

The Amuse Abridged Nodal Framework and Gap Identification: Final Report

TIA YUKON

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Context

In 2007, TIA Yukon commissioned a business plan for Yukon's tourism industry. Four strategic priorities were identified from this work:

1. Tourism Product and Destination Area Development
2. Quality improvement of Physical Tourism Assets
3. Quality Improvement in People and Hospitality
4. Improving the Yukon's Public Infrastructure

One of the key components of the first strategy was the recommendation for nodal development. The Yukon Tourism Sector Strategy and Business Plan emphasised the need to focus on and develop key nodal or destination areas to better attract visitors to the Yukon and to support business development in key destinations.

A number of potential nodes were identified in the original phase of the TIA Yukon Business Plan, but clearly some nodes were further developed towards meeting the needs of our visitors. Dawson City and Whitehorse were two of them.

On Nodal Destinations Development

Nodal Destinations are described as a visitor gravity point with a critical mass of attractions and services that has the potential of generating higher visitor traffic, yield, occupancies and length of stay. They also act as "base camp" for other neighbouring attractions.

The nodal area concept is in response to today's market trends that indicate the desire of our customers for an enhanced and higher quality experience where visitors can access certain services and comforts as part of their visitor/adventure experience - i.e. infrastructure, day products, iconic attractions, etc.

Objectives of the mandate

The purpose of the development of the Nodal Development Framework and Gap Identification is to answer the following questions:

- What tools or frameworks can efficiently identify GAPS that decrease the Yukon's Potential Node Destination ability to reach optimal performance in Dawson City and Whitehorse?
- What projects (products and services, infrastructures or agents) would be ideal to optimise the performance of Dawson City as an efficient node?
- Who should be responsible for the creation and operation of these products?
- How do we demonstrate the viability and return on investment of identified projects in a format that meets investor requirements?
- How will this framework serve as a template for the future development of other Yukon tourism nodes?

Delivered value:

1. **The Amuse Abridged Nodal Framework:** Adapted the matrix and criteria of the requirements of a Performing Tourism Nodal Destination in the Yukon.
2. **The Gaps assessments:** Applied the matrix and criteria to both Dawson City and Whitehorse and articulated the Gaps in infrastructure and products.
3. **The Projects:** Identified, with the input of the Dawson City community working group, potential products and projects that would address the identified Gaps and challenges to the destination's development.
4. **The Business Cases:** Using the information collected from the steps outlined above, developed a comprehensive business case for the viable proposed projects/products that meet potential investor needs for financing and decision-making.
5. **The LIM:** Reviewed the current LIM and adapted it further as required to ensure its usability for Tourism Destination Development
6. **The Amuse Abridged Nodal Framework Toolbox:** Provided the Matrix Framework Tool, which, in the future, can be used in other communities who wish to pursue the Nodal Development approach to tourism growth; b) the reviewed LIM tool and its handbook.

The Amuse Team

Stephan Morency, Chief Strategy Officer, Amuse, Business, Financial and Economic Development, Strategist, Lead on business plans and Overall project leadership support

Monica Ruffo, Chief Executive Officer, Amuse, Business Leader and Marketing Strategist, Overall Project Leader

Mark Wickham, Dawson City, Business Strategist and Community leader, Dawson City working group facilitator

Michael Pealow, Whitehorse Economic Development Strategist, contributor to LIM review

Marion Joppe, PhD, Research Chair in Tourism, School of Hospitality and Tourism Management, University of Guelph, Lead on Matrix development and Gap Identification

Joseph Pine II, member of the advisory board of Amuse, best selling author and tourism consultant, (The Experience Economy, Authenticity) advisor on Matrix Development and trend forecasting.

Jane Koekpke, Whitehorse consultant, Whitehorse representative and contributor to research and data collection and review.

The Amuse Abridged Nodal Framework

Objectives:

To provide a powerful assessment framework for Yukon tourism stakeholders in order to:

1. Define the competitive ability of Whitehorse and Dawson City within the tourism marketplace;
2. Identify Gaps in the current offer for these two destinations that, once resolved, can improve their efficiencies and competitive positions; Identify what is missing;
3. Efficiently assess any other Yukon destinations in the future.

An adaptation of the Premier Ranked Tourism Destination (PRTD) Framework:

We did not recommend starting from scratch for the framework but rather adapted the Premier Ranked Tourist Destination (PRTD) Framework for the purpose of this project.

This tool was developed and funded by the government of Ontario over a long period of time and has been used and tested in dozens of markets to provide a means for tourism destinations to define their competitive position within the tourism marketplace and their efficiency as a node.

Premier-ranked Tourist Destinations must possess attributes with well above average performance.

It is a basic Matrix with an extensive list of key criteria that are grouped under three dimensions:

- 1. Product Dimension**
- 2. Performance Dimension**
- 3. Sustainability Dimension**

The Product Dimension

This dimension looks at the features that enable a destination to provide a high quality tourist experience.

Key attributes:

- Distinctive Core Attractors
- Quality and critical mass
- Satisfaction and value
- Accessibility
- An accommodations base

The Performance Dimension

The performance dimension looks at the destination's success in providing a quality tourist experience.

Key attributes:

- Visitation
- Occupancy and yield
- Critical acclaims

The Sustainability Dimension

Sustainable tourism is vital to any destination. In this dimension, the process looks at the destination's ability to thrive from tourism into the future and its sustainability.

Key attributes:

- Destination marketing
- Product renewal
- Managing within carrying capacities

Recommended Approach

To utilise the PRTD in its integral state would have required our team a full year and many more resources than were allotted to this project.

We therefore have created a simplified but efficient version of the PRTD's approach including an adapted set of tools and processes which, in the case of Dawson City, only required one month to complete. Following is a summary of the process and tools that can be used in any market.

1. **The Amuse Abridged Nodal Framework** is provided in the Toolbox section of this report
2. **The Team:**
 - a. One consultant with integrated knowledge of the Matrix using a "train the project leader" model (part time)
 - b. One project leader from the destination with integrated local knowledge and important industrial network in the community (full time)
 - c. A **dedicated** and **available** working group made up of commercial and institutional representatives of the industry. This element is the key to success in order to deliver substantial value in such short delays
3. **The process:**
 - a. Introduction to the working group of the Matrix tools and methodology
 - b. Research gathering and review
 - c. Grids and questionnaire population
 - d. Framework and grids population
 - e. Gaps identification
 - f. Gaps prioritisation

g. Recommendations

4. **The Timeline:** 4 weekly workshops with Working Group + 2 weeks of preparation.
 - a. **Week #1 and 2:** Research gathering and constitution of the group
 - b. **Week #3:**

Workshop #1: Explanation of the purpose of the exercise and demonstration of the Framework Tool, the questionnaire and the grids

Consultant week #1: Partial population of the grids and of the Framework Tool through research and questionnaire answers integration
 - c. **Week #4:**

Workshop #2: Presentation of partially populated Framework Tool and discussion of questionnaire answers for reaching of consensus

Consultant week #2: Complete field research interviews and validations on unanswered or unresolved issues and finalise Matrix
 - d. **Week #5:**

Workshop #3: Presentation of final framework and reaching of final consensus on Matrix

Consultant week #3: Gaps identification, prioritisation and recommendations
 - e. **Week #6:**

Workshop #4: Presentation of gaps identification, prioritisation and recommendations and reaching of final consensus

Research and Data

Required Data to Complete Matrix

1. Market segmentation, source of volume per segments and trends
 - o Number of visitors per segments and trends
 - o Average yield per segments and trends
 - o Average length of stay per segments and trends
2. Occupancy for accommodations and trends
3. Economic contribution of tourism to the local economy
4. Labour capacity
5. Declaration of destination in the regional complex and trends
6. Satisfaction and perception of value survey
7. Activity price and trends
8. Marketing budget

5. Consider increasing the frequency of the VES or important subsets of the VES
6. Invest in measuring satisfaction and perceived value for money of travel agents and tour operators promoting and selling the Yukon
7. Invest in an ongoing review of data published by other destinations in the regional complex (Alaska, BC and Alberta) for strategic planning and comparison base
8. Find alternative for occupancy data collections
9. Extend all researches to winter season to support development of winter offer

Data Availability

A lot of the information was either outdated, misleading or non-existent. We provided you with a summary of our assessment and comments of the general data availability in Appendix B.

Recommendations for Future Research and Data Collection:

1. Complete a psychographic segmentation with source of volume per segments (visits, yield, length of stay and potential). All data is based on origin, which is appropriate for media buy per geographical market, but is of little value when it comes to destination products development
2. Integrate into research specific important markets: MC&IT, Big Game/Trophy Hunter, Sport Tourists, Event Seekers and Cruise Liners
3. Adapt VES to segmentations and specific important markets
4. Integrate pre-sales in VES figures. Exclusion of pre-sales is very misleading when assessing yield and potential per segment

Major Tourism Industry Trends of Interest:

Economic Downturn Has a Profound Impact on Market Trends 2009-2011

The worldwide economic downturn is putting pressure on the value for money perception paradigm, resulting in dramatic effects on:

- Long-haul travel
- Length of stay
- Overall yield

Areas of growth or less dramatically affected sectors:

- Cruises: Cruise lines have to keep operations going to reduce losses by slashing their prices to maintain traffic. Alaska is still the number 2 destination in the next three years travelling intentions for North American Cruises after the Caribbean
- Domestic Travel/Neighboring Travel: While the Europeans are trading long-haul destinations for economical options within the European Union, Canadians are doing the same, opting largely for Canadian destinations. CTC is also launching a spring TV campaign to leverage the Canadian target.

Adventure Tourism is Soon Entering Next Stage of Maturity

The competitive nature of the Adventure Industry has continued to increase and will continue to do so as many larger, better-capitalised travel companies seek to establish themselves in what is perceived as the fastest growing segment of the industry.

Most adventure companies, many of which have been around for decades and have established reputations for quality and innovation, are still small and largely under-capitalised. We believe that, because of the highly fragmented nature of the adventure travel business on a global scale, coupled with its rapid rate of

growth, there will be increasing pressure to consolidate to provide better operating and financial efficiencies and to improve cost-competitiveness.

Adventure travellers are maturing and are much more experienced — they know what they want and what they can get at specific prices. They continue to look for more flexibility and are more demanding about the product they are purchasing and, thus, are becoming more fickle and less loyal.

North America was the top continent/region visited by travellers. After North America, the next most visited destinations were Mexico, Western Europe, and the Caribbean. In terms of destinations they hope to visit in the future, adventure travellers indicated Australia and Western Europe were top choices. “Hard Adventure Travellers” have great intentions to travel internationally in the future, with almost half planning travel to New Zealand, Central America and South America.

A new crop of adventure travellers is growing in importance — “GenY” travellers and even younger, the so-called “Millennials” are traveller segments to watch for destination developers and adventure travel tour operators. In 2008 Xola’s Natasha Martin conducted primary survey research to better understand the preferences and attitudes of youth who consider themselves adventure travellers. Key findings from Xola’s research indicate that GenY adventure travellers:

- Are driven by a destination priority over a budget concern: 82% determine destination first, then worry about budget;
- Travel with a specific purpose to explore and engage with other cultures: they indicate motivations which are consistent with those of Baby Boomer adventure travellers;

The adventure travel community should expect to see accelerated growth of social networks dedicated to adventure tourism in the coming months. Already some tour operators are embracing these concepts on their websites, and online adventure travel information sites are emphasising networking in their operations.

(Source: 2008 Adventure Industry Research Roundup, Xola)

Ancestral Heritage or Aboriginal Tourism Products Are Becoming a Significant Motivator for Travellers Visiting Canada.

The percentage of potential travellers to Canada who are interested in Aboriginal products is substantial in France (85%), Germany (72%), and the UK (46%).

Research clearly points to the opportunity in European markets for Canadian Aboriginal cultural tourism experiences.

European Aboriginal experience seekers are very clear on what they want and do not want in terms of Aboriginal tourism products. Products that include their participation and provide enriching experiences are highly valued, while products that are entertainment-oriented and distance the traveller from the Aboriginal people are of lesser value and interest.

Aboriginal tourism experiences can be highly motivating, but Aboriginal tourism is not a primary driver or motivation to visit Canada. It is a value-added opportunity for travellers to include in their travel plans once they arrive here.

(Source: Aboriginal Tourism Opportunities for Canada)

Internet Was by Far the #1 Source of Travel Planning and Purchasing. However, the Consumer is Becoming the Medium Via Social Media and Networking Sites

The majority (66%) of leisure travellers who are airline and hotel users now go exclusively to the Internet when planning a vacation, while 57% report making reservations online. These numbers underscore the remarkable way in which consumers have embraced this medium since 2000, at which time only 35% of leisure travellers used the Internet to plan travel and just 19% actually made a reservation online. (Source: YPartnership (formerly YPB&R/Y) 2007 National Leisure Travel Monitor™).

An April 2007 survey conducted for Expedia by Harris Interactive asked travellers where they would turn for accurate information for summer travel planning. Online travel agency was the top response

(52%) followed by family or friend recommendation (45%). Rounding out the responses were travel guide books (25%), travel community sites (19%), magazines and newspapers (19%), traditional travel agents (17%) and convention and visitor bureaus (16%).

According to the YPartnership's 2008 Travel Monitor Study, 1 out of 5 travellers have used a blog to read a review about a travel service provider. Also, while use of the Internet has stabilised, the number of people buying online travel is still growing.

TripAdvisor Media Network, launched in 2000, now receives nearly 30 million monthly visitors and is the largest travel community in the world, with seven million+ registered members and 15 million reviews and opinions featuring real advice from real travellers.

RTM predicts this consumer-to-consumer style of travel information sourcing will be one of the largest trends to affect the travel and tourism industry in the near future. Simply put, the consumer is now in control of tourism marketing.

Business Travel and MC&IT Are Looking for Cost Containment

Air travel cost and access are becoming a major issue for these travellers, especially in smaller destinations. Convenience and destination appeal remain critical factors. Cost for meeting attendees is expected to increase 8-10% in 2008 according to American Express, encouraging planners to offer short-haul destinations.

More Demand by All Travel Segments for "Orientation and Facilitation"

Lack of time underpins this trend. Regardless of the type of traveler (business, leisure, meeting, etc.) today's traveller is impatient with the process of "finding the good stuff." From preferred restaurants, to lodging, to things to see and do, travellers report frustration with having to dig through tons of brochures, websites, etc. to find travel choices. They want someone or something that gives them instant and easy information.

Online concierge services such as travelnewyork.com are proliferating as consumers seek easier trip planning where planning services are provided.

There is a national trend in the US that leads to the integration centre of concierge desk services offering complete travel planning services. directly inside destination visitor

According to US TIA's Ideal American Vacation Report released in 2007, the ideal vacation destinations for American vacation travellers are those that offer an easy travel experience, a sense of fun and adventure, and local flavour.

(Source: Randall Marketing)

Generational Shifts: Boomers Retiring, GenX in Peak Earning Years, GenY Stays Home

- Silent Generation/Matures: Travel, but limit spending, looking for "value & freebies"
- Baby Boomers: Entering their sixties! Travel tops the list of desired retirement activities. The aging population is not just a US phenomenon. By 2020, there will 700 million people over age 65 worldwide. Seeking luxury, fulfilment, bragging rights, and comfort.
- Generation X: Becoming a driving force in multi-generational travel. Entering peak earning years.
- Generation Y: Tends to stay at home, prefers to spend on electronics... "slaves to the screen". Likes adventure travel. Demands quality. Does not wait in line. Will hold largest share of consumer market by 2015.
- M Generation: Slaves to electronics and multi-tasking. Demands reinvented travel.

GAPs Assessment: Dawson City

Building on Strengths

Klondike history:

Dawson City and architecture

Performing or promising Klondike theme supporting attractions

Large range of Klondike history-related activities

Opportunities for developing distinctiveness:

Authenticity (What they imagine in Alaska, they find in the Yukon and especially in Dawson City)

History/Scenery all-in-one packages potential

Range of activities, mainly history-related, scenery-drive and on-theme shopping offers enough to motivate overnight stays:

Effective cluster around the Gambling Hall

Tombstone is promising as a cluster under development

Dawson City is somewhat a must-see when travelling in the Yukon

Gaps Identification

Product Dimension

Undeveloped distinctiveness:

No clear product positioning for Dawson City

No real core attractions

Overly dependent on regional complex

Limited offer for on-theme activities related to scenery and ancestral heritage

Specific dissatisfactions:

Quality and selection of RV rentals

Variety of outdoor/wilderness activities

Variety of accommodations

Road conditions

The underdeveloped critical mass and quality undermine current capacity to act as a competitive node:

Invisible threshold at 2 nights

Very limited range of entertainment and dining options (concentrated in the low-mid range)

No easy central point of sales

Very limited year-round or fall/winter/spring activities

Very limited accessibility:

Limited accessibility on all fronts: RV, cars, air, motor coach, Yukon Queen, bus.

Lack of organised transportation around town and to activities

Accessibility is near nil in winter

Need accommodation base upgrade:

Lack of reinvestment

Lack of options outside the town (scenery-related)

No high-end accommodations

Performance Dimension

Decreasing visitation occupancy and yield:

Downward trend both on visitation and yield (Share of visitors, absolute, % of total Yukon spending, absolute spending)

Shift in visitation toward lower yield visitors

Extreme seasonality factor for occupancy

No critical acclaims:

Few critical acclaims for the Yukon.

Only one mention of Dawson City for its Music Festival

Sustainability Dimension

Insignificant destination marketing resources:

Insignificant funds allocated to marketing

Packaging and marketing controlled by tour operators limiting ability to control length of stay and yield for visitors

Lack of independent Dawson City packages and promotion, which can attract higher yield and length of stay

Lack of conjoint heritage/scenery-related packages and promotion

Dawson City does not benefit from territorial or national budget and has an offer which is misaligned with its message

Lack of reinvestments:

Investments concentrated on the river and governmental facilities

Apparent lack of (re)investments in all other areas, especially in accommodations

Managing over capacities:

Significant labour shortage, especially for tourism due to seasonality

Important infrastructures are under stress in peak season

Gap Prioritisation

Start Turning the Wheel by Focusing on Causes

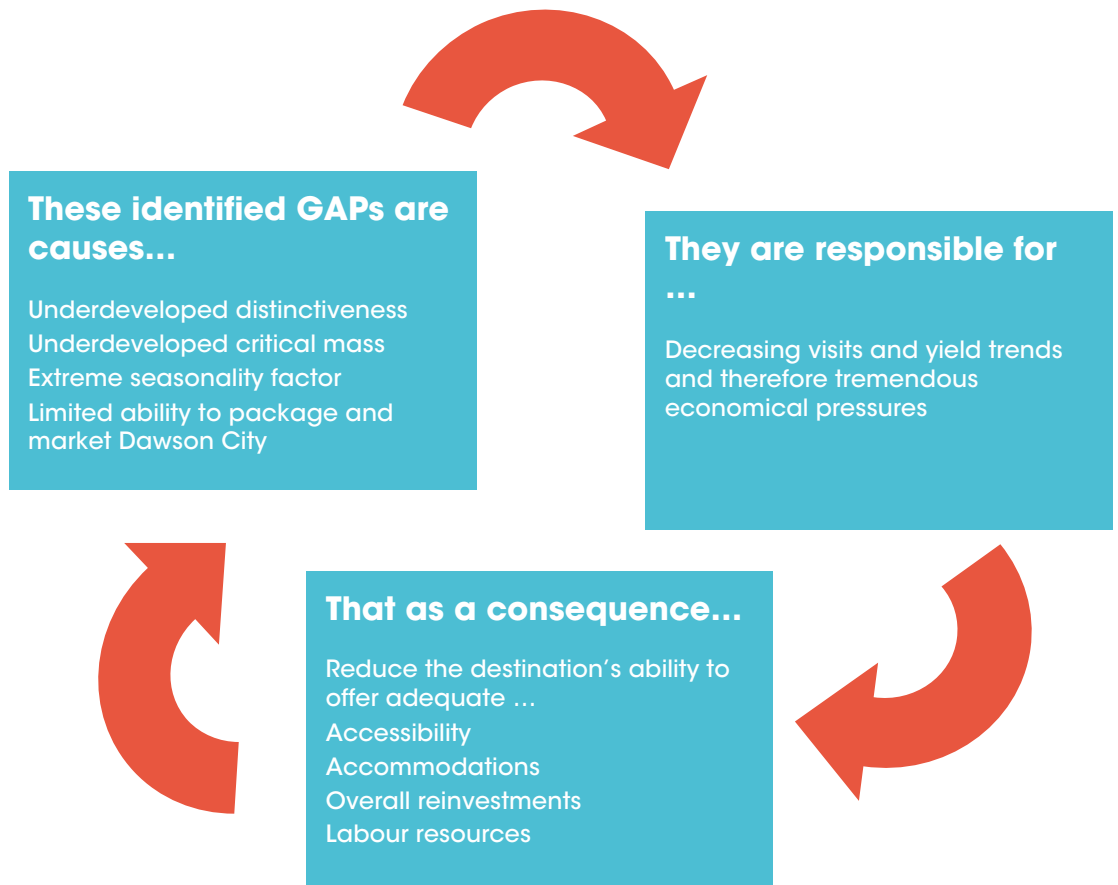
The list of GAPS for Dawson City can seem overwhelming at first glance. However, these gaps are interrelated in a causal logic.

Through interviews of the principal stakeholders, we were able to single out four categories of Gaps identified as causes of the other Gaps.

Therefore, after prioritisation, the list of GAPS that need immediate intervention were reduced to 4 categories:

1. Underdeveloped distinctiveness:
 - No clear product positioning
 - No real core attractions
 - Overly dependent on regional complex
 - Limited offer for on-theme activities related to scenery and ancestral heritage
2. Underdeveloped critical mass
 - Invisible threshold at 2 nights
 - Very limited range of entertainment and dining options (concentrated in the low-mid range)
 - No easy central point of sales
3. Extreme seasonality factor
 - Very limited year-round or fall/winter/spring activities
 - Accessibility is near nil in winter
 - Very limited accommodation base in winter
4. Limited ability to package and market Dawson City
 - Few critical acclaims for the Yukon
 - Insignificant funds allocated to marketing
 - Packaging and marketing controlled by tour operators limiting ability to control length of stay and yield for visitors
 - Dawson City does not benefit from territorial or national budget and has an offer which is

- misaligned with its message
- Lack of independent Dawson City packages and promotion which could attract higher yield and length of stay
- Lack of conjoint heritage/scenery-related packages and promotion



Strategic Recommendation

Adapt to Economic Downturn:

The worldwide economic downturn is putting pressure on the value for money perception paradigm, resulting in dramatic effects on:

- Long-haul travel
- Length of stay
- Overall yield

Areas of growth or less dramatically affected sectors:

- Cruises: Cruise lines have to keep operations going to reduce losses by slashing their prices to maintain traffic. Alaska is still the number 2 destination in the next three years travelling intentions for North American Cruises after the Caribbean
- Domestic Travel/Neighboring Travel: While the Europeans are trading long-haul destinations for economical options within the European Union, Canadians are doing the same, opting largely for Canadian destinations. CTC is also launching a spring TV campaign to leverage the Canadian target.

Recommended strategy: Convert as much traffic and direct spending from neighbouring markets and cruises by:

1. Working closely with tour operators (especially cruise line related) to improve perception of value or attractiveness of add-on packages to tap the neighbouring Alaskan cruise line market.
2. Concentrating on promoting to and offering packages adapted for Canadian travellers, and synchronise with CTC campaign for domestic travel starting in 3 months and ensure offer is aligned with marketing campaign.

3. Giving the destination the levers to adapt to the new demand conjuncture.

Primary levers

#1 Increase attractiveness of what you sell:

Design projects to bridge all "Underdeveloped Distinctiveness" Gaps

#2 Match offer with demand

Design projects to bridge all "Limited ability to package and market Dawson City" Gaps

#3 Ease accessibility to buy

Design projects to bridge the "No easy central point of sales" Gap (part of underdeveloped Critical Mass)

Secondary Levers:

#1 Develop complementary offers to increase yield:

Design projects to bridge the "Very limited range of entertainment and dining options" Gap (part of underdeveloped Critical Mass)

#2 Extend window of economic activities:

Design projects to bridge all the "Extreme Seasonality Factor" Gap

These two priorities should be regarded as important factors when designing the projects for the first 3 priorities

As an example, an on-theme dining option can easily be integrated to an ancestral heritage site experience

The Projects

The Filter for Identifying Projects

Our objective was to focus on identifying projects that:

1. Address causes of the problems not consequences
2. Are privately driven and have the ability to attract private capital
3. Have the ability to bridge the Gaps. Something that is missing for Dawson City to be an efficient Node
4. Must not accentuate other existing Gaps or create new issues
5. Attract visitors with higher yield and for longer lengths of stay
6. Can be implemented in a 12-24 months period
7. Baby steps

GAPs that Survive the Filter

(Elements in grey are GAPS that do not survive the filter)

Underdeveloped distinctiveness:

No clear product positioning

No real core attractions

Overly dependent on regional complex

Limited offer for on-theme activities related to scenery and ancestral heritage

Underdeveloped critical mass

Invisible threshold at 2 nights

No easy central point of sales

Limited ability to package and market Dawson City

Few critical acclaims for Yukon

Insignificant funds allocated to marketing

Packaging and marketing controlled by tour operators limiting ability to control length of stay and yield for visitors

Dawson City does not benefit from territorial or national budget and has an offer which is misaligned with its message

Lack of independent Dawson City packages and promotion, which could attract higher yield and length of stay

Lack of conjoint heritage/scenery-related packages and promotion

Projects Identified With Working Group

Underdeveloped distinctiveness

Limited offer for on-theme activities related to scenery:

- Guided canoe trips
- Float plane docking and packaging
- Guided hiking including luxury hikes
- Multi-day hiking including re-enactment of gold rush prospectors
- Fortymile heritage site boat trips
- Moosehide island boat trips including meals
- Combine any of above with food including game, fish, and bannock
- Arctic Circle tours - Great River Air but not dependent or motivated
- Local minibus tours including Dredge and Midnight Dome

Limited offer for on-theme activities related to ancestral heritage:

- Tr'ochek heritage site with First Nation including cultural activities, archaeological digs, fish camps, tanning, boat trip, food
- Fortymile heritage site with First Nation including cultural activities
- Healing lodge and spiritual dimensions from First Nation
- Ancient Voices lodge site upriver
- Hide-tanning: First Nation cultural experiences

Underdeveloped critical mass

No easy central point of sales for outside of Dawson City activities

- Packaging access to existing products: one-stop-shop, maybe in VIC.

Limited ability to package and promote Dawson City

Lack of independent Dawson City packages and promotion, which could attract higher yield and length of stay

- Retail activities in visitor centre
- Commissioned agent to design and market packages

Lack of conjoint heritage/scenery-related packages and promotion

- Commissioned agent to design and market packages

Opportunity Identifications

Limited offer for on-theme activities related to scenery/wilderness

Wide range of untapped opportunities identified by the Working Group

No one activity will achieve the creation of a clear, scenery/soft adventure distinctiveness for Dawson City

Opportunity:

Identified opportunity for a knowledgeable receptive operator to operate such activities that would incrementally develop the sector over the next 5 years starting with identified low capital/high yield projects

Limited offer for on-theme activities related to ancestral heritage

Good range of untapped opportunities identified by the Working Group.

Two heritage site opportunities, which could provide a wide range of experiences

Opportunity:

Identified opportunity for a nearby heritage site project, the Tr'ondek heritage site, that could achieve, as a solid corner stone, the creation of a clear ancestral heritage distinctiveness for Dawson City

Lack of independent Dawson City packages and promotion, which could attract higher yield and length of stay

Opportunity:

Identified opportunity for a Dawson City based packaging wholesale and/or retail agent that would assume an intermediary position between tour operators and experience providers to develop appealing packages that would have the power to make TO consider promotion of higher yield and length of stay packages

No easy central point of sales for outside of Dawson City activities

Opportunity:

Identified opportunity for private-driven project to provide “one-stop-shop” central point of sale for existing activities, possibly near the VIC

Recommended Projects

1. **Receptive outdoor activities operator:** Aggregated soft-day trips in and around Dawson City (treks, boat rides, fishing, etc) would bridge the on-theme activity related to outdoor/scenery and would increase length of stay and yield
2. **Tr’ochek heritage site:** A private partnership to operate tours on the Tr’ochek heritage site would bridge the on-theme activity related to ancestral heritage and would increase length of stay and yield
3. **Commissioned agent:** A packaging wholesale and/or retail agent that would assume an intermediary position between tour operators and experience providers to develop appealing packages would have the power to make TO consider promotion of higher yield and length of stay packages

Important note:

The third recommended project encountered a lot of resistance from the working group. The stated reasons were the lack of critical mass to sustain an operation of that sort and an opposition to pay commissions to this agent.

However, we truly believe this agent is crucial as it is the corner stone of our recommended strategy, and as it constitutes primary lever #2 and #3 identified by the strategy.

Since critical mass is however an issue to sustain such an operation and its economic model based on commission is being challenged, we recommend some governmental interventions to fulfil this role or to help support the start-up phase of this agent.

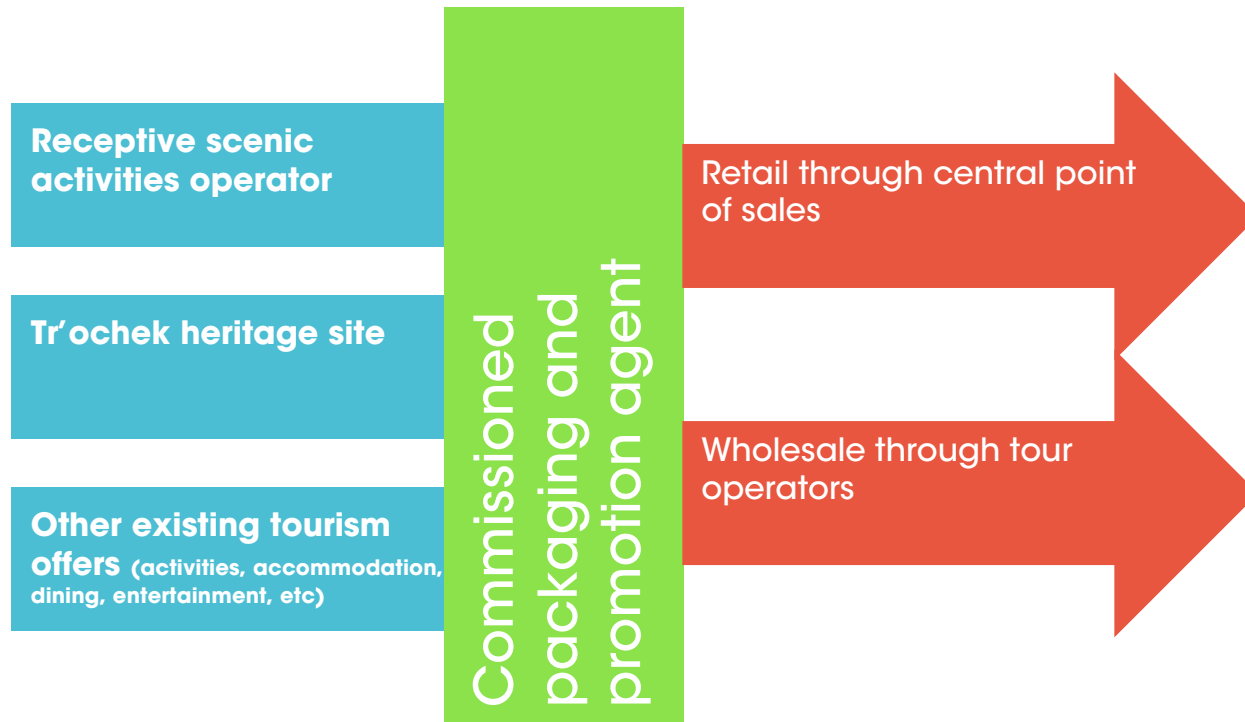
This project was however not part of the “business case” phase of the mandate as it cannot demonstrate financial rational in the current state of Dawson City’s tourism sector.

Desired Nodal Ecosystem

Increase attractiveness of what you sell

Match offer with demand

Ease accessibility to buy



Other Considered Projects:

Floatplane docking service: REJECTED

Validations:

- Research confirms \$25/day for tie-up
- \$10,000 to put in and out, which represents 400 plane-days or 4.5 planes every day for a full summer season just to cover those costs
- Required investment to build dock without fuelling capacity \$450,000

Reason for rejection: No foreseeable ROI

Arctic circle and Forty Mile site: REJECTED

Reasons for rejection:

- Creates new accessibility problems
- Does not consolidate the destination as a node

Palace Grand Theatre: NOT REJECTED – NEEDS FURTHER VALIDATION

Project: Branded theatre show that is toured for exposure and royalties

Validation: Carried interviews with Cirque du Soleil, Cirque Éloize and other national or international entertainment players to validate business case variables

Typical business case:

- 2-5M\$ investment to conceive and produce the show excluding the construction or the adaptation of the facilities
- Ideal attendance capacity: 800-1000 spectators per show
- Incidences of towns that mobilised population on a voluntary basis and produced an iconic show for 1M\$ with substantially lower cost of operations
- A significant part of the show is pre-sold to tour operators and other wholesalers

Recommendation:

Surprisingly, even if Dawson City is not the typical business case for these types of productions, well-established producers and promoters demonstrated a strong interest.

Their networks in the Tour Operators and Cruise line industry and the proximity to the Alaskan market where these operators generate masses of traffic were enough arguments to arouse interest for such a project.

We recommend investigating and packaging this business opportunity given its potential in creating a true core attractor for Dawson City and helping to bridge the “distinctiveness Gap”.

Next steps:

1. Identification and profiling of international producers (8 to 12)
2. Interviews with all of them to qualify business case requirements and industrial process
3. Interviews with governmental agencies to validate potential supports
4. Writing of the business case and commercial feasibility study
5. Validation of business case and commercial feasibility study with most interesting targeted producers and governmental agencies
6. Organise road show (inbound or outbound) with most potent producers to collect legal demonstration of interest and start negotiation with different parties (Dawson City, Government, TO, etc)

The Business Cases

The Business Cases are provided in Appendix A of this report.

Content:

Receptive scenic activities operator

1. Executive Summary
2. Complete 3 years financial forecast

Tr'ochek First Nation Heritage Site Experience

1. Executive Summary
2. Complete 3 years financial forecast

GAPs Assessment: Whitehorse

Building on Strengths

Product dimension

Substantial levers to build distinctiveness

Authenticity and Hospitality perceived as key differentiators

Strategic geographic positioning in the regional complex (Gateway to the Yukon and transit to Alaska)

Surprising range of cultural activities for size of population

Substantial assets to support MC&IT sector

Substantial assets to support sporting events

Range of activities, mainly shopping and dining options, offers enough to motivate overnight stays

Sufficient critical mass to sustain 3 nights stay

Wide range of shopping options both for commodities and on-theme offers especially adapted for FIT or RV visitors

Sound grounds for satisfaction and value

People and community

Security

Scenery

Accessibility level that supports Whitehorse positioning as the perfect gateway to the Yukon

Air: 2 frequent flight airlines

RV: well positioned in the regional complex

BUS: Greyhound full service daily

Private car: Well positioned in the regional complex

Motor coach: only 2 hours away from Skagway

Water: Port of entry in Skagway

Train: Whitepass daily experience

Gaps Identification

Product dimension

No clear consensus on core distinctiveness

No iconic core attractions

No agreement on the vision for Whitehorse among stakeholders

No agreement on the perception of Whitehorse positioning among stakeholders

No agreement on the perception of Whitehorse's competition as a destination

No clear product positioning for Whitehorse

Brand awareness on Yukon is broad but not on Whitehorse

Overly dependent on the regional complex (Alaska) in its capacity to attract visitors

Substantial underdeveloped opportunities to build further critical mass

Limited entertainment options

High-end dining options do not survive international comparison

Underdeveloped on-theme exotic dining options

Underdeveloped offer for half-day guided outdoor activities in the Whitehorse vicinity

Underdeveloped winter activities sector

Underdeveloped ancestral heritage activities

No retail central point of sales for activities

Substantial undeveloped opportunity to divert commercial cluster (Walmart) to the tourism cluster (Main Street) that would help consolidate critical mass

Commercial cluster perceived as more important in its capacity to attract visitors than the tourism cluster

Underdeveloped waterfront as an important cluster-axis between commercial cluster and tourism cluster

Specific identified dissatisfaction and poor perception of value for money

Limited Food and dining options

Lack of high-end accommodation options

Limited half-day outdoor and wilderness activities in the vicinity of Whitehorse

Missing high-end and experiential accommodation options

Wide range of variety accommodations all concentrated in the lower-mid end market

Accommodations mostly concentrated downtown. Few outside attractions/hotel clusters

No high-end accommodations

Lack of on-theme accommodations. All rooms differentiated on price not experience

Lack of reinvestment except for top 4 accommodations operators

Perceived by many as not being in line with international standards of classification

Performance dimension

While performance is good when compared to the Yukon,

Whitehorse does not capture the enormous potential of the regional complex (Alaska, BC, Alberta):

More affected by seasonality factor than other destinations in the regional complex

Insignificant share of regional complex visitor and yield

Whitehorse could benefit more from critical acclaims for Yukon and specific Whitehorse stakeholders (events, operators, accommodations)

Need dedicated resources to leverage media related acclaims into economic value to Whitehorse especially by synchronising with Whitehorse branding and communication initiatives and related package sales activities

Sustainability dimension

Limited resources and leverages to market Whitehorse as a destination

Limited offer of packages promoting Whitehorse as a sole destination

Yukon is the brand, not Whitehorse

Perceived misalignment of the Yukon overall budget and resources allocation and Whitehorse needs

Need investment in research to better support Whitehorse stakeholders in being strategic in their marketing and communication initiatives

Too much turnover in contact points serving travel trade operators leads to a loss of corporate memory

Insufficient funds to back travel operators risk

Too much turnover in service staff to get return on investment on hospitality and service training

The industry is managing over capacities

Difficult access to investment for SMBs

Retirement phase of owner translates into lack of reinvestment in SMBs

Seasonal labor shortage

Everything linked to land access is a long painful process

Airport is currently over capacity for receiving Condor's summer flights

Gaps Prioritisation

Evolving from transit or gateway destination to a Nodal base camp for the whole of the Yukon.

The strategic geographical positioning and the accessibility of Whitehorse in the regional complex explain a majority of the traffic transiting through Whitehorse.

However, these strengths have also forced a positioning on Whitehorse for lack of a better one as a convenient transit zone where visitors use and consume undifferentiated services one would normally find in urban settings (ie.: commercial district around the Walmart) and move on to a real tourism experience elsewhere in the regional complex reducing the potential for Whitehorse to generate higher yield and longer length of stay.

This reality is explained by a series of GAPS identified in the Matrix that impede the capacity of Whitehorse to benefit fully from its geographic positioning and accessibility advantage.

Therefore, after prioritisation, the list of GAPS that need immediate intervention were reduced to 5 categories:

1. No clear consensus on core distinctiveness either dissonant or not well positioned
2. Substantial underdeveloped opportunities to build further critical mass
3. Substantial undeveloped opportunity to divert commercial cluster (Walmart) to the tourism cluster (Main Street) that would help consolidate critical mass
4. Missing high-end and experiential accommodation options
5. Limited resources and leverages to market Whitehorse as a destination

Strategic Recommendation

Evolving from transit or gateway destination to a Nodal base camp for all of the Yukon:

Recommended strategy: leverage privileged geographic positioning and accessibility of Whitehorse to become the primary “base camp” destination of the Yukon by:

1. The reaching of a consensus between Whitehorse stakeholders on a strong vision positioning and message for Whitehorse
2. The increase of critical mass of nearby guided activities, entertainment, and dining options
3. The upgrade of accommodation and dining options to higher standards of comfort and experience
4. The Consolidation of both existing clusters (commercial and tourism) into one cluster-axis that lets traffic flow naturally from one to another and synergizes the existing critical mass of both clusters
5. The investment in building a brand and a message that promotes Whitehorse as the base camp for adventure in the Yukon

The LIM

The Amuse Abridged Nodal Framework LIM Handbook and Assessment Tool are provided in the Toolbox section of this report

Objectives:

This Handbook is designed to help tourism organisations that want to have a better understanding of their economic impact – and that want to be able to explain the results of their economic impact study.

The methods and tools provided in this Handbook are oriented towards assessing the economic impact of a tourism business. The concepts are, however general and may be extended to assess impacts for a collection of businesses, tourism events, or any other projects – with minor modifications to the model.

Tourism activities can bring many benefits to a community, affecting the community's identity, cultural richness and diversity, profile and, of course, its economy. At times, it is valuable to assess the extent to which a tourism activity affects a community, either for general information purposes, to raise the profile of an event or activity, to assess the return on investment for government stakeholders, or to advocate for a particular cause.

An Adaptation of the Local Impact Model Developed by the Ontario Arts Council:

It was adapted from a handbook and model that was first developed by Mark Haney for the Ontario Arts Council and later modified by Infrometrica. Since it was first developed, the model has been adapted and used for several applications: from analyzing the local impact of healthcare and health research facilities, to assessing the impact of the Alaska Highway Gas Pipeline construction and operation, to analysing the impact of residential construction in First Nation communities.

This Local Economic Impact Model has been adapted to assess Yukon tourism businesses or tourism-related organisations, but

further modifications may be required depending on the nature of your assessment. Instead of a complete and ready-to-use package, this handbook and model should be considered a starting point for your assessment.

It should be noted that there is no one “absolutely correct” way to complete an economic impact analysis as economists continue to debate various methodologies. The outputs of your model are only as good as the information that you input into the model – and that information will vary by organisation, depending on the circumstances of the organization, the tourists it serves, and the community in which the organisation operates.

For many readers, the information and concepts described in this Handbook will be new. For your convenience, words in italics can be found in the Glossary.

Recommendation:

Before setting out to apply the model, you may find it helpful to read through the Handbook once to become more familiar with the material. If your motivation for conducting an Economic Impact Analysis is advocacy-related and your work will be scrutinised, enlisting the services of an economist with experience in Economic Impact Analysis is recommended.

The Amuse Abridged Nodal Framework Toolbox

1. The Guide
2. The Stakeholders Questionnaire
3. The Inventory Grids
4. The Facilitation Presentation
5. The LIM Handbook
6. The LIM Assessment tool