

MARKETING PLAN 2011-12

NORTHWEST TERRITORIES

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Northwest Territories
CANADA



Canoeing in the Mackenzie Mountains.

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Foreword

Northwest Territories Tourism (NWT Tourism) is a not-for-profit destination marketing organization (DMO) tasked with marketing NWT tourism products. Our mission is to increase the number of visitors and visitor spending in the NWT.

NWT Tourism was established in 1995 when it assumed responsibility for tourism marketing from the Government of the Northwest Territories (GNWT). The current organization is the latest in a line of tourism industry organizations that trace back over 50 years. A voluntary Board of Directors made up of tourism operators and government officials governs NWTT.

The organization is headed by an executive director who oversees a staff of eight, including a marketing director and two marketing co-ordinators, a communications co-ordinator, two call centre/fulfillment staff and two administration staff including a finance manager and receptionist.

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



Introduction



TERRY PARKER / NMC

Louise Falls.

NWT Tourism marketing initiatives focus on key geographic and demographic markets where there is the highest potential for return on investment. For 2011-12 our primary focus will continue to be on North America, (with most of the marketing efforts concentrated on the Canadian market), Asia Pacific and Europe. Based on current visitation statistics and future outlook, Japan will be the main geographic market for Asia Pacific and Germany will be the main geographic market for Europe.

In order to develop a more streamlined approach to marketing, NWT Tourism is proposing a number of changes to their marketing approach for the upcoming year. These include:

a) Development of integrated marketing campaigns that will focus attention on key iconic attractions in an effort to increase awareness and interest in the NWT. Key iconic attractions are used by most travel destinations to establish brand recognition in targeted markets. For example, Alberta uses the Rocky Mountains and the cowboy culture as some of its key icons, while Newfoundland uses its unique island culture and rugged seacoast as some of its key icons.

As awareness of the Northwest Territories grows, the iconic approach responds to the second phase of vacation planning – “I know it’s there, but why should I want to go to the Northwest Territories?” Through the use of icons, we will provide specific reasons why they should visit the Northwest Territories.

Based on current research trends provided by ITI, the key icons of the NWT that will be used in marketing campaigns will include:

- i) Aurora Borealis (Northern Lights)
- ii) Lakes and Rivers
- iii) Parks and Wilderness
- iv) Culture and People
- v) Northern Realities (Ice Roads, Midnight Sun, etc.)



Continued

Introduction

Each of these icons offers a strong connection to the products and regions of the Northwest Territories. Icon descriptions and sector/regional connections will be outlined later in this marketing plan.

b) Implementation of market-driven campaigns rather than the sector-based models used over the past four years. This will allow us to combine many smaller sector budgets into one larger amount to target specific demographic and geographic markets that are more apt to visit the Northwest Territories.

For example, in the past we selected a sector, say fishing, and went out shopping for people who might be interested in our fishing product. *We have quality fishing that you might be interested in buying?* In a market driven approach, we start with the questions “*who is our market and what does this market want?*” and develop our campaigns to meet the needs of the market, whether they be fishing, paddling, Aurora viewing, etc.



Tourism Industry Overview



MARK KAWAL / NWT TOURISM

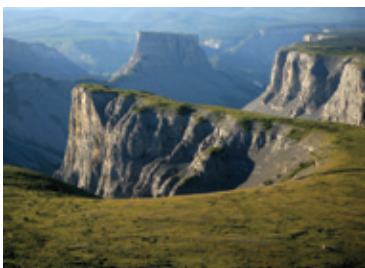
World famous Aurora.

In Canada

For the first time in several years the Canadian Tourism industry is in a period of modest growth. Although much of the world is still recovering from the recent economic downturn, both domestic and foreign spending has increased. Total tourism spending for the first quarter of 2010 reached \$13.8 billion. This was a 4% increase from the same quarter the previous year. Domestic travel was responsible for most of the growth, while foreign spending increased only marginally.

Domestic tourism in the first quarter of 2010 totaled \$11.4 billion. This was an increase of 4.7% relative to the same quarter last year. The largest areas of growth were accommodations, food and beverage and transportation.

Foreign tourism spending was up slightly from last year. Total foreign spending for the first quarter of 2010 reached \$2.4 billion. This was a 0.4% increase from the same period in 2009. The modest increase was primarily due to an increase in overseas travel. On the down side, US residents made fewer overnight trips to Canada, resulting in a 7.0% decrease from the previous year.



GEORGE FISCHER / NWT TOURISM

Ram Plateau.

In the Northwest Territories

In 2009/10 the total number of visitors to the NWT was 68,004. This was a 7.4% decrease from the previous year. Of these visitors, 41,843 were travelling for leisure, and 26,181 were travelling on business. These travellers spent \$107.6 million, which is a decrease of approximately 17.4% over the previous year.

Tourism is an important part of the NWT economy. The industry currently contributes more than \$100 million to the NWT economy. A variety of unforeseen occurrences such as a global economic recession, the current state of the NWT sport hunting sector, passport/visa requirements and a world health crisis have resulted in both a decline in visitors and visitor spending in recent years.



Continued

Tourism Industry Overview

In similar fashion to the rest of Canada, domestic travel makes up the largest segment of travellers to the NWT. Seventy-seven percent of the visitors to the NWT are from Canada, with international travellers making up the remainder of the market.

Opportunities and Threats

World events, the economy, weather, pandemics, currency value, climate change, fads... are just some of the many factors beyond our control that can impact NWT tourism negatively or positively. Some of the opportunities and threats we have considered in this plan are:

Opportunities

- industrial projects such as a new diamond mine, a major hydro project, a pipeline, which could increase the number of business travellers
- investment in a Mackenzie River bridge and NWT highway improvements could increase rubber tire traffic
- additional federal funding for tourism products via DIAND's CanNor funding program
- global interest in the NWT via programs such as ice road truckers and ice pilots
- increase in size of our target market, as boomers become empty nesters and have the time and funds to travel
- vast tracts of pristine wilderness at a time when wilderness is diminishing in other parts of the world
- improved transportation links and lowered cost of air transportation
- growing interest in Aurora experiences in the North American market
- prominent positioning of the North by the federal government
- leveraging opportunities for effective partnerships between governments, between businesses, and between industry and government



Hiking the boardwalk.

HANS PFAFF / NWT TOURISM



Continued

Tourism Industry Overview

Threats

- deepening of global recession could reduce travel by middle income people
- strong Canadian dollar impacts the cost of our product
- fuel costs (vehicle, aircraft, etc) increasing costs to travel here
- air and marine regulation changes that increase costs of tourism products
- natural disasters – forest fires, high and low water, weather in general
- increased competition for our type of products from locations that can often offer the products at lower prices
- diminishing tourism products via operator retirement, aging infrastructure, undercapitalized operations
- Increasing insurance rates and increasing potential for litigation
- extremely high WSCC rates

Product Supply and Demand Review



ISTOCKPHOTO

Wood Bison.

Sport Hunting

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

The supply side of sport hunting has experienced a number of setbacks in recent years resulting in declines in the number of sport hunting visitors and revenues. The listing of the polar bear under the Endangered Species Act in the US has significantly decreased the number of polar bear hunters and the temporary suspension of barrenground Caribou hunts due to steep population declines in the Bathurst herd has eliminated a large segment of our sport hunting activity. The expansion of Nahanni National Park will also impact some mountain hunting outfitters over the next decade.



Continued

Tourism Industry Overview

Demand – for available hunts continues to be strong (sheep, mountain caribou, muskoxen). Demand for caribou and polar bear hunts are now being filled by other jurisdictions, and the challenge will be to regain market share if and when restrictions are lifted. Some of our hunting operators are looking at adding new types of hunts such as Bison and wolf in an attempt to diversify their product.

Demographic Profile

- 40 to 65 year olds, predominantly male
- 95% non-resident Canadian
- Largest domestic markets are Alberta, British Columbia and Ontario
- High income groups with the majority of household incomes being over \$100,000
- Hunters spend an average of more than \$13,000 per trip, plan 19 months in advance, are influenced by word-of-mouth (56%) and by sports shows (22%)
- For hunters, outfitter reputation is the primary reason for choosing the NWT
- 60% belong to hunting or gun-related associations or organizations

Visitation Analysis

Sport Hunting had another challenging year, with both visitors and visitor spending decreasing about 19%. The number of sport hunters dropped from 942 in 2008/09 to 757 in 2009/10 and visitor spending dropped from \$12.5 million to \$10.1 over the same period.

Sport Fishing

Supply – There are more than 50 fishing lodges and outfitters in the Northwest Territories. Fishing visitors and income has dropped substantially in the past 10 years due to strong competition from other destinations, and most recently the global recession. Overall capacity at lodges and camps is likely well below 50% and dropping, as some lodges are no longer marketing their product.

Demand – The demand for overnight fishing packages has declined significantly, but the demand for day trip packages is very high, particularly among business travellers and those visiting friends and relatives. Fly fishing also continues to grow in popularity.



50-inch Northern Pike.

ENODAH WILDERNESS TRAVEL



Continued

Tourism Industry Overview

Those looking for traditional fishing packages are indicating a preference for shorter 2 to 3 day trips.

Demographic Profile

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

Visitation Analysis

Sport fishing continues to decline. The number of sport fishing visitors decreased from 7,470 to 7,274 in 2008/09 to 6,403 in 2009/10. This was a decrease of approximately 12%. As the actual visitor spending decreased by over 25%, it can be assumed that more visitors were partaking in day fishing trips, and less on lodge stays than in previous years.



AURORA VILLAGE

Aurora Village.

Aurora

Supply – There are over 20 operators offering Aurora viewing as part of their product offerings. About six of these operators offer Aurora as their main product, while the balance add Aurora viewing to a menu of other winter products. Most of the dedicated Aurora operators are located in or near Yellowknife. All Aurora facilities and services are operating well below capacity. Climate change can impact the Aurora product, if it produces significantly more overcast days.

Demand – Aurora visitors comprise the largest portion of overseas visitors to the Territory. The majority of these visitors are from Japan, with a small number from Korea and China. The Aurora sector has experienced some significant declines in recent years, primarily as a result of competing markets such as Alaska and Finland. However, Japanese visitation to the NWT is starting to rebound and the outlook for the upcoming year is positive.



Continued

Tourism Industry Overview

Over the past few years NWT Tourism has tried to increase the NWTs Aurora market share by promoting to markets in southern Canada and the United States. These marketing efforts are in the early stages, but have been generating a lot of interest. Of all the inquiries NWT Tourism fields, Aurora is always the most popular of the sectors. Unfortunately, the product is difficult for the consumer to purchase, stressing the need for packaged tours for the North American market.

Demographic Profile

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

Visitation Analysis

The Aurora market also is showing signs of growth. The Japan Association of Travel Agents' (JATA) "Visit World Campaign" has fostered a new commitment to Canadian tourism products including the Aurora. This year the number of Japanese travellers to Canada has increased by 28% and by all indications the number of Japanese travellers to the NWT are likely to increase in a similar fashion.

Outdoor Adventure

Supply – The NWT has dozens of Outdoor Adventure operators. Only about 10 offer fully guided paddling or hiking experiences, while most offer assistance to unguided travellers, or combine outdoor activities such as paddling, hiking and bird watching with other activities such as fishing and wilderness lodge experiences. Most operations are centred on larger and better-known rivers (Nahanni, Thelon, Mountain, Keele). Outdoor



Whitewater paddling.

CANOE NORTH ADVENTURES



Continued

Tourism Industry Overview

adventure offerings for day trips and products in or near communities are more limited. Canoeing, kayaking and rafting are well established within the NWT. Other activities such as wildlife viewing and hiking can be developed within the NWT. A new Canoeing/Wilderness Adventure Centre is opening in Norman Wells this summer.

Demand – The Outdoor adventure sector is growing on a global scale, and especially the demand for high-end adventure and guided trips. Outdoor adventure visitors to the NWT increased from 1,480 in 2000-10 to a high of 2125 in 2007-08 and then a drop to 1853 in 2009-10. As the world continues to adopt the green philosophy, the importance of purchasing experiences that are environmentally friendly with minimal impact activities is increasing.

Demographic Profile

- Income in this group varies from the student or new graduate level to the high income professional looking for a wilderness challenge
- On average, they spend an estimated \$1,544 per person and stay for approximately 14 nights
- Just over 50% of this segment are Canadian, 21% are American and 27% are from other countries
- Just over 50% arrive by air and the rest drive north
- Over 50% of visitors in this segment are repeat visitors
- 67% went wilderness camping, 59% stayed in commercial lodging
- They spend under 12 months planning their trip and are influenced by word-of-mouth (40%), Internet (29%) and the Explorers' Guide (16%)

Visitation Analysis

The Outdoor adventure market also experienced declines. The number of visitors decreased from 2,098 in 2008/09 to 1,853 in 2009/10. This resulted in a 10% decrease in visitor spending.



Continued

Tourism Industry Overview

General Touring

Supply – Because of our distance from major markets, the Northwest Territories is a long haul destination. For general touring by road, we offer the Deh Cho Connection, a circular route that allows visitors to start in Alberta and end in BC, and the Dempster Highway which is Canada's most northerly public highway. We also have a number of roads that end at communities (Yellowknife, Fort Smith, Fort Resolution, Wrigley) but offer interesting scenery or road access to specific destinations. Our roads are being improved gradually, and our parks and campgrounds along the road system are also undergoing upgrades. There are 34 territorial and 4 national parks in the NWT most of which attract many visitors each year.

Demand – For the general touring market, our focus is on those travellers who have the time and money to take long haul vacations (long haul is defined as a trip of 7 or more nights). The primary domestic markets for Touring include Alberta and British Columbia. The visiting friends and relatives market is also a key component of the touring market. The general touring market has increased over the past decade, although there was a small dip in the past two recessionary years.

The NWT has also seen growth in the number of German-speaking visitors. The Inuvik region has the highest number of German-speaking visitors in the NWT, primarily because of its position on the Dempster Highway. The German market's strong interest in wilderness, parks and aboriginal based products makes the Dempster an ideal product, and many Germans who take the charters to Whitehorse will rent RVs to drive the Dempster.

Demographic Profile

- Mainly in the 55 plus age group with adequate to high incomes
- Many are retired empty nesters, and most travel here by road (88%)
- A fairly even division between male and female
- Canadians comprise 72%, US 17%, other 11%
- Those travelling by air spend on average \$4,720 per party of 2.58 and those by road spend on average \$3,615



Welcoming RVers

ISTOCKPHOTO



Continued

Tourism Industry Overview

- They are generally motivated by nature and culture, concerned about safety and hygiene, value independent travel, want soft outdoor adventure experiences
- 85% are FIT, while 15% book packages.

Visitation Analysis

On a more positive note, the general touring market showed a substantial increase in both the number of visitors and visitor spending. This is largely due to the significant increase in the number of visiting friends and relatives (39%) over last year. Reduced airfares through additional competition in the airline industry is partially responsible for this increase.



Business Travel

Supply – Business travellers make up a large part of total NWT Visitors, reaching a high of 35,500 visitors in 2006-07 but dropping significantly in the past year, as the NWT economy slowed down and the national and international economy reduced the number and size of conferences/conventions held in the NWT.

There are 5 communities in the NWT that are capable of hosting small to midsize conferences. These include Yellowknife, Inuvik, Hay River, Norman Wells and Fort Simpson. Each of these communities has excellent meeting facilities, guest services and a variety of tourism products. To meet the needs of this market for shorter, experiential day trips or full day add-ons, operators have added more products targeted to the business traveller. These range from sightseeing tours to boat cruises to fishing trips.

Demand – As a result of the current economic downturn, business travel experienced a significant decline. Even with this decline, business travel still generates substantial revenue for both the airline and accommodation industries. For the past several years, NWT Tourism has invested more in the business sector, and has begun to actively promote the NWT as a meeting and convention destination.



Continued

Tourism Industry Overview

Demographic Profile

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

Visitation Analysis

The largest decline was business travel (22%) as the current economic recession resulted in many businesses cutting down on travel. The number of business travellers to the NWT dropped from 33,624 in 2008/09 to 26,181 in 2009/10.

Aboriginal Tourism

Supply – A number of market-ready aboriginal tourism products exist in the NWT but there is great potential for expansion. The Department of Industry, Tourism and Investment (ITI) is working on developing this sector. Aboriginal Tourism is probably the sector with the most potential for growth.

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

Demographic Profile

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



Inuvialuit children at Tuk.

GEORGE FISCHER / NWT TOURISM



Continued

Tourism Industry Overview



ISTOCKPHOTO

Canadian diamonds from the NWT.

Diamond Tourism

Supply – The NWT is the only place in the world, outside of Africa and Russia, where visitors can purchase diamonds that are mined, cut and polished locally. In 2007, NWT mines produced over 16.5 million carats, with an estimated value of over \$1.4 billion, approximately 14% of the world's production. Government Certified Canadian Diamonds™ have a GNWT certificate of origin and authenticity. These diamonds can be purchased in jewellery stores in many of our NWT communities and are often used as prizes for a variety of conferences and promotional campaigns. No opportunities exist for visits to cutting plants or the diamond mines.

Currently visitors can purchase Canadian Diamonds, travel the ice road towards the diamond mines with an outfitter and visit the diamond displays at the Northern Frontier Visitors Centre, Rio Tinto DDML office and the PWNHC. Some examples of Diamond Tourism related activities include: the Deh Cho Travel Connection (DCTC) Diamonds in the Rough Passport Program and the diamond polishing displays at the Northern Frontier Visitors Centre. Ultimately, we see the NWT as a place to buy diamonds and jewellery at prices that encourage travel and enhance the NWT as a tourism destination. Visitors would receive the total diamond experience, learning the 5 Cs, observing the cutting and polishing process and purchasing the product.

Demand – No packaged diamond tourism products exist today, but diamonds can help lure visitors to the NWT, and be part of an add-on activities package. Diamond Tourism continues to have the potential to increase visitor spending, and is something that can be and is promoted in conjunction with other products such as fishing, hunting, touring, Aurora.

Demographic Profile

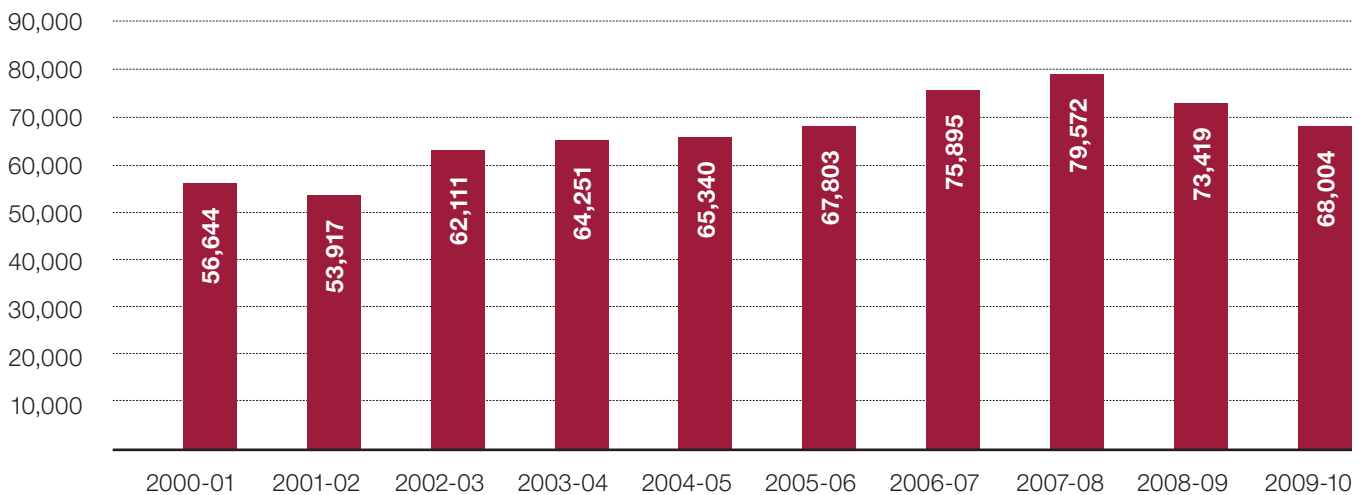
- Higher level of education with disposable income
- Honeymoon and anniversary travellers looking for exotic vacation experiences
- Value added to tourists already visiting the destination (hunters, Japanese Aurora visitors, etc.)



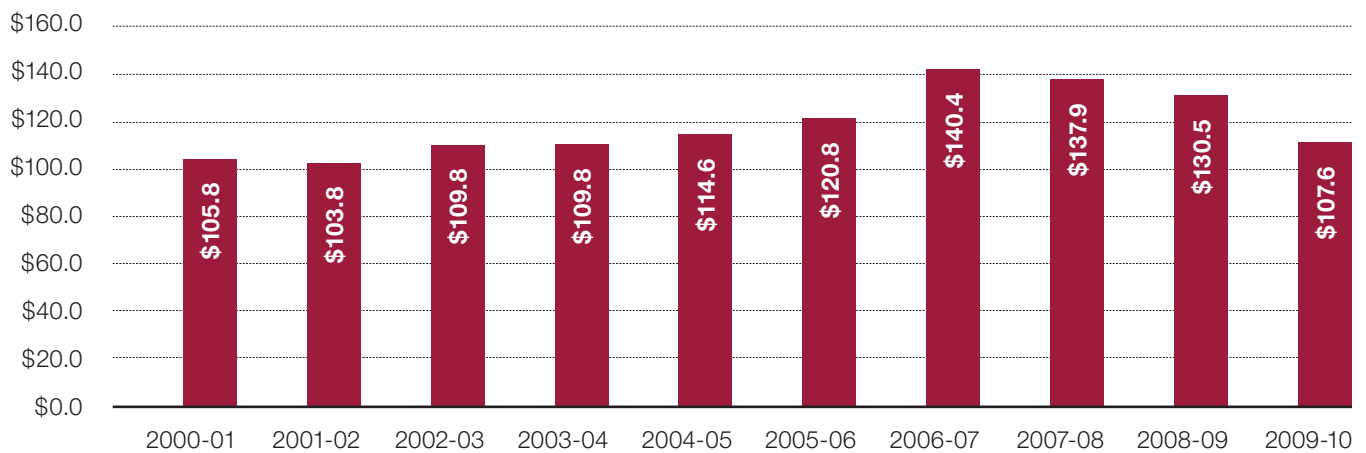
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Tourism Industry Overview

Northwest Territories Visitors



Northwest Territories Visitor Spending (\$millions)





NWT Tourism Marketing Plan 2011/12

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

- Most current research from the Canadian Tourism Commission and Industry Tourism and Investment (ITI)
- Feedback from our local industry partners
- Key advice from the Tourism Marketing Advisory Committee (TMAC)

The 2011/12 marketing plan will build on the existing “Spectacular” brand but will move from a sector-based plan to a more streamlined, integrated, market-driven campaign. In past years budgets were broken down firstly by sectors (fishing, Aurora, outdoor adventure, etc.) and then by activities within each sector’s budget (advertising, media, guides, trade, etc.). The end result of this approach was that there were insufficient funds in each activity to generate required results. For example, a sector could have a print advertising budget of only \$25,000 which restricted the number and frequency of ad placements and hence the results from these placements.

In the market driven, integrated approach, funds from the various sectors are pooled into one larger pot to allow for increased number and frequency of print purchases that will reach audiences who have the highest interest in the type of “off the beaten path” products we can provide.



Continued

NWT Tourism Marketing Plan 2011/12

The content and approach of the integrated, market driven program will be centred on five key NWT brand icons, each representing travel products and regions of the Northwest Territories. The brand icons, or visualizations of NWT products that will be marketed build on existing awareness of NWT products or experiences. These icons are:

1. Aurora

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

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



2. Parks and Wilderness

This icon will zero in on our best-known parks, but will portray all four national parks, our territorial parks, our heritage parks, our wilderness driving experiences and our wildlife viewing and bird watching activities. Since we have parks and wilderness across the territories, it will touch on many regions. The visual icon will be Nahanni National Park, the salt plains in Wood Buffalo National Park, or the colourful barrenlands.

Branding Goal: To position our world class parks and wilderness as an obvious reason to visit the Northwest Territories.



3. Lakes and Rivers

Lakes and Rivers will encompass fishing, paddling, cruising and sightseeing. Visualization could range from the big lakes, to the Mackenzie River Delta, to some of our spectacular waterfalls, to sandy beaches, to roaring rapids. This icon covers all regions of the NWT.

Branding Goal: To be known for our overwhelming number of large and small lakes and wilderness rivers, and the products this resource supports.





Continued

NWT Tourism Marketing Plan 2011/12



HANS FRAFF / NWT TOURISM

4. Culture and People

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

Branding Goal: To project the warmness and cultural diversity of our population.



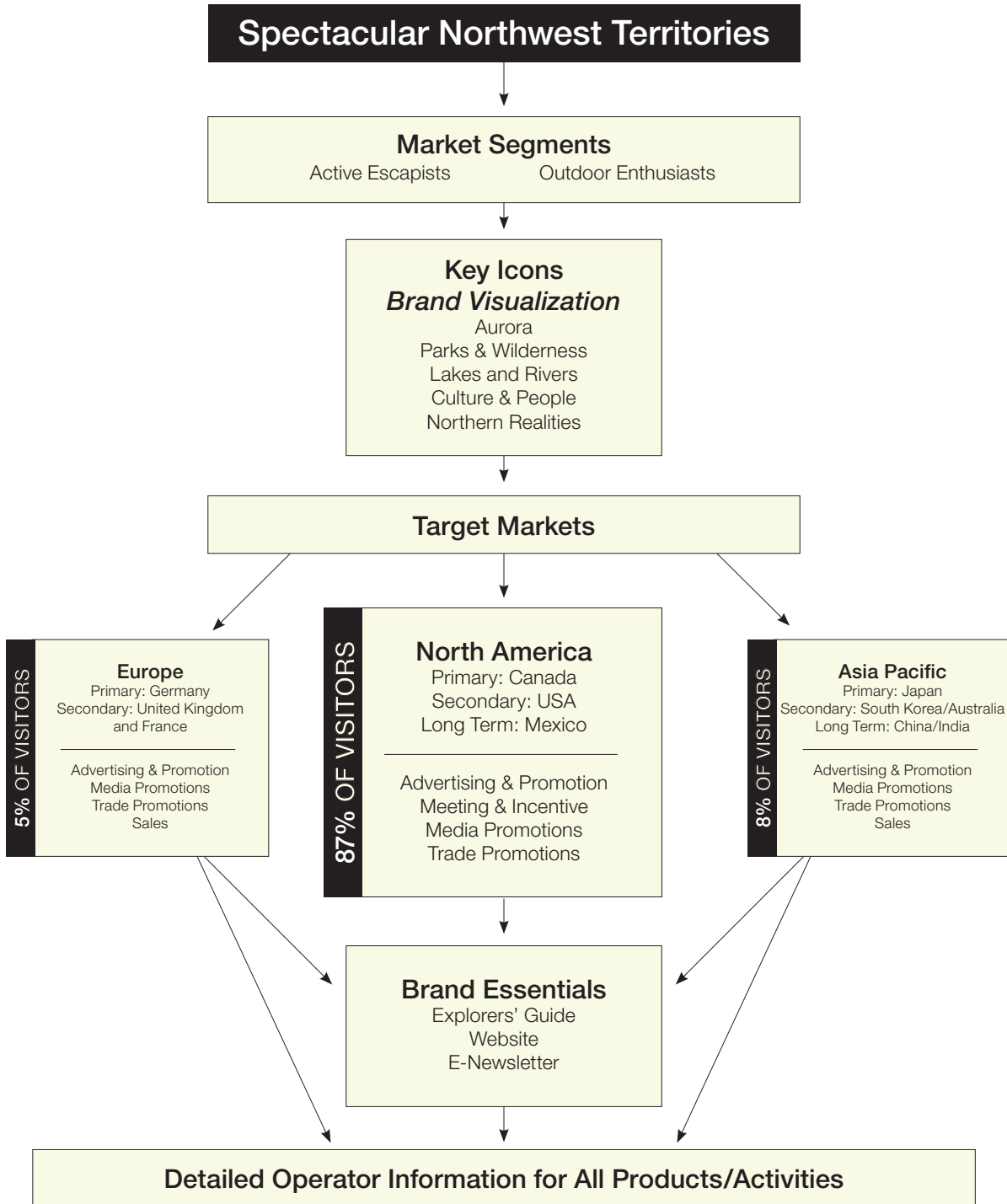
ROBERT POSTMA

5. Northern Realities

This icon will represent many northern realities that we tend to take for granted, but are of great interest to visitors. This will include ice roads, midnight sun, minus 40°C, bush planes.

Branding Goal: To add elements of excitement and adventure to the Northern package, and to take advantage of existing publicity re: a number of these products.

The intention of this strategy is that once their interest is peaked, the consumer will then be directed to the NWT Tourism Website and/or the Explorers' Guide to find specific information on our tourism products, allowing them to communicate directly with our industry operators.





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NWT Tourism Marketing Plan 2011/12

Goals and Objectives

Goal

The overall goal is to generate long-term economic growth in the Northwest Territories through increased visitor numbers and spending as specified in the Tourism 2015 document.

We recognize that many issues such as the current economic downturn, a world health crisis and a variety of passport and visa issues can have a sizable negative impact on tourism in the NWT and are beyond our control.

Objectives

- To increase the number of visitors by 5.6% or approximately 73,759 visitors in 2011-12 (based on the Tourism 2015 plan)
- To increase visitor spending by 6.9% to approximately \$118.6 million in 2011-12 (based on Tourism 2015 plan) (1)
- To increase the number of unique visits to the NWT Tourism website www.spectacularnwt.com by 15%
- To increase the number of jump offs from the NWT Tourism website to the websites of industry operators by 10%
- To generate over \$1.5 million value of media coverage
- To introduce all new market-ready packages to the travel trade



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NWT Tourism Marketing Plan 2011/12

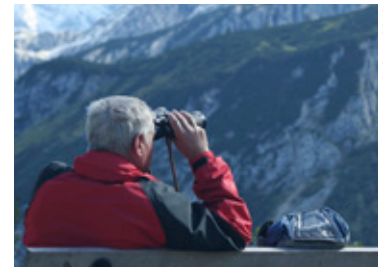
Who are we marketing to?

All marketing campaigns will focus on the two key market segments that were identified in market research that was compiled during the development of the Spectacular brand. These include the Active Escapist and The Outdoor Enthusiast.

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

The two prime market segments for NWT visitors were identified as Active Escapists and Outdoor Enthusiasts. We have been targeting these market segments for the past five years and continue to consider them prime market segments for NWT products. However, we do think that additional market research should be conducted this year to confirm our target markets, or possibly adjust the market segments based on new research.

Both of these markets are seen as having a keen interest in the type of products offered in the NWT, as well as having the economic means to afford the trip.





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NWT Tourism Marketing Plan 2011/12



ISTOCKPHOTO

Active Escapists

This group has above average income (\$114,874 in 2006), is well-educated, works in white-collar occupations and are often self-employed. Households include middle aged, large affluent families in both the 35-44 and 45-54 years age groups. This market segment is found across Canada, but the largest segment is in Ontario and specifically in Toronto, Hamilton, Kitchener, Oshawa, Windsor, Barrie and Guelph.

For this group, travel is continuous (more short vacations) and typically does not include a lot of planning time. This group enjoys exploring new, exciting destinations, will most likely fly and stay in luxury hotels. They like to get away to “recharge” but they do not sit still. They are active and social people. For information and planning, this group uses all sources, but especially the Internet.

Travel motivators for this group include:

- Escape – they travel to get away from everyday stresses and responsibilities.
- Originality – new and interesting experiences. Uncharted uniqueness appeals to them.
- Flexibility and technology – they like to be in control, so they like options and choices. They are comfortable with technology and consider online information and booking options.

The Active Escapists are not seeking rusticity, serenity or purity. They like to be active but are not seeking open spaces, nature or camping.

Key words for this group are:

- Control and flexibility
- Comfort, luxury, rejuvenation
- Unique experiences and active experiences.



Continued

NWT Tourism Marketing Plan 2011/12

Outdoor Enthusiast

This group has an average or slightly above average income of \$72,680 (2006 stats) and average education. This group lives across Canada in smaller centres such as Courtney, BC, Campbell River, BC; Kenora, Ont. They are part of active, outdoorsy households with children or are empty nesters 35 to 64 years old. They pursue fitness and sporting activities and attend auto, RV, outdoor and boat shows.

People in this segment are frequent travellers who research and plan in advance for best value. They take shorter vacations in Canada, often returning to the same destinations. They plan vacations around areas of interest and family events. Information sources for this group are travel guidebooks and shows.

Travel motivators for this group include:

- Escape – escape time managed, day-to-day routines.
- Price - price is weighed heavily in decision-making. The sky is not the limit. However they spend selectively in areas of particular interest.
- Connecting with others – they like to interact with like-minded people.

This group is not into flashy consumerism and outdoor enthusiasts are careful shoppers. In the 2006 survey they were considered “not as comfortable” with technology, but this could have changed in the past four years.

Keywords for this group are:

- Value, comparison travellers, no worries
- Comfort, outdoors, natural
- Group shared escape.





Continued

NWT Tourism Marketing Plan 2011/12



ISTOCKPHOTO

Geographic Markets

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

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

Based on this, Northwest Territories Tourism has categorized its geographic markets as follows:

Primary Markets

Ongoing, active marketing is done in these markets. Majority of marketing dollars are spent here.

- North America (Canada, United States with emphasis on Canada and specifically Ontario, British Columbia and Alberta)
- Asia Pacific (Japan)
- Europe (Germany)



Continued

NWT Tourism Marketing Plan 2011/12

Secondary Markets

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

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

Long Term Markets

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

- Asia Pacific (China, India)
- Other (Brazil)

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

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

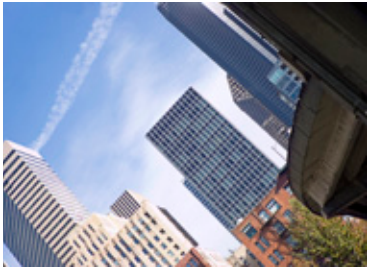
Brief outlines of the NWT's primary, emerging and long term markets are included in Appendix A of this plan. These outlines include the research data used to select these markets. All research was obtained from studies and reports prepared by the Canadian Tourism Commission.



Core Marketing Program

The core marketing program is the most significant component of the NWT Tourism marketing plan and by far the largest funding source. As per the funding agreement with ITI, the core marketing budget has been set at \$1,504,545 for 2011.

The core marketing program is broken down into three main geographic regions (North America, Europe, Asia Pacific).



ISTOCKPHOTO

North America

The North American marketing campaign will consist of a number of key activities including advertising and promotion, meeting and incentive travel, media promotions and trade promotions. As domestic travel makes up the largest portion of NWT visitors, Canada will be the main focus of the plan. A few smaller initiatives will also take place in several key locations in the US.

Goals:

- To increase consumer awareness and inquiries from three key markets in Canada (British Columbia, Alberta and Ontario), and one key market in the United States (California). Larger, urban centres will be targeted in each province including Vancouver, Victoria, Calgary, Edmonton, GTA, London, Ottawa. Saskatchewan and Quebec will also be monitored as interest in NWT products increases in these provinces.
- To increase participation by our local tourism operators in our cooperative marketing programs.

Objectives:

- To target an audience of over 2 million viewers of our promotional campaigns
- To generate over \$1,000,000 in media coverage within our key geographic markets
- To promote all market-ready packages to the consumer and trade market
- To increase the number of unique visitors to the spectacularnwt.com website by 15% over the course of the year
- To increase the number of jump offs to operator websites by 10%



Continued

Core Marketing Program

Brand Essentials

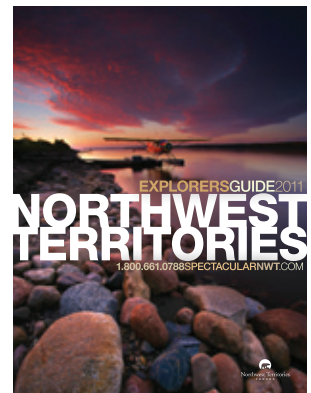
Brand essentials are the key pieces that will tie the entire marketing plan together and provide the transition between the advertising of our key icons to promoting all NWT Tourism products. For example, a person could be attracted to the Northwest Territories via the lakes and rivers icon, but could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

NWT EXPLORERS' GUIDE

The Explorers' Guide has always played a key role in the promotion of the NWT. Each year over 50,000 guides are distributed through individual orders, as well as bulk shipments to a variety of visitor information centres. With the exception of sport hunting, the guide will feature key information on all of our products including sport fishing, Aurora, outdoor adventure, touring and aboriginal tourism. Building on the Spectacular brand, the Explorers' Guide will once again focus on stunning imagery followed by key travel information. A PDF version of the guide will also be available for download on the NWT Tourism website.

TOTAL BUDGET \$125,000

** any shipping costs will be allocated under the call centre budget.*





Continued

Core Marketing Program



NWT HUNTING BROCHURE

The NWT Hunting Brochure will be a stand alone piece that will feature information on the main hunting regions of the NWT including the Western Arctic, Mackenzie Mountains, South Mackenzie and the barren grounds. As hunting of barren ground caribou has been suspended for an undetermined amount of time, the information in the guide will focus on other types of hunting that can be done in that region. The 16-page brochure will include key details on species and hunting methods. These guides will also feature operator/outfitter listings.

TOTAL BUDGET \$10,000

NWTT WEBSITE

Since its launch in November 2008, the NWT Tourism website continues to build momentum and unique visits and length of stay on the site continue to grow. The website is the main anchor of the marketing plan as it has the ability to provide key information on all of the tourism products and services in the NWT and to drive the consumer directly to the websites of our tourism operators. The www.spectacularnwt.com website receives over 400,000 unique visits each year. This past year there were over 50,000 jump offs from the NWT Tourism website to our local operator websites. In order for any website to be effective, it must be updated and maintained on a regular basis. As part of the website contract, the firm currently developing the website will be responsible for ongoing maintenance. This will include bandwidth management, hosting, and ensuring all main content is current. Of the total budget, approximately 30% will be allocated to hosting, repairs and maintenance, 30% will be allocated to new additions to the site, and 40% will be allocated for a new visual look for the site.

TOTAL BUDGET \$100,000



Continued

Core Marketing Program

Already three years old, the spectacularnwt.com site is looking very dated and some of the functionality needs to be reworked. With the budget that is available, the website cannot be rebuilt to the level that is truly needed. With some additional funds the following projects could be undertaken:

- *rebuild the site to include more advanced technology that can accommodate an itinerary engine and a recommendation engine (similar to Amazon.com) to assist with the trip planning and product selection processes*
- *overhaul the content based on a detailed analysis of previous website use, removing information that is never accessed, adding information on hot topics, and repositioning information for user accessibility*
- *connect more to social media, to link social media information to the trip or location you are researching on the NWTT website*
- *develop stripped down mobile version of the main NWT Tourism site*

ADDITIONAL FUNDING REQUEST: \$300,000

E-NEWS PROMOTIONS

E-marketing campaigns have proven to be an excellent form of advertising that have resulted in a significant number of inquiries and visits to our NWTT website. This method of marketing is highly desirable as the results are trackable and we have the ability to reach a large target audience at a relatively inexpensive rate. This venue also provides our industry partners the opportunity to promote the various sectors and regions within the NWT. The e-mail campaign would go out a minimum of eight times per year with editorial features and packages to correspond with our seasonal tourism products.

TOTAL BUDGET \$15,000



Continued

Core Marketing Program

Advertising and Promotion

INTEGRATED MARKETING CAMPAIGN

For many years, tourism in the Northwest Territories has been marketed on a sector/region/tactic approach. Funds were allocated to each of the seven identified sectors; regional considerations were incorporated; and funds were allocated to each marketing tactic. Using this approach each sector had a small pot of funds for print advertising, publications, interactive advertising, consumer shows, media fairs, etc. Although this approach did generate visits to the NWT Tourism website, inquiries for our print materials, media coverage, etc. the small marketing budget was divided into too many smaller pots to be truly effective within a sector, and overall awareness of the Northwest Territories as a travel destination was increasing very little from year to year.

This year we are proposing an integrated marketing campaign that can forge a stronger relationship between the Northwest Territories brand and our potential customers.

The aim of an integrated marketing campaign is simply to bring a number of elements together in one campaign to deliver results and improve return on investment.

An integrated marketing campaign aims to present a consistent message via the complementary use of various media. It focuses on identifying consumer insights then developing a strategy with the right channels (online and offline) to produce a more interesting and impactful campaign that will have a higher response rate and generate more leads.

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



Continued

Core Marketing Program

The integrated campaign will have a central theme so the ads a consumer might see in print will be re-enforced online, or in any other media selected. The campaign theme which could be diversity, or uniqueness, or natural wonders, will in turn support the brand – Spectacular Northwest Territories. As an example, Newfoundland themed a campaign on “authentic” and all television, print and online ads featured authentic and folksy representations of Newfoundland.

The overall intent, will be firstly to make the Northwest Territories front of mind, and secondly to encourage potential visitors to be aware of the great travel products we offer in the Northwest Territories.

An integrated marketing campaign allows us to go from mass media to more specialized (niche) media, which are centred on specific target audiences. It also allows NWT Tourism to improve agency accountability. With small pockets of funding in many different programs, it was difficult to measure accountability. With a larger amount of funding dedicated to one integrated program, it is much easier to measure effectiveness and agency accountability.

In short, the NWT Tourism integrated marketing campaign will be one big campaign rather than six smaller sector campaigns.

The integrated campaign will use a number of tactics including print advertising, interactive promotion including web and social media and some other promotional tactics which will be anything from decals on trucks to special promotions in target markets. The budget will breakdown into 45% print advertising, 45% interactive and 10% promotional

TOTAL BUDGET \$450,000

To be truly effective this campaign budget should be \$900,000. It is interesting to note that the province of Manitoba spends \$2 million on print advertising only in the USA. Additional funds would allow us to expand our campaigns in Canada and test one high potential US market.

ADDITIONAL FUNDING REQUEST: \$450,000



Continued

Core Marketing Program

CONSUMER SHOW PROGRAM

The consumer show program is an excellent venue to meet face to face with potential visitors and to provide destination awareness of the NWT. Although consumer shows have become less popular with consumers over the years, they still have proven effective in marketing parks and campgrounds as well as a variety of outdoor adventure products. The consumer show program also provides an excellent opportunity for cooperative marketing, as NWT Tourism often allocates additional booth space for NWTT members at a number of the shows that we attend each year.

The consumer show program is broken down into the following components:

- Sportsman Shows
- RV Shows
- Outdoor Adventure Shows

The sportsman shows will focus on Alberta and California. The RV shows will target the Alberta and BC markets, and the outdoor adventure shows will concentrate on Vancouver, Calgary and Toronto. As motorcycle touring is increasing in popularity, NWTT will explore the possibility of adding a show targeting this market.

TOTAL BUDGET \$75,000



Continued

Core Marketing Program

Meeting and Incentive Travel

The Business Sector brings in a substantial amount of revenue to the NWT. Marketing efforts will focus on attracting small to midsize meetings and conferences to the NWT, and to encourage the business traveller who is already in the NWT to partake in some of our tourism activities.

NWT MEETING AND CONVENTION PLANNER

Two years ago NWT Tourism produced the first ever NWT Meeting Planner. This guidebook has proven to be an effective tool for attracting new conventions to the NWT. This planner includes key information meeting planners are looking for including meeting and accommodation facilities, transportation and other amenities. The meeting planner will focus on the main centres that can host conferences including Yellowknife, Inuvik, Hay River, Norman Wells and Fort Simpson. Other centres could be included depending on growth in capacity and services. Additional information will be provided on a number of venues that can host smaller meetings. One thousand meeting planners will be produced in total, and will be distributed at various Meeting and Incentive Travel Shows.

TOTAL BUDGET \$15,000

MC&IT SHOWS

As part of our strategy to attract meetings and conventions, NWT Tourism has begun attending several Meeting and Convention shows each year. In November for the last two years, a special delegation including representatives from Hay River, Inuvik and Yellowknife have joined NWT Tourism to attend the Canadian Society of Association Executives Show held in Toronto. Due to the success of this show, NWT Tourism will continue this promotion in the future. One additional show will be added to the plan (likely another Canadian city).

TOTAL BUDGET \$20,000



Continued

Core Marketing Program

FAM TOURS

As NWT Tourism expands our marketing efforts into the Meeting and Convention market, it is important that we offer our key trade and media partners with the opportunity to experience our products. We have already been working with several Incentive Travel promoters who are keen to add NWT fishing, outdoor adventure and Aurora to the package offerings to their clients. This year the focus will be to host several meeting planners so that they can see the excellent meeting facilities available throughout the NWT.

TOTAL BUDGET \$12,500

ADVERTISING AND PROMOTION

Print Advertising will focus on publications that cater to the business professional and will include a variety of publications used by meeting planners. Web advertising will primarily focus on the expansion of the NWT Tourism mobile website. This innovative site will provide the consumer with quick, up to date information on accommodations, attractions, dining and activities. Web advertising will also include banner advertising and key word searches. Banner ads will be placed on the websites of Northern hotels and on various websites for conventions that are coming to the NWT. The budget will breakdown into 35% print advertising, 50% interactive and 15% promotional.

TOTAL BUDGET \$105,000



Continued

Core Marketing Program

Media Promotions

Media promotions are an excellent way to increase awareness of and interest in the NWT. Media promotions include shows and events, FAM tours and support activities.

MEDIA SHOWS AND EVENTS

GO MEDIA

Go Media is an annual international marketplace held at various locations throughout Canada. The 2011 event will be held in Edmonton in September of 2011. Go Media brings together 100 or more tourism industry media representatives and a similar number of travel media from Canada, Asia Pacific, Europe and Latin America. It is an international showcase event that affords industry members an exclusive opportunity to meet with travel media who may be interested in exploring story lines and production potential.

TOTAL BUDGET \$7,000

TMAC (TRAVEL MEDIA ASSOCIATION OF CANADA)

TMAC is a professional, membership-based, non-profit organization of travel writers, broadcasters and industry personnel in Canada. The mandate of TMAC is to foster excellence, uphold ethical standards and promote professional development. There are approximately 450 members in the association. This association provides a number of excellent services and networking opportunities for Travel Media Members as well as for Travel Industry Members. All members are listed in an electronic handbook which is updated yearly. TMAC media members must re-qualify every two years by providing evidence of their published or broadcast works. Once per year TMAC hosts an AGM and Conference, usually in a city within Canada. This event includes professional development workshops and an industry-media marketplace. The annual conference will be hosted in Atlantic Canada in March of 2012.

TOTAL BUDGET \$6,000



Continued

Core Marketing Program

TOURISM WEEK

Special events such as Tourism Week play an important role in increasing awareness of NWT Tourism and the value of tourism in the economy. This past year, NWT Tourism worked in partnership with the Northern Frontier Visitor Association to host the first annual NWTT Tourism Week Golf Tournament. The event was a big success, and NWT Tourism plans to continue with this campaign again this year.

TOTAL BUDGET \$5,000

MEDIA FAMS

Bringing key media to experience the NWT is an excellent way to gain valuable media exposure. Over the years NWT Tourism has hosted a variety of media FAMS that have covered the various sectors and regions of the NWT. NWT Tourism will host between 6 – 8 media FAMS this year. Media FAMS will cover all sectors but a heavier focus will be placed on Aurora, Outdoor Adventure and Parks.

TOTAL BUDGET \$43,000

Resources and Support Activities

To assist travel media, NWT Tourism has created a number of resources and support systems. These include a blog-style website, media monitoring and the ongoing building and maintenance of an online photo and video gallery. The blog site marketing.spectacularnwt.com houses a record of all advertising done by NWT Tourism, including print and web advertising, cooperative marketing initiatives, consumer shows and other innovative marketing campaigns as well as a record of all tourism related media coverage on the NWT.

Media monitoring is being done through a software program called MediaMiser. This program provides Northwest Territories Tourism with valuable competitive information about media interest, story trends, message penetration, and evaluation for travel media relations and will allow NWTT to effectively track and report media coverage. This program will help to establish solid benchmarks and an effective measure of our return on investment for our strategic communications activities.



Continued

Core Marketing Program

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

TOTAL BUDGET \$30,000

Trade Promotions

The travel trade can play a key role in promoting NWT Tourism products, especially to niche markets. NWT Tourism will work with ITI to determine what tourism products are packaged and market-ready and then promote these aggressively to the trade through a variety of marketing initiatives.

TRADE SHOWS

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



Continued

Core Marketing Program

Business is conducted between Canada's internationally competitive tourism industry sellers, in cooperation with our Destination Marketing Organizations (DMOs) and international Buyers (foreign tour operators, wholesalers and packagers). Participation in the event is by invitation only. This year RVC will take place in Quebec City.

NWTT has attended RVC on a regular basis, as have several of our members representing accommodations, transportation (airlines) and outdoor adventure products. Working with ITI, NWT Tourism plans to identify a minimum of 10 market-ready packages and promote these to the various tour companies we meet with at the show.

TOTAL BUDGET \$20,000

TRADE FAMS

Trade FAMS are an excellent way for NWT Tourism to showcase market-ready product to the travel trade and to enable our local tour operators to sell their products on the international wholesale market. Trade FAMS will focus on the outdoor, touring and Aurora markets. NWT Tourism will host between 2 – 3 trade FAMS, with the remainder of the trade FAMS taking place in the European and Asia Pacific markets.

TOTAL BUDGET \$20,000

RESOURCES/SUPPORT ACTIVITIES

Resources and support activities play an important role in assisting the travel trade to carry NWT market-ready products. This includes promotional resources like product information flat sheets, tour planners, new product updates and sample itineraries. All of these collateral pieces help to keep the NWT top of mind with the travel trade. Sales calls are another key activity in promoting market-ready packages to the travel trade. NWT Tourism would make sales calls to tour operators and travel agencies in key locations in Canada (Toronto, Vancouver, Calgary). By working with the receptive tour companies such as Jonview, Brewster and Discovery Holidays, NWT product would then be promoted and packaged to various overseas markets.

TOTAL BUDGET \$30,000



Continued

Core Marketing Program

Project Coordination

AGENCY OF RECORD

In an effort to coordinate our advertising campaigns, NWT Tourism requires the services of an agency of record. The agency of record (AOR) plays a vital role in the selection of ad purchases and helps to significantly reduce the cost of ad placements through strategic negotiations with various media representatives. Along with the media buys, the AOR coordinates the development of campaigns and the production of all ad materials to ensure they portray a consistent image and message.

TOTAL BUDGET \$80,000

RESEARCH

Working in conjunction with ITI, NWT Tourism will undertake a series of performance measurement projects that will analyze the effectiveness of our advertising campaigns and will help determine the future direction of NWT Tourism promotions. The main project will be the annual conversion study, which provides key data that helps NWT Tourism to determine the effectiveness of our advertising campaigns.

TOTAL BUDGET \$32,000

MEETINGS AND PROMOTIONS

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

TOTAL BUDGET \$12,545



Continued

Core Marketing Program

SUMMARY OF NORTH AMERICA BUDGET

Brand Anchors

| | | |
|-------------------|-----------|----------------|
| NWT Guides | | |
| Explorer's Guide | \$ | 125,000 |
| Hunting Brochure | \$ | 10,000 |
| NWTT Website | \$ | 100,000 |
| E-News Promotions | \$ | 15,000 |
| | \$ | 250,000 |

Advertising and Promotion

| | | |
|-------------------------------|-----------|----------------|
| Integrated Marketing Campaign | \$ | 450,000 |
| Consumer Show Program | \$ | 75,000 |
| | \$ | 525,000 |

Meeting and Incentive Travel

| | | |
|----------------------------|-----------|----------------|
| NWT Meeting Planner | \$ | 15,000 |
| MC&IT Shows | \$ | 20,000 |
| FAM Tours | \$ | 12,500 |
| Advertising and Promotions | \$ | 105,000 |
| | \$ | 152,500 |

Media Promotions

| | | |
|------------------------------|-----------|---------------|
| Media Shows & Events | | |
| Go Media | \$ | 7,000 |
| Media Marketplace or TMAC | \$ | 6,000 |
| Tourism Week | \$ | 5,000 |
| Media FAMS | \$ | 40,000 |
| Resources/Support Activities | \$ | 30,000 |
| | \$ | 88,000 |

Trade Promotions

| | | |
|------------------------------|-----------|---------------|
| Trade Shows | | |
| Rendezvous Canada | \$ | 20,000 |
| Trade FAMS | \$ | 13,000 |
| Resources/Support Activities | \$ | 15,000 |
| Sales Calls | \$ | 12,000 |
| | \$ | 60,000 |

Project Coordination

| | | |
|-------------------------|-----------|----------------|
| Support Activities | \$ | 80,000 |
| Research | \$ | 32,000 |
| Meetings and Promotions | \$ | 12,545 |
| | \$ | 124,545 |

| | | |
|----------------------------|-----------|------------------|
| Total North America | \$ | 1,200,045 |
|----------------------------|-----------|------------------|



Continued

Core Marketing Program

Europe

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

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

Goals:

- To increase consumer awareness and inquiries in our German-speaking markets
- To increase the number of market-ready products that are being carried by the Europe travel trade

Objectives:

- To target an audience of over 500,000 viewers with our promotional campaigns
- To generate over \$250,000 in media coverage within our European geographic markets
- To promote all market-ready packages to the trade market
- To build the number of unique visitors to the spectacularnwt.de website to 40,000 over the course of the year



Continued

Core Marketing Program

Advertising and Promotion

In an effort to build on the German touring market NWT Tourism enlisted the services of Trispan Marketing to coordinate our German marketing campaign. As part of this contract they developed a number of print and web advertisements and have recently launched the German-language site www.spectacularnwt.de

Building on this momentum, promotions for the upcoming year will feature road touring and outdoor adventure products. As our representative for NWTT, Trispan will also attend a number of consumer shows in some of the major cities in Germany. Success will be measured by the number of visits to our website and from the number of tour wholesalers that feature NWT market-ready product. The budget would break down into 40% print advertising, 40% interactive and 20% promotional events and consumer shows.

TOTAL BUDGET \$60,000

Trade Shows

Each year we attend the travel show ITB. This 5-day event is held each spring in Berlin, Germany. With over 10,000 exhibitors taking part in the event, ITB is the largest trade show in the world. ITB is open to both the travel trade and the general public. ITB receives over 160,000 visitors each year, with over 95,000 of these from the travel trade.

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

TOTAL BUDGET \$16,000



Continued

Core Marketing Program

Trade FAMs

NWT Tourism will host between 2 – 3 Trade FAMs from the German speaking market. This would include tour wholesalers from Germany as well as receptive tour operators who sell to the German marketplace. The primary focus of the FAMs will be self drives and outdoor adventure and include stops to a number of our key iconic attractions including the Dempster Highway and Nahanni National Park Reserve. NWT Tourism will work with our market-ready products to determine who is interested in working with the travel trade for Germany.

TOTAL BUDGET \$15,000

Media FAMs

Media FAMs will also feature touring and outdoor adventure. NWT Tourism will work closely with Trispan Marketing and the CTC to determine what media will be chosen for these FAMs. Preference will be given to media that match our geographic and demographic markets, and whenever possible they will be encouraged to experience several products when they are in our region.

TOTAL BUDGET \$10,000



Continued

Core Marketing Program

Sales and Project Coordination

As mentioned earlier, NWT Tourism enlisted the services of Trispan Marketing to coordinate our German marketing campaign. This contract includes project coordination, the ongoing development of the NWT German-language website, development and placement of all promotional ads and attendance at a number of consumer shows and promotional events on behalf of NWT Tourism. Trispan will work closely with German tour wholesalers to ensure that NWT is top of mind and that they are aware of any new market-ready products that are developed over the coming year. Trispan Marketing will also ensure the NWT Tourism is provided with regular activity reports so that we are in a better position to assess our ROI in the German market.

TOTAL BUDGET \$50,000

SUMMARY OF EUROPEAN BUDGET

| | | |
|---|-----------|----------------|
| Advertising and Promotion | \$ | 60,000 |
| Trade Shows | \$ | 16,000 |
| Trade FAMS | \$ | 15,000 |
| Media FAMS | \$ | 10,000 |
| Project Coordination/Support Activities | \$ | 50,000 |
| | \$ | 151,000 |



Continued

Core Marketing Program

Asia Pacific

The Asia Pacific marketing campaign will consist of a number of key activities including advertising and promotion, trade shows, trade and media FAMS and project coordination/sales. Japan will be the main focus of the Asia Pacific marketing campaign, with a few smaller projects taking place with South Korea. Promotions with Australia, China and India will be limited to meetings with several tour operators at Showcase and Rendez-Vous Canada and perhaps a few smaller projects based on the fit between the trade and our market-ready operators.

Goals:

- To increase consumer and trade awareness of the NWT in the Japanese and other Asia Pacific markets
- To increase participation by our local tourism operators in our cooperative marketing programs

Objectives:

- To target an audience of over 500,000 viewers of our promotional campaigns
- To generate over \$250,000 in media coverage within our key Asia Pacific markets
- To promote all market-ready packages to the Japanese/Korean trade market
- To establish top of mind presence that the NWT is the best place to experience the Aurora

Advertising and Promotion

In November 2010, NWT worked in partnership with Air Canada Japan and the CTC to host a special Aurora Week event. This event included a special trade and media night, consumer seminars, a photo exhibit and a variety of print and web promotions leading up to the event. Several tour operators from the NWT also participated in this event and were able to showcase their products to consumers and tour wholesalers. Aurora Week was held at a high-end shopping mall near Tokyo Station. The event was well received and both Air Canada and the CTC requested that we partner to do the event again in 2011.



Continued

Core Marketing Program

Other promotions will include the redesign and printing of the Aurora Guidebook, several Japanese language pages on the NWT Tourism website and a small newsletter promotion with the CTC. The budget would breakdown into 70% special events and promotions, 20% print advertising and 10% interactive.

TOTAL BUDGET \$60,000

Trade Shows

SHOWCASE CANADA

Showcase Canada is an annual week-long event organized by the CTC where Canadian sellers meet with Japanese, Korean, Chinese and Indian buyers. NWT Tourism's presence helps establish credibility for the NWT and its tourism operators and generates awareness about the Aurora and our other exceptional tourism products. Throughout the course of this event, NWT Tourism is able to meet with over 125 tour wholesalers and travel agents and showcase NWT market-ready products. Although Aurora viewing was the primary focus for many of the Japanese tour operators, we found that there was an increasing interest in other products including hiking, World Heritage sites (Wood Buffalo/Nahanni), fishing, outdoor activities and the tundra.

TOTAL BUDGET \$15,000

CITAP

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

TOTAL BUDGET \$3,500



Continued

Core Marketing Program

Trade FAMs

NWT Tourism will host 3 – 4 FAMs with the Asia Pacific market. Based on the feedback given to us by our local Aurora operators the main focus for the Trade FAMs will be Japan. This will include key wholesalers from Japan as well as receptive tour operators in Canada. In an effort to expand the Aurora market, NWT Tourism will work with the CTC to host one FAM tour from Korea.

TOTAL BUDGET \$15,000

Media FAMs

NWT Tourism will host 2 – 3 Media FAMs in the Asia Pacific. The main focus will be on Japan and Korea and feature Aurora and winter products. These media FAMs will provide an excellent opportunity for our media partners to experience the Aurora and to get our message out to our target markets.

TOTAL BUDGET \$10,000

Sales and Project Coordination

In our recent efforts to coordinate the Aurora Week function in Tokyo and to produce the Aurora Guide Book, it became very apparent that it is extremely difficult to do so without support. The language barrier, the physical distance and the 15-hour time difference made it challenging to communicate. We relied heavily on one of our local tour operators who speaks the language, is well connected to the tour wholesalers and has sales support in Tokyo.



Continued

Core Marketing Program

This was not an ideal situation and at times was seen as a conflict of interest. To remedy this situation, we feel that it is essential that NWT Tourism hire a part time project coordinator on site in Tokyo who can manage a variety of projects for us, and to make sales calls to our key accounts. NWT Tourism will work closely with the project coordinator to ensure regular activity reports are provided so that we can monitor our return on investment.

TOTAL BUDGET \$50,000

SUMMARY OF ASIA PACIFIC BUDGET

| | | |
|---|-----------|----------------|
| Advertising and Promotion | \$ | 60,000 |
| Trade Shows | | |
| Showcase | \$ | 15,000 |
| CITAP | \$ | 3,500 |
| Trade FAMS | \$ | 15,000 |
| Media FAMS | \$ | 10,000 |
| Project Coordination/Support Activities | \$ | 50,000 |
| | \$ | 153,500 |



SUMMARY BUDGET 2011-12

| | N. America | Asia | Europe | All Markets |
|---------------------------------------|------------------|----------------|----------------|------------------|
| Print, Interactive | | | | |
| Explorers Guide | 125,000 | 0 | 0 | 125,000 |
| Hunting Guide | 10,000 | 0 | 0 | 10,000 |
| NWTT website | 100,000 | 0 | 0 | 100,000 |
| E-news promotions | 15,000 | 0 | 0 | 15,000 |
| | 250,000 | 0 | 0 | 250,000 |
| Advertising and Promotion | | | | |
| Integrated Marketing Campaign | 450,000 | 60,000 | 60,000 | 570,000 |
| Consumer Show Program | 75,000 | 0 | 0 | 75,000 |
| | 525,000 | 60,000 | 60,000 | 645,000 |
| Meeting & Incentive Travel | | | | |
| NWT Meeting Planner | 15,000 | 0 | 0 | 15,000 |
| MC&IT Shows | 20,000 | 0 | 0 | 20,000 |
| Fam Tours | 12,500 | 0 | 0 | 12,500 |
| Advertising and Promotion | 105,000 | 0 | 0 | 105,000 |
| | 152,500 | 0 | 0 | 152,500 |
| Media Promotions | | | | |
| Media Shows and Events | | | | |
| Go Media | 7,000 | 0 | 0 | 7,000 |
| Media Marketplace or TMAC | 6,000 | 0 | 0 | 6,000 |
| Tourism Week | 5,000 | 0 | 0 | 5,000 |
| Media Fams | 40,000 | 10,000 | 10,000 | 60,000 |
| Resources, support activities | 30,000 | 0 | 0 | 30,000 |
| | 88,000 | 10,000 | 10,000 | 108,000 |
| Trade Promotions | | | | |
| Trade Shows | 0 | 18,500 | 16,000 | 34,500 |
| Rendezvous Canada | 20,000 | 0 | 0 | 20,000 |
| Trade Fams | 13,000 | 15,000 | 15,000 | 43,000 |
| Resources/Support Activities | 15,000 | 0 | 0 | 15,000 |
| Sales calls | 12,000 | 0 | 0 | 12,000 |
| | 60,000 | 33,500 | 31,000 | 124,500 |
| Project Co-ordination | | | | |
| Support Activities | 80,000 | 50,000 | 50,000 | 180,000 |
| Research | 32,000 | 0 | 0 | 32,000 |
| Meetings and Promotions | 12,545 | 0 | 0 | 12,545 |
| | 124,545 | 50,000 | 50,000 | 224,545 |
| TOTALS | 1,200,045 | 153,500 | 151,000 | 1,504,545 |



Call Centre

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

The call centre program is broken down into the following components:

- Mail Delivery
- Service Supplies
- Telephones
- Upgrades to System

MAIL DELIVERY

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

MAIL DELIVERY CONTRACT

For the past two years NWT Tourism has enlisted the services of a fulfillment house in the greater Vancouver area to process all of our individual mail requests. As our guides are already printed in the south, this has decreased our shipping and mailing costs and guides are delivered much more quickly to our consumers. NWT Tourism receives a monthly shipping report that breaks down the status of each shipment and an inventory of guides that remain on hand.

To streamline the process even further, NWT Tourism will utilize the services of Trispan Marketing to coordinate the shipping of any fulfillment requests we receive from Europe. We will also coordinate the distribution of the Aurora Guide book to our Japanese wholesalers through the services of the CTC or a project coordinator.

TOTAL BUDGET \$25,000



Continued

Call Centre

BULK SHIPPING

In late 2008-2009 NWT Tourism established a new shipping point for bulk orders of NWTT guides. A warehouse in Manitoba ships our bulk orders from their location that is central in Canada, which has many positive results. These bulk orders are large quantities of boxes and pallets of NWT Tourism guides that previously would have been shipped to Yellowknife at great expense and then shipped out from the NWT Tourism office at an additional expense once a request had been made for the guides. The cost savings in paying a monthly storage fee for the warehouse and shipping within southern Canada has benefitted NWT Tourism through large shipping cost savings, as well as a decreased need for storage space, decreased NWTT staff time and the increased speed at which guides reach their destination.

TOTAL BUDGET \$25,000

POSTAGE FEES

Each year NWT Tourism ships 20,000 pieces of mail, the majority of which are travel guides. NWT Tourism has an account with Canada Post that we utilize for mailing out of this office and that our mail delivery service out of Vancouver uses as well.

TOTAL BUDGET \$40,000

TELEPHONE

The toll-free line brings in approximately 2000 calls annually that are directly related to tourism in the Northwest Territories. In the months when travellers are starting to plan their vacations, September-March, the inquirer talks to a tourism counselor for an average of 2.5 minutes. During this period, most inquirers request NWT tourism literature/guides and do not yet know much about our NWT tourism product. Closer to the camping/RV season, April-July, callers are more informed prior to calling and have more numerous and detailed questions. As a result, the average call time increases to 5.5 minutes. The majority of calls during this period consist mainly of questions requiring the tour counselors' time and do not result in the mailing of tourism guides.

TOTAL BUDGET \$5,000



Continued

Call Centre

UPGRADES TO SYSTEM

Upgrades to the system include ongoing service to our toll free phone system and additional developments to our fulfillment database, which tracks inquiries. Further work is required on the system's report generating capabilities, but development costs will be limited this year to a few thousand dollars.

TOTAL BUDGET \$5,000

SUMMARY OF CALL CENTRE BUDGET

| | | |
|-----------------------------------|-----------|----------------|
| Mail Delivery Contract | \$ | 25,000 |
| Bulk Shipping | \$ | 25,000 |
| Postage Fees | \$ | 40,000 |
| Telephone | \$ | 5,000 |
| Upgrades to Fulfillment Data Base | \$ | 5,000 |
| | \$ | 100,000 |



Mountains near Norman Wells.



Product Diversification



DAVE BROSHKA / NWT TOURISM

Summer entertainment.

The Product Diversification Program is a program established by ITI to provide funding for the development of new tourism programs. Funds from this program are used to assist local operators who have received funding through the program to promote their market-ready products to the consumer and travel trade market. NWT Tourism is respectfully requesting \$200,000 from ITI so that we can carry out a number of innovative marketing initiatives.

SALES SUPPORT

As the majority of our local operators offer niche products, it is important they work closely with the travel trade to help generate sales of their product. To help facilitate the process, a dedicated sales agent would work on a part time basis to focus on building trade relations in the North American market. The representative would make sales calls to a number of tour operators and travel agencies that carry niche products. Regular sales calls would be made in key locations including Toronto, Vancouver, Calgary, Edmonton and Montreal. The sales agent would also work with receptive tour operators (RTOs) such as JonView, Brewster and Discover Holiday to establish a link between the RTOs and the international tour wholesalers.

TOTAL BUDGET \$40,000

COOP MARKETING – OPERATOR PACKAGES

As our NWT operators continue to build market-ready packages, it is essential that they receive marketing support. While the trade is an effective way to generate sales, there is also a great opportunity to market directly to the consumer. NWT Tourism is proposing that funding be set aside so that we can support operators who have developed new packages. As funding is limited, preference would be given to partnerships or consortiums (hotels, airlines, activities) that are working together to sell the region.



Continued

Product Diversification

NORTH AMERICA

Advertising and promotion would consist primarily of print and web promotions. The focus would be on our key domestic markets (Alberta, BC and Ontario). As is the case with most of our marketing initiatives, NWT Tourism would provide cooperative funding to the operator(s) who are selling the package, provided the promotions are in line with the Spectacular brand. NWT Tourism would also use some of these funds to work with local tour operators who want to work directly with the North American travel trade.

TOTAL BUDGET \$100,000



ISTOCKPHOTO

OVERSEAS MARKETS

For several years now NWT Tourism has provided support to a number of tour operators that feature NWT products. Much of this funding went towards inclusion of NWT product in tour operator brochures, direct mail campaigns and a number of special marketing initiatives. Tour companies from Germany, Switzerland, Japan, Korea, the United Kingdom and Australia have all benefitted from this funding. As we move forward with this program we would like to see more cooperative initiatives where NWT Tourism offsets part of the cost for tour companies to take out actual print or web ads to sell NWT packages. Priority will be given to tour companies the feature new market-ready products that have been developed through the product diversification program.

TOTAL BUDGET \$60,000



ISTOCKPHOTO

SUMMARY OF PRODUCT DIVERSIFICATION BUDGET

| | | |
|------------------------------------|-----------|----------------|
| Trade Sales Support | \$ | 40,000 |
| Coop Marketing - Operator Packages | | |
| North America | \$ | 100,000 |
| Overseas | \$ | 60,000 |
| | \$ | 200,000 |



Performance Measures

| | Current | Target | Status | Target Met (Y/N) |
|--------------------------------|---------|-----------------|--------|------------------|
| North America | | | | |
| Market Exposure | n/a | 2 million views | | |
| Media Coverage | n/a | \$1 million | | |
| New Market-ready Packages | n/a | 15 new packages | | |
| Unique Website Visits | 408,785 | 470,100 | | |
| Jump Offs to Operator Websites | 51,028 | 56,130 | | |
| Europe | | | | |
| Market Exposure | n/a | 500,000 views | | |
| Media Coverage | n/a | \$250,000 | | |
| New Market-ready Packages | n/a | 10 new packages | | |
| Unique Website Visits | n/a | 40,000 | | |
| Asia Pacific | | | | |
| Market Exposure | | 500,000 views | | |
| Media Coverage | | \$250,000 | | |
| New Market-ready Packages | | 10 new packages | | |
| Unique website visits | | 40,000 | | |



Prince of Wales Northern Heritage Centre.



Marketing Opportunities Fund

With the countless marketing opportunities that exist today there is never a shortage of projects to undertake, provided that the necessary funds are in place. As NWT Tourism continues our efforts to increase visitor revenues, it is imperative that we expand our marketing initiatives to keep pace with our competitors. The following initiatives are specific activities that NWT Tourism could utilize to grow tourism within each of our main sectors. These initiatives are broken down by sector and then prioritized in order of importance to the industry. Provided additional funding becomes available, NWT Tourism is prepared to implement any of these projects.

ACTIVITIES TO BE UNDERTAKEN

Integrated Marketing – all sectors

Part One – Mass Media

The best and quickest way to develop awareness for the Northwest Territories as a travel destination is through the use of mass media – television, radio and print. Although digital is a new and growing part of the marketing mix, the traditional mass media channels continue to deliver results and drive people to digital platforms for more information.

Since the inception of NWT Tourism marketing in 1970, this territory has not used television advertising, and has only dabbled in major print programs. Following the lead of Newfoundland and Labrador who recently launched an extremely effective mass marketing campaign, we suggest that the NWT test television advertising in three or four key Canadian markets that currently supply the majority of our visitors. As well, we suggest a major print campaign in our identified, high potential markets.



Continued

Marketing Opportunities Fund

ACTIVITY 1 - TELEVISION ADVERTISING IN THREE KEY MARKETS

Television continues to be the most effective mass-market medium. A recent survey by Angus Reid Strategies shows that 65% of Canadians 18 to 49 say TV advertising is the most “influential” media source compared to radio, magazine, Internet and out-of-home.

TV advertising can generate general awareness by reaching a wide but targeted audience, and can also provide stunning visuals, which are needed to sell a destination that is relatively unknown, even by Canadians.

The plan is to develop the creative concept for television ads in year 1, to complete the entire on site shooting of the ads in year 2 and to produce and place the ads in year 3. Placement would be only in Alberta (Calgary and Edmonton which would reach most of Alberta); Vancouver (reaching the lower mainland and parts of Vancouver Island) and Toronto (reaching southern Ontario). By limiting the markets, we can buy more penetration in those markets. Ads would include trackable calls to action so we can monitor the results from each market and evaluate conversions from these markets.

Year 1 *Develop concepts and approaches for a series of up to three different television ads*
\$200,000

Year 2 *Complete shooting of footage for the ads and edit ads to final*
\$600,000

Year 3 *Finalize media buy and place ads in targeted markets*
\$1,200,000

Total Budget **\$2,000,000**



Continued

Marketing Opportunities Fund

ACTIVITY 2 - PRINT ADVERTISING – GLOBE AND MAIL

NWT Tourism has negotiated some very favourable placement rates with the Globe and Mail, and would like to continue using this national newspaper for a new campaign to be launched in 2011-12. The newspaper medium has been selected because previous research indicates that our target audiences are “news junkies” and regularly read newspapers and watch the news on television.

The plan for the upcoming campaign would be to include a special travel package within each ad. For example an Aurora ad could include an all inclusive Aurora package priced from Toronto or Calgary or Vancouver. Operators will be able to participate in this package program via co-op buy-ins, and these buy-ins will direct interested parties to mobile sites, twitter accounts and to the NWT Tourism website.

Assuming we can continue to get the deeply discounted rate we have secured in previous years, we would purchase 12 to 15 ads in consecutive Saturday editions of the newspaper (circulation 400,000). As much as possible, these ads would be on the back cover of the travel section. We anticipate that these ads will generate up to 10,000 visits to topic-specific mobile sites, over 2,000 twitter followers, thousands of You Tube visits, and an increased number of visits to the main NWT Tourism website and jump offs to operator sites.

Years 1, 2 and 3 - develop campaign and place ads. We suggest that the campaign, if successful in year 1, run in the same newspaper for three consecutive years.

Proposed budget is \$300,000 per year for three years, for a total of \$900,000



Continued

Marketing Opportunities Fund

Part 2 – Digital Media

Integration is the word in today's marketing world, and NWT Tourism must have a substantial digital presence if it wants to build awareness and sales.

Digital media includes everything from conventional websites and banner, big box advertising, to podcasts, YouTube Channel videos, Facebook pages, special smart phone apps, twitter accounts, QR (Quick Response) codes, etc. And the list grows daily as new social media approaches and applications are launched on a regular basis.

Major marketers are now testing 3-minute advertisements on YouTube, and if they work, they are then editing them for 15, 30 or 60 second television ads. An emotional viewing of a double rainbow in New Mexico drew over six million visitors in a few weeks. And a simple job offer web contest in Australia resulted in worldwide publicity both for the contest and Australia.

The Northwest Territories must be online, but it also must present material that will be interesting, that will go viral, and that will peak interest in the NWT as a travel destination. This will require more than putting our favourite video clip on YouTube. It will require a well thought-out and conceived digital strategy. And it will require creative tactics that can potentially reach millions.

Proposed budget is \$800,000 over three years



Continued

Marketing Opportunities Fund

ACTIVITY 3 - DIGITAL – SOCIAL MEDIA CAMPAIGNS

NWT Tourism must increase its presence on the Internet. Our competitors are there, our targeted audiences are there, and NWT Tourism currently has a minimal presence on the internet. To increase the presence beyond the usual ads and YouTube clips, we are suggesting use of a series of short videos that are seeded to a range of sites and blogs world wide. This seeding is handled by companies that specialize in this type of placement, and can guarantee 100,000 unique, qualified visits to your website in just a few weeks.

The company we are working with placed a small video for Nissan which generated over 400,000 visits in the first two weeks, and became so popular that it was later made into a TV commercial.

Digital advertising would also include building a much larger following on the three NWT Tourism twitter accounts – spectacularnwt, spectacularfishing and spectacularaurora, expanding the use of QR codes, and setting up a number of mini mobiles sites for contests, special promotions, new product launches. A major component of digital marketing is the constant updating and refreshing of material, so people will regularly return to the website.

Years 1, 2, 3 – ongoing updates to existing Twitter, Facebook and YouTube accounts, and entry into many other social media programs including blogs, LinkedIn, new sites. The idea is to build communities of people interested in the Northwest Territories and its tourism and related products.

Proposed budget for the social media campaign is \$150,000 per year over three years, for a total of \$450,000



Continued

Marketing Opportunities Fund

ACTIVITY 4 - DIGITAL - MAJOR WEBSITE UPDATES

Only a few years ago, a website was expected to have a life span of at least two years. With changing technology and changing ways that people use the web, a website should be changed, refreshed, updated as frequently as possible. Today travel websites are no longer made up of layers of information that goes very deep into the site. Rather, they are much shallower and are changed regularly. The more successful sites offer different and interesting packages or experiences each time you go back and are geared more to getting the person to make a travelling decision, rather than just ordering a travel guide.

The NWT Tourism website, which is now over two years old, used an approach and technology that are now out of date. The new site needs to be built around a new concept, using new technology. It needs to engage visitors and be marketing based rather than information based.

Funds will be used for developing a new, attention getting, marketing site and for ongoing updating, changes, redesigns, optimizing for mobile units, etc. For reference, Yukon Tourism spent over \$700,000 when they developed a new site in 2008

Year 1 *Develop a new, flatter architecture for the website, a new look and new content. Rebuild the site using the existing database, but adjust presentation from the data base. Set up parts of the site for mobile use. Add more video to the site, accessible from the NWT Tourism YouTube Channel. Monitor and provide more useful tracking reports.*

Year 1 budget: \$400,000

Year 2 *Based on usage, changes to technology, new market intelligence, rebuild/update the website*

Year 2 budget: \$200,000

Year 3 *Same as year 2*

Year 3 budget: \$200,000



Continued

Marketing Opportunities Fund

Part 3 Experiential/Guerilla

To develop awareness in select marketplaces, NWT Tourism has to initiate promotional activities that will attract media attention and highlight key messages about our tourism products. These promotional or experiential campaigns could be as simple as dressing people in parkas and have them ride the Toronto subway on a summer day handing out tourism brochures, to projecting northern lights on the sides of downtown Vancouver office towers. The aim would always be to get the attention of the media and of the general public.

ACTIVITY 5 - IN MARKET AWARENESS

This program would develop NWT awareness in the three to four targeted Canadian markets. Working with promotional companies in the target markets, we would initiate a series of inexpensive promotions designed to alert people to NWT products and gain media publicity. The plan for these “happenings” would identify optimum times and locations and the event would tie in with an NWT tourism product.

Year 1 *Test different type of experiential/guerrilla promotional activities in various markets, and see which ones attract the most media coverage and related response (measured in calls, web visits, mobiles site visits, etc.)*

Year 2 *Based on results from year 1, continue successful types of programs, or try new approaches if needed.*

Year 3 *Same as year 2*

Projected budget: \$100,000 per year for three years or a total of \$300,000



Continued

Marketing Opportunities Fund

Part 4 – Brand Development

ACTIVITY 6 - REPOSITIONING THE NWT FISHING BRAND

The Northwest Territories has superb sport fishing for at least six species, in trophy sizes. We also have over 50 fishing lodges and outfitters, most operating at well under 50% capacity. In the past five years the sport fishing market in the Northwest Territories has been very flat. Sport fishing visitors have ranged from a high of 7,726 in 2006-07 to a low of 6,403 in 2009-10. Similarly, spending for sport fishing ranged from \$18 million in 2006-07 to \$12.6 million in 2009-10.

High costs, competition from comparable or better fishing lodges/experiences in northern sections of other provinces, reduced marketing dollars for fishing, and an aging and somewhat disenchanted fishing industry ownership, has left the NWT fishing industry marking time at best...if not slipping a little behind the competition.

Undoubtedly, we continue to have some of the best fishing in the world, and with a repositioning of the NWT fishing product we need to emphasize that our fishing product certainly provides great value for the higher cost, and that fishing in the Northwest Territories is more than a sport, but a total emotional and sensual experience.

We need to raise NWT fishing above the level of mere sport fishing, and make sure the delivery of our product always reflects this elite positioning.

This project will start with some basic research to refine market demographics and psychographics and will build on the new fishing market thinking, which might be built around fly fishing, catch and release fishing, fishing/touring, complete fishing – catching, eating, learning cultural significance to first nations, etc.



Continued

Marketing Opportunities Fund

- Year 1** *Based on new research of the sport fishing market in the NWT, Canada and North America, develop a new brand positioning for NWT sport fishing. For example: is the positioning to catch big fish? to catch lots of fish? to combine fishing with a wilderness experience? How do we differentiate our product from similar products in other northern locales? How do we match our product to existing and emerging markets for the product? All work will be done in conjunction with the fishing operators and at the end of year one, NWT will launch the new NWT fishing brand positioning.*
- Year 2** *Launch campaign based on new positioning*
- Year 3** *Continue campaign*

Projected cost for the program would be \$600,000, with \$100,000 for research and development in year 1 and \$250,000 in each of years 2 and 3 for implementation.

ACTIVITY 7 - WORLD CHAMPIONSHIP SHORE LUNCH COMPETITION

To kick-start the NWT sport fishing industry, we need a world-class event that will generate awareness for NWT fish around the world. To do this we suggest the development and launch of a major event that will expand awareness of our fishing market, will attract visitors to the NWT just for the event and will put NWT fishing on the world map.

Since shore lunches are an integral part of any fishing package (whether you are on the Pacific coast, Great Slave Lake or in New Zealand) we suggest starting a competition to determine what makes the best shore lunch and who can prepare the best shore lunch.



Continued

Marketing Opportunities Fund

This event would be structured to attract NWT, national and international competitors and especially international media coverage, and would likely run over a two to three day period. The main objective of the event would be to generate interest in our fishing, while the secondary objective would be to establish a new and prestigious award which could be used by the winning fishing lodge(s) in their subsequent advertising.

This event would require funding assistance and support via NWT Tourism in its formative years, but once it takes off, should be able to attract “name” sponsors and become a self sustaining event, which could operate under an independent association or organization.

Some organizational ideas and rough estimates for this event are included in the costing information at the end of this proposal.

Year 1 *Complete all planning including marketing plan for the first annual World Shore Lunch Championship. The plan will include everything from establishing the locale, rules, judges, sponsors, etc. to launching a promotional campaign to generate interest in the event.*

Year 2 *Stage the first competition. Evaluate and rework plans for improvements. Start marketing for second annual event.*

Year 3 *Stage second competition. Evaluate and rework plans, and start marketing for third annual event.*

Projected cost would be \$400,000. The main cost would be in year 1 (\$250,000) with costs declining as the event grows and can attract sponsors. Year 2 projected costs would be \$100,000 and year 3 would be \$50,000. After that the event should be self-sustaining.



Continued

Marketing Opportunities Fund

ACTIVITY 8 - EXPANDING THE NWT AURORA BRAND

The NWT Aurora product was developed for the Japanese market, is marketed mainly to the Japanese market and continues to attract visitors from Japan.

While we continue to work to grow the Japanese market and are sampling other Asian markets, we also want to grow new markets for the Aurora product, starting with targeted markets within Canada and moving into other North American markets.

As part of this expansion the Northwest Territories firstly wants to own the Aurora brand. That means that when people think of the Aurora they automatically think Northwest Territories, Canada - not Finland or Norway or Alaska. This is starting to happen as we continue to advertise in print and digitally, but non-Japanese Aurora visitors currently account for only 10 to 15 percent of the entire NWT Aurora market. The goal is to both increase the total number visitors and the percentage of North American visitors. This will be done with an expansion of print and digital advertising, but more specifically with a small campaign launched in planetariums, science centres and other educational venues and institutes across North America.

The second stage of this campaign will continue the direct-to-consumer approach, but using this new awareness, will expand to include the use of tour wholesalers operating in the USA (Jonview, ITB, etc) similar to the approach used in Japan. To build volume for this product, the major effort will be to build alliances between larger tour operators and local operators, and to assist these operators with marketing Aurora packages.

- Year 1** *Finalize strategic plan and launch in Canadian market.*
- Year 2** *Expand into the U.S. market and market the product via major wholesalers in Canada and the USA.*
- Year 3** *Continue to market direct to consumers and also continue to support wholesalers with efforts to promote the Aurora product.*

Projected budget over three years: \$600,000



Continued

Marketing Opportunities Fund

Part 5 – Support Needs

ACTIVITY 9 - PHOTO/VIDEO SHOOTS

Over the past five years, NWT Tourism has acquired a photo library of over 10,000 still images and close to 50 hours of high definition video. Much of this was acquired from other shoots (CTC, National Marketing campaign, fam tours, rights purchases from photographers and videographers). Although these images have been very useful, they have not filled a lot of our current needs, and have often resulted in development of campaigns to match existing images, rather than shooting original images to match campaigns.

To meet the needs of upcoming campaigns, and to fill the many gaps in the NWT photo/video library, we require at least one major photo/video shoot, and preferably annual shoots. The last major “campaign” photo shoot done in the Northwest Territories was by Dan Heringa almost 25 years ago.

Year 1 *Determine all requirements and scheduling and set up photo shoots for one or more experienced travel photographers/videographers. Only some locations will be covered in year 1.*

Year 2 *Expand photo shoot to cover more locations.*

Year 3 *Determine gaps, and schedule a shoot to fill in as many gaps as possible.*

Projected budget over three years: \$200,000



Continued

Marketing Opportunities Fund

ACTIVITY 10 - PHOTO/VIDEO CATALOGUING

Cataloguing photographs and visuals is a slow and expensive job. To date, less than 25% of the total library has been catalogued. A photo/video database has been developed for NWT Tourism, but the actual cataloguing has to be completed by someone with extensive knowledge of the Northwest Territories, since each location/product has to be identified. As well the cataloguing has to identify the photographer, indicate the type of rights purchased or acquired for use of the photo, any rights expiry dates, cross referencing of photo categories and finally the actual uploading of the photo or video. Once this task is completed, it will be much easier for the NWT Tourism staff to fill photo requests, and it will be much easier for the agency to select photos and video for use in numerous applications.

Year 1 *Catalogue the backlog of video and stills that are currently stored with our agency. As required purchase more storage units. NWT Tourism currently has about 10 terabytes of storage.*

Year 2 *Catalogue materials from current shoots.*

Year 3 *Catalogue materials from current shoots.*

Projected 3 year budget would be \$100,000



Continued

Marketing Opportunities Fund

Project Partners

This expanded marketing initiative would be a partnership of NWT Tourism and all members of the tourism industry in the Northwest Territories. Members will contribute to the partnership via cash buy-ins to various programs and via in-kind contributions in time, use of facilities or services. Industry members could contribute up to \$500,000 over three years, or 10% of the total budget for this expanded marketing campaign. Additional specific partners could be Northern Frontier Visitor Association, the GNWT, municipalities, other organizations.

Interest in the Economy of the NWT

Tourism contributes between \$100 and \$140 million to the NWT economy each year. This is a small portion of the NWT GDP, but a large amount for the many small businesses that earn their livelihood from the travel market.

Tourism is the largest sector of the renewable resource industry in the Northwest Territories, and has the potential to double in size over the next 10 years with the proper product development and marketing push.

Tourism is a sustainable industry that has proven that it will still be here long after mines close, and oil drills have gone quiet. And it is an industry that adds to the northern quality of life for long time residents and for new residents drawn here by ongoing discoveries of mineral or petroleum wealth.



Continued

Marketing Opportunities Fund

Specific Objectives

1. Increase awareness of the Northwest Territories as a travel destination, by at least getting it on travellers “must visit sometime” list.
2. Increase the number of visitors to the NWT by 30% over the next five years (20,000 plus additional visitors) and increase spending by at least 30% (\$40 million additional revenue)
3. Revive the sport fishing industry and help it regain the profitability it enjoyed in the 1970s and 1980s
4. Expand the Aurora market so we are hosting double the current number of visitors by 2015 (approaching 20,000 visitors)
5. Indirectly stimulate the private sector to update current product offerings and consider development of new, much needed products

Why Funding is Required

Funding for marketing NWT Tourism has increased very little in the past 10 years. Statistics prove that additional funds spent on marketing translates into additional visitors and income. The tourism industry in the Northwest Territories is struggling and does not have the funds to do the marketing required. Unless the industry is rejuvenated soon, particularly the sport fishing sector, we will not be able to achieve industry growth and will have to be content with the status quo or ongoing declines in the industry. As other sectors such as the diamond mining decline in the next decade, the tourism sector should be positioned to pick up part of the lost revenue.



Continued

Marketing Opportunities Fund

Benefits Impacts of the Campaign for NWT Tourism Industry, or Northern Residents in General

This expanded marketing program could assist in generating another 20,000 visitors to the Northwest Territories during the three-year life of the campaign, and more as the impacts of the campaign carry into the future.

For the NWT Tourism industry this will mean an additional \$40 million dollars in income, will increase guest capacity with hotels, operators and lodges, will set the stage for a rejuvenated fishing industry, will expand the Aurora viewing industry, and will rejuvenate a very flat NWT Tourism industry.

For northern residents, this program will not only bring more visitors, but it could also be a catalyst to develop more events and attractions for use by visitors and residents alike, promote our northern artists and craftspeople, expand sales in our commercial fishing industry and even assist in encouraging people to move to the Northwest Territories.

Tourism is an export product, so an increase in tourism will bring new dollars into the NWT economy. And new dollars will circulate throughout the economy in the trades, retail and service sectors.



Continued

Marketing Opportunities Fund

Who will be implementing and reporting results

The implementing agency for this expanded campaign will be Northwest Territories Tourism. Ron Ostrom, NWT Tourism's marketing director will oversee the program under the direction of the association's board of directors and the executive director of the association. NWTT and its marketing agency will work on the strategic direction and implementation of the campaign.

Knowledge and experience to manage this activity

Ron Ostrom has overseen the implementation of a number of projects funded under the previous SINED programs. He has also handled all financial and effectiveness reporting. Ron will work with the NWT Tourism marketing agency on the campaign planning, strategy development and creative direction for the campaign. Ron and the NWT Tourism marketing agency have successfully completed a number of smaller INAC funded campaigns.



Continued

Marketing Opportunities Fund

EXPANDED MARKETING CAMPAIGN SUMMARY OF ACTIVITIES AND BUDGETS

| | | Year 1 | Year 2 | Year 3 | TOTAL | Audience Reach | Enquiries (estimates) | Projected Visitation | Projected Spending |
|--|---|--------------------|--------------------|--------------------|--------------------|-------------------|-----------------------|----------------------|---------------------|
| CATEGORY 1 Mass Media | Television Advertising Campaign | \$50,000 | \$200,000 | \$1,000,000 | \$1,250,000 | 10,000,000 | 20,000 | 3,500 | \$4,725,000 |
| | Print Advertising Campaign | \$300,000 | \$300,000 | \$300,000 | \$900,000 | 7,000,000 | 25,000 | 3000 | \$3,945,000 |
| CATEGORY 2 Digital Media | Social Media Campaigns | \$150,000 | \$150,000 | \$150,000 | \$450,000 | 2,000,000 | 10000 | 1000 | \$1,315,000 |
| | Website updates, mobile sites | \$400,000 | \$200,000 | \$200,000 | \$800,000 | 1,500,000 | 15000 | 1500 | \$1,972,500 |
| CATEGORY 3 Promotion | Experiential/guerilla | \$100,000 | \$100,000 | \$100,000 | \$300,000 | 2,000,000 | 10000 | 1000 | \$1,315,000 |
| CATEGORY 4 Brand Development | Reposition the NWT Fishing Brand | \$100,000 | \$250,000 | \$250,000 | \$600,000 | 5,000,000 | 15,000 | 3000 | \$6,000,000 |
| | Annual World Championship Shore Lunch Competition | \$250,000 | \$100,000 | \$50,000 | \$400,000 | 1,000,000 | 10000 | 3000 | \$6,000,000 |
| | Expanding the Aurora Brand | \$200,000 | \$200,000 | \$200,000 | \$600,000 | 5,000,000 | 15,000 | 4000 | \$5,260,000 |
| CATEGORY 5 Support Needs | Photo/video shoots | \$50,000 | \$100,000 | \$50,000 | \$200,000 | 0 | 0 | 0 | \$0 |
| | Photo/video cataloguing | \$50,000 | \$30,000 | \$20,000 | \$100,000 | 0 | 0 | 0 | \$0 |
| | Total per year/campaign | \$1,650,000 | \$1,630,000 | \$2,320,000 | \$5,600,000 | 33,500,000 | 120,000 | 20,000 | \$30,532,500 |

NOTES

Visitation is based on an estimate that 10% plus of people making inquiries to NWTT or operators will actually visit.
Income is based on the average income per visitor in 2007-08.
For fishing, the average income for this sector was used.

Appendix A

GEOGRAPHIC MARKETS



Geographic Markets

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

North America

CANADA

Population: 33.7 million

GDP: 1.6 trillion USD – Ranked 13 largest economy in the world

Primary Market



Product Match

Canadians are looking for tourism products that focus on nature, including beautiful scenery, national parks and wildlife. They are also interested in cities close to nature. Popular niche products include winter activities, aboriginal culture, water-based journeys, land-based journeys and resorts in natural settings. This makes the NWT a great product match with canoeing, rafting and kayaking adventures, dog sledding and Aurora viewing, and the proximity of nature to the city of Yellowknife, among other things.

Key Geographic Markets

Based on travel trends to the NWT, population base, economy and the potential for growth, NWT Tourism focused on several key geographic regions of Canada. These include Ontario, Alberta and British Columbia. Each of these areas has a substantial population base with cities in excess of one million people, with many valuing outdoor experiences and accessibility to nature. Previous exit surveys have indicated that these markets provide the majority of domestic visitors to the NWT.



Continued

Geographic Markets

The primary targets of each region are the main cities including Toronto (GTA), Ottawa, Edmonton, Calgary and Vancouver. There are excellent air connections between Yellowknife and each of these cities. It is interesting to note that according to the 2010 NWT Conversion Study, Canadians were more likely to fly to the NWT than drive. For near in markets including Alberta and British Columbia the close proximity also makes the NWT an ideal road touring destination. Ontario has a strong base of outdoor adventure enthusiasts who recognize our outdoor adventure tourism product, especially our canoeing, kayaking and rafting products.

NWT Tourism also recognizes that Quebec and Saskatchewan are markets that have potential for growth. Like Ontario, Quebec has a large population base, with many keen on outdoor adventure and wilderness travel. The economy in Saskatchewan is currently prospering and many have excess income for travel.

Demographic Match

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

Travel Trends and the Economy

Domestic travel makes up for about 80% of the tourism revenues in Canada. Due to the recent recession Canadians are looking to travel closer to home. The economy is rebounding after the recession and Canadians are looking to travel more. With the recent exposure from Canada's Northern House at the 2010 Olympics in Vancouver, there is an increased interest in the North.

Canadian conversion rates rebounded in 2010 from the effects of the 2009 recession to levels higher than 2008. Inquiries to NWT Tourism are significantly more likely to have made the decision to visit when they contact our office than Americans.



Continued

Geographic Markets

Costs and Accessibility

55% of Canadians surveyed felt that other destinations provide better value for their money than Canada does. This may be due to the expectation that domestic travel should be less expensive than travel to another country. Flights are available from many points of origin in Canada with routing through Edmonton and Calgary to Yellowknife. Flight costs start from \$520 return from Edmonton to \$1300 return with East Coast departures.

Perceptions, Product Interests

Canadians characterize their own country as warm, youthful, and intriguing. They are interested in the outdoor adventure tourism products. Self-touring by car is considered to be an ideal way to travel.

UNITED STATES

Population: 310.7 million

GDP: 14.4 trillion USD – Ranked largest economy in the world

Visits to the NWT: 1,400 camping permits in 2009, 1,900 travellers surveyed at the airport

Primary Market



Product Match

The primary motivation for Americans to travel to Canada is to see beautiful scenery, followed by visiting national parks and exploring cities that are close to nature. The NWT can offer all of these products with the diverse landscapes across the Territory, the accessibility of Wood Buffalo and Nahanni National Parks and the proximity to nature of the City of Yellowknife.

Demographic Match

Americans are interested in the hunting and fishing products available in the NWT. They have a familiarity with Canada and perceive our outdoor products such as these to be of high quality.



Continued

Geographic Markets

Visitation Statistics

Recent statistics show a decline in the number of overnight trips to Canada as well as a decrease in leisure spending. This was to be expected in part due to the recent recession and the strength of the Canadian dollar against the US dollar. It is anticipated that Americans will make nearly 10 million overnight trips in 2011 and over 10.1 million trips in 2012. Travellers aged 65+ have increased their trips to Canada, while all other age demographics have seen a decline over the last decade.

Travel Trends and the Economy

Unemployment in the US continues to increase and overnight trips to Canada are down over previous years. Many factors including the strengthening of the Canadian dollar versus the American dollar have proven to be barriers for visiting Canada. Other barriers include that Americans have other places that they want to see more, they feel they have no reason travel here, and it's too expensive to travel to Canada.

Costs and Accessibility

Flights from major cities in the US to Yellowknife cost approximately \$1,200 return. While there are many flight options to reach Yellowknife, available flight itineraries often require overnight stays en route. This can prove to be a deterrent for some travellers including fishermen from the Colorado area.

Perceptions, Product Interests

Americans perceive Canada to be warm, intriguing, and informal. Americans continue to perceive Canada as a beautiful country and an ideal setting to relax or get away from it all. It is seen as an outdoor lover's paradise with wilderness adventures for travellers who are bold enough to explore it. Americans perceive Canada as "cold", likely due to the location north of the United States. This perception has been noted to have a negative effect on travel to Canada.



Continued

Geographic Markets

MEXICO

Population: 108.4 million

GDP: 1.56 trillion USD – Ranked 14 largest economy in the world

Visits to the NWT: 25 responded to annual survey at the airport

Secondary Market



Product Match

Mexicans are looking for multicultural and multidimensional travel experiences while on vacation and enjoy activities such as visiting icons/landmarks, cultural festivals, dining, golf, skiing and well-being. Some Canadian icons include Niagara Falls and the Canadian Rockies. The Aurora falls into the icon category and has attracted Mexican visitors to view the Aurora in the Yukon.

Demographic Match

Primary, long haul, Mexican travellers are mainly couples between the ages of 30 and 40, who have no children and are therefore free to travel at any time of the year. They live in big cities (Mexico City, Guadalajara and Monterrey) and enjoy medium to high household incomes. They are often successful professionals in multinational companies in middle and senior positions. They are more likely to travel with friends and the ease of access to the destination is important.

Visitation Statistics

Mexico had almost 1.4 million long haul, outbound travellers in 2008. The United States is the main travel destination for Mexicans, but this is considered a short haul destination. The major long haul destination was Europe, followed by South America. Canada ranks third as a long haul destination with about 200,000 visitors, or 15% of the long haul market. Per person trip spending is higher for Mexicans than the European average of \$1,363 per person trip. 42% of those surveyed have indicated that they are likely to visit Northern Canada.



Continued

Geographic Markets

Travel Trends and the Economy

Consumer spending is decreasing due to the recession and recent unemployment levels. The number one travel destination for Mexicans continues to be the United States. However, the peso is expected to strengthen against the Canadian dollar, after having depreciated for many years. The strength of the peso may begin to drive visitation to Canada again, but the visa requirements (see explanation below) will continue to affect travel. Business travel by Mexicans to Canada accounts for nearly 50,000 trips and has increased significantly in recent years. Mexican Business travellers spent \$71.7 million in 2008.

Costs and Accessibility

In June 2009 the Canadian government started to require a visa as well as a passport to travel to Canada. This extra paperwork and hassle has caused a marked decrease in travel to Canada. Flights are available from Mexico City to Toronto with connections to Edmonton and Yellowknife. A round trip air ticket from Mexico City to Yellowknife is listed on the Internet at \$1,900, but the trip takes approximately 20 hours from Mexico City to Yellowknife. Mexicana Airlines had added direct flights to Edmonton and Calgary in the last year, but has since suspended its flights to Edmonton until visa restrictions are eased. These direct flights had decreased travel time to the NWT significantly.

Perceptions, Product Interests

Canada is seen as friendly, safe, with a clean environment and excellent winter and ski/board products. Mexicans see Canada as a “dream destination”. According to recent CTC research over 55% of Mexicans surveyed indicated that they are very likely to visit Canada within the next two years.



Continued

Geographic Markets

Asia Pacific

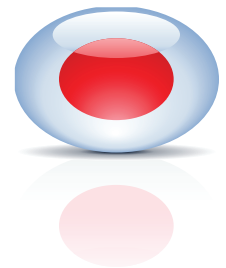
JAPAN

Population: 127.4 million

GDP: 5.3 trillion USD – ranked 2 largest economy in the world

Visits to the NWT: 5,460 responded to a survey at the airport (reporting period 12 months)

Primary Market



Product Match

Japanese travellers are interested in seeing beautiful scenery, visiting National Parks and exploring nature in close proximity to cities. The Aurora Borealis and related tourism products continue to be a strong draw for Japanese tourists.

Demographic Match

Japan and Germany are the oldest markets, with over a third of travellers who are over the age of 54. Female travellers continue to outnumber Japanese male visitors. The majority of travellers to the North have university or college education and very few have children living in their household.

Visitation Statistics

Recent visitation has decreased from Japan with 258,900 overnight trips to Canada in 2008. Leisure travellers make up 85.6% of all visitors to Canada. 4 million or 21% of people surveyed indicated that they would be very likely to visit Canada in the next two years. 69% indicated that they were somewhat or very interested in visiting in the same time period.



Continued

Geographic Markets

Travel Trends and the Economy

The Japanese are currently experiencing the highest unemployment rate in over a decade, and while costs have increased for food and fuel, the wages have remained steady. As a result, many travellers do not have disposable income to spend on travel. For those who are travelling, Japanese visitors are currently turning their attention back to Aurora product in the NWT after competitive destinations were unable to meet expectations for the same levels of service and quality of product.

Costs and Accessibility

Flights from Tokyo start at \$1,200 return with a stop in Vancouver en route to Yellowknife. The seasonal direct flights from Vancouver to Yellowknife greatly decrease the travel time between Japan and Yellowknife. Outside of the winter season, travellers fly to Vancouver before connecting via Calgary or Edmonton.

Perceptions

The key competitive destinations for Japanese travellers are the United States, France, Germany, Italy and Australia. The Japanese describe Canada as open, warm, and authentic.



SOUTH KOREA

Population: 49,773,145
GDP: 1.5 trillion USD – ranked 15 largest economy in the world
Visits to the NWT: 23 answered airport survey
Secondary Market

Product Match

South Koreans like Canada for its beautiful rivers and waterfalls, majestic mountains, opportunities to trek in nature, and to visit friends and relatives. They are interested in our Aurora and winter products. Their interest in majestic mounts also fits with products such as the Mackenzie Mountains in the Sahtu area, as well as flightseeing in Nahanni National Park Reserve.



Continued

Geographic Markets

Demographic Match

Typical visitors are college educated, married or living together, 40 years or older, established in their jobs and their life. As many as half of those surveyed have family in Canada. California, New York City and San Francisco (all target markets for NWT products) started operating offices in South Korea in July of 2007.

Visitation Statistics

Koreans were originally interested in Ontario and Quebec, but are now trending towards travelling to British Columbia and Alberta. Due to the NWT's proximity to these two provinces, there has also been an increased interest in recent years. 13% of those surveyed indicated that they were interested in visiting the NWT specifically.

Travel Trends and the Economy

Of the 13.3 million South Korean travellers in the long haul market, as many as 4 million are very interested in visiting Canada in the next two years. The three major barriers to travel to Canada are lack of knowledge of what specifically there is to see and do in Canada, the perception that there is little product available, and not enough inexpensive air tickets available to Canada. Canada's main competitors for South Korean travellers are Australia and Europe. The Korean economy is expected to recover further in 2011, although unemployment is still expected to rise slightly.

Cost and Accessibility

Direct flights between Seoul and Calgary began in the summer of 2007. Direct flights from Seoul to Toronto and Vancouver are also available. A round ticket price from Seoul to Canada is listed at \$1,500.



Continued

Geographic Markets

Perceptions, Product Interests

The key appeals of Canada to Koreans are:

Canada's visual beauty – wide and vast spaces with big lakes, salmon and clean air

Active Outdoors – they want to get outdoors and participate in activities such as dog sledding, mountain biking, hiking/trekking and skiing

Aspirational Utopia – lifestyle, healthier way of life (eating, housing, exercise)



AUSTRALIA

Population: 22,524,000

GDP: 994.2 Billion USD – Ranked 17 largest economy in the world

Visits to the NWT: 117 answered airport survey, 39 camping permits in 2009

Secondary Market

Product Match

More than half of Australian leisure travellers to Canada come to visit friends and relatives. With a growing population of Australians in Yellowknife (BHP Billiton is an international mining company headquartered in Australia) there is an opportunity to increase this market. A survey of Australian travellers to Canada showed the following reasons for visiting:

To see friends and relatives - 56%

Sightseeing, mainly nature - 37%

To experience different cultures and ways of life - 35%

Outdoor adventure/recreation - 31%

To experience unspoiled nature - 27%

The list includes a strong preference for the outdoors and nature, which the Northwest Territories can provide.



Continued

Geographic Markets

Demographic Match

The nature-inspired travellers (about 33% of market) skews toward the 50 plus market, while the outdoor sports seekers (about 17% of market) are in the 18 to 29 age range and are more interested in skiing and snowboarding followed by canoeing and kayaking. Many travellers to Canada make the equivalent of \$100,000 CAD annually. The proportion of travellers with a university or college degree is growing and now encompasses 64% of Australian travellers to Canada.

Visitation Statistics

In 2008, Australians made 219,300 overnight trips to Canada. Between 2000 and 2008, overnight trips to Canada have grown by 29%. Travellers to Canada are more likely to have family in the country, which fits with the NWT's market share of travellers who are likely tied by family to Australian companies like BHP Billiton. According to CTC statistics, 4% or about 8,000 travellers visited NWT/Nunavut combined. A total of 8% or 16,000 travellers visited the Yukon in the same year. It is quite likely that business travellers made up a substantial portion of the Australian visitors to NWT. Many Australians who visit Canada (over 70%) are including Canada as an add-on to a trip to the United States.

Travel Trends and the Economy

Almost five million Australians travelled abroad in 2006, an increase of 3.9% over the previous year. Their number one destination was New Zealand, followed by the United States and the United Kingdom. Canada is substantially down the list, at less than half the number who visit the United States. Overall, Canada has lost market share since 2004, while China and Fiji gained a substantial share of the market. However, a strong interest in Canadian vacations persists in Australia, with 69% of all long haul travellers indicating that they are definitely or very likely to visit Canada in the next two years. Despite a global recession, Australia has fared relatively well and is expected to continue to do so. Unemployment is slightly higher than in previous years.



Continued

Geographic Markets

Cost and Accessibility

Direct flights between Vancouver and Sydney were introduced in December 2007, with connecting flights to Yellowknife. A web search shows prices from \$3,600 for the Sydney-Yellowknife round trip. Additional air access is available with stop overs in the United States or Hong Kong.

Perceptions, Product Interests

In a CTC listing of the top areas of interest for Australian travellers, products the NWT has include the following:

Feeling the purity and freshness of untouched nature

Wild animals in their environment

Polar Bears

Viewing Aurora

Australians perceive Canada to be warm, intriguing, and youthful. The perception of intrigue has been growing steadily over the last few years and indicates that Australians find Canada fascinating, exciting and appealing. This perception will likely continue to drive travel to Canada.

CHINA

Population: 1,340,610,000

GDP: 4.99 trillion USD – Ranked 3 largest economy in the world

Visits to the NWT: 30 answered the airport survey

Long term market

Canada was granted Approved Destination Status (ADS) for Chinese visitors in December 2009. ADS is a large step towards establishing a market in Canada, however there are barriers such as the \$12,000 (Canadian equivalent) per person deposit that a Chinese traveller must make before leaving the country. For a family of four, this deposit is nearly \$50,000. While this will be a large deterrent for some travellers, it may also help to ensure that travellers have sufficient means to make trips to the NWT and be able to afford some of the NWT's higher end tourism product.





Continued

Geographic Markets

Product Match

Chinese travellers look for destinations that are clean, safe, friendly, scenic and inexpensive and where visas are fairly easy to obtain. Having friends and relatives in Canada is a major catalyst for visitation. A trip to see one or more cities is a major reason for visiting Canada (33%), while a trip to enjoy nature and the outdoors was listed by only 12% of travellers. Beaches, shopping and winter activities ranked very low.

Demographic Match

Long haul pleasure travellers from China span all ages, with the exception of seniors who represent only 3% of the market. Most are married, are highly educated and hold senior positions in government or the private sector and are more affluent than the population at large.

Traveller Statistics

In 2005 there were approximately 40 million outbound travellers. In 2003 Canada had only a 0.4% share of this market and a 3.4% share of the long haul market (outside Asia). The size of the potential market for Chinese pleasure travel outside Asia is estimated to be 2.8 million travellers from four key markets – Beijing, Shanghai, Guangzhou and Shenzhen. Europe is the largest long haul market for Chinese travellers outside of Asia, followed by Australia/New Zealand. Most Chinese visitors to Canada visit Ontario and British Columbia, with only 1% visiting Northern Canada.

Travel Trends and the Economy

The Chinese outbound travel market witnessed explosive growth over the last three years, expanding at an average rate of 34% per year. This expansion is expected to continue in line with their buoyant economy. The Chinese Yuan is expected to continue to appreciate against the Canadian dollar and unemployment is expected to level out to levels seen prior to the recession.

Cost and Accessibility

An online search showed a fare of \$2,000 round trip between Beijing and Yellowknife. Air access from Beijing to Vancouver is available several times a week.



Continued

Geographic Markets

Perceptions, Product Interests

Specialized travel has not been developed to any great extent in the China market. Learning/discovery and spending quality time with family/friends are prevalent travel motivators.



INDIA

Population: 1,340,610,000

GDP: 1.24 trillion USD – Ranked 11 largest economy in the world

Visits to the NWT – under 10

Long Term Market

Product Match

The visiting friends and relatives market is the primary market for Indian travellers to Canada. BC and Ontario receive the largest portion of these visitors. They are primarily interested in travel to the major cities.

Demographic Match

The majority of travellers are 45-64 years old. This travelling age group has increased 12% since 2000. Business travellers spend on average \$1,589 per trip (as of 2007). Pleasure travel experienced a significant increase in the average trip duration compared to the year 2000.

Visitation Statistics

Out-bound and long haul travel is growing at an annual rate of 22%. Travel to Canada has grown by 12% annually since 2002. July to September is the most popular period to travel, with 36% of travel occurring at this time.

Travel Trends and the Economy

Indians took 126,000 overnight trips in 2009. The average duration for pleasure travel is 14 nights. Most will book through a retail travel agent rather than book direct. 17% of travellers from India are travelling for business, a marked decrease from 25% in 2005. India expects their economy to expand in the coming years.



Continued

Geographic Markets

Costs and Accessibility

A non-stop service from India to Canada is currently unavailable. Most flights connect through Heathrow-London, and usually involve lengthy connections. Passport and visa are required. Flights from Mumbai to Yellowknife cost approximately \$2,000 return.

Perceptions, Product Interests

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

Europe

GERMANY

Population: 81,545,000

GDP: 3.35 trillion USD – Ranked 4 largest economy in the world

Visits to the NWT: 52 answered the airport survey, 577 campground permits were issued in 2009

Primary Market

Product Match

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





Continued

Geographic Markets

Demographic Match

Nearly one-third of recent travellers to Canada were older than 55. 75% of travellers were employed full time and 58% were salaried white collar workers. More than half have completed their post-secondary education and 41% make an average of \$5000-8000 (Canadian equivalent) monthly.

Visitation Statistics

In 2008, Germans made 315,400 overnight trips to Canada for leisure and business travel continues to increase. Potential travellers who are definitely or very likely to visit Canada in the next two years represent 23% of those surveyed, which would be equivalent to over 3 million German residents. Interest in the North is also present with 18% of those surveyed indicating that they would be likely to visit the Northwest Territories.

Travel Trends and the Economy

The German economy is still experiencing the effects of the recession and unemployment is higher than in previous years. The Euro gained strength against the Canadian dollar in the fall of 2010, but is currently trending to depreciate in value. It is expected that the Euro will regain strength in the near future which will make Canada a more attractive destination for price conscious travellers.

Costs and Accessibility

Flights from major cities in Germany via Edmonton to Yellowknife cost approximately \$2,300 currently. Many flight options require two or more layovers in cities such as Toronto and Vancouver. There is at least one flight daily with direct service to Calgary, from which a traveller could connect to Yellowknife. Germany also has direct flights to Whitehorse, Yukon where travellers can depart on their driving adventure on the Dempster Highway or fly to Inuvik.

Perceptions

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



Continued

Geographic Markets

UNITED KINGDOM

Population: 61,792,000

GDP: 2.14 trillion USD – Ranked 6 largest economy in the world

Visits to the NWT: 34 answered the annual airport survey, 43 camping permits issued in 2009

Secondary Market



Product Match

The British identify their first motivation for travel as nature with beautiful scenery, followed by National Parks and wildlife. Culture is also a draw for tourists to Canada. A majority of these travellers prefer multiple days of self-touring over guided tours. A minority of these travellers come for water-based adventure, land-based journeys and winter and summer activities. Research shows that UK residents are more likely to enjoy scenic drives, hiking and walking activities, and viewing scenery and wildlife. This aligns with NWT products such as the Dempster Highway, the Deh Cho Travel Connection, Wood Buffalo National Park and territorial parks, among other things.

Demographic Match

There are an equal number of men and women interested in travelling to the North from the UK. 63% of these travellers to the North are older than 45, most are married, and almost half have a college or university degree. 25% of the target market are retired, and more than half of the market continues to work full time.

Visitation Statistics

Overnight visits to Canada are expected to continue to increase by another 150,000 by 2013.



Continued

Geographic Markets

Travel Trends and the Economy

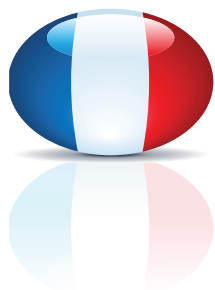
In 2008, UK residents made 836,900 overnight trips to Canada. Fully 23% of UK travellers have expressed that they are very likely or will definitely visit Canada in the next two years. This accounts for more than 5 million people. 22% of those travellers have indicated they are interested in travelling to the North and 16% specifically noted the Northwest Territories. Two deterrents to travel are that the economy in the UK is currently contracting with unemployment rising, and the value of the British pound has depreciated against the Canadian dollar.

Costs and Accessibility

A return trip flight costs approximately \$2,200 from London, England to Yellowknife, but recent flight sales show fares as low as \$1,400. There are lots of connections from major UK cities to Toronto and Edmonton. While there are some direct flights to Edmonton, most flights require connections in Toronto, Vancouver, and/or Edmonton before arrival in Yellowknife.

Perceptions

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



FRANCE

Population: 65,447,374

GDP: 2.1 trillion USD – Ranked 5 largest economy in the world

Visits to the NWT: 10 answered airport survey, 121 camping permits

Secondary Market

Product Match

There is a strong interest in Canada's North among the French. In a CTC research report, 36% of French people indicated they would like to visit Canada's North when visiting our country. The NWT was the most popular of the three territories. The French are most interested in nature-based activities including rivers, waterfalls, National Parks, heritage sites and wildlife, self-guided tours, and cities in close proximity to nature.



Continued

Geographic Markets

Demographic Match

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

Travel Trends

The CTC research suggests that 36% of French people who take long haul vacations are very likely to visit Canada in the next two years. Price, competing destinations and poor weather are barriers to travel to Canada.

Cost and Accessibility

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

Perceptions, Product Interests

The key appeals of Canada to the French are outdoor adventure including fishing and water-based activities, as well as heritage and culture.

NWTT Marketing Initiatives

NWTT has had a limited presence in the French market. The majority of marketing initiatives have been taken on by Conseil de développement économique des TNO (CDETNO).

BRAZIL

Population: 185,712,713

GDP: 1.58 trillion USD – Ranked 8 largest economy in the world

Visits to the NWT: not available

Long term market

Product Match

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





Continued

Geographic Markets

Demographic Match

31% of travellers are between the ages of 45 and 64 (largest share of all travellers), with 55% being male travellers. 80% live in urban areas. The top 10% of the population make an average annual income of \$72,932 USD.

Visitation Statistics

In 2008, Canada received 72,000 Brazilian travellers (12.8% increase over 2007). The summer months are the most popular time to travel. Brazilians tend to take extended domestic vacations from December to February. In 2007 pleasure travellers stayed an average of 12.6 nights per vacation.

Travel Trends and the Economy

The Brazilian “Real” depreciated against the Canadian dollar with the global recession. This past year 71,600 overnight trips were taken, which was a 13% growth from the previous year. Business travellers spend on average \$1,842 on their trips.

Costs and Accessibility

Air capacity is an issue as the number of potential travellers outnumbered the supply of air seats in 2007. Air seat capacity increased in 2008 by 3.2% to 80,378, but there is still a shortage of available seats. Direct service between Toronto and Sao Paulo is available. An online search indicated that the cost of a round trip between Sao Paulo and Yellowknife is approximately \$2,500. Brazilians travelling to Canada require both a visa and a passport.

Perceptions, Product Interests

Currently Ontario is listed as a must-see destination, followed by Quebec, Alberta and British Columbia.

Economic Situation

Brazil has the 10th largest economy in the world. The economy is well diversified, but has also been hit by the current global financial crisis.

