

Tourism and Visitor Development in Downtown Whitehorse Executive Summary

Whitehorse
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Main Street Yukon Society
Suite 204, 4103 Fourth Ave
Whitehorse, Yukon Y1A 1H6

Executive Summary: Overview of our project on Tourism and Visitor Development in Downtown Whitehorse

Main Street Yukon is a non-profit, umbrella association of retail, cultural and commercial enterprises in downtown Whitehorse. Our priority is to ensure the ongoing vibrancy and success of the downtown core of Whitehorse

We engaged Vector Research, Halliday & Company and Mosaic Communications to support us in identifying opportunities to drive more tourism and visitor revenue for our members. Objectives were to

- Measure spend and activities of known visitors to Whitehorse, as well as visitor perceptions of Whitehorse in relation to expectations; ie., both positive and negative 'surprises'
- Identify gaps and opportunities with respect to product and packaging
- Review comparable jurisdictions to identify best practices
- Identify tangible opportunities to drive revenue
- Develop menu of measurable pilot activities that downtown businesses and tourism attractions could participate in to grow their revenues

From Sept 2011 to March 2012, the team conducted four streams of research

- Web survey of >500 non-Yukoners who visited over last 18 months
- Business interviews with wide range of downtown business, non-profit, government leaders
- Peer city research of 4 similarly sized regional cities
- Economic measures research on how best to measure and track revenue generating initiatives

Team worked closely with Main Street Yukon's steering committee to assess findings, identify opportunities and define an action plan

Executive Summary:

key findings of our 4 research workstreams

Consumer research

- Whitehorse has a powerful 'product', with 95% of visitors recommending a Whitehorse visit when they return home
- Visitors are a significant revenue opportunity, with average spend of \$1200 per trip
- Visitor spend varies widely between segments and individuals. Biggest overall segments in our sample are Friends and Family as well as Business Meetings. These two segments generate >50% of total spending by surveyed visitors
- In our survey sample, some segments have high per-visitor spend but are relatively small; e.g., guided wilderness trip, individual travellers

Business interviews

- 100% of interviewees said "Very Important" when asked if proactively taking steps were needed to attract more out-of-town visitors to Whitehorse

Peer city comparisons

- Our study of Juneau, Sault Sainte Marie, Kamloops and Yellowknife indicated strong partnerships between business, cultural institutions and local government are critical to success. Some of these cities have had major success driving additional visitor revenue

Economic measures

- Wide range of potential metrics and approaches exists, from high-level to detailed and various cost and resource implications
- For Main Street Yukon, likely a simple set of metrics closely linked to proposed revenue-generating initiatives is best approach

Executive Summary: We believe a significant business opportunity exists and we are moving forward to capture it

Based on research findings and Steering Committee working sessions, there is a significant opportunity to drive more visitor revenue

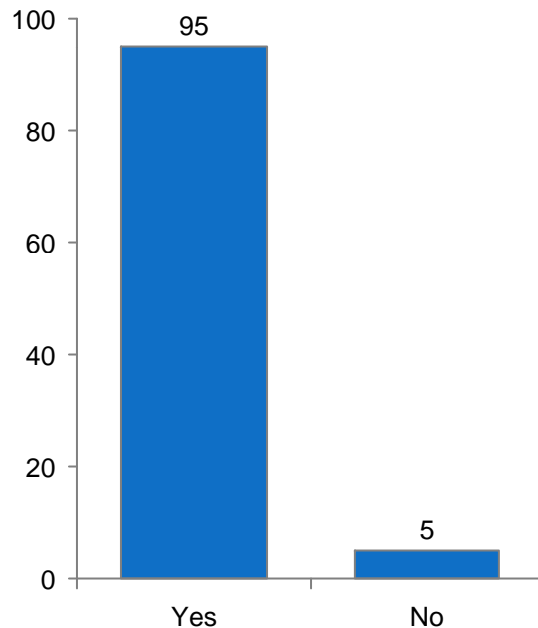
- Market opportunity: Friends & Family, Business Meetings, Independent Wilderness and sports/arts event segments, largely in BC and Alberta, represent major underleveraged opportunity
- Marketing opportunity: compared to other similar cities, Whitehorse with opportunity to improve communication of offerings as well as coordination and focus of marketing activities for downtown Whitehorse
- Product opportunity: Whitehorse with powerful natural assets enjoyed by visitors, with 68% of those surveyed visiting 3 or more day attractions and 95% recommending Whitehorse. But with opportunity to further develop day product and packages involving day/multi-day product

Next steps for Main Street Yukon are to further develop potential revenue initiatives identified, conduct some market trials this summer, and strengthen/develop Main Street Yukon organizationally

Good news overall: Visitors highly likely to recommend Whitehorse after a visit

95% of visitors recommend Whitehorse

Since your trip to Whitehorse, have you suggested to others they should visit? (% of responses)



Selected Quotes from Recommenders

"Active coffee shops, positive main street vibe, ever-changing natural beauty"

- Friends & Family visit from Sask. Spent \$150

"I love all the local crafts, the vibrant arts culture, and the fantastic scenery."

- Friends & Family visit from BC in June. Spent \$300

"Beautiful wilderness, very hospitable people, cute town with lots of character"

- Conference in June from BC. Spent \$1500

"Downtown is very easy to walk around with lots of independent stores, eateries and accommodations."

- Work visit in October from Alberta. Spent \$1600

"Mountains, the long daylight in the summer, friendly, down to earth people"

- Work visit in Jan from BC. Spent \$5000

I love the cafe and dining opportunities, and the art galleries. I love walking along the river near Whitehorse.

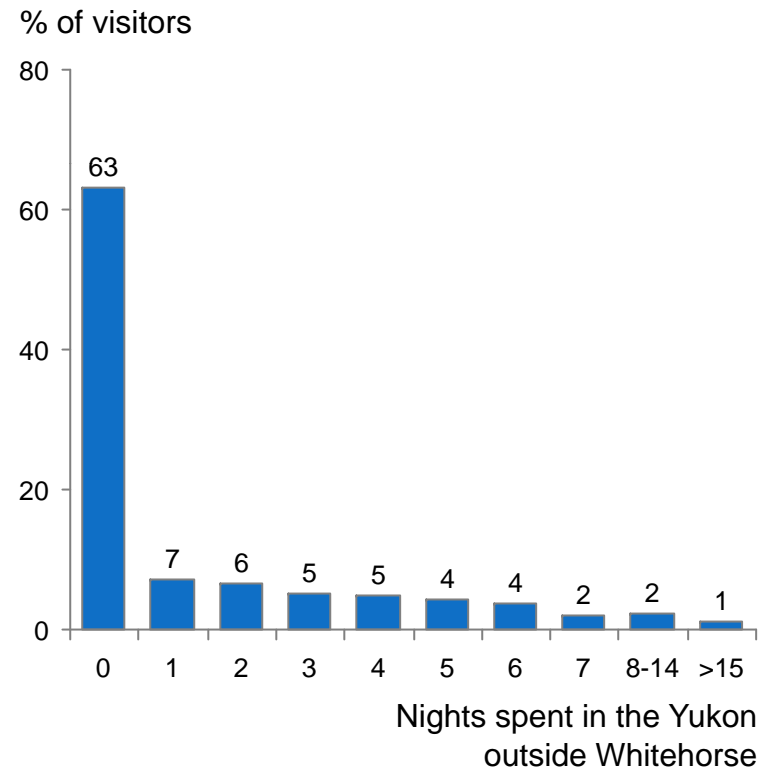
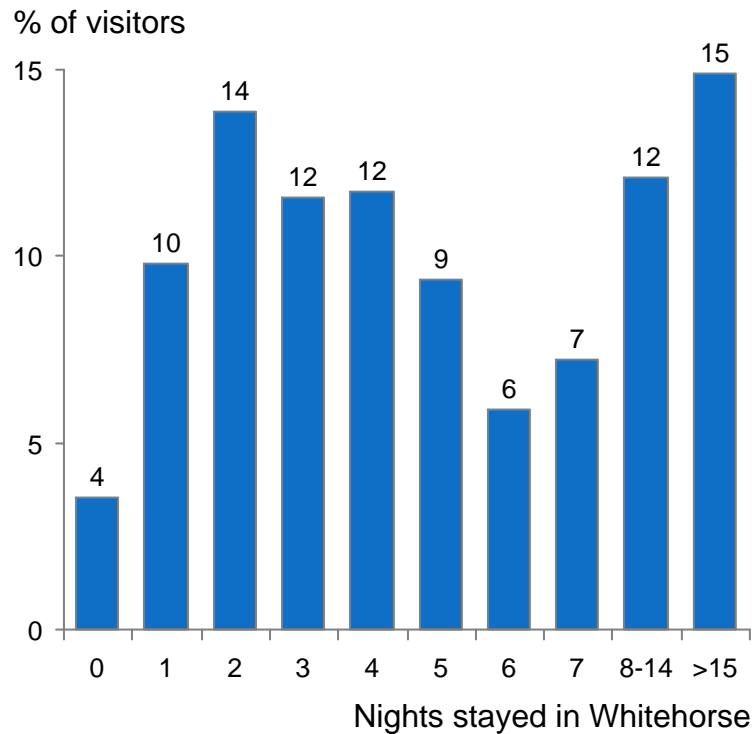
- Business meetings in July. Spent \$200

Friendly people, lots to do around Whitehorse and the beautiful hiking trails

- Friends & Family visit in Aug. from Alberta. Spent \$750

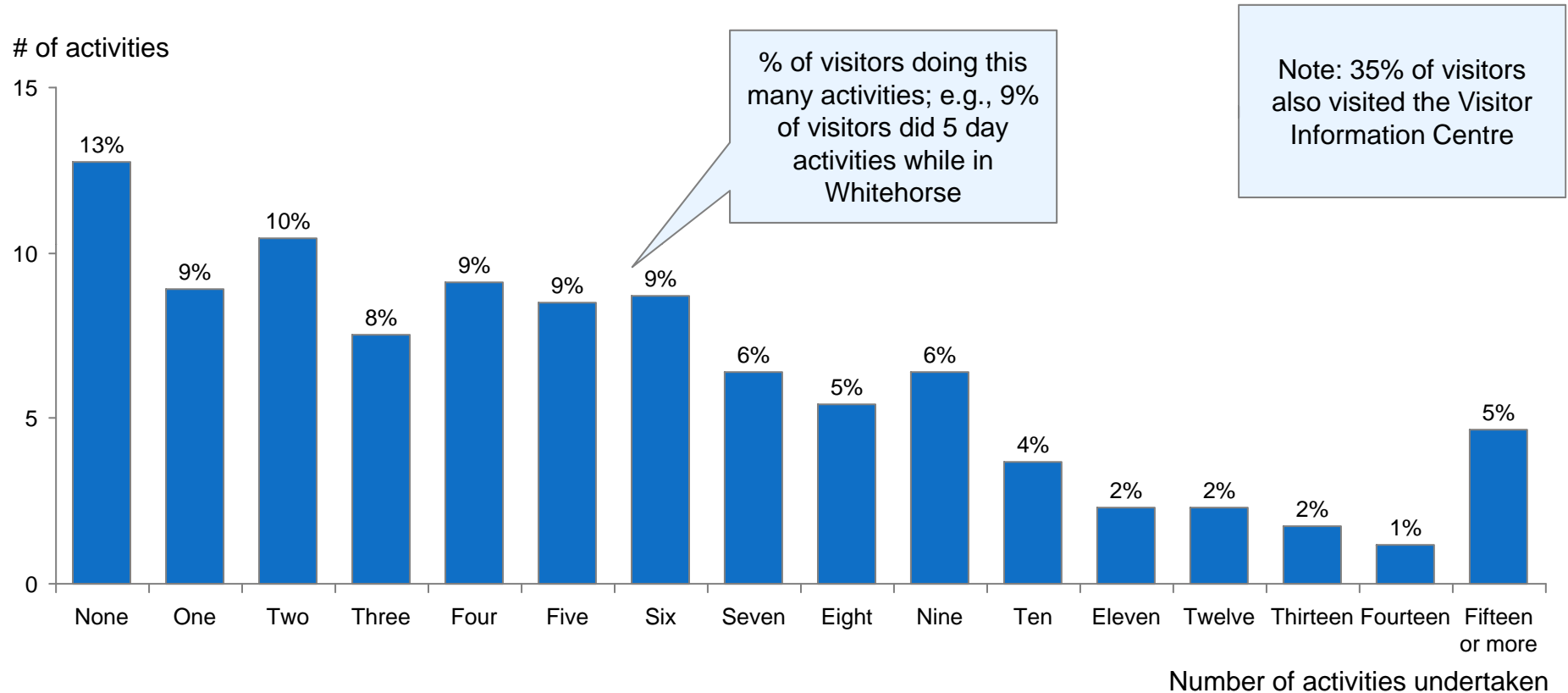
Visits to Whitehorse range from short trips to multi-week stays, with 63% staying in city for entire Yukon visit

How many nights did you stay in the Yukon? In Whitehorse?



68% of visitors surveyed did 3 or more day activities while in Whitehorse

Number of day activities undertaken while visiting Whitehorse

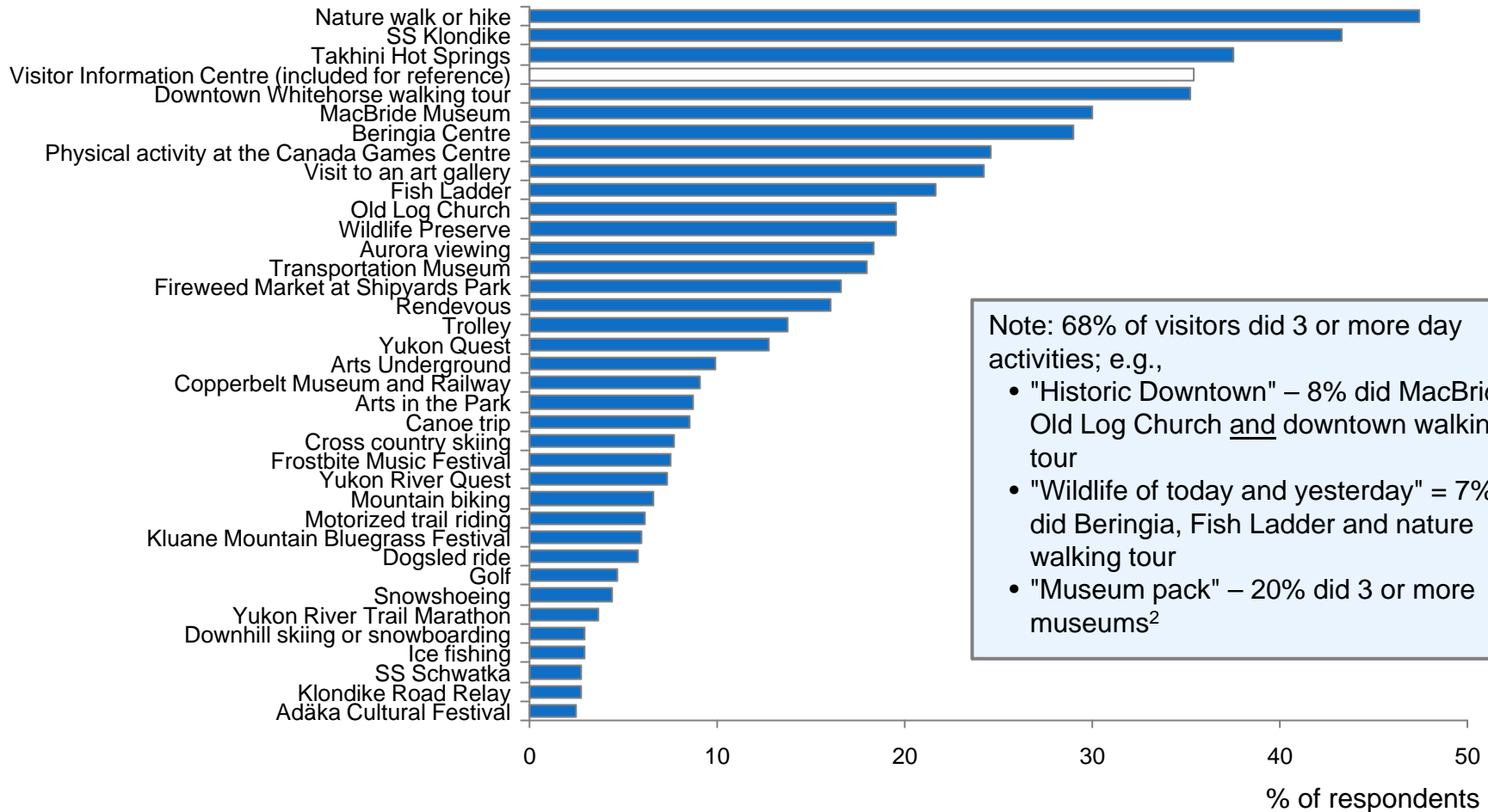


(1) Day activities and attractions surveyed were: SS Klondike, Old Log Church, MacBride Museum, Wildlife Preserve, Transportation Museum, Beringia Centre, Copperbelt Museum and Railway, Fireweed Market at Shipyards, Arts Underground, Takhini Hotsprings, Yukon Quest, Rendezvous, Frostbite, Kluane Mountain Bluegrass, Klondike Road Relay, Yukon River Trail Marathon, Yukon River Quest, Adaka Cultural Festival, Downtown Walking Tour, Nature Hike, Fish Ladder, Arts in the Park, Trolley ride, SS Schwatka, Golf, Dogsled ride, canoe trip, alpine skiing or boarding, physical activity at Canada Games Centre, motorized trail riding, snowshoeing, Aurora viewing, ice fishing, visit to an art gallery, mountain biking
 Source: Vector Research/Halliday & Company visitor web survey Dec 2011 (n=517)

Top 5 day activities were nature walks, Klondike, hot springs, downtown walking tour, MacBride

In which of the following day activities did you participate while in Whitehorse?

Day activities



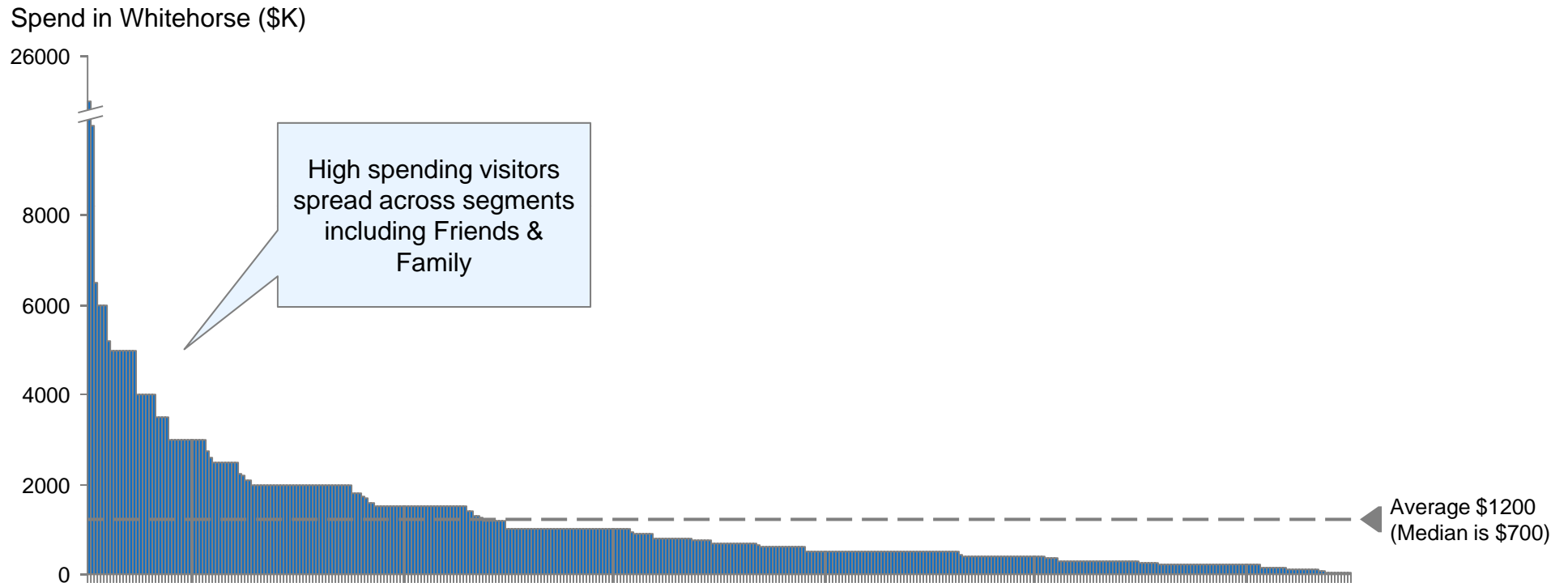
Note: 68% of visitors did 3 or more day activities; e.g.,

- "Historic Downtown" – 8% did MacBride, Old Log Church and downtown walking tour
- "Wildlife of today and yesterday" = 7% did Beringia, Fish Ladder and nature walking tour
- "Museum pack" – 20% did 3 or more museums²

(1) e.g. Miles Canyon, Grey Mountain, Fish Lake (2) e.g., Coppermoon, Arts Underground, Sundog Carving Studio
 (2) 3 or more of 6 museums : MacBride, Beringia, Transportation, Old Log Church, SS Klondike, Copperbelt
 Source: Vector Research/Halliday & Company visitor web survey Dec 2011 (n=517)

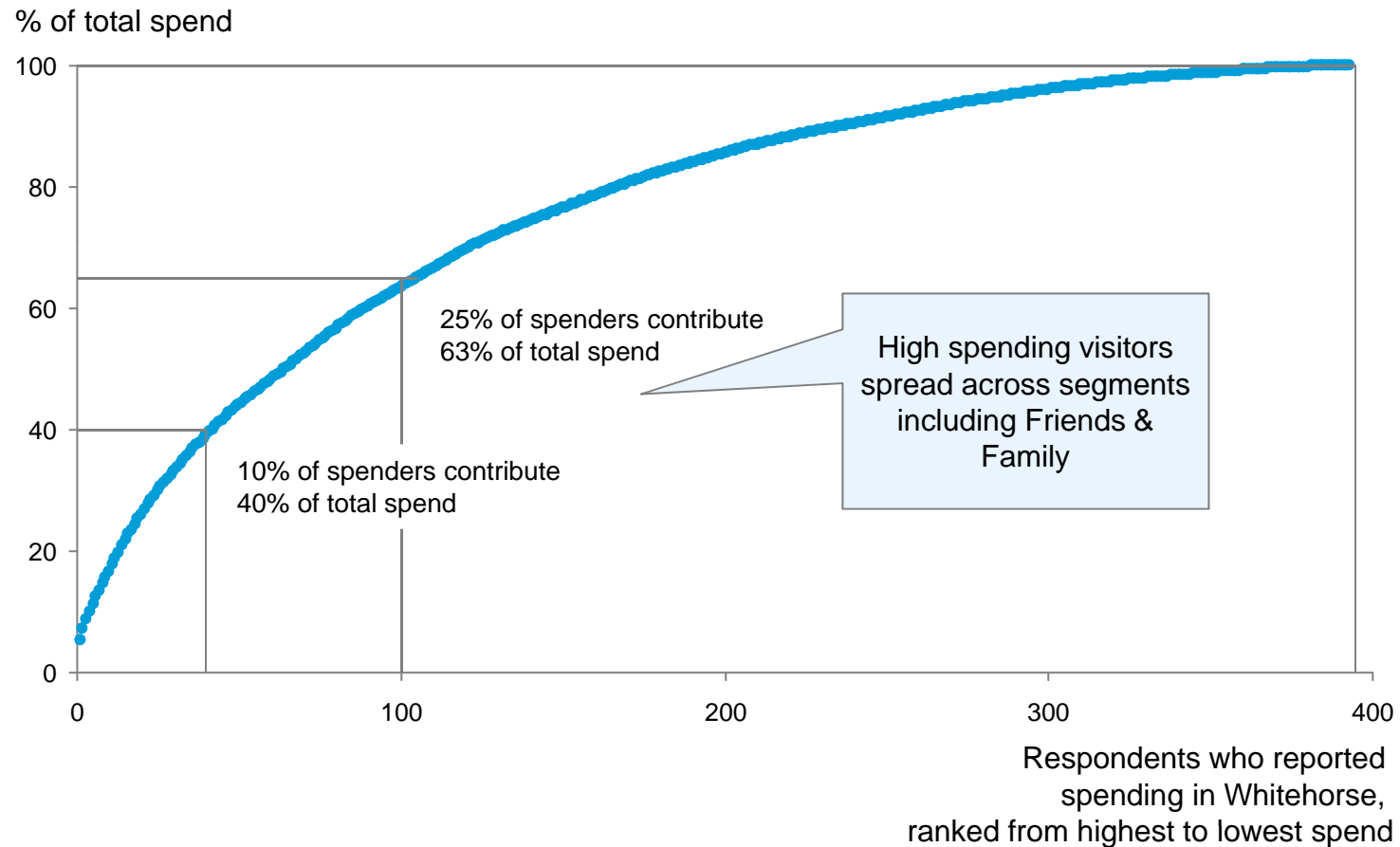
Average visitor spends \$1200 in Whitehorse, but long tail of low spenders

Spend per visitor, ranked high to low



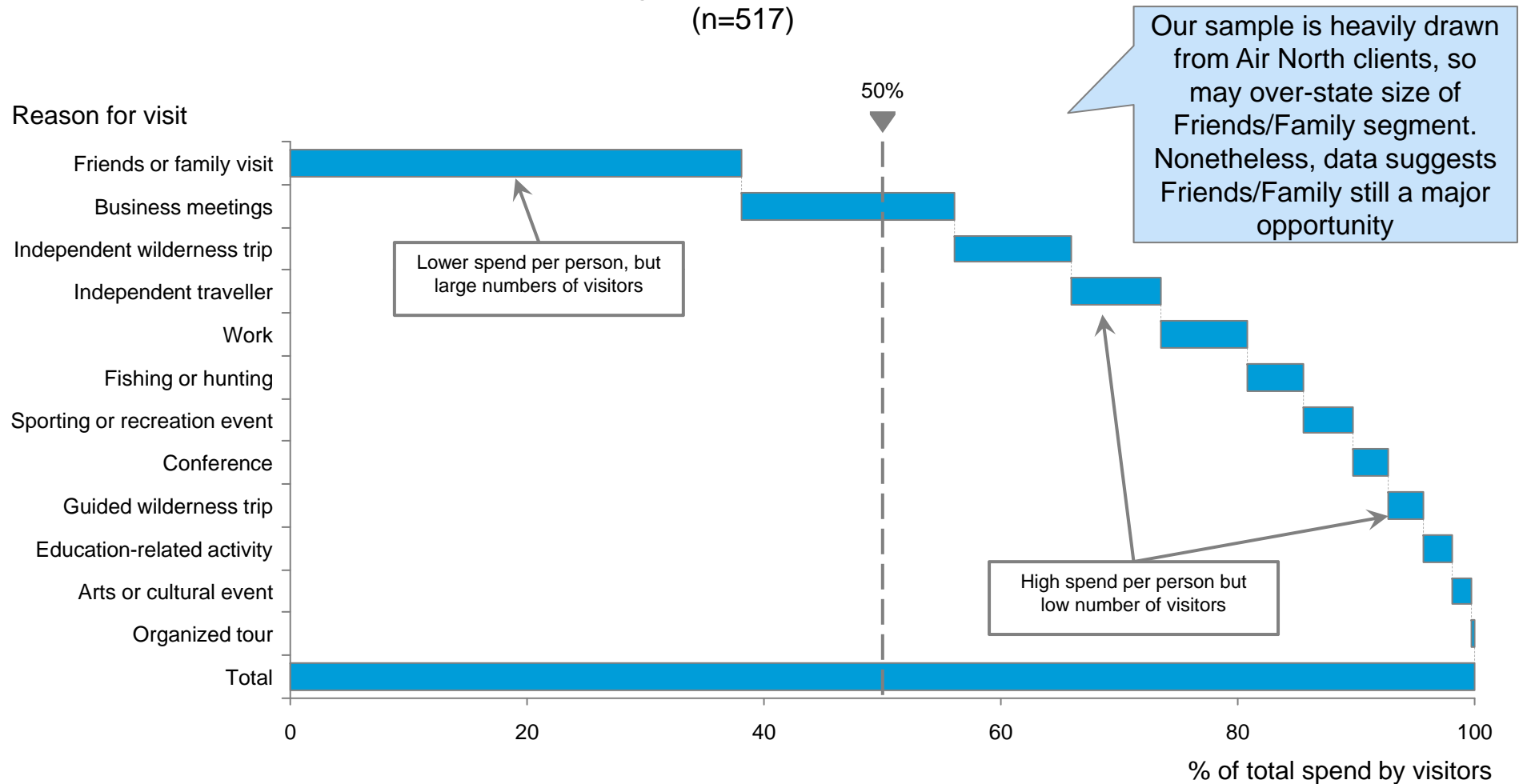
Source: Vector Research/Halliday & Company visitor web survey Dec 2011 (n=517)

About one quarter of spenders contribute almost two thirds of total spend



Consumer research: Data suggests Friends/Family and Business Meeting segments are large potential revenue pools

Total spend for each segment in Main Street Yukon web survey (n=517)

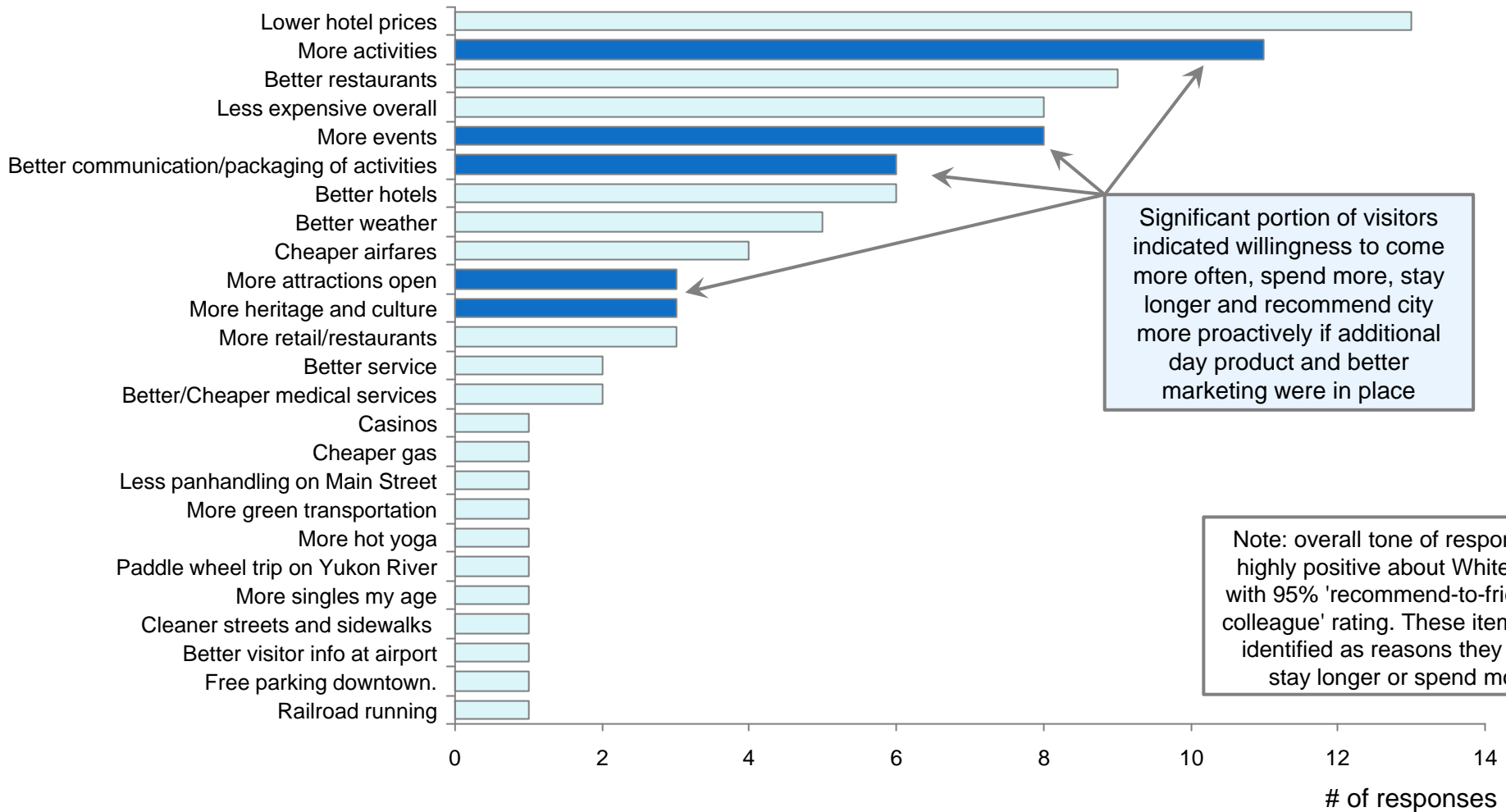


Note: Some respondents identified more than one main reason; they are included in each category marked
 Source: Vector Research/Halliday & Company visitor web survey Dec 2011 (n=517)

Visitors identified potential opportunities to drive more revenue via more day product, better packaging/marketing

If you were not limited by time, what would encourage you to stay longer in Whitehorse?

Enabler of longer visits



Significant portion of visitors indicated willingness to come more often, spend more, stay longer and recommend city more proactively if additional day product and better marketing were in place

Note: overall tone of respondents highly positive about Whitehorse with 95% 'recommend-to-friend-or-colleague' rating. These items were identified as reasons they didn't stay longer or spend more

Source: Vector Research/Halliday & Company visitor web survey Dec 2011 (n=517)

Business Research: Key findings

Main type of visitor offering Main Street businesses greatest opportunity to increase revenues:

- Meeting, Convention and Business
- Those seeking cultural and heritage experiences, vs. wilderness (or wilderness only)

“Top Three” tangible Barriers to increased visitation/revenues in the downtown core:

- Lack of “central point of sale” for attractions and experiences.
- Hours of operation that do not reconcile with visitor itineraries or schedules.
- (Tie) Removal of festivals and events from the downtown core/Parking issues.
- Top “overarching” policy-driven **Barrier** = YG marketing focus on wilderness tourism.

“Top Three” Proposed Solutions to attract more visitors to the downtown core:

- Greater collaboration between governments/associations/businesses to market MSY as an “experience” unto itself.
- Greater coordination between businesses/attractions (MSY and other) to “build mass” (i.e. planned density re: attractions vs. sporadic or unlinked placement).
- Shuttle and/or transportation link between experiences and attractions downtown (and those outside core).

“Top Three” Recommendations on how partners and MSY could tackle these main Barriers:

- Central Point of Sale: Industry-led with the support of Yukon Government.
- Hours of Operation: Industry Coordination/Collaboration.
- Festivals/Events Downtown and Parking: City of Whitehorse (w/ support from the Whitehorse Chamber of Commerce)

Peer city research: summary of research

Identified 5 cities for research, including lit search, web research and interviewing senior tourism/visitor leader

- Juneau, Yellowknife, Kamloops and Sault Sainte Marie, with lighter touch on Reykjavik as highly successful international 'beacon'
- Reviewed city tourism/visitorship strategic plans, press reports, web sites and other public documents. Interviewed one executive from each city's tourism or economic development organization

All cities attempting to attract more visitors, often with similar strategies; e.g.,

- Highlighting wilderness and arts/culture
- Special events and festivals:
- Conferences/conventions:
- Increased offline and online marketing:

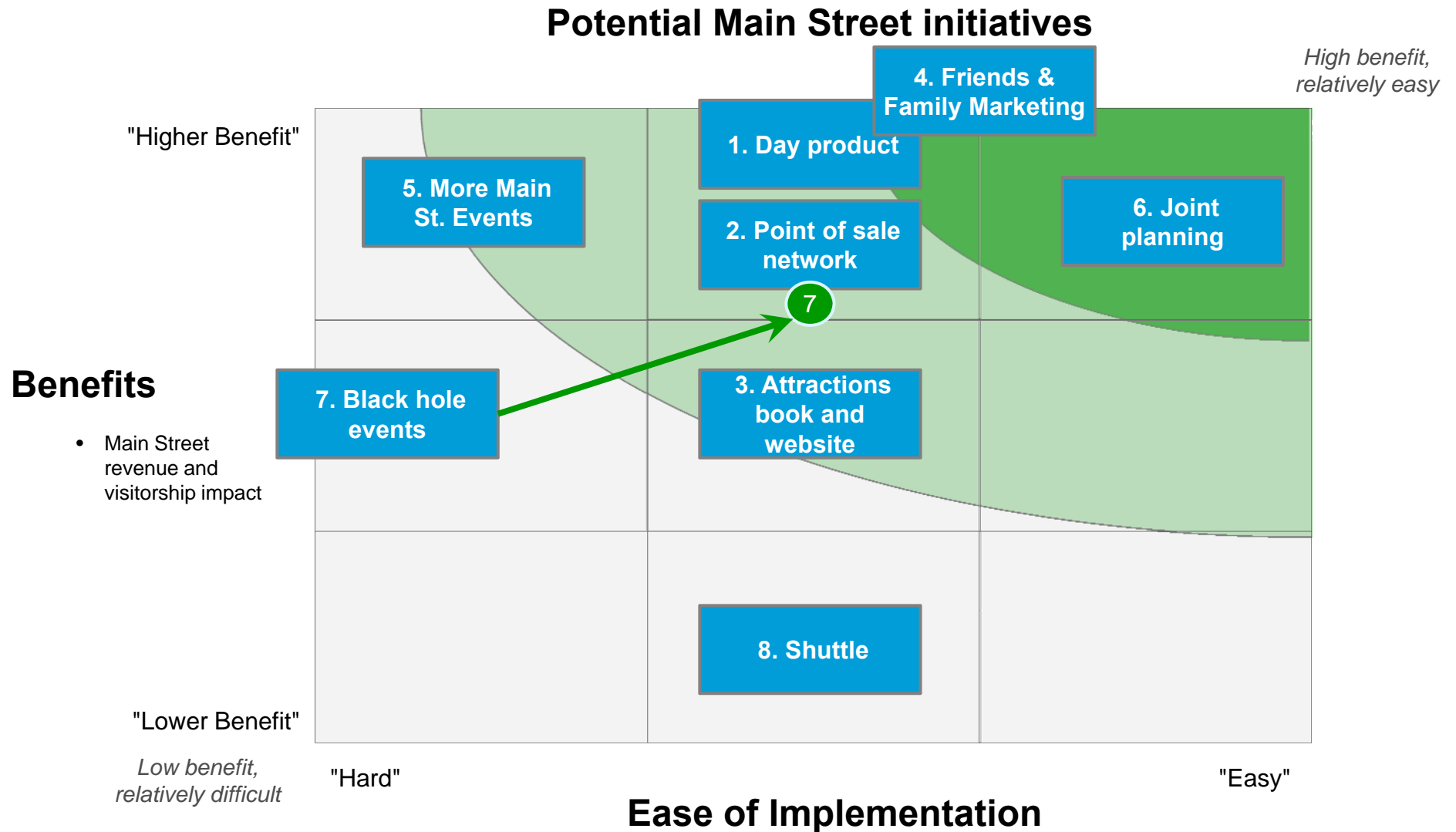
But significant differences in apparent effectiveness, driven by how their efforts are organized and resources

- Some more focused on civic core while others with broader regional objectives
- Focused organization to support objectives versus collaboration across multiple agencies
- Size and sources of funding: regional and city government grants, voluntary business contributions and visitor taxes

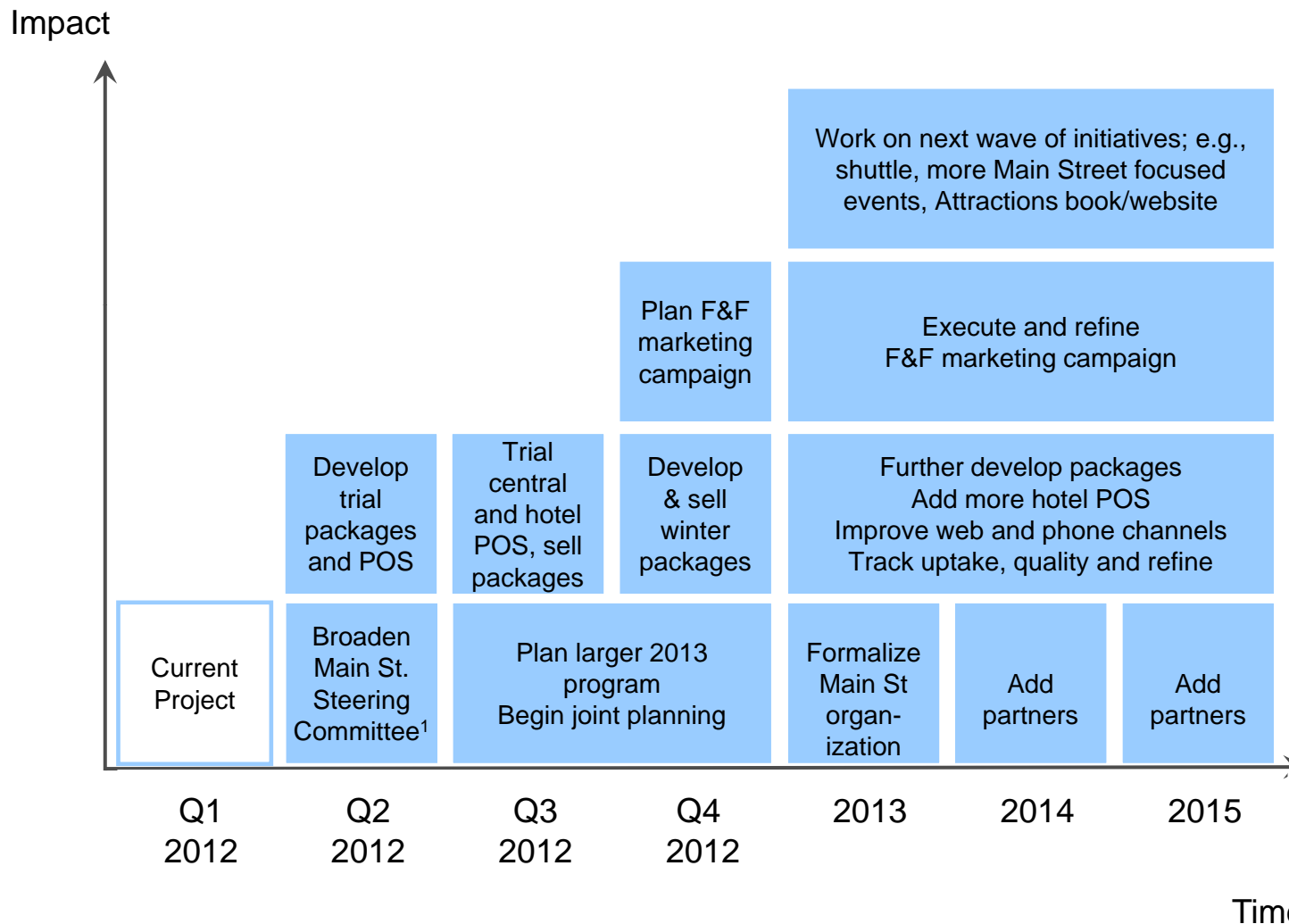
Differences in approach from Whitehorse's current activities

- Some cities with well-funded tourism/visitorship promotion activities
- Driven by organization with clear mandate focused on downtown core
- Whitehorse working on many of same topics, but with activities spread across Yukon Department of Tourism, EcDev, City Tourism team, Yukon Convention Bureau, hotels, etc
- Unlike some cities, Whitehorse with fewer package offers, shared points-of-sale

Steering Committee completed initial high-level prioritization of initiatives



Some of the priority revenue initiatives identified and potential high-level timeline for implementation



Q2 2012 Immediate Next Steps

- Broaden Main Street steering committee
 - More businesses
 - City and territorial governments
- Agree on high-level plan for 2012
 - Packages, Central and hotel POS for trial
 - Governance and roles
 - Revenue model and funding sources
- Hire contractor to develop trial packages and trial central POS (with 1-2 hotel POS also)
 - Investigate possibility to leverage Air North package and call center capabilities

(1) And detail business case and workplan for eventual Main Street organization
Source: Vector Research/Halliday & Company

Concluding perspectives: Key success factors for Main Street going forward

Opportunity for Main Street Yukon is significant

- Cities like Kamloops and Sault Sainte Marie demonstrate powerful results possible

It will require well-organized, focused effort to capture with long-term commitment by partners involved

Learnings from other cities suggest several key success factors

- Need strong industry and government leadership aligned via well-organized team. Ownership by hotel, retail and attraction leaders critical
- Need focused and dedicated resources, not 'magic time' or 'side of desk' efforts
- Revenue model is critical: 'no margin = no machine', need to maximize own revenues
- Accountability: invest in gathering data to show revenue impact for stakeholders
- Earn credibility: begin with small projects with clear success metrics, then build from there

Ultimately, most important success factor is leadership and developing strong, well-organized partnership between business, cultural institutions and government