Alberta Aboriginal Tourism Product Opportunity Analysis

Industry Canada – Aboriginal Business Canada with support from Alberta Economic Development

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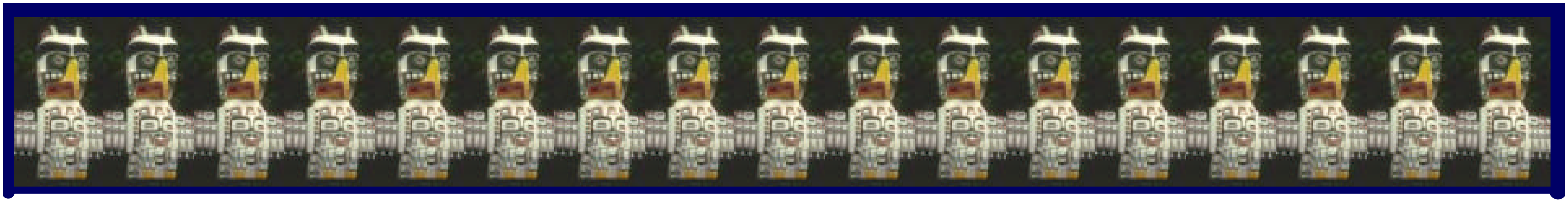
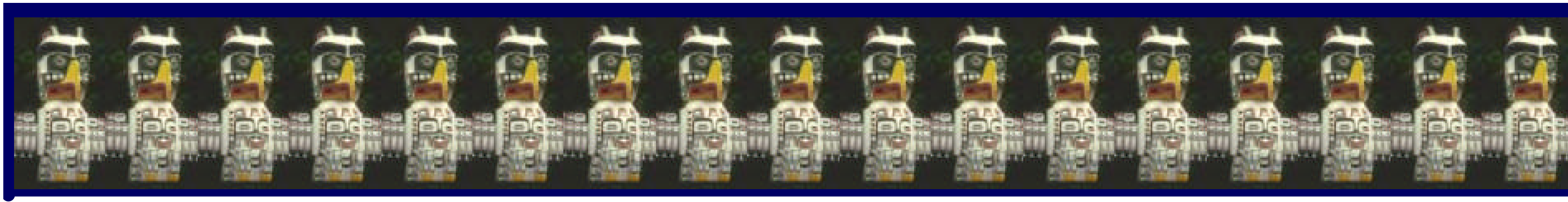


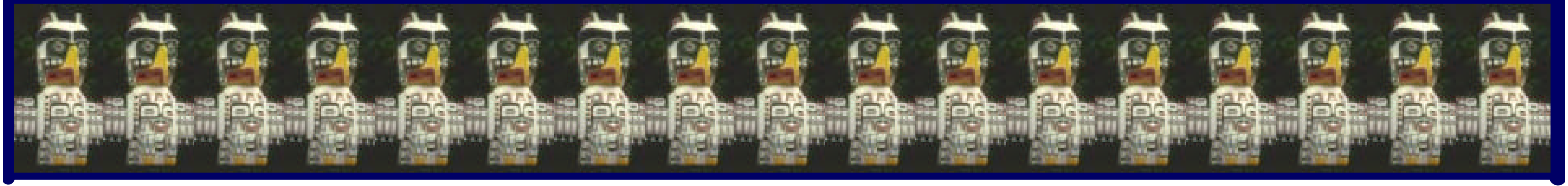
Two Target Markets Have Been Identified

- ***Primary Market – The Aboriginal Culture Segment***
  - For both the Short-Haul and North American Long-Haul markets, the Aboriginal Culture segment is defined as travellers who have either *“attended aboriginal culture experiences in a remote or rural location”* or *“attended a powwow or other aboriginal celebration”* during the past two years.
  - For the Long-Haul Overseas market, the Aboriginal Culture segment is defined as travellers who *“saw or experienced unique aboriginal or native groups”* on their most recent (long-haul) trip.
- ***Secondary Market – The Culture Segment***
  - For both the Short-Haul and North American Long-Haul markets, the Culture segment is defined as travellers who fall into the “Knowledge Seekers” segment defined as part of the TAMS study. Culture travellers are likely to have sought out exploratory vacation experiences (such as visiting historical sites and art galleries and museums) and have above average interest in visiting aboriginal cultural attractions.
  - For the sake of interest, a Culture segment was also defined for Canada’s top four Long-Haul Overseas markets – the U.K., Germany, France and Japan. Exact definitions vary by market.



Three Geographic Target Markets Have Also Been Identified

- The Short-Haul Market
- The Long-Haul North American Market
- The Long-Haul Overseas Market

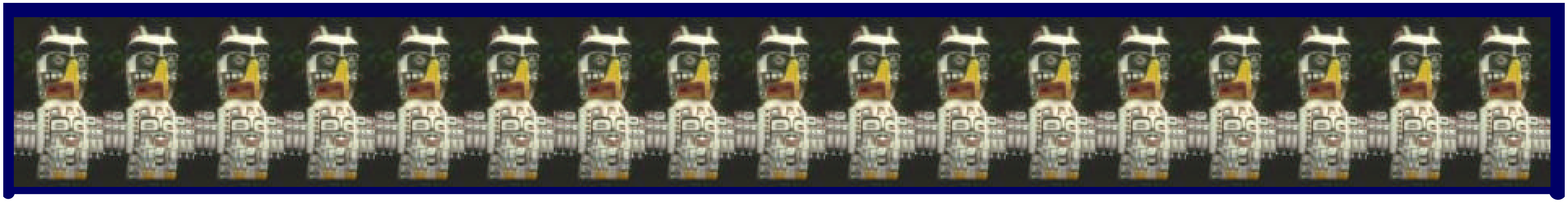


The Short-Haul Market

- The Short-Haul Market encompasses Alberta and its border provinces / states – i.e., British Columbia, Saskatchewan, NWT/Nunavut, Yukon and Montana

Market Potential

	Population			Likelihood of Visiting Alberta in the Next Two Years		Potential Expenditures (in millions)	
	Traveller Pop.	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller
Alberta	1,702,000	102,000	221,000	76,000	165,000	$9.6	$20.8
British Columbia	2,408,000	193,000	193,000	76,000	76,000	$18.9	$18.9
Saskatchewan	574,000	34,000	46,000	25,000	34,000	$6.9	$9.3
NWT/ Nunavut / Yukon	51,000	n/a	n/a	n/a	n/a	n/a	n/a
Montana	590,000	77,000	65,000	10,000	8,000	$5.6	$4.8
Total Short-Haul Market	***5,325,000***	***406,000***	***525,000***	***187,000***	***283,000***	***$41.0***	***$53.8***

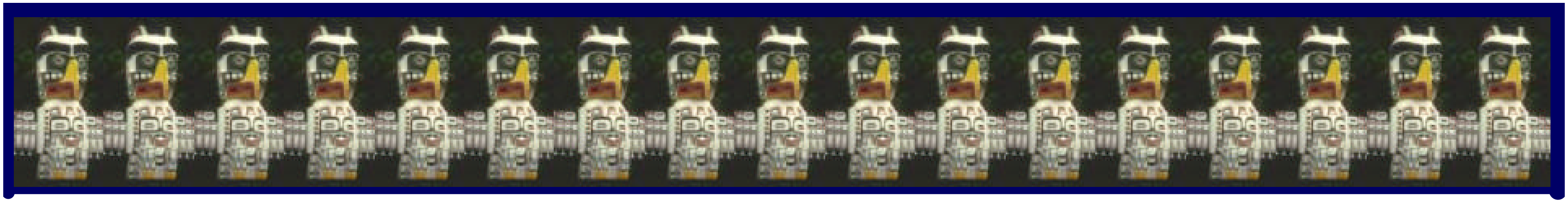


The North American Long-Haul Market

- The North American Long-Haul Market is defined as encompassing all regions of Canada and the United States that are not included in the Short-Haul Market

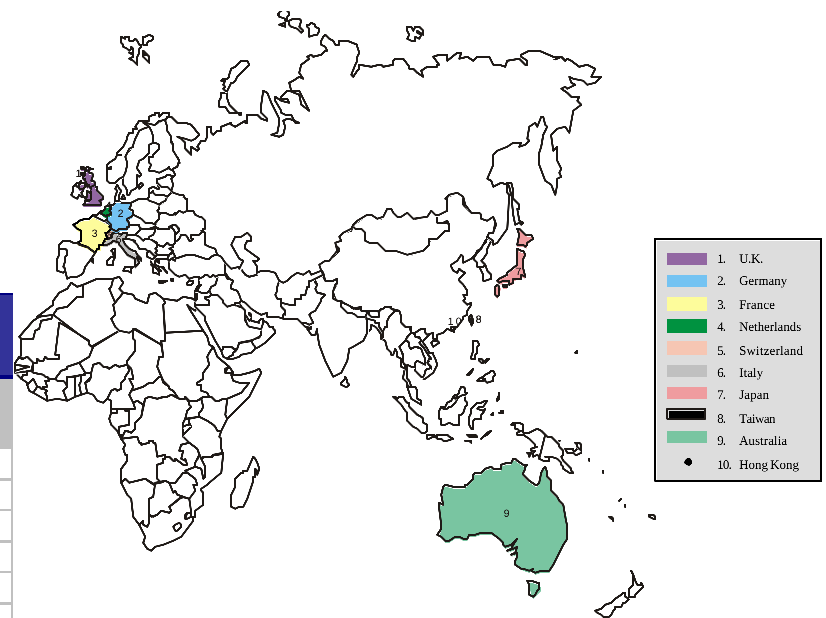
Market Potential

	Population			Likelihood of Visiting Alberta in the Next Two Years		Potential Expenditures (in millions)	
	Traveller Pop.	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller
Canadian Market:							
Manitoba	653,000	65,000	65,000	23,000	23,000	$10.7	$10.7
Ontario	6,797,000	408,000	544,000	35,000	46,000	$23.0	$30.6
Quebec	4,393,000	220,000	308,000	7,000	10,000	$3.4	$4.7
Atlantic Canada	1,404,000	81,000	120,000	6,000	10,000	$2.7	$4.9
U.S. Market:							
South Atlantic	32,766,000	3,277,000	3,604,000	93,000	103,000	$65.4	$72.0
East South Central	10,747,000	1,397,000	1,075,000	31,000	24,000	$15.5	$11.9
W. South Central	18,324,000	1,832,000	2,199,000	93,000	111,000	$74.4	$89.3
Mountain	10,328,000	1,343,000	1,136,000	166,000	140,000	$98.7	$83.5
Pacific	26,378,000	2,902,000	3,165,000	202,000	221,000	$93.9	$102.4
W. North Central	12,020,000	1,202,000	1,322,000	23,000	25,000	$11.8	$13.0
East North Central	29,233,000	2,339,000	2,923,000	82,000	102,000	$31.8	$39.8
Middle Atlantic	25,580,000	1,535,000	2,046,000	24,000	32,000	$9.9	$13.2
New England	8,558,000	685,000	1,112,000	17,000	28,000	$7.2	$11.7
Total N. Amer. Long-Haul Market	***187,181,000***	***17,286,000***	***19,619,000***	***802,000***	***875,000***	***$448.4***	***$487.7***



The Long-Haul Overseas Market

- The Long-Haul Overseas Market is defined as all regions outside of Canada and the United States.



Market Potential

	Population			Interest in Visiting Canada in the Next Five Years		Potential Expenditures (in millions)	
	Long-Haul Traveller Pop.	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller	Aboriginal Culture Traveller	Culture Traveller
Europe:							
U.K.	13,526,000	4,058,000	2,922,000	2,678,000	2,045,000	$3,107	$2,372
Germany	11,641,000	2,328,000	1,676,000	1,294,000	671,000	$1,389	$720
France	9,149,000	1,464,000	2,104,000	820,000	1,115,000	$862	$1,173
Netherlands	4,994,000	1,748,000	n/a	926,000	n/a	$957	n/a
Switzerland	2,491,000	1,121,000	n/a	706,000	n/a	$833	n/a
Italy	9,287,000	4,922,000	n/a	3,052,000	n/a	$2,963	n/a
Asia-Pacific:							
Japan	26,128,000	1,045,000	4,180,000	902,000	2,797,000	$999	$3,099
Taiwan[3]	3,269,000	294,000	n/a	680,004	n/a	$83	n/a
Australia	4,404,000	925,000	n/a	5,920,004	n/a	$753	n/a
Hong Kong[3]	2,418,000	532,000	n/a	362,000	n/a	$445	n/a
Total Long-Haul Overseas Market	***87,307,000***	***18,437,000***	***10,882,000***	***11,400,000***	***6,628,000***	***$12,391***	***$7,364***

Aboriginal Tourism Resource Capability

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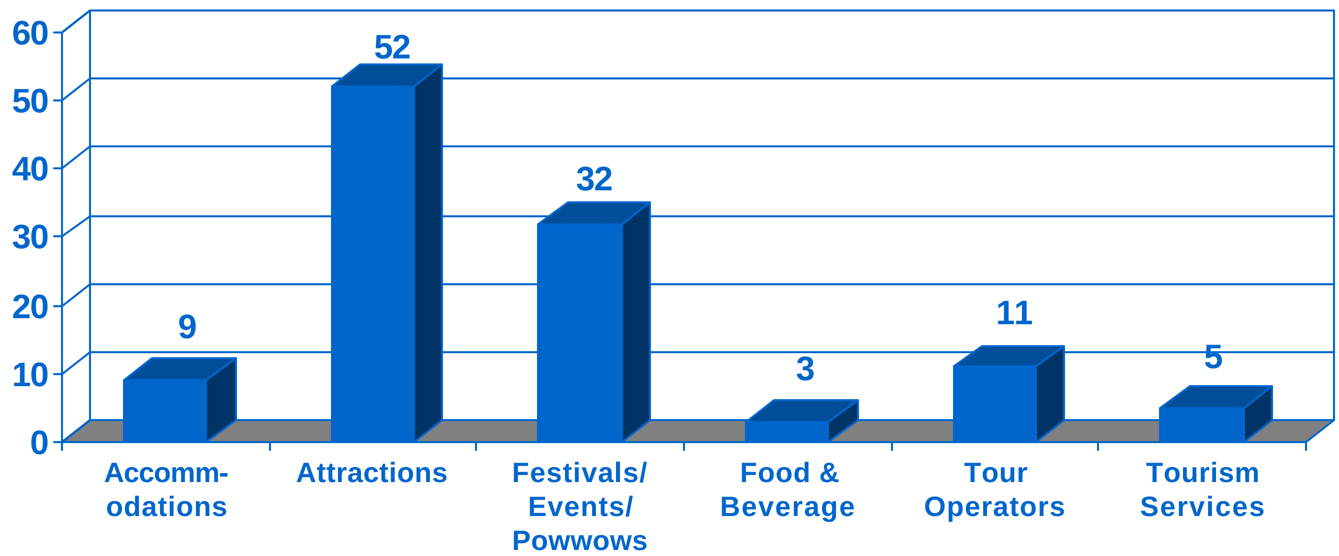
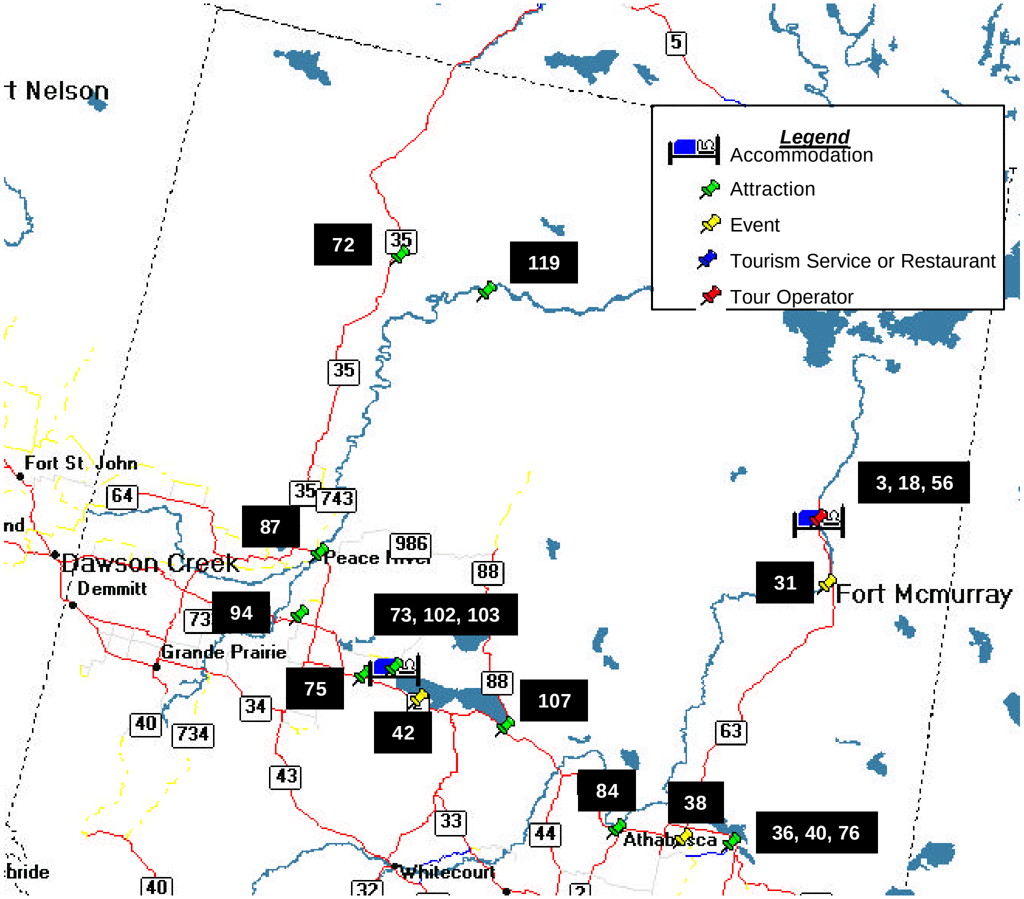
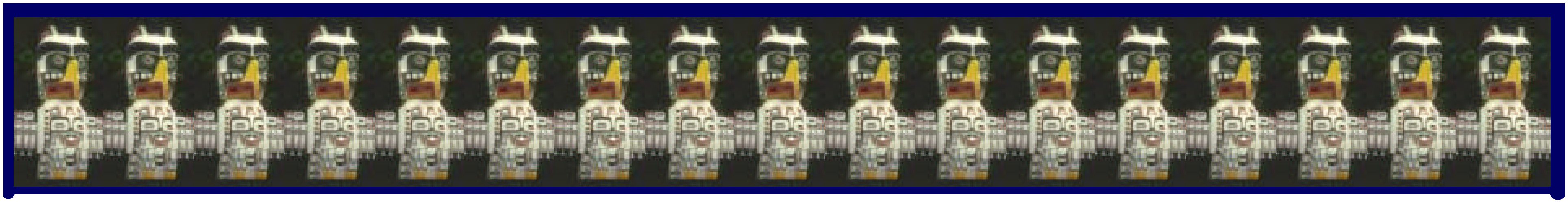
Alberta Aboriginal Tourism Product Inventory

- ***Aboriginal Tourism Definition:*** Aboriginal tourism product includes all tourism related businesses that offer an aboriginal themed experience.
- In all, there are approximately 112 tourism sites in Alberta that meet the criteria.

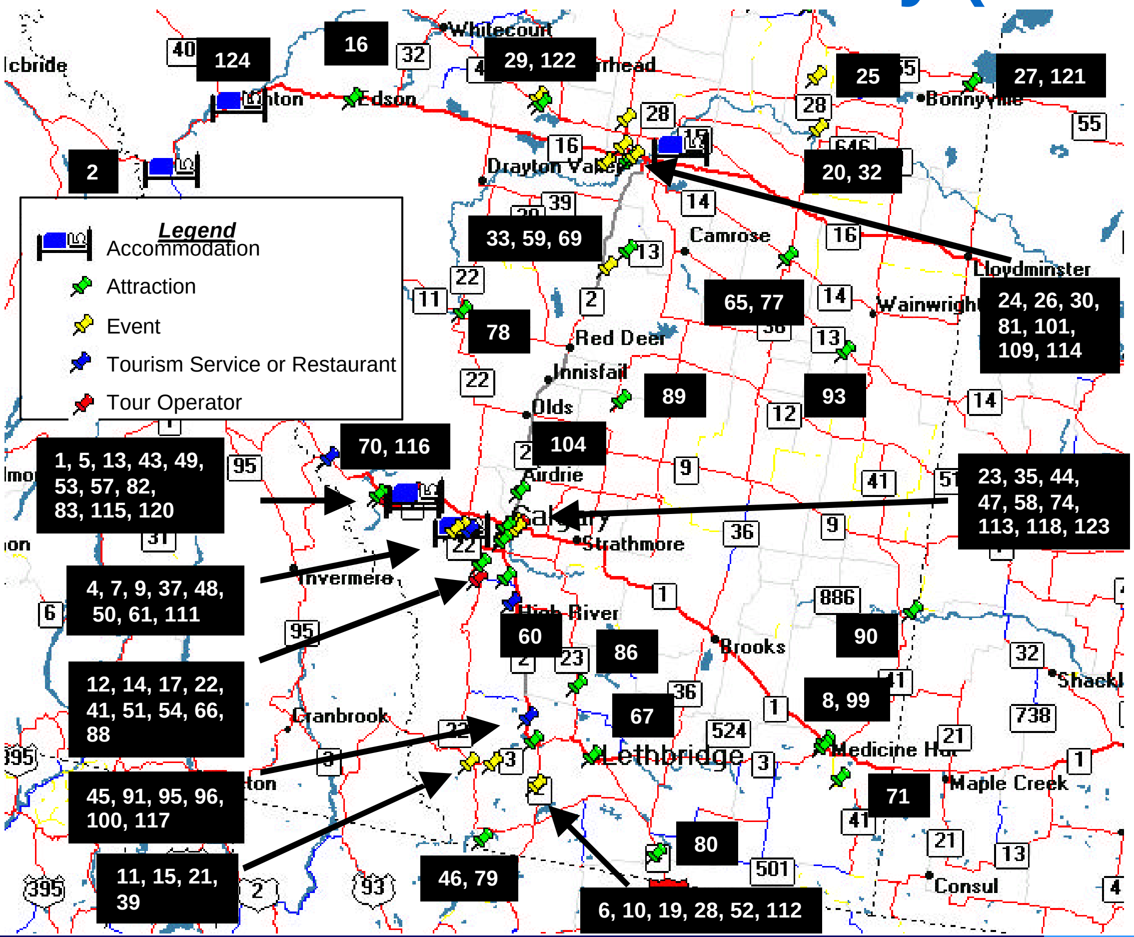


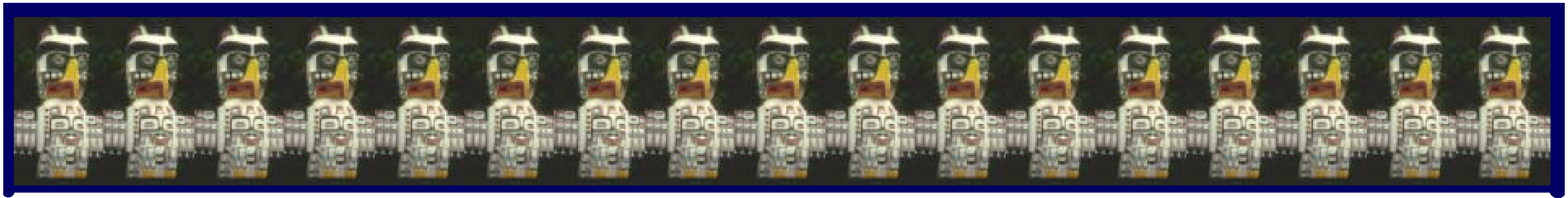
Geographic Distribution of Inventory





Geographic Distribution of Inventory (cont'd)





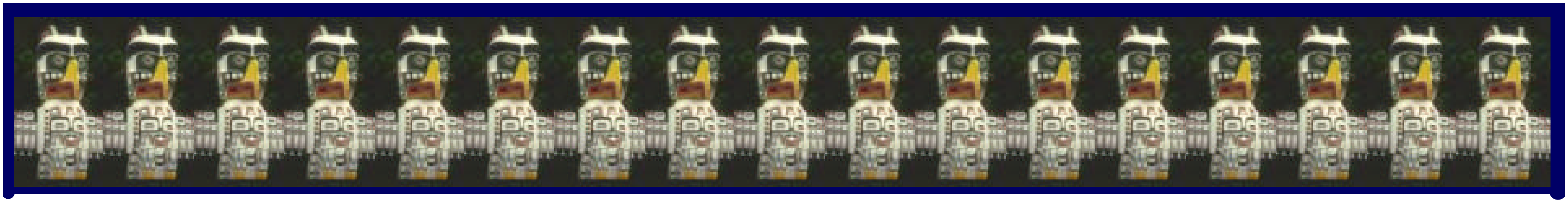
Infrastructure Analysis

- A review of both hard infrastructure – roads, accommodations and retail services – and soft infrastructure – visitor information services and marketing organizations – was performed.

- Examined the 6 Tourism Destination Regions (TDR) in Alberta.
  - North
  - Edmonton
  - Central
  - Calgary
  - Rockies
  - South

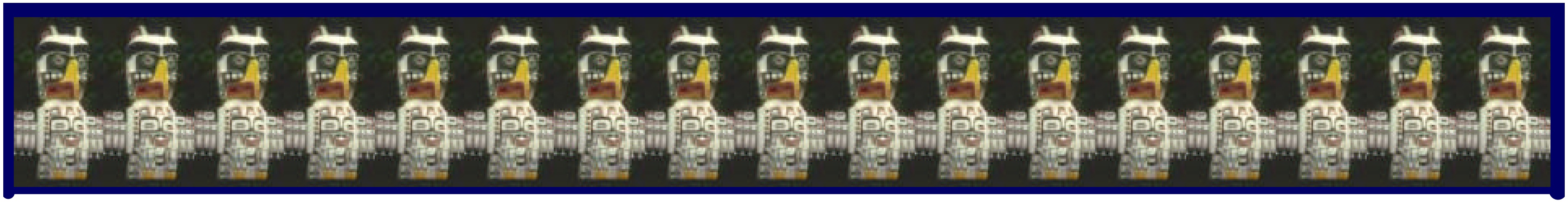
Infrastructure Analysis

- Access
  - Road and air access to and within Alberta is strong and well established to support aboriginal tourism.
- Accommodations
  - Adequate level of accommodations, with the exception of the Rockies and Northern TDR’s in peak periods and near reserve-based or remote operations.



Infrastructure Analysis

- Retail
  - There are sufficient retail and services throughout Alberta to support aboriginal tourism.
- Visitor and Marketing Organizations
  - Visitor Information Centres (VIC) and Convention and Visitor Bureaus (CVB) are well established in larger communities, those devoted to tourism and gateway communities.



Infrastructure Analysis

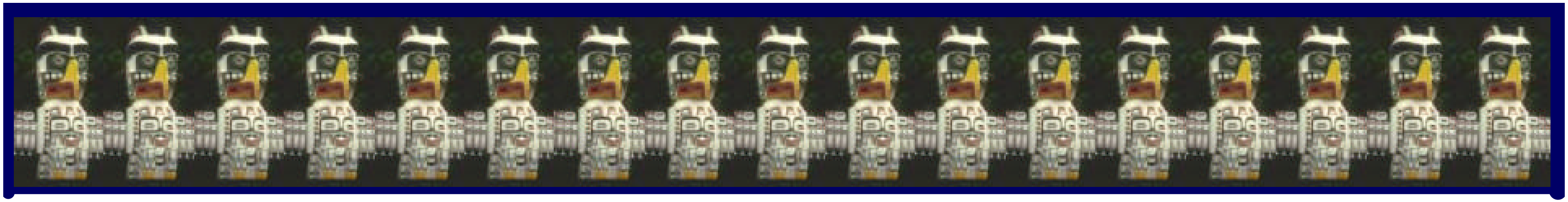
- Visitor and Marketing Organizations
  - Smaller communities and those based on reserves are lacking these organizations and support.
  - Participation in partnership marketing programs and Niitsitapi are below a level where full benefits can be realized.
  - Efforts should be made to establish locally based VIC’s or CVB’s, and enhance partnering opportunities and participation in Niitsitapi.

Infrastructure Analysis

- Technology

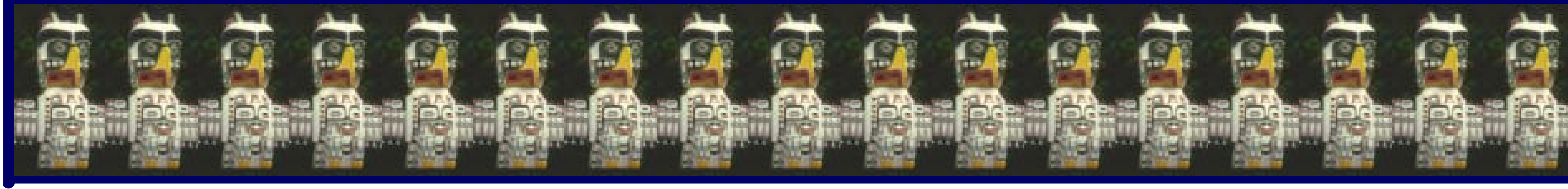
  - A high percentage of aboriginal tourism operators indicated they utilize new technologies and either maintain their own web site or market their product on another web site.

  - While operators are utilizing new technologies, the level and depth of technology use is still basic.



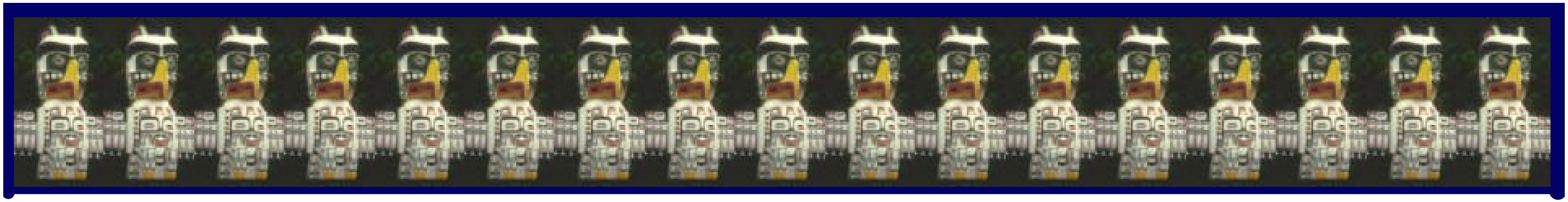
Policy and Regulatory Challenges

- Operations policies in parks
  - Restrictive use for guiding operators in national and provincial parks.
- Signage
  - Lack of signage indicating attraction noted by some operators.
  - Unwelcoming federal signage at reserve entrances noted by some operators.



Operational Challenges and Barriers

- Funding
  - Limited funding and access to capital.
  - Limited awareness of funding sources.
  - Limited knowledge of business plans needed to obtain funds.
- Marketing and Advertising
  - Lack of strong and coordinated marketing for aboriginal tourism in Alberta.
  - Need better provincial coordination and industry support.



Operational Challenges and Barriers

- Education and Training of Labour Force
  - Lack of qualified people and aboriginal-based tourism training.
  - Increase education and training on tourism and small business management, and service in the tourism industry.

Social Challenges and Barriers

- Internal Issues
  - Band politics
  - Wellness issues
  - Limited understanding of economic benefit of tourism industry and demonstrate effect of promoting their culture.
- Attitudes
  - Stigma attached to operating aboriginal tourism business.
  - Improve relationship between aboriginals and non-aboriginals through mutual understanding and respect.

Product Market Match

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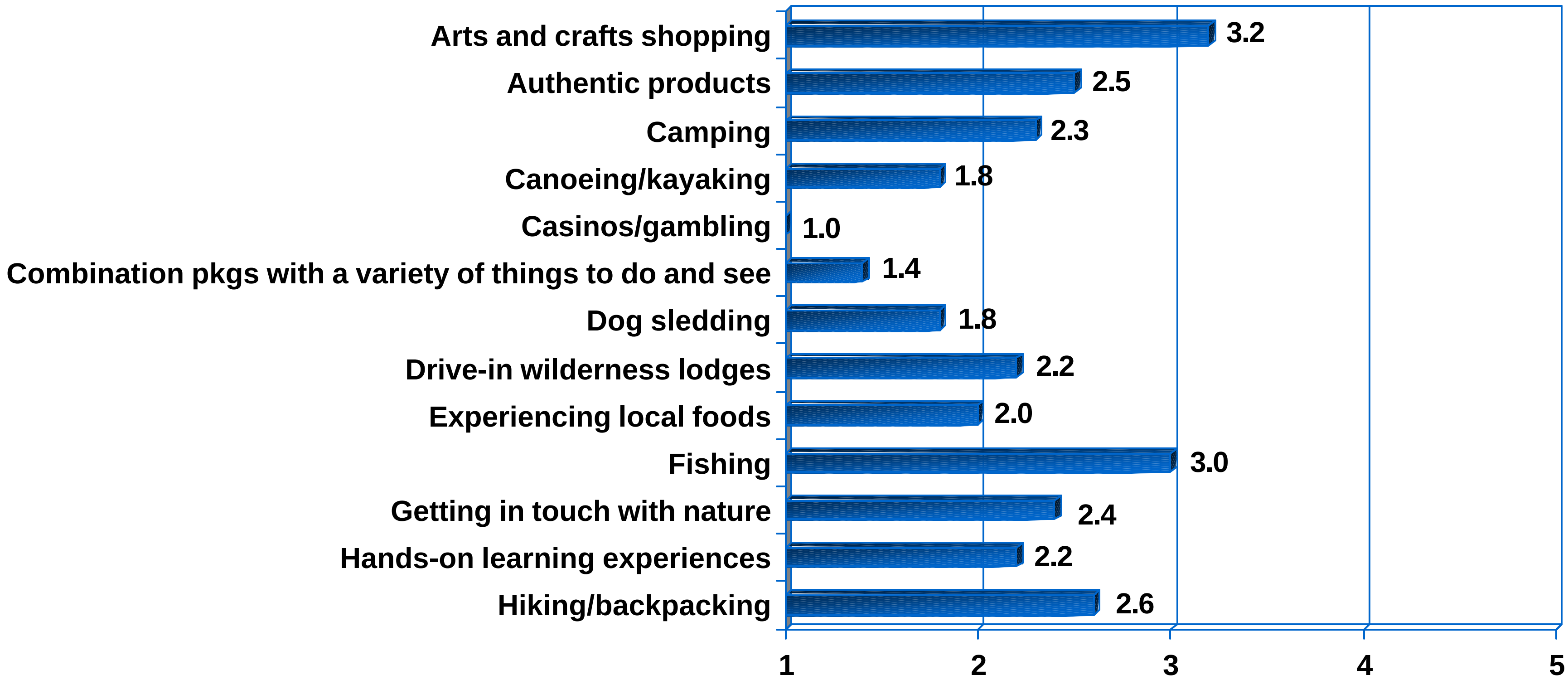
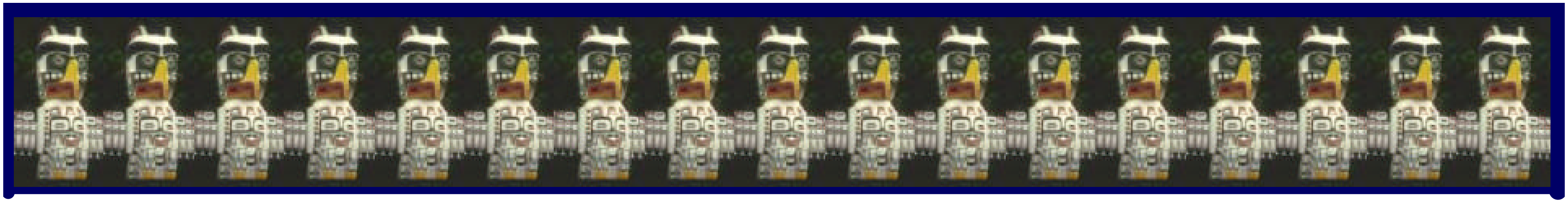
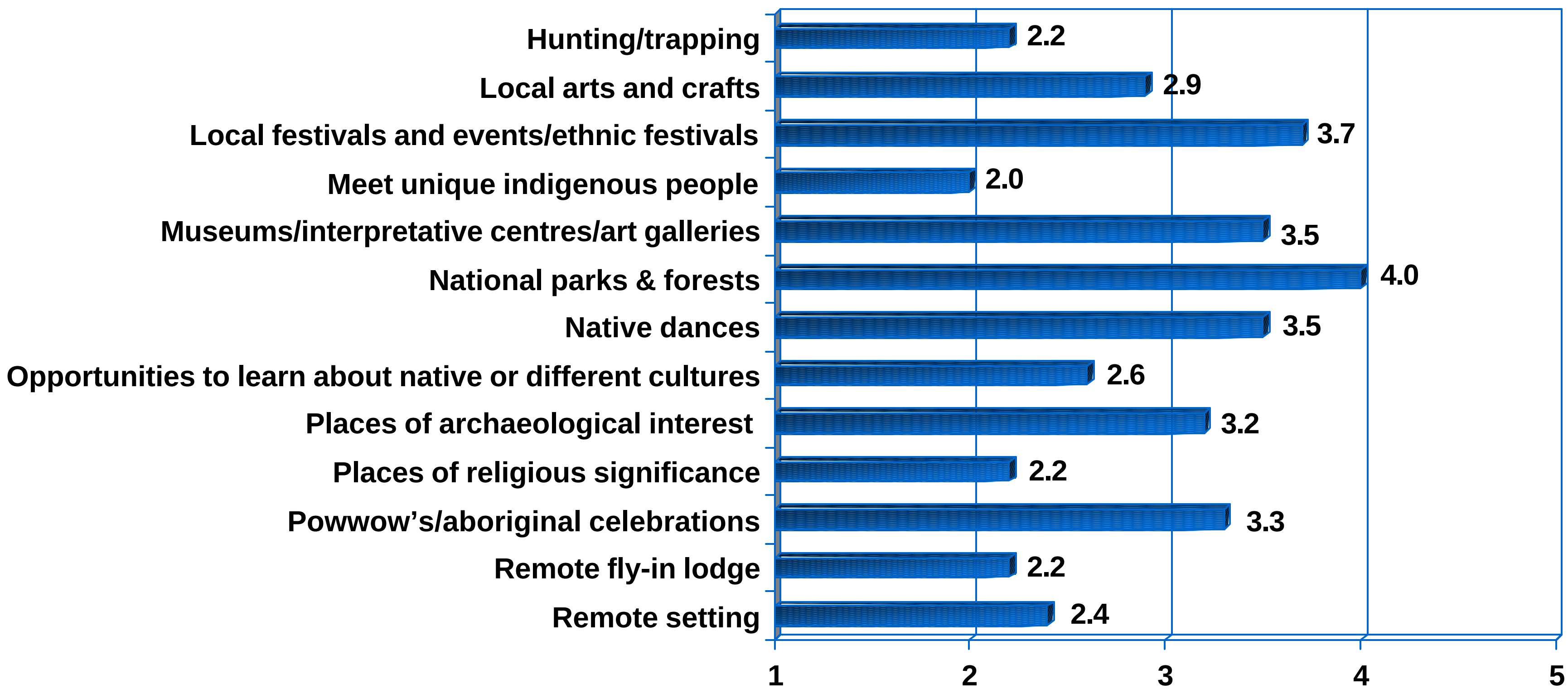
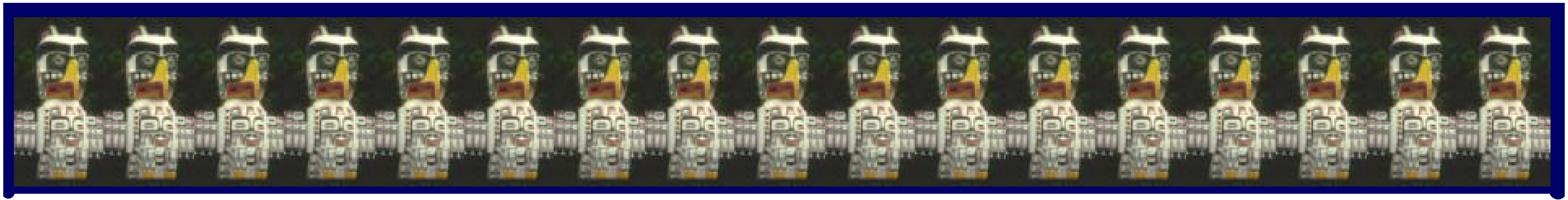
Ratings of Products in Demand



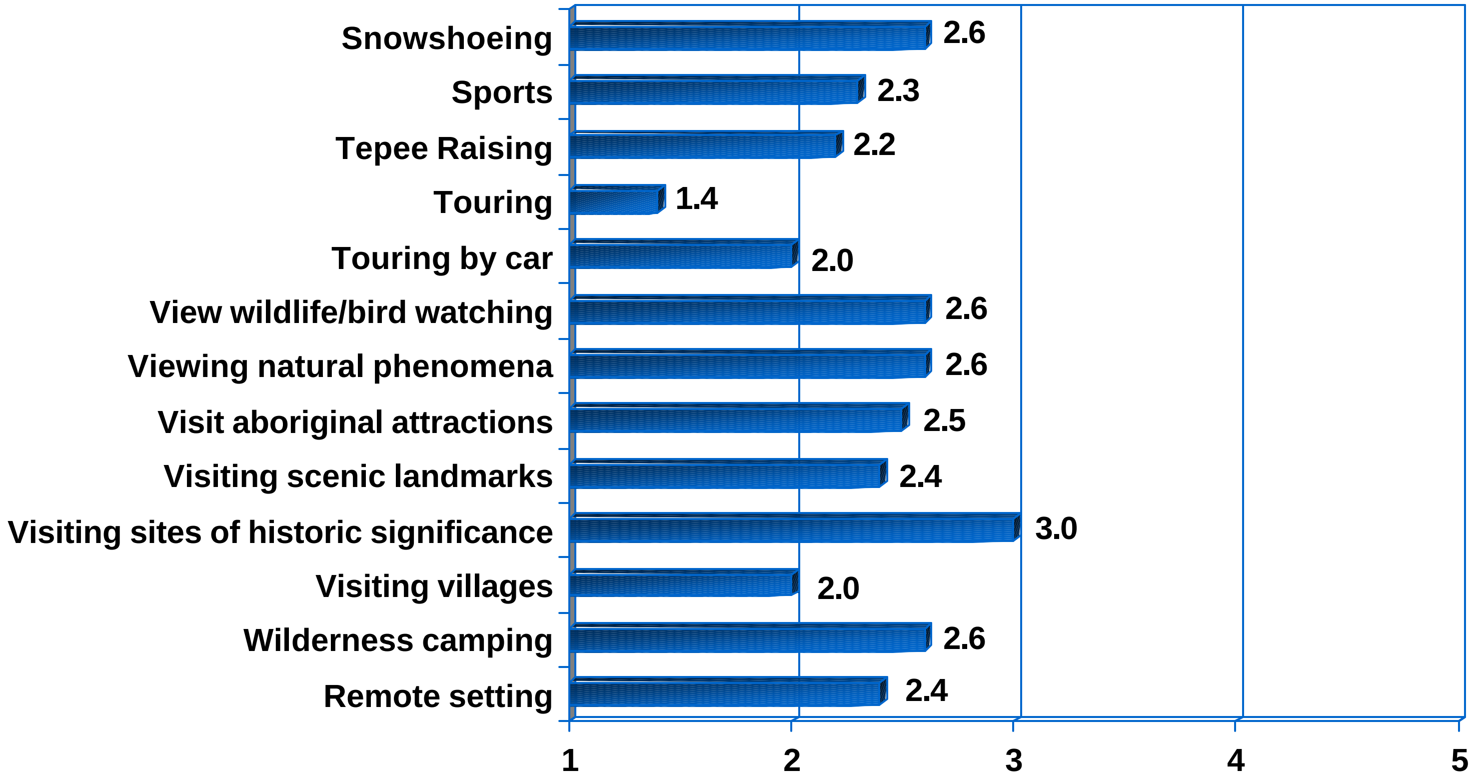


Ratings of Products in Demand (cont'd)





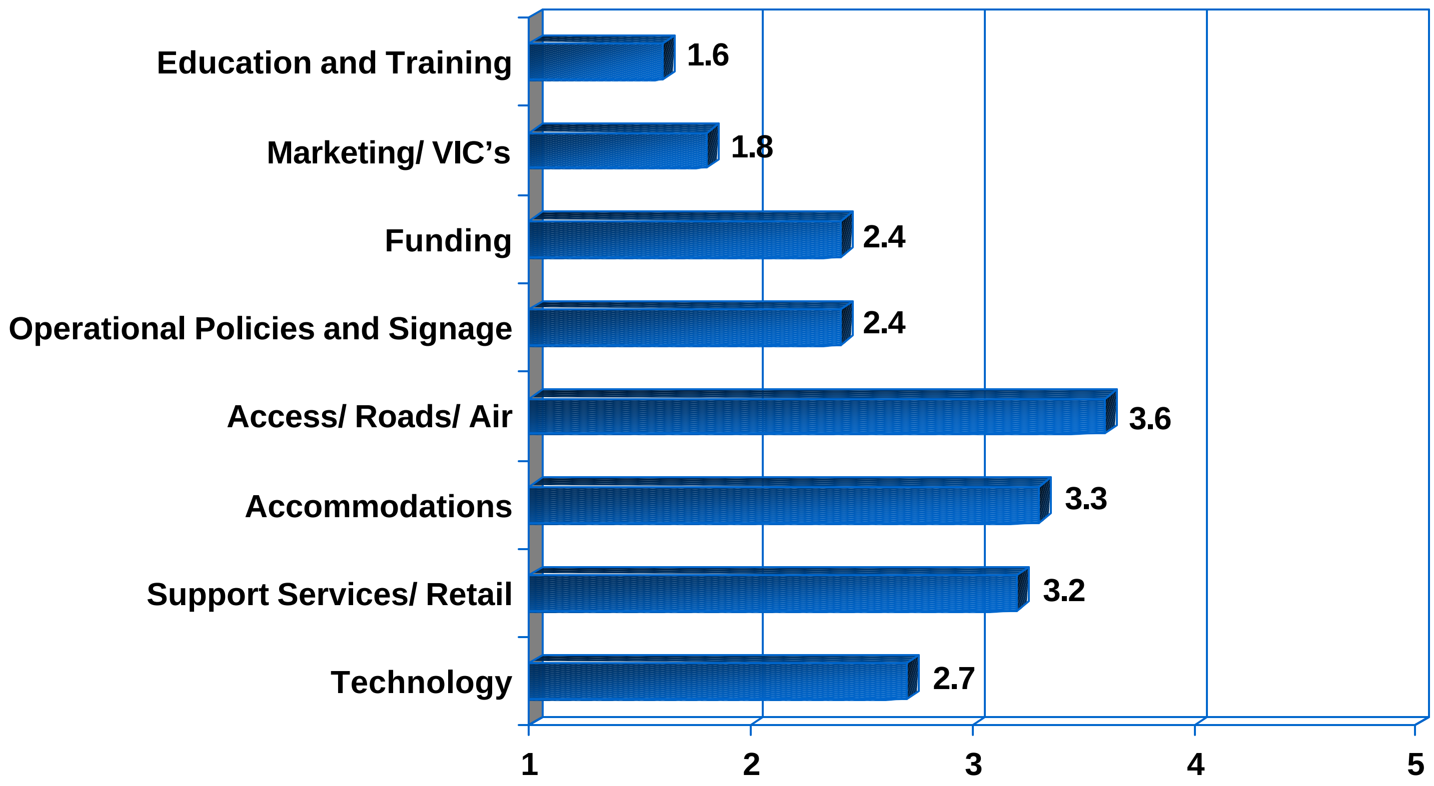
Ratings of Products in Demand (cont'd)



Product Opportunities

- Tour routes
- Aboriginal themed accommodation
- Aboriginal themed restaurant
- Casino
- Packaging
- Aboriginal culture centre
- Re-enactive / interactive Villages

Ratings of Infrastructure



Implementation Strategy

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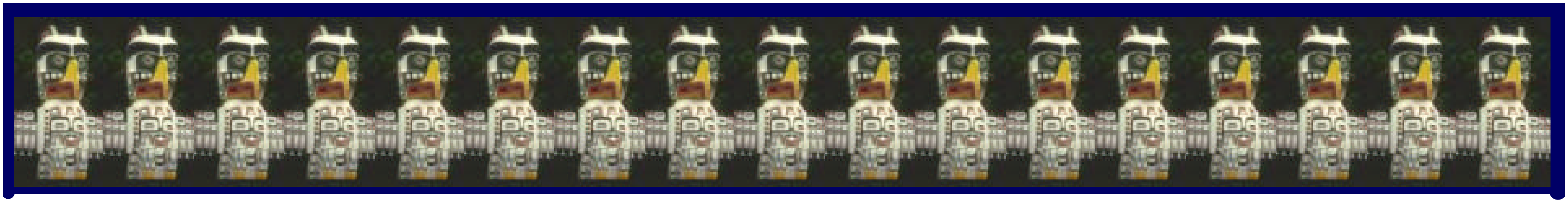


Priorities For Action

- Communication of funding opportunities and submission requirements
- A more proactive approach to marketing
  - Broad based province wide aboriginal tourism association
  - Develop a marketing strategy for the industry
- Enhance the understanding of tourism within the aboriginal community
  - Inform locals about appeal of region as an aboriginal tourism destination
  - Inform aboriginal businesses and communities of benefits of tourism
  - Create enthusiasm
- Improve training and education opportunities
  - Educate businesses about tourism trends
  - Get tourism based training for industry staff

Product Opportunity 1 – Aboriginal Themed Accommodation

- **Backcountry Wilderness Lodge**
  - *Timing* – 1 to 3 years
  - *Location* – Kananaskis/Foothills area; Fort McMurray/Athabaska region. Needs to be close to lakes, and/or rivers
  - *Operator* – New development owned by one of the bands or expansion/theming of existing lodge.
- **Campground / Tipi Village**
  - *Timing* – 1 to 3 years
  - *Location* – Situated outside of National Parks/foothills region, such as Kananaskis Country; Bragg Creek
  - *Operator* – New or in conjunction with existing.
- **Resort**
  - *Timing* – 3 to 5 years
  - *Location* – *O*utside Banff (Canmore and Kananaskis region), Fort Macleod-Waterton-Crowsnest Pass region, or in Northern Alberta.
  - *Operator* – Expansion of existing such as Nakoda or Sawridge. New development also a possibility.

Product Opportunity 2 – Aboriginal Themed Restaurant

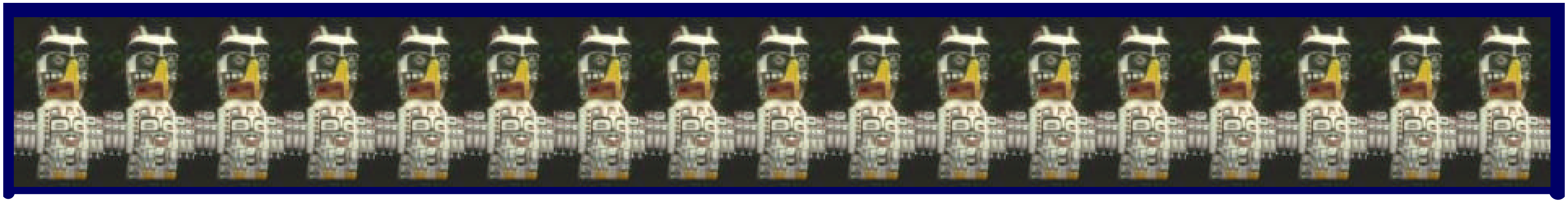
- Themed Fast Food Restaurant
  - *Timing* – 1 to 3 years
  - *Location* – Near other aboriginal tourism attractions or centres. Consider locations in the National Parks. Location along major tourist transportation routes will be important to take advantage of drive by traffic.
  - *Operator* – New development or existing operator looks at franchising into other areas/or at events (i.e. Food kiosk at Stampede).
- *Themed Sit-Down Restaurant*
  - *Timing* – 1 to 3 years
  - *Location* – Situated outside of National Parks/foothills region, such as Kananaskis Country; Bragg Creek, Canmore Calgary, Red Deer and Edmonton. Near other tourism attractions like a native cultural centre; village, museum etc. Along major tourist transportation route.
  - *Operator* – New development or expansion of an existing restaurant.

Product Opportunity 3 – Aboriginal Cultural Centre

- Stand-Alone Cultural Centre
  - *Timing* – 3 to 5 years
  - *Location* – With the Lakeland Centre being developed in the North, a more southern/central location such as the Kananaskis/Foothills area, Chinook Country, Waterton or on the outskirts of Calgary is suggested. Should be situated close to accommodation, dining and other activities to create a “critical mass” of activities
  - *Operator* – New attraction run by one of the bands or significant expansion of an existing complimentary attraction.
- Multi-Use Cultural Centre
  - *Timing* – 3 to 5 years
  - *Location* – Southern Alberta (Calgary and south)
  - *Operator* – New attraction run by one of the bands or significant expansion of an existing complimentary attraction.

Product Opportunity 4 – Packaging

- One- Two Day Packages
  - *Timing* – Immediate
  - *Location* – Focus on areas where existing native attractions/accommodation exist, such as Nakoda lodge, Head Smashed In. Close driving distance from Calgary/Edmonton to capture City visitor market.
  - *Operator* – Numerous existing operators.
- Three to Five Day Packages
  - *Timing* – Immediate
  - *Location* – More remote settings; further from cities; Banff; Waterton Lakes; Kananaskis; Jasper.
  - *Operator* – Numerous existing operators.



Product Opportunity 5 – Re-enactive/Interactive Villages

- Interactive Village
  - *Timing* – 3 to 5 years
  - *Location* – South/central location such as the Kananaskis/Foothills area, Chinook Country, Waterton or on the outskirts of Calgary or Northern Alberta/Jasper area. Should be situated close to accommodation, dining and other activities to create a “critical mass” of activities.
  - *Operator* – Would likely be a new development, run by one of the Bands either on or off reserve.

Conclusions

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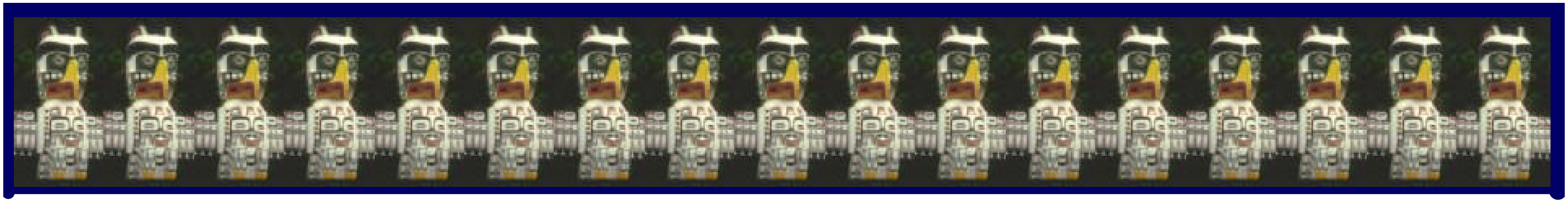
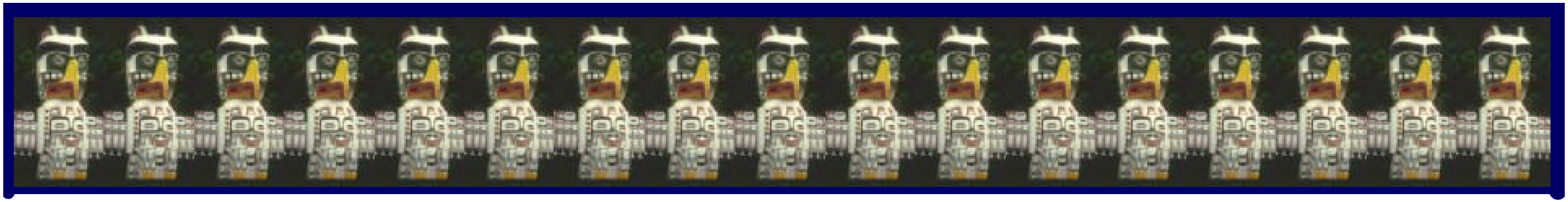


Conclusions

- There is significant demand for aboriginal tourism products.
- A good base of aboriginal tourism products already exists throughout the province.
- A need to educate stakeholders of the benefits of tourism and for better cooperation among existing operators.
- While there are no major holes in the “hard” infrastructure, there are some serious issues around the “soft” infrastructure, specifically in the areas of skilled staff and marketing.
- Several key actions were identified as being critical to industry survival. Specifically, the industry needs to:
  - develop a vision and long-term marketing strategy for the industry;
  - develop a communications plan to enhance the understanding of the benefits of tourism within the aboriginal community; and
  - develop training programs for tourism industry staff.



Conclusions (cont'd)

- The aboriginal tourism industry in Alberta is at an early stage in its development.
- To grow, it must adopt a strategy to gradually improve its coordination, co-operation and marketing efforts as well as its overall product offering.
- To grow, buy-in and consensus among the various players (aboriginal operators, bands, chiefs etc.) is critical. The major challenges of marketing, training, social issues and education also need to be addressed.
- The Alberta aboriginal tourism industry can learn from other destinations like British Columbia, NWT, Ontario, Montana, South Dakota, Utah, New Mexico etc. to understand how the native people representing those areas have developed their tourism industries.