

DISCUSSION
PAPER

Handwritten mark

YUKON TOURISM STRATEGY

Y U K O N · 2 0 0 0

Building the Future

HC117
.Y8
Y85
C.2

0041 - 444460
HC117
Y8
Y85
C.2

BUILDING THE FUTURE

CONTENTS

	<u>Page</u>
FOREWORD	1
1. INTRODUCTION	2
2. HISTORICAL AND EXISTING INDUSTRY SITUATION	4
3. SIGNIFICANCE TO THE YUKON ECONOMY	6
4. ROOM TO MOVE: OPPORTUNITIES AND CONSTRAINTS TO TOURISM DEVELOPMENT	8
5. SIX STRATEGY ALTERNATIVES	15
 APPENDICIES	

BUILDING THE FUTURE

FOREWORD

A Message from the Minister

The tourism industry has, this year, been participating in one of the Yukon's new initiatives. The Yukon Tourism Strategy is one part of the Yukon 2000 Development Strategy. These initiatives will carry us into the next decade with a clear vision of what we want to achieve.

The reward in preparing a Tourism Strategy is in setting a path that steers through the economic and social realities of our industry. There are many tourism markets from which we have the opportunity to choose. However, the room we have to move in our collective marketing and development efforts will make for a challenging future.

This discussion paper continues the dialogue with Tourism and the public to help set our course into the next decade. I must express appreciation for active participation of members of the private sector.

I am excited about our progress to date and look forward to continued discussion.



David P. Porter, Minister of Tourism

YUKON 2000

BUILDING THE FUTURE

YUKON 2000: BUILDING THE FUTURE

A DISCUSSION PAPER

1. INTRODUCTION

Since May of this year, a series of meetings have been held with the tourism industry to help create a vision for tourism for the next five to ten years. The tourism industry has shown many visions or directions in which we can head.

In February, the Department of Tourism hired the consulting firm of Thorne Stevenson & Kellogg (now called Stevenson Kellogg Ernst & Whinney) to undertake the Tourism Strategy. The Consultants have been actively gaining insight from the industry on our opportunities and constraints for future development. The purpose of this discussion paper is to review the findings of the work done on the Strategy to date. The industry and public are invited to examine the efforts and report on their findings.

YUKON 2000

BUILDING THE FUTURE

Analysis of the industry situation and an examination of all market segments covered the first two phases of this four phase project. Public meetings were held in May and June to respond to the preliminary findings.

In this, the third phase, we now need to examine the implications of the directions in which we may head. The analysis of market segments has shown us which markets offer opportunities to increase volume, spending and/or length of stay. These changes would create new demands for marketing and development of accommodation, food, transportation and other services.

Six alternative strategies have been developed to compare the implications of selecting certain market segments and their associated development costs. The opportunity in selecting a strategy lies in determining which direction we shall head.

BUILDING THE FUTURE

2. HISTORIC AND EXISTING INDUSTRY SITUATION

The pioneering spirit of Yukon's early visitors has helped to create the setting for today's tourism industry. The independent and curious came first followed by organized groups of travellers from all regions.

Yukon really established itself as a tourist destination during the 'Grand Tour' days of travel. With the assistance of steam-powered ocean vessels, the White Pass & Yukon Railway and paddlewheelers, the leisure class of Europe and America began to expand the horizons of their travel. Paddlewheelers, such as the Tutshi at Carcross, were built primarily for leisure travel. A whole system of travel evolved from Skagway to Carcross, Whitehorse, Ben-My-Cree and Atlin.

The more adventurous of the leisure class explored the Yukon's scenic wilderness and wildlife resources. Johnnie Johns, from Carcross, became a well-known guide amongst the North American elite in the 1920's.

Air travel and highway expansion, resulting from Second World War developments, brought new types of travellers and different activities. Dawson became an

BUILDING THE FUTURE

attraction for its history of the Klondike. Watson Lake has become renowned for the signposts left by the lonely American G.I. during the Alaska Highway Construction in 1942. Carcross sits as a living memory to the rail and paddlewheeler transportation history. The wilderness and game remain; they now have a folk history in the stories of days gone by.

Today's tourism industry is a collection of services and attractions hosting the traditional and evolving reasons for travel. As the traditional purposes and modes of travel diminish, new markets have tended to keep the industry alive.

Our heritage and natural resources remain, but new means of travel are now translated into our tourism economy. When the White Pass Railway closed operations, the tour bus replaced the service. As car camping decreased in popularity, recreational vehicle traffic increased. When new equipment eased the efforts of outdoor travel, new activities and guided services evolved. The tourism industry reflects the dynamic state of the society it hosts; changes in fashion, attitude and technology rapidly affect travel patterns.

BUILDING THE FUTURE

3. SIGNIFICANCE TO THE ECONOMY

There is no doubt that tourism is one of the most significant and stable sectors of the Yukon economy. The tourism industry is comprised of some 500 businesses ranging from transportation companies to cafes, from canoe rentals to gift stores.

Over 15 per cent of the Yukon labour force is directly or indirectly employed by tourism concerns. The value of the industry to the Yukon economy is now estimated to be some \$90 Million.

Border crossings, one indicator of travel patterns, have risen an average of 10 per cent, per year since 1982.

The visitor numbers used for this Strategy are categorized here by market segment. The preliminary findings of Stevenson Kellogg Ernst & Whinney on the value of travel markets (table one) come from over 100 industry interviews which clarified our background research on visitor volumes and expenditures.

Concern should not focus on the specific numbers but on overall trends. The general trends serve as valuable indicators to help us determine the directions for marketing and development.

BUILDING THE FUTURE

TABLE 1
SIZE AND VALUE OF MARKET SEGMENTS

	Existing Volume 1986	Current Economic Size 1986
	(Person Days) ¹	(Dollars) ²
RV - Touring - Independent	319,900	23,352,700
Auto Touring - Independent - Camping	110,000	13,340,000
Tour Bus - Cruise - Overnight	104,000	13,312,000
Auto Touring - Roofed	230,000	8,800,000
VFR	229,600	5,280,800
Business	42,800	5,178,800
Hunting - Trophy	5,250	4,200,000
Sports	20,000	3,500,000
Tour Bus - Land	30,000	2,670,000
Conventions	18,000	2,556,000
Business/Pleasure	10,200	2,527,200
Adventure Travel	11,550	1,686,300
Tour Bus - F.I.T.	7,500	1,320,000
Fishing - Sport	9,800	1,264,200
RV and Touring - Fly/Drive	5,250	855,750
RV - Touring - Caravans	8,750	621,250
Fishing - Trophy	1,050	344,400
Tour Bus - Cruise - Day	14,300	286,000
Small Planes	600	75,000
Auto Specialty	1,000	66,000
Gambling	---	---
Crafts/Culture/History	---	---
Rock Hounding	---	---
	1,179,550	91,236,200

¹ Non-Yukon travellers only. Person day = total number of days spent by all visitors.

² 1986 dollars.

BUILDING THE FUTURE

4. ROOM TO MOVE: OPPORTUNITIES AND CONSTRAINTS TO TOURISM DEVELOPMENT

The type of tourism industry that the Yukon will have in five to ten years depends on many factors, especially the 'room to move' in certain market areas. About 25 different market segments characterize the Yukon tourism industry. Each market segment has some room to move depending on the capacity, cost, quality and variety of our resources.

CAPACITY

The potential for some markets may seem unlimited but may have capacity constraints. An example is; the cruise market, which is limited by the number of ships allowed into Glacier Bay National Park. The Park is the prime attraction of the cruiseships and without the glaciers the package would not be feasible. As well, the big game hunting market is also near full capacity. A limited supply of game for hunting reduces potential visitors. Similarly, the trophy fishing market is limited by a lack of large fish.

BUILDING THE FUTURE

While capacity may be a constraint, longer stays and increased expenditure offers new opportunities (table two). The adventure travel market would likely receive a higher return for its products, as would others. With more attractions, the length of stay of the tour bus, auto tour and other markets could also increase.

COSTS

The costs of attracting and servicing all types of markets adequately can be challenging. With a short 100-day high season, investment in the development and marketing of the tourism plant must be planned carefully.

Development costs cover private sector investment in accommodations, attractions and tour services, and public sector investment in roads, airports, environmental enhancement, parks and community improvements. The pool of private and public capital for development could be most effectively used in a focused, planned manner for specific market areas.

Effective marketing efforts entail long-term costs for market development and continued promotion. Marketing budgets achieve a greater penetration when they are focused to specific targets.

BUILDING THE FUTURE

TABLE 2
Market Related Strategic Options

Type of Market Opportunity	Retain Existing Markets	Increase Volume	Extend Stay	Increase Spending
Conventions	X	X		X
Sports	X	X		X
Meetings	X	X		
Tour Bus				
- Cruise				
- Overnight	X			X
- Day	X	X		X
- Overland	X	X	X	X
- Fly/Bus/F.I.T.	X	X	X	X
Touring - RV				
- Independent	X	X	X	X
- Caravan	X	X		
- Fly/Drive	X	X	X	X
Touring - Auto				
- Roofed	X	X	X	X
- Camping	X	X	X	X
- Specialty Clubs	X	X		
Adventure Travel	X	X		X
- Fishing				
- Trophy		X	X	
- Wilderness	X	X		
- Hunting	X	X	X	X
Business	X	X		
Business/Pleasure	X	X		
VFR	X	X		X
Rock Hounding		X		
Small Planes	X	X		
Crafts/Culture/History		X		
Gambling		X		
Films/Commercials		X		

YUKON 2000

BUILDING THE FUTURE

The development needs associated with servicing the different tour systems offer new opportunities as well as costs to the private and public sectors. The touring/RV market, for example, could yield more with longer stays and greater expenditures if private interests created more attractions and services and public concerns assisted in upgrading roads.

QUALITY AND VARIETY

One main reason to travel to a specific destination is the quality and variety of historic and natural resources. The Yukon's heritage resources are renowned and offer tangible history experiences for our visitors. The Yukon wilderness is unrivaled. The variety of services and attractions is however, somewhat limited. A well-developed tourism economy would offer more quality product experiences with a good variety of activities.

ROOM TO MOVE: OPTIONS

The object in selecting a strategy is to choose the most effective and efficient use of industry and public resources.

BUILDING THE FUTURE

While certain market segments are limited by volume, they may be developed by encouraging increased length of stay and/or spending. Each segment has been examined for the ability to retain, generate, extend the stay or increase spending of the market. The room to move on all market segments is outlined on tables three and four. It would be misleading to assume that the Yukon could support full expansion of all market segments. Cost, capacity and quality limits our choices. The market values indicated in table four are, therefore, not totalled. The overall value and gains received would depend upon which marketing and development programs were chosen.

Distance from markets, seasonality and increasing competition necessitate a clear focus in the travel marketing and development to be undertaken. If the Yukon attempts to be all things to all people, the industry will not be effective in efforts to reach the market and supply a quality product.

BUILDING THE FUTURE

TABLE 3
Value and Potential Movement of Market Segements

Type of Market	Potential Market Size (\$Millions)								
Opportunity	Up to \$1	2	3	4	5	10	15	20	25
Conventions			X-----●						
Sports				X-----●					
Meetings									
Tour Bus									
- Cruise									
- Overnight								X-●	
- Day	X								
- Overland			X--●						
- Fly/Bus/F.I.T.	X					X-----●			
Touring - RV									
- Independent									X-(\$35)
- Caravan	X								
- Fly/Drive	X				X-----●				
Touring - Auto									
- Roofed						X-----●			
- Camping								X-----●	
- Specialty Clubs	X								
Adventure Travel		X-----●							
- Fishing									
- Trophy	X								
- Wilderness	X-●								
- Hunting						X-----●			
Business						X			
Business/Pleasure			X-●						
VFR						X-----●			
Rock Hounding	X								
Small Planes	X								
Crafts/Culture/									
History	X								
Gambling	X								
Films/Commercials									

X Existing Size
● Potential Size

YUKON 2000

BUILDING THE FUTURE

TABLE 4
Potential Value of Incremental Increases
by Market Segment and Method of Increase

Type of Market Opportunity	Existing Value \$	\$ Incremental Increases in Value		
	Existing Markets	Increase Volume	Extend Stay	Increase Spending
Conventions	2,556,000	1,704,000	-	660,000
Sports	3,500,000	3,500,000	-	-
Meetings	N/A	N/A	-	-
Tour Bus				
- Cruise				
- Overnight	13,312,000	768,000	-	330,000
- Day	286,000	34,000	-	32,000
- Overland	2,670,000	267,000	489,500	77,000
- Fly/Bus/F.I.T.	1,320,000	3,080,000	880,000	60,000
Touring - RV				
- Independent	23,352,700	4,752,300	4,015,000	1,760,000
- Caravan	621,250	443,750	-	-
- Fly/Drive	855,750	2,567,250	489,000	72,000
Touring - Auto				
- Roofed	8,800,000	800,000	960,000	264,000
- Camping	13,340,000	-	1,334,000	253,000
- Specialty Clubs	66,000	99,000	-	-
Adventure Travel				
- Fishing	1,686,300	2,401,700	-	56,000
- Trophy	344,400	574,000	-	-
- Wilderness	1,264,200	1,444,800	-	-
- Hunting	4,200,000	280,000	-	84,000
Business	5,178,800	48,400	-	-
Business/Pleasure	2,527,200	468,000	-	-
VFR	5,280,800	32,200	-	231,000
Rock Hounding	-	147,000	-	-
Small Planes	75,000	37,500	-	-
Crafts/Culture/History	-	420,000	-	-
Gambling	-	606,000	-	-
Films/Commercials	N/A	N/A	-	-

YUKON 2000

BUILDING THE FUTURE

5. SIX STRATEGY ALTERNATIVES

Six alternative strategies were identified to examine the implications of various marketing and development choices. These strategies are detailed in appendixes one through six and can be summarized as:

1. Status quo:
continuation of existing situation.
2. Increase spending:
obtain more spending from existing markets.
3. Increase volume
encourage higher volumes of visitors to Yukon through expanding existing markets and developing new markets.
4. Increase volume and spending:
combination of increased volumes with increased spending to provide higher overall impact.
5. Emphasize high dollar spenders:
encourage the development of markets that have a minimum of \$100 per diem per person expenditures.

BUILDING THE FUTURE

6. Emphasize large overall return markets - optimize: encourage those markets that provide the highest return based on the combination of high expenditures and potential market size.

STRATEGY FOCUS

The six strategies focus differently on market segments (table five). An emphasis would be placed on certain market segments, no market would be abandoned. New marketing and development programs would be directed towards the markets highlighted in the chosen strategy.

STRATEGY BENEFITS AND COSTS

Each strategy would bring a different return of visitor volume and revenues. The six strategies are outlined in more detail in Appendices 1 - 6.

A focus on spending alone, strategy two, would not generate a positive return. While revenues may increase, net returns after capital investment would not justify a decision.

BUILDING THE FUTURE

TABLE 5
Market Emphasized by the Alternative Strategies

Type of Market Opportunity	Strategies					
	1	2	3	4	5	6
Conventions	X	X	X	X	X	X
Sports	X	X	X	X	X	X
Tour Bus						
- Cruise						
- Overnight	X	X	X	X	X	X
- Day	X	X	X	X		
- Overland	X	X	X	X		
- Fly/Bus/F.I.T.	X	X	X	X		X
Touring - RV						
- Independent	X	X	X	X		X
- Caravan	X	X	X	X		
- Fly/Drive	X	X	X	X	X	X
Touring - Auto						
- Roofed	X	X	X	X		
- Camping	X	X	X	X		
- Specialty Clubs	X	X	X	X		
Adventure Travel	X	X	X	X	X	X
- Fishing						
- Trophy	X	X	X	X	X	
- Wilderness	X	X	X	X	X	X
- Hunting	X	X	X	X	X	
Business	X	X	X	X	X	
Business/Pleasure	X	X	X	X	X	
VFR	X	X	X	X		
Rock Hounding			X	X		
Small Planes	X	X	X	X	X	
Crafts/Culture/History			X	X	X	
Gambling			X	X	X	

Each strategy is selective in the markets chosen to achieve the desired purpose. The strategies with fewer markets tend to be more selective and effective.

BUILDING THE FUTURE

The status quo strategy would generate more travellers simply from marketing momentum. However, directed development and marketing substantially increased the revenues and income to the tourism industry, residents and the Yukon in general

Associated development and operational costs to service these visitors could range from the current situation to almost \$78 Million extra over a ten-year frame (table six).

The private sector and public sector benefits associated with the strategies give the best indication of the potential for return on investment. (See the benefit/cost calculations on table six.)

Strategies that emphasize selective marketing are the most cost-effective. Strategy six is the most cost-effective and provides a greater absolute return than strategy five. While the volume and expenditure of visitors in this category may be less, the capital cost to

BUILDING THE FUTURE

industry and Government would be relatively efficient in terms of revenues received from expenditures.

Strategies which focus on volume (three and four), require a significant amount of industry and Government investment. Strategy four, while achieving a high benefit/cost return requires a level of funding which may be beyond the resources of the public and private sectors.

B U I L D I N G T H E F U T U R E

TABLE 6
10-Year Development Costs of the Strategies
(Costs in Millions)

10-Year Total Development Costs	Strategy Alternative					
	1	2	3	4	5	6
Accommodation						
- Private	-	-	8.50M	8.50M	4.25M	8.50M
- Public	-	-	1.50M	1.50M	.75M	1.50M
Attractions						
- Private	-	8.50M	-	8.50M	4.25M	8.50M
- Public	-	1.50M	-	6.50M	.75M	6.50M
Roads	-	-	30.00M	30.00M	3.00M	10.00M
Airports	-	-	8.00M	8.00M	8.00M	-
Environment	-	.25M	-	.25M	-	-
Park	-	4.50M	4.50M	4.50M	4.50M	4.50M
Community	-	2.00M	-	2.00M	2.00M	2.00M
Subtotal	-	21.70M	52.50M	69.75M	27.50M	41.50M
O & M Costs	-	6.00M	6.00M	9.00M	5.50M	6.50M
Total Costs	-	27.70M	58.50M	78.75M	33.00M	48.00M
Benefit/Cost Ratio	1.0	.98	1.42	1.35	1.39	1.43

Y U K O N 2 0 0 0

APPENDICIES

YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY I -- STATUS QUO
(September 11, 1986)

A. INTENTION OF STRATEGY

Status quo = Continuation of existing situation. Some natural increase in market volumes are anticipated reflecting the marketing efforts now in place.

Wide range of markets are emphasized with little differentiation in the touring markets. Some segmentation exists for conventions, sport fishing and hunting.

B. MARKET SEGMENTS EMPHASIZED

Conventions	Touring RV -- Caravan	Sport Fishing -- Wilderness
Sports	Touring RV -- Fly/Drive	Hunting
Tour Bus -- Cruise, overnight	Touring Auto -- Roofed Accom.	Business
Tour Bus -- Cruise, day trip	Touring Auto -- Camping	Business/Pleasure
Tour Bus -- Overland	Touring Auto -- Specialty Clubs	VFR
Tour Bus -- Fly/Bus/F.I.T.	Adventure Travel	Small Planes
Touring RV -- Independent	Sport Fishing -- Trophy	

C. WHAT STRATEGY I HAS TO OFFER

- ▶ Continuation of existing situation and therefore few changes required.
- ▶ Encourages U.S.A. markets to consider spending more time in Yukon.
- ▶ Meets the interests of many parts of Yukon tourism industry. No market segment not supported, although level of support variable.

D. POSSIBLE DRAWBACKS IN STRATEGY I

- ▶ Minimal focussing of marketing efforts.
- ▶ Costly to serve all markets equitably.
- ▶ Does not differentiate the touring markets and therefore unable to determine which to emphasize.
- ▶ Basically encourages markets already committed to passing through Yukon.
- ▶ Hesitant in support of selected offshore markets.
- ▶ Not cost-effective in approach to increasing Yukon tourism revenues.

E. ACCEPTABLE USE OF GOVERNMENT MONEY

The level of revenues anticipated compared to public investment required results in the minimally acceptable benefit/cost ratio. Some increase in markets and revenues are expected and no additional major capital costs are required.

Benefit/cost ratio

- Yukon government 1.00

F. NO POLICY CHANGES WILL BE REQUIRED

Under the status quo, no significant policy changes are required. Policy changes already under consideration will likely continue but could result in slow implementation. This will eventually be a continuation of the existing situation.

YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY 2 -- INCREASE SPENDING (September 11, 1986)

A. INTENTION OF STRATEGY

Increase spending =

Obtaining more spending from existing tourism markets. This can be achieved through encouraging higher per diem expenditures per person and longer length of stays. No additional market volumes are encouraged in this strategy.

Not all markets are capable of either increased per person expenditures or length of stay. Consequently, this strategy emphasizes only those markets with those options. Other markets are assumed to grow at their natural rate of increase.

B. MARKET SEGMENTS EMPHASIZED

Conventions	Touring RV -- Fly/Drive
Tour Bus -- Cruise, overnight	Touring Auto -- Roofed Accom.
Tour Bus -- Cruise, day trip	Touring Auto -- Camping
Tour Bus -- Overland	Adventure Travel
Tour Bus -- Fly/Bus/F.I.T.	Hunting
Touring RV -- Independent	Business/Pleasure
Touring RV -- Caravan	VFR

These markets represent 90% of visitor estimates at Year 10.

C. WHAT STRATEGY 2 HAS TO OFFER

- ▶ Slightly more focused than Strategy 1.
- ▶ No expenditures in developing new markets.
- ▶ Increases revenues without significantly increasing volumes. Therefore does not require major capital investments associated with volume increases.
- ▶ Requires some change in emphasis in marketing to providing greater awareness on why to stay longer and how to spend more in Yukon.
- ▶ Addresses many segments of the Yukon tourism industry.
- ▶ Encourages a wide range of local businesses, owner-operator and/or franchise (attractions, accommodations, souvenirs, groceries, food and beverage, training, entertainment, guiding).

- ▶ Provides selected opportunities for native involvement in range of tourism business (attractions and souvenirs at selected locations). Must get more out of existing markets.
- ▶ Encourages out-of-Yukon and out-of-Canada expenditures in Yukon.
- ▶ Acknowledges fish and wildlife limitations of Yukon.

D. POSSIBLE DRAWBACKS IN STRATEGY 2

- ▶ Requires significant capital investments for attractions and other facilities that will encourage people to stop.
- ▶ Does not support sports and sports fishing markets as these have little flexibility in changing length of trip or expenditures.
- ▶ It does not increase the volume of markets for certain industry segments that require higher volumes to become viable.
- ▶ Requires increased training, especially for groups involved in attractions and souvenirs and crafts.
- ▶ Suggests Yukon change its marketing arrangements with Alaska (may concern YVA). Not trying to increase volumes but make people travelling to Alaska spend more time and money in Yukon.
- ▶ No redistribution of markets geographically in Yukon.

E. DOES NOT MAKE GOOD USE OF GOVERNMENT EXPENDITURES

Level of revenues anticipated compared to public investment required result in poor benefit/cost ratios.

Benefit/cost ratio

- Yukon Government	0.98
--------------------	------

Although the 10-year incremental revenues increase, these estimated increases are insufficient to prevent a net revenue loss over the 10 years.

F. SOME POLICY CHANGES WILL BE REQUIRED

Some policy changes will be required especially in the areas of attraction development, roadside enhancement and marketing. Because attractions will be important and some of these are public, policies to provide sufficient operating costs to staff attractions at appropriate levels will be needed. Presented in Exhibit 4 are notes on key policy implications.

YUKON TOURISM DEVELOPMENT STRATEGY

**IMPLICATIONS OF STRATEGY 3 -- Increase volume
(September 11, 1986)**

A. INTENTION OF STRATEGY

Increase volume = To encourage higher volumes of visitors to Yukon through expanding existing markets and developing new markets.

No specific markets are emphasized but efforts are made to increase all market segments as realistically as may be expected. Assistance is put towards developing new markets and providing services for these markets.

B. MARKET SEGMENTS EMPHASIZED

All existing market segments and additional markets are emphasized.

Conventions	Touring RV -- Fly/Drive	Business
Sports	Touring Auto -- Roofed Accom.	Business/Pleasure
Tour Bus -- Cruise, overnight	Touring Auto -- Camping	VFR
Tour Bus -- Cruise, day trip	Touring Auto -- Specialty Clubs	Rock Hounding
Tour Bus -- Overland	Adventure Travel	Small Planes
Tour Bus -- Fly/Bus/F.I.T.	Sport Fishing -- Trophy	Crafts/Culture/History
Touring RV -- Independent	Sport Fishing -- Wilderness	Gambling
Touring RV -- Caravan	Hunting	

These markets essentially represent markets to which Yukon could appeal.

C. WHAT STRATEGY 3 HAS TO OFFER

- ▶ Encourages out-of-Yukon and out-of-Canada visitors and hence, expenditures.
- ▶ Encourages markets that will extend the operating season for many tourism facilities.
- ▶ Offers significant improvement in revenues.
- ▶ Encourages markets important to specific communities (i.e., gambling for Dawson City, crafts/culture/history for native communities).
- ▶ Encourages a somewhat more limited range of local businesses (accommodation, food and beverage, groceries, transportation).
- ▶ Provides volume markets critical for making some businesses viable.
- ▶ Increases peak and shoulder season markets for air access to and within Yukon.
- ▶ Encourages markets that purchase crafts and souvenirs.

- ▶ Substantiates need for Dawson City airport.

D. POSSIBLE DRAWBACKS IN STRATEGY 3

- ▶ No attempt to focus marketing. All markets encouraged although more efforts could be put on those markets with greater potential volume increases.
- ▶ Whitehorse is still a major beneficiary (conventions, sports, air gateway for adventure, fishing, fly/RV, fly/bus, gambling).
- ▶ Requires considerable annual additional marketing expenditures.
- ▶ Significant capital cost investments especially for transportation components.
- ▶ Does not encourage higher standards of tourism products.
- ▶ Does not encourage interpretation of native or community culture and history.

E. MAKES MORE EFFECTIVE USE OF GOVERNMENT MONEY

The level of revenues anticipated compared to public investment required results in excellent benefit/cost ratios.

Benefit/cost ratio

- Yukon Government 1.42

F. SOME POLICY CHANGES REQUIRED

As the main emphasis is on accommodating volumes, the policy changes will be required to facilitate developments that can handle increased volumes. In some cases such as the road network, these are accelerations of existing policies. In other cases such as accommodation or Dawson City airport, policy changes required are simply decisions made in favour of this project development. Presented in Exhibit 4 are notes on key policy implications.

YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY 4 -- INCREASE VOLUME AND SPENDING
 (September 11, 1986)
A. INTENTION OF STRATEGY

Increase volume and spending = A combination of increased volumes of visitors to Yukon through expanding existing markets, developing new markets and obtaining more spending from all the markets. The result will be higher overall impact in terms of revenues.

All markets are emphasized with assistance going towards new markets that are not already being served.

B. MARKET SEGMENTS EMPHASIZED

All existing market segments and additional markets are emphasized.

Conventions	Touring RV -- Fly/Drive	Business
Sports	Touring Auto -- Roofed Accom.	Business/Pleasure
Tour Bus -- Cruise, overnight	Touring Auto -- Camping	VFR
Tour Bus -- Cruise, day trip	Touring Auto -- Specialty Clubs	Rock Hounding
Tour Bus -- Overland	Adventure Travel	Small Planes
Tour Bus -- Fly/Bus/F.I.T.	Sport Fishing -- Trophy	Crafts/Culture/History
Touring RV -- Independent	Sport Fishing -- Wilderness	Gambling
Touring RV -- Caravan	Hunting	

These markets essentially represent markets to which Yukon could appeal.

C. WHAT STRATEGY 4 HAS TO OFFER

- ▶ A most significant increase in revenues.
- ▶ Encourages out-of-Yukon and out-of-Canada expenditures in Yukon.
- ▶ Encourages markets that will extend the operating seasons for major tourism facilities.
- ▶ Encourages a wide range of local and possibly non-local businesses (attractions, accommodation, souvenirs, transportation, groceries, food and beverage, training, entertainment, advertising/marketing, guiding). Therefore can minimize leakage of tourism dollars but depends upon levels of external investment in major facilities such as accommodation or transportation.
- ▶ Provides opportunities for native involvement in range of tourism businesses.
- ▶ Substantiates need for Dawson City airport.
- ▶ Helps to make existing operations viable.
- ▶ Offers potential for spreading benefits of tourism around territory.

- ▶ Strengthens peak and shoulder season markets for air access to and within Yukon.
- ▶ Meets the interest of all parts of tourism industry (wilderness operators, sport fishing, native people, YVA especially regarding conventions and sports, tour bus operators, campground and hotel operators, food and beverage services, entertainment and attractions operators).
- ▶ Encourages markets that purchase crafts and souvenirs.
- ▶ Extends the existing marketing approach.
- ▶ Supports increased use of Yukon as a destination while recognizing the reality of touring markets bound for Alaska.
- ▶ Not reliant on vagaries of a few select markets.

D. POSSIBLE DRAWBACKS IN STRATEGY 4

- ▶ Very high level of capital investment required.
- ▶ Significant additional annual operating costs in both marketing and staffing.
- ▶ Not focused at all and provides little basis for priority setting.
- ▶ Requires increased professionalism and training for many tourism industry groups. The tourism industry must be able to deliver what it promises.
- ▶ Requires airline commitments to establish schedules and capacity.
- ▶ Needs a system of liability insurance for wilderness operators.
- ▶ Could cause peak capacity problems in communities such as Dawson City or Whitehorse.

E. MAKES EFFECTIVE USE OF GOVERNMENT MONEY

The levels of revenues anticipated compared to public investment required, although high, results in good benefit/cost ratios.

Benefit/cost ratio

- Yukon Government 1.35

F. POLICY CHANGES WILL BE REQUIRED

Because of both the increase in volumes and per diem expenditures, high major capital investments and their associated operating costs are required. Indeed, because of the level of investment required, the government may have to encourage external investment in Yukon. Finally, this strategy will require extensive federal expenditures to a level which may not be acceptable to the Federal Government. Presented in Exhibit 4 are notes on key policy implications.

YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY 5 -- EMPHASIZE HIGH DOLLAR SPENDERS
(September 11, 1986)

A. INTENTION OF STRATEGY

Emphasize high dollar spenders = Encourages the development of markets that have a minimum of \$100 per diem per person expenditures.

The key markets are emphasized and given additional assistance while other existing markets are not hindered. Assistance is put towards developing new markets that will also have high per diem expenditures.

B. MARKET SEGMENTS EMPHASIZED

Conventions	Sport Fishing -- Wilderness
Sports	Hunting
Tour Bus -- Cruise, overnight	Business
Tour Bus -- Fly/Bus/F.I.T.	Business/Pleasure
Touring RV -- Fly/Drive	Small Planes
Adventure Travel	Crafts/Culture/History
Sport Fishing -- Trophy	Gambling

C. WHAT STRATEGY 5 HAS TO OFFER

- ▶ Meets requests for focus.
- ▶ Encourages out-of-Yukon and out-of-Canada expenditures in Yukon.
- ▶ Encourages range of local and non-local businesses (attractions, accommodation, crafts, transportation, guiding, training, entertainment).
- ▶ Promotes opportunities for native involvement in range of tourism businesses and especially in cultural enterprises.
- ▶ Strengthens peak and shoulder season markets for air access to and within Yukon.
- ▶ Opens Dawson City up for extended tourism season.
- ▶ Capital costs quite manageable.
- ▶ Helps to make existing operations viable.
- ▶ Encourages markets that purchase crafts and souvenirs (conventions, foreign fly/RV, foreign fly/bus, crafts/culture/history).

- ▶ Generally, does not conflict with existing major markets in Yukon that will not be emphasized (RV and auto touring).

D. POSSIBLE DRAWBACKS IN STRATEGY 5

- ▶ Revenues not as great as several other strategies.
- ▶ Total visitor volumes exceeded by at least three other strategies.
- ▶ Major markets such as RV touring are not emphasized, although this market has considerable flexibility to grow.
- ▶ Some of the markets emphasized have long-term limited growth prospects (tour bus -- cruise overnight, sport fishing, hunting, crafts/culture/history, small planes).
- ▶ Requires increased professionalism and training for many tourism industry groups. The tourism industry must be able to deliver what it promises.
- ▶ Whitehorse is still a major beneficiary (conventions, sports, air gateway for adventure travel, fishing, fly/RV, fly/bus, gambling).
- ▶ Needs a system of liability insurance for wilderness operations.
- ▶ Requires airline commitments to establish schedules and capacity.
- ▶ Most independent touring markets not recognized, although these are important in spreading tourism benefits around the territory.

E. MAKES EFFECTIVE USE OF GOVERNMENT MONEY

The level of revenues anticipated compared to public investments required results in excellent benefit cost ratios.

Benefit/cost ratio

- Yukon Government	1.39
--------------------	------

F. POLICY CHANGES WILL BE REQUIRED

Some policy changes will be required both on the part of the tourism industry and some of the government departments. Most policy changes reflect the need to emphasize an increase in quality tourism products and making sure that Yukon always meets people's expectations. This focus on quality is critical in order to maintain higher per diem markets. Presented in Exhibit 4 are notes on key policy implications.

YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY 6 -- EMPHASIZE LARGE DOLLAR MARKETS (September 11, 1986)

A. INTENTION OF STRATEGY

Emphasize large dollar markets = Encourage those markets that provide the highest dollar return based on the combination of high per diem expenditures per person and potential market size.

Key markets are emphasized and given active additional assistance while other existing markets are not hindered. No assistance is put towards developing new markets that are not already being served.

B. MARKET SEGMENTS EMPHASIZED

Conventions	Touring RV/Fly/Drive
Sports	Adventure Travel
Tour Bus -- Fly/Bus	Sport Fishing -- Wilderness
Touring RV -- Independent	

C. WHAT STRATEGY 6 HAS TO OFFER

- ▶ Meets request for focus.
- ▶ Encourages out-of-Yukon and out-of-Canada expenditures in Yukon.
- ▶ Encourages markets that will extend the operating seasons for major tourism facilities (improve viability and extend jobs).
- ▶ Encourages wide range of local businesses, owner operated and/or franchise (attractions, accommodation, souvenirs, transportation, groceries, food and beverage, training, entertainment, advertising/marketing, guiding). Therefore minimizes leakage of tourism dollars.
- ▶ Provides opportunities for Native involvement in range of tourism businesses.
- ▶ Helps to make existing operations viable.
- ▶ Offers potential for spreading benefits of tourism around territory.
- ▶ Strengthens peak and shoulder season markets for air access to and within Yukon.
- ▶ Meets the interests of many parts of tourism industry (wilderness operators, sport fishing, native people, YVA especially re conventions and sports, tour bus operators, campground and hotel operators, food service, entertainment and attraction operators).

- ▶ Encourages markets that purchase souvenirs (conventions, foreign fly/RV, foreign fly/bus).
- ▶ Works with marketing momentum built-up in past tourism efforts.
- ▶ Acknowledges fish and wildlife limitations of Yukon.
- ▶ Encourages a somewhat younger market overall and hence, potential for repeat visits.
- ▶ Supports increased use of Yukon as destination while recognizing reality of touring markets bound for Alaska.
- ▶ Generally does not conflict with existing major markets in Yukon that will not be emphasized (cruise bus tours or auto touring).

D. POSSIBLE DRAWBACKS IN STRATEGY 6

- ▶ Requires increased professionalism and training for many tourism industry groups. Tourism industry must be able to deliver what it promises.
- ▶ Does not substantiate tourism need for Dawson City airport although could benefit.
- ▶ Suggests Yukon change its marketing arrangements with Alaska (may concern YVA).
- ▶ Whitehorse is still a major beneficiary (conventions, sports, air gateway for adventure travel, fishing, fly/RV, fly/Bus).
- ▶ Requires airline commitments to establish schedules and capacity.
- ▶ Needs system of liability insurance for wilderness operators.

E. MAKES MORE EFFECTIVE USE OF GOVERNMENT MONEY

The level of revenues anticipated compared to public investment required results in excellent cost/benefit ratios.

Benefit/cost ratio

- Yukon Government 1.43

F. POLICY CHANGES WILL BE REQUIRED

Both the tourism industry itself and organizations within government will require policy changes. In many cases, the ground work for these policy changes have already been laid or existing policies require additional support. In other cases, new policy directions must be given and supported. Continued coordination of government policies will also be required. Frequently, the policy changes already reflect directions that you are exploring. Presented in Exhibit 4 are notes on key policy implications.

DIAND / MAINC



1000332194

Yukon

Tourism

David P. Porter, Minister