Northern Canadian Hotel Markets

A report published in February 2012 by firm HVS compared hotel operating performance in Whitehorse and Yellowknife. Overall, the two cities showed an increase in revenue per available room (RevPAR) over the past three years. However, there was a sharp contrast in operating performance, despite their comparable geographical locations (see Figure 1-1).

Local market forces explain the differences. In Whitehorse, the economy is dominated by three major sectors: government, mining and tourism. Holland America, a subsidiary of Carnival Corporation, operates Yukon cruise packages with Whitehorse as a port destination. The company owns two hotels in the city, representing 61% of the competitive downtown market in the sample noted below. The cruise profit margin makes it possible to set room rates lower. However, the renovation of two independent hotel properties pushed rates up in 2011.

Four major forces play an important role in the Yellowknife economy: the presence of government, mine development (discovery of diamonds), exploration for natural gas and oil, and the growth of tourism. Hotel rates in Yellowknife are much higher due to the absence of consolidation with the cruise industry and to capital improvement plans carried out recently in the majority of hotels.

Challenges and opportunities have been reported for future development in these two cities. Challenges include:
- Aside from the Skyy hotel, which opened near the airport in Whitehorse in 2009, no new hotels have been built in the last 10 years.
- Average winter temperatures, between -9°C and -18°C, raise concerns about a potential ceiling for corporate and leisure demand. In addition, the destinations are expensive and less accessible for individual travelers.
Opportunities include:
- Tourism has boomed as a result of the area’s unique landscape and Aboriginal and cultural heritage.
- The Northern hotel market has shown strength during recent economic uncertainty, compared to the south.

**Luxury travel company Abercrombie & Kent is interested in North America**

Abercrombie & Kent is launching a range of experiences across North America and a new brochure after seeing a 130% increase in bookings to this destination. According to Managing Director, Justin Wateridge, the company reacted to a surge in interest for North American holidays, primarily due to stunning scenery, a plethora of wildlife adventures and the natural features of national parks. According to him, this destination can appeal to families, as well as city slickers and outdoor enthusiasts.

The company offers pre-designed itineraries for small groups or customized trips. In North America, the company offers holidays in British Columbia, Alaska and the western United States. [See trips available in North America](#).

**“Becoming An Outdoors Woman” in Newfoundland and Labrador**

The Department of Environment and Conservation of the Government of Newfoundland and Labrador has launched a new program to encourage women to try outdoor activities or improve their outdoor skills. The *Becoming an Outdoors Woman* (BOW) workshop introduces women to the basics of outdoor activities such as fishing, hunting, canoeing, kayaking, outdoor survival and map and compass, to name a few.

**Quark Expeditions offers the first carbon neutral voyages in polar travel history**

Quark will offset the carbon dioxide (CO₂) emissions of its newest cruise ship, the Ocean Diamond. Travelers to Antarctica will be guaranteed a “green” experience at no added cost. The company will offset the emissions with select renewable energy projects (hydropower, wind power) and reforestation projects in Turkey, Kenya, India and China. Expeditions will offset an estimated 5,682 tonnes of carbon dioxide equivalent, which is the same as removing 1,114 cars from the road for one year, or cancelling 5,380 flights from New York to Tokyo.

**Green business model innovation in the tourism and experience economy**

New Publication
*Cases from Austria, Portugal, Denmark, Finland, Mexico, Norway, Sweden, Iceland, Russia and South Korea*

*Nordic Innovation Publication, May 2012*

The report gives clear descriptions about how companies can work with green innovation and list a number of simple questions enabling companies to embark on the process.


**Former mining town in Norway wins a Tourism for Tomorrow Award**

The town of Røros, UNESCO World Heritage Site, won the *Destination Stewardship Award* from the World Travel & Tourism Council with its multi-stakeholder approach to creating a sustainable tourism destination. Since the end of mining in the late 1970s, Røros has been instrumental in reversing the area’s environmental degradation, guided by a management plan that actively engages and builds cooperation among local communities, municipal authorities, and private-sector stakeholders.
ACTIVITIES

Russia at the crossroads of cultures
In June 2012, the fifth Wild Mint festival of world music attracted more than 10,000 people, despite the rain and hail. The festival was held at the Ethnomir Cultural-Educational Centre in the Kaluga Region. The main idea of Wild Mint—and Ethnomir—is to show the general equality of cultures, regardless of their level of economic development and international status.

Festival-goers have the opportunity to spend the night in an ancient Ural hut, a yurt or a tent. In addition to enjoying the music, guests can also dance the dance of the reindeer herders, savor traditional cuisine, practice Pilates, learn pottery making or Chinese calligraphy, and more. The idea behind the Ethnomir Cultural-Educational Centre is to create a huge area where visitors can experience as many cultures as possible in a few days. Festival organizers hope that Wild Mint will really become an “ethnic and cultural crossroads” in Russia.
“Let The Locals Be Your Guide” tour
McCarthy’s Party offers the Let The Locals Be Your Guide comprehensive tour of Newfoundland and Labrador. From $1,945 per person, it proposes a 12-day tour with a local guide to discover the tourist attractions from historical, ecological and cultural viewpoints. The attractions include coastal Labrador, Viking villages, Gros Morne National Park, icebergs, whales, fishing villages and more.

Teen expedition to Churchill with the Earthwatch Institute
The Earthwatch Teen Expedition Climate Change at the Arctic’s Edge has been named one of 50 Tours of a Lifetime for 2012 by National Geographic Traveler. It is offered in July and lasts 11 days. The minimum contribution requested is $3,595. Teens accompany scientists in their fieldwork (monitoring water quality, wildlife, temperature, etc.). At different times of the year, this expedition is also proposed for adults, including an igloo construction activity in winter. Travellers support the local economy by going on various excursions in the region, on land or sea, and by volunteering.

The Earthwatch Institute consists of a network of scientists, students, educators and decision makers who work together for the benefit of international scientific research. The focus is on various aspects of the environment, climate change and cultural heritage, that is, sacred landscapes and indigenous knowledge systems. Earthwatch is a non-profit organization that supports research, education and conservation around the world and has four offices worldwide, in the United States, Australia, the United Kingdom and Japan.

Source: http://www.earthwatch.org/exped/kershaw_teen.html
The march of the icebergs in Newfoundland

“Every spring, the town of St. Anthony, population 2,500, on the northern coast of Newfoundland, celebrates one of nature’s most unique migrations: the march of the icebergs. In honour of the occasion, St. Anthony plays host to the annual Iceberg Festival, a 10-day gala that puts Mother Nature’s biggest ice cubes into the spotlight.” This year, the Festival was held from June 8 to 17.

MARKETS

More Japanese tourists in Yukon last winter
The number of foreign tourists visiting Whitehorse this winter has increased, and most of them are from Japan. One travel agency saw an 80% increase in the number of reservations compared to last year. The Operations Manager for Northern Tales Travel says the increase is due to a change in Air Canada flights and more marketing in Asia in the past few years. The agency even hired six Japanese guides to interpret for the visitors. This is also a year of increased solar flare activity, which means a greater intensity and frequency of northern lights, which has certainly contributed to the increase in travel.

Are there too many tourists in Iceland's highlands?
According to a survey conducted by Anna Dóra Sæþórsdóttir, associate professor in tourism studies at the University of Iceland, 25 to 40% of hikers found the trails too busy in the central part of the Highlands. The Professor said that it was a question of expectations; people did not expect to end up in a crowd in the remote highlands. In Iceland, some popular trails are about to reach full capacity during the summer.

SUPPORTING COMMUNITIES

Discover the hidden side of Russia
Russia set up a large-scale tourism development program at the end of 2011, with a budget of $12 billion. These funds will be spent on infrastructure and marketing in 48 of the 83 regions of the country. An area of 50,000 square kilometres has been earmarked for development in the next 7 to 10 years. Vast and remote areas of the country with distinctive local cultures are being opened up to tourism by this project.

Click here to find out more about Russia’s investment project.

Sweden is spending millions to improve tourist attractions
More than 6.7 million euros will be spent on five Swedish tourist destinations over the next five years. Out of forty destinations that applied for funds, the five selected have the most potential for growth in international markets and are very different from each other. According to the Minister for Enterprise, they will be turned into a “top notch overall experience”. The destinations selected are the Åre ski resort, Bohuslän County, the town of Kiruna in Lapland above the Arctic Circle, the town of Vimmerby in Småland and the Stockholm Archipelago.
PICTURING THE NORTH

**Norwegian Wild Reindeer Centre Pavilion**
This observation pavilion won a prize at the World Architecture Festival in 2011.

![Norwegian Wild Reindeer Centre Pavilion](image)

Source: Facebook. Norwegian Wild Reindeer Centre Pavilion

**Video Pioneering People - Upholding traditions, but moving forward**
This three-minute short film by internationally renowned photographer and filmmaker David Trood portrays Greenlanders with statements from their everyday life.

![Pioneering People - Upholding traditions, but moving forward](image)

Source: YouTube. Pioneering People - Upholding traditions, but moving forward
INTERVIEW WITH A TOURISM STAKEHOLDER

Excerpts from an interview with Gord Gin, co-owner of the Yellow Dog Lodge, in the Northwest Territories. He speaks about the challenges presented by the global economic depression and why youth represents the best chance for the future.

This interview is the twelfth case study in the Signature Experiences Collection® of the Canadian Tourism Commission (CTC).

What's the biggest challenge facing your business today?

The economy. Traditionally, the majority of clients for the fishing-lodge business come from the US. With the American economy sinking, that revenue stream has reduced. So we’ve had to diversify into kayaking, hiking and environmental tours. We’re willing to try anything right now to keep the business moving forward. We’re making alliances with businesses in Germany and Switzerland as well as with other marketing partners to help promote the business. The work of NWT Tourism has been great, and they have some really good websites, but it doesn’t always translate into sales. I’m concerned that we are spending our marketing dollars in the right way. Marketing for the sake of marketing doesn’t do any good.

Have you worked with the CTC before?

Spring 2011 was the first time. I’ve usually just worked with the territorial government and private firms for marketing and promotional efforts.

Tell us more about the Lodge Life and Cultural Traditions experience in the Collection.

Lodge Life is a different kind of mindset. Once you get north of the 60th parallel, time seems to slow down. You’re not driven by the timepiece on your watch or on the wall. Instead, you’re close to nature, closer to your roots. Forget technology—people want to get out of the modern realm, forget their troubles and just look after themselves. Fishing is a big draw, but so is the opportunity to come here and spend time with friends and family. With little outside pressure on you, we also get presidents and vice-presidents of pretty big companies coming here to leave their BlackBerrys behind. Wildlife photography is special here, too: these senior executives don’t see moose and bears in their natural habitat while living in the big cities. There’s some great kayaking, and everyone seems to like the hiking. Visitors can find out about the region’s history and heritage.

What kind of travellers does your business attract?

We target primarily family travellers with small kids. Those senior executives with money to spend are moving away from the traditional vacation pursuits of hunting, fishing and photography, so the dollars are moving with them. Our philosophy is to get the young guys and girls. It may not pay off now, but in 30 years’ time a lot of them will come back.

Are there specific international markets that you can see Yellow Dog Lodge gaining extra visitors through the Signature Experiences Collection®?

Germany and Japan are two markets we’re going to target. Our association with mining in Yellowknife should also make the Australia market a good one. Australians working with mining giants like BHP Billiton and Rio Tinto can be in NWT on three- or four-year contracts.

Read the whole interview
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Supporting Communities


Picturing the North

YouTube. Pioneering People - Upholding traditions, but moving forward

Interview with an Expert