

The National Snowmobile Tourism Study An Overview




Discover our true nature

CANADIAN
TOURISM
COMMISSION



COMMISSION
CANADIENNE
DU TOURISME





Prepared by:
Craig Nicholson, DMA Productions

Project Manager at the Canadian Tourism Commission:
Mylène Deneault
Product Coordinator, Cuisine & Winter

September 2002

Introduction

Canada is recognized as being one of the prime snowmobiling areas in the world. As such, it may have the potential to attract more visitors to Canada during the winter and to encourage them to stay longer and spend more. If so, it could significantly enhance the winter tourism product mix, particularly in rural areas, where snowmobile tourism is synonymous with economic development. Snowmobile tourism could also help address the seasonality of tourism and its impact upon operator profitability, especially where there is no downhill skiing.

To assess this opportunity and to provide an accurate picture of the current state of snowmobile tourism in Canada, the Canadian Tourism Commission partnered with the Canadian Council of Snowmobile Organizations to commission the National Snowmobile Tourism Study. Other Study partners included: the Yukon Department of Tourism, Klondike Snowmobile Association, British Columbia Assets and Land Corporation, British Columbia Snowmobile Federation, Alberta Economic Development, Alberta Snowmobile Association, Travel Manitoba, Snowmobilers of Manitoba Inc., Ontario Tourism Marketing Partnership, Ontario Federation of Snowmobile Clubs, Newfoundland & Labrador Department of Tourism, Culture and Recreation, and Newfoundland & Labrador Snowmobile Federation.

The National Snowmobile Tourism Study was recently completed by Pannell Kerr Forster in association with Research Solutions, Canadian Tourism Research Institute, Drew North Consulting, and Lumley Marketing and Leisure Events Ltd. It offers the foundation for a national plan for the development of snowmobile tourism. The Study highlights issues that need to be addressed to ensure that snow-

mobile tourism is "export-ready" to attract foreign participants, particularly U.S. travellers. The Study also establishes a strategic vision and mission for snowmobile tourism in Canada.



Strategic Vision

Canada will be positioned as the leading snowmobile tourism destination in the world. Snowmobile tourism will act as a driver to attract more visitors to and within Canada, and to encourage them to stay longer and spend more money during the winter season. Snowmobile tourism is an integral component to selling Canada as a winter destination.

Strategic Mission

Canada's snowmobile tourism industry will deliver world-class snowmobile tourism product/experiences to both the novice and the experienced snowmobile markets, while supporting a sustainable winter tourism product/experience in a socially and environmentally responsible manner.

The Study defines snowmobile tourism as:

"Any person-trip taken to or within Canada, either inter-provincially, with at least one overnight stay, and where either snowmobiling is the main purpose of the trip or one of a number of activities participated in during the trip."

This definition excludes most casual/leisure snowmobiling activity when riders embark only on day trips. Therefore, their spending for meals, gas, services and amenities is not included, which accounts for the difference between the national economic impact number of \$3B, commonly used by the snowmobiling community, and the \$528.8M of economic impact identified using this Study definition. This \$528.8M from snowmobile tourism supported \$111.8M in taxes (\$50.5M. federal, \$49.2M provincial and \$12.1M municipal) and 5,230 full-year jobs in 1999. It should be noted that the winter of 1999 was abnormally poor in many parts of Canada. The Study concludes that the desired marketing objectives are the retention of existing snowmobile tourists and the growth of both experienced and novice markets, while improving awareness of Canada as the leading snowmobile tourism destination. Although snowmobiling is identified as an integral component to selling Canada as a winter destination, the Study found that only the CTC Milan office, and Quebec, New Brunswick, Newfoundland and Yukon tourism departments have established snowmobiling as a winter product marketing priority. Throughout Canada, dedicated funds have generally not been available for snowmobiling marketing initiatives and very little market research has been done.

Yet as a recreational activity, snowmobiling was enjoyed by about 3 million Canadians in recent years. Each province and territory in Canada has a non-profit snowmobile organization. In total they represent 914 snowmobile clubs, and 260,238 club members, 80% of whom reside in Ontario and Quebec. Overall, the clubs operate 122,670 kilometres of organized and maintained trails, including the Trans Canadian Snowmobile Trail, many of which are partially funded by user pay trail permits. However, no jurisdiction covers the entire costs of trail maintenance from permit revenues, so all rely on volunteer contributions (1.2 M volunteer hours in 2001/02) and other fundraising to make up the funding shortfall.



The Study identifies Canada's snowmobile tourism product/experience in four main segments:

Trail Riding

Interconnected, marked and groomed trail networks, which link many communities and provide destination riding in loops, are most developed in Ontario, Quebec and New Brunswick. Reasonably good trail bases in Manitoba, central Alberta, Saskatchewan, Nova Scotia, Prince Edward Island and Newfoundland & Labrador need improvements to be truly tourism ready. Portions of Alberta, British Columbia and the Yukon are still in early development stages.

Mountain Riding

Primarily available in British Columbia, the Yukon, western Alberta and Newfoundland & Labrador, this adventure snowmobiling takes place in the back country, where a limited number of trails access off-trail, deep snow alpine "play" areas that are not interconnected.

Experienced/Seasoned Market

This segment subdivides into self-guided and guided tours which usually involve overnight stays/packages.

Novice Market

This segment can involve guided riding, in either one day or less tours or multi-day packages, or unguided riding, usually on rental sleds.

Depending on whether the product is trail or mountain riding, the study identifies 13 conditions required for the trail/riding product/experience to be "tourism export ready", grouped under three main headings: trail product, trail amenities, and destination product/experience readiness. In addition, the Study surveyed 13 top snowmobile destinations and identified three inter-related categories of "Best Practices" that were integral to their success:

1. Infrastructure:

Well maintained, groomed and marked trails with accessible services and amenities that provide good value and diverse experience opportunities.

2. Partnerships:

Cooperation, communication and collaboration among local snowmobile clubs, businesses, and different levels of government help build successful, reputable and sustainable snowmobile tourism destinations.

3. Marketing:

A variety of marketing tools, targeted to specific market segments over the long term, plays a pivotal role in the promotion of a snowmobile destination, with results likely not being realized for at least three years from commencement.

The Study estimates that 954,000 overnight person visits, which included snowmobiling as a tourism activity, occurred in Canada in 1999. Of these, 845,000 involved domestic snowmobilers, most of whom remained in their own province. On average, their trips generated approximately 1.2M room nights from December to March. However, only 1 in 20 were spent in paid, roofed accommodation. Meanwhile, American overnight person visits numbered 75,000, predominantly from border states, while 34,000 represented persons from overseas.

For snowmobile tour operators, the overseas market comprises 50% of all-inclusive snowmobile packages, followed by the U.S. at 38% and Canadians at 15%. The western Canadian tour operators surveyed averaged 4,600 mainly novice clients per season for 2-3 hour to one day excursions, while elsewhere in Canada, individual operators averaged 210 clients for 4.5 to 5.5 day tours, 60% of whom were experienced. Some lodges and resorts offer snowmobile tours, primarily to the domestic market, while snowmobile rental operators serve a market that is estimated to be 80% Canadian, 15% American and 5% from overseas, and comprised 80% of experienced riders. No data was available as to the total size of this market. As a result of its market analysis, the Study concluded that substantial opportunity exists to expand the snowmobile tourism industry in three main areas:

Canada

- Convert 1.8M adults who currently only snowmobile at home into overnight tourists;
- Lure 707,000 novice adults who have expressed snowmobiling interest.

United States

- Attract 500,000 to 1 million Americans snowmobile tourists;
- Lure 5.5M novice adults who have expressed snowmobiling interest.

International

- Three-fifths of Rendez-Vous Canada (RVC) overseas buyers expressed interest in snowmobiling, primarily as an activity on its own or packaged with other activities such as skiing and dog sledding.



The Study also conducted a SWOT analysis which indicated that, although each province has its own unique situation, there are several predominate national themes:

Strengths

- Volunteers and club structure
- Provincial and national organizations
- User Pay System
- Geography and climate
- Availability of competitive products

Weaknesses

- Lack of strong public and private sector commitment
- Marketing
- Lack of sustainable funding to cover operational shortfalls
- Volunteer burnout

Opportunities

- Greater cooperation among industry players
- Marketing Canada as a prime winter tourism destination
- Value of Canadian vs. American dollar
- Access to wide open spaces that are often closed in the U.S.

Threats

- Environmental concerns
- Availability of affordable insurance
- Long term commitment of volunteer base
- Consumer confidence

The Study concludes by recommending a series of development strategies in the following areas:

Product Development Strategy

The Study enumerates ten strategies for the development of a world class snowmobile tourism product as it evolves through three critical stages - early, mid and mature. It also deals with strengthening linkages between tourism trails and the hospitality industry they serve.

Market Development Strategy

The snowmobile tourism markets are comprised of high yield travellers. The Study suggests 21 suggested market development strategies for the formation of a national marketing strategy for snowmobile tourism.

Organizational Development Strategy

The Study makes recommendations to coordinate efforts between the tourism industry and the various appropriate levels of snowmobile organizations in promoting snowmobile tourism both within and outside Canada.

Financial Development Strategy

The Study identifies and explores three primary areas which must be funded for the Canadian snowmobile tourism industry to succeed: capital development cost, operating maintenance costs, and marketing costs.

Human Resource Development Strategy

The Study explains how the Canadian Tourism Human Resource Council is currently working on national standards for the snowmobile tourism industry to help promote and recognize a highly skilled, professional work force.

Informational Development Strategy

To address the many information gaps in snowmobile tourism, the Study makes ten suggestions for a national information strategy for snowmobile tourism.

Research Development Strategy

The Study recommends an ongoing, coordinated three prong research strategy at the local club level, by the provinces/territories, and at the national level, including a dedicated snowmobiler survey.

Implementation Recommendations

Finally, the Study outlines a proposed short, medium and long term action plan for the implementation of its recommendations. The plan starts with the development of a National Snowmobile Tourism Task Force to provide a conduit for communication, information sharing, and cooperative marketing and development efforts. It also suggests that some provinces/territories may wish to establish their own snowmobile task force for similar purposes.



The Executive Summary of the National Snowmobile Tourism Study is available at: www.canadatourism.com (PDF file).

Print copies of the Study by request to:
Diane Racine, racine.diane@ctc-cct.ca
(613) 946-9596