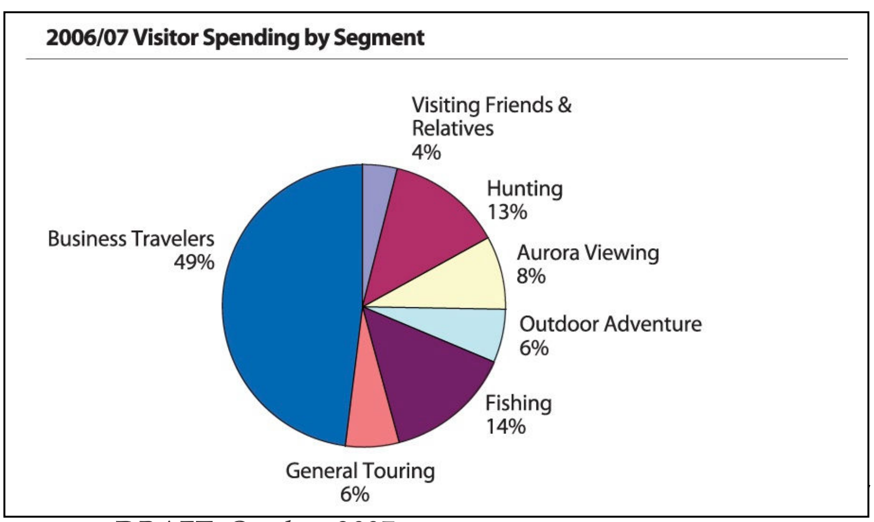
Visitor 'value' impact for Northwest Territories

Visitor spending by sector is an important measure of the economic value of different tourism visitors to the NWT.

Share of Spending highlights the importance of Hunters, Business Travelers, Lodge Fishers, Aurora and Package Adventure Visitors.

These visitors make a disproportionately high contribution to Total Visitor spending.

General Touring Visitors are the highest number of visitors at 21%. Relative to their numbers, they contribute much less to

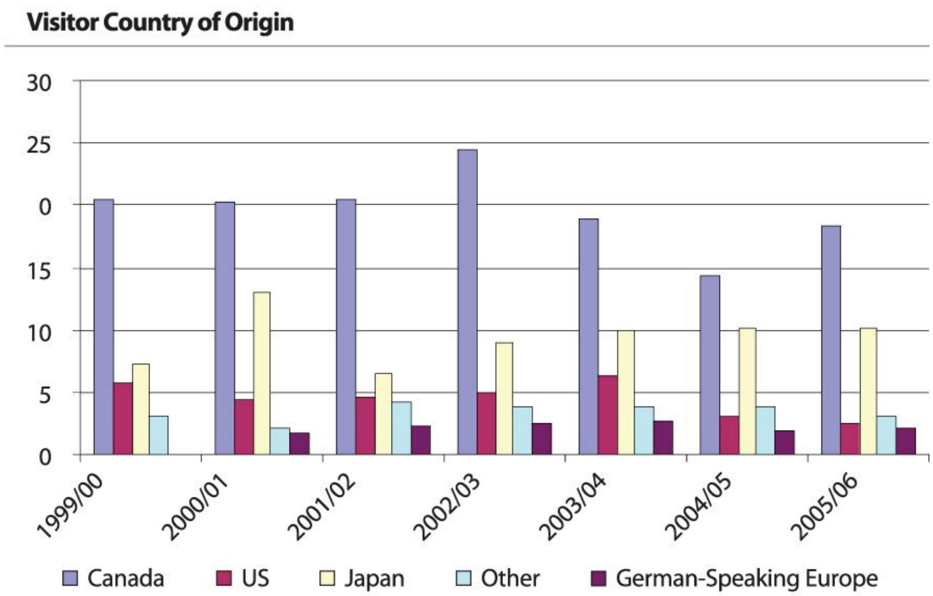


spending - only 6% of Visitor spending:

Current State: Visitor Country of Origin

The single largest group of visitors to the NWT: Canadians traveling to the NWT from other provinces. While the total number of Canadian visitors has varied year to year, the sheer size and importance of the Canadian Domestic market is clear.
The May- September 2006 exit surveys suggest that this pattern remains for 2006/07: over 77% of the NWT visitors were Canadian.

In fact, the Japanese Aurora market is the next largest single market. We know that this Aurora sector has declined significantly in 2006/07 and therefore that the Japanese visitor group is likely significantly down in numbers as well.



While small in total numbers, the American visitors are very important to key guided visitor segments: Hunting, Lodge Fishing and outfitted/guided Outdoor Adventure. However, total US Visitors are well below total Japanese visitor numbers and well below traditional pre-9/11/01 levels. US visitor numbers recovered somewhat post 9/11, but declined significantly starting in 2004/05 as gasoline prices soared and have not recovered. The traditional US driving market has been identified as likely to continue to decline through 2011 as a result of: the impact of the impending passport regulations; the slowdown in the US economy; escalating cost of a trip to the NWT as a result of both high gasoline prices and the Canadian dollar's strength. Over May - September 2006, the majority (almost 2:1)) of visitors from the United States traveled to the NWT by air.

Part 1: Current Visitor Markets for NWT Products

The Visitors Perspective: Visitor Satisfaction Surveys

Through visitor surveys in 2002, 2004 and 2006, visitor satisfaction has been measured for a number of sectors as well as overall for the Northwest Territories. These provide insights into out current visitor's rate the travel experience – and insights into the recommendations that they will provide to friends, family, neighbours and workplace colleagues.

2006 NWT Exit Survey – Current Visitor Profiles

Who are the NWT travelers?
Between May 15 and September 15, 2006, 35,956 travelers visited the Northwest Territories, including 28,156 leisure travelers and 7,800 business travelers. Over three-quarters (77%) of these travelers were from Canada, 15% were from the United States and just over 5% were from German speaking countries, including Germany, Switzerland and the Netherlands.

Visitors to the NWT interviewed were typically male (62%), average age 50 yrs. (majority - 41 and 70 yrs.), and well educated -the majority having at least a college diploma, and a significant number had one university degree or more. Most travelers also reported high incomes, with a large group reporting annual household incomes of ***over*** $90,000.

What drew them to the NWT?
Almost 44% of visitors stated that "wilderness, isolation, landscape or wildlife" or a "natural phenomenon, event or attraction" were their prime motivators:

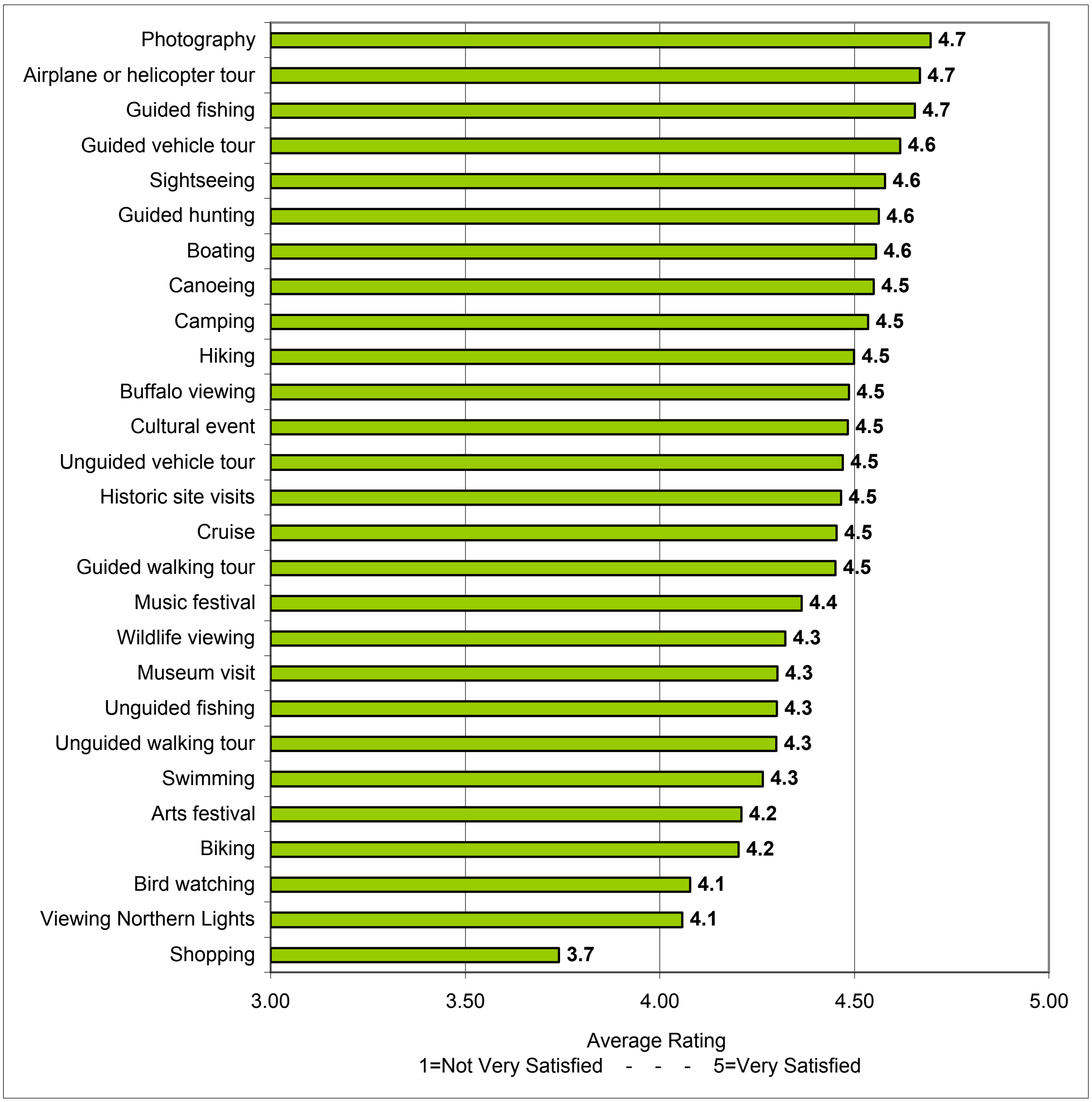
Top Reasons for Choosing the Northwest Territories

Reason for Choosing the NWT	Percent
Wilderness, isolation, landscape or wildlife	43.6%
General interest	33.4%
Always wanted to visit	24.6%
Family or friends	21.0%
Fishing	18.3%
Natural phenomenon, event, or attraction	18.2%
Culture or history	16.1%
Other	5.4%
Outfitter Reputation	2.6%
Specific species of animal (hunters)	1.3%
Hunting	1.2%
Other hunter / friends recommendation	1.0%
Location	0.4%
Booking agent recommendation	0.3%
Previous Visit	0.3%
Cost / Price	0.1%
Total	100.0%

2006 NWT Exit Survey: Visitor Satisfaction - Activities

NWT Visitor Activities are very well rated by Visitors, especially Guided Activities. Generally, guided activities especially guided fishing and hunting, received very high satisfaction scores of 4.5 or higher. The most common activities that visitors participated in included sightseeing, photography, shopping and wildlife viewing. Photography, airline and helicopter tours and sightseeing are all very highly rated at 4.5+ scores. However, 'Shopping' was the lowest rated of any activity.

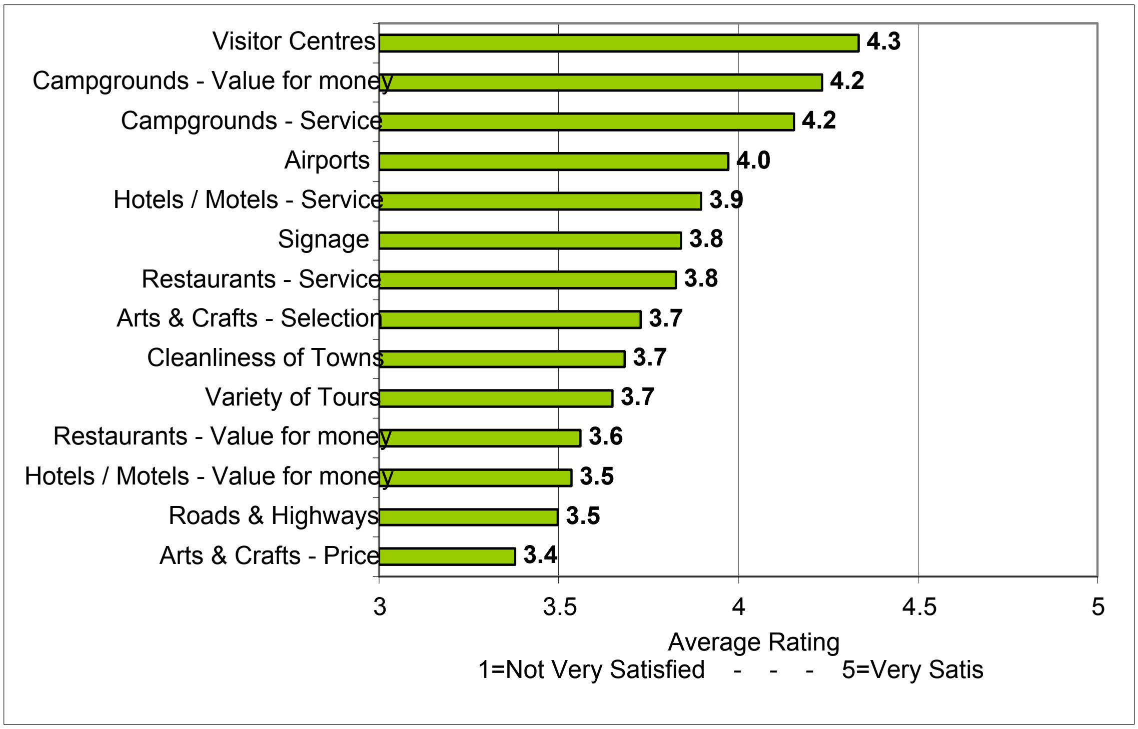
2006 Exit Survey: Visitor Activity Satisfaction Ratings



2006 NWT Exit Survey: Visitor Satisfaction – Services

NWT Visitor Services are not as well regarded as NWT Visitor Activities. Of concern are the low visitor satisfaction scores for town cleanliness, 'value for money', roads and highways.
NWT Visitor centres and campgrounds continue to gain high satisfaction ratings from Visitors. However, the ratings for the price of Arts and Crafts/shopping, the 'value for money' of restaurant meals and accommodation (hotels and motels), the condition of roads and highways, the cleanliness of towns were all rated well below average

2006 Exit Survey: Visitor Service Satisfaction Ratings



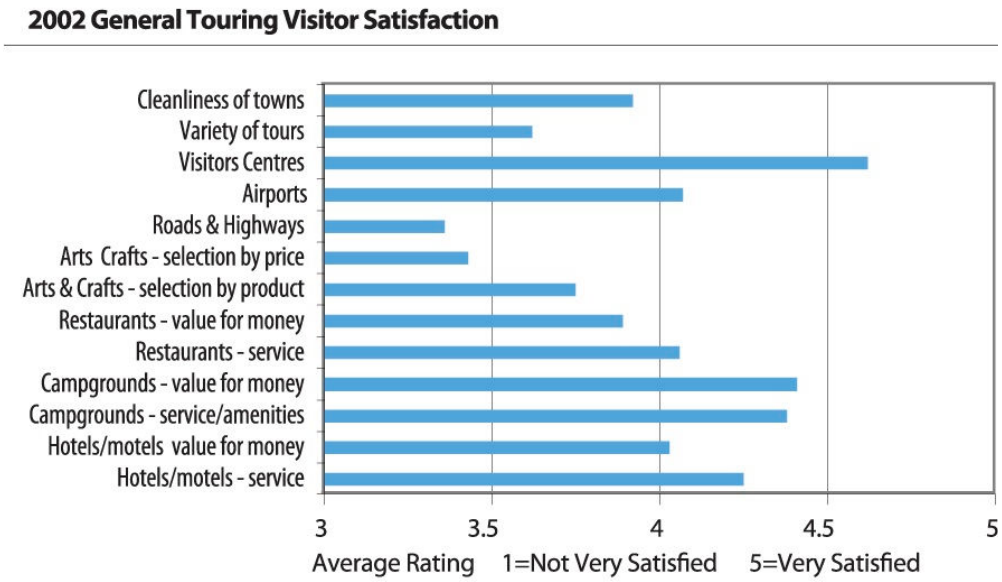
In total, visitors to the NWT spent approximately $48 million in the NWT between May 15 and September 15, 2006. Visitors also spent a total of approximately $44 million on getting to the NWT and just over $28 million on prepaid package costs prior to arriving in the NWT.

NWT visitors are spending a lot of money to be in the NWT – more than $120 million. Visiting the NWT is a 'premium price product'. The low visitor satisfaction scores for the services, roads and highways indicate areas that are not seen as a premium experience and should be watched very carefully. These are areas that our visitors will report on to friends and family – unfavorably.

Airfare within the NWT and commercial accommodations were the two greatest expenses for most travelers, followed by the cost of fuel and restaurants or dining out.

2002 General Touring Visitor Satisfaction

As in the 2006 Visitor Satisfaction survey, Visitor Centres and Camp Grounds are very well thought of by Visitors in 2002. Similarly, 'Roads and Highways' and 'Selection of Arts & Crafts by price' are not thought of well by visitors:



Service and Value satisfaction scores declined from 2002 - 2006.

The visitor satisfaction scores for both 'Service' and 'Value for money' in restaurants and hotels/motels were higher in 2002 than in the 2006 surveys. The lower scores in 2006 indicate that either the service and value delivery has changed – or, that what was once an acceptable level of service and value is no longer an acceptable level to Visitors. Either is damaging to NWT tourism.

Part 1: Current Visitor Markets for NWT Products

Who Travels?

Worldwide, and particularly across North America, leisure travel is dominated by two decisive trends:

- Dominance of the upscale Boomer generation (adults 40 – 60 yrs old);
- Growth of affluent, well educated travelers and decline of the middle-income family travelers.

In Canada, the traditional road touring audiences are declining, particularly cross border US touring visitors, squeezed by reduced discretionary (vacation) income and the high cost of gasoline/road travel.

Who are the Northwest Territories Priority Visitors?

Extensive, quantitative research indicates that our priority audiences are:

- The upscale North American 'Boomer' Audience: Affluent, well educated Canadians and Americans, 40 – 60 yrs old, who regularly spend $6 - $8k per person on travel, annually.

- Sector specific audiences for hunting, lodge fishers, Japanese Aurora market and 'outfitted' adventure enthusiasts.

- German touring audience, (the Dempster highway).

- Online, informed and interactive

The Northwest Territories' traditional General Touring 'Outdoor Enthusiast' audiences are declining, have limited local spending impact– and are not a growth audience. These independent, general touring visitors are campers, RVers. They love the campgrounds, natural beauty and fishing experiences in the North, but they provide limited economic benefit to tourism operators, arts and fine crafts artisans or the general economy. They have restricted finances and budget between $500 - $1,500 for vacation travel. Americans in this group tend not to have passports.

How do we want them to think of the Northwest Territories?

The Northwest Territories offers inspirational natural beauty and wonder in a pristine, vibrant world that enlightens the mind and refreshes physically and emotionally.

What motivates their travel?

'Off the Beaten Path' Escape

The priority audiences travel 'off the beaten path' to escape the stress of daily life for meaningful travel experiences that are rejuvenating, relaxing, and intellectually stimulating.

Rejuvenating Travel Experiences

They first look for the experience that they want. The growth in affordable global travel has opened the world of possibilities to them –and in turn created global competitors.

For example, the fishing visitor looking for remote fishing experience surrounded by natural beauty, can chose between New Zealand, Northwest Territories or the Amazon river basin. Research, planning and increasingly purchasing is done online.

A sense of Awe and Wonder in Natural Environments

They look for a sense of awe and wonder in natural environments. Their choices are global and they are choosing authentic experiences. These travelers are knowledgeable and experienced - want to be visitors, not tourists.

Active travelers, looking for a 'suite of activities'.

What do they know about the Northwest Territories?

In the intensely competitive world of travel tourism, our audiences generally know how to locate the Northwest Territories on the map. What they don't understand is why they should be interested or think about the Northwest Territories for leisure travel.

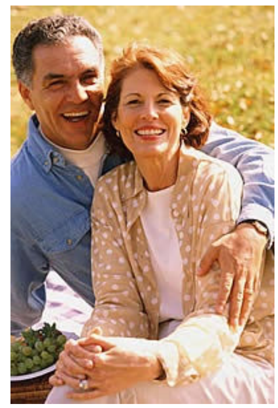
Priority Audiences

1. Wealthy Boomers

(8.39% of Canada, 15.65% of US)

Demographics

This group consists of affluent Canadian and American Boomers with large families living in expensive homes. The adults tend to have university educations, white-collar jobs and six-figure incomes.



Life stage: Middle-aged families (45-59); kids
HH Size: Large (54% with 3+ members)
Housing Type: Newer single-detached houses
Education: University & College (65%)
Job Type: White collar & service sector
Commuting: Auto (80%)
Ethnic Presence: Low (9.6%)
Average HH Income: High ($109,800) Index 188

Leisure, Travel & Media Behaviour

Leisure: Cultural buffs enjoy ballet, opera and theatre.
Sports: Enjoy golf, adventure sports
Travel: Travel abroad to UK, Europe, Australia, New Zealand and Caribbean. Tend be more sophisticated with their travel
Dollars Spent on Travel: high ROI visitors spend $6,000 to $8,000 on a vacation
Booking Travel: tend to research and book online
Media TV: News hounds, Current affairs programs
Radio: Talk shows
Reading: Daily newspapers USA

Motivations & Attitudes

Both Canadians and Americans in this group share many values: a **need to make their own decisions, global ecological concerns** and a **desire to escape the stress of daily life** for meaningful experiences. But the Canadians in this group tend to be more laid-back than their U.S. counterparts. They score high for Rejection of Order, Importance of Aesthetics and a concern for Introspection and Empathy. Meanwhile, the Americans in this group are more concerned about their health and wealth. They're much more likely to support values like an Effort Toward Health, Financial Security and Discriminating Consumerism, and they also give weight to the Importance of Brand when making purchase decisions.

Priority Audiences

2. Upper Middle Class Boomers
(5.09% of Canada, 10.21% of US)

This second Boomer target group is slightly younger, has fewer children and is a bit less affluent—with average incomes of $70,000 a year. But the highest concentration in this group still have attended universities, own their homes and hold well- paying jobs in the service sector.

Demographics
Life stage: Middle-aged (35-54) families and empty nesters
HH Size: Small (55% with 1-2 members)
Housing Type: Older semis and detached houses
Education: University & College (55%)
Job Type: White collar & service sector
Commuting: Auto (75%)
Ethnic Presence: Low (11%)
Average HH Income: Above average ($67,800)

Leisure, Travel & Media Behaviour
Leisure: Hiking, camping, bird watching, theme parks, historic sites
Sports: Skiing, biking
Travel: Domestic destinations western Canada & US rather than European or Asian destinations
Dollars Spent on Travel: Lower ROI
Booking Travel: Research and book online
Media TV: Sports, sitcoms, reality shows, and news
Radio: Rock music formats
Reading: Daily newspapers

Motivations & Attitudes
Similar to Wealthy Boomers, they tend to be inner directed and **value getting off of the beaten path** and **escaping the stress of daily life** for **meaningful experiences**.

Priority Audiences

3. Young, Upscale Adventurers
(5.64% of Canada, 2.15% of US)

This third priority group is the smallest overall. They are distinct in demographics, lifestyle and many of the prime travel motivations. They are however important for the hard adventure sector. This is the group that seeks out and enjoys very active outdoor adventure. Like the boomer groups, they like to travel to off the beaten path, remote destinations. They also travel to more traditional experiences and destinations.

Nearly two-thirds of the Young & Upscale Adventurers group are under 44 years old, and the majority of them are singles or couples. These multi-ethnic adults (25 percent are immigrants) are university educated, likely to hold white-collar jobs and have high incomes; their average is more than $80,000 a year.

Demographics
Life stage: Young families (25-44); kids (<6)
HH Size: Mid to Large (37% with 3+ members)
Housing Type: Newer semis and row houses
Education: University (42%) & College (25%)
Job Type: White collar
Commuting: Public transit (13%)
Ethnic Presence: High (20%)
Average HH Income: High ($82,500)

Leisure, Travel & Media Behaviour
Leisure: Bars, comedy clubs, movies, plays, concerts
Sports: Aerobics exercises especially Pilates, soccer, skiing
Travel: Adventure travel including all-inclusive to adventure resorts, destinations include UK, Europe, Mexico, Caribbean, and South America
Dollars Spent on Travel: high ROI visitors spend $4,000 + for travel that is important to them
Booking Travel: full service agencies or online
Media TV: Light viewers
Radio: select formats Jazz, urban, ethnic formats
Reading: Light readers

Motivations & Attitudes
The members of Young & Upscale Adventurers differ in their outlook depending on the country where they live. The young Canadians tend to be extroverts with a Penchant for Risk- taking, a desire to chart their own course through a Control of Destiny and a Need for Social Responsibility. The young Americans are more introverted, scoring high for Spiritual Quest, Personal Creativity, Sensualism and Introspection & Empathy.
What **unites the members of this group are their global concern for environmental**

issues and their desire to express their creativity—two aspirations that can be satisfied through an eco-travel adventure.

4. Outdoor Enthusiasts

(10.28% of Canada, 11.27% of US)

The Northwest Territories' traditional General Touring 'Outdoor Enthusiast' audiences are declining, have limited NWT spending impact and are not a high potential audience for the future.

They are a mix of middle-and working-class couples and families living in small- town communities. The members have only modest educations—about half have not gone beyond high school— and a majority work at blue-collar and farm jobs. The Americans in this group tend to be older, with a high percentage of retirees, compared to the mostly middle-aged Canadians.

These independent, general touring visitors are campers and RVers. They love the campgrounds, natural beauty and fishing experiences in the North, but they provide limited economic benefit to tourism operators, arts and fine crafts artisans or the general economy. They have restricted finances and budget between $500 - $1,500 for vacation travel. Americans in this group tend not to have passports.

Demographics
Lifestage: Older (55+) families and empty nesters
HH Size: Small (57% with 1-2 members)
Housing Type: Single-detached houses and mobile homes
Education: Trades, High School or Public School
Job Type: Agriculture and blue collar
Commuting: Auto (83%)
Ethnic Presence: Very Low (1.5%)
Average HH Income: Low ($53,500)

Leisure, Travel & Media Behaviour
Leisure: Fishing hunting, own boats, snowmobiles, ATVs
Travel: Driving vacations through North America in cars, campers and RVs
Dollars Spent on Travel: send <$1,000 on a RV/Camping vacation
Booking Travel: Attend camping, outdoor, RV, fishing, sports shows
Media TV: Heavy viewers, especially game shows and sports
Radio: Weak listeners except country music formats
Reading: Light readers

Motivations & Attitudes
Like many residents of rural communities, the members of this group share salt-of-the-earth values: Both Canadians and Americans are strong on Religiosity, National Pride and Traditional Family values. But the Canadian residents are more community and environmentally conscious, scoring higher for Attraction to Nature, Ecological Consumerism and Community Involvement. Meanwhile, the Americans care less about group concerns and like to go it alone, pursuing Personal Challenge, Personal Control and Rejection of Order at high rates. They prefer to

distance themselves from community activities and enjoy a solitary walk in untouched woods.

Part 1: Current Visitor Markets for NWT Products

Detailed Sector Profile: Angling/ Fishing

The NWT outfitted sport fishing industry consists of both lodge-based outfitters and fishing guide service outfitters. There are currently a combined total of 38 active, sport fishing outfitters operating throughout the NWT.

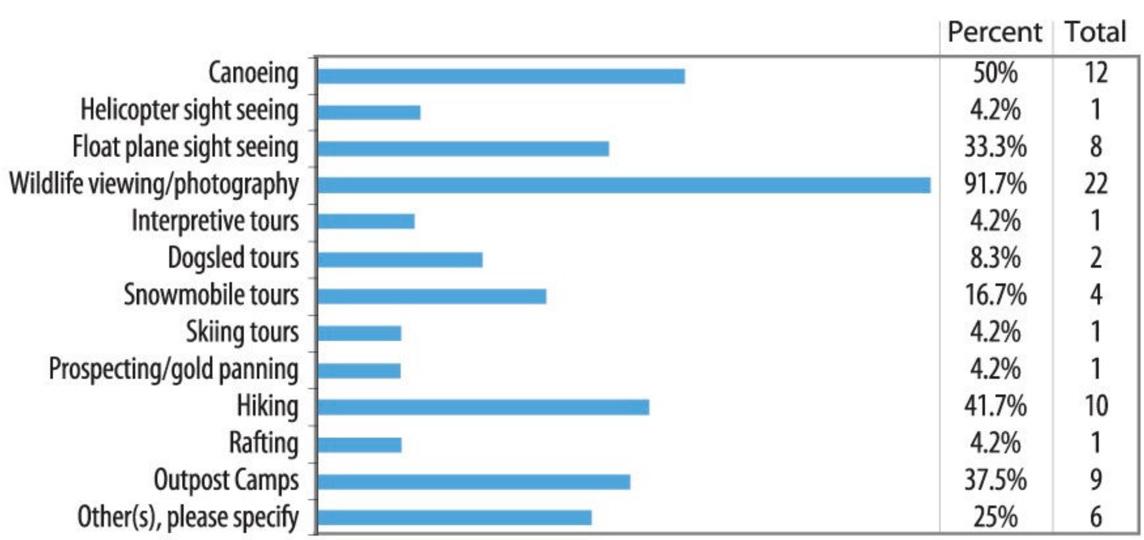
Fishing guide service operators generally provide clients with half-day and full-day fishing charters by boat from communities throughout the Territory.

Lodge based outfitters combine full service accommodations with fishing guide services in a variety of all-inclusive package offerings and usually operate from remote, fly-in only locations. However, there are those with drive-in access as well. Guests who are staying at fly-in only lodges generally depart from Yellowknife, although there are fly-in lodges which operate in the NWT whose guests depart for these lodges from more southerly cities such as Winnipeg and Saskatoon.

Some outfitters also offer non-guided, "do it yourself" type experiences. On these packaged trips clients are outfitted with fishing equipment and food and are dropped off by float plane on a lake with a cabin for a set number of days, where guests cook and fish on their own and enjoy the privacy and tranquility of their northern, wilderness environment.

All outfitters who provide guided fishing services require a tourism operator's license to legally sell their services and operate in the NWT. Licenses are obtained from the Government of the Northwest Territories.

Activities, Other Than Fishing, Available to Guests



Who is the Key Audience?

In spring 2006 stakeholder consultation, fishing sector stakeholders described their 'best customers' as:
Smaller lodges: Local groups, young men, young men and women come for a weekend or a week. Some VFR.
Large lodge/outfitter: most are upscale, experienced travelers: owners/upper management/ professionals/Americans. Some are 'middle America' and this is the trip of a lifetime.

In September 2006, Environics researched angling/fishing and tourism databases from the Northwest Territories, Canada and the United States to profile the size, potential and motivators of the North American fishing market for the Northwest Territories. Canadian and American groups most likely to travel to the NWT to go fishing are:

Active Escapists – Lodge, guided visitors:

Canadian: Affluent, well educated (University +), Middle-Aged (35-54) families with teenagers and young adults at home, dual income families with above average HH Income ($114.9k average), living in: 60.3% - Ontario; 16.6% - Alberta; 11.1% - BC
American: Affluent, well educated (University and post-graduate degree), middle-aged (45-59) married couples with their own children at home, high income (average $150k+).

Outdoor Enthusiasts - smaller lodges, independent touring visitors:

Canadian: A wide age range of adults (35-64), with kids & empty nesters, typically with high school plus education(72% had trades and some college); working in blue collar and Service Sector employment; with an 'average' HH Income: $72.6k; living in Ontario, British Columbia and Alberta.
American: Adults age 35-55, couples with few or no children at home; working in white collar and Service Sector with average HH Incomes: Average ($75,000-$149,999); living in: 35% - Southern; 29% - Central; and, 19% - Eastern

What are the Audience Expectations?

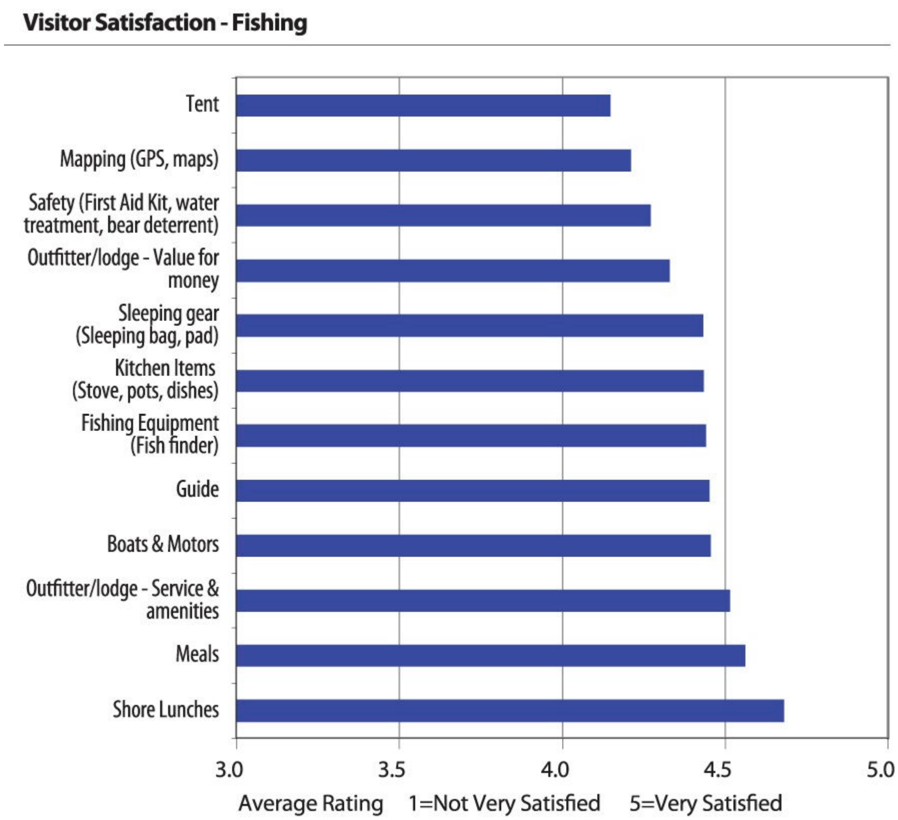
A 'top of the pyramid' experience and not just about the biggest fish.
For the lodge fishing visitors in particular, the Northwest Territories fishing experience is a *top quality, wilderness fishing experience* involving:

1. Personal attention, complete service, quality food and local food;

2. The (moving) wilderness experience of pristine, vast lakes/land where few have ever been before, overwhelming scenery and 'spectacle of nature'; the quiet, serenity and escape; season start – midnight sun, end - the Northern Lights; and, 3. The excellent fishing experience itself: the trophy fish; the expert guides; shore lunch; quality fishing boats, safety and fishing equipment.

How do Current Fishing Customers Rate the Experience?

Visitors are positive about the fishing experience, particularly the guides, shore lunches, outfitters and lodge experiences. The 2006 exit survey explored visitor satisfaction with the NWT fishing experience. Some equipment ratings (tent, maps, safety equipment) received more 'average' ratings.



Source: 2006 Exit Survey

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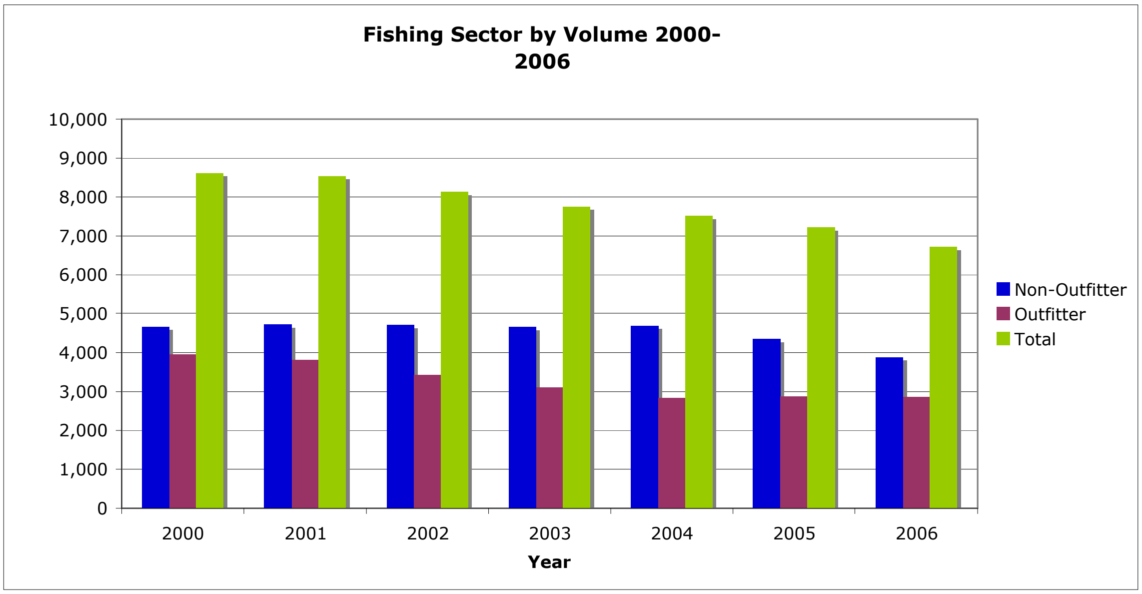
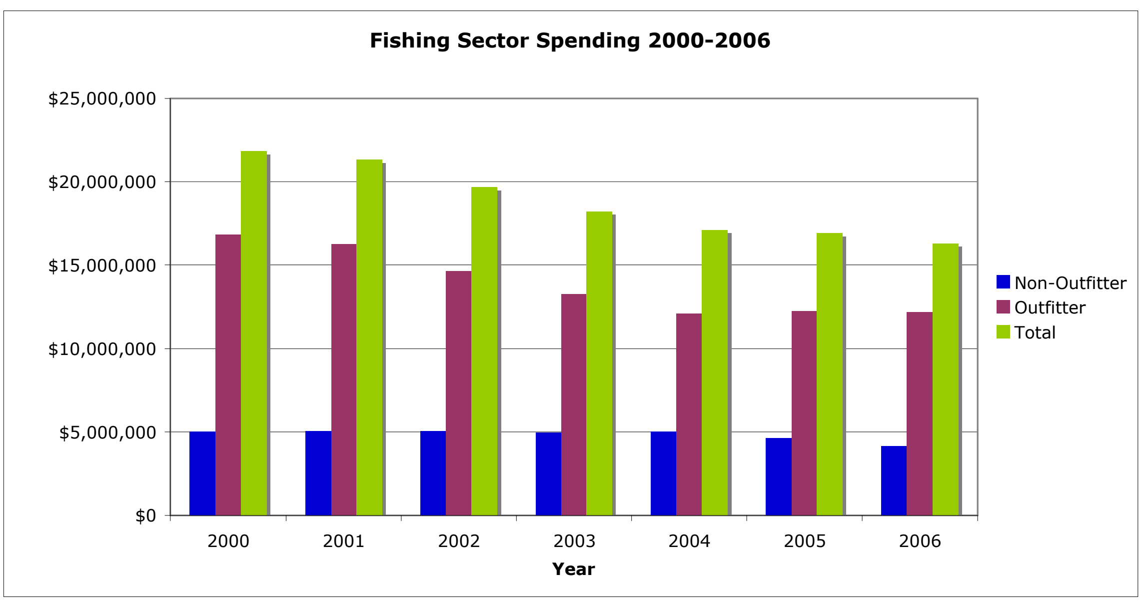
Fishing Sector Trends

Outfitter fishing sector visitors stabilized in 2006/07 and Outfitter fishing sector visitor spending improved slightly. Total fishing sector visitor declines continue as a result of continuing declines in non-outfitter fishing visitors. Canadians are growing as Lodge fishing visitors, replacing the declining American Lodge fishing visitors. The decline in American fishing visitors is expected to continue as a result of: long term decline in fishing amongst Americans; the strength of the Canadian dollar; and, the coming full implementation of American legislation (WHTI) over the summer 2008, requiring Americans to present passports whether traveling by air, land and or sea





Fishing in the United States is declining overall as the population becomes more urban and as 'soft adventure' and other sports (e.g. golf) replace traditional activities such as fishing.

Over the last two years, 14.6% (32,072,450) of adult Americans went fishing while on an out-of-town trip of one or more nights. Over the past two years, only 6% of adult Americans - or 40.9% (13,125,640) of those who actually went fishing, reported that this activity was the main reason for taking at least one trip in the past two years. Those who went fishing while on trips tend to be male, married and 35 to 54 years old

While the vast majority travel within their own State (89%) or within the USA (91%), Anglers are slightly more likely than the average U.S. Pleasure Traveler to have taken a trip to Canada in the past two years (17.9% versus 14.6%), and especially a trip to Ontario (11%). Note: this group includes both lodge/ guided fishing visitors as well as independent, touring visitors who fish.

Angler Province/Teritory Preference
Canadian Tourism Commission: US TAMS report (2007)

	Anglers	Non-Anglers	Pleasure Travelers	Index
Size of Market	32,072,450	138,437,791	170,510,241	100
All destinations	92.5%	83.8%	85.4%	108
Canada	17.9%	13.8%	14.6%	123
Newfoundland and Labrador	0.4%	0.4%	0.4%	104
Prince Edward Island	0.7%	0.6%	0.6%	114
New Brunswick	1.0%	0.8%	0.8%	117
Nova Scotia	1.4%	1.3%	1.3%	107
Quebec	3.3%	3.0%	3.1%	107
Ontario	11.0%	7.6%	8.3%	134
Manitoba	1.0%	0.4%	0.5%	197
Saskatchewan	0.9%	0.4%	0.5%	182
Alberta	1.5%	1.1%	1.2%	126
British Columbia	4.9%	3.9%	4.1%	120
Yukon	1.1%	0.4%	0.6%	190
Northwest Territories	0.6%	0.3%	0.4%	153
Nunavut	0.1%	0.0%	0.0%	112
Own State	88.9%	77.6%	79.7%	112
Other parts of United States	90.7%	90.6%	90.6%	100
Mexico	16.1%	13.0%	13.6%	118
Caribbean	13.2%	12.6%	12.7%	104
All other destinations	9.3%	9.6%	9.6%	98

The recent significant declines seen in Ontario cross border/automobile visitors are indicative of likely continuing declines in independent US fishing visitor through 2011.

US High-End Fishing Lodge Market (Canadian Tourism Commission 2005)

A super-premium ($3,000+) all-inclusive package at a luxurious resort/lodge, revolving around fishing (although wildlife viewing is a secondary activity they participate in while at the lodge).

- Costs from $3,000-$10,000 USD/week/person (ground only, not including flight from home to site).
- An authentic outdoor experience, but with first-class attention, accommodation, service, and equipment.
- Upwards of 30% of bookings are corporate.
- Gourmet cuisine, very comfortable lodging, outstanding personalized service, and deluxe equipment are the standards that clients expect.

Who are the customers that buy these vacations?

Primary target: Casual outdoor enthusiasts/fishermen interested in 'high end, (soft) outdoor adventure

- High-end outdoor adventure is a booming market. Canada high-end fishing is competing now against everything from US high-end fishing to safaris to hikes, all around the world.
- Not necessarily experts/enthusiasts in the activity, but they are seeking an authentic experience with some soft adventure. Partly for personal fulfillment, but also gives them bragging rights. Still want to be pampered at the end of the day.
- Consideration and planning of trip starts about 6-9 months out. Purchase is done 6-3 months out.

Secondary targets: Fishing Enthusiasts

- Fishing enthusiasts generally know about Canada high-end fishing and what it has to offer. This market hasn't shown the growth that the casual fishing enthusiast has shown.

Travel habits

- Travel internationally 2-3 times year. Have taken at least one international pleasure trip in the past 2 years.
- Have likely been to Canada before on a pleasure trip, and had a good experience.
- Take one of these high-end outdoor trips every 2 years or so (though not necessarily a fishing trip).
- Take these trips with friends and adult family members (2-4 people in a group). Lots of male bonding.
- Tend to research and book these trips on-line themselves. Word of mouth is very important

Alaska as competitor

Total Anglers	Total Fishing Days	Freshwater Anglers	Freshwater Fishing Days	Saltwater Anglers	Saltwater Fishing Days
421,394	3,408,000	265,759	2,109,832	271,178	1,531,382

(2001)

Impact of Sportfishing for 2001

Economic Output	Retail Sales	Salaries & Wages	Jobs	Sales/Fuel Tax	State Income Tax	Federal Income Tax
$959,822	$587,029	$238,011	11,064	$2,785	No tax	$24,666

($ = 000's)

Impact of Freshwater fishing for 2001

Economic Output	Retail Sales	Salaries & Wages	Jobs	Sales/Fuel Tax	State Income Tax	Federal Income Tax
$547,000	$334,081	$135,116	6,345	$1,677	No tax	$13,938

($ = 000's)

Impact of Saltwater fishing for 2001

Economic Output	Retail Sales	Salaries & Wages	Jobs	Sales/Fuel Tax	State Income Tax	Federal Income Tax
$390,797	$240,822	$97,609	4,556	$1,109	No tax	$10,097

($ = 000's)

BC as a competitor

There are approximately 2,193 nature-based tourism businesses in British Columbia (Table 4). More than half of those businesses operate in the Vancouver Island, Victoria and the Gulf Islands (27%) or the Vancouver Coast and Mountains tourism regions (25%). Businesses that provide recreational fishing opportunities comprise more than 20% (464 businesses) of all nature-based tourism businesses.

Sub-Sector Businesses (2001)	Number (%) in each Tourism Region	VI	VCM	TO	CCC	KR	NBC
FW Fishing Lodges	145 (7%)	6	3	24	27	1	29
FW Fishing (No Lodge)	116 (5%)	11	21	14	10	18	25
SW Fishing Lodges	132 (6%)	65	28	1	2	0	5
SW Fishing (No Lodge)	71 (3%)	65	22	0	0	0	13

Overall, about half of these BC businesses participated in **co-operative marketing programs**. Forty-five percent (45%) of small businesses, 60% of medium and 51% of large businesses participated in co-operative marketing programs. More businesses that performed above average (70%) participated in co-operative marketing programs than businesses in general (45%).

Detailed Profile: Hunting Sector

The Northwest Territories offers a world class Big Game Hunting experience. The Hunts are grouped as:
Mackenzie Mountain Hunt, Central Barren Ground Caribou Hunts, and Arctic Hunts
Big Game include: Caribou; Dalls' Sheep; Mountain Goat; Polar Bear; Moose; Muskox; Wolves; and, Grizzly Bear. Also available are: Birds (Duck, Goose, Grouse, Ptarmigan), Arctic Fox, Arctic and Snowshoe Hare

Key Issues: 1. Regulation and Uncertainty

There are two major issues: Polar Bear Hunt uncertainty as the US government reviews endangered species status for the Polar Bear; **and Caribou Hunt uncertainty** as the GNWT reviews Caribou Herd size and Caribou Tags. The hunting sector is heavily regulated overall and assisting hunters with regulations is an important part of the service offered by the Hunting Sector:

GNWT: the Government of the Northwest Territories publishes the NWT Hunting Regulations identifying species that can be hunted, tag fees, trophy fees, bag limits, seasons and hunting areas. It is found online at www.nwtwildlife.ca. Further information, licenses, tags, permits and trophy fees are purchased through the ENR in each community. A summary of current licenses, permits tags are:

1. Wildlife Export Permit to remove any wildlife or wildlife parts
2. Hunting License to hunt small game (age 14+)
3. Hunting License and Wildlife Tags that are species specific (age 16+)
4. Hunting licenses are valid for a species only during a specified open season for that species
5. Big Game: Licensed Guide provided by an Outfitter for all non-resident and non-resident alien hunters.
6. Migratory Game Bird Hunting Permit and a Habitat Conservation Stamp for all Duck and Goose hunting

Airlines: special handling fees and requirements for racks/wildlife parts; firearms. Issues for the hunters: the increasingly complex regulations (hassle) for airline shipping back to the US/southern Canada; and, a sense of 'nickel and diming' in unexpected fees by the airlines and authorities on top of an already expensive trip

National Governments: Regulations regarding importing endangered species. Of particular significance is US re-evaluation of Polar Bear as an endangered species.

Key Issues: 2. Rising Canadian dollar and operator income

Hunt prices are often quoted to Americans in US dollars. As the US dollar declines in value against the Canadian dollar, the income to the operators is reduced while costs remain constant.

Key Issues: 3. Low Visitor Satisfaction with services outside the Hunt itself.
Visitor Satisfaction is consistently very high with all aspects of the Hunt: services; amenities; 'value for money'; and, the experience provided by the outfitter and guide. Satisfaction with other NWT services, amenities and 'value for money' is low.

Who is the Audience and how do they rate the NWT experience?

Hunting visitors are a very specialized group. They are well organized, actively involved in Hunting and use specialized sources of information including Information about and customer evaluations of Hunts, operators and guides.

There are two international Hunting organizations with particular importance for the Northwest Territories: The Safari Club and FNAWS (Foundation for North American Wild Sheep). Boone & Crockett and The Hunting Report are widely recognized sources of information for Hunters.

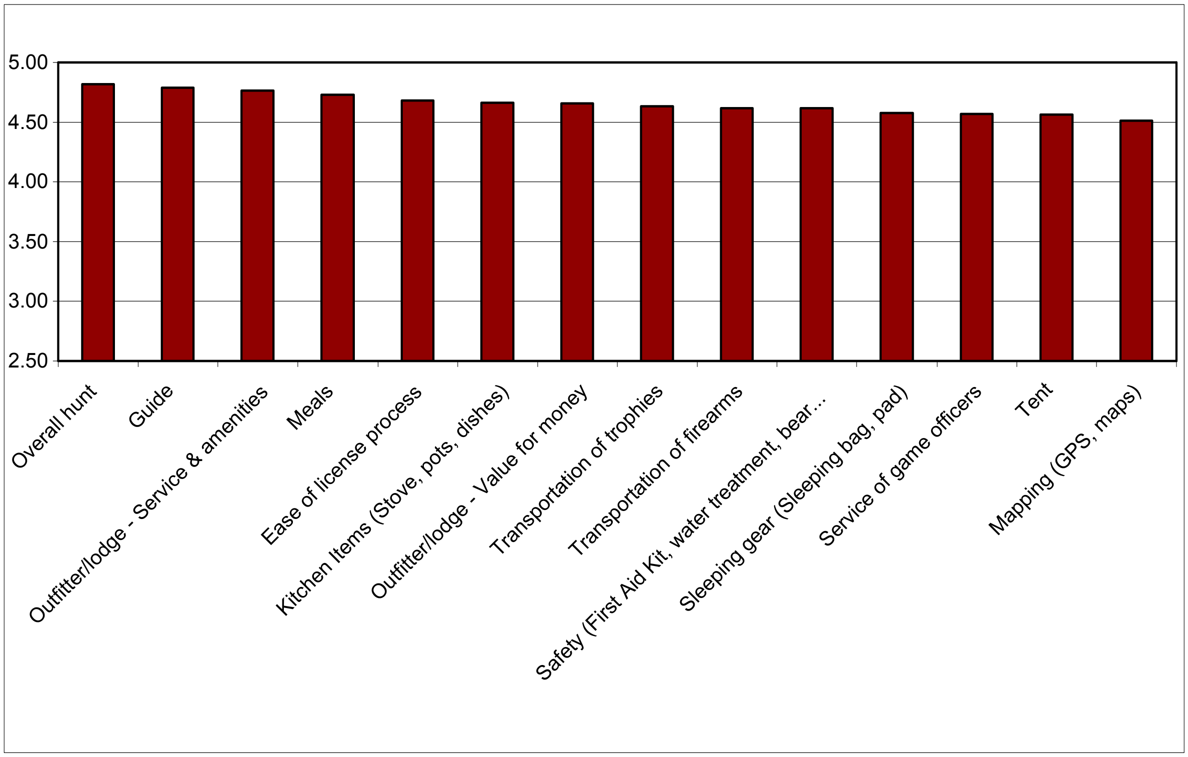
During industry consultations in 2006, Visitor Profiles were developed:

- Polar Bear Hunt. Male from Dallas Texas on the polar bear hunt with the outfitter from Sachs Harbour. Loved the experience (even if he didn't get his bear.) Great experience included expertise of guide, high quality amenities (double sided tents), good food and great service (including handling the regulations). Belongs to the Safari Club, is wealthy and an experienced hunter who has traveled to other parts of the world to hunt.

- Dall Sheep hunters on the way through to the camp/outfitter. Love the experience with the outfitters who work at the experience, knowledgeable, service, food and amenities. Very happy with experience in town on the way back – not quite so happy if delayed on the way out to the camp – perception is that there's not much to do, limited facilities. Belongs to FNAWS and comes every year. Affluent, well educated, a professional who is an experienced hunter. Has hunted in other parts of the world as well.

- Barrens Caribou hunters. A wider range of Hunters, including the wealthy professionals who belong to the Safari Club/FNAWS and less affluent hunters who save up for this 'trip of a lifetime'. Typically, there are many more Canadians who participate in this Hunt. Found the experience on the Barrens, the pristine wilderness, the clean air, pure water, the northern lights all part of a very moving experience. Very happy with the experience, less impressed with the 'value for money' on the way to the Hunt and returning.

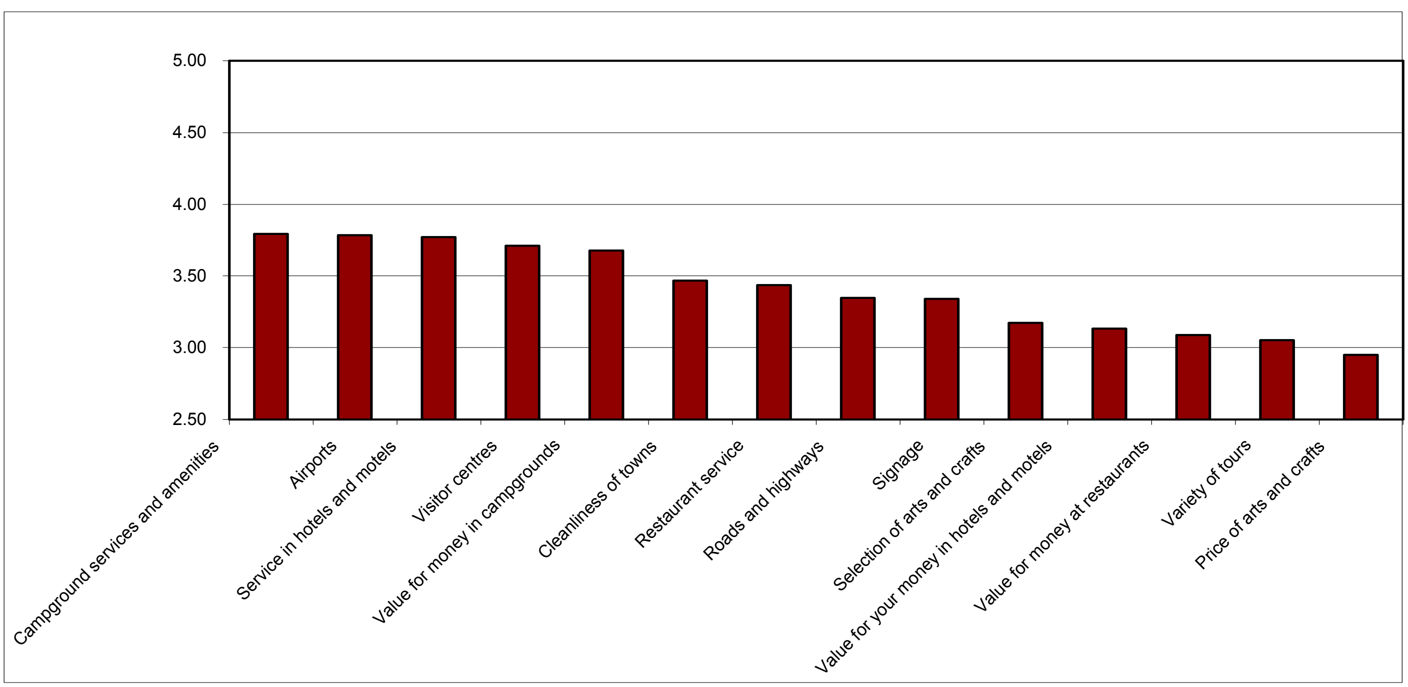
In 2006, Hunters 'Visitor Satisfaction scores for the guided hunting experience are exceptional – the highest scores seen in the exit surveys of all NWT Visitors. However, Hunting Visitor satisfaction scores for the NWT experience outside of the outfitted hunt



are significantly lower and declining compared 2002.

2002 Hunting Sector Visitor Satisfaction*

Visitor Satisfaction with the guided hunting experience was very high. However, as



in the 2006 survey, Hunting Visitor satisfaction with the NWT experience outside of the outfitted hunt experience was much lower. Value for Money broadly (for restaurants, hotels/motels, restaurants) the price of Arts and Crafts ("selection by price') and cleanliness of towns are all low – and below 'average'.

* Equipment was not rated in the Sahtu Region.

Detailed Profile: Adventure Sector

The Northwest Territories offers world famous wilderness outdoor adventure opportunities. Canoeing, kayaking, climbing, hiking/trekking, eco-adventure and winter experiences are all available to Visitors in a choice of spectacular UNESCO World heritage sites, National and/or Territorial Parks.

2,079 Outdoor Adventure Visitors came to the Northwest Territories in 2006/07, Outdoor Adventure Visitors represented 3 % of total NWT visitors and they spent $ 7.1 million, 6 % of total NWT visitor spending**.** The total number of NWT outdoor adventure visitors increased significantly in 2005/06 (+25%) to 2,171 visitors and the visitor numbers in 2006/07 successfully held that increase.

The Outdoor Adventure Visitor can experience the NWT through the NWT Outdoor Adventure industry - as a fully guided/outfitted experience, a partially guided and/or partially outfitted experience, or as a fully independent experience.

The profile of the Guided Outdoor Adventure Visitor is different than the profile of the Unguided outdoor Adventure Visitor. During industry consultations in 2006, Visitor Profiles were developed:

A) Outfitter Visitor

- Guided Barrens canoe Trip Profile: well educated, up income professionals/doctors 50 – 60 yrs old. Fit, ready for the trip. Americans. Want to experience the Tundra, the solitude, quiet. Canoeing, living on the land, in tents. Fort Smith is the jumping off point, not the destination.
- Nahanni canoe/rafting trips: similar profile, Canadians and Americans, men and some women, wider age range.
- The wilderness experience includes wildlife viewing, local history, fauna, and aurora late in the season in addition to the specific active adventure.
- Typically arrives by air and stays in hotels/motels en route to the trip

B) Self Guided[1] Visitor

- Young Australian male here to canoe the Mackenzie River. Came prepared, had done his research before arriving. Delayed and stayed in the community, participated in local sports before starting trip on the Mackenzie. Enjoyed his trip and is planning on coming back.
- Father and Daughter who arrived from Germany for a Mackenzie River trip with their collapsible canoe. Loved it.
- A Canadian - Calgary medical student – came fully prepared – drove up for camping/solitude, very happy.
- American man, 30's, hard adventure enthusiast, winter camping. Came prepared. A writer/ a lawyer. Skiing the rat pass – following the Mad Trapper Trail. Traveling with a friend

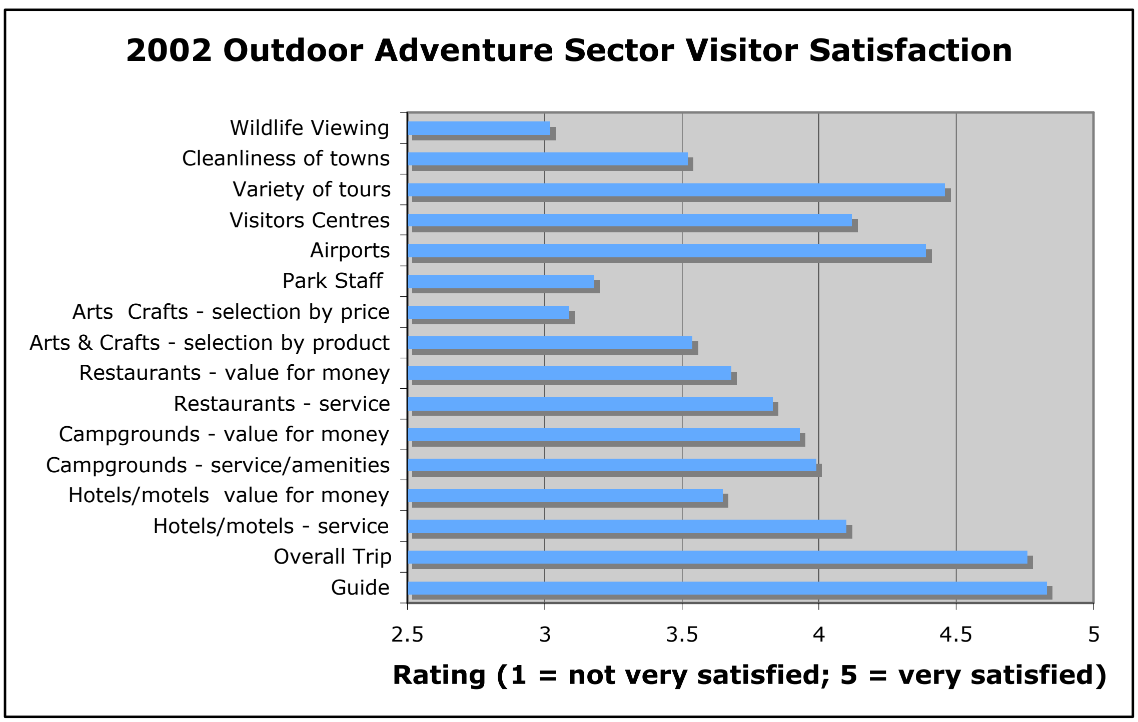
- Typically arrives by car with owned equipment. The exceptions are some (international – esp. German) visitors on fly/drive vacations who may rent part /all of their equipment and use some guide services.

‘Hard’ Outdoor Adventure and ‘Soft’ Outdoor Adventure

The Outdoor Adventure Sector is increasingly viewed as having ‘Hard’ and ‘Soft’ Adventure segments. The Hard Adventure visitor segment is attracted to wilderness activities such as canoe trips, hiking/trekking, climbing. The Soft Adventure visitor is defined by the Canadian Tourism Commission as participating in activities such as: cross country skiing, biking, snowmobiling, hiking/backpacking, canoeing/kayaking, sailing. motor boating.
From the NWT priority Affluent Boomer visitor perspective, ‘Soft Adventure’ relates to outdoor active lifestyle opportunities that are less intense than traditional ‘Hard Adventure’. And, from the NWT priority visitor research, includes wildlife viewing, (Northern Lights, Flora, Fauna), river rafting, snowshoeing, and dog sledding, in addition to the activities identified by the Canadian Tourism Commission.
Source: *Northwest Territories Tourism, September 2007.* EnvironicsAnalytics

How do Current Outdoor Adventure Visitors View the NWT experience?

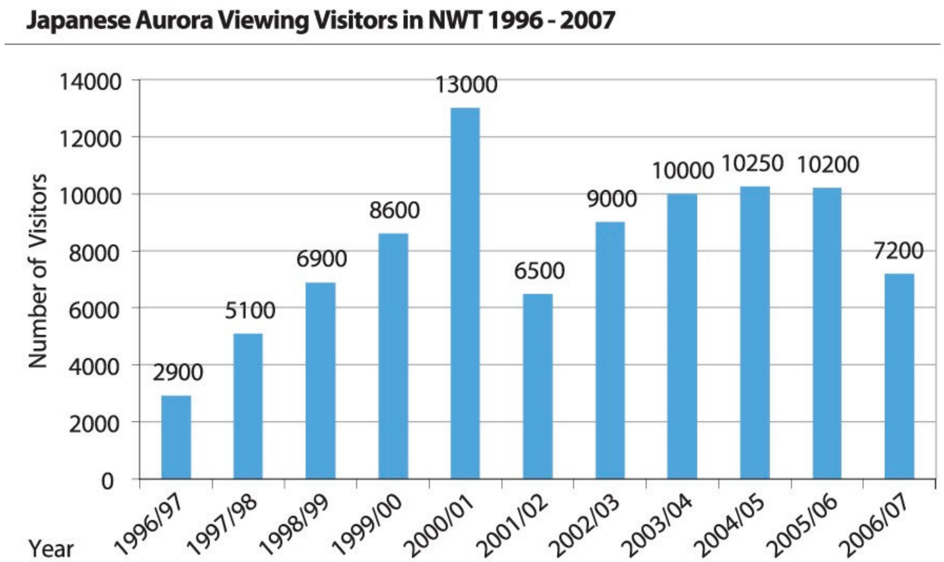
Guided Services scored excellently in the 2002 Outdoor Adventure Sector visitor Satisfaction Survey. Visitor Centres scored well, airports, variety of tours – all of these scores well. However, similar to the Fishing Sector and Hunting Sector Visitors, these Outdoor Adventure Sector Visitors were not impressed positively by price and value for arts & crafts, restaurants, hotels/motels or the cleanliness of towns. Of concern, satisfaction ratings for park staff and wildlife viewing are very low. These 2 last scores are primarily related to the experiences of the independent unguided Visitor.



Part 1: Current Visitor Markets for NWT Products

Detailed Profile: Japanese Aurora Visitors to the Northwest Territories.

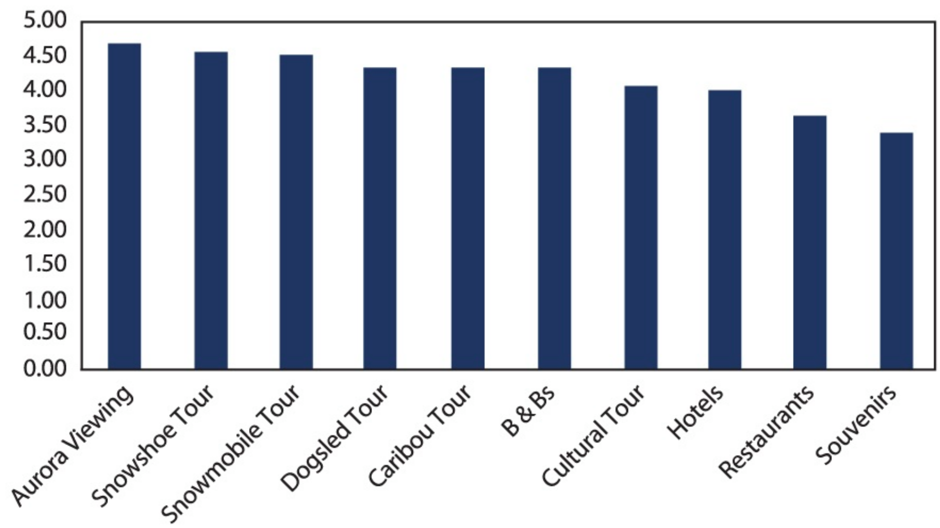
The Northwest Territories has been notably more successful with Japanese tourism than Canada as a whole. Japanese Aurora Tourism regained ground quickly after 9/11, stalled with SARS and is only now facing declines.



(Source: *Northwest Territories Tourism Competitive Analysis: Aurora Viewing Tourism; Phase One: Supply Side Assessment,* Western Management Consultants, May 16, 2007)

The NWT Aurora Product is exceptionally well regarded. While ‘Souvenirs’, ‘restaurants’ are below the average of 4.0, the Japanese Aurora visitor is very satisfied with the Aurora viewing and activities experience:

2004/05 Aurora Sector Visitor Satisfaction



Alaska Aurora Competition

The recent weakness in Japanese visitors is judged the result of the recent efforts by Alaska to attract Japanese Aurora tourism at the expense of the NWT and Yukon industry. Alaska's initiatives include: infrastructure improvements (air port landing strip capable of handling large intercontinental planes) and the concurrent addition of direct international flights from Tokyo to Alaska.

In December 2004, Japan Airlines (JAL) started non-stop winter charter flights directly to Fairbanks Alaska from Tokyo's Narita International Airport. In the first year, 2004/05, JAL offered 3 charters direct to Fairbanks. As of January 2007, 10 direct charters were scheduled to bring capacity for 3.500 Japanese Aurora visitors and charters are offered form Osaka and Nagoya as well as Narita. The charters offer a significant advantage to Japanese visitors. Flying time to Fairbanks is approx. 6 six and one half hours compared to the current total travel time to Yellowknife (Tokyo – Vancouver – Edmonton/Calgary – Yellowknife) of 2 – 3 days.

Outlook for the Japanese Aurora Sector

The NWT's Japanese market will continue to face significant pressure for the foreseeable future. The coming direct Air Canada connection from Vancouver to Yellowknife will improve convenience for Japanese visitors. Starting December 1st 2007 (and ending April 2008), Air Canada will offer direct seasonal service between Yellowknife and Vancouver. The service is aimed at business as well as leisure travelers to and from Vancouver as well as leisure visitors from the Pacific Rim countries, including Japanese, Korean and Taiwanese visitors. While this is clearly an improvement, this direct flight alone cannot fully offset the other factors: the more convenient, direct access to Alaska;

the recent strength of the Canadian dollar creates a cost advantage for Alaska; the high cost of airfare to the Northwest Territories

Detailed Profile: Business Travelers to the Northwest Territories

24,642 Business Travelers came to the Northwest Territories in 2006/07, representing 39% of total NWT visitors and spent $ 54.7 million, 49% of total NWT visitor spending**.** The total number of NWT business travelers has increased consistently every year, even in 2001/02 following 9/11.

Business Travel is centred in Yellowknife (Mining and Diamonds), but importantly includes a number of other communities including: Inuvik (Exploration, Oil & Gas, Transportation), Norman Wells (Oil & Gas), Hay River (Transportation) and Fort Smith (Education).

The demographic characteristics of the Business Traveler are similar to the demographic characteristics of the Priority Leisure visitor: well educated, employed in a professional or managerial capacity and up income.

During industry consultations in 2006, Business Traveler Profiles were developed:

- A corporate/business traveler, 30 year old engineer in the oil & gas sector. Here to live and work for 1 week – 1 month. Home base is Calgary, Houston, Oklahoma City, he/she has a business purpose. In his spare time he will go to the bar, talk to the people he works with/others, might go fishing in the summer. Arrive not knowing what there is to do.
- A federal government civil servant, university graduate, male, mid-late 40's, has been here before, home base is Ottawa. Focus is meetings, networking if there is a larger group here for the meeting. Needs/wants high speed Internet. Goes to the bar. Wants to know where to eat – local food & experience. Some want gym, exercise. Don't ask at the desk
- Public agency (NAV CAN etc), employee. Female, late 30' – 40's, focus is meetings, Internet and work. First time here – same wants/needs as above, plus looks for galleries, visitor centre, souvenirs, local experience.
- Activities: drive (ice road), visitor centre, aurora, (ice) fishing, shopping, flightseeing.

Business Travelers influence potential leisure travelers in addition to being a source of leisure travel activity themselves.

Currently, there are few products designed for business traveler to the NWT. This is a lost revenue opportunity for NWT tourism and a lost image/reputation opportunity as well. Business travelers who experience a tourism/ recreational activity in the Northwest Territories while traveling on business generally have much more positive things to say about the NWT than those who do not. Source: *NWTT Blogs Report* 2006.

Business Travelers: are interested in leisure travel/tourism experiences.

34% of business travelers say the best part of traveling for work is "seeing new places".

49% of business travelers say they often tie business to pleasure to take advantage of company expensed trips.

Source: *TripAdvsior.com,* 2007

Business travelers are interested in rejuvenating experiences to escape the stress of travel.

"These days, business hotels worldwide have developed
a plethora of innovative…services to rejuvenate the
corporate road warrior's body, mind and spirit."

Source: *Report on Business, Globe & Mail,* October 25th, 2007.

Business travelers are tired and a long way from home. 50% of Business travelers report experiencing loneliness when traveling on business. They are increasingly interested in rejuvenating experiences, physically as well as emotionally, when traveling.

As a result of a *Frequent Business Traveler Survey, 2006,* International Communications Research, Westin Hotels have introduced 'Unwind Evening Events' where business travelers can learn about the business travel location and meet members of the local community.
Concierge services connect business travelers with available excursions/local tourism experiences. The Peninsula Hotels have developed wellness programs and are focusing on rejuvenating treatments and experiences. The Four Seasons provide guided walks and runs.

Business travelers are Internet based travelers.

Many book their own travel directly online. Even if they use a corporate travel service, the vast majority plans and buys business travel online. Expedia Corporate Travel is an example of a specialized business online travel service. A number of traditional business travel service providers now provide online services to corporations. American Express Business Travel, Uniglobe Travel (Western Canada) Inc. and Carlson Wagonlit Travel have been providing Internet booking services to corporate clients for many years.

Competitive Alternatives: British Columbia

British Columbia's tourism industry is expected to grow steadily over the next three years, with visitor expenditures estimated to increase 10.9% between 2007 and 2010. Worldwide markets are growing, with revenue from the Asia/Pacific region expected to increase by a total of 19.2% during this time. There are many factors outside of Tourism British Columbia's control that influence this measure, including the overall economy, new US passport regulations, limited air capacity to BC from overseas markets, competitive spend from other markets and terrorism.

Super, Natural British Columbia is the brand used by the BC tourism industry. The brand message is communicated through a logo, a tourist-targeted website (www.hellobc.com), general and sector specific travel guides and a toll-free phone number (1-800-HELLO-BC). BC Escapes is one of Tourism BC's major North American marketing campaigns.

Vancouver 2010 Impact

For the upcoming 2010 Winter Olympics, the cumulative international tourist figures are projected in the following four scenarios. The Statistics Canada estimate of 8.5 million external (international) visitors to British Columbia in 2000 was used as a benchmark for the Olympic international tourism projections.

Cumulative Olympics-Induced International Tourists Four Scenario (Original Model) Scenario Olympic Induced International Visitors Start/End Year

Low Visits	+933,838	2007-2014
Medium Visits	+1,908,389	2002-2015
Medium High Visits	+2,502,109	2007-2015
High Visits	+3,658,347	2002-2020

Source: January 2002 Economic Impact Model.

The Games-induced visitation comprises four groups:

- **Resident Visitors** – residents of British Columbia visiting the Games who require paid overnight accommodation (i.e., are from outside the Lower Mainland and Whistler).
- **Resident Spectators** – residents of the Lower Mainland and Whistler who are spectators at the Games and do not require overnight accommodation.
- **External Visitors** – athletes, media, officials and sponsors that attend the Games.
- **External Tourists** – international tourists who visit the Games, or whose visits to British Columbia are induced by the Games publicity or the tourism marketing that is levered by the Games. (In the Olympic year, the external tourist daily spending is expected to spend $329/day with an average stay of 10 days, based on survey data from the 2001 World Figure Skating Championship.)

BC competes directly with NWT in the following tourism sectors/activities:

- o Fishing
- o Road Touring
- o Aboriginal arts, fine crafts and cultural experience
- o Flightseeing
- o Dog sledding
- o Outdoor Adventure (un/guided)
  - ▪ Bird watching/Wildlife Viewing, Canoeing/kayaking, Cross-country skiing, Snowmobiling, Hiking, Camping.

BC Market Snapshot

Provincial population	4,113,487
Tourism budget	$50 million
Overnight visits (2006) o British Columbia – 49.1% o Canada – 26.1% o US/Mexico – 20.5% o Asia/Pacific – 3.7% o Europe – 2.9% o Other Overseas – 0.6%	approximately 23.1 million
Overnight Custom Entries (2006 Totals) o US o Asia/Pacific o Europe	 3,368,517 857,491 483,568
Accommodation revenue (2006)	$1.8 billion
Employment (2005)	119,900 direct full time/part time jobs 170,000 indirect full time/part time jobs
Exports (2006 - goods purchased by international visitors)	$4.168 billion

Part 1: Current Visitor Markets for NWT Products

Competitive Alternatives: Alberta

Alberta has Canada's fourth largest tourism industry, and generated $5 billion in tourism revenues in 2004. Tourism is one of Alberta's largest economic platforms and employs more than 103,000 people. Approximately $2.3 billion in total taxation revenues accrued to all levels of government as a result of tourist spending in Alberta. This includes $1.45 billion to the federal government, $635 million to the provincial government and $237 million to local governments province-wide.

Travel Alberta, the current slogan for the Alberta tourism brand, is undergoing a rebranding exercise, which began in 2006. The tourism association in Alberta collaborates with private and public sectors at home and internationally to develop and deliver industry-led, research-based and market-driven marketing programs. At present, Travel Alberta is communicated though a logo, website, vacation guides (available on-line or by mail in English, French, German, Japanese, Korean, Traditional Chinese) and a toll-free number (1-800-ALBERTA (252-3772)). Marketing messages are also in print, on TV and on radio. Their mission is to increase total tourism revenue to $6.2 billion by Dec. 31, 2008 by stimulating increased consumer spending and visits, and by boosting greater partner participation in our collaborative marketing initiatives.

Highlights (2005/6)

- Collaboration with Film industry to attract visitors to film locations of successful movies (*Brokeback Mountain*, *The Assassination of Jesse James by the Coward Robert Ford*)
- Launched the Travel Alberta Holiday Card, a web-based marketing program aimed at four distinct regional marketing segments to better service the needs of potential visitors to Alberta. The Holiday Card program generated a database of more than 100,000 registered vacation planners who received coupons and information from various tourism industry operators via e-mail.

Current trends (2007) in the Alberta tourism market:

- Decline in Japanese tourists.
- With the increased value of the Canadian dollar, there has been a sharp increase in Canadian traveling to the US.
- Increase in domestic tourism – Canadians visiting Alberta.
- Traditional media continues to be successful (magazines, newspapers, radio, public relations, television)
- More Chinese travelers are using the Internet to book their air tickets, accommodation and Alberta is preparing for Canada to become an “Approved Destination”

Alberta competes directly with NWT in the following tourism sectors/activities:

- o Fishing
- o Hunting

- Road Touring
- Northern Lights (Aurora)
- Aboriginal cultural experience
- Parks & Wilderness
- Outdoor Adventure (un/guided)
  - Bird watching/Wildlife Viewing, Canoeing/kayaking, Cross-country skiing, Snowmobiling, Hiking, Camping

Alberta Market Snapshot

Provincial population	3,290,350
Tourism budget • $36.9 Million - marketing • $ 8.1 Million – services and development	$45 million
Tourism Revenue (2005/6)	$5.3 Billion
Overnight visits (2006) • Pleasure – 45% • Business – 24% • VFR – 20% • Other – 11%	$4.06 Billion
Travel by Market (Country of Origin - 000's)	Canada – 10,698 USA – 1,073 Europe – 368 Asia/Pacific – 349 Other Countries - 37
Accommodation occupancy rate (2003)	60.1%
Employment (2001)	104,328 full time jobs

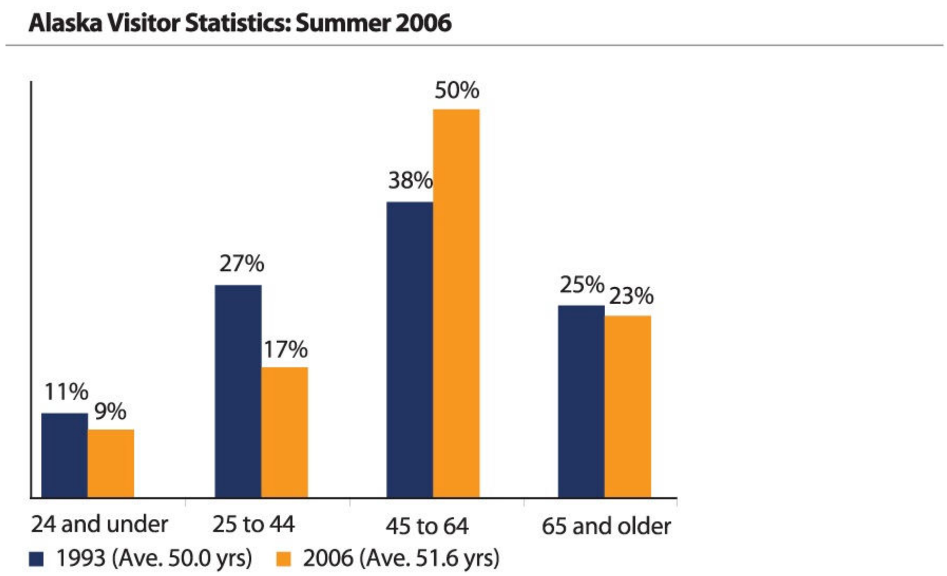
Part 1: Current Visitor Markets for NWT Products

Competitive Alternatives: Alaska

"Alaska. Beyond your dreams. Within your reach". is the brand slogan used by the Alaskan tourism industry. Travelalaska.com is the website – with full capacity in English, German, Japanese and Korean. These languages represent important direct air connection visitor markets.

The profile of the Alaska Visitor has changed significantly.

- The age profile is slightly older overall – but the real change is the **growth of the 45 – 64 'Boomer' group**. The 25-44 segment decreased from 27% in 1993 to 17% in 2006, and the 45-64 segment increased from 38% in 1993 to 50% in 2006, so that the 'Boomer' generation is now the dominant Visitor group for Alaska:



- **Alaska Visitors are now considerably more affluent/upscale.** Alaska Visitor income levels have increased dramatically - by 70% between 1993, from an average visitor income level of $61,000 (above the national average) to an average visitor income of $103,000 in 2006, well above the national US averages income level.

- About seven out of ten Alaska visitors are "package" visitors. This market includes all cruise visitors, as well as many sport fish visitors, motor-coach tour participants, wilderness lodge guests, and others (including the growing Japanese Aurora visitors).

- Alaska visitors expressed high levels of satisfaction with most aspects of their Alaska trip. The highest-rated aspect, with 70 percent of visitors very satisfied, was the overall trip experience.

- Four out of five visitors surveyed said they were very likely to recommend Alaska as a vacation destination to their friends and family, while another 18 percent were likely

- Two-thirds of Alaska visitors in the summer of 2006 used the Internet to plan their trip, including 42 percent who booked at least one component of their trip online.

Origin	All	Air	Cruise	Hwy/Ferry
US	85%	93%	82%	65%
Canada	6%	1%	7%	24%
International	9%	6%	11%	11%
Europe	63%	70%	60%	74%
Australia/NZ	20%	9%	23%	21%
Asia	6%	13%	4%	1%
Mexico	5%	1%	6%	4%
Other	7%	7%	7%	1%

Alaska offers the following tourism sectors in common with NWT:
- Outdoor adventure/eco-tourism
- Aurora
- Canoeing/kayaking
- Fishing
- Flightseeing
- Road travel/RV's
- Wildlife viewing
- Winter activities (dog sledding, snowmobiling)
- Aboriginal culture

However, when considering the top ten activities that visitors to Alaska participated in (Summer 2006), the following percentages indicate that visitors to Alaska are interested in activities that differ from the current NWT offering (excepting Wildlife viewing).
- Shopping – 71%
- Wildlife viewing – 56%
- City/sightseeing tours – 44%
- Day cruises – 40%
- Train – 38%
- Hiking/nature walks – 30%
- Museums – 28%
- Native cultural tours/activities – 20%
- Fishing – 20%
- Historical/cultural attractions – 18%

Fishing and Hunting are significantly declining in Alaska.
- The number of people fishing and hunting in Alaska has declined.
- Recreational fishing is down 26% and recreational hunting is down 24% when comparing numbers in 2001 to numbers in 2006.
- Wildlife viewing in Alaska in the same time period has increased 22%.

- In 2006, about 38% of the U.S. population age 16 and older, hunted, fished or observed wildlife. Those 87 million Americans spent $120 billion in the pursuit of outdoor recreation. Hunters spent about $23 billion and anglers spent $41 billion.

Market Snapshot

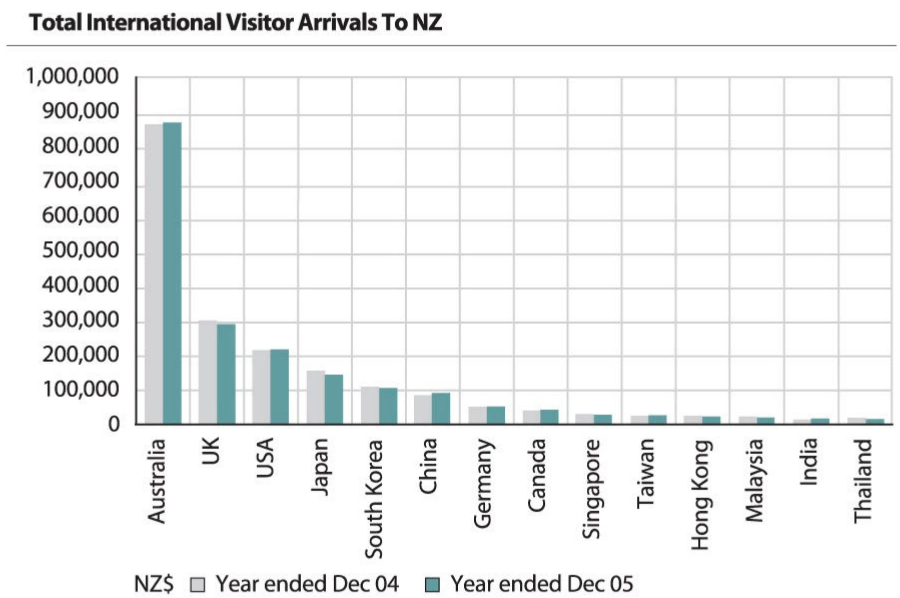
State population	670,053
Tourism budget	$13.6 Million
Visitor Volume (Summer 2006) • Western US – 39% • Southern US – 19% • Eastern US – 13% • Midwest US – 13% • Canada – 6% • Other International – 9%	1.63 Million (out of state)
Other International Breakdown • Europe - 63% • Australia/New Zealand – 20% • Asia – 6% • Mexico – 5% • Other International – 7%	
Visitor Expenditures (Summer 2006) • Lodging - $191 M • Tours/Activities - $307 M • Gifts/souvenirs - $289 M • Food/beverage - $158 M • Transportation - $111 M • Package - $245 M • Other - $178 M	$1.5 Billion
Travel and Tourism Employment (2002)	26,158 (9.1% of overall employment)

Part 1: Current Visitor Markets for NWT Products

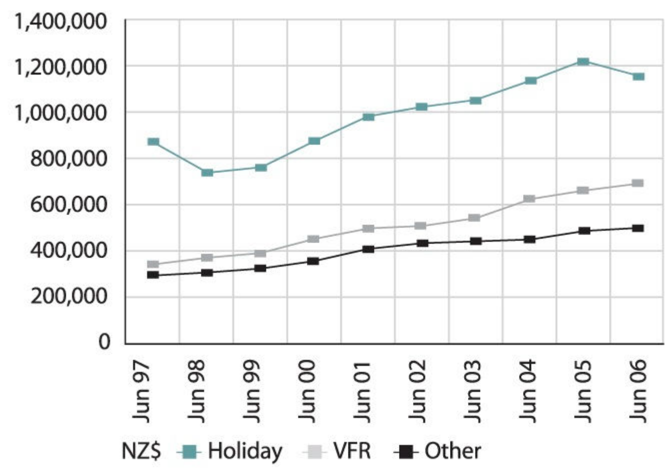
Competitive Alternatives: New Zealand

The New Zealand tourism brand is *100% Pure New Zealand*. The brand campaign is used in New Zealand's key global markets and combines advertising, Internet, international media coverage, events and trade training. The tourism website has comprehensive Japanese and Korean language versions. The Japanese version is especially detailed and now has the same content and functionality as the English site. New Zealand is known for its innovative approach to marketing tourism. For example, one initiative in 2005/6 featured the brand on 500,000 international payphone cards.

New Zealand also uses the Qualmark©, the official mark of quality, which identifies professional and trustworthy businesses. This symbol means that the business in question has been independently assessed against a set of national quality standards that have been developed with the traveler in mind.



International Visitors to NZ by Purpose of Travel



Other Marketing Highlights

- The 100% Pure ad featuring Mt Cook won a silver award at the Japanese Advertising Awards in 2005/06.
- New Zealand was voted 'Coolest' destination in the world in the UK in 2005/06.

New Zealand's tourism offering competes with the NWT in the following sectors:

- Aboriginal culture
- Outdoor Adventure
- Hunting
- Hiking/Trekking
- Kayaking
- Fishing
- Parks
- Bird watching/Wildlife Viewing

Market Snapshot

Population	4,115,771
Tourism budget (Marketing only)	$63 Million
Visitors (2005/6 Totals)	2.38 Million
Tourism revenue (2005/6)	NZ$8.1 Billion ($6.6 Billion)
Employment (2005/6)	102,700 full time jobs 69,300 indirect jobs

PART 2: NEW AND EMERGING VISITOR MARKETS

Trends in the global tourism industry, in the visitor markets and product sectors that NWT competes in**.**

Overall Trends Summary

- Global tourism is strong, intensely competitive and will continue to grow. Germany, USA and Japan will continue to be major sources of inbound tourists..
- The 'off the beaten path' remote (long haul) destinations sector that NWT participates in is a key growth sector globally.
- Experiential travel as the dominant motivator of travel
    - Supported by a suite of choices of activities/interests
    - Authentic

- The traditional North American (USA and Canada) visitors are changing.
    - North American tourism is increasingly dominated by the upscale, well-educated, experienced travelers from urban centres.
    - Changes in the character of overall US tourism as a result of WHTI, soft US economy, strength of the Canadian dollar, escalating gasoline/road travel costs. Same day and automobile cross border tourism into Canada is declining now in key southern markets and expected to decline further.
    - Dramatic growth of Canadian upscale immigrant populations in urban centres. Dramatic growth of Hispanic population overall in the USA.

- The aging population is impacting North American, European and Japanese travelers now – and will increase.
    - Baby Boomer generation dominates travel globally and in North America. This generation is 42 – 61 now. In 10 years, they will be 52 – 71. They will be the dominant travelers globally and in North America for the next 20 years – with the money, time and desire to travel.
    - Growth of 'Soft Adventure' vs. 'Hard Adventure'
    - Modification of products in 'soft adventure' to meet needs of aging boomers knees, hips and backs. Development of new products to meet interest in naturalist sectors such as wildlife viewing, geology, flora, etc.
    - Growth of eco-tourism, environment 'educational' products/experiences
    - Aboriginal culture as a significant area of visitor interest
    - Amenities escalation. The boomers have added amenities to their homes – and expect upgraded amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack and hot water.

- 'Green' is important and here to stay. Tourism products are expected to be/become ecologically aware, sustainable, conscious of environmental 'footprint', energy impact, pollution, garbage reduction, etc.
    - Southern Focus on 'the Arctic' as a symbol for climate change places extra pressure on environmental standards for tourism products, esp. hunting.
- Travel Safety in a dangerous world. Travelers want to be welcome and confident of personal safety.

- Information technology as an enabler of individual control and choice.

- The internet as the dominant source of information, bookings
- ‘Visitor Empowered Communications’. Every travel experience, good or bad, is immediately an experience that our potential visitors can learn about.

- Emerging affluent South/Central America visitors (esp. Mexico) – and growth of Spanish as a key North American tourism language.

Part 2: New and Emerging Visitor Markets for NWT

The Global Tourism Industry

Travel Tourism is strong, global and intensely competitive.

Worldwide, travel tourism continues to grow – led by significant growth in the market sector that the Northwest Territories participates within: ‘emerging/’off the beaten path’ long haul travel destinations. Long haul travel is forecast to grow worldwide by +33% through 2020. Source: *World Tourism Barometer, Volume 5, Issue 1* World Tourism Organization (UNWTO) January 2007*, and Barometer News Release,* UNWTO January 29th, 2007*)*

In 2007, better than expected global tourism performance has been recorded to-date (January – April 2007), with a 6% increase in total tourist arrivals or 15 million more arrivals than the same four month January - April period in 2006

Continued strong global tourism growth is forecast based on:

- Continued world prosperity and increasing disposable incomes;
- Strength in emerging markets and developing economies, especially Asia;
- Underlying strength of the air transport market, in particular the successful expansion of low cost long haul airlines in Asia Pacific;

The countries that are the major source of tourists/visitors internationally have remained fairly constant. Germans remain the leaders in travel tourism – and tourism growth returned in 2007 (+ 4.8%) in Germany as well as other European countries. The largest increases are coming from Asia (China and Korea), South America (Brazil, Argentina)

Outbound Tourism Countries

Rank 2006	Expenditures growth 2007 year to-date)	Rank Projected 2020*
Germany	(+4.8%)	Germany
United States	(+4.1%)	Japan
United Kingdom	(+2.7%)	USA
France	(+1.2%)	China

Japan	(+3.0%)	United Kingdom
China	(+10%)	France

*Source: *Tourism 2020 Vision,* 2002, UNWTO, Madrid.

The International Tourist Market

The market for international travel is expected to grow dramatically as the world population grows and as the ability/interest in travel tourism expands. UHWTO projections are for worldwide travel arrivals to more than double by 2020:

Worldwide Participation in Tourism

	1970	2000	2020
World Population (million)	3,708	6,080	7,608
International Tourist Arrivals (million)	166	700	1,600
International Tourist Arrivals per 100 population	4.5	11.5	21.0

Only a small percentage of the world's population participates in the tourism market. For example, in 2002, only 18% of adult Americans held passports – so only a relatively small minority of Americans was responsible for the massive outbound tourism that takes place from the United States. Considerable socio-demographic variation exists on a worldwide basis between groups of people in terms of their likelihood to travel. There are identifiable groups of people who take more international trips, travel more frequently and spend more on tourism than others:

Worldwide Tourism Propensity Characteristics

High Tourism Propensity	Lower Tourism Propensity
Higher Income groups	Lower Income groups
Higher Education qualifications	Secondary Education (or lower)
Retired professionals	Families with young children
Urban Populations	Rural populations
Executive occupation	Non-executive occupations
Four or more weeks paid vacation	Two weeks or less paid vacation
West European, American, Australian	Populations in developing world

Most Tourism Organizations use tourism market segmentation to position tourism products and services in a way that best meets the needs of current and high potential customers. The benefits of market segmentation are summarized by Tourism Australia, - and quoted by the World Tourism Organization as an example of best practices:

Maximize marketing return on investment:

By identifying audience segments that are most receptive, marketing and product development activities can be directed at those segments rather than at the market as a whole and the return on investment will be greatest.

Develop more successful tourism products:

By better understanding the customer segment, target audience needs and desires can be better understood. Specifically relevant facts can be gathered on how travel is planned and booked, where the audience finds information, what services, activities and amenities are important. More attractive tourism /sector and activity products can be developed; more effective marketing can be done.

Communicate more effectively:

Segmentation produces information about the emotional and rational motivations that drive travel choices. More powerful and motivating communications can be developed.

Key Tourism Trends Internationally.

Worldwide, travel tourism continues to grow – led by significant growth in the market sector that the Northwest Territories participates within: 'emerging/'off the beaten path' long haul travel destinations. Long haul travel is forecast to grow worldwide by +33% through 2020.

Total world wide tourism arrivals for 2006 were 842 million, +4.5% overall and led by the emerging destinations in Africa (esp. South Africa, Kenya, Morocco) at +8.1%; Asia and the Pacific (esp. India and New Zealand) at +7.6%; Central (+6.1%) and South America (+7.2%), where the emerging destinations of Chile, Columbia, Guatemala, Paraguay and Peru posted strong growth. Modest growth was posted in Europe at +4.0%. (Source: World Tourism Organization (UNWTO), *World Tourism Barometer, Volume 5, Issue 1 January 2007, and Barometer news release, January 29th, 2007)*

In 2007, better than expected global tourism performance has been recorded to-date (January – April 2007), with a 6% increase in total tourist arrivals or 15 million more arrivals than the same four month January - April period in 2006. **Off the beaten path destinations continue to lead growth**: Sub-Saharan Africa (+10%), South America (+ 8.5%) Central America (+ 7.1%), North East Asia (+9.2%). Regionally, Asia/Pacific led the growth in both arrivals and receipts, such that this region now surpasses the Americas in arrivals and equals the Americas in receipts, with each achieving US $153 billion in receipts in the period but Asia/Pacific recording a 9% growth while Americas recorded only 2% growth. Europe remains the largest single region with receipts of US $378 billion and 4% growth in the period. (Source: World Tourism Organization, *World Tourism Barometer Volume 5, Issue 2 June 2007)*

The major source of uncertainty identified by the World Tourism Organization is the Western Hemisphere Travel Initiative (WHTI). This USA legislation has a range of implications for travel by Americans and for air traffic using air space over the United States. The WHTI imposes passport requirements on Americans when they re-enter the USA and is expected to reduce US outbound travel. (Only a small percentage of Americans have traditionally held passports.) The impact on air traffic using air space over the USA, including travel to/from Mexico, the Caribbean, and Canada is not yet clear.

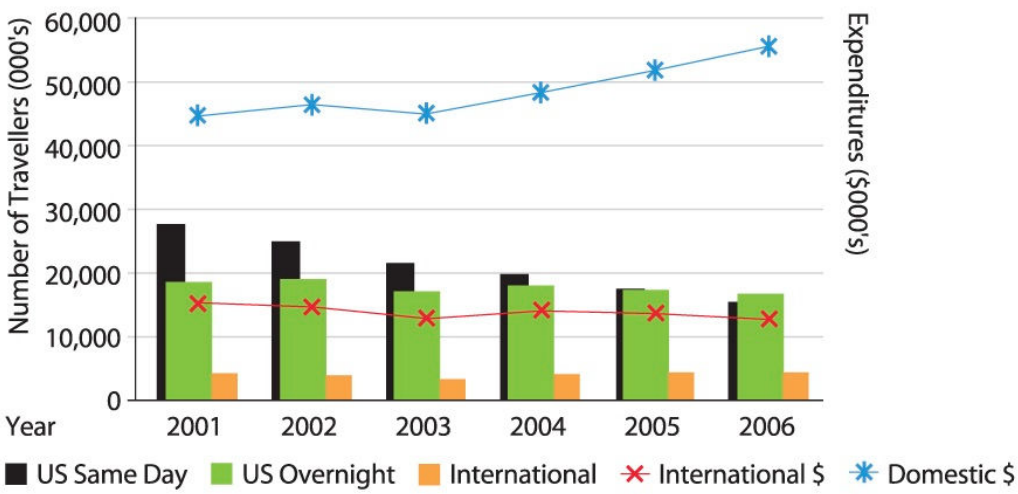
Currency fluctuations (such as the current Canadian dollar increases and the US dollar weakness) are seen as redirecting travel flow, not augmenting or reducing travel. Exchange rate fluctuations are expected to continue to be a significant factor in tourists' choice of destinations. Countries that see their currency weaken become more attractive as destinations while tourists from countries that see their currency strengthen have an advantage when traveling abroad. The euro appreciated by almost 30% against the US dollar between 2001 and 2004, and has improved again recently.

Trends in Key Visitor Markets

The Domestic/Canadian Perspective

Travel by Canadians to the United State, has increased while travel by Canadians within Canada has decreased. Canadian Domestic tourism has grown consistently since 2003. Statistics Canada reported a slowdown in domestic tourism in 2007 and 2007 spending by Canadians on tourism in Canada was only +0.4% the slowest pace in four years. (*Statistics Canada: National Tourism Indicators, September 27, 2007)*

Travellers and Expenditures - 2001-2006



Statistics Canada continues to forecast overall growth in domestic Canadian travel as a result of travel from Ontario (Greater Toronto Area) to other provinces and especially travel by the affluent Ontario traveler segment.

However there are risks for all segments of domestic travel as: 1) the strong Canadian dollar makes travel outside of Canada less expensive/more attractive for affluent travelers; and, 2) high/increasing gasoline prices increase the cost of road travel within Canada for less affluent travelers and for popular, traditional activities such as camping.

Travel by Americans to Canada has declined overall and changed profile significantly. Same day travel by Americans has dropped so far that it was equal to overnight travel in 2006. US business travelers, air travelers and more affluent US visitors show growth and are expected to continue to grow in importance.
Total same day, automobile travel, and travel by less affluent Americans is expected to continue to decline through 2011, potentially dramatically. For example, before the most recent rise ion the value of the Canadian dollar, Ontario was already projecting weakening performance each year through 2011, led by large declines in US same day automobile/ less affluent US leisure travel.

Strong Canadian Dollar Impact: Domestic Tourism

We should expect that overall domestic tourism to be under some pressure while overall travel by Canadians outside of Canada can be expected to increase. For example, Ontario is forecasting that the number of inbound domestic visitors from other provinces will shrink at an annual average of 0.2% per year through 2011. In part, the Ontario forecast relates to the stronger Canadian dollar favouring Canadian travel to the U.S. and overseas countries.

The current Canadian dollar increases/strength and the US dollar weakness are seen as redirecting travel tourism flow, not changing the total number of Canadians who will travel. The dollar is at an all time high versus the US dollar and is expected to remain high for the foreseeable future. Typically, when the Canadian dollar weakens, Canada becomes more attractive as a destination for both domestic and foreign visitors. And when the Canadian dollar strengthens, Canada is less attractive as a destination for both domestic and foreign travelers. For Canadians, the cost of travel in Canada does not change – but the increased value of the Canadian Dollar is an incentive (new found advantage) when traveling abroad/outside of Canada. For non-Canadians, travel in Canada becomes relatively more expensive.

Strong Canadian Dollar Impact: Operator Income

For operators who quote their prices to American visitors in UJS dollars, the increased value of the Canadian dollar has a potentially significant impact on revenue and income. The higher value Canadian dollar effectively reduces the income to the operator while maintaining the cost to the US visitor. Increasing the US dollar prices, or quoting in Canadian dollars increased the cost of an already expensive trip.

The Aging of the Domestic Tourism Market

The aging Boomer generation will remain the single largest group in the population and the largest single group of travelers. Affluent Boomers are the most important single visitor market for the NWT. They will continue to be a dominant force in the Canadian population and in domestic tourism. However, as they age, they are placing new demands on tourism products and services.

Canadian Adult Population – Age & Gender

	Canadian Adult Population in…		Growth Rate from 2000 to 2006
	2000	2026	
Adults 18+	23.3 Million	29.6 Million	
Men	49 %	49 %	27 %
Women	51 %	51 %	27 %
18-34 years	31 %	25 %	0.47 %
35-44 years	23 %	17 %	-7 %
45-54 years	18 %	16 %	11 %

55-64 years	12 %	16 %	77 %
65+ years	16 %	26 %	111 %

Source: Canadian Soft Adventure Enthusiasts (TAMS), Canadian Tourism Commission, Table 18

The Increasing Urbanization of Canada

The Canadian population growth of 27% is forecast as cities expand dramatically: Toronto +70% to 6.1million people; Vancouver + 57% to 2.4 million; and, Montreal +38% to 3.7 million. The chart below summarizes regional changes expected:

Regional Shifts in Canadian Adult Population

	Canadian Adult Population in…		Growth Rate from 2000 to 2006
Adults 18+ (000's)	2000	2026	
Total Canada	23.3	29.6	27 %
Atlantic Canada	1.8	2.0	8 %
Quebec	5.8	6.2	8 %
Montreal	2.7	3.7	38 %
Ontario	8.9	12.2	37 %
Toronto	3.6	6.1	70 %
Manitoba/Saskatchewan	1.6	1.8	14 %
Alberta	2.2	2.9	33 %
British Columbia	3.0	4.5	49 %
Vancouver	1.5	2.4	57 %

Source: Canadian Soft Adventure Enthusiasts (TAMS), Canadian Tourism Commission, Table 17

Multi-Cultural Canada

This growth in Canada's major urban centre is powered by immigration. Canada's urban populations are multi-cultural now – and will become increasingly multicultural. By 2026, 28% of Canadians, 8.3 million people, are expected to have been born outside of Canada. Profiles of the major multicultural cities (Toronto, Vancouver, Calgary) follow this section.

Demographic Profile: The Greater Toronto Area

Large, Diverse and Growing

Large and growing:
The Greater Toronto Area includes the City of Toronto and the regional municipalities of Durham, Halton, Peel and York, and represents the fastest-growing region in Canada. The GTA is projected to grow from 5.7-million people in 2004 to 6.6-million in 2017 and 8.1-million in 2031. Within the GTA, Toronto's population is forecast to increase from 2.6-million in 2004 to 3.1-million in 2031.
Sources: Ministry of Finance, 'Ontario Population Projections', Feb. 2005; Statistics Canada, 'Population of Visible Minority Groups, Canada, Provinces, & Regions: 2001-2017', March 2005

Diverse and Multicultural:
In 2017, people of visible minorities and non-European origin are expected to make up more than half of Greater Toronto's population and one-fifth of Canada's population. The vast majority of new immigrants to Canada (75%) will congregate in the country's three largest urban centres (Toronto, Vancouver and Montreal).
The visible-minority population of the Toronto Census Metropolitan Area is forecast to range between 2.8-million and 3.9-million in 2017 – up from 1.7-million (or 37%) in 2001. People of South Asian origin will compose the Toronto region's most populous visible-minority group. Of Toronto's projected 6.6-million, more than 1 million will be South Asian, up from 433,000 in 2001.
The second largest group will be those of Chinese ancestry, at 735,000, up from 420,000 in 2001. More than half of Canada's South Asian and about 40% of Canada's Chinese will be living in Toronto.
Sources: Statistics Canada, 'Population of Visible Minority Groups, Canada, Provinces, & Regions: 2001-2017', March 2005; Toronto Star 'New Lives Link Two New Worlds', March 23, 2005

Home to Affluent Men and Women
More **women** are earning high salaries and generating significant wealth. Baby boom women are now reaching the point in life when, having achieved significant success, they have the resources and ability to pursue non-work related/leisure activities

The intergenerational wealth transfer, estimated to be as much as $1 trillion, is poised to occur. By 2011, half the baby boom generation will be over the age of 55. They will have the funds that they have generated themselves for their retirement – and as a generation, they will inherit wealth as their parents age and die.
Discretionary wealth held by Canadians is expected to almost double from $1.7 trillion in 2003 to nearly $3.4 trillion by the year 2012. Discretionary wealth is defined as assets not invested in real estate or pensions. *Source: Investor Economics, 2004*

Demographic Profile: The Greater Vancouver Area

Large and Growing

Over the next 25 years, the population of Greater Vancouver is expected to increase by over 700,000 people (32%) to 2.88 million. Within the City of Vancouver, where 27.5% of people in Greater Vancouver reside, the population is forecast to rise to 710,989, an increase of 108,758 people, or 18%, by 2031. The three Census Metropolitan Areas (CMAs) of British Columbia's Lower Mainland (Vancouver, Victoria, and Abbotsford) accounted for 95% of BC's growth between 1996 and 2001 and 77% of growth between 2001 and 2006.
Source: 2006 Census – Population Counts, Community Services Group, City of Vancouver, March 2007 and Social Sustainability in Vancouver, Merrill Cooper, September 2006

Diverse

In 2001, 49% of the city's total population was of visible minority background, compared to 44.8% in 1996. In 2001, 45.9% of the total population was immigrants (defined as people who were not born in Canada). The three most numerous groups of recent immigrants are of Chinese, Filipino and Indian origin.

The people of Vancouver also speak a multitude of languages. Based on the 2001 Census figures, 49.4% (261,365) of the city's population identified English as their mother tongue, while 50.6% (267,545) identified a language other than English as their mother tongue. Other languages spoken at home include: Chinese (26.6 % of total), Punjabi (2.7%), Tagalog (Filipino, 2.4%), Vietnamese (2.2%), French (1.7%), and Spanish (1.5%).
Source: Social Planning, Multiculturalism and Diversity, 2006. available at http://vancouver.ca

Aging

Population aging in Greater Vancouver and Vancouver will skyrocket in the coming years: By 2031, the over-65 age cohort in Greater Vancouver is projected to double, while the number of children and youth is expected to rise by only 10%.
Source: Social Sustainability in Vancouver, Merrill Cooper, September 2006

Demographic Profile: Calgary and Edmonton

Calgary Economic Region
Growth from Across Canada as well as Immigration
The population of the Calgary Economic Region (CER) is estimated at 1.15 million in 2005 and is expected to increase to over 1.26 million in 2010. The majority of the growth should be contributed by natural increase.
The city's population is expected to climb to 1.04 million in 2010 from 956,078 in 2005.

Changing Patterns of Immigration
Calgary expects to receive between 9,000 – 10,000 new immigrants in 2005.

There was a sharp decline in the number of immigrants arriving from Calgary's traditional source countries in 2004. Immigrants from China, historically Calgary's most important immigrant source country, declined by 14%, while immigrants from India, traditionally Calgary's second most important region, declined by 17%. Declines were also noted in the number of immigrants from Korea (-41%), Colombia (-34%) and Afghanistan (-42.5%). At the same time, there were increases in the number of immigrants from the Philippines (+7.5%) which became Calgary's second most important immigrant source region in 2004. Substantial increases were also reported from Nigeria (+47.5%), The United States (+34.5%), Pakistan (+19%), Russia (+17%) and England (+13%).
Source: Calgary & Region Socio-Economic Outlook: 2005 – 2010 available at www.calgary.ca

The Greater Edmonton Area,
The Greater Edmonton Area, comprised of the city of Edmonton and 23 member municipalities, is projected to grow from 1.01 Million people in 2005 to 1.09 million people in 2011.
Within the Greater Edmonton Area, Edmonton's population is forecast to increase from 712,000 people in 2005 to 765,000 people in 2011.
Source: City of Edmonton Planning and Development Department, April 2006

Limited Current Diversity Information
Statistical report upcoming in April 2008. (www.edmonton.com)
From 2001 Census, 310,190 people identified themselves with 28 different single ethnic groups and 735,425 people identified themselves as being of multiple ethnic origins.
Source: 2001 Federal Census: Ethnic Origin, Statistics Canada

Part 2: New and Emerging Visitor Markets

Trends in Key Visitor Markets: USA.

The Western Hemisphere Travel Initiative (WHTI

What is it?
The Western Hemisphere Travel Initiative (WHTI) is a U.S. law that will require all travelers, including U.S. citizens, to present a valid passport or other secure document when traveling to the United States from within the western hemisphere. The new document requirements were implemented for air travelers to the United States on January 23rd 2007.

On Jan. 31, 2008, land and sea travelers, including US citizens, will be required to present either a WHTI-compliant document or a government-issued photo ID, such as a driver's license, plus proof of citizenship, such as a birth certificate. The date of full WHTI implementation for land and sea travelers is expected to be in the summer of 2008. The proposed rules require U.S. citizens to have either a U.S. passport; a U.S. passport card; a trusted traveler card such as NEXUS, FAST, or SENTRI; a valid Merchant Mariner Document (MMD) when traveling in conjunction with official maritime business; or a valid U.S. Military identification card when traveling on official orders.

The Expected Impact.
The Western Hemisphere Travel Initiative (WHTI) is expected to have a significant negative impact on US travel to Canada. Relatively few Americans hold passports and there is considerable confusion over the exact requirements among the US population. Passports are available to US citizens but few Americans hold them. Americans with passports tend to be well-educated, affluent, experienced travelers. Many traditional travelers to Canada at border towns etc do not hold passports. There have already been sharp declines in the number of visitors from the USA to Canada over the past few years.

Going forward, the WHTI changes to passport regulations, the US 'credit crunch', continuing high fuel prices and the strong Canadian dollar are expected to continue to limit growth in visitors from the U.S. to Canada. For example, Ontario is projecting weakening performance each year through 2011, led by large declines in US same day automobile and leisure travel.

US society continues to split economically: 'have' and 'have not'
Travel outside of USA dominated by 'have'/ affluent Americans:
Average income of US visitors to Canada is rising - driven by share growth in older (45 - 60), more affluent travelers. The younger, less affluent families are traveling significantly less outside of the US, and have much less discretionary income to spend on travel.

US visitors lack a compelling reason to visit Canada

Canada's image weakness: 'other more interesting places to go' 'Nothing special or unique' (24%); 'been there/done that' (19%), and for the younger less affluent families - 'price of gas'.

Declining Visitor Satisfaction ratings to 'Canada' overall have declined (2004 vs.. 2000) and are now behind Pacific Ocean/Australia, Europe, Middle East, and South America. In Value ratings, Canada is overall behind South America, Asia, Mexico, and Pacific Ocean/Australia but ahead of Europe. Source: *Competing for America: Changing US Travel Trends to Canada.* DK Shifflet & Assoc. Ltd. January 2006.

Experience versus destination.

Once they determine the **experience,** they find the **location.** This has been complicated by the growth in affordable global travel - which has opened up the world to expand competition.

> e.g.: the fishing visitor looking for a remote fishing experience and adventure, can chose between New Zealand, NWT or the Amazon river basin

Authentic experience

These are experienced travelers, and they are choosing authentic experiences **-** they want to be **visitors, not tourists.** They do, however, want to be welcome and safe.

Travel that is environmentally responsible, dependable and comfortable.

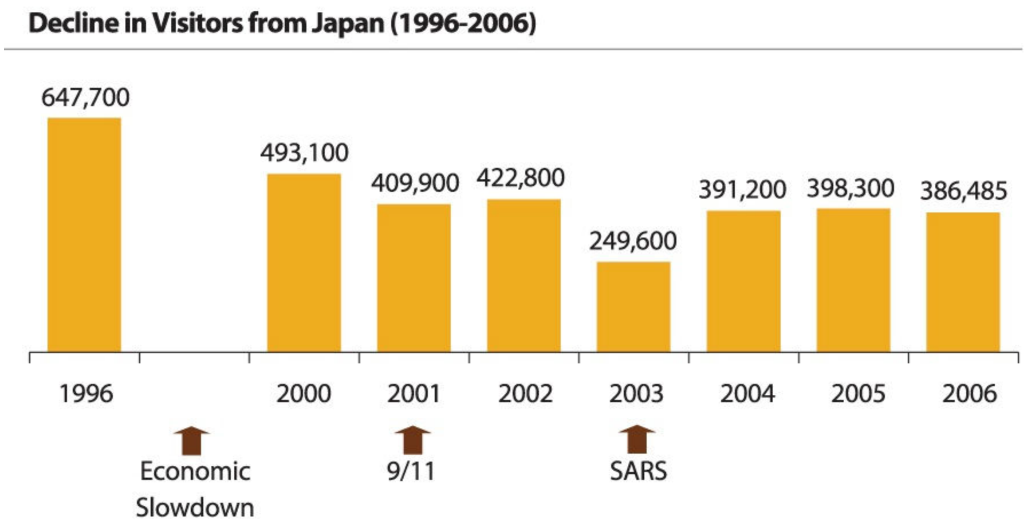
When it comes to amenities, our target audience has clear minimum standards. The upscale, boomer audience has already been backpacking and now is looking for softer adventure, excitement that includes comfort, cleanliness and environmental awareness. They do not expect 5 star luxury in remote, off the beaten path destinations, but preferences and expectations are much higher. Add to this a heightened environmental awareness and the expectation that 'green' alternatives will be incorporated whenever possible: energy sources, non-polluting alternatives (noise, air and water quality etc,) carbon footprint, refuse.

Internet is the preferred source of information, a source of independent advice as well as the forum for 'telling their story'. Advice form opinion leaders, message boards on websites such as www.tripadvisor.com; www.ricksteves.com; www.lonelyplanet.com are mass 'word of mouth' forums offering potential visitors the opportunity to read first hand accounts. Specialized sites, such as Boon & Crockett are trusted sources for operator and guide evaluations worldwide.

Travel safety in a dangerous world. US travelers, in particular, want to know that they will be welcome and be confident of personal safety.

Japanese Visitor Market

The Japanese visitors to Canada have been declining for over 10 years. In fact, Japanese travel to most of the traditionally popular Western destinations has declined in the past 10 years, not just travel to Canada. Australia, Europe, US mainland and Hawaii have all declined in popularity with the Japanese. The Northwest Territories success rebuilding Japanese visitors after SARS was exceptional.



(Source: *'Restoring Canada's Growth/Yield with the Japanese Travel Market*, Canadian Tourism Commission, July 2007) [p. 1 – Exhibit 1.2]

The reasons for the overall decline are:

1. Profound impact of the **second runway at Narita airport**, which opened in 2002. This runway effectively opened up short haul/Asian travel for the Japanese. The impact of this increased competitive access was exacerbated by Canada's failure to obtain any 'slots' for travel to Canada, putting Canada at a competitive disadvantage.
    - **Growth in inexpensive airfares to/within Asia** at the same time that the cost of travel to Canada increased: Currency fluctuation caused Canadian total cost to increase (Yen declined in value) and air travel surcharge cost of $300 added for Canada

2. **China opened up, and became trendy** to the very trend conscious Japanese. Travel restrictions to China were eased, the growth in inexpensive airfares provided a cost incentive and these were supported by Japanese curiosity about a 'new' destination.
3. **Short haul/Asian niche markets opened up.** An example of this is the emergence of 'Esthetic destinations' for the Silver Ladies Japanese travel segment. These destinations include Korea, Vietnam, and the Philippines.
4. **Traditional destinations are 'old news'.** Lack of media 'presence', perceptions of old news (been there/done that); concerns re: terrorism, personal safety resulted in most traditional destinations losing salience for the Japanese - and Canada simply fell 'off the radar' as a destination for consideration. Notable

exceptions were: 1. Aurora marketing kept the Northwest Territories 'on the radar'; and, 2. Gaudi architecture/ cultural tourism and a flamenco-dancing fad that kept Spain 'on the radar'.

Overall 'Canadian' Tourism Marketing Opportunities with the Japanese

Canada's strength, and the Northwest Territories strength are identified as in 'experiential travel' in an overwhelming, beautiful natural environment. This leverages the current image that Canada has of 'Big Nature' including, for the Japanese: the impact of natural phenomenon; the perception of *feeling* healing power and spirituality; the sense of rejuvenation. The basic motivator is identified as rejuvenation – time out from urban stressful environments; the addition of discovery, excitement, adventures that is big, almost overwhelming but accessible and 'comfortable'.

Specific opportunities:

- Soft adventure in magnificent wilderness
    - Canoeing/kayaking, hiking and horseback riding
    - Trail walking, fishing, naturalist activities such as wildlife viewing, flora, flower viewing
    - Hobby related – bird watching, nature photography

- Lifestyle focused, cultural tourism involving seeing/experiencing local life styles, interacting with Canadians with home visits for teas, garden visits, festivals, activities.
- Growth in desire for personalized experiences rather than 'one size fits all' experiences. Consider adding options to address personal interests or hobbies, themes.
- Staying in a remote (with appropriate amenities, language support and foods) wilderness lake or mountain lodge; or an 'authentic' (log) cabin.
- Spa/wellness in a natural location.
- Market to the experience/interest area/values rather than marketing a specific age group.
- World heritage sites and culture, especially anything linked to Japanese TV programming
- Consider marketing as 'Shugaku Ryoko' – school trip paradise.
- **Become much more interactive and add functionality to website.**
    - **C**ommunicate in 'real time' (current weather, current aurora etc); add testimonials, interactive Blogs, make the site compatible with the Japanese mobile phone system.
    - Make information access easier to help convert 'potential visitors to 'actual' visitors by meeting information needs.

Northwest Territories Marketing Opportunities with Japanese Visitors

Aurora tourism in Yellowknife caters to two Japanese markets: One group takes in other destinations (Vancouver, Banff) as part of a package; the other group is Aurora specific.

Infrastructure
Direct flights to Yellowknife from Japan to compete with the Alaska and Yukon alternatives.

Japanese Travel Trade support
The Japanese travel trade who previously booked travel to NWT may be a source of support and idea to offset the growth of Alaska Aurora tourism/increase NWT Aurora tourism

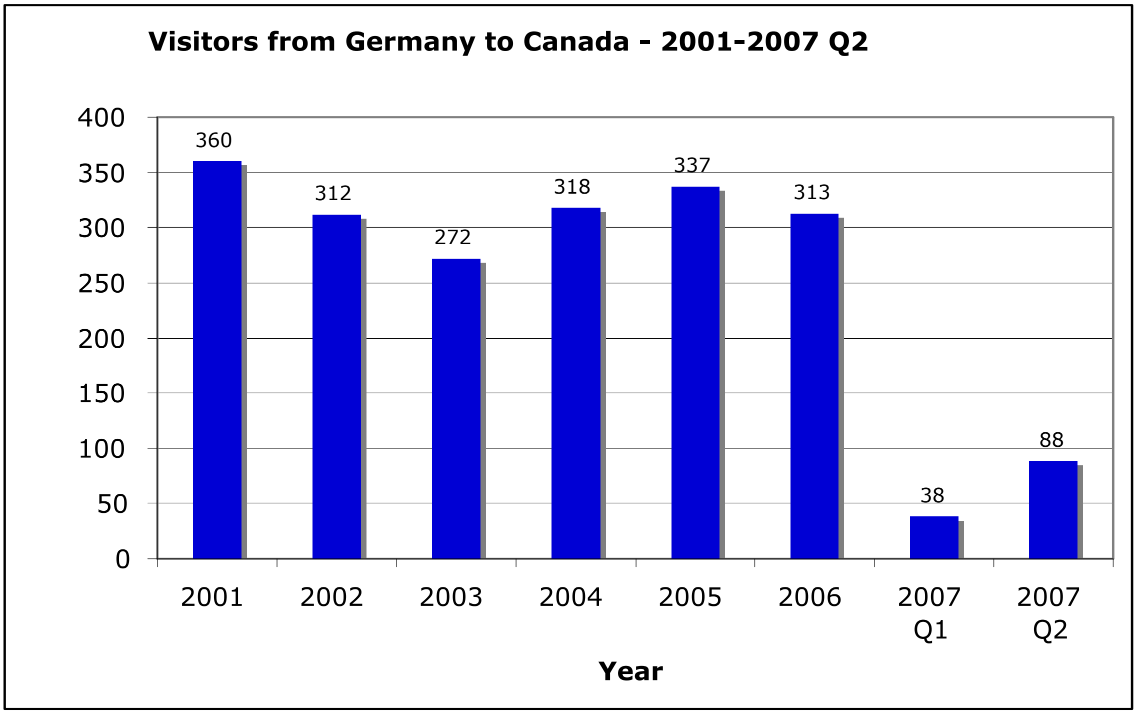
Product awareness and 'salience' in the trend conscious market.
Greater awareness of the NWT Aurora product and its advantages

Sources:

1. 'Restoring Canada's Growth/Yield with the Japanese Travel Market, Canadian Tourism Commission, July 2007
2. Statistics Canada
3. Tourism Snapshot, Canadian Tourism Commission April 2007
4. Understanding the Japanese Long Haul Travel market, Tourism New Zealand, 1999.

German Visitor Market

Germany is the single largest source of tourism visitors worldwide. Germans have 5 – 7 weeks of holidays ('leave entitlement') annually and have one of the highest traveling rates of any population in the world with 73% of the adult population traveling at least once a year. BC and Alberta are the most popular regions in Canada, followed by Ontario, Yukon, Nova Scotia and Quebec. Canada has had mixed success to-date since 9/11 and SARS.



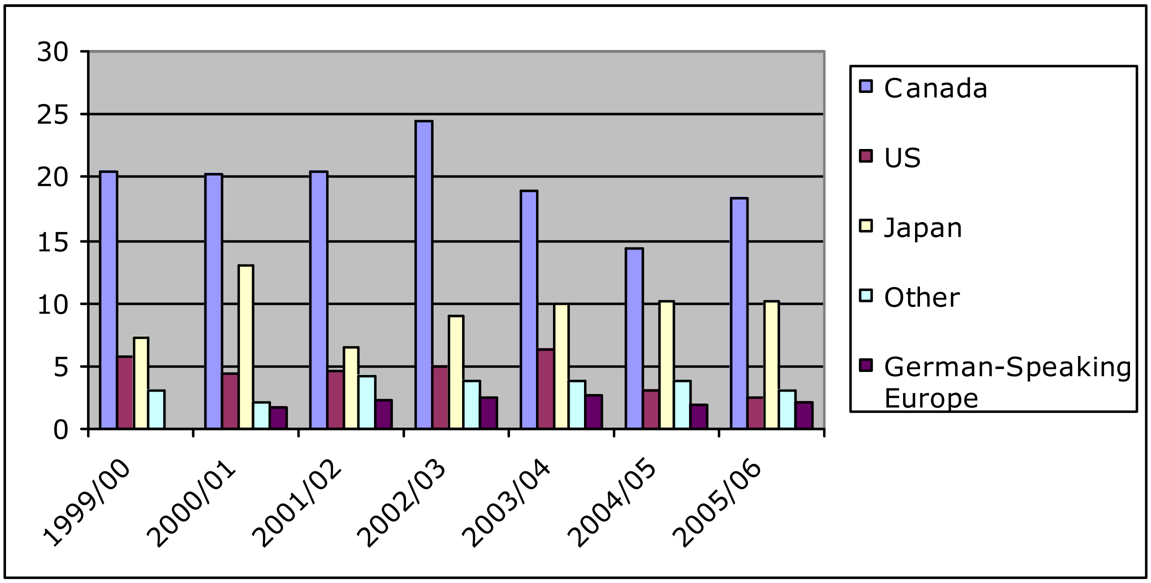
The German Visitor Profile

Increasingly, the typical German traveler to Canada is well educated (college and university graduates), affluent/up income and older (45 – 64 year age range).
The largest segment of travelers to Canada is 'touring' travelers who rent a car (63%) and sightsee. Preferred activities include shopping (92%), sightseeing (88%). Specific activities vary by destination, but in British Columbia, for example, popular activities that relate to what is available in the Northwest Territories include: national/provincial parks (76%); historic sites (60%); hunting (50%); sports or outdoor activities (49%). Germans increasingly use the Internet for travel information and to research potential destinations. However, Germans still use the German travel trade.

German Visitors to Northwest Territories

Germans visiting the NWT are typically touring visitors who: 1) fly direct to Whitehorse, Yukon and drive the Dempster to Inuvik as part of a touring/sightseeing vacation; 2) fly direct to Alberta and drive the Deh Cho Trail as part of a touring/sightseeing vacation. NWT measures ' German speaking' travelers, which includes Swiss Germans.

NWT Visitor Summary



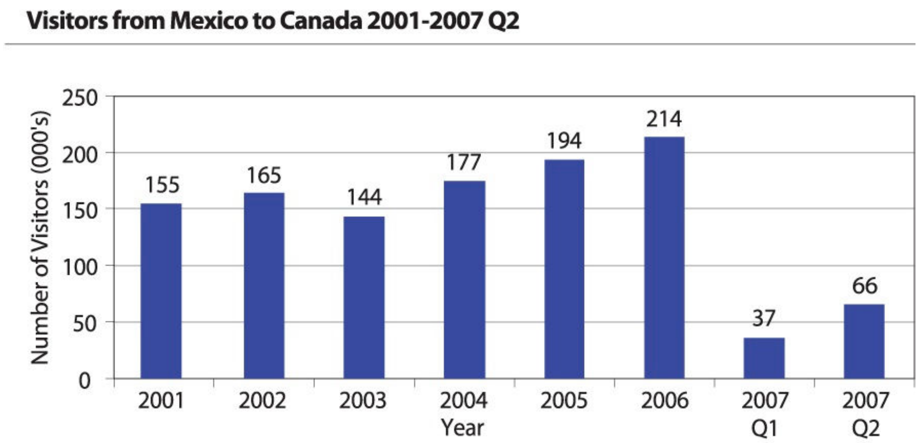
NWT opportunities

1. **Touring.** Continue to attract Touring visitors from the Yukon and from Alberta
2. **Hunting**. German hunters may be a market to develop for NWT. German hunters may help offset any potential loses of US Polar Bear hunters.
3. **Wildlife viewing and national parks**.
4. **Infrastructure.** The direct flights have been an important basis for tourism growth with German visitor for Alaska and the Yukon. Of note, it was the German airline, Condor, which first worked with Fairbanks Alaska to bring international, intercontinental, direct flights into Alaska from Germany. The direct Japanese flights built on the German success. Germans are an important visitor market for Alaska as they are for the Yukon that also has direct charter connections to Germany.

Emerging Visitor Markets:

Mexico

Mexico has become a 'core' tourist market for Canada. The CTC marketing focus is on a primary audience of 30 – 40 year olds interested in city/urban and (downhill) skiing vacations in Canada. This positioning is not central to NWT tourism products and Mexico is not seen as a short-term opportunity for the NWT. Mexicans are attracted by tourism icons and there may be an emerging Aurora opportunity longer term.



Mexican Visitor Profile: Mexican travelers to Canada are affluent (upper class or upper middle class), traveling as part of a group of couples or as part of a multi-generational family group. Mexicans rarely travel alone or as a single couple. Mexicans typically do not choose fly/drive packages. They travel by air and chose well known, luxury hotels. They are knowledgeable in English but prefer to have access to Spanish speakers.

Mexicans have increasingly chosen to travel to Canada over the United States reflecting worries about safety, the 'welcome'/travel hassles they might face even in transit while in the USA; and, VISA requirements for the USA.

Seasonally, Mexicans travel for longer trips in the summer and visit multiple cities/locations. The most popular destinations are the well-known Canadian destinations and urban, usually grouped as: Montreal – Ottawa – Mont Tremblant – Toronto; or, Vancouver – Whistler – Calgary – Toronto. Cruises along the inside passage from Vancouver to Alaska are growing in popularity.
In the winter, Mexicans are more short trip, single destination/ activity and resort oriented. Winter ski packages in Western Canada are popular – such as Whistler, Banff.
Sources:

1. Statistics Canada
2. *Strategic marketing Plan 2007Europe and Latin America,* Canadian Tourism Commission
3. *Mexicans as International Travelers: Consumer and Trade Research* June 2003 Menlo Consulting Group, Inc. for Canadian Tourism Commission.

China: 12% Growth, 6th largest outbound tourist market globally.
Canada does not currently have 'approved destination' status for Chinese visitors. Significant growth is forecast in Chinese leisure and business travel to Canada.

Northwest Territories sent a delegation to China in September 2007 and were encouraged to focus on business incentive travel as an initial opportunity while building the long-term relationships necessary to develop this market. The NWT delegation was well received and the tourism products in the NWT were seen as promising for the long term, but not for the short or mid term.

Trends in Visitor needs and motivations

1. The active but aging 'Boomer audience needs are changing.

Baby Boomer generation dominates travel globally and in North America. This generation is 42 – 61 now. In 10 years, they will be 52 – 71. They will be the dominant travelers globally and in North America for the next 20 years – with the money, time and desire to travel.

2. Opportunities in active Experiential travel, and 'Soft Adventure'

- **Modification of products** in 'soft adventure' to meet needs of aging boomers knees, hips and backs. Development of new products to meet interest in naturalist sectors such as wildlife viewing, geology, flora, etc.
- **Amenities escalation.** The boomers have added amenities to their homes – and expect upgraded amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack and hot water.

From **Active, strenuous** **'Hard' Outdoor**	**To** **Active, comfortable** **'Soft' Outdoor**
o Strenuous Activity focused – hiking, canoeing, white water kayaking. o Limited choice in level o Multi day backpacking, and wilderness camping. o Full, authentic experience	o Range of Activities (hiking, canoeing, climbing kayaking, etc) with basic +advanced levels, o Amenities, including Lodge to Lodge comfort o Wildlife Viewing o Experts and facilitators o Naturalist options o Keep strengths of

Trends in Visitor needs and motivations

'Green' is important and here to stay.

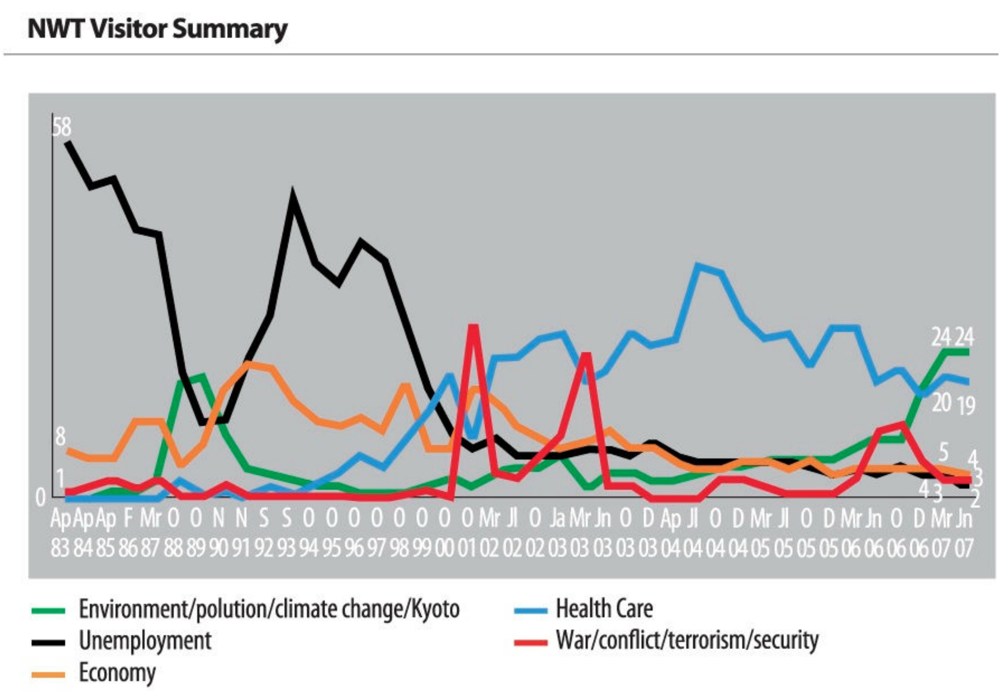
Tourism products are expected to be/become ecologically aware, sustainable, conscious of environmental 'footprint', energy impact, pollution, garbage reduction, etc.
Southern Focus on 'the Arctic' as a symbol for climate change places extra pressure on environmental standards for Northern/ NWT tourism products and unique pressures on Polar Bear and Caribou hunting.

1. **'Global Ecological Concerns' are a key value for the 'Affluent Boomers' North American Tourism Audience.**

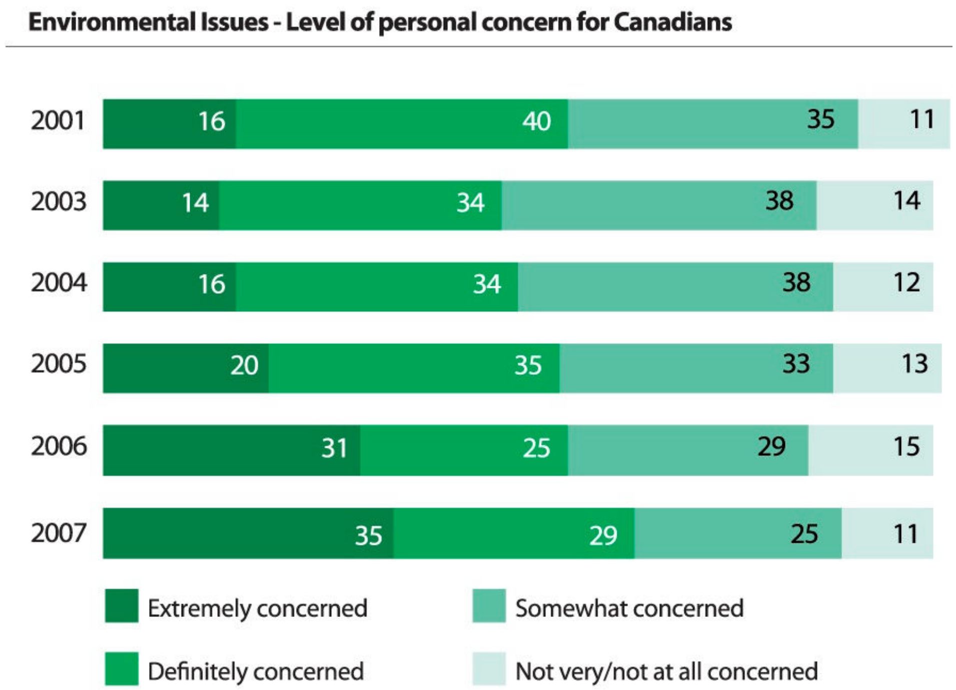
Americans and Canadians in the key 'Wealthy Boomers' customer segment share certain values and 'global ecological consciousness' is one of the key, top shared values.
This group is ecologically aware, have a strong sense of social responsibility, tend to belong to and/or support environmental organizations and make an effort to recycle. They are interested in (and will look for) ways in which the tourism offer/product is environmentally sensitive. (Source: *Northwest Territories Tourism,* September 17, 2007,EnvironicsAnalytics.

2. **The Environment is now a top-of-mind issue of personal concern for Canadians**

In recent polling data, Canadians put the Environment as the most important issue in Canada today, ahead of Health Care, Unemployment, the Economy and War/Terrorism.



This is attributed to the emerging scientific consensus on global warming and environmental concerns; the impact of personal experience in many parts of Canada (from the extreme weather and destruction of Stanley Park in Vancouver up to the dramatic declines in water levels in the Great Lakes); celebrity (Al Gore and David Suzuki) and news focus on the environment. Canadians are noticing changes around them that they attribute to climate change and are increasingly personally concerned:



3. **North Americans are embracing more environmentally sensitive options as well as natural and organic options in their personal life. These are now mainstream choices for urban, upscale North American adults.**

Whether choosing an environmentally sensitive car to drive (such as a Toyota Prius, or a Hybrid Lexus or Ford Explorer), installing solar panels to go 'off grid' at their cottages, changing to a 4 stroke outboard engine, opting for Bull Frog 'clean energy' for their hydro bill, or choosing to buy organic groceries, affluent North Americans are embracing environmentally sensitive choices in their personal lives.

The 'natural food industry' in the United States was already a US$ 51 billion industry in 2005. For example: natural and organic foods supermarket chain, Whole Foods, has grown from 10 stores in 1991 to 194 stores in 2007 across urban Canada (Vancouver, Toronto) and the United States. In 2006, sales grew 19% to US $5.6 billion on top of consecutive yearly double-digit growth in prior years. As a point of comparison, the Loblaws companies, largest supermarket group in Canada and owners of Extra Foods, in total generated Cdn $28.6 billion in 2006 with more stores.

4. **The southern media have embraced the 'North' as a symbol of climate change and environmental concern.**

Hollywood has embraced the Arctic and the polar bear as a symbol of concern for the environment (eg. Vanity Fair cover May 2007 below). The Canadian Media (CBC National News, the Globe & Mail) now report regularly from the North with a special focus on the impact of climate change on traditional lifestyles as well as the ecosystem of the region.

NWT Opportunities

1. **Upgraded Practices within Existing Operations and Products.** The environmental sensitivity of our key target audiences and emerging 'green' best practices suggest opportunities to review environmental practices, energy sources, etc. across tourism operations. For example, the visitor looking for escape in the pristine NWT wilderness is not likely to be impressed with a noisy, smelly Diesel generator if alternative energy sources could have been used**.**
2. **New Product Opportunities**. Increased interest in naturalist, wildlife viewing and educational environment tourism (see Best Practices: Iceland and Bathurst Inlet Lodge).

3. **Capitalize on the increased media attention and profile of the North** to leverage Southern awareness and interest in the North. Exploit the 'buzz'.
4. **'Environmental Journeys' as tourism product opportunities**

Trends: Product Opportunities

Overview of Aboriginal Cultural Tourism

Cultural Tourism – and in particular Aboriginal Tourism – is of interest to many NWT visitors. This tourism is unlikely to be primary driver of travel to the Northwest Tourism, but is emerging as a significant area in interest for visitors when they are here.

The visitors value learning about the destination and the culture and heritage of peoples in an authentic and respectful manner. This tourism also supports the arts and fine crafts sector, building awareness and knowledge about the art, fine crafts, artists and artisans of a destination.

High Potential Visitor Audiences

According to the research prepared by Environics (2007) of the four primary visitor segments that visit the NWT from Canada and the US, all the groups would be a potential audience for aboriginal cultural tourism – although at different levels of interest and activity participation.

Wealthy Boomers
This group consists of affluent Canadian and American Boomers with large families living in expensive homes. The adults tend to have university educations, white-collar jobs and six-figure incomes. They are already culturally interested in their leisure, travel and media behaviour. They are culture buffs at home, enjoying cultural events, attend dance, music, theatre and visual arts and participate in cultural activities when they travel.

Upper Middle Class Boomers

This second Boomer target group is slightly younger, has fewer children and is a bit less affluent. But the highest concentration in this group have attended universities, own their homes and hold well- paying jobs in the service sector. Within this group, Canadian upper middle class boomers are a culturally interested audience while the research indicates that the Americans are not. Canadian upper middle class boomers are more interested in traveling for a cultural experience as a primary reason for a trip.
And once at a destination, they will prioritize participation in aboriginal heritage/cultural activities.

Young and Upscale Adventurers

Nearly two-thirds of the Young & Upscale Adventurers group are under 44 years old, and the majority of them are singles or couples. These multi-ethnic adults (25 percent are immigrants) are university educated, likely to hold white-collar jobs and have high incomes; their average is more than $80,000 a year. These well-to-do young travelers like luxury, but also look for new and exciting trips to stimulate them. Culture and learning are big attractions.

Outdoor Enthusiasts

Outdoor Enthusiasts is the lowest overall economic impact/benefit visitor group for the Northwest Territories. They are a mix of middle-and working-class couples and families living in small- town communities. They have only modest educations — about half have not gone beyond high school — and a majority work at blue-collar and farm jobs. The Americans in this group tend to be older, with a high percentage of retirees, compared to the mostly middle-aged Canadians. The Canadians in this group indicate moderate interest in cultural tourism. The Americans are not interested.

Canada

- Of the 23.3 million Canadian adults in 2000, about 2.6 million are Heritage Tourism Enthusiasts (11%).

- The Heritage Tourism Enthusiasts are also likely to seek outdoor adventure tourism activities on their travels (40%, or 864,000) winter outdoor activities (35%, 753,000).

- Heritage Tourism Enthusiasts have higher household incomes consistent with higher levels of formal education: over one-quarter of Heritage Tourism Enthusiasts have at least one university degree (28%) and a further 42 per cent have had some post-secondary education.

- Activities Engaged in by Heritage Tourism Enthusiasts:
    - Aboriginal cultural experiences (18%)
    - Aboriginal attractions (16%)

United States

- Over the last two years, 6.6% (14,641,128) of adult Americans engaged in an aboriginal cultural experience while on an out-of-town, overnight trip of one or more nights. 31.1% (4,552,422) of those participating in an aboriginal cultural experience reported that this activity was the main reason for at least one trip in the past two years.

- Aboriginal Cultural Experiencers are typically middle-aged or older (45 years plus), married and more likely than average to have an advanced educational degree and their household incomes are above- average. They are over-represented in the Mountain, Pacific and New England regions.

- Over the past two years, Aboriginal Cultural Experiencers were:
    - Almost twice as likely to have taken a trip to Canada (28.1% versus 14.6%).

- Aboriginal Cultural Experiencers were much more likely than the average U.S. Pleasure Traveler to participate in a wide range of outdoor activities while on trips during the past two years, such as wildlife viewing and hiking, climbing and paddling.

- Consistent with this pattern, Aboriginal Cultural Experiencers seek vacations that offer something new and different to see and do as well as opportunities to learn (e.g., gain knowledge of history and other cultures or places).

Japan

The NWT Aurora operators are best practices examples of incorporating cultural experiences into the travel experience offered to the Japanese visitors.

- Japan: Culture Seekers (31%) - This group has a strong cultural focus – experiencing old culture, Western culture, seeing first hand what they learned in school. This segment also skews older.

- Cultural experience and Outdoor environment stand to have the greatest impact on Japanese consumers' perceptions of Canada as a premier long-haul travel destination.

Aboriginal Cultural Tourism in BC

Market research reveals that the Aboriginal cultural tourism industry has considerable potential for growth in British Columbia. Of approximately 180 Aboriginal businesses that operate as part of the tourism sector, over 50% operate within the Aboriginal cultural tourism sector (as defined by ATBC). The majority of these 90 businesses are located on Vancouver Island and in Northern BC tourism region.

Current Aboriginal tourism products in BC consists of adventure tourism products (31%), products associated with information centres and arts/crafts retail stores (20%) and various other Aboriginal tourism products including accommodation and transportation. Aboriginal tourism operators reported that their future expansion and development plans would concentrate on products and services related to adventure tourism (38%), attractions (24%) and accommodation (23%). These operators as well as other Aboriginal tourism stakeholders, including First Nation communities, were generally supportive in wanting to showcase Aboriginal culture.

To estimate the potential of Aboriginal Cultural Tourism in BC for packaged travel, interviews were conducted with thirty-four (34) travel trade representatives representing over 50,000 travelers from Canada, the United States, Great Britain, Germany, Switzerland, Australia, New Zealand, Japan and Mexico.

These operators reported **growing interest in authentic cultural experiences, interactive and hands-on "live it, instead of watch it" experiences, and high quality guided interpretation of local cultures and communities** with package durations that can easily fit into existing packages. Eighty- nine percent (89%) of these representatives indicated they would consider offering or expanding Aboriginal cultural tourism experiences in Canada and ninety-four percent (94%) said that they would offer more than one.

Six distinct but complementary Aboriginal cultural tourism sectors were identified for BC (% represents potential Aboriginal travel market):

- Heritage – 87%
- Events and Festivals – 80%
- Cuisine – 74%
- Nature-based – 71%
- Arts and Handicraft culture – 69%
- Sport culture – 39%

From a market development perspective, British Columbia's primary Aboriginal cultural tourism markets tend to be well-educated, upper-middle income wage earners, female, baby boomers that are:

- Visiting primarily from British Columbia (23%), other parts of Canada (22%), the United States (29%), and various other overseas countries;

- Including Aboriginal cultural tourism in their British Columbia travels for the first time;

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From a product development perspective, British Columbia's primary Aboriginal cultural tourism markets tend to:

- Seek unique destinations where they can increase their knowledge, feel personally safe, experience pristine natural areas, and learn about different cultures (e.g., Aboriginal) as part of larger touring trips;

- Express most satisfaction with those BC Aboriginal cultural tourism experiences that help them to view and / or purchase Aboriginal crafts and handiwork, and tour Aboriginal museums and art galleries;

- Report most positive impressions about those BC Aboriginal cultural tourism experiences, which help them to learn about Aboriginal culture / heritage, enjoy Aboriginal friendliness and receptiveness, experience Aboriginal people, and appreciate Aboriginal arts and crafts;

- Perceive the main competitive advantages of Aboriginal cultural tourism experiences in British Columbia compared to its primary competitors are the:
    - Quality / uniqueness of Aboriginal arts, crafts, cuisine, and architecture
    - Willingness of Aboriginal peoples to share their knowledge and heritage
    - Culture and natural environment linkages in Aboriginal cultural tourism.

- Feel that opportunities to experience Aboriginal cultural tourism products and services are too limited, and not more competitive than those offered elsewhere in North America;

- Express especially strong interest in tourism experiences built around Aboriginal themes related to heritage, arts and crafts, cuisine, festival and events, nature-based, and sporting activities.

All of the tour operators interviewed agreed that new travel trends were reshaping their existing products. These trends included weekend getaways growing in popularity (with vacations becoming shorter), a growing demand for cultural experiences, authentic interpretation of local attractions and products increasing in importance, growing interest in experiential tourism, and high quality guided interpretation of local cultures and communities being sought.

These changes in travel preferences have created increased market interest in Aboriginal Cultural experiences. These cultural experiences could be catered to a larger audience and could be most effectively delivered if the cultural element provides an enhancement to the experience, rather than be the primary focus. It is important for the growth of Aboriginal cultural tourism to recognize that, while some travelers are primarily interested in Aboriginal culture, a much larger market can be captured by enhancing mainstream tourism experiences with an Aboriginal cultural element.

Best Practices

Angling. Fishing
British Columbia: Tasu saltwater fishing
New Zealand: Acacia Bay freshwater fishing

Soft Adventure/Hiking/Trekking/Cycling/Cultural
Peru/Macchu Pichu: GAP Adventure Tours
South America: Mountain Lodges of Peru
USA: Backroads 'Insider Trips'

Soft Adventure/ Wildlife Viewing
Africa: Masai Mara

Soft Adventure/Naturalist
Antarctica: GAP Adventure Tours
Nunavut: Bathurst Inlet Lodge

'Hard' Adventure
Nahanni River Adventures

Cultural and Aboriginal Tourism
New Zealand: TeKihitours

Japanese Aurora
Fairbanks Alaska: JAL and Chena Hot Springs

Tasu Sound 2007 Vancouver Visitor Experience

Best Practices: Angling /Fishing

British Columbia: Tasu Sound

Operator Profile:

The Lodge at Tasu Sound is one of four saltwater fishing lodges owned and operated by West Coast Resorts. Located on the west coast of the Queen Charlotte Islands, The Lodge at Tasu Sound floats on the water and is accessible only by helicopter. In the 2006 season, The Lodge had a 100% occupancy rate.

Marketing Profile:

Amenities

- Beautifully appointed floating lodge: accommodates 28
- Each double guest room features an ensuite washroom
- Triple occupancy available upon request on-water
- Fishing instruction by expert guides
- Enjoy a midday barbeque in the Outpost floating lounge
- Spacious lounge has a separate billiard room, poker table, shuffleboard table, library and VHS videos
- Full workout facility complete with free weights treadmill and massage service
- Open-air hot tub with 360° ocean views
- Gift Shop offering original native jewelry and art, West Coast Resorts clothing and apparel, limited sundries, disposable cameras and film, Cuban cigars and cigarettes

All-Inclusive Adventure Package – Saltwater

- Round-Trip Airfare from Vancouver, BC to the lodge
- Deluxe guest accommodation based on double occupancy, ensuite washrooms
- Saltwater guests receive 5 hours per full day on the water of guided fishing instruction
- Fully guided option available upon request (up to 10 hrs/day)
- Unlimited use of 18 ft. custom designed boats powered by new 70 hp 4-stroke smokeless engines
- Quality fishing rods and reels, VHF radios, depth sounders, downriggers, raingear and rubber boots
- Casting education and instruction
- Saltwater fly tying and fly tying bench
- Access to remote estuaries, streams, and rivers
- Professional catch care: fish are cleaned, filleted and individually portioned. For optimum freshness we provide complimentary vacuum packaging, flash freezing, and boxing in airline approved waxed cardboard boxes.
- Gourmet meals served with complimentary wines
- Signature West Coast Resorts reel case
- Space available: 28 guests

Dining

- Cedar and glass-walled dining room: accommodates 28
- Made-to-order breakfast - eggs benedict, pancakes, french toast, bacon and eggs your style, pastries, toasts and fresh fruits buffet-style
- Lunches served at the lodge
- On-water service always available
- Appetizers and cocktails served nightly in the lounge before dinner
- 3 course sit-down gourmet dinners with entree choice, served with complimentary house wines
- Premium wines also available
- Special dietary needs can be accommodated

Additional Activities

- Wildlife and marine viewing
- Photo sightseeing
- Workout and massage

Green Features

- 70 hp 4-stroke smokeless engines on fishing boats
- Floating design and helicopter-only access reduces footprint in the natural environment

Packages

Package	Instructed (Guide- 5 hrs/day)	Fully Instructed (Guide- up to 10 hrs/day)
Four Days / Three Nights	$3895.00	$4295.00
Five Days / Four Nights	$4295.00	$4795.00
Special Event Packages		
Annual Salmon Masters Tournament May 28 – June 1, 2008 $350,000 cash prize pool		$6995.00
Messina Family Fishing Classic	$3095.00	$3495.00
Couples Gourmet Getaway	$3595.00	$4095.00
Ron Ellis Fishing Classic		$5295.00
Legends of the Game		$5295.

Incentive/Reward Packages

- Tailored employee incentive or client reward packages
- One-on-one fishing instruction for the whole visit
- Cultural, sightseeing and wildlife tours
- Three course gourmet meals and fine wines
- “Wild or mild, we'll make sure your guests enjoy every minute.”

Corporate Packages

- Private jet landings can be arranged at Sandspit, BC

- “The serene, stress-free environment helps your guests relax and refocus leaving the day-to-day distractions of cell phones and traffic at home, while the goal-oriented prospect of fishing (and catching) adds a special sense of accomplishment and adventure.”
- Value added services such as:
  - Travel arrangements and transportation
  - Pre-trip enticements, in-room drops, departure gifts
  - Customized apparel and signage
  - Awards and recognition
  - Complete, no-hassle, catch care (cleaning, filleting, freezing, packaging.

Best Practices: Angling/Fishing

Profile: New Zealand/Acacia Bay Charters

New Zealand Freshwater Fish Species

▪ Brook Trout ▪ Brown Trout ▪ Rainbow Trout ▪ Perch	▪ Rudd ▪ Tench ▪ Chinook Salmon ▪ Whitebait

Operator Profile:
"Out of the Blue" is a modern 6.4m Sea Nymph Boat loaded with lots of fishing luck, the guide knows all the best fishing spots and will ensure guests have a great time on beautiful Lake Taupo.

- Minimum 3 hrs, more recommended
- Maximum 6 guests, children very welcome
- Fishing licenses available
- Catch cleaned & bagged
- Trip will be customized to guest requirements - fishing or a scenic cruise or a combination of both
- Spectacular scenery, weather permitting - viewing of Maori rock carvings can be included in any itinerary
- Experienced guide who offers personal & friendly service
- Trip can depart from Acacia Bay (closer to fishing areas) or Taupo Boat Harbour
- No fishing experience necessary
- Top quality fishing tackle supplied
- Trout smoking can be arranged
- Tea, coffee and biscuits supplied - guests welcome to bring food & refreshments
- Holiday home accommodation available

Fishing $90 per hour for up to 6 persons and a license each.
Fishing licenses adult 24 hours $15.50 each child 24 hours $4.50 each.

Accommodation

In New Zealand a holiday home can often be referred to as a bach (pronounced 'Batch'). Our Kiwi Bach has extensive views over Lake Taupo and is located in quiet, beautiful Acacia Bay, Taupo New Zealand (NZ). It's situated only 200m from a fresh, lovely swimming bay and lake edge walk. The deck is perfect for alfresco dining while enjoying the commanding lake views and surrounding nature and bird life.

Acacia Bay has boat ramps, dairy, bar and restaurant, playground for the children, fly fishing, tennis court and park all within walking distance.
Kiwi Bach has 3 bedrooms and sleeps up to 8 people.
For guests convenience we provide all linen & a cleaner comes when you depart.

Facilities available:

▪ Well equipped kitchen ▪ Fridge / freezer ▪ Stove & oven ▪ Microwave ▪ BBQ ▪ Outdoor furniture & umbrella ▪ Large deck ▪ Linen, duvets, pillows ▪ Beach towels ▪ Laundry tub and washing machine ▪ Ironing equipment	▪ Cot on request ▪ Sandpit ▪ Cell phone coverage ▪ Off street parking ▪ Boat parking ▪ Kayak available on request ▪ TV ▪ Mini stereo ▪ Heaters ▪ Hairdryer

Rates

Season	Price
1st October to 30th April	$180 per night for up to 6 persons Extra person $15 per night
Christmas Day to 11th January	$250 per night for up to 6 persons Extra person $15 per night
1st May to 30th September	$120 per night for 2 persons Extra person $15 per night

Minimum stay 2 nights. No smoking inside. Pets allowed - one only & by arrangement

Soft Adventure: Hiking/Trekking

Great Adventure People (G.A.P.) – Machu Picchu, Peru

Business/Operator Profile:

Great Adventure People (G.A.P.) was founded by a Canadian, Bruce Poon Tip in Vancouver in 1990 with $15,000.00. The company has grown dramatically and become a global leader in 'off the beaten path' destination travel. G.A.P. earned approximately $100 Million in annual revenue in the most recent fiscal year,

In 2006, G.A.P. had approximately 480 full-time employees and offices in seven countries - 140 full time employees are in Canada, divided between Toronto and Vancouver.

(Source: Frank Armstrong, "Adventure travel continues global growth", Business Edge, Vol. 3 No. 26, 12/22/2006. www.businessedge.ca)

G.A.P has been committed to offering low-impact eco-tours that benefit traveler and host alike. The company works with local communities, businesses and individuals to develop sustainable tourism opportunities that help local economies while minimizing negative environmental and cultural impacts. While their sustainable tourism policies are constantly evolving, G.A.P.'s commitment to socially conscious, grassroots style travel has never changed. G.A.P won the Ethics in Action Award in 2006 for their efforts in the area of social responsibility.

In 2006, Condé Nast Traveler named G.A.P Adventures to its 12th annual Green List. The list, which identifies ecotourism's crème de la crème, selects its top candidates by their commitment to environmental initiatives, contributions to local communities, and the quality of the guest experience. In 2006, G.A.P. sent 40,000 travelers to more than 100 countries. The company continues to grow carefully to meet demand. Travelers are typically well educated and a high-income earners. Most travelers are between 25 – 55 years old, but there is a large and growing segment in the age group of 55 – 65 age group.

G.A.P started a new charity program in January 2007 that allows clients to donate a dollar for every day they travel. The charity has been averaging about $1,700 a month. After the earthquake in Peru in August 2007, G.A.P. raised over $100,000 CAD for the relief effort through soliciting donations from previous G.A.P. travelers and matching them. As of October 2007, the Inca Trail, which leads to Machu Picchu, is still closed to tourists.

Marketing Profile:

"G.A.P Adventures, the world's largest adventure travel company, welcomes you to every corner of the globe with a new perspective on travel. The world is full of unique and authentic travel experiences for those willing to step outside the resort hotels and controlled environments of traditional tourism.

With cultural journeys, wildlife encounters and active adventures, we have a trip for anyone looking to add some authentic experiences to their holiday. If you have a sense of adventure, a lust for life and a curiosity for culture, our style of travel is what you seek. We are a company of travelers dedicated to showing you the real world in an intimate, authentic and sustainable manner."

The ruins of Machu Picchu, "lost" city of the Incas, perch precariously on the spine of an impossibly beautiful green mountain 120 km from the ancient imperial capital of Cuzco, Peru.

Packages under the criteria - Comfort Style, Trekking/Hiking:

Machu Pichu Spring 2007 Toronto Visitor Experience

Adventure	Details	Rates (per person)
In the Shadow of Machu Piccu (10 days)	Day 1 Lima Arrive in Lima at any time. Day 2-3 Amazon Rainforest Take a morning flight to Puerto Maldonado, on the edge of the Amazon. Travel by motorized canoe down the Tambopata River to our rainforest lodge. Our local guides help us spot the abundant Amazon wildlife as we explore by foot and dugout canoe. Possible visits to a parrot clay lick or oxbow lake. Day 4-5 Cuzco Take a boat ride out of the jungle before flying to Cuzco high in the Andes. On Day 5, tour Cuzco with our local guide and learn the history of the longest continually inhabited city on the continent. Day 6-9 Inca Trail Travel this morning to km 82 and begin a once in a lifetime journey on the ancient trail of the Incas. Local porters and guides ensure that the trip is worry-free, and fascinating ruins and spectacular mountain scenery fill every day of the hike. On the final day, we climb the steps to Intipunku, the 'Sun Gate', to watch the sunrise over Machu Picchu. Return to Cuzco by train in the afternoon. Day 10 Depart Cuzco	$1505 CDN + $200 USD
Quest Of The Gods - Lares Trek (14 days)	Day 1 Lima Arrive in Lima at any time. Day 2, 3 Amazon Rainforest Morning flight to Puerto Maldonado. Take a motorized canoe down the Tambopata River to our remote rainforest lodge. Explore the rainforest by foot and dugout canoe with our expert local guides. Possible visit to a parrot clay lick and oxbow lake. Day 4-5 Cuzco We leave the jungle behind and fly to Cusco, high in the Andes. Enjoy a guided tour of this charming colonial city on Day 5 and learn about its rich and fascinating history. Day 6-8 Lares Trek Leave early in the morning and travel by bus through the	$2025 CAD + $200 USD

	Sacred Valley. Spend the morning in the village Qeshwarani. Continue upwards through the valley and arrive at the indigenous community of Huacawasi, where some of the finest weavings in Peru are produced. Cross the challenging 4440m Condor Pass, with stunning views of Mount Veronica (5750m,) then descend gently to beautiful Ipsaycocha Lake, our last campsite. Finally follow the trail downhill past stunning lookouts to Huilloc. Explore the famous town and ruins of Ollantaytambo before an evening train to Aguas Calientes, where we spend the night. Day 9 Machu Picchu / Cuzco Very early in the morning take the bus from Aguas Calientes to Machu Picchu and visit the lost city of the Incas on a guided tour, after which there is free time to explore on your own. In the afternoon catch the train back to Cuzco. Day 10 Cuzco Free day in Cuzco to explore its many back alleys, museums and churches built on Inca ruins. Explore the sights and sounds of this great colonial town or spend the day mountain biking or rafting. Day 11-12 Puno / Lake Titicaca Enjoy spectacular countryside views on this full day of travel through the Andes from Cuzco to Puno. Take a boat trip across Lake Titicaca in the morning to visit the floating reed islands of the Uros people. Visit various islands to enjoy the lake's scenic splendour and meet the friendly local villagers. Day 13 Lima Short drive to Juliaca before flying to Lima. Enjoy one last night out on the town. Day 14 Depart Lima	
Quest Of The Gods (14 days)	Day 1 Lima Arrive in Lima at any time. Day 2-3 Amazon Rainforest Fly to Puerto Maldonado, on the edge of the Amazon jungle. Take a motorized canoe down the Tambopata River to our remote rainforest lodge. Explore the rainforest by foot and dugout canoe with our expert local guides. The Amazon presents excellent wildlife-spotting opportunities. Possible visit to a parrot clay lick and oxbow lake.	$2085 CAD + $200 USD

	Day 4-5 Cuzco Travel by canoe out of the jungle before flying to Cuzco in the high Andes. On Day 5, take a guided tour of the city to learn about its rich, fascinating history. Day 6-9 Inca Trail Begin a once in a lifetime journey on the ancient trail of the Incas with a morning trip to km 82, where our hike begins. Our local porters and guides ensure that the trip is worry-free, and fascinating ruins and spectacular mountain scenery fill every day of the hike. On the final day, we climb the steps to Intipunku, the 'Sun Gate', to watch the sunrise over Machu Picchu. Return to Cuzco by train in the afternoon. Day 10 Cuzco Enjoy a day in Cuzco to discover its many back alleys, museums and churches built on Inca ruins. Explore the sights and sounds of this great colonial town or spend the day mountain biking or rafting. Day 11-12 Puno / Lake Titicaca Enjoy spectacular views of countryside and mountains on a full day of travel through the Andes from Cuzco to Puno. Take a boat trip across Lake Titicaca in the morning to visit the floating reed islands of the Uros people. Visit various islands to enjoy the lake's scenic splendour and meet the friendly local villagers. Day 13 Lima Short drive to Juliaca before flying to Lima. Enjoy one last night out on the town. Day 14 Depart Lima	

For Independent Style Trekking/Hiking:

Adventure	Details	Rates (per person)
Independent Inca Discovery – Tourist (7 days)	Day 1 Cuzco Arrive in Cuzco at any time. Day 2 Cuzco Enjoy the city of Cuzco at your leisure, as you check out all of the delightful handicraft markets, nearby Inca ruins, quaint restaurants and friendly people of Cuzco.	$790 CAD

	Day 3-6 Inca Trail Today you start the 4-day trek to Machu Picchu, enjoying stunning scenery along the way. Local porters and guides ensure that the trip is worry-free, and fascinating ruins and spectacular mountain scenery fill each day. On the final day, climb the steps to Intipunku, the 'Sun Gate', to watch the sunrise over Machu Picchu before your tour of the famous Inca ruin. Return to Cuzco for the night. Day 7 Depart Cuzco	
Independent Lares Trek - Tourist 7 days	Day 1 Cuzco Arrive in Cuzco at any time. Day 2 Cuzco Explore as you acclimatize! Cuzco has cobblestone streets, fabulous bargains on alpaca woollies and a wide variety of charming shops and restaurants. Day 3-5 Lares Trek Leave early in the morning and travel by bus through the Sacred Valley to the start point of the hike. Spend the morning in the village of Qeshwarani. Continue upwards through the valley and arrive at the indigenous community of Cuncani. Cross the challenging 4440m Condor Pass, with stunning views of Mount Veronica (5750m,) then descend gently to beautiful Ipsaycocha Lake, our last campsite. Finally, on the last day, follow the trail downhill past stunning lookouts of Patacancha. Take the evening train to Aguas Calientes, where we spend the night. Day 6 Machu Picchu / Cuzco Very early in the morning take the bus from Aguas Calientes to Machu Picchu for early morning views of the lost city of the Incas. Join a guided tour of the ruins, with plenty of free time afterwards to explore on your own. In the afternoon catch the train back to Cuzco. Day 7 Depart Cuzco	$745 CAD
Cuzco Multi-Sport - Standard 10 days	Day 1 Lima Arrive in Lima where you are met by our representative and taken to your hotel for overnight in Lima. Day 2 Cuzco Take an early morning flight to Cuzco: this ancient capital is considered the mecca of Peru.	$1410 CAD

	Day 3 Cuzco It's off for some rock climbing near the soaring Inca ruins of Sacsayhuaman above Cuzco. You will learn rock-climbing techniques, the art of rappelling and then tackle walls of varying difficulties. Day 4 Cuzco Situated less than an hour from Cuzco, we transfer to Chinchero. Once an Inca emperor's country estate, this is where we begin our biking adventure downhill past Huaypo Lake to Moray. Moray boasts impressive mountain terraces and possesses an ancient Inca agricultural experimentation area. Day 5 Sacred Valley Visitors embark on an exciting river rafting excursion then overnight in lush surroundings at Sacred Valley. Day 6-9 Inca Trail to Machu Picchu A morning trip to KM 82 begins a once in a lifetime journey on the ancient trail of the Incas. Local porters and guides ensure that the trip is worry-free. Fascinating ruins and spectacular mountain scenery fill every day of the hike. On the final day, climb the steps to Intipunku, the "Sun Gate" to watch the sunrise over Machu Picchu. Tour the famous Inca ruins. On day 9 return to Cuzco for the night. Day 10 Cuzco Depart Cuzco.	

G.A.P. Website provides:

- Safety and Destination Updates
- Trip Overview featuring detailed information about:
- Inca Trail Advisory
- Physical demands rating
- Culture shock rating
- Included highlights
- Maximum group size
- Group leader
- Accommodation
- Transport
- Meals (included and budgeted)
- Additional notes (ie passport considerations, flight arrangements)
- Recommendations of other trips similar to trip search, but with a slightly different offering (i.e. reduced trekking, upgraded accommodation)
- Testimonials

- Slideshows and Videos

Points of Contact:

- Website/E-mail
- Offices
    - Toronto, Vancouver, Melbourne, Calgary, New York
- Toll Free Numbers
    - North America, UK, Australia, Germany, New Zealand

Soft Adventure: Hiking/Trekking

Machu Picchu, Without Roughing It

By MICHELLE HIGGINS
Published: August 12, 2007, New York Times

LIKE so many avid hikers, Mary Narrod had always put Machu Picchu, the ancient Inca citadel in Peru, high on her wish list of places to visit. She planned to someday take a hike to get there. But her husband, James, was not fond of the idea of camping along the way. "It's not that I won't do it," said Mr. Narrod, an active traveler himself, whose recent vacations have included hiking and heli-skiing. "But I like a shower after a day or two."

It's long been possible to avoid roughing it by taking a train ride to Machu Picchu from the southern Peruvian city of Cuzco. But travelers like the Narrods who wanted to reach Machu Picchu the traditional way — on foot — had only one option when it came time to bed down for the night: pitch a tent and roll out the sleeping bags. Until now, that is.

Mountain Lodges of Peru, a new trekking company, just opened four lodges along an old Inca pilgrimage route in the Cordillera Vilcabamba, which lies on the west side of the Urubamba River Valley. Trekkers begin their hike at the 12-room Salkantay Lodge, located in the Andean valley of Soray Pampa at 12,000 feet and about a three-and-a-half-hour drive from Cuzco.

From there, they **hike four to seven hours a day through stunning landscapes toward Machu Picchu,** staying in a different thatched-roof lodge each night. Each of the three lodges along the route has six rooms, a whirlpool, a fireplace and dining areas offering Peruvian cuisine. Rooms typically have down comforters and 400 thread-count sheets. The final leg of the journey includes a train ride to the village of Aguas Calientes, where guests stay a night in any of several hotels and the next day take a short bus ride to Machu Picchu.

The Narrods have already made their reservations. **"It was kind of a nice compromise," Mrs. Narrod said. "I get my hiking in. We see a beautiful area, and he doesn't have to camp out."**

Several adventure travel companies, including Wilderness Travel and Mountain Travel Sobek, have booked space at the lodges as far out as 2009, and will use them for tours intended to attract new customers and help retain their aging clientele. **"It taps perfectly into these baby-boomer clients that want an active day but a comfortable night," said Nadia LeBon, director of special programs for Mountain Travel Sobek. "We see the trend going more in that direction."**

The new lodge-to-lodge option is yet another example of **a larger trend in active travel tourism; companies are increasingly offering ever more luxurious experiences and softer adventures.** Just last month, **Backroads, the Berkeley, Calif., bicycle-tour company, introduced several new so-called Insider Trips that do away with any strenuous physical activity and instead focus on cultural excursions**. The tour companies are responding to **a growing interest in adventure travel from a broadening audience** with wide-ranging tastes. At the same time, as tourists have begun **traveling to largely undeveloped regions**, hotels and transportation links have been built to support them.

As recently as five years ago, said Barbara Banks, the marketing director of Wilderness Travel in Berkeley, Calif., the company's **trips to Torres del Paine National Park in Patagonian Chile** were based only on camping. "It was very Motorcycle Diaries-ish," she said. But over the years roads were paved and luxury lodges popped up, many of them in the very spots where the company had previously pitched tents — incidentally dispelling any feelings of pure solitude. "It's hard to sell them a camping trip when you're in the glow of a nice-looking lodge," Ms. Banks said. **Now, the trips to Patagonia in both Chile and Argentina are purely lodge based.**

Of course the increase in tourism creates concerns about conservation. To help protect the most popular trekking route to Machu Picchu, what has become known as the Inca Trail, the Peruvian government is strictly enforcing its limit of 500 trekkers starting the hike each day by requiring that tour operators submit the names and passport numbers of their clients to purchase permits.

And although there have been other attempts to introduce new ways to get to Machu Picchu in the past, many have been stopped. A proposed cable car project was put aside several years ago. More recently, the nearly completed Carilluchayoc Bridge project, which would connect the small village of Santa Teresa to Machu Picchu, seems to have been stalled. And Inkaterra, a Peruvian ecotourism company that started helicopter service from Cuzco to Machu Picchu in May, was forced to suspend its flights after concerns were raised about their environmental impact.

The Historic Sanctuary of Machu Picchu is a Unesco World Heritage cultural and natural site. It was recently chosen as one of the new seven wonders of the world by public respondents to an invitation to vote in a survey by the Zurich-based New7Wonders Foundation, which works to raise awareness about cultures and monuments. But the attention the contest has drawn to the site has worried Unesco, which awards World Heritage status to historic sites and then helps countries protect them.

Mountain Lodges of Peru's locations are on private land outside the protected zone of Machu Picchu. Travelers can book its $2,500 six-day guided trek, including meals and

lodging, (www.mountainlodgesofperu.com) or take a tour offered by adventure travel companies like Mountain Travel Sobek (www.mtsobek.com) or Wilderness Travel (www.wildernesstravel.com), which typically include extracultural excursions.

THE PRICE
Guided camping trips along the Inca Trail can range from $365 a person for a four-day trek (www.perutreks.com) to $3,390 for a longer trip in Peru (www.mtsobek.com). Other tours follow alternative hiking routes. For an easier trip, travelers can take a train from Cuzco for as little as $120 round trip. For information, see www.perurail.com

Soft Adventure: Wild Life Viewing

Africa, Masai Mara

Marketing Profile:

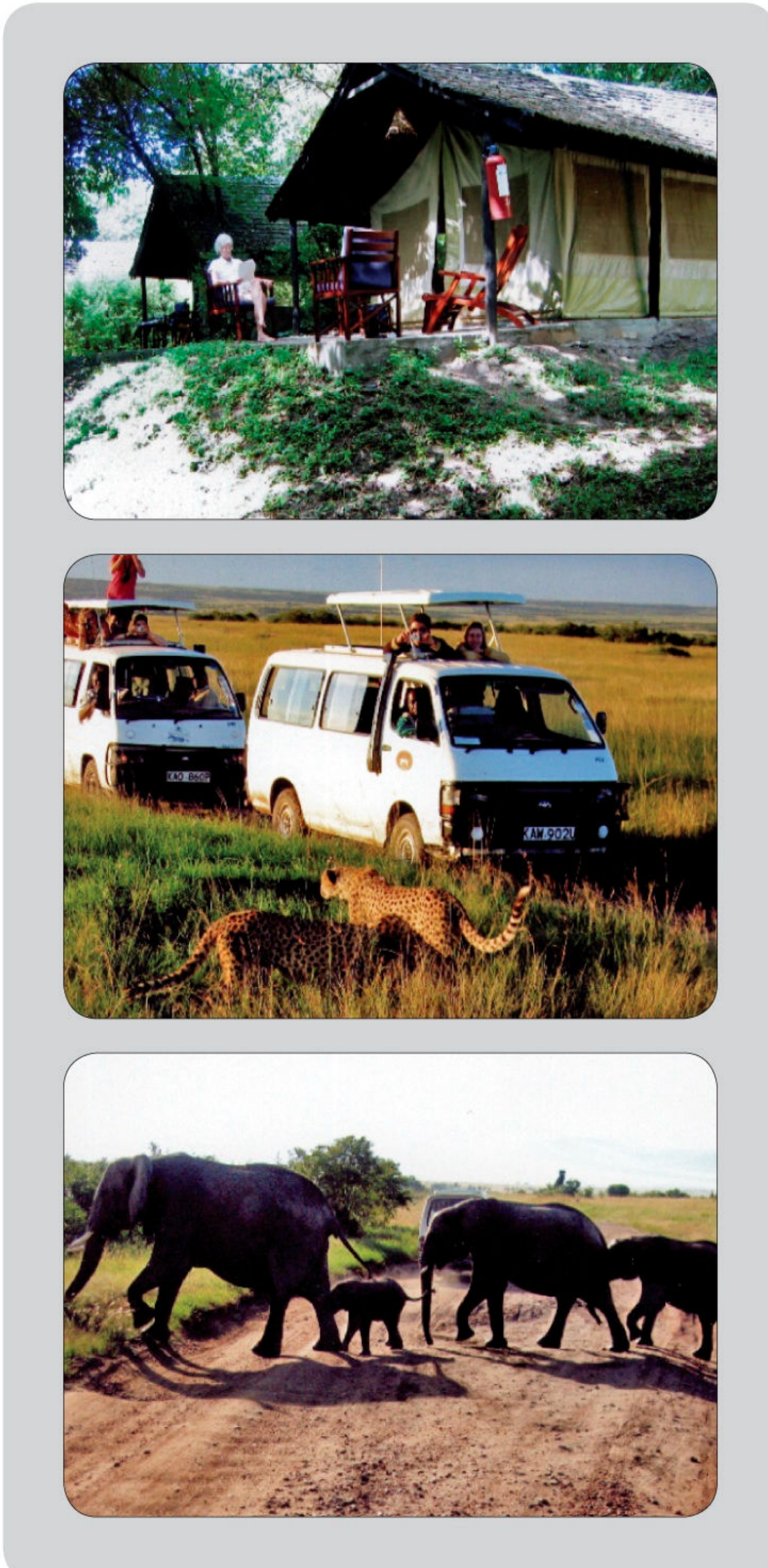
AfricanMecca is a natively owned Destination Management Organization with professional destination planning and reservation offices in the United States, United Kingdom and ground operations team in Tanzania, Kenya and Zanzibar. Features that AfricanMecca promotes and value are:

- Quality Mature Safari Guiding: the quality of guiding determines the overall excellence of a safari program. Experienced multilingual mature safari guiders specializing in wildlife, ornithology, and photography make their African safaris an assured incredible experience.
- Comprehensive and First Hand Knowledge Of Tanzania, Kenya and Zanzibar: with experience and accurate knowledge of their land that AfricanMecca has created personalized and tailor-made programs to unimaginable places.
- Conscientious Customer Care. Because AfricanMecca has a personal and national interest in the reputation of their countries and regions, Tanzania, Kenya and Zanzibar. They make every effort to go above and beyond the rest: no tailored program is a challenge, no budget is a limitation and no detail is too small.

Social Commitment:

- The understanding and promotion of ethical values common to humanity, with an attitude of tolerance and respect for the diversity of religious, philosophical and moral beliefs, are both the foundation and the consequence of responsible tourism. Thus, we will pursue our business with integrity, respecting the different cultures and the dignity and rights of individuals and communities in Africa.
- Nature tourism and Eco-tourism are recognized as being particularly conducive to enriching and enhancing the standing of tourism, provided they respect the natural heritage and local populations and are in keeping with the carrying capacity of the sites. AfricanMecca pursues to the best of their abilities, a direction that will continuously promote and encourage healthy eco-tourism with a focus on preserving the environment.
- Tourism resources belong to the common heritage of mankind; the communities in whose territories they are situated have particular rights and obligations to them. AfricanMecca invests in, assists and promotes programs that: uplift the standards of the local communities, promote education and healthcare, and invest in programs that focus on teaching and knowledge dissemination.

Masai Mara: Ottawa Visitor Experience 2007



Tourism Product Profile: Masai Mara Basecamp

> "Sitting above a sweeping bend in the Talek River, at the confluence of the Masai Mara's four game-viewing areas, the Masai Mara Basecamp is one of the most spectacular locations in the world's best-known wilderness. The camp is a short drive from the Mara River, where more than a million wildebeest and zebra make their perilous migration crossing every July and August. For the remainder of the year, the camp offers some of the world's finest game viewing, with large local populations of plains game, elephants, rhinos, buffalos, and all the big cats. Masai Mara is 298 kilometers due west of Nairobi - a five-hour drive on well-maintained roads and 45 minutes by air."

Accommodation

- There are 30 luxury tents, which are spread across a large riverside site to ensure guests the privacy and peace.
- Each tent is furnished in the classic style of the grand African safaris, with large four-poster beds and handsome reproduction furniture offset by modern en suite bathrooms with hot showers, flush toilets and all modern amenities.
- Each tent sits on a shady raised platform, with sweeping views over the riverbanks where a wide variety of animals come to drink.

Amenities

- Freeform swimming pool with sunbathing terrace.
- Conference room with business and video facilities.
- Elevated game-viewing platform with drinks service.
- Safety deposit boxes for guests' valuables.
- Room service for snacks and beverages.
- Resident doctor available 24 hours.

Dining

- Mara Intrepids is divided into four distinct areas, each with its own open-air dining area and 'mess tent', where private meals and functions can be arranged.
- Dinner is usually served in a large dining room under a traditional makuti-thatch roof, while breakfast and lunch are hosted on a breezy terrace beside the riverfront swimming pool.
- The main bar overlooks a suspension bridge leading to a leopard-baiting area, where the most exquisite residents make an appearance most evenings.
- Beside the bar is a fully equipped conference room, where Maasai naturalists deliver evening slide shows on the local culture and wildlife - and where corporate groups can do a spot of 'bush business'.
- Small riverfront dining areas with private catering.
- Guests are met at their hotels in Nairobi and driven to Wilson airport where they are flown to the Masai Mara National Reserve airstrip. There they are met by drivers that will take them to the Masai Mara Basecamp

Masai Mara Basecamp packages are divided into three price tiers, based on:

Package	Tier 3	Tier 2	Tier 1
Great Northern Kenya Safari	4 days - $740	4 days - $995	4 days - $1412
Flamingo & Wildlife Safari	4 days - $775	4 days - $1450	4 days - $1637
Wildlife Safari to the Indian Ocean	n/a	4 days - $710	5 days - $1915
Glimpses of Kenya	5 days - $970	6 days - $2165	6 days - $2755
Southern Kenya Safari	6 days - $1345	6 days - $2250	6 days - $2425
Kenya, Lands of Contrasts Safari	7 days - $1395	7 days - $1550	7 days - $2930
Showcasing Kenya Safari	7 days - $1320	7 days - $2760	8 days - $3510
Best of Kenya – Lodge Option	n/a	7 days - $2420	n/a
Best of Kenya – Camp & Lodge Option	n/a	7 days - $2565	7 days - $3130
Tailor-Made Safaris	Visitors have the option to set their own itineraries to visit specific camps or attractions outside of the pre-determined packages listed above. These are priced on a three-tiered per night/per person pricing system.		

(All prices in US dollars)

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Soft Adventure/Naturalist

Antarctica: GAP Adventure Tours

Corporate Profile: Please see Soft Adventure. Hiking, Trekking.

Tourism Product Profile

G.A.P. offers Expedition Style Antarctic trip packages. Visitors travel on the cruise ship M/S Explorer, leaving from Argentina. The M/S Explorer carries just 108 passengers and her compact size, shallow draft and ice strengthened double hull were specifically designed for the rigours of expedition and exploratory travel – it's a go anywhere ship for the go anywhere traveler. While itineraries are well planned, we always seize opportunities for adventure before they pass - anything from interrupting dinner to watch a pod of breaching whales accompanying the ship, or jumping aboard Explorer's fleet of Zodiacs for a bracing shore-bound ride.
Packages include different combinations of the following activities:

- Iceberg sighting
- Whale watching
- Bird watching
- Polar circle crossing
- Retracing routes of Antarctic explorers
- Visit the Falkland Islands
- Visit Glacier National Park
- Trekking
- Educational lectures

Antarctic Classic	10 days - $3900 CAD + $300 USD 11 days - $3990 CAD + $300 USD 14 days - $5105 CAD + $400 USD
Beyond the Antarctic Circle	13 days - $4690 CAD + $300 USD 16 days - $5720 CAD + $300 USD
Spirit of Shackleton	19 days - $7510 CAD + $300 USD 20 days - $10,270 CAD + $400 USD 23 days - $8610 CAD + $400 USD 23 days - $11, 370 CAD + $400 USD
Antarctic & Patagonia Experience	20 days - $5720 CAD + $500 USD 20 days - $6090 CAD + $300 USD
Beyond the Antarctic Circle AND Antarctic & Patagonia Experience	22 days - $6555 CAD + $300 USD

Group size: maximum 12, average 10
Group leader: 8 Expedition staff/naturalists

All meals included while on board the ship (drinks at additional charge)

Soft Adventure/Naturalist

Nunavut: Bathurst Inlet Lodge

Operator Profile

This seasonal tourism operation is run by long time Northerners has sold out since 2002 and has waiting lists. It has a strong relationship with the local Inuit community and has been a leader in naturalist tourism in the North – and in Canada overall.

Marketing Profile

The Naturalist's Arctic Centre

A visit to Bathurst Inlet Lodge offers extraordinary experiences in a wild and ruggedly beautiful land, yet provides a level of personal comfort rarely found in such remote areas.

The season is short, but there is something for everyone in each week. Early in the season, the small birds are nesting and the early flowers are blooming.

Any of the weeks are excellent for flowers, louseworts, bearberry, and great shows of heather, rhododendron, and mountain avens. Raptors, gulls, and loons nest throughout our season. Early in the summer, visitors can visit the sea ice, and later can range more freely on the Inlet, visiting ancient campsites and following the path of the Franklin expedition.

During most of the year, Bathurst Inlet residents live in the old ways, hunting caribou, musk oxen and seal, fishing, trapping, and traveling on the land and sea. A unique aspect of a visit to the Lodge is the opportunity to get to know the gentle people who make this harsh land their home.

Accommodation

Bathurst Inlet Lodge features a variety of accommodation options in historic and newly constructed buildings:

- Hudson's Bay Trading Post
- Oblate mission
- DEW Line radio operators house
- Burnside Delta cabins
- Taipana House

Each room is carefully outfitted for comfort, decorated with photos or northern art. Beds are comfortable, and bedding is supplied; you do not have to use sleeping bags at Bathurst Inlet. Bathrooms in some facilities are shared; some cabins have their own. Most facilities have showers, but the new cabins share a heated shower house.

Dining

Hot or cold Breakfast – 8:00-8:30 AM

Lunch – eaten in the field. Guests make their own lunch with a variety of ingredients provided at breakfast time.
Afternoon tea – a selection of desserts are provided when guests return from excursions
Dinner – served cafeteria style. Features arctic char twice a week. Salads, hot vegetables, potatoes, pasta, prime rib, roast turkey, ham, steak, chicken. All dessert homemade.

Special diets can be accommodated (vegetarian, gluten-free, etc.) Advance notice preferred.
Licensed establishment (alcoholic beverage rates not included in rates, but tallied on the last night of trip)

Rates
8-day packages - $4995 CAD (Deposit required - $1500)

Rates are per person and price includes the following:

- 8 days and 7 nights accommodations at the Lodge;
- All meals with catering to special diets; and
- Daily, naturalist -lead programming

Additional Notes: Lodge programming/accommodations limited to 25 persons per week.
Return airfare of $600 between Yellowknife and Bathurst Inlet not included.

‘Hard’ Adventure

Nahanni River Adventures

Marketing Profile:

“The north is a region of diverse land forms, wildlife, geology, peoples and scenery. Stretching from Alaska, across the Yukon, Northwest Territories and Nunavut, most of our continent lies above the 60th parallel - the "Land of the Midnight Sun". Looking at a map it becomes quite clear that the best way to explore, experience and hike through this vast land is via the rivers. Serving as fluid conduits, these waterways, beautiful in their own rite, cut through the heart of the features that collectively form the "magnetic" north. For two decades author, outfitter and guide, Neil Hartling and his team of skilled river guides have explored these waterways and discovered the great gems of the world.” Here are the reasons why Nahanni River Adventures are recommended by distinguished clientele around the world:

- The Northern expedition offerings are second to none.
- The professional guide/interpreters are the best in the north and return year after year - some for nearly twenty years.
- They maintain the highest consistent ratio of guides to guests
- The equipment selection is fine tuned to specifically suit the needs of each region
- They work with visitors closely to plan the holiday you want.
- The diverse number of trip options and river craft allow them to match a specific holiday to visitor interests, skills and abilities.
- The large numbers of returning guests are evidence that they can consistently deliver the "trip of a lifetime".
- Based in the north and partnered with native communities, they maintain the highest standards of ecotourism by leaving the majority of financial benefits in the north.
- They operate with the spirit of a "family business" with attention to the smallest details beginning long before the rivers start running in the spring.
- The food selection and preparation is pleasing and hearty.

Trip Package	Rates (CAD $)
Nahanni Canyons	7 days - $4495 12 days - $4955
Nahanni National Park	14 days - $5125
Nahanni Hiking Adventure	21 days - $5975
Moose Ponds – Whitewater Canoe	20 days - $6075
Cirque of the Unclimbables	10 days - $7975
Cirque of the Unclimbables (Heli assisted)	4 days - $6825
Nahanni Flatwater Canoe	7 days - $3995
Tatshenshini River Expedition (Raft)	7 days - $4975
Alsek River Expedition	8 days - $5395
Lower Stikine River Canoe	15 days - $5575

Taku River	7 days - $6025
Yukon Boundary Ranges	5 days - $3475
Babine River (wildlife viewing)	7 days - $2975
Best of BC Expedition	12 days - $4875
Upper Alsek to Turnback Canyon	9 days - $4955
Wind River Expedition	14 days - $5475
Snake River	14 days - $6204
Mountain River Raft Expedition	14 days - $5825
Mountain River Canoe Expedition	13 days - $5825
Yukon River Expedition	13 days - $3690
Horton River Itinerary (wildlife viewing)	14 days - $6550
Coppermine River (wildlife viewing)	13 days - $6095
Firth River	7 days - $6550
Burnside River Rafting	13 days - $7050
Thelon River (only every second season)	11 days - $7200

Nahanni River Adventures provides:

- Tent – Mountain Hardware Trango 3, self-supporting dome tent - comfortable for 2 people with some remaining floor space for clothing etc. (single occupancy is $50). If you wish to bring your own, please contact us to approve the model and design.

- Tent bag – we provide communal bags for transporting tents on the raft. Each bag holds 3 tents.

- River bag – 115 litre, 30 gal – this is for your clothing and camp gear. When closed properly it provides waterproof protection. We have never encountered anyone who couldn't fit t everything in this bag!

- Day bag – 20 litre, 5 gal– a smaller bag for items you may wish to have access to during the day. Waterproof when closed properly. (note- this is not the same as the "day pack" listed below which you must bring for hiking).

- Boot bag – a communal bag for carrying hiking boots during the day. When you stop for a hike, the guides will open this bag.

- Cooking, eating utensils, tableware – All.

Visitors are required to bring:

- Camping gear
- Personal clothing
- Other:
    - Running shoes, sport sandals, or equivalent - for camp wear
    - Hiking boots - lightweight
    - Rubber boots with insoles in the bottom – for wearing in raft and voyageur canoe

- Neoprene booties - with soles or overshoes – for two person canoe expeditions
- Glasses, contacts (spares), sunglasses – string to tie on
- Personal toiletry items - soap, towel, shaving gear,
- Tooth brush, skin cream (to avoid severe drying of hands), etc. Consider a "camp towel" synthetic model. Some bring "baby wipes" for hygiene (hand washing system is provided in camp)
- Sunscreen lotion – with effective sun block – remember: land of the midnight sun!
- Day pack - capable of holding rain gear, lunch, camera, etc. on hikes
- Personal medications
- Insect repellent & bug jacket.
- Whistle – to attach to your personal flotation device (PFD)
- Heavy duty garbage bags (U.S. = trash bag) - as insurance to keep things dry in waterproof bags
- Plastic water bottle - for day hikes. Must be 1 litre or greater
- Knife, matches and/or lighter (in a waterproof container), compass, light cord for clothes line
- Rubber dish gloves for cold water protection if necessary
- Minor First Aid items – band-aids, pain relievers. Large expedition First Aid kits are carried by guides.

▪ Optional
- Small nylon "draw string" organizing bags to keep clothing sorted
- Camera and plenty of film – plus a waterproof box to protect it
- Fishing rod and equipment (collapsible please).
- Reading and/or writing materials (a "library" with some field guides and trip specific literature is carried with the guide)
- Binoculars - a must for wildlife watching
- Flashlight - only needed on August trips.
- Gloves or mitts - for cold days (a must on the Tat/Alsek or any tundra trips!)
- A favourite alcoholic beverage – in a shatterproof container e.g. naglene bottle
- Wet suit or dry suit - Mandatory on Alsek raft and the following canoe expeditions: Burnside, Coppermine and Nahanni 3 week Whitewater. *Wet suits can be rented for $75 each.
- Helmet (mandatory for three week whitewater from the Moose Ponds)
- Trekking poles - Collapsible walking stick(s).
- Tent (provided, but visitors may feel more comfortable with their own)

Cultural Tourism/ Aboriginal Tourism

Profile: TeKihitours – the New Zealand Specialist

TeKihitours have created a tour lasting 21 days which gives visitors good insight into the way Maori live today. Visitors learn the history of Maori and the stories of each region which give an authentic experience. Visitors also participate in preparing food, sleep in two maraes (meeting houses) and plant a tree in remembrance of their experience.

Marketing Profile: 'Do things the authentic way, away from the main tourist routes'

"TeKihitours' main objective is to show you the real New Zealand, with a unique cultural sight seeing and adventure experience. We will show you our Maori culture as it is today, as well as telling you the stories and history of the past. You will experience first-hand how Maori live, sleep and eat.

"We will show you sights few other tourists see. Using minibuses (maximum 10 people) and an experienced driver/guide gives us more flexibility in where we go and what we see, and every tour can be varied according to the wishes of the group."

Tourism Product Profile:

Accommodation will vary from place to place. Guests sleep in very good motels, luxury hotels, lodges and maraes at different sites on the tours. Tours include all breakfasts, various lunches and dinners. Visitors can take the whole 21-day tour or choose smaller modules. Detailed itineraries for each tour are available on-line at http://tekihitours.co.nz/

Packages	Tour includes:	Prices/pp
Maori rock art tour	A tour of several rock art sites with an optional lunch and wine tasting at the local Opihi Winery.	5 hours - 99 NZ$
Banks Peninsula	All breakfasts, 5 lunches, 12 dinners, tour guide, everything mentioned in the itinerary, hotels, motels, marae.	5 days - 1900 NZ$
Culture	All breakfasts,4 lunches, all dinners, tour guide, everything mentioned in the itinerary, hotel, motel, marae.	8 days - 3040 NZ$
Adventure	All breakfasts, 5 lunches, 12 dinners, tour guide, everything mentioned in the itinerary, hotels, motels, marae.	15 days - 5700 NZ$

Culture/scenic/adventure	All breakfasts,11 lunches,16 dinners, tour guide, everything mentioned in the itinerary,	21 days - 7980 NZ$

Best Practices: Aurora.

Japanese Airlines (JAL) and Chena Hot Springs , Alaska

The Fairbanks Convention and Visitors Bureau and Fairbanks International Airport announced on January 1, 2007 that Japan Airlines would operate ten winter non-stop charters directly to Fairbanks. Japan Airlines using the largest aircraft in their fleet, a Boeing 747-400 wide-body jet, brought almost 2,300 Japanese visitors to Fairbanks last winter season over seven rotations from Narita Airport outside of Tokyo. The additional three this year will make it possible for up to 3,500 visitors to enjoy the wonders of winter in Fairbanks. This winter's schedule will not only have more rotations, it will feature flights from Osaka and Nagoya, offering a chance for Japanese visitors from outside of Tokyo to see the northern lights as well. The Japanese visitors will stay four nights in and around Fairbanks, spending their nights hoping for a big auroral display and participating in optional tours during the day ranging from dog-sledding and snowmachining to Arctic Circle excursions to Mt. McKinley flightseeing.
Narita to Fairbanks: 6 hrs, 50 min.
Fairbanks to Narita: 7 hrs, 25 min.

Chena Hot Springs Resort: 60 miles away from Fairbanks.

Accommodations

Class	Description	Year Round	Bed Tax 8%	Energy Charge $5.00	Swim Pass
Moose Lodge	Moose Lodge: 2 Queen beds, Full Bath, Hairdryer, TV, Coffeemaker	$195	Yes	Yes	Yes
Signature Room	Signature Room: 2 Double beds, Bath w/ shower only, Hairdryer, TV	$160	Yes	Yes	Yes
Family Suite	2 Adjoining Rooms, one with 2 Double beds, one with 2 Single beds, Hairdryer, TV, one ½ bath plus one ¾ bath w/ shower only	$220	Yes	Yes	Yes
Yurt	Mongolian Style Yurt Tent comes with 3 cots ready for sleeping bags. Table and chair added for comfort. Book via phone	$65	No	No	No

Dining

- Chena Hot Springs Restaurant
- Trails End Lounge

Chena Hot Springs Resort uses and promotes Alaska Grown produce in its restaurant. We also grow herbs, salad greens and tomatoes in greenhouses for use in the restaurant. These year-round greenhouses are part of our commitment to use renewable energy. The greenhouses are heated with geothermal water.

Aurora-Specific Services

- Snow Coach Aurora Viewing Tour – The large track vehicle (SUSV) Snow Coach Tour (holds 13 total) departs daily (September-April - snow ground cover permitting) at 10 PM. The 30 minute ride from the Resort (1100 ft.) up to the top of the ridge (2600 ft.) allows for unobstructed views of the northern lights when showing. Once arriving at the top, a party-sized yurt is heated for your comfort and hot beverages such as tea, cider and hot chocolate are served inside.

- Aurorarium – A complimentary prow-front heated log cabin with large plate-glass windows facing northeast is open 24 hours per day for your viewing pleasure.

- Special Aurora Wake-Up Calls. If you are staying at the Resort and wish to be awakened when night staff sees the lights, simply ask for the Special Aurora Wake-Up Call.

- Best of Aurora Winter Package: includes two nights accomodation in newly renovated Moose Lodge, Snow Coach Aurora Tour, Chena sled dog kennel tour and ride, unlimited hot springs swim passes, geothermal renewable energy tour and ground transportation to/from Fairbanks and the resort.

  $449.00 per person, double occupancy and $659 per person, single occupancy.
  Package available December 1st 2007 to March 31st 2008

Green

- Chena Hot Spring's vision is to become a self-sufficient community in terms of energy, food, heating and fuel use to the greatest extent possible. To attain this goal, Chena is developing numerous renewable energy and sustainable development projects which are detailed in this website. Chena is also forming partnerships within our community and across the U.S. to promote and implement renewable technologies.

- Power Plant - The 400kW Chena Hot Springs geothermal power plant, designed and built by United Technologies Corporation, is the first geothermal power plant in Alaska. The plant was brought online in July 2006 and is pushing the envelope for low temperature power generation.

- Greenhouse Gardens - Chena Hot Springs is working with the University of Alaska to develop a controlled agriculture project at Chena to provide fresh produce for our restaurant and our community.

PART 3: HIGH POTENTIAL VISITOR MARKETS

Part 3: High Growth Potential Visitor Markets for NWT

NWT Opportunities Overall

Priority Visitors

- The upscale North American 'Boomer' Audience: Affluent, well educated Canadians and Americans, 40 – 60 yrs old, who regularly spend $6 - $8k per person on travel, annually. They travel 'off the beaten path' to escape the stress of daily life for meaningful travel experiences that are rejuvenating, relaxing, and intellectually stimulating.
- Sector specific audiences for hunting, lodge fishers, Japanese Aurora market and 'outfitted' adventure enthusiasts.
- German touring audience, (the Dempster highway).

Importance of a clear, consistent NWT Brand image for Visitors.
Our visitor have choices – and are marketed to by alternatives who present clear, consistent brand positioning and images: Alaska, BC, Alberta plus global alternatives such Chile, Peru and New Zealand. Research has played a key role in identifying a strong position for the NWT that is motivating to the priority audiences.

"The Northwest Territories offers inspirational natural beauty
and wonder in a pristine, vibrant world that enlightens the mind
and refreshes physically and emotionally."

Visitor expectations for a 'top of the pyramid' experience are changing.

- **Amenities escalation.**
  The priority audiences have added amenities to their homes – and expect upgraded amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack and hot water.
- **Green isn't just about eco-tourism**.
  North Americans are embracing more environmentally sensitive options as well as natural and organic options in their personal life. These are now mainstream choices for urban, upscale North American adults.
- **Authentic experiences**
  Our audiences are experienced travelers. They are looking for 'experiential travel' – authentic local experiences including gaining a sense of place – local food, culture, history as well as activities.

Role of the Internet
Internet is the preferred source of information, a convenient place for booking travel, a source of independent advice as well as the forum for visitors to 'tell their story'.

Vancouver 2010: Winter Olympics opportunities
From 933,000 – 3,000,000 incremental visitors are expected to Vancouver/Whistler, British Columbia over the Olympic period (pre/during and post). Global Olympic

media coverage will remind the world of the beauty of the Canadian wilderness – and the NWT can capitalize on this awareness. With the new Air Canada direct flight between Vancouver and Yellowknife, there is even more opportunity to capitalize on the world attention and market NWT tourism products.

Visitor Satisfaction Scores

Visiting the NWT is a 'premium price product'. The low visitor satisfaction scores for the services, roads and highways indicate areas that are not seen as a premium experience and should be watched very carefully. NWT visitors will report on their NWT experience to friends and family and areas with low satisfaction scores will be reported on – unfavorably:

- Value for money ESP restaurants, hotels/motels.
- Road and Highways
- Selection and price of souvenirs, Arts and Fine Crafts
- 'Shopping'
- Cleanliness of towns - in a pristine wilderness.

Part 3: High Growth Potential Visitor Markets for NWT

NWT Sector Opportunities

Aurora Recovery

Japanese Aurora Recovery

Airport Infrastructure:

Long term, the opportunity is to provide convenience of access to Japanese Visitors: direct flights to Yellowknife from Japan to compete with the Alaska and Yukon alternatives.

Japanese Travel Trade support

Short term, there may be opportunities with the Japanese travel trade who previously booked travel to NWT. They may also have the objective of increasing Japanese travel to NWT and may be a source of support and marketing ideas to offset the Alaska Aurora tourism/increase NWT Aurora tourism.

Product awareness and 'salience' in the trend conscious market.

Participate in CTC efforts to rebuild 'Canadian' awareness overall and leverage opportunities to build awareness of the NWT Aurora product and its advantages.

North American Aurora Interest.

North American priority audiences responded very positively to the Northern Lights product in focus group testing. In the spring 2007 NWT tourism brand advertising, NWT operators with specific Aurora product offers in the overall Northern Lights ads. Response was very good.

NWTT Environics TAMS data shows that NWT priority audiences are a good audience for Northern Lights. Further, CTC TAMS data shows interest broadly among Canadian and American affluent 40 – 60 yr old travelers.

Fishing Recovery

Changing Target Audience Profile and marketing

Canadian: Affluent, well educated (University +), Middle-Aged (35-59) families with teenagers and young adults at home, dual income families with above average HH Income ($114.9k average), living in: 60.3% - Ontario; 16.6% - Alberta; 11.1% - BC

American: Affluent, well educated (University and post-graduate degree), middle-aged (45-59) married couples with their own children at home, high income (average $150k+).

Product and affluent Visitor experience expectations

For the lodge fishing visitors in particular, the Northwest Territories fishing experience is a *top quality, wilderness fishing experience* involving:

1. Personal attention, complete service, quality, local food;
2. The (moving) wilderness experience of pristine, vast lakes/land where few have ever been before, overwhelming scenery and

‘spectacle of nature’; the quiet, serenity and escape; season start – midnight sun, end - the Northern Lights; and,

3. The excellent fishing experience itself: the trophy fish; the expert guides; shore lunch; quality fishing boats, safety and fishing equipment.

Impact of Amenities escalation and environmental best practices.

Green’ become an important part of the NWT target audience value system and is here to stay. Tourism products are expected to be/become ecologically aware, sustainable, conscious of environmental ‘footprint’, energy impact, pollution, etc.

Environmental ‘best practices’ are now a characteristic of ‘best practices’ fishing lodge operators (Tasu Sound, Nimmo Bay and many others).

Fishing operators have already suggested that GNWT could facilitate upgrading environmental practices via developing and implementing an alternative energy use incentive program directed at the NWT outfitted sport fishing industry. (Source: *2006 Survey of NWT Operators.*)

The affluent North American Visitors expect upgraded amenities when they travel. They have already backpacked and camped – this time round they are increasingly looking for a comfortable bed, a light pack, working plumbing and hot water as part of a premium experience.

Hunting

Alternative visitor markets are important. The US Hunting visitors may face restrictions. German hunters may be a market to develop for NWT. German hunters may help offset any potential loses of US Polar Bear hunters.

Outdoor Adventure

- Maintain ‘hard adventure’ products
- Develop ‘soft adventure products

From the NWT priority Affluent Boomer visitor perspective, ‘Soft Adventure’ relates to outdoor active lifestyle opportunities that are less intense than traditional ‘Hard Adventure’. For the NWT, Soft Adventure involves a suite of activities including: wildlife viewing, (Northern Lights, Flora, Fauna), river rafting, snowshoeing, and dog sledding. Source: *Northwest Territories Tourism, September 2007.* EnvironicsAnalytics

Business Traveler Products

- Business Traveler is the largest single visitor group in the NWT. As the NWT economy continues to grow and expand, the Business traveler segment will continue to expand. This audience is influences leisure travelers in addition to being a source of leisure travel activity themselves. Currently, there are few products designed for business traveler to the NWT.

Definitions

Key Product Sectors:	Hunting; Fishing/ Angling; Aurora (Japanese and other); Outdoor Adventure (climbing, hiking, paddling, naturalist – all non-consumptive, nature based activities/motivations including: wildlife viewing, bird watching, flora); Heritage and culture; RV/Road travel;
Key Marketplace Trends:	Experiential travel. Growth in remote, ‘off the beaten path’ destination travel. Green/environmental expectations Soft vs. hard adventure travel. Travel Safety Amenities escalation Role of information technology, Internet and ‘visitor empowered communications’ Demographic trends, including the impact of the aging Boomers/North American visitor population; and, Immigration impact/profile of Canadian potential visitor population. Geographic trends including emerging South/Central America visitor markets (esp. Mexico); decline of Japanese visitors in Canada; US cross border travel declines.
Economic Trends:	Economic forecasts Discretionary income/tourism spending Travel costs Travel tourism specific forecasts