

TOURISM RESEARCH UPDATE

November 2010

Tourism in the Northwest Territories

Tourism visitor numbers and spending estimates for 2009-2010 are down compared to 2008-2009. Visitation dropped by 7.4 percent and visitor spending dropped by 17.6 percent.

The biggest factor in this trend has been the recession. Travel around the world dropped during this period and the NWT was not spared.

Other factors also contributed to this trend. A strong Canadian dollar affected international travel to the NWT. Also, the decrease in oil and gas and mining exploration during this period resulted in a big drop in business travellers to the NWT – a significant market for our territory.

However, as the Canadian economy recovers, there are signs that the situation is improving. Preliminary numbers show visitation to our territorial parks during the 2010 season was up two percent across the NWT compared to 2009.



For copies of research reports and projects completed by the Department of Industry, Tourism and Investment's Tourism and Parks Division, check out: <http://www.iti.gov.nt.ca/Publications> and scroll down to "Tourism and Parks".

Tourism holds great promise for our territory, and during tough economic times, there is a need to promote this industry even more. This newsletter will now address some of the key trends that may impact tourism in the NWT, as well as inform readers of existing tourism research projects.

Please note that the 2009/10 visitation and spending numbers are preliminary estimates at this time. We are waiting for additional information, which may change these numbers.

Northwest Territories Visitation

Visitor Segment	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Visiting Friends & Relatives	6,126	6,175	7,410	7,599	7,780	8,942	9,025	11,693	9,261	12,910
Hunting	1,300	1,400	1,380	1,117	1,279	1,308	1,216	984	942	757
Aurora Viewing	13,000	6,500	9,000	9,990	10,245	10,200	7,000	7,297	5,460	5,400
Outdoor Adventure	1,480	1,552	1,965	1,841	1,725	2,171	2,079	2,125	2,098	1,853
Fishing	8,611	8,534	8,137	7,759	7,521	7,216	7,726	7,470	7,274	6,403
General Touring	9,251	11,443	15,205	15,219	14,199	13,324	13,340	15,123	14,760	14,500
Total Leisure Visitors	39,768	35,604	43,097	43,526	42,750	43,161	40,386	44,692	39,795	41,823
Business Travellers	16,876	18,313	19,014	20,725	22,591	24,642	35,509	34,880	33,624	26,181
Total Visitors	56,644	53,917	62,111	64,251	65,340	67,803	75,895	79,572	73,419	68,004

Northwest Territories Visitor Spending (millions)

Visitor Segment	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Visiting Friends & Relatives	\$ 2.5	\$ 2.5	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.8	\$ 3.8	\$ 5.0	\$ 4.0	\$ 5.4
Hunting	\$ 17.6	\$ 18.9	\$ 18.6	\$ 15.1	\$ 17.3	\$ 17.4	\$ 16.2	\$ 13.0	\$ 12.5	\$ 10.1
Aurora Viewing	\$ 15.9	\$ 7.9	\$ 11.0	\$ 12.2	\$ 12.5	\$ 13.4	\$ 9.3	\$ 9.6	\$ 7.3	\$ 7.2
Outdoor Adventure	\$ 4.8	\$ 5.1	\$ 6.4	\$ 6.0	\$ 5.6	\$ 7.1	\$ 6.8	\$ 6.9	\$ 6.8	\$ 6.1
Fishing	\$ 21.8	\$ 21.3	\$ 19.7	\$ 18.2	\$ 17.1	\$ 16.9	\$ 18.0	\$ 17.5	\$ 17.0	\$ 12.6
General Touring	\$ 5.7	\$ 7.3	\$ 8.8	\$ 9.1	\$ 8.7	\$ 7.5	\$ 7.5	\$ 8.5	\$ 8.3	\$ 8.1
Total Leisure Visitors	\$ 68.3	\$ 63.1	\$ 67.6	\$ 63.8	\$ 64.4	\$ 66.1	\$ 61.6	\$ 60.5	\$ 55.9	\$ 49.5
Business Travellers	\$ 37.5	\$ 40.7	\$ 42.3	\$ 46.1	\$ 50.2	\$ 54.7	\$ 78.8	\$ 77.4	\$ 74.6	\$ 58.1
Total Spending (millions)	\$ 105.8	\$ 103.8	\$ 109.8	\$ 109.8	\$ 114.6	\$ 120.8	\$ 140.4	\$ 137.9	\$ 130.5	\$107.6

Tourism Trends

Business Travel Trends

Difficult economic conditions worldwide have resulted in a significant decrease in business travel demand. With the increased availability of teleconferencing, videoconferencing and communication technologies, corporations have reduced travel budgets and incorporated alternative, more cost effective solutions for their long distance communication needs into their business plans. The number of business travellers to the NWT decreased by 22.6 percent in 2009-2010 – the largest decrease among all NWT tourism industry segments. The oil and gas sector is one of the biggest contributors to business travel in the NWT. The recession has affected this sector and that could be a key reason why the number of business travellers to the NWT was down in 2009-2010.

US Travel Trends

In the first quarter of 2010, the Canadian Tourism Commission (CTC) reported a record high U.S. travel deficit. This means Canadians are spending more in the U.S. than Americans are spending in Canada. Canadian spending across the border increased by 10.8 percent to \$4.7 billion, while spending by U.S. residents in Canada decreased by 2.2 percent to \$1 billion. A key factor in this trend was a strong Canadian dollar, which was almost on par with the U.S. dollar during this period.

Although the number of U.S. visitors to Canada decreased by 242,000 compared to last year, there was an increase in the amount of overnight travel to Canada by plane (4.7 percent) and other modes of transportation (12.8 percent). However, this growth was offset by a significant decline in travel by car for same day trips, and for overnight trips by U.S. visitors to Canada by other modes of transportation.

International Travel Trends

The CTC reported a record high in first quarter overseas spending in Canada this year. Although this was largely due to the Winter Olympics being held in Vancouver in February, visitation from countries other than the U.S. improved by 3.6 percent. In fact, visitor spending figures as of June 2010 showed a considerable increase in all of Canada's target markets over the previous year, except for Mexico. The lack of an increase in visitation from Mexico is likely due to Canada introducing a visa requirement for Mexican residents travelling to Canada in the summer of 2009. This is hindering visitation numbers and reducing market expansion opportunities in that country.

Emerging markets for Canada and the NWT include China and India. The World Tourism Organization recently placed these countries among the fastest growing outbound destinations with growth around 10 percent per year. Canada achieved Approved Destination Status in China this past year. This gives the Canadian tourism industry the ability to tap into a promising market. In 2009, 47.6 million Chinese travelled outside of China, an increase of 3.9 percent over 2008. 54 million Chinese are expected to travel outside of China this year.

India is also projected as a fast growing market, with 50 million outbound trips expected by 2020. Currently Indians travel primarily in leisure groups, but the fully independent traveller segment in India is fast increasing. This is a market that must be monitored and studied in depth to determine if it presents opportunities for the NWT tourism industry.

Domestic Travel Trends

The CTC reported growth in tourism spending in Canada during the first quarter of 2010 compared to the same period in 2009. Much of this growth came from Canadians travelling and spending within Canada.

Disposable income is directly related to travel. When people have extra dollars to spend, they tend to travel, but when disposable income is reduced, travel tends to be among the first line budgets to be cut. Statistics Canada reported a 5.5 percent increase in disposable personal income among Canadians in 2010 compared to 2009. This could mean improved visitation numbers within Canada for next year.



Leslie Leong / GNWT

2009 Trip Diary Report **Tourism and Parks Research Projects** Park Satisfaction Survey

The annual Northwest Territories Trip Diary project report was completed in February 2010. The report answers key questions about visitors travelling to the NWT by road, including:

1. Who are our visitors?
2. Why do visitors travel to the NWT?
3. When and how do visitors plan their trip to NWT?
4. How and where do visitors travel in the NWT?
5. What do visitors do when they visit the NWT?
6. Are visitors satisfied with activities, amenities and facilities in the NWT?
7. What do visitors spend their money on while in the NWT?
8. What motivates different types of visitors to travel to the NWT?

A copy of the 2009 Trip Diary Report is available on our website.

NWT Tourism and CDETNO Conversion Studies

The Department of Industry, Tourism and Investment (ITI) assisted NWT Tourism and the Conseil de développement économique des Territoires du Nord-Ouest (CDETNO) with their tourism marketing conversion studies in 2008-09, and is currently assisting with the 2009-10 Conversion Study. This study is used to measure the effectiveness of marketing initiatives. These reports are available on ITI's website.

2008 Anglers Survey

ITI conducted a telephone survey of visitors who bought NWT fishing licences during the 2008-09 tourism season. The purpose of the survey was to gain a better understanding of this segment of travellers. The report was released in 2009.

The report answers key questions about the angling segment of the NWT tourism industry, including:

1. Who is fishing in the NWT?
2. Why do they fish in the NWT?
3. When and how do anglers plan their trips?
4. How often do anglers fish in the NWT?
5. Where do anglers fish in the NWT?
6. What do anglers do when they visit the NWT?
7. Are anglers satisfied with their fishing trip?
8. How much do anglers spend, and on what?

The 2008 Anglers' Survey Report is currently available on ITI's website.

In the summer of 2009 Park User Satisfaction Surveys were distributed in territorial parks across the NWT. The goal of the survey is to determine the level of visitors' satisfaction with services, amenities and facilities in our territorial parks. A report with the results from this survey will be available on our website by December 2010.

The Park User Satisfaction Survey was distributed in territorial parks again this summer and will be conducted annually.

Canadian Immigrant Study

This was a telephone survey aimed at obtaining a broad understanding of current vacation patterns of Canadian immigrants of Chinese, South Asian, Filipino or Vietnamese heritage. We want to have a better understanding among these populations of their cultural attitudes towards wilderness, camping and parks. This information will allow us to determine the types of facilities, amenities, services and activities that might motivate these populations to visit wilderness areas, and camp in parks in the NWT and other areas of Canada. This report is now available on ITI's website.

2008-2010 Business Traveller Survey Preliminary Report

ITI conducted its Business Traveller Survey from April 2008 to March 2010. A final report with results from the survey will be available on the ITI website by December 2010.

This survey was conducted at the Yellowknife airport and was given to business travellers returning home. The report will include general information on business travellers and provide analysis grouped by region and industry.

2009-2010 Aurora Visitor Survey

The Aurora Visitor Survey was once again conducted during the 2009-10 season. This survey is given out to clients of NWT aurora tour operators and is available in both English and Japanese. This survey provides insight into the aurora viewing tourism segment visitation numbers, visitor demographics, and trends. The final report will be available on ITI's website by December 2010.

2010-2011 Visitor Exit Survey

Objectives

ITI conducts a large Visitor Exit Survey every four years. The survey collects information from visitors to our territory and it allows us to estimate more accurately the volume of visitation to the NWT, spending and trends. The 2010-2011 Visitor Exit Survey aims to answer questions such as:

1. Who are our visitors?
2. Why do visitors travel to the NWT?
3. When and how do visitors plan their trip to NWT?
4. How and where do visitors travel in the NWT?
5. What do visitors do when they visit the NWT?
6. Are visitors satisfied with activities, amenities and facilities in the NWT?
7. What do visitors spend their money on while in the NWT?
8. What motivates different types of visitors to travel to the NWT?

Methodology

Data for the Visitor Exit Survey will be collected from May 2010 until March 2011. The survey includes various methods for the collection of information:

- 2010 Trip Diary Telephone Survey
- Airport Tally Counts
- Intercept Leisure and Business Traveller Surveys
- Hunting, Angling and Outdoor Adventure Segment Surveys
- Aurora Visitor Survey

The analysis of the data currently being collected will take place in the 2011-2012 fiscal year. A general report, as well as individual tourism segment reports, will be available at that time.

2010 Trip Diary Telephone Survey

The Trip Diaries target visitors travelling to the NWT by road. A trip diary is distributed to road travellers at visitor information centres throughout the NWT. In return visitors must provide their name, phone number and expected date of return from their trip, allowing us to contact them for a follow-up telephone survey.

The telephone survey is compatible with the Leisure Traveller Survey being distributed at NWT airports.

Intercept Leisure and Business Traveller Surveys

These self-administered surveys were designed for leisure and business travellers. They are distributed to visitors travelling by air at three major NWT airports (Inuvik, Norman Wells and Yellowknife) while they wait for their departing flights.

Airport Tally Counts

Tally count sheets were developed to determine passenger numbers and basic trip characteristics at airports. The tally count surveys will be used along with other databases to estimate the total number of visitors to the territory and weigh the data. These tally counts are being done at the Inuvik, Norman Wells and Yellowknife airports.

Aurora Visitor Survey

These self-administered surveys are designed for aurora visitors and will be distributed to guests by aurora tour operators at their sites. The survey will be available in both English and Japanese.

Hunting, Angling and Outdoor Adventure Segment Surveys

These self-administered surveys are designed for hunting, angling and outdoor adventure travellers. They are being distributed to visitors through tourism operators in these segments.

For More Information...

Kira Peña
 Manager, Research and Planning
 Tourism and Parks
 Industry, Tourism and Investment
 Government of the Northwest Territories
 Email: Kira_Pena@gov.nt.ca
 Phone: 867-920-3245
 Fax: 867-873-0163