Northern Ontario Product Development Strategy

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In association with

Ontario

BCHughes

the Tourism Company

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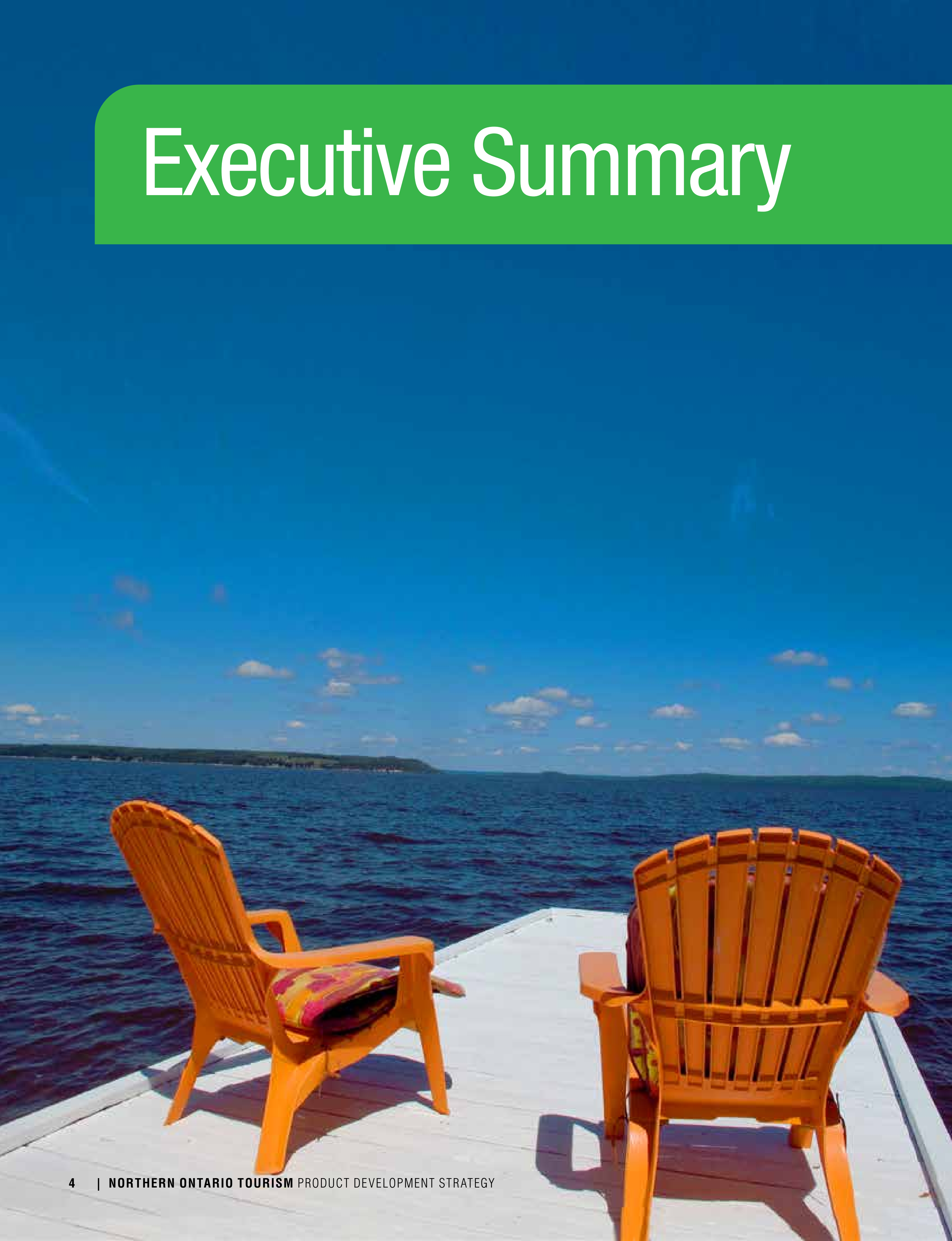
Executive Summary



Introduction

Tremendous opportunity exists to position the tourism sector in Northern Ontario for growth through product development and enhanced visitor experiences.

As Northern Ontario moves into the future in a competitive tourism industry, there is a need to put increased emphasis on tourism product development that is grounded in fact, to focus on larger markets and higher yield experiences, to meet the needs of core and niche markets and to shift away from products with declining prospects. Northern Ontario tourism experiences must live up to and surpass the expectations of today's traveller.

Some inspiring product development success stories have emerged from the region in the past few years, but generally stakeholders have remained focused on marketing as product development was viewed by some as difficult to undertake, had insufficient resources allocated to it or because its importance or impact was not necessarily fully appreciated. Today, stakeholders have the opportunity to embrace product development as the first pillar of marketing, laying the foundation for tourism marketing.

This Tourism Product Development Strategy (*Strategy*), completed in 2014, followed a ground-up process with input from tourism operators and stakeholders and research surrounding the current environment and best practices within the industry. The project was completed under the guidance of the Tourism Northern Ontario Product Development Steering Committee, a group well-versed in various aspects of tourism product development at all levels of involvement in Northern Ontario tourism.

The Strategy examined not only current tourism products that are available, but also experiences that are under development and future product opportunities. It matches these experiences with priority markets to determine where Northern Ontario should focus its product development efforts in the coming years. It outlines the steps that should be taken to support strategic product development priorities as well as roles and responsibilities surrounding product development in the region and answers the following questions:

- **What is the best approach for product development in Northern Ontario?**
- **What are the key product development opportunities with potential for success?**
- **How can they be developed or improved to increase tourism receipts?**
- **Who does what?**

Principles of Product Development in Northern Ontario

For the purposes of the Strategy, product development is defined as:

Connecting operators, stakeholders & communities to market interests, needs and intelligence to facilitate and ignite the development of a range of compelling reasons to visit and spend money in Northern Ontario.

The foundations set the stage for the Strategy. They're the key principles that direct the Strategy outcomes. The foundations for tourism product development in Northern Ontario are as follows:

- **Create a product development focus for Northern Ontario**
- **Decrease regional competition**
- **Listen to the operators**
- **Listen to the destination managers and key stakeholders**
- **Start with best bets**
- **Position the industry to be sustainable by anticipating where the market is going**
- **Leverage best in class operators to inspire and motivate others**
- **Build on previous product development processes**
- **Focus Strategy recommendations on tourism products/experiences and tourism product development activities not ancillary items**
- **Provide operational/organizational opportunities for product development**
- **Outline role and function and reduce uncertainty**
- **Appoint a champion and work in partnership**
- **Recognize that product development takes time**
- **Focus time, resources and effort on opportunities with enough critical mass and the potential to appeal to the markets and type of traveller that Northern Ontario wants to attract**
- **Aspire to the quality, cachet and level of service demanded by international travellers**
- **Embrace product development as the first pillar of marketing**

Recommendations for Product Development in Northern Ontario

To successfully implement a sustainable tourism development strategy, the tourism sector in Northern Ontario must focus its efforts in three core areas:

1. The experiences and products themselves.
2. The quality of the offers.
3. The 'culture' and organizational thinking around tourism product development.

Each of these areas requires a major shift. A summary of recommendations for each area follows.

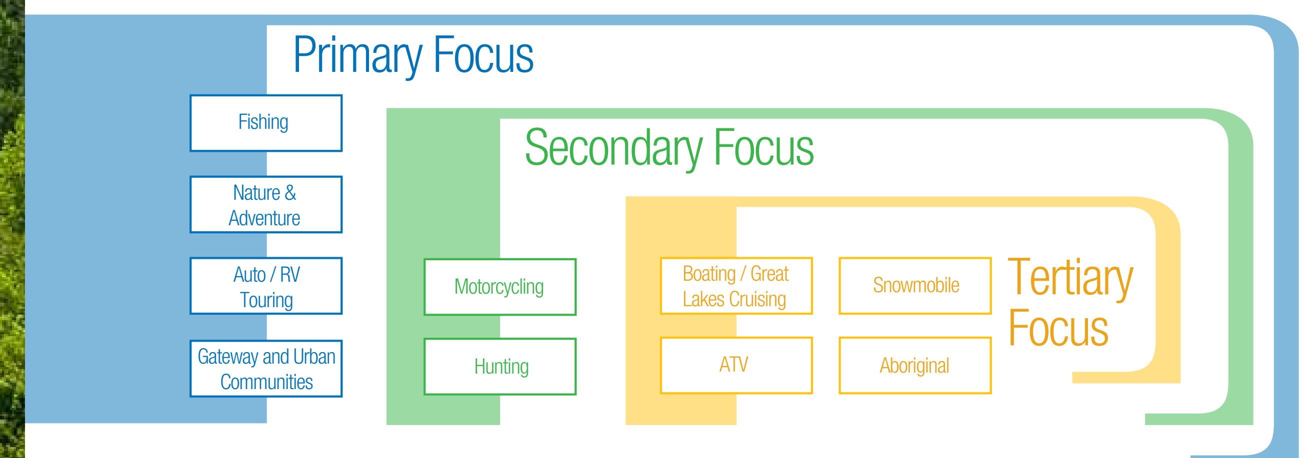
The full recommendations outlined in the Product Development Strategy include important details such as who should be responsible for undertaking the tactic and the suggested timeline for initiating, and should be fully read and understood before acting upon any of the summary recommendations below.

EXPERIENCE SHIFT

Narrow experience and product development to high priority product areas.

Goal: To focus efforts on product development with the most potential to advance tourism in Northern Ontario.

Northern Ontario must build off its successes and opportunities by focusing on the best bet product areas for the future. To determine focus areas, detailed product and market assessments were undertaken. They examined capacity, quality and competitive advantage of current and potential products and reviewed the profile, needs and longer term sustainability of core and niche visitor markets specific to Northern Ontario. The resulting Product Market Match identified the Northern Ontario products with the most opportunity as illustrated below.



Primary product development focus, reflects allocation of time, resources and effort to priority areas, or experiences that demonstrate the most profitability, match market interests and have the most opportunity from a product market match perspective. Primary focus areas include the core products fishing, nature and adventure to access and experience notable landscapes, wildlife, views and waterways, auto/RV touring to showcase and highlight the natural features, stories, communities, culture and heritage that are Northern Ontario and gateways and urban communities that act as both hubs and destinations.

At the same time, a moderate amount of product development effort should be expended on motorcycle touring and hunting experiences, which are deemed a ***secondary focus***. These are products that need less investment due to phase of product development or because the market potential is more narrow for Northern Ontario, than those in the primary focus areas.

Finally, ***tertiary focus*** on product development should be centred around experiences that represent products with a particularly narrow or lesser opportunity from a product market match perspective or are declining in potential and/or relevance as drivers of tourism activity in Northern Ontario. Products in this category include *boating/Great Lakes cruising, ATV touring, snowmobile touring and Aboriginal experiences*.

While listed in isolation, there are also overlaps and connections between and among the priority areas that, when combined create new products. In addition, support for the development of a range of underlying supporting experiences that showcase local stories, history, arts, culture and heritage and food will further enrich all other products.

1. Universal Experience Shift Recommendations

There are several experience shift recommendations that affect a multitude of product areas. These have been summarized as universal or general experience shift recommendations as follows:

i. Host an annual 'product development' symposium to elevate the importance of product development in tourism, to get stakeholders talking, sharing market intelligence, confirm priorities and build plans together.
ii. Create 'product development teams' surrounding the primary product areas and task them with working together to develop product, capitalize on opportunities and work through issues related to their product areas.
iii. Provide a regular series of 'experience-development' workshops, mentoring and support, focused on priority product themes.
iv. Complete detailed market situation analysis research on product areas noted as best bet.
v. Continue to invest in initiatives already under development including the Aboriginal Tourism Strategy and Group of Seven experiences that fit targeted product priorities.
vi. Recognize the importance and economic activity of the visiting friends and relatives (VFR), inter and intra-regional markets when developing product.
vii. Consider developing a Northern Ontario-specific tourism motorsports strategy to improve product or customer experience.
viii. Position product for the international market.

2. Product Specific Experience Shift Recommendations

The following recommendations relate to specific products or experiences. Priority should be given to primary focus product areas, followed by secondary and finally tertiary product areas.

a) Primary Focus Product Areas

FISHING

i. Retain and increase the current avid fishing market through innovation, quality and amenity upgrades and diversification of the current offer including fly-fishing and trophy fishing.
ii. Create a non-avid fishing product development team and investigate opportunities to broaden focus from avid to non-avids including families, women, social groups and physically challenged; consider a series of Experience Fishing offers to support those new to fishing.
iii. Investigate options for use of lodge, resort and camp facilities and services by non-anglers for alternative activities.
iv. Investigate opportunities to attract the near-market overnight fishing market.

Photo: Ethan Meleg

NATURE & ADVENTURE

i. Create a nature and adventure product development team to investigate opportunities around signature landscapes and waterways that differentiate Northern Ontario from other provinces and states (La Cloche Mountains, Lake Superior shoreline, northern Georgian Bay, French River, Lake Superior Marine Conservation Area, Temagami's Old Growth Forest). Develop a collection of 'bucket list' offers, review opportunity for iconic long-distance hut to hut hiking trail and linking of outdoors offers with local culture and heritage.
ii. Establish strong working relationships with appropriate levels within MNR, Ontario Parks and Parks Canada.
iii. Advocate for support for rural capital investment in items that are ancillary to tourism (signage, cell coverage etc.) but are in demand by today's markets.

AUTO/RV TOURING

i. Create an auto/RV touring product development team to investigate opportunities that focus on touring routes in two destination areas with the most opportunity to appeal to new and growth markets (Thunder Bay to Sault Ste. Marie/Lake Superior Shoreline and Northern Georgian Bay hub and spoke). Develop itineraries for iconic road trips including fly and drive offers for international visitors.
ii. Continue investment in Georgian Bay Coastal Route and Group of Seven touring route product to bring these projects to fruition.
iii. Begin discussions surrounding the creation of a Canada-wide program similar to the US Byways program.

GATEWAYS & URBAN COMMUNITIES

i. Support the development and enhancement of buyable supporting experiences.
ii. Link communities more closely to nature and outdoors as gateways and transition zones.
iii. Investigate the opportunity to create and deliver an annual or bi-annual Northern Ontario sports tournament/event to attract out of province participants.
iv. Investigate creating a new 'true wilderness' adventure race/event, authentic to Northern Ontario's natural assets to attract active adults and/or Millennials.
v. Continue to engage colleges, universities and other non-traditional stakeholders as venues and partners in the delivery of tourism experiences.

b) Secondary Focus Product Areas

MOTORCYCLE TOURING

i. Undertake research on a provincial level surrounding the motorcycle touring market and its economic impacts and potential.
ii. Investigate the market for off-main-road trails for adventure riders.
iii. Make investments in upgraded/maintained smooth, resurfaced, roads to support the motorcycle touring experience.

HUNTING

i. Create a hunting product development team and task with investigating opportunities that include packaging of best bet hunting/fishing opportunities, bucket list trophy hunting, and niche opportunities.
ii. Deliver messaging to policy-makers and politicians on behalf of hunting operators regarding the issues they are facing, especially surrounding reinstating the spring bear hunt.
iii. Upgrade lodge/cabin accommodations to push the experience to the next level to make Northern Ontario a favoured destination for longer distance hunters who stay in fixed roof accommodations.

a) Tertiary Focus Product Areas

BOATING/GREAT LAKES CRUISING

i. Develop shore excursions targeting cruise, power and sail boating markets.
ii. Refine and expand itineraries for small ship cruising to extend stays.

ATV TOURING

i. Support a four-season motorsports philosophy.
ii. Where deemed to be economically beneficial, fully develop a limited number of ATV routes with formalized routes and loops, route marking, mapping and market-ready operators as well as municipal support for ATV tourism.

SNOWMOBILE

i. Monitor the developments in the snowmobile industry with the perspective that trails and operators are needed for snowmobile tourism, ensuring that the current industry, OFSC and club issues are resolved, before investing in the snowmobile tourism tactics noted in the strategy.

ABORIGINAL

i. Support continued efforts to complete the Great Spirit Circle Trail (GSCT) Aboriginal Strategy.
ii. Build on the product development work done by the GSCT as the model for further future aboriginal product development where return on investment is demonstrated.

QUALITY SHIFT

Create a 'culture of quality' for the delivery of tourism products and experiences throughout the Northern Ontario tourism sector.

Goal: To improve and enhance the quality of built and delivered tourism assets and the overall quality of service and engagement across Northern Ontario.

Northern Ontario has some high quality experiences, but many more that are considered just 'good enough' or below standard. A quality shift is required to create more outstanding offers.

1. Funding to Ignite a Quality Shift

Lack of access to capital for operator improvements is a frequent complaint and a known common barrier to enhancing and upgrading the quality of visitor experiences.

i. Lead the discussion surrounding the creation of a capital funding program for improvements and quality upgrades to small to medium sized tourism businesses based on a matching funds program.
ii. Advocate for tourism-related capital infrastructure funding.
iii. Provide support for small to medium sized operator business planning and proposal writing.

2. Communication to Stimulate a Quality Shift

Simply supplying operators with details surround the benefit of upgrading quality and the information they need to start the process could be a motivator.

i. Create and distribute a quarterly operator newsletter designed to encourage a Northern Ontario culture of quality by providing operators with product development and quality related information resources on a regular basis.

3. Programs to Motivate a Quality Shift

Support, develop and deliver quality enhancement programs at both the operator and community level, starting with primary focus areas.

i. Introduce a community tourism assessment program.
ii. Deliver customized, one-on-one business improvement and enhancement advice and mentoring opportunities.
iii. Facilitate formalized peer to peer mentoring.
iv. Use a market readiness criteria-based approach for operator involvement in product development initiatives.
v. Negotiate and implement a criteria-based quality upgrade initiative through a key supplier partnership or product affiliation program.
vi. Encourage industry-wide use of Trip Advisor.
vii. Develop and deliver a guide to encourage operators to exceed consumer expectations.

CULTURE SHIFT

Establish an organizational culture that generates investment, commitment and support for strategic tourism product development in Northern Ontario.

Goal: Increase the awareness of and support for tourism product development in Northern Ontario.

To realize Northern Ontario's full tourism potential, a functional shift must occur, placing more operational emphasis and spending on product development. In addition, communication channels must be established to increase awareness, support and action for the issues and opportunities for tourism across the North.

1. Budget Culture Shift

Tourism product development typically gets significantly less consideration, while marketing gets the bulk of the attention. Tourism Northern Ontario and its sub-regions and DMOs are no different from the average tourism organization, focusing budget on marketing, with a much smaller portion spent on product development.

i. Adjust budgets at the TNO, sub-regional and DMO levels to reflect a strategic Northern Ontario product development focus in line with strategic priorities.

2. Personnel Culture Shift

Like budget allocations, there are many marketers of tourism products but limited and often no formal product developers and refiners.

i. Develop provisions for formalized internal product developers at the TNO, sub-regional and DMO levels.
ii. Work with public sector partners to develop and implement a funding model that supports increased and dedicated resources for impartial 'on the ground' advisors with exclusive tourism portfolios throughout Northern Ontario.

3. Communication Culture Shift

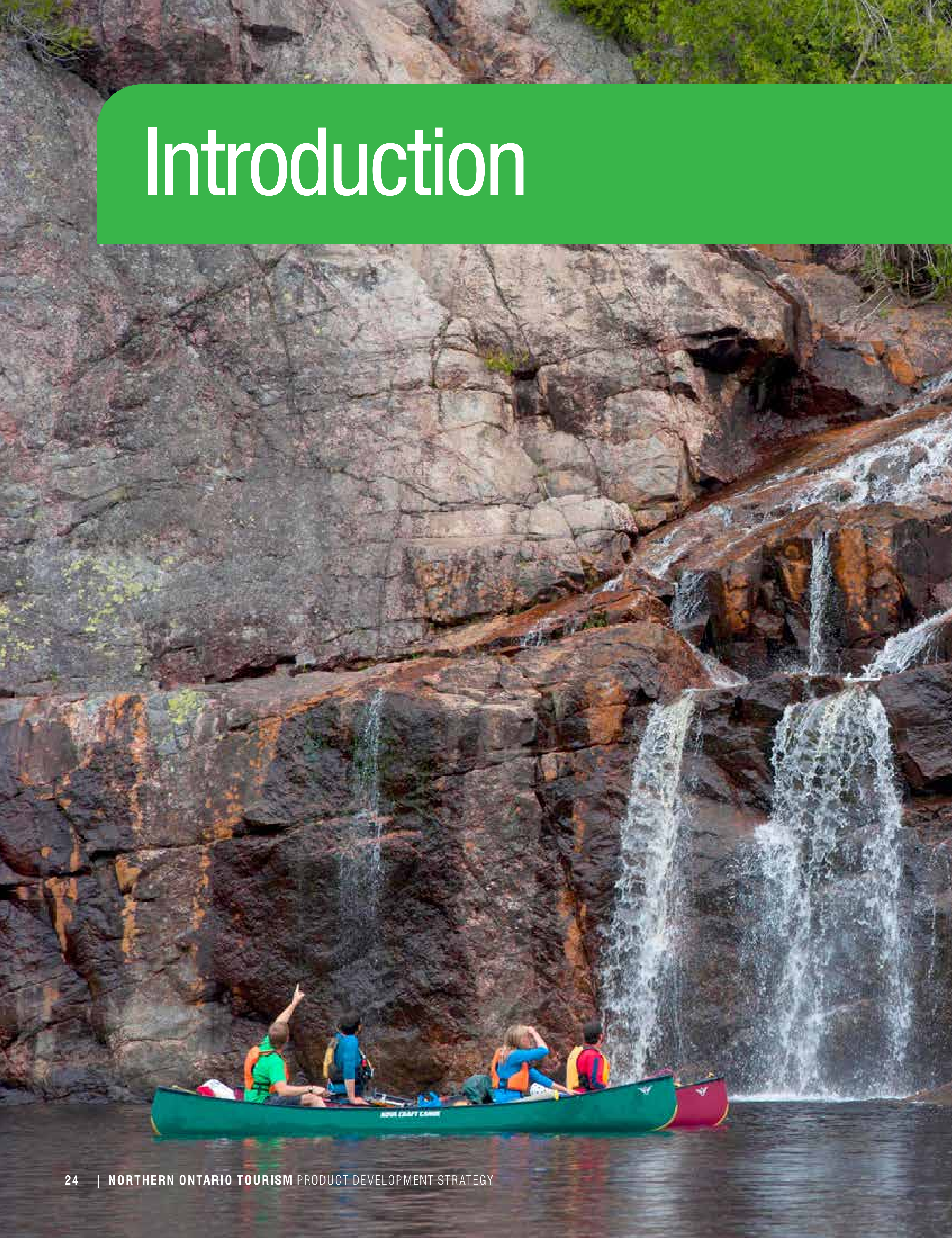
With no less than 21 layers of tourism stakeholders engaged in product development, there is a general lack of communication and shared strategic direction. There is a need to create the forum for communication between all of the stakeholders.

i. Convene regular Northern Ontario inter-ministerial meetings with senior officials, focused on the issues and needs of the tourism sector.

4. Role & Function Culture Shift

There is a need for a defined product development role and function structure to eliminate confusion about who should be doing what.

i. Adopt a clear and concise role and responsibility product development structure.



Introduction

Traditional tourism organizational structure in Ontario has focused on a marketing culture where the emphasis has typically been on advertising and sales and not product and experience development. Destination marketers and managers have conventionally focused the majority of their efforts in this sphere, leaving product enhancements, refinements, innovation and new developments up to the operators. At the same time, operators have been saddled with wild shifts in regulations, market conditions and world events that have been changing the way they do business, leaving little time for reinvestment in their product. With the reorganization of the tourism management support structure in the province (see Appendix 1 – The Tourism Landscape) and the advent of the regional tourism funding model, there has been a paradigm shift in where and how product development fits into the overall system, both at the operator and destination manager level. There have been some significant gains by product development champions in the north to date, with even more opportunities ahead. This *Northern Ontario Product Development Strategy* has the ability to:

- Create a more product-focused and strategically aligned industry where product development roles and responsibilities are understood,
- Increase the quality and diversity of experiences created, to meet consumer demands, and
- Allow for a more stable and sustainable industry.

By establishing foundations for product development based on recommendations grounded on research and broad consultation with industry and stakeholders, this strategy demonstrates how reinvesting, realigning and redeveloping Northern Ontario tourism product and experiences can bring positive gains to those directly invested in it.

Building the Product Development Strategy - the Process

The *Northern Ontario Product Development Strategy* was created under the guidance of a well-rounded Steering Committee of stakeholders, using a three phase process. The pertinent details from each of the phases have been included in this final report, the *Northern Ontario Product Development Strategy*.

The process was intended to gain an understanding of the region's current product development environment, as well as product development opportunities that are specific to the Northern Ontario tourism industry. The activities took a ground-up approach, through research surrounding the current environment (see Appendix 2 Current Visitation, Operational & Infrastructure Realities), market and environmental trends (see Appendix 3 - Current Market & Environmental Trends in Tourism), and surveys targeted at Tourism Northern Ontario (TNO) staff and the board, the steering committee, destination marketing organizations (DMOs) and key tourism stakeholders as well as municipal leaders and operators (see Appendix 4 – Industry Input).

Product assessments of current best bet product areas were undertaken to determine the market, opportunities and issues surrounding each product area to start to formulate opinions about the importance of each product area to the future of tourism in Northern Ontario (see Appendix 5 – Product Assessments). Next a market assessment was undertaken to determine the potential markets for Northern Ontario Products (see Appendix 6 – Market Assessment). Finally, taking the information learned from the product assessments, and aligning it with market needs and interests, the product-market match brought together the essential information needed to determine where opportunity lies (see Appendix 7 – Product Market Match).

The product market match allows Northern Ontario to be poised for future growth and to determine where to focus to ensure that the tourism industry is best able to attract and serve core and niche markets. It allows Northern Ontario to pull together product directions to focus on rejuvenating, repositioning, expanding and building new experiences that appeal to the markets that are most important to the region. Finally, it indicates where opportunity is available to shift the focus to larger market and higher yield experiences and to shift the focus away from products with declining prospects.

Principles for a Northern Ontario Product Development Strategy

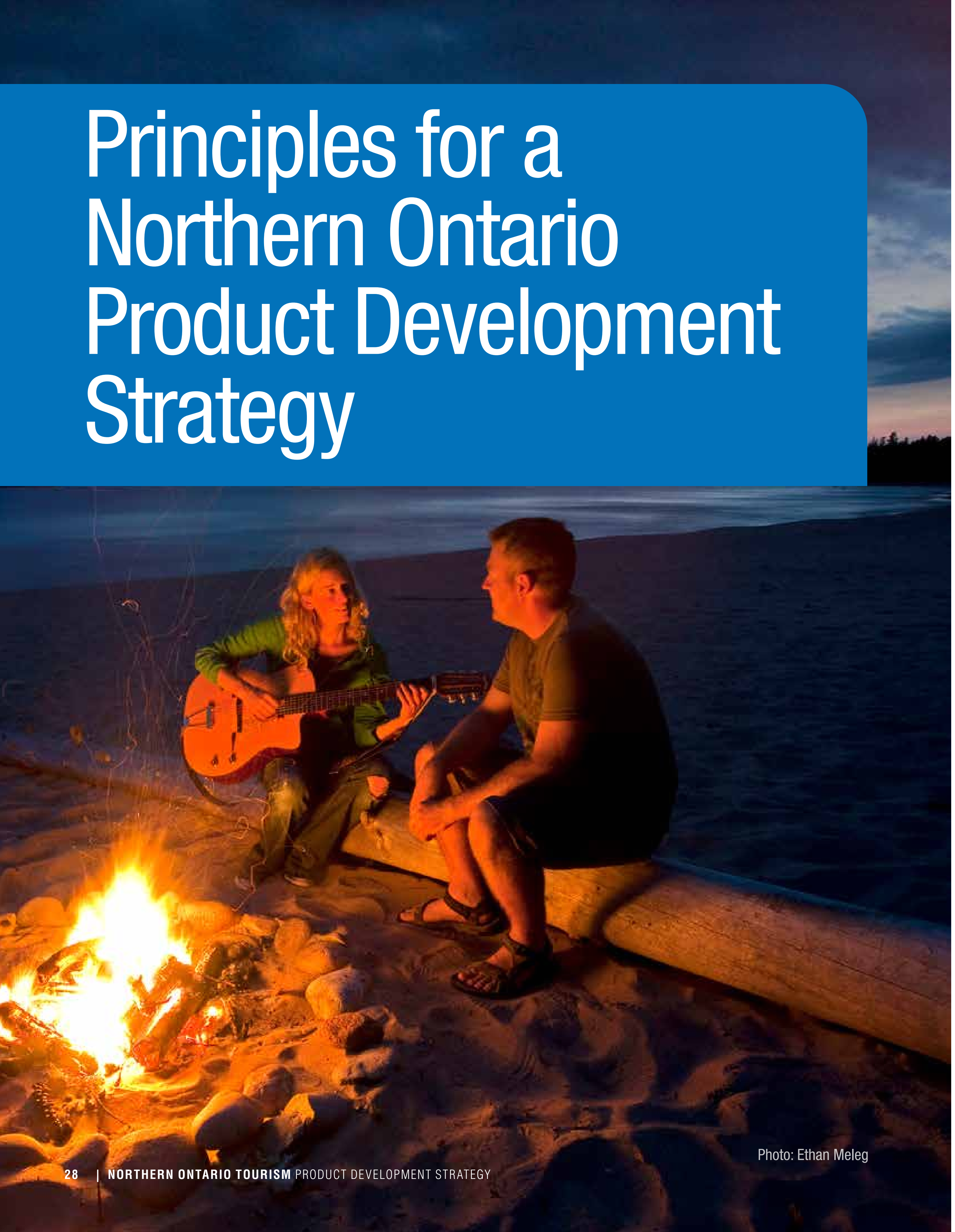


Photo: Ethan Meleg

The topic of tourism product development can be as large as Northern Ontario itself. Each facet of the industry seems to define product development differently, in terms of how it pertains to their specific business or sector. Therefore it is very important that the foundations of the Product Development Strategy are defined. Understanding these principles and applying them in a Northern Ontario context will allow product development initiatives to meet the tourism related goals of the region.

Definition of Product Development

The definition of product development for purposes of the Product Development Strategy was established as:

> Connecting operators, stakeholders & communities to market interests, needs and intelligence to facilitate and ignite the development of a range of compelling reasons to visit and spend money in Northern Ontario.

Product development can and should happen at many scales of investment of both capital and time. Investment at all scales is important to the development of an overall offer in a particular destination or region. For example, the investments that an individual operator makes into upgrading towels and sheets or new and improved on-site amenities may allow them to attract a new type of visitor during low season. Another operator might partner with established experts to offer specific programs that evolve into sought-after annual offers. At a community or attraction level, the scale of investment into product development such as a major festival may involve a wider range of both number and type of partners. Communities, towns, urban centres and operators can invest together to develop, launch and deliver a touring experience for visitors who travel by auto, RV or motorcycle. And finally, investments into product development can also be capital intensive such as when built attractions are first developed or expanded. All of these examples are investments into product development and all add value to the region's tourism offer.

Foundations for Product Development in Northern Ontario

The foundations set the stage for the Strategy. They include the overarching ideas, the key elements that cross borders between recommendations. They are the principles that shape the future of product development in Northern Ontario.

Create a product development focus for Northern Ontario. This strategy is not just for Tourism Northern Ontario (RTO13), depicting product development at the regional tourism level. It is a strategy for product development at all levels of tourism involvement in Northern Ontario, from the experience and product providers to the destination managers and marketers, the regional tourism organization and the Ontario Tourism partners.

Decrease regional competition. Currently, there is a significant competitive atmosphere between the sub regions that may be impacting pan-northern product development. Product development initiatives should be undertaken in a collaborative rather than competitive way between Northern Ontario's sub-regions when appropriate, using market intelligence and industry experience, recognizing that it is the experience that resonates with the consumer and not political boundaries.

Listen to the operators to understand and reflect their product challenges and opportunities. Tourism Northern Ontario and its sub-regional leads do not work in a silo. Both public and private sector operators are imperative to the product development process and ensuring that any initiatives are successful. Their input and feedback is invaluable in ensuring that the product development process remains grounded, deals with the issues that are most important to Northern Ontario tourism businesses, and most importantly in ensuring the Product Development Strategy is adopted and moved forward by front line staff and business owners delivering the experiences.

Listen to the destination managers and key stakeholders to understand and reflect their role in the product development process. Destination managers are the conduit to the operators and they're extremely knowledgeable about tourism in their respective areas. They have a wealth of important information to share as well as the linkages to share important information with tourism businesses.

Start with best bets. Building on Northern Ontario's recognized assets and work done to date the Product Development Strategy looks at the best bet activities, and research surrounding their current markets and future trends to ensure the product market match justifies the allocation of dollars not only for developing and supporting these experiences, but also for marketing them at all levels within Northern Ontario.

Position the industry to be sustainable by anticipating where the market is going rather than reacting and following what others are doing in the industry. This means not simply being happy with what is currently being done, but taking a closer, more critical look to make sure it is the correct approach and where needed, reinventing what is currently being done to make it even better.

Leverage best in class operators to inspire and motivate others. Best in class operators have a wealth of knowledge to share. Working with best bet operators has the ability to elevate the Northern Ontario product in the eyes of the consumer and also has the ability to motivate others to adapt and reach higher. Success with a handful of key operators per year would be considered an accomplishment. Work only with those operators who want to advance and move forward. Establish market ready, best of the best screening criteria to clearly identify those most likely to embrace, adopt, and implement new opportunities.

Build on previous product development processes. The product development process used for the Ride Lake Superior, fly-fishing and the Group of Seven development were cited by several stakeholders as success stories because of the processes developed and followed which involved initial feasibility and asset review research, market readiness and inventory assessment, training and education, refinement and early links to marketing. The process is very labour intensive but ensures the best possible product is developed.

Focus Strategy recommendations on tourism products/experiences and tourism product development activities not ancillary items. The report focuses on things that can be influenced by the strategy while recognizing that there are other items outside of the strategy that influence and are ancillary to product development. These supporting items, while important, are not the focus of the strategy and are ancillary to the recommendations of the report and include items such as capital and infrastructure investments, natural resources, transportation, signage and way-finding, staff resources and visitor information centres.

Provide operational/organizational opportunities for product development not just product/experience opportunities. Product development is not only about developing experiences. It is also about breaking down organizational hindrances to product development and supporting operational changes that will allow future product development. The report will strike a balance between the two, placing more emphasis on the tactics with the greatest potential impact.

Outline role and function and reduce uncertainty to ensure not only better clarity for all organizations involved in tourism product development, but also to ensure that Northern Ontario tourism stakeholders are working as a fully informed team, rather than in individual silos.

Appoint a champion and work in partnership. When undertaking product development, Northern Ontario should always appoint a champion and work as a product development team in partnership. Product development efforts will be more successful if they have a driver – a person or entity who organizes the partners, pushes the initiative forward with the group and is committed to seeing it through to the end. Partners should be considered for their knowledge and should not be limited to geo-political boundaries, but should be a part of the team due to their connection to the experience.

Recognize that product development takes time. Developing new products and experiences doesn't happen overnight. It is important to recognize that to fully and adequately develop some initiatives, it may take years of investment of time, resources and partnerships before they are ready to take to market.

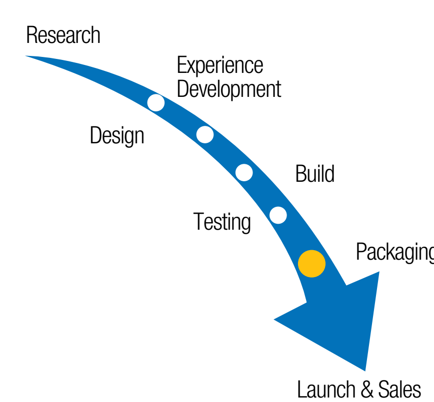
Focus time, resources and effort on opportunities with enough critical mass and the potential to appeal to the markets and type of travellers Northern Ontario wants to attract. For too long, tourism product investment in Northern Ontario has been spread out, with little regard for focusing in priorities.

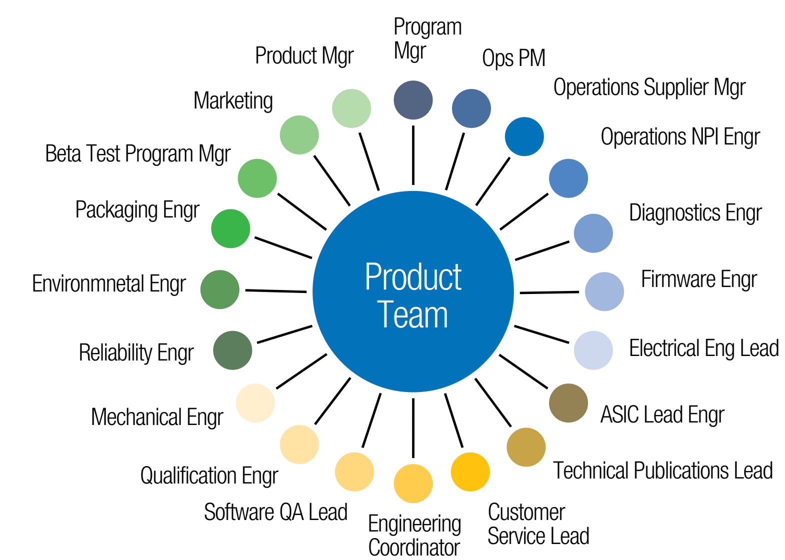
Aspire to the quality, cachet and level of service demanded by international travellers. The strategy will consider products and experiences with international appeal. By focusing on product development to attract the long haul traveller with the quality, cachet and level of service they demand, shorter haul visitors will be attracted.

Embrace product development as the first pillar of marketing. Each industry today has its own product development process. The auto industry spends billions each year developing vehicles that are years away from production. The mining industry is continually finding efficiencies in extraction technologies. Consumer health brands are constantly refining products that make us live longer. Each of these sectors has dedicated resources that allow products to evolve, to be reinvented, or to be created new to meet consumer interests. Often it appears that the tourism industry, an industry focused on making people happy by creating memorable experiences seems to operate differently. Why?

Product Development Perspectives from Outside the Tourism Industry

Apple is one of the largest innovators of new technology products in the world. Founder Steve Jobs tasked his product developers with creating technology the consumer did not even know they wanted or needed. To do this, he dedicated substantial resources to product development. The backbone of Apple is its in-depth product development process.



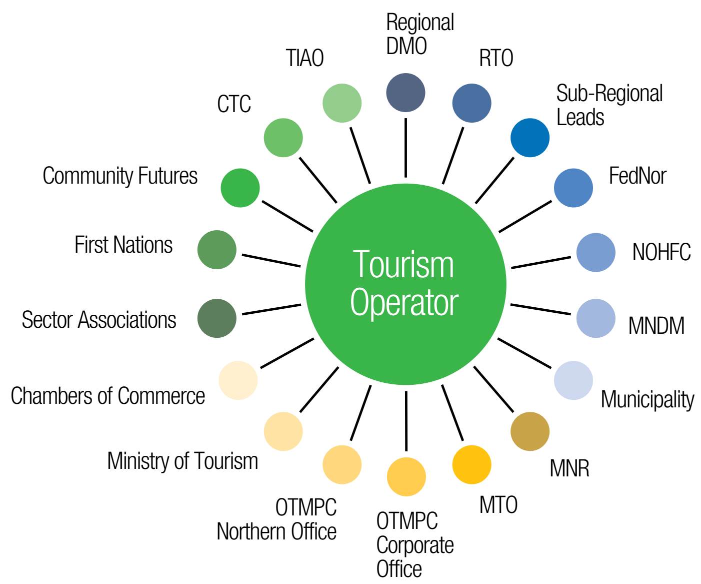


Apple's product development team engages no less than 20 different departments of the company, all of which work together to play key roles in the product development process.

Source: Howard W. Stolz, Product Design and Development, 2009

To support its leading-edge product development, Apple spends an estimated $4.5 billion on product development in a year.

How Apple's Process Relates to Tourism Product Development in Northern Ontario



Ironically the tourism sector has relatively the same number of "departments" or "stakeholders" around the development process, but the main difference is that they are not all controlled directly by one owner or operator. Apple, or any other manufacturing company, controls all of the variables internally and relies little on outside stakeholders. Generally the tourism industry relies heavily on outside sector organizations that contribute items like funding, training and marketing and advertising support to a private tourism operator's marketing and development process.

If tourism products and experiences were viewed as handheld devices like Apple's iPhone, the product development team would be tasked with researching, engineering and packaging before the product is considered for development, and immediately tasked with refining, updating, or developing new user experiences the second a product is launched. Technology companies cannot rest on their laurels. Research in Motion (RIM) became a high-speed technology breakdown due to their failure to 'keep up'.

The tourism sector believe it or not, can and sometimes does react just as fast. With much of the industry made up of small family-run operations, in some cases, changes can be made before a guest has left the property. Change can often be a major barrier though. A long-standing tradition or culture of doing it the same way each year is often tough to break.

6 Key Messages Northern Ontario can Learn from Apple's Product Development Process

1. **The tourism operator is always at the centre of the process.** They are the product and the experience. They know their operation best, and control most of the variables requiring adjustment to adapt and react to changing market conditions. If they chose not to adapt, no other part of the product development team can influence that decision.

2. **Each stakeholder in the product development process must have a specific and defined role and function.** Since the stakeholders in tourism do not necessarily work for the same organization, working together, under a defined role, and with open lines of communication are key elements of a successful product development process.

3. **Product development is the first phase of marketing.** Product development defines the widget or experience that will be presented to the consumer. Marketing stakeholders need to be part of the development process right from the beginning.

4. **The user or visitor experience is everything** and perfecting it is the best advertising investment made. Customer testimonials create significant marketing equity for a product or experience.

5. **Product development must be properly resourced.** These investments must start at the operator level and be supported by the rest of the product development team.

6. **Be an innovator not a follower.** Technology companies move at light speed to stay ahead. Tourism suppliers need to stay ahead of trends and demands.

Overall, the Northern Ontario tourism industry must adopt a product development process, engaging all levels of stakeholders to work together, and dedicate sufficient resources to support it, if it wishes to be competitive.

Product Development Best Practices from Inside the Tourism Industry

As work on the Product Development Strategy for Northern Ontario proceeded, it became evident that there were a number of areas of focus that would benefit from the experience of other destinations.

Characteristics of the 'Ideal' Sustainable Tourism Destination

Defining the characteristics of the 'ideal' sustainable tourism destination differs somewhat by the type of traveller and by the scope of geographic area, but a number of tools that include Ontario's Premier-ranked Tourist Destination Framework, best practices in product development of comparable jurisdictions completed by Deloitte for the Sorbara Report, the Sustainable Tourism Community Screening Tool developed by Atlantic Canada Opportunity Agency (ACOA) and the World Tourism Organization's (UNWTO) Handbook on Tourism Product Development share common themes and factors.

Based on a review of these many tools and our collective past experience in destination area planning a number of critical success factors have been identified that must be in place to support Northern Ontario as a sustainable and robust tourism destination. A truly competitive destination should be strong in all the following areas (not necessarily in order of priority).

Definition of the Destination from the Visitor's Perspective - This is a very important success factor and one that is often overpowered by politics. Tourists do not look at political boundaries within a region when making their vacation or travel plans. They are typically looking for an overall experience that in all likelihood crosses over political boundaries.

The Motivating Attraction or Draw - There has to be an overriding compelling reason to visit any destination. This could be the landscape, the waterscape, the region's historical significance or a single major attraction like Disney World to Orlando.

Quality of Attractions - Successful destinations have a mix of attractions with the following attributes:

- Unique and/or original/authentic attractions (curiosity is a strong tourism motivator);
- Critical mass;
- Year round or multi-season and inclement weather attractions;
- Ability to appeal to a broad range of markets with some compelling reasons for more distant markets;
- Attractions that can grow and/or evolve to maintain their appeal; and
- An attractions base that is aligned with the desired image of the destination or community.

Quality of Supporting Infrastructure and Complementary Products - The support infrastructure includes accommodation, shopping, food, business travel facilities, visitor information services, sports venues, event spaces etc. The primary products or attractions may provide the overriding reason to visit a destination, but the complementary products can be equally important in creating a desirable image for the destination, influencing level of satisfaction with a visit and in retaining visitors for a longer period of time.

The Need to Differentiate - Sustainable growth can best be achieved by focusing on attributes that cannot easily be duplicated in other destinations, while preserving the environmental/locational elements that already are the major draw.

Accessibility of the Destination - Access to markets is critical. External accessibility refers to different access modes, ease of access, cost of access, quality of reception facilities, the ability to transfer from one travel mode to another, and the variety of travel modes.

Internal accessibility - Internal accessibility refers to the public transport systems, multi-use trail systems, taxi services, road quality and congestion, parking facilities and cost, connections with external access nodes, the degree of spatial concentration of attractions and complementary products and the overall safety, cleanliness and aesthetic appeal of a community.

Image - Travellers develop opinions about destinations that can play a significant role in their destination selection process. A positive tourism image can have a constructive impact on the image of the city in general, and can enhance the community's reputation as a business destination and a desirable place to live.

Local Market Support - The local attitude towards tourism must be supportive. Local residents are the best ambassadors for any successful destination.

Enabling of Private Sector Investment - The public sector role in a successful destination should be to invest in setting the stage and establishing the initial market to stimulate the private sector to invest.

Strong Accountable Marketing Support - There is a direct relationship between marketing spend and visitation levels. Perhaps the most important impact of competitive destination marketing is the ability to target and attract specific market segments.

Narrow and Focus to Differentiate

As noted in the characteristics of a sustainable tourism destination, there is a need to differentiate. The concept of narrowing and focusing a community or region's tourism product development efforts is often tough for stakeholders to buy in to. After all, 'we have something for everyone' seems to fit every community engaged in tourism. Yet countless experts note that better success will come by narrowing and focusing efforts as products are developed and the area is branded and then marketed.

How does 'narrow and focus' work from a broader regional, provincial or state perspective? World Tourism Organization notes that 'sets of experiences based on themes or geographic areas' is one element of a successful destination. A destination's focus on themes (cultural heritage, First Nations, arts) or geographic areas (landscapes, waterways, significant natural features, etc.) act as the focus to develop a critical mass of offers that establish the destination in the eyes of the visitor.

A recent Travel Concierge column in the Globe and Mail (March 9, 2014) noted Utah's approach to mountain biking that reinforce the standards of sustainable tourism destinations and how focusing on a strength or market segment can be successful. This and other examples follow to bring this concept to life.

Case Study: Mountain Biking in Utah

Utah offers a range of mountain biking trails as well as mountain biking events across the seasons that together establish the state as a mountain biking destination. Events include the Hurricane Mountain Bike Festival in March, Moab's Ho-Down Mountain Bike Festival in October and 25 Hours in Frog Hollow on November 1st. Mountain biking destinations are located across the state in the following cities or regions: Moab, Park City, Hurricane, St. George, Vernal and Price. Park City is the world's only International Mountain Biking Association (IMBA) Gold Level Ride Centre with over 350 miles of trails across a variety of terrains.

Case Study: Manitoba Invests in its Sports Fishery

Over the last 20 years cameras and tape measures have become the norm among anglers in the Province. An aggressive fish management, conservation plan and selective harvest programs has pushed Manitoba's fishing license sales back to where they were 10 years ago. Anglers are now catching more trophy fish and recording them in the Master Angler Awards program. The Master Angler Awards are the oldest master angler program in North America. In 2013, almost 10,000 trophy fish from 30 qualifying species were caught and recorded, with almost 90% of them released. Manitoba has invested heavily in its sport fishery and is focused on being a significant destination for anglers. Source: www.huntfishmanitoba.ca

Case Study: Whale Watching in Kaikoura

The community of Kaikoura on New Zealand's South Island, has built an industry around whale watching and commitment to environmental sustainability. Kaikoura was the first community in New Zealand and second in the world to achieve Environmental Benchmark status in 2002 and certification status in 2004 through the Green Globe Environmental Certification (now Earthcheck) scheme. Prior to building a sustainable destination, Kairkoura was a convenient stop between two urban centres of Picton and Christchurch. It is now recognized as a top destination for international travellers and it all started with one whale watching operation, Whale Watch, founded by four Maori families who recognized that viewing the local sperm whales, dolphins and other marine wildlife so plentiful in the area, was appealing to long haul travellers in particular. Not only is whale watching done from a fleet of purpose-built catamarans, other businesses now offer whale watching from the air via helicopters and airplanes. The amenities and services have grown up around the main reason for stopping in Kaikoura, a spot for viewing marine wildlife.

Funding Dedicated to Product Development Directed to Strategic Priorities

Effective tourism product development requires committed resources and expertise as delivered by Australia's Tourism Development Program. Of particular relevance to Northern Ontario is that the funding is available through multiple streams and therefore provides flexibility to support a broad range of needs from a diverse and geographically dispersed industry. Formal application processes ensure that support is determined on merit. Venture capital provides an attractive element as it acknowledges and rewards successful entrepreneurs.

Case Study: Australia's Tourism Development Program

Australia's Tourism Development Program delivers a range of financial programs both direct and indirect that support product development including:

- Innovation grants
- Tax and duty concessions
- Small business development
- Industry support
- Venture capital

Quality Assurance Programs as a Product Development Tool

Quality Assurance (QA) programs are well-established in the tourism industry. While they provide visitors with a degree of quality assurance, they are also an effective means to engage the industry to improve and enhance the quality of facilities and services delivered. **New Zealand's** *Qualmark* program covering accommodation, visitor activities, visitor services and visitor transportation has been in place for over ten years. Positioned to the industry as a 'health check for your business' the program has played a significant role in raising the general quality of tourism facilities and programs throughout the country. Business assessors work one on one with operations. **Tourism Quebec's** mandatory accommodation classification program has two objectives – to protect travellers and to help enhance the quality of accommodation offered. Closer to home **Ontario's Highlands (RTO 11)** introduced its *OHvation* program dedicated to excellence in customer service among its operators. Among the tactics to improve quality of service are training opportunities and free 'mystery shops' for tourism related businesses.

Some Northern Ontario operators have instituted their own successful quality upgrades. An example from Watson's Pine Portage Lodge demonstrates how sometimes the quality of simple things can make all the difference in the world for guests.

Case Study: Watson's Pine Portage Lodge

Watson's Pine Portage Lodge co-owner Betty McGie is focused on the little things that make guests smile. Last season, as part of her annual re-investment plan, it was time to replace the bath towels. Instead of purchasing standard commercial white bath towels, she 'invested' in new colourful towels. She chuckled when she reminisced about the guest's discussions at the breakfast table following their first night's stay. Even the hardy, die- hard fisherman noticed and commented about the new towel colour.

Enabling of Private Sector Investment

Provincial and federal governments are key providers of tourism experiences through national parks and national historic sites, provincial parks and attractions that in Northern Ontario include Science North and Fort William Historical Park. Continued investment (both capital and operating) play a significant role in providing key anchors for tourism activities in many communities.

In addition to investment into built attractions, parks and historic sites, milestone festivals and events supported and delivered by provincial and national partners play a particularly important role as catalyst for tourism product development. Past events in Ontario such as celebration of the War of 1812-1814 and upcoming events such as Canada's Sesquicentennial in 2017 provide incremental funds and act as a focus and catalyst for the broader industry to develop and deliver new product, that ideally result in a legacy.

Examples where the public sector acted as catalyst for tourism product development and enabled private sector investment and engagement are highlighted below.

Photo: Ethan Meleg

Case Study: Australia's National Landscapes – A Catalyst for Destination Development

Tourism Australia and Parks Australia initiated a long term plan in 2005 to create Australia's National Landscapes (ANL). The abundance of Australia's 9,000 national parks was difficult for both domestic and international visitors to understand and digest. This program was the means to acts as catalyst for regional tourism development and conservation to ultimately differentiate Australia's iconic natural and cultural destinations, and improve the delivery of quality visitor experiences throughout the protected areas and surrounding regions.

Aims of the program were to create partnerships between tourism and conservation to:

- Promote Australia's world class, high quality visitor experiences;
- Enhance the value of tourism to regional economies;
- Enhance the role of protected areas in those economies; and
- Build support for protecting our natural and cultural assets

Ten National Landscapes have been formally launched, with two additional ones in process. These iconic landscapes are now featured in Tourism Australia's marketing programs. An integral part of the program was the Experience Development Strategy, which uses the positioning developed for the Landscape to drive experience and product development opportunities aimed at the Experience Seeker target market. Case studies submitted by Landscapes demonstrated a significant shift in thinking, with stakeholders having a more sophisticated understanding of what their Landscape stands for, what makes them unique and how they can differentiate their product based on their competitive advantage. The National Landscapes Indigenous Tourism initiative funded by the Department of Resources, Energy and Tourism, led to the funding of seven projects and improved engagement with Indigenous stakeholders in the Landscapes.

Case Study: Newfoundland & Labrador's Special Event Strategy

Newfoundland & Labrador's 'special celebrations' event strategy planned and executed a series of major milestone events in the province including Cabot 500, Soiree '99 and Vikings! 1000 Years. Preparations for these events engaged operators, communities and stakeholders and acted as a means to improve quality and develop new offers. Legacies from these events include 'Festival 500, Sharing the Voices' a biannual international music event hosted around the province. After hosting this event biannually since 1997, it is taking a hiatus in 2014 to shift its focus for the future.

Continual Engagement of the Industry

Continual engagement of tourism stakeholders is important not only to keep the lines of communication open, but also to provide an opportunity to educate, update and inform operators of emerging information and opportunities.

Case Study: Central New South Wales Provides Advice & Information

As part of their training and product development program, Central New South Wales Tourism (Central NSW Tourism) in Australia delivers an electronic "Tourism Product Development Newsletter" to industry partners, providing 'advice and information' to assist in product development. Highlighting initiatives under way, how to get involved and referral to case studies to support the industry, it also directs industry to an on-line Question and Answer page for individual response and mentoring from a dedicated product development specialist.

Support Customized to the Operation

Programs to support the development of the tourism sector are most relevant to the operator when there is customised and personal support.

Case Study: Atlantic Canada's One on One Mentorship Model

ACOA's Advanced Market Readiness one-day business improvement program provides a pre-screened operator with a site visit, formal evaluation and one on one feedback at the operator's place of business. Delivered by independent qualified tourism experts, operators pay a portion of the cost and must fully participate by completing an on-line assessment prior to the on-site meeting. The hosting of the mentor on site must occur over two days during normal operating season. The operator receives a customized report from the expert that includes specific recommendations that can be immediately implemented.

Case Study: Central New South Wales Mentorship Model

Central NSW Tourism's Responsible Planning for Small Business Enterprises, delivered by a consultancy, starts with a one-day workshop ($25 fee) followed by nine weeks of personal mentoring by the consultant at no cost to the business. The program is linked to strategic priorities for product development (100 Miles of Country Experiences, Tourism Trails for example) that are then highlighted in regional marketing programs.

Strategic Product Development Recommendations

To successfully implement a sustainable tourism development strategy, the tourism sector in Northern Ontario must focus its efforts in three core areas:

1. The experiences and products themselves.
2. The quality of the offers.
3. The 'culture' and organizational thinking around tourism product development.

In each of these areas a major shift is required. Details below document specific recommendations for Northern Ontario to undertake an experience, quality and culture shift surrounding product development and the recommended timelines for implementation.

- Short Term Priority – initiate within 6 months
- Medium Term Priority – initiate within 18 months
- Longer Term Priority – initiate within 2 years

Experience Shift

Narrow experience and product development to high priority product areas.

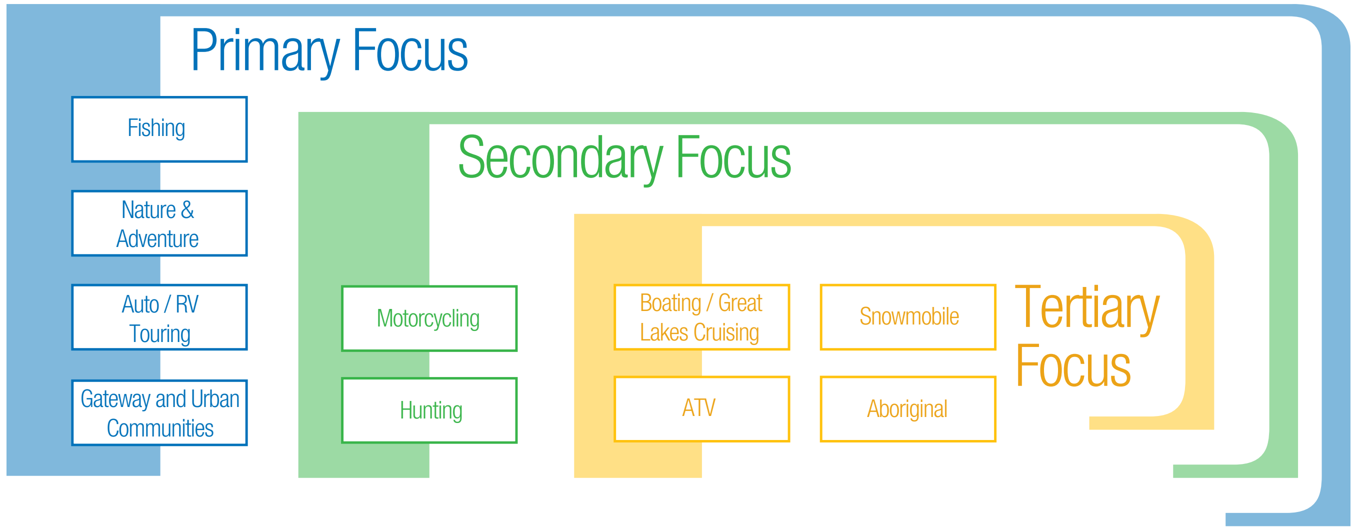
Goal: To focus efforts on product development with the most potential to advance tourism in Northern Ontario.

Northern Ontario must build off its successes and opportunities and learn from its mistakes in product and experience development. To advance tourism in the region, Northern Ontario must realize that it can't be all things to all people (visitors, communities and operators included). There is a need to focus on the best bet product areas, supported by best bet operators with the potential to deliver five star experiences that generate visitors.

To meet this need, product and market assessments were undertaken as part of the project (see Appendix 5 and 6). The outcome, the Product Market Match (Appendix 7), which lines up Northern Ontario's key products with key markets that are looking for these experiences, outlines the products with the most opportunity.

Northern Ontario must shift its **primary product development focus**, reflecting allocation of time, resources and effort to priority areas, or experiences that demonstrate the most profitability, match market interests and have the most opportunity from a product market match perspective. Based on the results of the product market match, these primary focus areas include the core products fishing, nature and adventure to access and experience notable landscapes, wildlife, views and waterways, auto/RV touring to showcase and highlight the natural features, stories, communities, culture and heritage that are Northern Ontario and gateways and urban communities that act as both hubs and destinations.

At the same time, a moderate amount of product development effort should be expended on motorcycle touring and hunting experiences, which are deemed a **secondary focus**.These are products that need less investment due to phase of product development or because the market potential is more narrow for Northern Ontario, than those in the primary focus areas.



Finally, **tertiary focus** on product development should be centred around experiences that represent products with a particularly narrow or lessor opportunity from a product market match perspective or are declining in potential and/or relevance as drivers of tourism activity. Products in this category include boating/Great Lakes cruising, ATV touring, snowmobile touring and Aboriginal experiences.

These product areas should continue to be monitored to watch for increases or decreases in demand, identify new niche market opportunities and articulate significant issues. If changes arise, they should be adjusted or treated as a one-off opportunity depending on the level of benefit available to Northern Ontario.

Although each of these best bet experience areas are listed in isolation, the reality is that there are overlaps and connections between and among them that when combined create new products. In addition, support for the development of a range of underlying supporting experiences that showcase local stories, history, arts, culture and heritage and food, further enrich all other products.

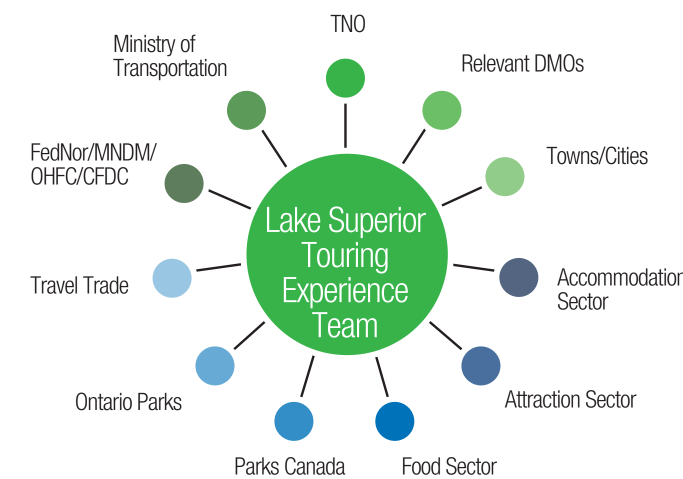
1. Universal Experience Shift Recommendations

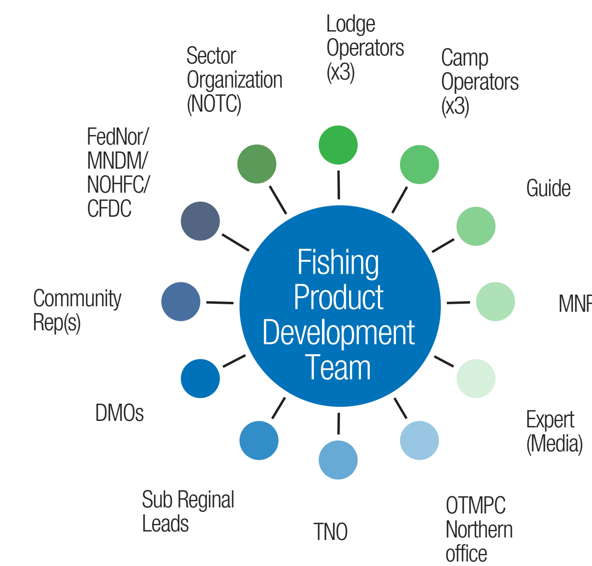
There are several experience shift recommendations that affect a multitude of product areas. These have been summarized as general experience shift recommendations as follows:

i. **Host an annual 'product development' symposium** within the annual planning cycle (consider early fall date). Invite both influencers, stakeholders and funding partners to elevate the importance of product development in tourism, and to get stakeholders talking, share market intelligence, confirm priorities and build plans surrounding priority product areas together.

Who?	TNO with Sub-Regional Leads and DMOs, Other Stakeholders and Funding Partners
Timeline:	Medium Term Priority

ii. **Create 'product development teams'** surrounding the priority products and task them with working together to develop product, capitalize on opportunities and work through issues related to their product areas. Include main stakeholders, including key operators, and appoint a champion to drive product developments surrounding the experience forward. For example, an auto touring route product development team tasked with enhancing a touring route along the Lake Superior shoreline destination area would include forward thinking DMO representatives, tourism leaders from key tourism focused communities along the route, quality market ready operators and attractions along the route, a TNO representative as well as the local MTO, FedNor, MNDM and CFDC representatives where appropriate.





For products that relate to Northern Ontario as a whole, representatives would be chosen from across Northern Ontario. Fishing product development team from across Northern Ontario would include operators, guidees, MNR, experts, OTMPC Northern Office, TNO, sub reginal leads, DMOs, community representatives, as well as FedNor, MNDM, NOHFC, CFDC and sector organization personnel where appropriate.

Who?	TNO, Sub-regional Leads, DMOs, Community Leaders, Market ready Operators and Other Stakeholders
Timeline:	Medium Term Priority

iii. **Provide a regular series of 'experience-development' workshops, mentoring and support, focused around priority product themes** that include:

- Development of new experiences related to priority products areas.
- Development of supporting experiences to enrich stays that might include for example •
- Northern Ontario cuisine experiences, telling local stories and histories, as well as arts and culture offers.
- How to shift offers to higher yield.
- How to adapt or develop offers for niche markets (i.e. aging populations, the physically challenged, LGBT, Francophone market, international travellers, etc.)
- How to increase the quality of the experience for the consumer.

Workshops should be structured to allow sharing of information and working together to advance the experience across Northern Ontario.

Who? TNO support, Sub-Regional Leads host, DMOs assist
Timeline: Medium Term Priority

iv. **Complete detailed market situation analysis research on product areas noted as best bet** under each of primary, secondary and tertiary focus areas to better understand the markets for these experiences and to allow comparison to information garnered from studies already undertaken.

Who? TNO
Timeline: Short Term Priority

v. **Continue to invest into initiatives already under development that fit the targeted product priorities** and where traction exists with partners and/or the market to bring these experiences to fruition. For example, the Aboriginal Tourism Strategy, and the Group of Seven experiences should continue to be developed as they relate directly to best bet product areas.

Who? TNO, Sub-Regional Leads, Municipalities and Operators
Timeline: Short Term Priority

vi. **Recognize the importance and economic activity of the visiting friends and relatives (VFR), inter and intra-regional markets** for visitation in Northern Ontario when developing product that embraces these visitors as economic drivers, especially with respect to product areas and events that speak to them. (See product market match Appendix 7). Consider local residents as the conduit to the VFR market.

Who? TNO, Product Development Teams
Timeline: Medium Term Priority

vii. **Consider developing a Northern Ontario specific tourism motorsports strategy.** OTMPC has all segments under one umbrella for marketing purposes but lacks clear objectives, goals or commitments to developing or improving the product or consumer experience. The motorsport strategy should be focused on consumer needs and interests, driven by engaged operators and combine all motorsport products and experiences. It should be created, distributed and discussed in conjunction with Northern Ontario's tourism partners that have motorsports product.

Who? TNO in conjunction with Sub-Regional Leads and OTMPC Northern Office
Timeline: Long Term Priority

viii. **Position product for the international market** for best bet products that resonate with international target markets (see product market match Appendix 7) via the following tactics:

- Complete an inventory of 'travel trade ready' products to identify gaps and needs.
- Host market readiness workshops for operators delivering products that appeal to and align with international markets.
- Facilitate connections through travel trade to international travellers.
- Connect operators with OTMPC and CTC travel trade tactics and activities to increase awareness of Northern Ontario product for international markets.

Who? TNO in association with Sub-Regional Leads, OTMPC Northern Office, OTMPC Corporate Office
Timeline: Long Term Priority

2. Product Specific Experience Shift Recommendations

The following recommendations relate to specific products or experiences. Priority should be given to primary focus product areas, followed by secondary and finally tertiary product areas.

a) Primary Focus Product Areas

FISHING

i. Retain and increase the current avid fishing market.

- Retain current overnight visits driven by fishing as the core activity through continued innovation, quality upgrades and the range of onsite amenities, services, food and beverage: (see quality shift below)
  - to address needs of aging population
  - to attract an increased percentage of high yield US anglers
  - to convert avid anglers who leave Ontario to consider an Ontario avid angling experience through continued innovation and quality upgrades.
- Investigate diversification of current offers to add new market opportunities such as fly fishing.

Who? Operators
Timeline: Long Term Priority

- Develop trophy fishing industry targeting high yield anglers through recognition of those operators already delivering this experience and over the longer term designation of protected wilderness lakes with managed resources.

Who? Fishing Product Development Team
Timeline: Long Term Priority

ii. Create a non-avid fishing product development team and task with:

- Investigating and developing experiences to broaden the focus from avid to non-avid to attract this large market.
- Investigating and developing experiences to embrace new demand and growth for angling in Northern Ontario which is anticipated from:
  - new types of anglers including, families, women, corporate and social groups, the physically challenged;
  - new types of angling experience introduced to traditional operations such as fly-fishing, kayak-fishing and conservation fishing;
  - 'introduction to' experiences at traditional fishing lodges and
  - a focus on species attracting new attention.
- Consider creating a series of Experience Fishing offers with various partners including air carriers, similar to the Learn to Camp program currently offered by Ontario Parks.

Who?	Sub-Regional Leads, DMOs, Sector Organizations, Community Leaders, Market-ready Operators
Timeline:	Medium Term Priority

iii. Investigate options for use of lodge, resort and camp facilities and services by non-anglers for alternative activities where interest and capacity lies.

Who?	Operators
Timeline:	Short Term Priority

iv. Investigate opportunities to attract the near-market overnight fishing market.

Who?	Fishing Product Development Team, Operators
Timeline:	Short Term Priority

NATURE & ADVENTURE

i. Create a nature and adventure product development team and task with:

- Developing nature and adventure products surrounding `signature' landscapes that have cachet with travellers and that differentiate Northern Ontario from other provinces, territories and states that include the La Cloche Mountains, the Lake Superior shoreline, northern Georgian Bay, French River, Lake Superior Marine Conservation Area, and Temagami's Old Growth Forest. Leverage National and Provincial Parks as key trip motivators.
- Developing a collection of 'bucket list' high quality, lodge based signature outdoors experiences that showcase waterways, trails, wildlife and landscapes.
- Reviewing opportunity to establish an iconic long-distance hut to hut hiking trail linking National, Provincial and Municipal parks and gateway communities.
- Strengthening relationships between outfitters, provincial and national parks.
- Continuing to link the outdoors to culture as is currently under way with Group of Seven offers under development in both Algoma/Sault Ste. Marie and Northeastern Ontario to appeal to domestic and international Cultural Explorers and Authentic Experiencers.
- Developing products and experiences that appeal to Millennials.

Who?	Sub-Regional Leads, DMOs, Community Leaders, Market-ready Operators
Timeline:	Medium Term Priority

ii. Establish strong working relationships with appropriate levels within MNR, Ontario Parks and Parks Canada to add the voice of tourism to policy and planning discussions and to identify tourism opportunities as disposal of crown assets occurs.

Who?	TNO, Sub-Regional Leads
Timeline:	Long Term Priority

iii. Advocate for support for rural capital investment in items that are ancillary to tourism (signage, cell coverage etc.) but are in demand by today's markets and key to advancing the salability of rural nature related product to new markets.

Who?	TNO, Sub-Regional Leads, Municipalities
Timeline:	Long Term Priority

AUTO/RV TOURING

i. Create an auto/RV touring product development team and task with:

- Narrowing and focusing touring route tourism product development to two 'destination areas' with the most opportunity to appeal to new and growth markets:
  - Thunder Bay to Sault Ste. Marie corridor/Lake Superior Shoreline, a linear destination with access by air at both gateways, proximity and access to internationally acclaimed natural resources, mix of urban/rural, existing product development initiatives under way that are leveraging assets with international cachet, etc.; and
  - Northern Georgian Bay a hub and spoke destination encompassing LaCloche/North Shore Lake Huron/French River/Temagami with many nodes with quality product, access to markets via Sudbury and from Southern Ontario highways both east and west; includes a number of logical and/or established loops such as the Temiskaming Loop and existing product development initiatives under way leveraging assets with international cachet.
- Use best in class motorcycle touring routes as the conduit to cross over to auto/RV touring. For example, the Ride Lake Superior via the Lake Superior Circle Tour and Ride the North Lake Temiskaming Circle Tour.
- Developing itineraries that create a cachet of 'iconic road trips' to generate new visits and to capture more of the pass-through market.
- Elevating the 'Trans-Canada' touring opportunity across Northern Ontario by creating itineraries, connecting communities and highlighting stops that reflect the 'cadence of travel' (short stop, 2 hour stop, half day stop, overnight stop, more than one night stop, etc.) by mode of transportation. Leverage the number of built roadside attractions as one element of the touring product.
- Developing itineraries for the international fly/drive auto and RV markets.
- Positioning and developing road trip itineraries across key regions of Northern Ontario as a way to introduce resident immigrant families and their VFR from overseas, as well as overseas travellers to a range of Canadian experiences.

Who? Sub-Regional Leads, DMOs, Community Leaders, Market-ready Operators
Timeline: Medium Term Priority

ii. Continue investment in Georgian Bay Coastal Route and Group of Seven touring route product to bring these projects to fruition and to continue to capitalize on touring route traction that has already been built.

Who? TNO, Sub-Regional Leads, Municipalities
Timeline: Short Tem Priority

iii. Begin discussions surrounding the creation of a Canada-wide program similar to the US Byways program to elevate signature Canadian touring routes. This program could follow the format of the CTC's Signature Experiences, but related to touring routes. Not only would this package of signature Canadian touring routes support the auto/RV touring crowd, but it would also benefit the motorcycle touring product.

Who? TNO, Sub-Regional Leads
Timeline: Long Term Priority

Gateways & Urban Communities

i. Support the development and enhancement of buyable supporting experiences that reflect local products and cultural heritage connections such as art and artisans, northern 'cuisine' reflecting a particular area (Finnish food in Thunder Bay area for example) and key attractions to extend stays, increase spending and to build a strong sense of place.

Who? Sub-Regional Leads, DMOs, CFDCs, Municipalities
Timeline: Long Term Priority

ii. Link communities more closely with nature and outdoors offers as gateways and transition zones, particularly for those market segments seeking urban amenities before or after their wilderness experience.

Who? Municipalities, Operators
Timeline: Long Term Priority

iii. Investigate the opportunity to create and deliver an annual or bi-annual Northern Ontario sports tournament/event to attract out of province participants, that rotates between major urban centres.

Who? Sub-Regional Leads, Municipalities
Timeline: Long Term Priority

iv. Investigate creating a new 'true wilderness' adventure race/event that is authentic to Northern Ontario's natural assets, to attract active adults and/or millennials, with a finish and end in urban centres for preparation, as well as post-competition for banquets and awards. The race itself would access natural resources (similar to Yukon Quest that starts in Whitehorse, Yukon one year and Fairbanks, Alaska the next – route is reversed each year and finishes in the other location).

Who? Municipalities, DMOs
Timeline: Long Term Priority

v. Continue to engage colleges, universities and other non-traditional stakeholders as venues and partners in the delivery of tourism experiences.

Who? Municipalities, DMOs, Operators
Timeline: Medium Term Priority

b) Secondary Focus Product Areas

MOTORCYCLE TOURING

i. Undertake research on a provincial level surrounding the motorcycle touring market and its economic impacts and potential.

Who? OTMPC, Ministry of Tourism, Culture & Sport in conjunction with Industry
Timeline: Long Term Priority

ii. Investigate the market for off-main-road trails for adventure riders. If the market potential exists, undertake proper trail and route development and market ready operator matching and assessment to ensure a safe and enjoyable experience is the outcome. Northern Ontario is well positioned to offer the routes for these trails, as long as operators and amenities can be sourced to support route development. Work with ATV and snowmobile trail groups to leverage trails networks.

Who? OTMPC Northern Office, Sub-Regional Leads, DMOs, Municipalities
Timeline: Medium Term Priority

iii. Make investments in upgraded/maintained smooth, resurfaced, roads to support the motorcycle touring experience. The experience benefits from ongoing road enhancements. Good roads are important to the experience for a rider. They will also support the auto/RV touring developments. Where roads are controlled by the Ministry of Transportation, the issue should be brought to the attention of the inter-ministerial working group (see recommendation below under culture shift). (See also auto/RV recommendation regarding Byways program development.)

Who? Municipalities, MTO
Timeline: Medium Term Priority

HUNTING

i. Create a hunting product development team and task with investigating:

- Packaging best bet hunting and fishing opportunities.
- Opportunities behind focusing on bucket list trophy hunting for moose and bear to attract visitors from further distances who stay longer in fixed roof accommodations.
- The prospect of niche opportunities focused on catering to sustainable food movement followers.
- The potential surrounding attracting female hunters to operators with upgraded amenity offerings.
- Determine if there is an opportunity to create a partnership with other Canadian provinces/regions with best bet hunting experiences, to collaborate/share resources to position Canada as a must do hunting location for the international market. The CTC report "Sport Fishing and Game Hunting in Canada" indicates a market opportunity, but lack of resources for the CTC to market hunting in a significant manner.

Who? Sub-regional Leads, DMOs, Sector Organizations, Community Leaders, Market-ready Operators
Timeline: Long Term Priority

ii. Deliver messaging to policy-makers and politicians on behalf of hunting operators, regarding the issues they are facing, especially surrounding reinstating the spring bear hunt.

Who? TNO, Sub-Regional Leads, Sector Organizations
Timeline: Short Term Priority

iii. Upgrade lodge/cabin accommodations to push the experience to the next level to make Northern Ontario a favoured destination for longer distance hunters who stay in fixed roof accommodations.

Who? Operators
Timeline: Long Term Priority

c) Tertiary Focus Product Areas

BOATING/GREAT LAKES CRUISING

i. **Develop shore excursions targeting cruise, power and sail boating markets** that include transportation connections between dock and communities. Support increased community capacity to deliver higher yield experiences to these visitors.

Who? Municipalities with key cruising and boat touring ports; Sector Organizations
Timeline: Long Term Priority

ii. **Refine and expand itineraries for small ship cruising** to extend stays.

Who? Municipalities and Nearby Communities with key cruising and boat touring ports
Timeline: Long Term Priority

ATV TOURING

i. **Support a four-season motorsports philosophy.** Each user group cannot do it alone. ATV, off road motorcycle, adventure motorcycle and snowmobile must work together to manage/support trail systems year round. Adventure Motorcycle & Dual Sport are two growth segments that would utilize existing trails and trail support systems.

Who? OTMPC Northern Office, Sub-Regional Leads, DMOs, Municipalities working together with Ontario Federation of Snowmobile Clubs, Ontario Federation of Trail Riders, Ontario Federation of All Terrain Vehicles, ATV Ontario, Eastern Ontario Trails Alliance, Ontario Dual Sport Club
Timeline: Long Term Priority

ii. Where deemed to be economically beneficial, **fully develop a limited number of ATV routes** in Northern Ontario, with formalized routes and loops, route marking, mapping and market-ready operators as well as municipal support for ATV tourism.

- The Voyageur Multi-Use Trail in Mattawa is interested in refining their product offering with branding and assessment of ATV friendly operators to support the experience.
- Wawa's trail experience could benefit from the formalization of routes.
- Elliott Lake could benefit from renewed interest/focus on ATVing product that they have developed to re-elevate the product positioning.
- Where applicable differentiate the Northern Ontario offer as wilderness remote riding for experts.

Who? Municipalities working with Sub-Regional Leads/DMOs
Timeline: Long Term Priority

SNOWMOBILE

i. **Monitor the developments in the snowmobile industry** with the perspective that trails and operators are needed for snowmobile tourism. If there are no trails and no businesses to service riders, there is no product. If the current industry, OFSC and club issues are resolved (see appendix 5), and trails are available:

- Develop a limited number of signature loop trails supported by the OFSC, clubs and dedicated best in class market ready operators and communities to service snowmobile tourists and locals.
- Recognize that the highway 400 & 11 corridor of snowmobile trails represent the greatest domestic potential for the drive-to market due to the proximity of the market and the Algoma region represents the greatest opportunity for US riders.
- Study the potential of developing off-trail snowmobile experiences. Focusing on the market and if there is accessible, near-to-market product available (that can compete with Western Canada destinations) to support the initiative.
- Work in conjunction with the other power sports to develop a four-season approach to trail development and maintenance.

Who? Sub-Regional Leads, DMOs, Municipalities, OFSC, Clubs, OTMPC Northern Office, Operators, Other Power Sports
Timeline: Long Term Priority

ABORIGINAL

i. Support continued efforts to complete the Great Spirit Circle Trail (GSCT) **Aboriginal Strategy** in recognition that Aboriginal experiences have the potential to act as add- on experiences to supplement the region's priority product areas.

Who? TNO, FedNor, GSCT
Timeline: Long Term Priority

ii. **Build on the product development work done by the GSCT** as the catalyst and model for further future aboriginal product development throughout Northern Ontario where return on investment is demonstrated.

Who? Tribal Councils, First Nations, GSCT
Timeline: Long Term Priority

Quality Shift

Create a 'culture of quality' for the delivery of tourism products and experiences throughout the Northern Ontario tourism sector.

Goal: To improve and enhance the quality of built and delivered tourism assets and the overall quality of service and engagement across Northern Ontario.

Northern Ontario has some high quality experiences, but many more that are considered just 'good enough' or below standard. A quality shift is required to create more outstanding offers. It is important to note that there are many facets of a high quality experience – from bricks and mortar to towels and linens to customer service, upgraded websites, and amenities that today's guests want -- creating a five star experience isn't related to looks alone.

Creating and supporting a culture of quality will require investment into a range of tools and programs, with highest consideration for tools which provide the best return on investment. Tactics should target both communities and operators, to train, mentor, challenge and support enhanced quality.

1. Funding to Ignite a Quality Shift

Lack of access to capital for operator improvements is a frequent complaint and a known common barrier to enhancing and upgrading the quality of visitor experiences. Most of the issue lies with the limited to non-existent financial resources available, but some of the challenge may also lie with operator's lack of willingness to change and lack of business planning and proposal development skills.

i. **Lead the discussion surrounding the creation of a capital funding program** for improvements and quality upgrades to small to medium sized tourism businesses based on a matching funds program. Consider targeting the funds to a specific priority product in the first few years of implementation.

Who? TNO
Timeline: Medium Term Priority

ii. **Advocate for tourism related capital infrastructure funding** for large size tourism businesses and municipal tourism infrastructure development. Target initiatives related to priority product area investments.

Who? TNO and Sub-Regional Leads in association with DMOs and Municipalities
Timeline: Short/Medium Term Priority

iii. **Provide support for small to medium sized operator business planning and proposal writing** in order to break down the barriers to accessing available capital. Operators must meet the criteria and demonstrate the need and willingness to support the quality assurance program in order to qualify.

Who? DMOs
Timeline: Medium Term Priority

2. Communication to Stimulate a Quality Shift

While funding is often cited as the main issue that is hindering Northern Ontario quality upgrades, an education program may be the stimulus that some operators need to make a change. Simply supplying them with details surround the benefit of upgrading quality and the information they need to start the process can be the motivator.

i. **Create and distribute a quarterly operator newsletter** designed to encourage a Northern Ontario culture of quality by providing operators with product development and quality related information resources on a regular basis in order to:
- build cohesiveness, break down the barriers and attempt to rid the industry of the 'them versus us' mind set between operators and the DMOs, sub-regional leads, and the RTO,
- educate them surrounding product development – what it is and why it is needed,
- provide them with case studies of businesses who have undertaken a quality shift, and the benefits they have experienced,
- provide information sources surrounding capital funding programs that are available,
- rovide information surrounding business planning resources available like the MNDM business planning template.

Who? TNO with support from Sub-Regional Leads
Timeline: Short Term Priority

3. Programs to Motivate a Quality Shift

Support, develop and deliver quality enhancement programs at both the operator and community level. Start by targeting primary focus areas. When the program has created suitable traction, expand to secondary and tertiary focus areas.

i. **Introduce a community tourism assessment program to support** community engagement in tourism and to provide first-hand evaluation of the community offers. The program should be an adaptation of the Ontario Ministry of Agriculture and Rural Affairs' (OMAFRA) First Impressions Community Exchange, ACOA's Sustainable Tourism Community Screening Tool, and the U.S.-based Countryside Exchange program. Each of these programs provides objective, structured feedback and analysis to assist communities as they advance their tourism agenda.

Who? TNO in association with FedNor
Timeline: Medium Term Priority

ii. **Deliver customized, one-on-one business improvement and enhancement advice and mentoring opportunities.** Adopt the principles and insights from ACOA's Accelerated Tourism Market Readiness program.

Who? TNO in association with FedNor with input from Sub-Regional Leads and DMOs
Timeline: Short Term Priority

iii. **Facilitate formalized peer to peer mentoring** matching seasoned operators who have made shifts to operators new to the industry as well as those open to change.

Who? Sub-Regional Leads with cross-over between regions of Northern Ontario
Timeline: Short Tem Priority

iv. **Use a market readiness criteria based approach for operator involvement in product development initiatives.** The criteria should reward best in class, market ready, quality-elevated operators by allowing them to participate in experience development and product offerings.

Who? Product Development Teams, TNO, Sub-Regional Leads, DMOs
Timeline: Short Term Priority

v. Negotiate and implement a criteria-based quality upgrade initiative through **key supplier partnership or product affiliation program that is exclusive to Northern Ontario operators. Focus the initial program** offering on one priority product (fishing), and expand future offerings to other targeted priority product areas. For example, the program could be designed to target upgrading the beds, sheets and towels at Northern Ontario fishing lodges. A product affiliation could be negotiated with the Hudson's Bay Company or other similar supplier to provide merchandise to qualifying operators at a pre-negotiated reduced cost.

Who? Sub-Regional Leads working together across NO and with TNO
Timeline: Medium Term Priority

vi. **Encourage industry wide use of Trip Advisor** on all Northern Ontario operator, DMO, sub-region and RTO consumer websites. Trip advisor can act as a consumer feedback quality assurance program to motivate operators to upgrade their services to offer higher quality experiences that garner good reviews by visitors.

Who? TNO, Sub-Regional Leads, DMOs
Timeline: Short Term Priority

vii. **Develop and deliver a guide for operators:** "10 Easy Ways to Exceed Your Visitor's Expectations". The guide should be industry wide, or product specific and be a core part of all quality assurance and experience development workshops.

Who? TNO, Sub-Regional Leads, DMOs
Timeline: Short Term Priority

Culture Shift

Establish an organizational culture that generates investment, commitment and support for strategic tourism product development in Northern Ontario.

Goal: Increase the awareness of and support for tourism product development in Northern Ontario.

While some promising work related to product development has been undertaken in recent years, Northern Ontario is primarily stuck in a marketing mindset. To realize its full tourism potential, a functional shift must occur, placing more operational emphasis and spending on product development. In addition, more formal and regular communication channels between ministries, departments and agencies that touch tourism in Northern Ontario and stakeholders must be established to increase awareness, support and action for the issues and opportunities for tourism across Northern Ontario.

1. Budget Culture Shift

Tourism product development typically gets little attention. It's no secret that regional tourism organizations, DMOs, communities, and operators like to focus on the more visual aspects of marketing, often putting product development on the backburner due to its more obscure needs, difficulty in conceptualizing, lack of resources, need for research and partnerships and multi-staged development.

Tourism Northern Ontario and its sub-regions and DMOs are no different from the average tourism organization. Budget numbers indicate a focus on marketing, with a much smaller portion spent on product development. At the RTO level, the 2014/15 budget allocates 5% of funds to product development (plus some possible partnership funds), while 60% is budgeted for marketing initiatives.

However, product development is the first pillar of marketing and is needed to create best in class tourism experiences that speak to today's market. Without product development, there are no experiences to sell.

i. **Adjust budgets** at the TNO, sub-regional and DMO levels to reflect a strategic Northern Ontario product development focus. Align the adjusted budget with strategic priorities.

Who? TNO with Sub-Regional Leads and DMOs
Timeline: Short Term Priority

2. Personnel Culture Shift

There is a lack of formal identification of product developers on the ground. Product development is said to be a part of many functions of the various staffing levels in tourism but is often buried under job descriptions and not formally recognized. There are many marketers of tourism products but limited and often no formal product developers and refiners. For example: MNDM staff noted they spend little time on the tourism portfolio, and certainly less than in the past. Sub-regional leads rely heavily on outside support for product development and most do little on the product development side when compared to the amount of staff resources spent on marketing. OTMPC Northern Office staff are tasked with creating marketing programs only but a large part of developing marketing programs involves developing or facilitating new products and experiences and staff report spending 40 - 60% of their time on product development related tasks. There is a need for formalized product development personnel at several levels.

i. Develop provisions for **formalized internal product developers** at the TNO, sub-regional and DMO levels.

Who? TNO, Sub-Regional Leads, DMOs
Timeline: Medium Priority – in line with budget shift timeline

ii. Work with public sector partners to **develop and implement a funding model that supports increased and dedicated resources for impartial, 'on the ground' advisors with exclusive tourism portfolios throughout Northern Ontario.** These tourism advisors would play an active role in product development and quality initiatives with the flexibility to be organized and deployed in a variety of ways to suit shifting industry needs.

Who? TNO
Timeline: Short Term Priority

3. Communication Culture Shift

With no less than 21 layers of tourism stakeholders engaged in product development, there is a general lack of communication and shared strategic direction. This results in the creation of silos being formed undermining a pan northern approach to tourism. This is especially evident within the provincial level ministries when policies are created that can negatively affect other ministries or sectors. This is an easy problem to solve by simply creating the forums and structure for communication between all of the stakeholders.

i. Convene regular Northern Ontario **inter-ministerial meetings** between Assistant Deputy Ministers, Deputy Ministers, Ministry staff, TNO representatives and other key stakeholders to share issues between ministries and explore solutions to problems that are hindering tourism development in line with priority product areas.

Who? TNO
Timeline: Medium Term Priority

4. Role & Function Culture Shift

There is a need for a defined product development role and function structure within the region. Stakeholders are confused about who should be doing what, and it's creating overlap and under-delivery in the development of product opportunities.

i. **Adopt a clear and concise role and responsibility product development structure** for Northern Ontario that takes into account all of the recommendations included in the Product Development Strategy. The structure should define who does what and positions stakeholders to align and cascade, ultimately communicating and working together to elevate Northern Ontario experiences. A preliminary outline is provided below.

Who? Developed by TNO in association with the Sub-Regional Leads
Adopted by All Northern Ontario Tourism Stakeholders
Timeline: Short Term Priority

Northern Ontario Tourism Product Development – Role & Function

Organization	Roles & Responsibilities
1. Tourism Operators	• Develop and deliver quality products and experiences that exceed customer expectations in a professional manner • Possess the desire to change, adapt, and refine experiences as the market demands • Innovate and surprise customers • Recognize customer service as a priority asset of an experience • Develop annual business planning cycle and budget for product/experience enhancements • Collaborate with like-minded businesses • Engage in local/regional tourism product development efforts where applicable • Ask for assistance, seek information and additional resources when needed
2. Small Municipalities (with no dedicated tourism department)	• Be supportive of tourism operators through municipal regulation, zoning, and taxation policies • Incorporate tourism goals into the Municipal Official Plan (in municipalities where tourism is a focus) • Ensure tourism development is part of an overall community economic development strategy (in municipalities where tourism has been identified) • Develop a destination development action plan that aligns with regional/pan regional strategies • Create vibrant town centres that give visitors compelling reasons to stay and spend • Consider creating a community improvement plan to encourage downtown revitalization (CIP) • Participate in community revitalization programs • Create a conduit between product development and municipal marketing tactics • Invest in municipal infrastructure that enhances the visitor experience such as wayfinding, trails, roads, pedestrian/cycle friendly areas etc. • Work with developers to encourage tourism investment attraction • Stimulate community festivals, events and sports tourism initiatives • Engage on the ground to connect with operators to understand challenges and opportunities • Communicate with community business development support resources ie. Chamber of Commerce, Business Improvement Association (BIA), Downtown Improvement Association (DIA) • Work in alignment with regional & pan northern product development teams and following product development strategic directions
3. Large Municipalities (with dedicated tourism department)	• Be supportive of tourism operators through municipal regulation, zoning, and taxation policies • Ensure tourism product development is part of overall tourism strategy and aligns with other regional/pan regional strategies • Foster the creation of vibrant downtowns that give visitors compelling reasons to stay and spend • Consider creating a community improvement plan to encourage downtown revitalization (CIP) • Participate in community revitalization programs • Invest in municipal infrastructure that enhances visitor experience such as wayfinding, trails, parks, roads, pedestrian/cycle friendly areas etc. • Work with developers to encourage tourism investment attraction • Create a conduit between product development and municipal marketing tactics • Stimulate community festivals, events and sports tourism initiatives • Engage on the ground to connect with operators to understand challenges and opportunities • Communicate with community business development support resources ie. Chamber of Commerce, Business Improvement Association (BIA), Downtown Improvement Association (DIA) • Work in alignment with regional and pan northern product development teams and following strategic directions
4. First Nations & Tribal Councils	• Support and encourage the development of Aboriginal experiences • Ensure tourism development is part of an overall community economic development strategy (First Nations where tourism has been identified as a priority) • Work with government agencies to preserve and protect natural resources
5. Chamber of Commerce/ BIA/DIA	• Support and encourage downtown beautification efforts • Provide business owners with community training programs/opportunities ie. customer service training • Work in conjunction/within the municipal tourism strategy and with other local tourism stakeholders on infrastructure, beautification, training initiatives

Organization	Roles & Responsibilities
6. Community Futures Development Corporations	• Support product development initiatives that are part of local & regional strategies • Liaise together as part of 24 Community Futures Development Corporations in Northern Ontario which are supported in part by FedNor
7. Sub-Regional Marketing Leads (13A,B,C)	• Transition to 'Regional Lead' organizations with a mandate broader than marketing to encompass product development and other regional priorities • Communicate and mobilize operators to think about product/experience refinement/ reinvestment • Integrate annual strategic product development opportunities into marketing plans and or develop specific product development plan • Take a lead role in facilitating regional strategic product development initiatives • Utilize on the ground "Product Development" specialists to work with product development teams to act as a catalyst driving projects and products forward • Educate operators on current research and consumer trends to match product offerings • Coordinate training programs focused on experience enhancement • Facilitate product development partnerships with other sector organizations • Create a conduit between product development and regional marketing tactics • Work in alignment with regional and pan northern product development teams and following strategic directions • Work with stakeholders to deliver and encourage adopting of quality assurance programs
8. Destination Marketing Organizations (DMOs)	• Communicate with operators about product/experience refinement/reinvestment • Utilize on the ground "Product Development" specialists to work with product development teams • Educate operators on current research and consumer trends to match product offerings • Facilitate training programs focused on experience enhancement • Where needed, work with sub-regional and pan northern product development teams and following strategic directions • Work with stakeholders to deliver and encourage adopting of quality assurance programs

Organization	Roles & Responsibilities
9. Sector Associations (ie. NOTO)	• Share product development priorities, gaps, and opportunities for members • Advocate for product development advancements on behalf of members • Assist as a conduit between government and members • Communicate and educate members regarding product development issues • Educate members on proper business planning techniques
10. Tourism Northern Ontario	• Facilitate pan northern product development strategy development that identifies priorities, gaps and opportunities • Facilitate and commission northern specific tourism market research • Create a cohesive product development culture between regions • Work with stakeholders to create a culture of tourism product and experience innovation • Allocate resources for strategic product development initiatives • Help identify and promote product development best practices • Foster product development partnerships with sub regional leads and other stakeholders • Assist with the creation of product specific product development plans • Ensure alignment of regional and pan northern product development strategies • Educate stakeholders about tourism product development definition and process
11. Ministry of Northern Development & Mines	• Works in conjunction with the Ministry of Tourism, Culture & Sport to ensure the Ontario Tourism Strategy meets the needs of Northern Ontario • Promote economic growth, infrastructure enhancements and investment opportunities through Ministry of Tourism funding programs such as: Celebrate Ontario, Tourism Development Fund, Industry Partnership Program, Tourism Event Marketing Partnership Program • Ensure government policies reflect a Northern Ontario perspective • Provide product development guidance from field staff ie. Resource Based Tourism Business Planning • Make available and distribute current development tools such as business planning templates

Organization	Roles & Responsibilities
12. Northern Ontario Heritage Fund	• Administer funding programs to enhance the Northern Ontario economy • Administer the following funding programs that may align with tourism development priorities: Northern Business Opportunity Program – Business Expansion Projects & New Investment Projects & Small Business Start Ups, Northern Community Capacity Building Program – Community Capacity Building Initiatives & Event Partnership, Northern Ontario Internship Program, Strategic Economic Infrastructure Program • Align broad based Northern Ontario growth strategies with Northern Ontario tourism sector development strategies • Liaise with tourism stakeholders about Northern Ontario product development opportunities • Provide programs to facilitate the renewal and creation of tourism products in Northern Ontario in line with the Product Development Strategy
13. Ministry of Natural Resources	• Develop policy to protect, regulate and enhance Northern Ontario hunting, fishing, and land resources • Make strategic investments into priority resource areas • Conduct research regarding the health of natural resources
14. Ministry of Transportation	• Manage the touring/travel corridors • Manage the Canadian Tourist-Oriented Directional Signage Program • Manage rest areas and scenic outlooks within their jurisdictions • Develop long range infrastructure reinvestment strategies for highway systems • Develop policy for alternative transportations systems ie. bike lanes
15. Parks Canada/ Ontario Parks	• Operate Parks as attractions • Land managers for public use spaces that include campgrounds, hiking trails, canoe routes, scenic lookouts etc. • Policy development • Participate in product development initiatives that touch Parks.

Organization	Roles & Responsibilities
16. Ontario Tourism Marketing Partnership Corporation (OTMPC) – Northern Office	• Communicate Northern Ontario product interests to Corporate office • Participate in industry product development teams to fulfill sector specific marketing programs • Facilitate product team input into development of OTMPC's annual Northern Ontario Tourism Marketing Strategy • Communicate sector specific intelligence and annual strategy to Northern Committee and associated product stakeholders • Align efforts with OTMPC, RTO13 and pan northern stakeholder strategies • Ensure products being marketed meet market readiness requirements and follow sector development process to ensure quality and return on investment • Leverage best in class experiences as best practices for industry
17. Ontario Tourism Marketing Partnership Corporation – (OTMPC) Corporate Office	• Conduct tourism market research & intelligence • Identify new opportunities based on market demands • Pinpoint product opportunities that relate to Northern Ontario • Link market-ready Northern Ontario product to international travel trade efforts
18. Tourism Industry Association of Ontario	• Advocate on behalf of the industry for product development investments/support • Deliver provincial wide communication on product development initiatives/best practices
19. Ontario Ministry of Tourism, Culture & Sport	• Allocate product financial resources through the following channels for tourism product development: RTO Core Funding, Tourism Development Fund, Celebrate Ontario, Culture Development Fund, Heritage Organization Development Grant, Ontario Sport and Recreation Communities Fund • Solicit tourism investment and development • Conduct tourism research • Provide tourism field consultant staff through Field Services Branch (in Southern Ontario)

Organization	Roles & Responsibilities
20. Federal Economic Development Initiative for Northern Ontario (FedNor)	• Work with business and communities to enhance economic diversification and job creation in Northern Ontario through 2 programs: Northern Ontario Development Program & the Community Futures program delivered by the 24 CFDC's in Northern Ontario. • Offer the following programs for business: small business loans, research & development, and internships. • Offer the following programs for community partners: Community Economic Development Priority, Business Growth & Competitiveness Priority, Innovation Priority, Economic Development Initiative (Francophone Priority), Youth Internships • Work with regional and local tourism product development teams • Provide programs to facilitate the renewal and creation of tourism products in Northern Ontario in line with the Product Development Strategy
21. Canadian Tourism Commission	• Conduct market intelligence and research • Assist with international market development • Enhance tourism experiences through criteria development under the Signature Experiences Program

Recommendation Timeline Summary

Experience Shift Timeline & Priority Summary

	Recommendation	Who?	Short Term Priority	Medium Term Priority	Long Term Priority
1. Universal Experience Shift Recommendations					
i.	Host an annual 'product development symposium'	TNO with Sub-Regional Leads and DMOs, Other Stakeholders and Funding Partners		✓	
ii.	Create 'product development teams': *Fishing *Nature & Adventure *Auto/RV Touring *Gateways & Urban Communities	TNO, Sub-regional Leads, DMOs, Community Leaders, Market ready Operators and Other Stakeholders		 ✓ ✓ ✓ ✓	
iii.	Provide a regular series of 'experience development' workshops for primary priority themes	TNO support, Sub-Regional Leads host, DMOs assist		✓	
iv.	Complete detailed market situation analysis research on best bet product areas.	TNO	✓		
v.	Continue to invest in initiatives already under development that fit the targeted product priorities	TNO, Sub-Regional Leads, Municipalities and Operators	✓		
vi.	Recognize importance and economic activity of the VFR, inter and intra-regional markets	TNO, Product Development Teams		✓	
vii.	Consider developing a Northern Ontario specific tourism motorsports strategy	TNO in conjunction with Sub-Regional Leads and OTMPC Northern Office			✓
viii.	Position product for the international market	TNO in association with Sub-Regional Leads, OTMPC Northern Office, OTMPC Corporate Office			✓

Recommendation	Who?	Short Term Priority	Medium Term Priority	Long Term Priority
2. Product Specific Experience Shift Recommendations				
Primary Focus Product Areas				
FISHING				
i. Retain and increase the current avid fishing market				
a. Through quality upgrades	Operators			✓
b. Through diversification of offers	Operators			✓
c. Trophy fishing	Fishing Product Development Team			✓
ii. Create a non-avid fishing product development team	Sub-Regional Leads, DMOs, Sector Organizations, Community Leaders, Market-ready Operators		✓	
iii. Investigate options for use of lodge, resort and camp facilities and services by non-anglers	Operators	✓		
iv. Investigate opportunities to attract near-market overnight fishing market.	Fishing Product Development Team, Operators	✓		
NATURE & ADVENTURE				
i. Create a nature and adventure product development team	Sub-Regional Leads, DMOs, Community Leaders, Market-ready Operators		✓	
ii. Establish strong working relationships	TNO, Sub-Regional Leads			✓
iii. Advocate for support for rural capital investment	TNO, Sub-Regional Leads, Municipalities			✓
AUTO/RV TOURING				
i. Create an auto/RV touring product development team	Sub-regional Leads, DMOs, Community Leaders, Market-ready Operators		✓	
ii. Continue investment	TNO, Sub-Regional Leads, Municipalities	✓		
iii. Begin discussions surrounding the creation of a Canada-wide program similar to the US byways program	TNO, Sub-Regional Leads			✓

Recommendation	Who?	Short Term Priority	Medium Term Priority	Long Term Priority
GATEWAYS & URBAN COMMUNITIES				
i. Support the development and enhancement of buyable supporting experiences	Sub-Regional Leads, DMOs, CFDCs, Municipalities			✓
ii. Link communities more closely to nature and outdoors as gateways and transition zones	Municipalities, Operators			✓
iii. Create and deliver an annual or bi-annual Northern Ontario sports tournament/event	Sub-Regional Leads, Municipalities			✓
iv. Investigate creating a new 'true wilderness' adventure race/event	Municipalities, DMOs			✓
v. Continue to engage colleges, universities	Municipalities, DMOs, Operators		✓	
a) Secondary Focus Product Areas				
MOTORCYCLE TOURING				
i. Undertake research – motorcycle touring market	OTMPC, Ministry of Tourism, Culture & Sport in conjunction with Industry			✓
ii. Investigate the market for off-main-road trails	OTMPC Northern Office, Sub-Regional Leads, DMOs, Municipalities		✓	
iii. Make investments in upgraded/ maintained smooth, resurfaced, roads	Municipalities, MTO		✓	
HUNTING				
i. Create a hunting product development team	Sub-regional Leads, DMOs, Sector Organizations, Community Leaders, Market-ready Operators			✓
ii. Deliver messaging on behalf of hunting operators	TNO, Sub-Regional Leads, Sector Organizations	✓		
iii. Upgrade lodge/cabin accommodations	Operators			✓

Recommendation		Who?	Short Term Priority	Medium Term Priority	Long Term Priority
Tertiary Focus Product Areas					
	BOATING/GREAT LAKES CRUISING				
i.	Develop shore excursions	Municipalities with key cruising and boat touring ports, Sector Organizations			✓
ii.	Refine and expand itineraries for small ship cruising	Municipalities and Nearby Communities with key cruising and boat touring ports			✓
	ATV TOURING				
i.	Support a four-season motorsports philosophy	OTMPC Northern Office, Sub-Regional Leads, DMOs, Municipalities working together with Ontario Federation of Snowmobile Clubs, Ontario Federation of Trail Riders, Ontario Federation of All Terrain Vehicles, ATV Ontario, Eastern Ontario Trails Alliance, Ontario Dual Sport Club			✓
ii.	Fully develop a limited number of ATV routes	Municipalities working with Sub-Regional Leads/DMOs			✓
	SNOWMOBILE				
i.	Monitor the developments in the snowmobile industry	Sub-Regional Leads, DMOs, Municipalities, OFSC, Clubs, OTMPC Northern Office, Operators, Other Power Sports			✓
	ABORIGINAL				
i.	Support completion of the Aboriginal Strategy	TNO, FedNor, GSCT			✓
ii.	Build on the product development work done by the GSCT	Tribal Councils, First Nations, GSCT			✓

Quality Shift Timeline Summary

Recommendation		Who?	Short Term Priority	Medium Term Priority	Long Term Priority
1. Funding to Ignite a Quality Shift					
i.	Lead the discussion surrounding the creation of a capital funding program	TNO		✓	
ii.	Advocate for tourism related capital infrastructure funding	TNO and sub-regional leads in association with DMOs and Municipalities	✓	✓	
iii.	Provide support for small to medium sized operator business planning and proposal writing	DMOs		✓	
2. Communication to Stimulate a Quality Shift					
i.	Create and distribute a quarterly operator newsletter	TNO with support from Sub-Regional Leads	✓		
3. Programs to Motivate a Quality Shift					
i.	Introduce a community tourism assessment program	TNO in association with FedNor		✓	
ii.	Deliver customized, one-on-one business improvement and enhancement advice and mentoring opportunities.	TNO in association with FedNor with input from Sub-Regional Leads and DMOs	✓		
iii.	Facilitate formalized peer to peer mentoring matching seasoned operators	Sub-regional leads with cross-over between regions of NO	✓		
iv.	Use a market readiness criteria based approach for operator involvement	Product Development Teams, TNO, Sub-Regional Leads, DMOs	✓		
v.	Negotiate a key supplier partnership or product affiliation program	Sub-Regional Leads working together across NO and with TNO		✓	
vi.	Encourage industry wide use of trip advisor	TNO, Sub-Regional Leads, DMOs	✓		
vii.	Develop and deliver a guide for operators	TNO, Sub-Regional Leads, DMOs	✓		

Culture Shift Timeline Summary

Recommendation	Who?	Short Term Priority	Medium Term Priority	Long Term Priority
1. Budget Culture Shift				
i. Adjust budgets	TNO with Sub-Regional Leads and DMOs	✓		
2. Personnel Culture Shift				
i. Develop provisions for formalized internal product developers	TNO, Sub-Regional Leads, DMOs		✓ (in line with budget shift timeline)	
ii. Work with public sector partners to allocate increased and dedicated resources for advisors with exclusive tourism portfolios	TNO	✓		
3. Communications Culture Shift				
i. Convene regular Northern Ontario inter-ministerial meetings	TNO		✓	
4. Role & Function Culture Shift				
i. Adopt a clear and concise role and responsibility product development structure	Developed by TNO in association with the Sub-Regional Leads Adopted by All Northern Ontario Tourism Stakeholders	✓		

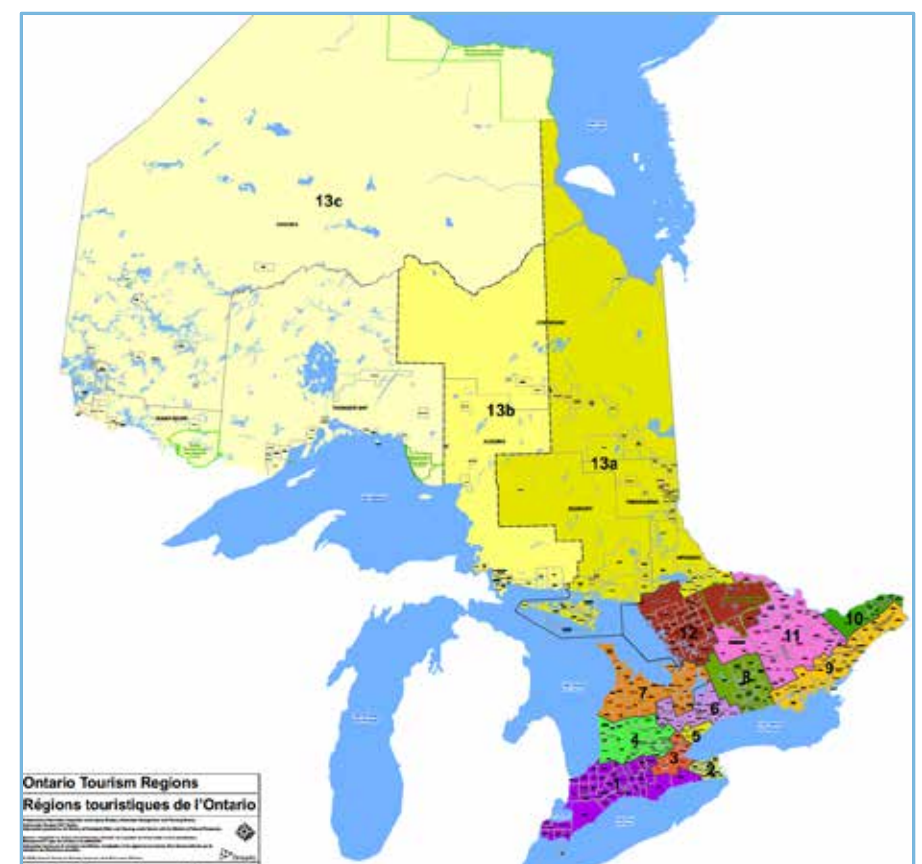
Appendix 1
The Tourism Landscape

Regional Tourism in Ontario

Formed during the 2009 restructuring of the tourism industry, Tourism Northern Ontario (Regional Tourism Organization 13 (RTO13)) is the largest of the 13 tourism regions in Ontario and the only region that is broken into smaller regions:

- In the east – 13A – Northeastern Ontario,
- Central – 13B – Sault Ste. Marie Algoma, and
- Western – 13C – Northwestern Ontario.

The region extends north of the French River, from Manitoulin Island and the northern shore of Lake Superior in the south, to Hudson's Bay and James Bay in the north and borders on the Manitoba and Quebec borders in the west and east. It includes such urban centres as North Bay, Timmins, Sudbury, Sault Ste. Marie, Kenora and Thunder Bay.



Industry led organizations, the 13 tourism regions within the province were formed in an effort to make Ontario's tourism industry stronger and more competitive, as a result of the recommendations from the *Sorbara Report*; *Discovering Ontario: a report on the future of tourism*.

The 2009 Deloitte *Ontario Tourism Product Assessment Research Study*, which formed part of the background research for the *Sorbara Report*, outlined product development strategies for the province.

- Develop a provincial high-potential product development strategy
- Creation of an investment/funding environment that encourages high-potential product development
- Development of a clustering strategy
- Provision of regional support to align product development activities

These strategies were based on best practices for developing tourism around the world and contributed to the creation of tourism regions within the province. Deloitte takes their research one step further by outlining what they believe to be important criteria for determining which products have high potential, including assessment of the product's experience, character, access and future opportunity.

As a regional tourism organization in Ontario, Tourism Northern Ontario is bound by the planning and reporting parameters with respect to the five pillars for tourism in the province as provided by the Ministry of Tourism, Culture and Sport.

- Product Development
- Investment Attraction
- Marketing
- Governance, Administration & Industry Engagement
- Workforce Development

Taking a closer look at the RTO product development performance measures, shows that performance is largely linked to the number of products or experiences developed or enhanced by the RTO and the revenue they generate.

Implications for Northern Ontario Product Development:

- Large geography and urban to remote product poses challenges in unifying product development initiatives that resonate cross region or sub-region. The product development strategy must assess opportunities to capitalize on this expansive geography.
- Regional Tourism provincial support provides the tourism industry with funds to create and follow through on tourism opportunities.
- There is a need to create competitive tourism experiences.
- RTO emphasis on measurement based on products in market creates a disconnect for investing in longer tem product development initiatives

The Canadian Tourism Commission

The Canadian Tourism Commission (CTC) recognizes the importance of product development for creating a competitive tourism industry in the country. *Canada's Federal Tourism Strategy*, completed in 2011 recognizes four strategic priorities:

1. Increasing awareness of Canada as a premier tourist destination.
2. Facilitating ease of access and movement for travellers while ensuring the safety and integrity of Canada's borders.
3. **Encouraging product development and investments in Canadian tourism assets and products.**
4. Fostering an adequate supply of skills and labour to enhance visitor experience through quality service and hospitality.

CTC Perspective - Product Development & Investment

To remain competitive internationally, we must encourage product development and investment in Canadian tourism assets and products. Canada's products must keep pace with changing tastes and global competition. Competitor destinations are investing in memorable new attractions and so must we. Long-term, focused investments and innovation will allow us to capitalize on the full extent of Canada's inherent advantages. This will lead to the high-quality, unique and enriching experiences today's travellers seek.

We have product niches with strong growth potential. Research shows tremendous international interest in authentic experiences, whether in large or small cities, focused on Aboriginal culture, in Canada's North, or based on food, wine or sports. Capitalizing on this interest by developing and promoting exceptional experiences supports both business competitiveness and economic diversification.

Source: Canadian Federal Tourism Strategy, 2011

The CTC has begun lending support to exceptional Canadian tourism products through their Signature Experiences Collection (SEC) program. Recognizing operators that have developed exceptional experiences, the CTC accepts applications and awards businesses that go above and beyond by delivering 'signature experiences' that exceed consumer expectations by profiling them internationally. Three operations in Northern Ontario have been recognized for their excellence and have experiences that are part of the Signature Experiences Collection:

- Experience the Past, Enjoy the Present – *Great Spirit Circle Trail*
- Pass through the gates and enter the world of the fur trader's life - *Fort William Historical Park*
- Glamping in the Canadian Boreal Forest – *WildExodus Adventures*

The World Tourism Organization

The World Tourism Organization's *Handbook on Tourism Product Development*, completed in 2011, provides insights, case studies and a variety of models to consider based on extensive research on a number of jurisdictions. The most relevant section to this Phase 1 Report is the '*Lessons to be Learned in Tourism Product Development'* included in the Executive Summary as outlined below.

1. Tourists do not recognise administrative boundaries, so working closely with ones neighbours creates experiences for tourists that will be mutually beneficial.
2. TPD [Tourism Product Development] should be seen as providing 'sets of experiences' for tourists and be developed on the basis of creating logical and accessible combinations, based either on themes or geographic areas.
3. Tourists are becoming increasingly demanding about the range and quality of tourism products provided when choosing their destination.
4. No destination can grow its tourism sector without a stream of new TPD, and ensuring the highest quality standards of delivery are maintained.
5. Tourism product development can be an effective way of creating opportunities for SME [small and medium enterprise] development and local community participation, thereby contributing to poverty alleviation.
6. Achieving a 'mix' of tourism products that meets the triple bottom line requirements (e.g. economic contribution, environmental preservation and the maintenance of social cohesion) as well as maximizing visitor spending and satisfaction is the optimal approach to Tourism Product Development.
7. The goal should be to achieve a blend of: — major developments – flagships – to act as attractors to a destination and form the 'hub' for tourist movement and activity, combined with – – clusters and circuits of attractions and activities – the spokes – that can be based around a particular theme or a geographic area.

These lessons provide a strong foundation for consideration as TNO develops its strategy for product development.

Appendix 2

Current Visitation, Operational & Infrastructure Realities in Northern Ontario

Current Visitation Profile

- Close to 8 million visits took place in Northern Ontario in 2011, the most current data available representing just under 6% of Ontario visits and just under 7% of spending in the province.
- Ontario and the United States comprise 90% of total visits to Northern Ontario. But the importance of these markets differs by sub-region which in turn influence product development parameters for each.
    - Northeastern Ontario visitation is dominated by Ontario residents (92%) while Algoma Sault Ste. Marie attracts 72% of visits from Ontario
    - U.S. visits make up a quarter of all visits to both Algoma Sault Ste. Marie and Northwestern Ontario are particularly important to both.
    - Border states are important feeder markets for US visitation to each sub-region but differ by sub-region.
- Inter-regional travel plays an important role in each region and is at the highest in Northwestern Ontario at 66%, followed by 59% for Northeastern Ontario.

Visits and Spending in 2011 to Ontario and RTO13

	Ontario		RTO 13	
	# Visits	*Spending*	*# Visits*	*Spending*
TOTAL	138.8 million	$20.8 billion	7.9 million (5.7% of Ontario)	$1.4 billion (6.8% of Ontario)
Ontario	85%	62%	79%	66%
United States	8%	15%	12%	24%
Other Canada	5%	10%	8%	8%
Overseas	2%	13%	1%	1%

Source: Ontario Ministry of Tourism, Culture and Sport, Tourism Research Unit Fall 2013

A Profile of 2011 Tourism Visitation to Northern Ontario's Tourism Sub-regions	Northeastern Ontario (13A)	Sault Ste. Marie Algoma (13B)	Northwestern Ontario (13C)
Visits and Visitor Spending (2011)	• 4.4 million visits • $662 million	• 1.4 million visits • $204 million	• 2.3 million visits • $522 million
as % of total Ontario visits and spending	• 3.1% of visits • 3.2% of spending	• 1% of visits • 1% of spending	• 1.7% of visits • 2.5% of spending
as % of total visits & visitor spending in RTO 13	• 55% of visits • 46.8% of spending	• 17.5% of visits • 14.4% of spending	• 29% of visits • 37% of spending
Average spend per visitor (Ontario average $150/trip)	• $152/trip	• $147/trip	• $228/trip
Where visitors come from	• Ontario: 92% of visits 86% spending • U.S. 3% of visits; 8% of spending • Other Canada: 5% of visits; 5% of spending • Overseas: less than 1% of visits and 2% of spending	• Ontario: 72% of visits; 62% spending • U.S.:25% of visits; 30% of spending • Other Canada:2% of visits; 5% of spending • Overseas visitors: less than 1% of visits; 2% of spending	• Ontario: 57% of visits; 42% of spending • U.S.: 23% of visits; 43% of spending • Other Canada: 19% of visits; 14% of spending • Overseas visitors: less than 1% of visits and spending
More detail on where visitors come from	Ontario: • 59% within Region; • 6% GTA • 5% Hamilton Halton Brant 68% of U.S. from border states: • 16% Michigan • 15% Ohio • 10% Minnesota • 10% New York 76% of Other Canada from Quebec: • 16% Montreal 33% of overseas visitors from Germany; 14% UK	Ontario: • 36% within Region • 14% GTA • 11% Northeastern Ontario (13a) 82% of U.S. visitors from border states: • 61% Michigan • 7% Ohio • 6% Wisconsin	Ontario: • 66% within Region • 10% GTA • 4% York/Durham/HH 79% of U.S. visitors from border states: • 49% from Minnesota • 11% Wisconsin • 7% Illinois 81% of Other Canada visitors from Manitoba; • 72% Winnipeg 23% of overseas visitors from Japan, 10% Germany; 8% UK

Source: Ontario Ministry of Tourism, Culture and Sport, Tourism Research Unit Fall 2013

Operational Realities for Northern Ontario Tourism Operators

The observations noted below look at the structure and operational realities of the tourism sector in Northern Ontario.

The Northern Ontario tourism sector is dominated by accommodation providers. RTO13 is home to 7,546 tourism establishments or 5% of Ontario's total, which includes 1,249 accommodations establishments representing 27% of Ontario's total accommodations.

Access to capital is a challenge Access to capital for the tourism sector through conventional financial institutions remains a challenge.

Niche tourism products dominate the offer in Northern Ontario. Overall, tourism product in Northern Ontario tends to be more niche in nature, rather than more general mass market.

Traditional sectors are under pressure but are also evolving. Over the long term, recently completed research confirms that demand for hunting and fishing, Northern Ontario's resource-based activities, as well as motorsports such as snowmobiling may stagnate or decline due to an aging population seeking alternative activities, an increase in an immigrant resident market that is less familiar with or interested in these activities or the impact of changing climate.

Urban centres are both destinations and gateways. The five major cities – North Bay, Sault Ste. Marie, Sudbury, Thunder Bay and Timmins – play a key role and act as destinations for sport tourism, meetings/conventions, business and leisure travellers as well as gateways to the parks, outdoor activities, towns and villages across Northern Ontario. Built attractions that include Science North, Old Fort William and the Agawa Canyon Tour Train play a key role in attracting group tour and educational markets; they also provide a focus point for the touring market to stop and stay.

Public sector partners are under financial pressure. Financial pressures in the public sector, major providers of many tourism offers, along with changes in visitation have led to declining or uneven investment into provincial and national parks, shortened operating seasons and closures of some provincial Visitor Information Centres and provincial parks.

Succession within the tourism sector is anticipated at two levels – operator ownership and tourism leadership. Turnover in ownership is anticipated as long-time owners/operators of family-run lodges and camps retire. Retirements of long-time staff and leadership of sub-regions, DMOs and sector organizations is also likely not far off.

Labour recruitment and retention Projected shortages of skilled workers in the tourism sector continues to be a critical issue.

Competitive tourism operators Northern Ontario tourism operators who compete globally and are leaders and innovators, can motivate others to do so as well.

Many private sector operators are risk-adverse when contemplating new offers. Operational realities for some operators make it difficult to be patient, allowing an offer to become established.

Provincial regulations continue to challenge small operators. Over the last number of years, legislative requirements have increased, adding both financial and operational pressures to small businesses.

Improvement is needed in market-readiness and quality of experiences. A common theme in consultations with key stakeholders was the need for improved market-readiness and quality of infrastructure, built facilities and experiences. A review of indicators helps to further confirm and define the need. These indicators also act as baselines to measure progress against as recommendations are implemented.

In research conducted with consumers by TNS, key trip metrics of satisfaction, overall trip value and likelihood to recommend were measured. While there are some areas that exceed the RTO average, there is also room for improvement.

Evaluation of Trips – Key Metrics			
P12M Visitors	**Satisfaction**	**Overall Trip Value**	**Likelihood to Recommend**
North East	8.3	7.9	7.9
North Central	8.6	8.2	7.9
North West	8.6	7.9	8.2
RTO Average (all)	8.5	8.0	8.2

Source: TNS Consumer Insight Research RTO 13 Board Presentation, November 2012

A review of the number of operations in the database of resource-based tourism operations provided by MNDM illustrate the range of market-readiness as indicated by availability of toll free phone numbers, websites and email addresses. Of particular concern is the 20% with no email address, due likely in part to varying levels of service in remote locations as well as whether the business is year-round or seasonal. Nevertheless, ability to communicate with consumers is a baseline measure of market-readiness.

Resource-Based Tourism Operators				
	Northeastern Ontario	**Algoma Sault Ste. Marie**	**Northwestern Ontario**	**Northern Ontario**
Total businesses	334	113	465	912
no 1-800 number	218 (65%)	78 (69%)	261 (56%)	557 (61%)
no email address	70 (21%)	26 (23%)	89 (19%)	185 (20%)
no website	54 (16%)	25 (22%)	50 (11%)	129 (14%)

Source: Resource-based tourism operations, as provided by MNDM, November 2013

Implications for Northern Ontario Product Development

- The accommodations sector is a diverse and geographically spread out one, creating both challenge and opportunity.
- In some instances, limited access to capital limits capital upgrades which in turn may limit product development and expansion of facilities. It may also impact succession planning.
- Recently completed research confirms that in some instances new opportunities in traditional sectors are emerging. To capitalize on these and other opportunities, operators within traditional sectors must adapt and evolve their mix of offers and experiences in order to remain financially viable.
- Product development must address the unique segments of sport tourism, conventions/meetings and urban-based experiences as part of the overall strategy for Northern Ontario.
- Parks and public sector attractions remain a core element of the overall offer and must remain engaged beyond providing access to land, waterways and built attractions.
- Successful experience innovators and risk-takers can play a role in advancing tourism product development by harnessing their experience and sharing it with their peers.
- Upgrades to quality and market-readiness are needed in Northern Ontario.

Infrastructure Realities in Northern Ontario

The infrastructure observations noted below impact strategies related to product development.

Core tourism product is aging. Some of Northern Ontario's core tourism product, particularly fixed roofed accommodation and restaurants along major highways, are tired or aging as a result of little investment into updating and refreshing.

Transportation access and infrastructure is improving and getting attention. The *Northern Ontario Multimodal Transportation Strategy,* recently completed by the Ontario Ministry of Transportation identifies priority needs for the tourism sector that include improved and enhanced roadways, signage and way-finding, the need for new and improved rest stops, additional passing lanes or four-laning of highways, enhanced international air linkages and a supportive regulatory environment for Great Lakes tourism. The recent TNO wayfinding request for proposal, also suggests potential improvement in tourism signage.

Competing industries will impact tourism. Increased activity in commercial and industrial sectors that include mining and other resource extraction activity is changing who stays at hotels and who is travelling in some areas.

Development of natural resources have the potential to impact the tourism sector. Forestry, mining, expansion of transmission and transportation corridors as well as the planned development or expansion of wind farms all have the potential to impact tourism offers.

Natural resource regulations impact tourism experiences. Changes and limitations imposed by provincial ministries impact tourism. Cancellation of the spring bear hunt and changes to fishing limits etc. greatly affect some Northern Ontario operators.

Implications for Northern Ontario Product Development:

- When consumer expectations are not met, the entire area suffers from negative perceptions. The product development strategy is a means to encourage upgrading and refreshment of tourism infrastructure.
- While transportation priorities have been identified, many responses or solutions will be long term in nature. Therefore the strategy must address current transportation realities while keeping the long term transportation plan in mind.
- In addition to priorities identified in the Transportation Strategy, improved and more frequent air access from major urban centres into cities in Northern Ontario provides new opportunities and partnerships.

- The increase in commercial and industrial sector travellers to some regions in particular may displace leisure tourism business at hotels and motels in those areas resulting in fewer options for visitors. During these phases, operators typically move away from the tourism sector as well.
- Resource development and commercial activity have the potential to change operating conditions for those operations that rely on natural resources to deliver tourism experiences.
- Changes to resources limits must be proactively monitored and where necessary and possible, managed and/or mitigated.

Appendix 3

Current Market & Environmental Trends in Tourism

Market Trends

The only reason product development exists is to design and deliver products that the travelling public will buy and experience. There are a number of trends surrounding who is travelling, how they are travelling and what they are looking for that are important to understand when considering a *Product Development Strategy* for Northern Ontario.

Who is Travelling?

Inter-regional and Ontario travel remains the bread and butter of demand and spending in Northern Ontario. While there are differences between regions, inter-regional and Ontario travel plays a significant role in each, generating demand and spending that in turn contributes to financial viability for many operators. Conversely, in some sectors within regions, notably fish/hunt in Northwestern Ontario, the US and other Canadian markets are critical segments.

The 'over 55' travellers remains an important market. The 'over 55' market worldwide is estimated at 1.3 – 1.6 billion. Boomers have the time and money to travel extensively (often in low seasons), particularly internationally. As a result it is a challenge to keep them in Ontario. This aging population is projected to show a shift away from more active vacation pursuits towards experiential or discovery-oriented vacations such as cultural activities, or soft adventure combined with culture.

The youth segment is an attractive one. According to the CTC the youth travel segment (i.e. travellers aged 18-29) is significant in size with 187 million travellers, representing 20% of annual global arrivals, is tourism's fastest-growing traveller segment (increasing 3-5% per year), spending more overall than other segments because they take longer trips.

The changing composition of families will have a significant impact on how, when and where people travel. The traditional nuclear family continues to change, and as it does, the traditional family vacation package is being replaced by vacation packages that serve parents with only one child, single parents with children, multi-generational families who vacation together and families with two dads or two moms.

The Lesbian, Gay, Bisexual and Transgender (LGBT) travel market is a large, growing and organized segment. According to Travel Gay Canada, spending by the LGBT in Canada is $7 billion; North America spending is estimated at $70 billion. This is an attractive market because they spend more, stay longer, it is a resilient segment and many hold a passport. As with the general population, there are many markets within the segment.

Immigration into Ontario and particularly the Greater Toronto Area presents the tourism sector with a new market to attract and serve. The new immigrant resident market is a large and diverse one with their interest in travelling within Canada influenced, in part, by how long they have been in the country as the first few years are spent getting settled.

Implications for Northern Ontario Product Development

- The product development strategy must pay attention to the inter-regional and domestic markets, while also appealing to higher yield long haul travellers from the US and overseas.
- Investment into building experiential and discovery-oriented offers will appeal to the 'over 55' market.
- The size and growth of the youth market is an opportunity that many operators may not be aware of.
- Product development efforts must alert the front line about the changing composition of families and motivate them to consider adjustments that may be appropriate.
- Is the LGBT market segment that Northern Ontario is positioned to attract? If so, what product development initiatives or industry training is required?
- Many new immigrant residents do not have any experience with traditional tourism activities offered in Northern Ontario that include camping, boating or resorting.

How They Travel and What They're Looking For

Seasoned and knowledgeable travellers are seeking unique, hands-on, personal and authentic experiences when they travel. With growing income and traveller sophistication, the focus is increasingly on authentic, unique and personalized *experiences* rather than products. Experiences help visitors understand the people and places they visit.

Shorter vacations……and perhaps longer? The trend towards shorter and more frequent vacations is not new, and the pressures underlying this trend will be equally relevant in future – i.e. pressures on leisure time. However, the first wave of baby boomers are now empty nesters, many with the time, desire and the financial wherewithal to satisfy individual tastes and take longer and off-season vacations. Time poverty is also leading people to save up time to spend later on a sabbatical holiday or trip of a lifetime.

Competing emerging destinations in many countries as well as within Canada (i.e. the Yukon, Northwest Territories, Newfoundland & Labrador) are considered exotic and growing but tourism development, including transportation access and infrastructure has not kept pace.

There is a deeper understanding of visitor segments. Ontario's segmentation research completed by TNS provides insights into what motivates travel by type of visitor. The CTC's *Explorer Quotient* (EQ) research, visitor segmentation and tools provide rich insights into travel motivations and social values.

Implications for Northern Ontario Product Development

- Destinations, including Canada, are using authentic and unusual experiences to position themselves as a destination of choice. Northern Ontario has the opportunity to focus on signature experiences as one element of the *Product Development Strategy.*
- What products and experiences in Northern Ontario can be developed that will motivate a 'trip of a lifetime'?
- What experiences and markets are available to support the trend of shorter vacations?
- Innovative thinking is needed to identify 'exotic' offers to position Northern Ontario as a must-see destination.
- Segmentation data and research can help operators to customize their experiences, marketing messages and mediums to align with a specific type of traveller. How can this research be disseminated to the front line in order to have an impact?

Environmental Trends

There are many external and macro events, trends and patterns that will impact tourism product development in Northern Ontario.

Climate change is a long-term issue facing the tourism sector. Changes in weather patterns are already having an impact on the tourism seasons (i.e. shorter snow seasons) and travellers' buying behaviour (i.e. seeking more sustainable travel solutions and destinations). The increasing likelihood of climate and emission taxes along with the rising cost of gas will undoubtedly change travel patterns.

Sudden and hard-to-predict events (weather, disease, safety-related) are increasing. The past 15 or so years have clearly illustrated the unexpected and sometimes devastating impacts that can occur in the tourism sector from unpredictable events like SARS, 9/11, major storms and floods.

Global biodiversity and habitats are disappearing. Remaining pristine natural habitats are of increasing value and the demand for access to these habitats will increase.

Implications for Northern Ontario Product Development

- Climate change provides both an opportunity and a challenge for product development. Analysis of the impact of changes in climate must be rigorous and be applied in an objective manner.
- Product and experiences must provide flexibility for front line providers to persevere, respond and adapt during hard to predict events.
- Pristine habitats throughout Northern Ontario are a competitive advantage. What are the experiences that Northern Ontario's tourism sector can offer to showcase these habitats?

Appendix 4
Industry Input on Product Development

Survey Response Rates

Three surveys were undertaken, each with tremendous support and input achieved.

- ***Key Stakeholder Interviews*** – One on one conference call interviews, some over two hours long were held with key stakeholders. 37 interviewees were identified. As of January 31, input from 31 stakeholders had been achieved.
- ***Other Stakeholder Online Survey*** – An additional stakeholder survey was initially planned to gain input from municipal tourism and economic development staff, and was quickly expanded to include input from other stakeholders including Community Futures Development Corporations (CFDCs), destination marketing organizations, chambers of commerce and First Nations with a tourism mandate and visitor centre staff. The survey was sent directly to 143 recipients. As of January 31, a 39% response rate has been obtained with responses from 55 stakeholders.
- ***Operator Online Survey*** – An online survey was delivered via email to a database of 1,481 Northern Ontario operators. A reminder from the consulting team, as well as follow-up encouragement was sent to operators by the sub-regional marketing leads. As of January 31, survey responses had been collected from 338 operators, representing a very good 22% response rate.

Survey Findings – Key Stakeholders

Highlights from interviews with **key stakeholders** are outlined below.

- There is a broad range of definitions and understanding of what product development is, directly influenced by the respondent's frame of reference. In addition, many noted that few understand that sustainable and effective product development takes time, commitment, resources and expertise to be successful.
- Key stakeholders interviewed are keenly interested in and support this initiative. Most interviews took an hour or more and everyone had taken the time to prepare.
- There is an appetite among some TNO Board members to get some direction and 'permission' and a road map for shifting resources into product development in a bigger way than in the past.
- There is an appetite and interest in having on-the-ground support for product development, but not necessarily an understanding of how best to operationalize it to be effective and fair.
- A number of common success stories were cited and included:
    - *Agawa Tour Train*
    - *Great Spirit Circle Trail*
    - *Motorsports (Ride Lake Superior, ATV Ontario, snowmobile)* - Selected as success stories as they followed a process, built capacity, led with the best in class product, met market demands and focused on product market match.
    - *Group of Seven* - Despite the fact that no new product is in market yet, the project was cited as a success because of the process that is being followed.
    - *Algoma Fly Fishing* – The development followed a process to educate, train, build capacity and market the product.
    - *Fishing* – Successful due to the management of the fishery and establishment of truly world class fishing.
    - *Science North/Dynamic Earth* – provides quality experience and staff are well trained.
    - *Naturally Superior Adventures* – Gales of November
    - *Lodge at Pine Cove* - Writing Workshop
    - Wilderness North
    - Old Fort William – Has adapted - now has innovative programming with events, concerts and an RV park.
    - Ojibway Cultural Foundation Day

  Regardless of size and whether private sector or public sector, capital or labour intensive, success stories in Northern Ontario tourism product development share the following characteristics:
    - Continual investment into refreshing and upgrading, introducing new innovations and experiences
    - Ability to shift offer to meet changing market interests
    - Use of partnerships
    - The offer reflects the setting and meets expectations of visitors
    - Follow a process to build capacity and ensure the best experience

  Highlights of capacity building and training success stories mentioned were:
    - ***Tourism Keys*** – Brought specific skill building, empowerment, training to operators.
    - ***Premier Ranked Process*** – Good tool if you went through it to help define who you are.
    - ***Accessibility Training*** – (ie. A resort had a blind fisherman do an assessment of his property and now he caters to people with disabilities)
    - ***Guide Training*** – Programs have been offered in the past but is needed for succession planning
    - ***Operators focusing on the small things/upgraded offerings*** (ie. fluffy towels, high quality mattresses)
- Worst product development examples (Eagle's Earth and Hockey Heritage North in particular) were cited as not well grounded in research, poorly located, driven by bureaucrats rather than

market interests, lacking in funds to operate, and being too narrow in scope (Shania Twain Centre).

- Hindrances noted to product development included:
  - Lack of understanding of the process and time required.
  - Reality that many small operators are not in a position to assume the risk/time required to develop, pilot and introduce new products and may lack business planning expertise.
  - Regulations and compliance issues that are taxing on small operators.
  - Aging traditional fishing markets.
  - Access to capital and the time it takes to find the capital for large projects.
  - The perception that signage and wayfinding is needed, but too challenging to tackle.
  - Ability to overcome the distance from markets, lack of transportation, and distance between communities, particularly in Northwestern Ontario.
  - A perception that one organization cannot manage such a large geography.
  - Limited staffing resources and lack of industry champions – provides a need to hire industry experts.
  - Gaps between new product and linking to the market – local receptive as well as marketing.
  - Lack of cooperation between sub-regions and cities vs rural product.
  - Local and regional politicians with little appreciation of the importance and impact of the tourism sector.
  - Lack of communication between government officials at the provincial level, leading to decisions that negatively impact tourism and create roadblocks to investing in tourism experiences.
- Discussions around criteria for when evaluating opportunities varied and will be influenced by perspective. The most common one noted was the ability to generate economic activity (increased spending, new visits, extended stays). Some suggested that criteria and definitions of success may not be universal but may be applied on a project by project basis. The common point would be that milestones are set based on criteria that are then benchmarked for that project. Beyond economic impact, the potential to create partnerships was noted.
- A range of product development opportunities were identified and fall into some broad categories as follows:
  - *Activity focused*: dive tourism, mountain biking on old forest roads/rough terrain, boating (Kenora area), dark skies
  - *Touring Route development*: continued investment in motorsports, ATV, snowmobile and marine, and build touring routes and itineraries for driving tours (Lake Superior)
  - *Experiences to take advantage of natural assets*: Temagami old growth forests; Chapleau, North Coast Trail (to match West Coast and East Coast Trails in Canada), land and water-based opportunities around Lake Superior National Marine Conservation Area
  - *Fishing* – Niche/reinvented experiences (ie. fly fishing)
  - *Concepts that cluster a number of offers under one umbrella*: outfitters to service 'bucket-list' adventures, drive holidays and itineraries; Great Lakes Cruising; 'Odyssey Through the North' linking opportunities and itineraries such as kayak every major river, hike every iconic trail, visit every major attraction to include passport or award once complete; volun-tourism opportunities closely tied to Provincial and National Parks; tie culture and heritage with world class outdoors as backdrop – Aboriginal, fur trade, arts, Group of Seven, Highway 17 drives, partner with Ontario's Great Outdoors.
  - *Urban-specific opportunities:* sport tourism and meetings
  - *Under development/existing*: Group of Seven, Agawa Tour Train investments and upgrades, Kenora and area developments, more Great Spirit Circle Trail, raise the profile of the iconic Northern Ontario experiences (ie National and Provincial Parks, Lake Superior)

  In reviewing the above, few are capital intensive.

  Development related opportunities cited include:
  - *Capacity building*: communication between ministries, focus on small things that create a great consumer experience, enhance communication and cooperation, sub-regional land use planning, customer service 'northern hospitality' (what is it, build pride of place and focus on customer service)
  - *Infrastructure related*: better signage and wayside toilets, fight turbine development along Lake Superior shoreline
  - *OTMPC*: formally address their role in product development
- There is some consensus emerging around roles as outlined:
  - Front line operators deliver quality experience, drive product development/innovate and maintain capacity to close the sale – must be engaged in the product development process and open to change – need to see financial rewards
  - Municipalities/First Nations have a role to build a supportive and welcoming environment for visitors and businesses as well as being the 'home' for festivals and events.
  - DMOs provide a connection to operators and can market once developed
  - Sub-regions act as the champion; developing a strategy, communicating it to stakeholders, disseminate relevant research, create awareness of opportunities, facilitate partnerships for product development
  - TNO provides overall direction and leadership, develops the vision, develops the strategy with sub-regions, invests into research as needed, facilitates partnerships; ideally provide funds or facilitate on the ground support for product development; lobby government
  - Ontario Tourism and other provincial agencies provide policy direction and support and act as an arms-length funder, conducts research, links to other provincial initiatives – collaboration between ministries is key
  - FedNor and other federal agencies/programs represent the industry to senior management and politicians, provide funding programs, and could provide funding as catalyst for private sector investment.
- Quick wins identified focused on 'how to get things done' as well as 'what' should get attention:
  - Route and itinerary development
  - Continued development of motorcycle tourism, Group of Seven, and fly fishing products

- Enhancement of fishing industry, if research shows that its viable
- People on the ground to act as catalyst, to mentor and to support product development
- Better wayside stops and visitor information centres, which include toilets
- Operator support with business planning, mentoring and infrastructure/upgrade funding
- Begin to facilitate discussion between ministries
- Celebrate the successes; focus on the best bets/winners/leaders with incentives and support and the others will follow.

Survey Findings – Other Stakeholders

Highlights from the online survey of other stakeholders are outlined below. The online survey was directed to municipal tourism and economic development staff, CFDCs. DMOs, visitor information centre managers and First Nations and Chambers of Commerce with tourism mandates.

- The majority of the input to this survey (60%) came from municipal staff
- There is a limited understanding of what product development is. Respondents often seemed to fall back on marketing in response to questions about product development, or gave answers surrounding key attractions only and not tactics for development or more in depth products initiatives in the region.
- Highlights surrounding success stories included:
  - Agawa Canyon Tour Train
  - Motorcycle touring product & events
  - Science North
- The most cited worst product development stories involved the location issues, staffing issue, lack of sustainability planning, and lack of operating funds for Eagles Earth and Shania Twain Centre.
- Hindrances to developing quality tourism products and experiences focused on:
  - the lack of capital and general funding.

  Other key deterrents included:
  - lack of staff resources,
  - a need for accommodation upgrades and the lack of high quality accommodations,
  - the lack of collaboration, cooperation in the industry with respect to operators and tourism organizations,
  - the absence of an organized tourism function in certain communities/areas to facilitate promotion, advocate for funds for tourism and help to build partnerships, and
  - the distance from market and between communities.
- The most important factors to be considered when deciding whether or not to undertake a product development initiative varied depending on which organization was undertaking the initiative. For TNO and the sub-regions, respondents felt that potential to increase visitors, projected return on investment, funds available to support the initiative and the capacity and ability of stakeholders and staff to deliver were the most important factors. Where municipalities are concerned, funds are still important, but they felt that front line operators and partners must be committed to a project before it should be undertaken. It was felt that operators would be most focused on return on investment as measured by new economic activity.
- The greatest product development opportunities highlighted:
  - outdoor recreation and nature adventure activities (such as hiking and cross country skiing)
  - sport tourism,
  - cultural and heritage tourism including experiential learning opportunities,
  - snowmobiling and snowmobile trails,
  - the Georgian Bay Coastal Route, and
  - fishing and hunting.
- Possible quick wins pointed toward continued development of motorcycle touring product, the development of packages, but for the most part, respondents fell back to marketing and advertising tactics as a quick win for the region.
- Longer term opportunities for product development highlighted focusing on the natural beauty of the area with its open spaces, clean atmosphere, fresh water lakes and its relaxing pace.
- When asked about tourism related infrastructure, respondents cited signage as the number one infrastructure need followed closely by highway upgrades and transportation issues and upgraded accommodations. Other notable but less mentioned infrastructure issues surrounded high speed internet and the need for wifi, cell phone coverage, waterfront development, wayside rest stops and visitor information centres. Barriers to achieving these upgrades largely centred around funding with some mention of lack of local/political commitment. When asked what TNO could do to assist with infrastructure upgrades, funding for capital upgrades was the focus of answers.

Survey Findings - Operators

Highlights from the operator survey are summarized below.

- Surveys were completed from all three sub-regions:
  - 35% 13A Northeastern Ontario
  - 22% 13B Sault Ste. Marie Algoma
  - 43% 13C Northwest Ontario
- Respondents were largely centered around the accommodation industry, with the following breakdown:
  - 74% accommodations
  - 10% campgrounds
  - 2% restaurant
  - 14% attractions
- The accommodations indicated that their format was as follows:

- 37% lodge
- 25% resort
- 44% cabin/cottage rental
- 8% motel
- 7% hotel

- Respondents were asked to indicate the focus of their business in terms of the targeted marketing areas. Responses follow:
  - 52% fishing and/or hunting
  - 25% nature & adventure (camping, hiking, canoeing/kayaking, cycling, visiting a beach)
  - 5% motorsports (motorcycle touring, ATVing, snowmobiling)
  - 1% scenic drives
  - 1% RV touring
  - 2% boating
  - 0.6% sport tourism
  - 3% meeting and corporate travel
  - 10% my business does not focus on attracting tourists for these activities

- Again, responses indicated there is a limited understanding of what product development is and limited knowledge of what product development is in market, with many responses falling back on marketing and issues related to government disputes/bureaucracy.
- When asked about the best product development success stories, operators focused on the following products that are in their area or municipality:
  - Agawa Canyon Train Tour
  - Fishing
  - Hunting
  - Fort William
  - Wilderness/outdoors/scenic/nature experiences
  - Don't know/none

  When asked what the best product development story is in their sub-region:
  - Fishing/fly fishing
  - Hunting
  - Snowmobile
  - Science North
  - Algoma Kinniwabi
  - Algoma Central Tour Train
  - Sunset Country
  - Fort William
  - Ride Lake Superior

  When asked for a product development success story in Northern Ontario, but outside of their sub-region, the key thoughts centered around:
  - Science North
  - Fishing
  - Hunting & spring bear hunt
  - Nature/outdoors
  - Lake Superior Circle Tour/Ride Lake Superior

- The most mentioned worst product development stories in the opinion of operator survey respondents included:
  - Snowmobile trail issues and trail fees
  - The closing of visitor information centres
  - Loss of the spring bear hunt
  - Fishing limits/licensing issues
  - Loss of passenger train service
  - Eagles Earth & Shania Twain Centre (and other similar attractions)
  - US border crossing issues

- Hindrances to product development for operators centred around government issues and indicated an us-against-them feeling among operators. Operators are very concerned about border crossing issues that restrict their visitors or start their vacations with a negative crossing experience. They are also frustrated by government 'red tape' and MNR restriction and enforcement issues. Additional issues surrounding high fuel cost and remote location/distance to market were highlighted, among other less mentioned issues.
- When asked what the most important factor to be considered is before deciding to do product development, operators highlighted that projects with potential to increase the number of visitors to the area, the funds available and the key tourism assets from the area should be the top considerations for TNO and the sub-regions. When it came to municipalities, the potential to attract visitors was still the most important factored, followed by the key tourism assets that the area had to offer. When considering their business, operators indicated the funds available are the most important factor, followed closely by the potential to increase the number of visitors and projected return on investment.
- Operators often return to their key business focus and marketing when asked about product development opportunities. Thoughts on opportunities were largely varied, but the key mentions lined up with the respondents' core businesses focus and highlighted suggestions include:
  - Fishing – off season fishing focus, promoting fresh water fishing, more focus on fly fishing and the new fly fisher program, corporate fishing retreats possibilities and a focus on conservation fishing.
  - Hunting – solving moose tag issues and reinstating the spring bear hunt were the most mentioned opportunities.
  - Outdoor adventure – expand outdoor experiences offered

- Operators feel that the most important factors in making their business attractive to potential visitors and in ensuring happy guests are:
  - Remoteness/tranquility/peacefulness/natural beauty
  - Good prices
  - Clean accommodations/appearance of property
  - Quality service
  - High quality product
  - Accommodation upgrades/up to date
  - Meeting expectations/delivering on promise
  - Providing a memorable experience

  Additionally, fishing and hunting operators said that successful fishing & hunting and good conservation practices make the difference for their guests. Operators with a nature and adventure focus feel that Lake Superior is key for them as well as their willingness to provide their guests with information for their adventure travels. Motorsports operators indicated the trail and route quality entice their guests.
- When asked to think about past product development that their business had been involved in, and what had been the most successful at generating visitors, very few answers received were product development related. Most respondents indicated marketing initiatives including general marketing and promotion, the advent of the internet, websites and facebook, sports shows. Many mentioned word of mouth advertising.
- When asked what the biggest limitation to upgrading their tourism operation was, operators responded money and lack of funding, followed by time, partnerships and knowledge.
- Finally, operators were asked what TNO could do to facilitate and support the development of new and enhanced tourism products and experiences. The key answers in order of significance cited are as follows:
  - Marketing (35)
  - Provide information/education (23)
  - Lobbying (21)
  - Provide funding (18)
  - Support product development initiatives (13)

Appendix 5

Northern Ontario Product Assessments

Detailed Best Bet Product Assessments

The current marketing strategy for Northern Ontario outlines best bet activity-based products by sub-region and has acted as the guide for the investment and focus for all partners. The Product Development Strategy starts by assessing these best bet activities, with a few small adjustments based on survey results.

- Fishing
- Hunting
- Nature & Adventure
- Touring
  - Automobile/RV
  - Motorcycle
  - Boating/Great Lakes Cruising
  - ATV
  - Snowmobile
- Gateways & Urban Communities
- Aboriginal

The product assessments that follow summarize research details that are readily available. The level of research that has been completed by the RTO and that is available from the Ministry of Tourism, the Canadian Tourism Commission and other sources varies greatly from product to product. As such, directly comparable details and numbers are not available for all of the products. The tables that follow use available research to summarize information for each of the best bet products:

- facts and figures including market details for each product,
- current product offerings,
- products that are currently under development,
- sub-regional considerations (where applicable and available),
- the competitive context,
- issues, needs and gaps,
- development resources that are currently available, and
- future product development opportunities.

Tourism Northern Ontario has recently commissioned in depth research, completed by Research Resolutions & Consulting Ltd for the following Northern Ontario products: high yield angling, high yield hunting, snowmobiling, motorcycle touring and high yield nature and outdoor markets. TNO plans to commission additional research over the coming months for the remaining best bet activity areas. This research is valuable for comparative purposes, and once available, should be used by TNO to continue to populate the inventory and assessment details that follow, to allow further comparison between products.

Fishing in Northern Ontario	

Facts & Figures	• The most relevant highlights of research and analysis completed by Research Resolutions "*High Yield Anglers in RTO 13 – A Situation Analysis*", March 2013 include:
	  o Fishing in NO in 2010 generated $420 m in spending by US ($253.1 m) and Canadian anglers ($166.9 m); 75% of US spending was for overnight trips contrasted with one third of Canadian spending on overnight trips.
	  o NO attracted 1.1 m (13%) of overnight tourists who went fishing on their trip.
	  o Most Canadian anglers fish close to where they live with 52% of those fishing in NO from Ontario; 37% from US.
	  o 30% of anglers visiting NO are high yield as they stay in paid roofed lodging. (PRL) with US anglers spending an average of $2,360 per overnight trip and Canadian anglers spending an average of $920 per overnight trip.
	  o The US market is a critical one to the avid fishing market with NO attracting 46% of PRL anglers.
	  o The economic activity of anglers who do not necessarily stay in overnight accommodation make a substantial contribution to the overall economic health and capacity of the tourism plant as whole including gas stations, restaurants, retail and other recreational operations.
	  o Market growth is expected from younger people and women.
	• Demand for angling as a recreational and tourism activity is giving somewhat mixed messages:
	  o Fisheries and Oceans Canada have been completing detailed surveys of recreational fishing in Canada since 1990. These five-year databases provide consistent data to analyze trends in sport fishing. *Survey of Recreational Fishing in Canada 2010* found:
	    ▪ numbers of non-resident anglers (tourist anglers) in and to Canada had declined, particularly the non-resident non-Canadian anglers.
	    ▪ In 2010 there were a total of 147,000 non-resident Canadian anglers in Canada and 406,000 non-resident foreign anglers, primarily from the US. Non-resident Canadian anglers had declined 2% from 2005 and the non-resident foreign anglers had declined by 35% (average of 9% per year), double the decline that occurred between 2000 and 2005.
	    ▪ Overall trends show a 9% annual average decline during the period 2005 – 2010, a figure more than double the decline from 2000-2005.
	    ▪ The Prairies are the highest % of non-resident Canadian anglers at 69%.
	  o The 2013 *Ontario Fish and Wildlife Consumer Research* survey completed for MNR by Harris Decima provides insights relevant to product development including:
	    ▪ Potential new anglers seem to lack an entry point and would benefit from an 'introduction' or 'learn to' program to break down real and perceived barriers;
	    ▪ Lapsed anglers would benefit from a reminder to make time for fishing;
	    ▪ Experiences that link fishing to relaxation, family memories and a connection with the outdoors will broaden the appeal of fishing beyond avids.
	    ▪ 46% of respondents hold a sport fishing license while 36% hold a conservation license.
	  o Research completed on the U.S. angler by the American Sportfishing Association (ASA) and the Association of Fish & Wildlife reported:
	    ▪ There are 60 million anglers in the US of which 46 million fish in any given year; one in four fish in saltwater.

	▪ Angler numbers grew 11% between 2006 and 2011 with Great Lakes anglers growing by 17%; ▪ The average US angler spent $1,441 (US$) annually. • Kayak-fishing is gaining interest and participation, growing 35% in the US between 2010 and 2012 with over 1.4 million participants in 2012. • The Ontario Women Anglers Association launched in the fall of 2013. • According to Dr. Daniel Scott, Canada`s Research Chair in Global Change and Tourism, continued warming of the environment is projected to influence where freshwater species are located and their abundance. This must be communicated to those in the angling business so that they can adjust and plan. • As Great Lakes water levels are pressured operators must adjust their offers; access to Ontario`s wealth of in-land lakes and rivers for angling experiences will become a competitive advantage. • Keep Fishing America notes that access to anglers is under threat due to various regulations and conservation efforts with one in five anglers losing access to a fishing location in the past year. This may provide Ontario with new opportunities and messaging. • *Ontario's Provincial Fish Strategy: Fish for the Future* draft released for public input in January 2014, notes the importance of fishing to the tourism sector and identifies diversification of fishing opportunities, particularly for non-traditional species and those that benefit from climate-change scenarios. This strategy also addresses management of the resource for future generations.
Assessing Current Offer in Northern Ontario	• There is uneven quality of offer characterized by industry leaders and innovators who are competitively positioned for growth versus aging lodges/cottage resorts that seem caught in a time trap. • Effective web presence that includes quality of website content/look and feel and ability to book on-line is also uneven. • Asian carp in the Great Lakes is a threat to recreational fishing. • Current marketing efforts in Northern Ontario focus on avid anglers by showcasing offers by species, access (fly-in; drive; train; boat), region or accommodation/trip type with little acknowledgement or encouragement of the interests and needs of those new to the sport or for non-avids who may be seeking a fishing destination that offers more than fishing. This approach is common in competing jurisdictions with the exception of Manitoba that has expanded their menu-driven search to highlight such elements as features (shore lunch; airstrip/charter; fish guide etc.) access (disabled) services (outside communication, tackle shop) and language (French, English).
Sub-regional Considerations (where applicable and available)	• As reported by TNS in 2012 Consumer Segmentation report:
Product Currently Under Development	• Fly fishing product is being introduced in 13B.
Competitive Factors	• In Canada, Northern Ontario competes with Manitoba, Saskatchewan, Alberta and Quebec for anglers. Due to its position on the ocean, BC attracts both salt and fresh water anglers. • Quebec's fishing lodges participate in the provincial-wide quality assurance program with a category dedicated to Outfitters; 628 are listed in the on-line database in this category.

Trip Activities Among Visitors			
Sub Region:	**13A**	**13B**	**13C**
Fishing	22%	25%	28%

	• Manitoba generates repeat visits and awareness through its Master Angler program, registering more than 10,000 trophy fish from 30 qualifying species in 2013; anglers must use barbless hooks. • The rivers of Labrador and Quebec are well-established as destinations for fly-fishing, particularly for salmon. US states such as Utah are also well-established for traditional fly-fishing. • Jurisdictions that have linked the tourism sector with resource management through recognition that includes Manitoba's Master Angler Program. OFAH's Ontario Angler Awards does not appear to be linked to a tourism offer in Northern Ontario, although Sioux Lookout District manage a Master Angler Release Program as their commitment to conservation. • US recreational fishing is under threat due to active management of resources providing Ontario with an opportunity to position its offer to those jurisdictions. • The *American Sportfishing Association* hosts an annual symposium with programming that includes such topics as how the Millennial Generation views the outdoors and uses digital technology to enhance their outdoor experiences, new insights into the avid angler and how to engage the Hispanic community in fishing and boating.
Issues, Needs, Gaps	• Aging market indicates need to grow demand from younger anglers. • The US market remains a critical one; the Ontario sector must improve quality and general accessibility to attract and retain this high yield market. • Industry needs to be informed about and prepare for new market opportunities, impact of climate change on species and the impact of invasive species on Great Lakes angling offers. • Assessment and adjustment of the experience, accommodations and on-site amenities and services will be required to position the Northern Ontario angling product for the future.
Development Resources Available	• While sector organizations such as Nature and Outdoor Tourism Ontario (NOTO) provide the industry with listing of resources and information on regulations, there is a gap in product development resources specific to this sector. • The introduction of fly fishing as an option in 13B was supported by research and insights from specialists in the activity.

Future Product Development Opportunities

- Opportunity to broaden focus from avid to non-avids to embrace this large market.
- New demand and growth for angling in Northern Ontario is anticipated from:
  - new type of anglers including, families, women, corporate and social groups, the physically challenged;
  - new types of angling experience introduced to traditional operations such as fly-fishing, kayak-fishing and conservation fishing;
  - a focus on species attracting new attention; and
  - uses of facilities and services by non-anglers for alternative activities.
- Other opportunities follow:
  - Retain current overnight visits driven by fishing as core activity through continued innovation
  - Increase % of high yield US anglers through improved quality from beginning to end, including accommodation quality and configuration, range and quality of onsite amenities, services, food and beverage,
  - Regain U.S. overnight visits through competitive positioning in growth markets
  - Increase yield of anglers who do not stay in fixed roof accommodation
  - Attract fair market share of growth markets of new anglers
  - Opportunity to entice near-market overnight stays
  - Convert avid anglers who leave Ontario to consider an Ontario avid angling experience
  - Add ice-fishing to winter opportunities as both a stand-alone as a menu of activities to participate in

Hunting in Northern Ontario

Facts & Figures

- The Research Resolutions & Consulting February 2014 draft situational analysis on *"North American Hunters in Northern Ontario (RTO13)"* highlights market facts and figures related to the hunting market as follows:
  - 925,000 or 1% of North American overnight travellers have done some hunting on their trip to Canada. Approximately 90% of these travellers were Canadians.
  - Ontario is the top Canadian province attracting hunters from North America. 275,000 or approximately 30% of North American overnight travellers to Ontario hunted while on their trip. Many of these travellers were Ontarians.
  - Northern Ontario attracts 76,000 North American hunters. Of these trips, 64,000 were residents of Ontario, 49,000 (75%) of which were residents of Northern Ontario. 12,000 were US residents.
  - Spending by North American hunters in Northern Ontario amounts to $37 million, 42% of the amount spent in Ontario. $19.5 million of this spending relates to visitors from the US.
  - Average hunting trip length in Northern Ontario is almost 6 nights.
  - 438,000 nights were spent in Northern Ontario by North American hunters. Hunters typically stay in private accommodations, with 78,000 (18%) of nights spent in roofed accommodations, focusing on commercial cottages and campgrounds.
  - Trip spend per person is approximately $640, or $119 per night. (Compared to average $1,073 spent by hunters in BC & Alberta).
  - The number of American hunters remained stable over a ten year period from 2001 to 2011 per the U.S. Fish & Wildlife Service.
  - Approximately 80% of hunters also participate in fishing with on vacation.
- The CTC report "*Sport Fishing and Game Hunting in Canada*", indicates that TAMS surveys results of American travellers indicates a higher propensity of American hunters and fishers to have visited Canada then the average US pleasure traveller. The American market remains the largest potential source market for hunters outside of Canada, and the majority focus on big game.
- Demographic highlights in the Research Resolutions research indicate most hunters are male, and in the older age group.
- The *2013 Ontario Fish and Wildlife Consumer Research* survey completed for MNR by Harris Decima provides insights relevant to product development including leveraging the enthusiasm of current hunters by assisting them in initiating family and friends into the activity such as a hunting trial with a mentor. Three quarters (75%) of current hunters hold a small game license and just over half hold a big game license (57%).

Assessing Current Offer in Northern Ontario

- Hunting is one of Northern Ontario's traditional mainstay products and is a complimentary product to fishing and remote Northern Ontario lodge experiences. Hunting allows diversification for lodge owners and puts heads in beds during times when fishing is not prevalent.
- The proposed pilot return of the spring bear hunt in limited test locations around Northern Ontario cities is not focused on tourism, as it has not been expanded to include out of province residents.

Sub-regional Considerations (where applicable and available)

- The percentage breakdown of trip activities among visitors to Northern Ontario is As reported by TNS in 2012 Consumer Segmentation report:

Trip Activities Among Visitors			
Sub Region:	**13A**	**13B**	**13C**
Hunting	7%	2%	5%

Product Currently Under Development

- Advocacy surrounding bringing back the spring bear hunt for tourism purposes is happening among stakeholders.
- International market from Italy showing interest in hunting moose and bear in Northern Ontario due to recent marketing efforts.

Competitive Factors

- Hunting is a competitive environment with several provinces and the US pushing hunting experiences. The CTC's report "*Sport Fishing and Game Hunting in Canada – an Assessment on the Potential International Tourism Opportunity*" outlined the economic activity from hunting in several provinces.

Economic Activity by Province		
Province	**Source**	**$**
Ontario	Ontario Federation of Anglers & Hunters 2000	$1.5 billion
Quebec	Ministère des Resources naturelles de la Faune et des Parcs, 2004	$300 million
Alberta	*Hunting in Alberta Performance, Value and Socioeconomic Impact*, 2009	$113.7 million
British Columbia	*British Columbia's Hunting, Trapping & Wildlife Viewing Sector*, 2005	$116 million
Manitoba	*Economic Evaluation of Manitoba's Hunting & Fishing Industry*, 2011	$469 million (hunters & anglers combined)

Issues, Needs, Gaps

- The cancellation of the spring bear hunt in 1999 is still a focus of contention for lodge and cabin rental operators.
- Issues with MNR regulations and enforcement create conflict between the MNR, operators, outfitters/guides and tourists.
- Border crossing regulations make entry into Canada difficult for some hunters, affecting their experience or ability to visit Northern Ontario.
- Hunters are primarily older, begging the question if the sport is going to experience a decline when these enthusiasts reach their senior years, since there are limited youngsters entering the sport.
- While the US market of hunters is large, US hunting license purchases have been on a steady decline.

Development Resources Available

- Similar to fishing, limited product development resources have been developed specific to this industry, outside of resource and regulation support provided by NOTO.

Future Product Development Opportunities

- Female participation in hunting grew by 25% in the US from 2005 to 2006. There may be an opportunity to cater to this market, but would require upgraded amenities at accommodations.
- Packaging best bet Northern Ontario hunting and fishing opportunities will speak to the market.
- Focusing on bucket list trophy hunting for moose and bear to attract visitors from further distances, who stay longer and in fixed roof accommodations.
- Advocate on behalf of hunting operators regarding the issues they are facing, especially surrounding reinstating the spring bear hunt.
- Niche opportunities are available catering to sustainable food movement followers.

- Upgrading of lodge/cabin accommodations to push the experience to the next level and make Northern Ontario a favoured destination for longer distance hunters who stay in fixed roofed accommodations.
- The CTC report "*Sport Fishing and Game Hunting in Canada"* indicates a market opportunity, but lack of resources for the CTC to market hunting in a significant manner. May indicate an opportunity to partner with other Canadian provinces/regions with best bet hunting experiences, to collaborate/share resources to position Canada as a must do hunting location for the international market.

Nature & Adventure

Facts & Figures

- Relevant highlights from *High Yield Nature/Outdoor Tourists in Northern Ontario* by Research Resolutions (2013) include:
  - Nature-based tourists are a mainstay for northern Ontario - about one fifth engaged in an outdoor activity other than consumptive activities.
  - The largest proportion of nature-based tourists in northern Ontario are those who stay in private cottages, homes or campgrounds.
  - Paid roofed lodging nature-based tourists visiting RTO 13 (158,000) is dominated by Canadians (63%), but also attracts Americans (31%) and international travellers (7%).
  - RTO 13 is not capturing its fair share of paid roofed lodging nature-based tourists (6% of total Ontario) versus capturing 9% of total overnight visitors to northern Ontario, and 30% of high yield paid roofed lodging anglers.
  - Visiting historic sites and museums or galleries are strong associated activities for the nature-based markets.
- The *TNS Segmentation Report,* 2012 for the sub-regions indicates an average per trip spend of $1,229 for an average 4.3 day canoe/kayak trip and $2,258 for a 5.3 day hiking/climbing trip.
- The *2012 Ontario Parks Backcountry Visitor Survey* completed by Ipsos Reid notes that the majority of those participating in backcountry camping are male (66%) and 44 years or younger (72%). One fifth report a total household income of more than $160,000. Respondents are willing to travel great distances (just under 400km one way) and for long periods of time (just under 5 hours one way) to enjoy backcountry camping. Group costs for a backcountry trip are highest in the North West zone at $2,523 due to high use of guiding and outfitter services as well as equipment rental.
- The *2012 Ontario Parks Consumer Survey* completed by Harris Decima notes that Ontario campers are seeking a variety of experiences, with rest, relaxation, seeing beautiful scenery and getting away from city as important factors.
- The *Travel Activities and Motivation Survey* (2006) results indicate the largest outdoor activity traveller segments for Canada and the US were as follows:
  - Going to a beach – Canada 8.1 million, US 49.7 million
  - Swimming in fresh water – Canada 7.0 million, US 28.0 million
  - Visiting parks – Canada 6.0 million, US 45.3 million
  - Hiking, day excursions – Canada 4.8 million, US 29.7 million
  - Fresh water fishing – Canada 4.2 million, US 25.0 million
  - Viewing land-based animals – Canada 2.7 million, US 22.2 million (note bird watching is close behind)
  - Kayaking or canoeing – Canada 2.3 million, US 11.6 million
  - Cycling same day excursions – Canada 2.2 million, US 8.4 million
  - Parks are most important for international visitors – but still important for all.
- In reviewing outdoor participation rates in the US and annual growth/decline from 2006 – 2012 there are some interesting conclusions:
  - Some of the large participation activities are showing some decline but they are still relatively large markets i.e. fishing, road cycling, camping and RV camping
  - Large activity participation markets that continue to grow include hiking, wildlife viewing and running/jogging
  - The strongest up and coming activities relate to events including adventure racing and triathlons
  - Consumptive tourism is declining but sub segments like fly fishing and hunting with hand guns are growing, but on much smaller bases
- The percentage of new participants taking part can be an indicator of growth. The following outdoor activities experienced the greatest numbers of first time participants in 2012, stand up paddling; boardsailing/windsurfing; triathlon (non-traditional); triathlon (traditional); adventure racing.
- An assessment of outdoor recreation trends in the US in support of the Forest Service 2010 Resource Planning Act Assessment drew the following conclusions:
  - Outdoor recreation and particularly nature-based recreation featuring photographing, viewing or otherwise appreciating nature will show the strongest growth
  - Visiting recreation and historic sites and non-motorized boating (eg. kayaking) show moderate growth
  - The lowest growth is projected to be visiting primitive areas, motorized off-road and on snow activities, hunting, fishing and floating activities – access for off-road and snowmobile driving, hunting and fishing may decline
  - Activities projected to have the highest percentage growth in participants are developed skiing, undeveloped skiing, equestrian activities, and motorized water activities
  - Those interested in visiting recreation or historic sites and in viewing and photographing nature are more highly educated and have higher incomes than average – higher educated and higher incomes than hunters and fishermen as well
- Winter outdoors activities that include cross-country skiing, snowshoeing and ice-climbing attract ‘avids’ and generate visits for events and competitions.
- The 2003 CTC TAMS analysis “*Canadian Winter Outdoor Activity Participants*” pegs the market for winter outdoor activity participant in ice climbing, dog sledding, ice fishing, snowmobiling and cross country skiing at 3.6 million Canadians in 2000. The report also draws a connection between outdoors enthusiasts who typically take part in spring, summer and fall activities such as hiking and paddling to winter outdoors enthusiasts, indicating that this market enjoys outdoors activities in all seasons.
- National and provincial parks and nationally and/or internationally designated natural areas such as Migratory Bird Sanctuaries, UNESCO World Biosphere Reserves and Heritage Sites add credibility to destinations such as Northern Ontario.
- The Global Tourism Watch series (published annually by the CTC) contains insights into the level of interest by geographic markets regarding environmentally friendly products and experiences. This research suggests that a sizeable proportion of international travelers, as well as domestic travelers would be willing to pay a premium for an authentic natural/cultural heritage trip delivered by environmentally friendly operators/businesses in Canada.
- The Adventure Travel and Tourism Association in association with Xola Consulting and George Washington University completed their regular update on the state of the adventure travel sector (*Adventure Tourism Market Report, 2010)* and found that 34% of Latin American tourists, 23% of Europeans and 18% of North Americans are looking to soft adventure experiences in the travels. Adventure tourism is recognized as a major growth market segment with increasing focus on off-the-beaten path destinations where they can make meaningful connections with local peoples and have authentic experiences.

Assessing Current Offer in Northern Ontario

- Northern Ontario nature and outdoors assets are dominated by inland ‘big water’ unique in the world that includes Lake Superior, Lake Huron and north Georgian Bay, along with Kenora’s Lake of the Woods.
- Northern Ontario is also home to a vast number of remote rivers and lakes.

	• There are a limited number of high quality character accommodations and outfitters offering wilderness experiences which limits ability to position offer through travel trade for overseas travellers. • Due to financial pressure across the public sector, both provincial and national parks are falling behind in terms of refreshment and upgrading of infrastructure and facilities. • The Regional Operations Division, MNR manages all sectoral partnership agreements with such organizations as the Ontario Marine Operators Association (Boating Ontario) and Northern Ontario Tourism Outfitters (NOTO) for land/tenure for private operators on Crown land. MNR also has a policy role in such areas as trails, fish management, forestry and wildlife/moose tags that impacts strongly on tourism. Yet the connection to tourism is weak. • Statistics for Region 13 and the sub regions clearly shows they are not capturing their fair share of the Parks and nature-based, non-consumptive outdoor interest markets.
Sub-regional Considerations (where applicable and available)	• According to research completed by Research Resolutions, RTO 13's paid roof lodging visits and spending are spread fairly evenly across the sub-regions. • As reported by TNS in 2012 Consumer Segmentation report:

Trip Activities Among Visitors

Sub Region:	13A	13B	13C
Visiting a Beach	7%	2%	5%
Hiking/Climbing	11%	9%	18%
Camping	9%	13%	16%
Visiting National/ Provincial Parks	8%	7%	10%
Kayaking/Canoeing	8%	8%	4%
Wildlife/bird Watching	5%	7%	4%

	• The *2012 Ontario Parks Backcountry Visitor Survey* completed by Ipsos Reid notes the primary purpose of trip differs by region with 29% in North West noting fishing, 26% in North East saying backpacking and 11% in Central noting kayaking.
Product Currently Under Development	• Although there are no facilities, the establishment of the Lake Superior Marine Conservation Area by Parks Canada provides new opportunities as they partner with neighbouring communities to provide quality visitor experiences. • A local working group is trying to rejuvenate the recommendations contained in the Great Lakes Heritage Coast work completed in the early 2000's. • Efforts are under way to achieve designation for Pimachiowin Aki, 33,400 square miles of boreal forest that straddles Manitoba and Ontario as a UNESCO World Heritage site by in the Red Lake/Woodland Caribou area with First Nations and other partners working together. • Diving is starting to get some traction in Thunder Bay. The 2013 discovery of the Mary Ann shipwreck adds to the product available. • The Lake Huron North Channel Cycling Route Study completed in 2013 outlines the market, route and implementation plan for a cycling route development from Sault Ste. Marie to Sudbury. • The Georgian Bay Coast Trail's northern trailhead is opening at Point Grondine Park (between French River and Killarney) this summer. The route from Point Grondine to Bayfield Inlet is not fully mapped yet but the Georgian Bay Coast Trail

	is currently working with partners to finalize the route. • The Lake Superior Watershed Conservancy and TransCanada Trail are working on a water based trail from Sault Ste. Marie to Thunder Bay. Possible current investment includes access point washrooms in communities along the trail. • A Georgian Bay Cycling Route Feasibility Study is being completed by LaCloche Manitoulin Business Assistance Corporation (LAMBAC) and Manitoulin Island Cycling Advocates (MICA). The study is looking into the feasibility of creating and cycling route around Georgian Bay. • The Voyageur Trail, a pedestrian-only trail between Sudbury, through Sault Ste. Marie and onto Thunder Bay, has been under development, primarily by volunteers, but also with partner organizations and parks, for forty years. • Alternative and deluxe accommodations at Ontario Park campgrounds including yurts and furnished tents appear to be meeting demand as one in five are selecting these options.
Competitive Factors	• In Canada, BC's oceans and mountains, Alberta's mountains and rivers and Newfoundland's rugged coastlines are established destinations for nature and outdoors. • A number of US states also position themselves as destinations for active outdoors.
Issues, Needs, Gaps	• Expansion of more high quality character accommodations offering guided and unguided outdoors opportunities would support more visits. • Both MNR and Parks Canada are major landowners in Northern Ontario, yet are not consistently connected or engaged with the tourism sector, particularly in planning and policy discussions. Many may see these public sector operations as 'competition' yet they provide important infrastructure and often are demand generators in and of themselves through visitor centres, events, trails and paddling opportunities. • Climate change and global warming will potentially have a significant effect on the outdoor activity seasons in RTO 13. Seasons are changing, water levels are fluctuating and both of these factors are challenging and will start to challenge the ability to offer some activities.
Development Resources Available	• Previous initiatives that included the Resource-based Tourism Opportunities program, introduced when the spring bear hunt was discontinued, provided research, market information and tools for nature and outdoors activities. These materials have not been updated in recent years and do not necessarily reflect new activities or current market intelligence.
Future Product Development Opportunities	• Leverage National and Provincial Parks as key trip motivators. • Focus product development efforts on `signature' landscapes that have cachet with travellers and that differentiate Northern Ontario from other provinces, territories and states that include La Cloche Mountains, Lake Superior shoreline, northern Georgian Bay, French River, Lake Superior Marine Conservation Area, Temagami's Old Growth Forest. • Develop critical mass of high quality, lodge based signature outdoors experiences. • Position quality outfitters who can offer 'bucket list' outdoors experiences. • Continue to link the outdoors to culture as is currently under way with Group of Seven offers under development in both Algoma/Sault Ste. Marie and Northeastern Ontario to appeal to domestic and international *Cultural Explorers* and *Authentic Experiencers*. • Link coastal trails along Lake Superior between Pukaskwa National Park and Lake

Superior Provincial Park to provide varying levels of quality, character accommodation to attract a range of travellers, many of which are seeking comfort and service beyond traditional camping. Position the trail to rival hiking trails such as BC's West Coast Trail and the Overland Track in Tasmania, Australia.

- Position outdoors offers to Millennials through outdoor adventure activities and offers.
- Establish strong working relationships with appropriate levels within MNR and Parks Canada to add the voice of tourism to policy and planning discussions and to identify tourism opportunities as disposal of crown assets occurs.
- Support for rural capital investment in items that are ancillary to tourism (signage, cell coverage etc.) but are in demand by today's markets is key to advancing the salability of rural nature related product to new markets.

Photo: Ethan Meleg

Auto & RV Touring in Northern Ontario

Facts & Figures

- Today's cars and RVs are more efficient and sophisticated, easier to drive and with interior amenities such as GPS, satellite radio and AV that support a more enjoyable road trip for families, friends and seniors alike.
- International travellers entering northern Ontario at land border points from 2005-2011 declined in the Sault, Fort Frances, Pigeon River, Rainy River – this is all travellers not just tourists.
- Surveys completed for the Northern Ontario Transportation Strategy project that 22% of summer traffic and 33% of fall traffic are 'pass-through'. This pattern also reinforces the notion of fall as a desirable time for touring.
- With the ageing baby boomer market touring by auto and RV are growth markets and each have specific service and infrastructure needs that must be met. The report *Economic Impact of the Canadian Recreational Vehicle Industry* by Harris Decima, 2012 provides some useful insight:
  - Production of RV vehicles and sales have generally followed the macro-economic trends with a peak in 2007 followed by several years of decline and then moderate increase from 2009 to 2011 but not reaching 2007 levels.
  - Compared to the auto sector RV's declines have been more marked and have not recovered to the same levels.
  - In 2011 there were 512,955 RV owners in Ontario (10.5% of households), 275,318 in Quebec (8.1% of households) and 94,759 owners in Manitoba (20.3% of households) – Alberta has the highest percentage of households owning RV's (430,338 owners, 31% of households).
  - Ontario received the highest proportion of destination RV nights in 2011 – 32.8%.
  - Top 8 activities that go along with RVing are Camping (67%), Beach (28%), Visiting Parks (26%), Wildlife viewing (25%), Hiking (24%), Cycling (20%), Fishing (20%), Boating (20%).
- 'Demotorization' is a factor as some young people (Gen X and Y) do not bother to get drivers licenses. Those that do are using alternate models of ownership that includes such firms as Zipcars that give you vehicles 'when you need them'. In early 2012, the US Federal Highway Administration reported that the proportion of 14 to 34 year olds without licenses rose to 26% in 2010 from 21% in 2000. The use of public transportation by Americans between 16 and 34 years of age has climbed to 40% according to research completed by the Frontier Group and the US PIRG Education Fund. Similar trends are seen in Australia, Canada, Europe and Japan and will have an impact on how this market views and accesses auto touring opportunities in particular.
- The National Scenic Byways program, a federal US program that designates roadways and highways based on their archaeological, cultural, historic, natural, recreational, and scenic qualities generates economic impact. A 2012 study completed by the America's Byways Resource Center notes the economic impact of select byways:
  - Blue Ridge Parkway (755 km - Virginia/North Carolina) – estimate generating $1.5 billion total business sales and 9,300 jobs.
  - Cherokee Hills Byway (88 miles - Oklahoma) – estimates generating $85.3 million total business sales and 924 jobs.
  - Woodward Avenue Automotive Heritage Trail (27 miles – Detroit Michigan) – estimates $234,000 total business sales and 1.2 jobs.

Assessing Current Offer in Northern Ontario	• The auto and RV touring markets are important to generating economic activity to the many communities along major highway corridors in particular. • There are two levels of assessment for the auto/RV sector – roads and related infrastructure and the experience and routes. Tourism-specific infrastructure-related needs relevant to auto and RV have been identified in the Northern Ontario Transportation Study as follows: ○ Investment into new and improved rest stops; ○ Addition of more passing lanes and/or four-laning on key roads; and ○ Improved signage and way-finding tools. • The Lake Superior Circle Tour is a well-established bi-national route that puts Northern Ontario on 'must do' travel lists. • There are many great examples of 'how to do it right' to appeal to and serve the drive market, but also stretches of highway across Northern Ontario with limited services or quality (restaurants, gas stations, accommodation, retail) that reflects badly on the industry as whole and that do not present a particularly pleasant experience that supports repeat visitation or recommending to others. • The online planning tool at www.gotourontario.ca does not currently profile any RV tours in Northern Ontario. • Small towns and rural areas combined with scenic stops, roadside attractions and scenic drives, contribute to tourism product within Northern Ontario by acting as the host and conduit for touring routes. • Built roadside attractions such as the Wawa Goose, the Loon Dollar monument, Terry Fox Monument, The Big Nickel, Winnie the Pooh, Manitou (the bison), Husky the Musky and many more provide personality and a reason to stop across Northern Ontario. • Today's increasingly sophisticated and demanding RV markets are looking for the following facilities and services as they travel: ○ Nearby gas stations and RV maintenance services; ○ Access to dumping stations or an area designated and approved for emptying gray and black water holding tanks; ○ Stores nearby with easy manoeuvrability; ○ A range of communication options including telephone connections, wireless high speed internet connections or kiosks and satellite phone service for areas not covered by cell phone; ○ Flat campsites with sufficient space for manoeuvring (minimum swing radius of 50 feet for oversize RVs); ○ 30 amp service is considered a minimum and some units require 50 amps; ○ Pull-through campsites for larger motor homes; and • There is now a national rating program administered by Campgrounds Camping of Canada – Camping Select www.campingselect.ca. • The Chi-Cheemaun ferry, with daily seasonal passage between Tobermory and South Baymouth acts as not only a vehicle for passage between the south and the north, but can also contribute to touring traffic to Manitoulin Island and Northern Ontario.
Sub-regional Considerations (where applicable and available)	• Algoma presents four driving routes in the region that include the Grand Algoma Drive, Wawa North Drive, Deer Trail Drive and Island North Drive. • The Georgian Bay Coastal Route, connecting southern Georgian Bay with northern Georgian Bay, provides RV-friendly options as well as interest-specific touring options such as lighthouse and marine heritage. • Highway 17 between Sault Ste. Marie and Nipigon and Highway 61 between Thunder Bay and Pigeon River are notable as 'scenic highway tours'.

• As reported by TNS in 2012 Consumer Segmentation report:

Trip Activities Among Visitors			
Sub Region:	**13A**	**13B**	**13C**
Touring by Car/RV	9%	12%	10%

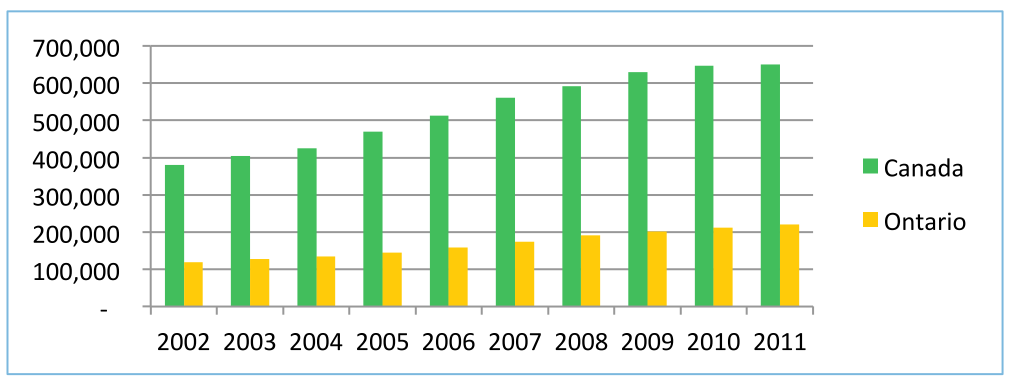
• Touring by car on fly/drive vacations is an activity that appeals to repeat long haul visitors to Canada.

Product Currently Under Development	• The recently released *Georgian Bay International Travel Trade Strategy* undertaken by the Georgian Bay Destination Development Partnership examines the international market for Georgian Bay product and the market readiness of operators around the Bay. • Group of Seven product development is currently in process in 13A & B. 13B has begun to examine opportunities to establish a Group of Seven touring product. • Efforts have begun to develop an itinerary backed touring route that follows Highway 11/17 from Algonquin to the Agawa Canyon.
Competitive Factors	• The federally supported Scenic Byway program in the US has resulted in well-designed and signed routes. When US travellers cross the border the quality of the experience can be substantially different. • Western Canada is a well-established RV destination. • The Alaska Highway, Klondike Trail, Icefields Parkway (Banff-Jasper corridor), the Cabot Trail and others are on many touring 'bucket lists'.
Issues, Needs, Gaps	• Endorsement and formal support for implementation of tourism-related needs as identified in the Northern Ontario Transportation Study will enhance the overall offer. • While individual communities recognize and pursue the touring market, there is currently little attention paid to the auto touring and RV market in a coordinated manner both from product and marketing perspectives.
Development Resources Available	• *The Motorcycle/RV Touring Route Toolkit for Northern Ontario* details the needs of both the RV and motorcycle segments, how to develop product specifically for them and helps users understand how they fit into the Northern Ontario tourism offer. This tool is useful for both communities and individual operations. • OTMPC's *Go Tour Ontario* program includes guidelines for RV route development and the best practices/RV market readiness measurement for operators.
Future Product Development Opportunities	• Bring back cachet of 'iconic road trips' to generate new visits and to capture more of the pass-through market. • Elevate the 'Trans-Canada' touring opportunity across Northern Ontario by creating itineraries, connecting communities and highlighting stops that reflect the 'cadence of travel' (short stop, 2 hour stop, half day stop, overnight stop, more than one night stop, etc.) by mode of transportation. Leverage the number of built roadside attractions as one element of the touring product. • Position and develop road trip itineraries across certain regions of Northern Ontario as a way to introduce resident immigrant families and their VFR from overseas, as well as overseas travellers to a range of Canadian experiences. • Develop itineraries that appeal to overseas visitors to Canada seeking fly/drive vacations.

Motorcycle Tourism in Northern Ontario

Facts & Figures

- The Research Resolutions & Consulting March 2014 situational analysis on *"North American Motorcycle Tourists in Northern Ontario (RTO13)"* highlights market facts and figures related to the motorcycle market as follows:[1]
  - 543,000 Canadian travellers claim to have ridden a motorcycle while on vacation in the last two years.
  - Approximately 107,000 of these Canadian motorcycle tourists have also visited Northern Ontario in the last 2 years
  - 153,000 motorcycle tourists live in Ontario. Approximately 50% of them (76,000) of them have travelled in Northern Ontario.
  - There are 5.1 million motorcycle tourists in the US. Not all of them have travelled in Canada. The estimated US market for motorcycle tourists across Canada is 844,000. 473,000 of these American motorcycle tourists have travelled in Ontario, and 106,000 of them have taken a trip in Northern Ontario over a two year period.
  - Motorcycling is the primary reason for taking the trip for half of the market.
  - Research Resolutions provides surrogate estimates of the number of North American motorcycle tourist in Northern Ontario based on making some assumptions on data available (they caution regarding interpretation of these numbers – see their report for details).
    - 47,000 – 58,000 North American motorcycle tourists could be travelling in Northern Ontario on an annual basis.
    - Spend estimates are between $16 million and $20 million in a year.
  - 70% of Canadian riders and 63% of US riders are male.
- TNS Consumer Segmentation reports for each of the sub-regions report average trip length of 5.9 days and average spend of $1,417.
- Sales of new motorcycle units are tied to economic conditions and therefore sales have decreased in recent years.
- While sale of new motorcycle units have decreased in recent years, the Motorcycle & Moped Industry Council data included in the *"2012 Motorcycle Scooter & All-Terrain Vehicle Annual Industry Statistics Report"* indicates that motorcycle registrations have continued to increase in Canada. Registration may be a better indicator of the number of riders.



- Drivers licensed grew by 14% from 2000 to 2010, but motorcycle registrations grew exponentially during the same period, increasing 104%.

[1] motorcycle tourists travelling in Northern Ontario may or may not have ridden a motorcycle during their trip

Assessing Current Offer in Northern Ontario

- Northern Ontario has done a lot of work to develop the niche motorcycle product in the region. Tours have been developed under the Ride Lake Superior brand in 13B & C and also under the Ride the North and Georgian Bay Coastal Route brand in 13A. Motorcycle friendly accommodations, attractions and restaurants have been assessed to support the initiative and workshops have been held to train operators on how to be more motorcycle friendly.
- For many riders, the Highway 17 between Sault Ste. Marie and Wawa has been included on their bucket list of rides.
- The Lake Superior Circle Tour provides the incentive for binational travel around the lake.
- 2 key annual motorcycle events have been established in 13A: Ride Manitoulin and Biker's Reunion in New Liskeard.
- OMTPC supports motorcycle tourism through its motorsports program and has developed supporting tactics including the GoRideOntario website and the tour planner.
- TNS RTO13 Consumer Insight Research indicates a higher incidence of travel to NO for motorcycle touring than to the rest of the population. Specific visitation and interest data for each of the sub-regions shows either or both high visitation in the past two years and high interest in visiting in the next two years.

Sub-regional Considerations (where applicable and available)

- Motorcycle product has been developed across Northern Ontario and in all three sub-regions.
- 13A is well positioned to attract riders from the large Quebec market.
- 13B & C are well positioned to attract riders from the large US market.
- All 3 sub-regions are well positioned to attract riders from southern Ontario.
- The western portion of 13C is less developed for motorcycle routing, and has less market opportunity, as Manitoba's motorcycle market is small relative to Ontario and Quebec and the near north US states.

Product Currently Under Development

- Adventure/Dual Sport off-road motorcycle routes are in development in the Algoma region.

Competitive Factors

- Motorcycle tourism development in Ontario has been trending in recent years, with a number of regions and areas developing motorcycle product and marketing campaigns. Ride Lake Superior and Ride the North as well as the Georgian Bay Coastal Route all compete for traffic in the north. Ride Grey Bruce and soon to be launched Ride the Highlands as well as other smaller jurisdictions compete in the south.
- Other routes like the Cabot Trail in Nova Scotia and routes specific to riders like the Tail of the Dragon in Deals Gap, Tennessee/North Carolina and the Blue Ridge Parkway in Virginia compete for motorcycle tourist attention.

Issues, Needs, Gaps

- Limited research exists on motorcycle tourism consumer data and the market.
- A discretionary spend item, economic downturns effect the number of motorcycles sold which could equate to less motorcycle tourism during these years.
- There is a need to encourage return visits through not only marketing but also further product related development such as events or rallies.

Development Resources Available

- OTMPC's Go Tour Ontario program includes guidelines for route development and the best practices/motorcycle market readiness measurement for attractions and operators (adapted from a program originally developed by the Georgian Bay Coastal Route). Three product offerings in NO have used the market readiness guide to develop best in class motorcycle tours: Ride Lake Superior, Ride the

	North and the Georgian Bay Coastal Route. • *The Motorcycle/RV Touring Route Toolkit for Northern Ontario* details the needs of both the RV and motorcycle segments, how to develop product specifically for them and helps users understand how they fit into the Northern Ontario tourism offer. This tool is useful for both communities and individual operations.
Future Product Development Opportunities	• Canadian motorcycle tourists represent a variation or way to expand Northern Ontario's market outside of the typical Northern Ontario tourist who is seeking fishing, hunting and nature tourism experiences. • American motorcycle tourists align with traditional Northern Ontario experiences and enjoy fishing and nature activities while on vacation. • Interest in off-main-road trails for adventure riders has started to sprout. Proper trail and route development and operator matching and assessment is needed to ensure a safe and enjoyable experience is the outcome. Northern Ontario is well positioned to offer the routes for these trails, as long as operators and amenities can be sourced to support route development. • The experience benefits from ongoing road enhancements. Smooth, resurfaced, winding roads are important to the experience for a rider. Municipalities must invest in this infrastructure to support the motorcycle product.

Boating and Great Lakes Cruising in Northern Ontario	

Facts & Figures	• The marine tourism experience for boaters is typically comprised of three integrated components as follows:
	  ○ Cruising and sailing venues – the water-based natural heritage features;
	  ○ Boating support and services – the man-made infrastructure including transient docking or mooring, marine services, boater services, aids to navigation etc;
	  ○ Shore-based amenities and attractions – the natural and cultural heritage features indigenous to the region.
	• The *Travel Activities and Motivation Survey* (2006) results indicate that 3.6 million Canadians and 15.7 million US residents participate in motor boating.
	• International travellers entering northern Ontario by boat from 2005-2011 declined in the Sault, Meldrum Bay; Thunder Bay has been mixed.
	• The second facet to these markets associated with Georgian Bay is lakes cruising. Great Lakes cruise shipping is on the cusp of significant growth according to the Great Lakes Cruising Coalition. Cruises are booked for 2014, travelling to ports in Northern Ontario.
	• The Cruise Lines International Association (CLIA), the world's largest cruise association, compile statistics on the cruise sector which show the industry is expanding rapidly with 143 new ships added to the global inventory between 2000 and 2011. A total of 12 new ships are planned to be operational by 2013-2015. Between 1980 and 2012 the CLIA member fleet carried 225 million guests, with 188 million originating in North America and 37 million from other parts of the world. The big trend is continual increases in the proportion from other parts of the world. In 2011 CLIA members carried 16.3 million passengers. According to CLIA the tops trends looking forward are as follows:
	  ○ Growth in multi-generational/extended family travel;
	  ○ Growth in international travel;
	  ○ Increased interest in cultural activities;
	  ○ Growth in family cruising;
	  ○ Increasing interest in exotic, off the beaten path destinations.
	• To provide some sense of the market size the largest and most mature market, in the US market approximately 24% of Americans have taken a cruise. In 2011 only 3% of Americans took a cruise. For comparison in 2010 the US penetration rate was 3.26% whereas the Canadian penetration rate was only 2.01%. There would appear to be lots of room for growth even in the North American markets, particularly given the high level of repeat cruising.
	• According to the University of Ottawa on their 'Cruise Tourism in Arctic Canada' website Arctic cruise itineraries doubled in 2006 from 2005 and then increased at an average of 9.5% for the next 5 years. CLIA report that demand for specialist river cruises has grown by 10% annually over the past 5 years. These indicators illustrate the growing interest and demand for smaller specialist types of cruises, which would apply to Great Lakes cruising.

Assessing Current Offer in Northern Ontario	• The Northern Ontario Transportation Study noted 'support for Great Lakes tourism' as a transportation priority. • Day trips generated by Great Lakes Cruises, while not contributing significantly to economic impact overall, are important to the communities hosting them. These stops assist in capacity-building and expose travellers to destinations that may motivate a visit at a later time. • Water levels in the Great Lakes pose a real threat as marinas cannot be sustained, resulting in less than ideal infrastructure for the cruising market.

	• Local attractions offer a cruise experience such as the Chief Commanda II out of North Bay and M.S. Kenora Cruise out of Kenora. • Great Lakes Cruising is an activity that has appeal to long haul travellers and a means to experience 'big water', one of Northern Ontario's key assets. • The North Channel is considered a world class sailing destination.
Sub-regional Considerations (where applicable and available)	• Marine tourism is an important economic activity in such areas as north Georgian Bay (including the North Shore Lake Huron, Manitoulin Island, etc), • Kenora has branded itself 'North America's Boating Destination' and continues to invest into infrastructure to support the positioning. • 13A has a vested interest in the Georgian Bay Coastal Route, which considers the coastal asset of the region and includes a marine cruising tour. • As reported by TNS in 2012 Consumer Segmentation report:

Trip Activities Among Visitors			
Sub Region:	**13A**	**13B**	**13C**
Boating/Sailing	12%	8%	18%

Product Currently Under Development	• Communities respond to opportunities as new itineraries are developed.
Competitive Factors	• The Muskoka area, Southern Georgian Bay and Trent-Severn Waterway National Historic Sites offer cruising opportunities close to the southern Ontario market. • The Rideau Canal National Historic Site, The 30,000 Islands and Saint Lawrence River also offer cruising and sailing opportunities close to southern Ontario and near US markets. • Southern hot destinations compete for the cruise line market.
Issues, Needs, Gaps	• Limited shore-based experiences available for boaters often due to gaps in transportation from docks inland. • Water levels in the Great Lakes could continue to see significant declines resulting in economic instability and further marine closures and consolidations.
Development Resources Available	• *Developing Shore Excursions for Great Lakes Cruising workbook*, Ministry of Tourism, Culture & Sport
Future Product Development Opportunities	• Align more shore based experiences to serve the Great Lakes cruising market. • Build connections and products for boaters.

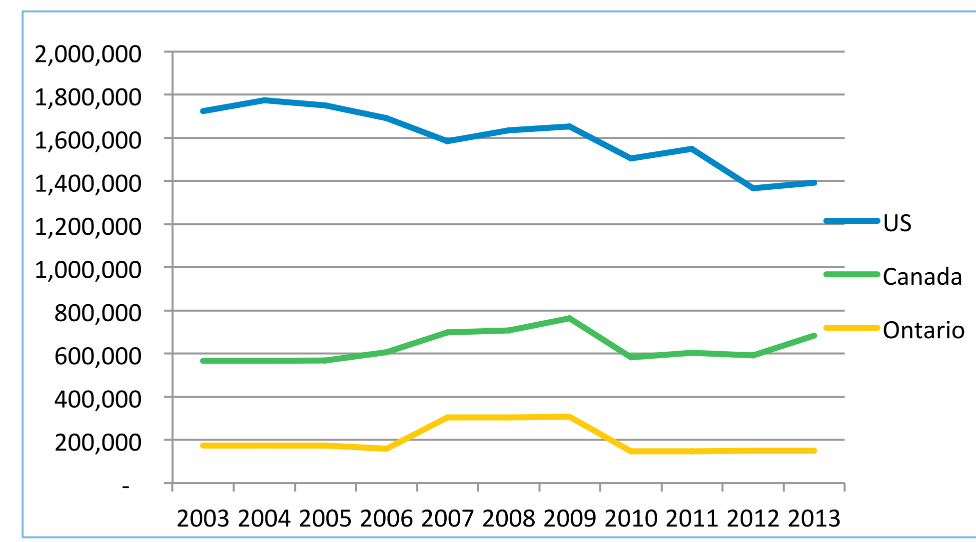
ATV Tourism in Northern Ontario	
Facts & Figures	• The Canadian Tourism Commission report "*TAMS 2006 – Canadian activity profile: snowmobiling and ATVing while on trips*" provides some numbers on the market size of ATV tourists. ○ 385,488 Canadians cited going on an overnight ATV touring trip while on trips over the previous two years. For 48.5% of them, it was the main reason for their trip. ○ 1.4 million went on a same-day excursion on an ATV while on trips. 30% stated the excursion as the main reason for the trip. ○ Boating and swimming, wildlife viewing and fishing are activities that are of interest to more than 50% of ATVers and snowmobilers while on trips. ATVers display a high incidence of hunting, fishing, and motorcycling compared to other Canadian pleasure travellers. All of these activities are important products of Northern Ontario. Incidence of ATVers and snowmobilers is higher in Alberta and Saskatchewan (where incidence of these activities is higher as a percentage of the population), and lowest in Ontario, and British Columbia. ○ ATVers and snowmobilers are more likely than the average pleasure traveller to camp and stay at a wilderness lodge. • The US market is summarized in the 2007 profile report *"Snowmobiling and ATVing While on Trips of One or More Nights"*. ○ 1.7 million US tourists went on an overnight ATV touring trip. ○ 9.3 million US tourists went on same-day excursion • Like motorcycle sale, sale of new ATV units is tied to economic conditions and therefore sales have decreased in recent years.
Assessing Current Offer in Northern Ontario	• Some operators have taken initiative and created trails and packages. Some of these experiences link lodges together. • ATV clubs operate in NO, similar to snowmobile clubs. Official trail development specific to tourism has been undertaken in several areas in NO. Fully supported experiences include marked trails, mapping and operators along routes to support experiences. • ATV outfitters exist throughout Ontario. The Northern Ontario experience differentiates itself with expansive remote wilderness trails for serious and experienced riders.
Sub-regional Considerations (where applicable and available)	• Fully developed trail systems area available in some areas in Northern Ontario. ○ 13A trail systems in the Mattawa area have been developed as the Voyageur Multi-Use Trail, featuring over 300 kilometres of trails to ride. Municipal partners have passed ATV friendly bylaws to allow ATV riders to use roadways to travel from accommodation to trail. ○ In 13B, Wawa has developed loops for ATVing. A guide is needed to ensure riders find their way on the area's trails as the loops are not formalized. Elliot Lake boasts the largest insured ATV trail network in Ontario with 300 kilometres of trails.
Product Currently Under Development	
Competitive Factors	• ATV trails and operators are located throughout Ontario. Key ATV experiences outside of Northern Ontario exist in Haliburton and Parry Sound, and are located closer to the ATV tourism source market in Southern Ontario.

	• Several provinces have research focused on the ATV market, including British Columbia and New Brunswick. • Areas like the Hatfield~McCoy Trails in West Virginia are linking it all together to produce industry leading trails experiences linking 600 miles of trails with trail friendly towns covering six counties.
Issues, Needs, Gaps	• Many more areas of trails exist for riding, but require formalized product development to create mapping, marked trails and market ready operators that are connected to communities. • Need to focus on unique terrain and geography to differentiate from other ATV destinations.
Development Resources Available	• The *"Development Manual for a Community-based ATV Tourism Product"* completed by the CTC, OTMPC, FedNor, NOHFC and Ontario communities in 2003 supports ATV tourism development within Northern Ontario with a step by step development guide.
Future Product Development Opportunities	• Routes offered in Northern Ontario could be more fully developed, with formalized routes and loops, route marking, mapping and market ready operators as well as municipal support for ATV tourism. ○ The Voyageur Multi-Use Trail in Mattawa is interested in refining their product offering with branding and assessment of ATV friendly operators to support the experience. ○ Wawa's trail experience could benefit from the formalization of routes. ○ Elliott Lake could benefit from renewed interest/focus on ATVing product that they have developed to re-elevate the product positioning. • Opportunity may exist to differentiate the experience offered in Northern Ontario from that offered in the south, as wilderness remote riding for experts.

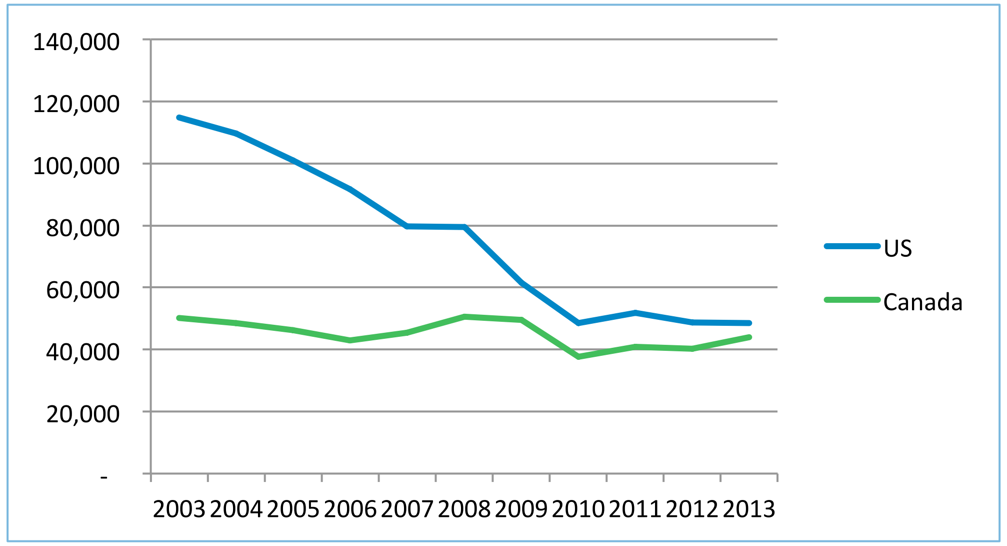
Snowmobile Touring Tourism in Northern Ontario

Facts & Figures

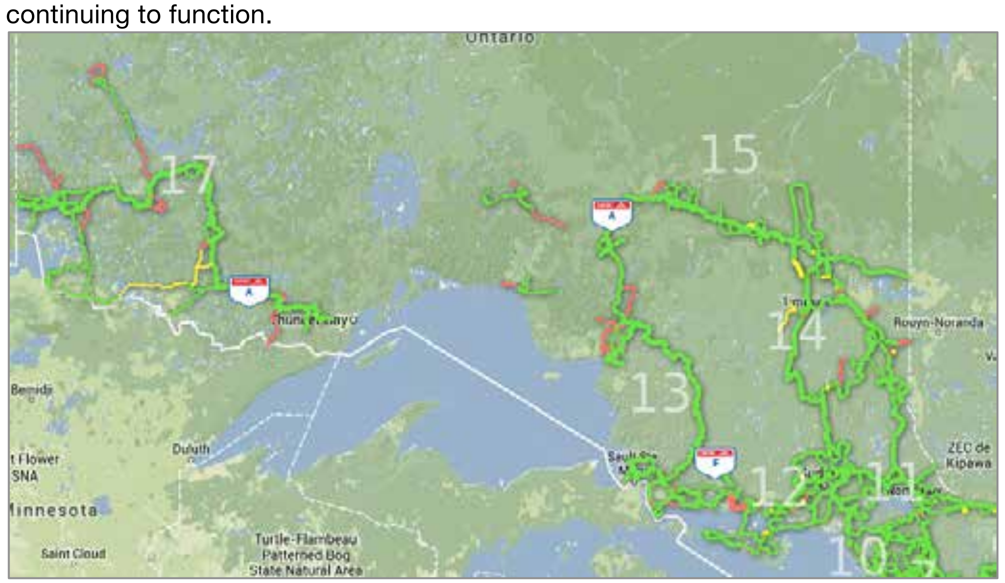
- The Research Resolutions & Consulting January 2014 situational analysis on *"Snowmobiling Tourists in Northern Ontario (RTO13)"* highlights market facts and figures related to the snowmobiling market as follows:
  - 1 million or 5% of Canadians and 3.4 million or 2% of Americans who took an overnight leisure trip in a two year period participated in snowmobiling as one of their trip activities.
  - Approximately 326,000 Ontarians snowmobiled while on an overnight trip over a two year period. 300,000 Quebec residents participated.
  - 80,500 overnight snowmobiling trips by Canadians were spent in Northern Ontario. Of these trips, 65,000 were residents of Ontario, 32,000 (40%) of which were from RTO13.
  - 7% of the total Canadian snowmobile trips taken, were based in Northern Ontario. 29% of trips landed in southern Ontario, and 30% were based in Quebec.
  - 3% of all overnight trips in Northern Ontario related to snowmobiling; representing a $23.6 million spend by Canadians travelling to the area. (American spending figures were not reported.)
  - 343,000 nights were spent in Northern Ontario by Canadian snowmobilers. Snowmobilers almost always stay in private cottages or stay with friends and relatives. 6% of snowmobiler stays in Northern Ontario (20,580 nights) were in paid accommodation.
  - Shorter trips of 2 to 4 nights mean attracting snowmobilers from longer distances may be difficult. The average Northern Ontario snowmobile trip lasts 4.3 nights.
  - Trip spend is approximately $330, or $75 per night.
- In 2013, 149,000 snowmobiles were registered in Ontario. Data supplied by the International Snowmobile Manufacturers Association (ISMA) shows a decrease in snowmobile registration over the last 10 years.



- The ISMA reports snowmobiles sold in Canada in 2013 amounted to 44,022 units and have decreased from levels achieved 10 years ago. The decrease is more pronounced in the US than in Canada where sales have decreased drastically over the last 10 years.



- Reports indicate that Ontario wide, trail permit sales are also significantly decreased from levels reported 10 years ago.
- Northern Ontario snowmobile clubs report drastic decreases in trail permit sales and many are ceasing to operate. The North of Superior area is no longer operational. Important connector trails in Algoma have been lost. Northeastern Ontario trails are still operating, but some clubs in this area are also having issues continuing to function.



Assessing Current Offer in Northern Ontario

- Ontario Federation of Snowmobile Clubs (OFSC) trail system established throughout Ontario, including Northern Ontario which is experiencing trail closures in some areas.
- OFSC has enhanced on-trail experience through initiatives like on-trail signage and priority tourism loops.
- Operators appear interested in snowmobile tourism per survey results, but few operators can rely on snowmobiling business for their off-season revenue stream due to fluctuations in weather and traffic.
- Development of signature touring routes like the RAP (Round Algonquin Park) tour and the Gold Rush Tour has begun but could be supported the tourism industry by further refinement and support.

Sub-regional Considerations (where applicable and available)

- Algoma region connector trail to Wawa has been lost.
- OFSV District 16 has ceased operations, and the trails north of Superior are no longer in operation.
- For now, the Highway 11 corridor for riding seems to be the best bet for NO due to its proximity to southern Ontario's riders. The sustainability of some trail areas in the Temagami region could be an issue.

Product Currently Under Development

- The snowmobile industry and the Ontario Federation of Snowmobilers (OFSC) is going through a redevelopment. The OFSC recently released the 2013 *Framework for Change* document to assess the appetite for change within member clubs, government partners, industry stakeholders and permit holders.
- RTO13 has a snowmobile task force established to assess, respond and react to these industry changes.

Competitive Factors

- Quebec is a snowmobile destination with 33,500 km of trails, and population that loves to ride.
- The OTMPC site GoRide.com pegs Ontario's trail network at 33,000 km.
- Trail permit costs fluctuate. 2013/14 fees for key competing riding areas are summarized as follows:

Snowmobile Trail Permit Prices			
	Annual $	**Temporary $**	**Daily $**
Ontario	**260.00**	**7 day – 140.00 3 day – 75.00**	**n/a**
Quebec	360.00	7 day – 190.00 3 day – 110.00	55.00
Manitoba (Snopass)	125.00	7 day - 60.50	n/a
Michigan	45.00	n/a	n/a
Minnesota (Annual State Trail Sticker)	35.00	n/a	n/a
Wisconsin (non-resident trail pass)	35.00	n/a	n/a

Issues, Needs, Gaps

- Changing weather means snow conditions are not dependable.
- Snowmobiling is expensive for consumers, requiring equipment purchase/rental fees, fuel, insurance and license expenditures.
- Border restrictions and exchange rates affect cross-border riders.
- Trail permit prices are a hindrance due to high cost in Ontario.
- Limited stays in overnight accommodation does not meet the "heads in beds" goal.
- Distance from market affects the likelihood of travellers taking an overnight snowmobile trip in Northern Ontario due to driving distance, winter driving conditions and predisposition to shorter (2-3 day) trips.
- Reports indicate that the younger generation shows a declining interest in snowmobiling.
- Many Northern Ontario snowmobile clubs are folding due to limited membership. The lack of clubs mean that some trails are no longer in existence as there is no one to support them. The loss of these trails creates incomplete routes and destinations/operators that are no longer attached to the riders.
- Operators are needed to cater to riders. If there are no gas stations, snowmobile friendly accommodations or open restaurants along the trail during the winter months, the rider's experience is impacted and they may choose to buy their

	permit and ride elsewhere. Snowmobile product must be supported by business buy-in. • Fuel regulations have reduced the number of smaller fuel stops along trails, impacting loops and rider experience. • OFSC is trying to determine how to deal with product development issues amongst the myriad of other industry challenges. The organization is undergoing organizational challenges which is questioning the sustainability of the snowmobile tourism industry and could change the landscape for the product in north. • OTMPC motorsports program main focus is on marketing snowmobile experiences not snowmobile product development.
Development Resources Available	
Future Product Development Opportunities	• To support snowmobile tourism, there must be trails to ride on. Clubs must be supported or reestablished to support trail set up and maintenance. • There may be value in maintaining the local snowmobile infrastructure to support snowmobiling by residents, which contributes to the economic return for the region. • There may be value in appealing to casual snowmobilers by packaging snowmobiling with other winter activities and a stay at a Northern Ontario lodge. Requires snowmobile rentals to be available. • There may be an opportunity to package snowmobiling and ice fishing to capitalize on Northern Ontario's reputation as a fishing destination. • As weather continues to warm, there may be value in positioning Northern Ontario as the solution to Southern Ontario's issues with limited and unpredictable snow. • Off trail snowmobile riding is an emerging market, and does not require the extensive network of trails that currently drive the industry. • There may be an opportunity to develop and enhance exclusive bucket list riding experiences through the development of signature loops to reinvigorate rider interest in snowmobiling in Northern Ontario. • Continued development of signature priority touring routes in Northern Ontario that have the support of tourism operators. • Re-invigorate US rider interest in Canada and determine what will motivate them to come back if at all.

Northern Ontario's Gateways & Urban Communities	
Facts & Figures	• Northern Ontario has five major urban communities - North Bay, Timmins, Sudbury, Sault Ste. Marie (SSM) and Thunder Bay are both destinations and gateways. Kenora also acts as a significant gateway from the west. • Annual hotel occupancies for North Bay, SSM, Sudbury and Thunder Bay in 2013, as reported by the Ministry of Tourism, Culture and Sport *Current Performance*, range from just over 50% in SSM to over 70% in Thunder Bay. Occupancies have been somewhat stable between 2011 and 2013. • In 2013, provincially owned and operated attractions Fort William Historical Park (95,300) and Science North (144,000) served just under 240,000 visitors. • Casinos operated or proposed by the Ontario Lottery and Gaming Corporation located in these urban centres, add an entertainment element appealing to some types of visitors. • In addition to in-city parks and waterways, the cities each boast proximity and ease of access to natural resources including national and provincial parks, rivers, lakes that support a range of outdoor activities. • Smaller communities across the North also act as gateways to outdoors experiences. All sizes of communities are also an important feature of touring routes.
Assessing Current Offer in Northern Ontario	• The five major cities have three primary roles in tourism in Northern Ontario: 1. destinations in and of themselves as regional commerce hubs, hosts to sport tournaments and events (regional to international), locations for meetings and conventions, host locales for major festivals and events and a place for urban getaways for the regional traveller; 2. staging ground for broad outdoors and rural experiences as well as transition zones upon return; and 3. a stop on touring routes that include Lake Superior Circle Tour, cross-Canada tour/road trip and sub-regional tours in and around the major cities. • Annual festivals and events play a significant role in generating inter-regional travel, with some key events, due to their nature (*Great Canadian Kayak Challenge*, Timmins, Sudbury's *Cinefest International Film Festival*), generating visits from farther afield. • Annual sports tournaments and successful bids to host other sporting events that include the Canadian Adult Recreational Hockey Association World Championships play a significant role in generating economic activity often during need times. • Major built attractions that include Science North in Sudbury, the Agawa Tour Train and Canadian Bushplane Heritage Centre in Sault Ste. Marie and Fort William Historical Park outside Thunder Bay, appeal to long haul travellers, group travel and the educational sector. Other built attractions such as Heritage North Bay, a cluster of attractions that include North Bay Heritage Gardens, @Discovery North Bay and Heritage Railway & Carousel Company appeal to local and regional markets. • New investment or upgrades to hotel inventory in Timmins, Sault Ste. Marie and Sudbury in particular, provides visitors with more choice, expanded capacity different configurations suited to today's traveller, intermingled with aging, traditional hotels and motels with few amenities. • On-going and new capital investment, from both the private and public sectors into major attractors such as Fort William Heritage Park, Agawa Canyon Train, Science North/Dynamic Earth, revitalization of Thunder Bay's waterfront, and expansion of

	the Ermatinger-Clergue National Historic Site in SSM provide the refreshment that motivates a new reason to visit. Planned upgrades or new builds to art galleries in Sudbury and SSM will elevate the arts and culture possibilities. • Air access via major airlines Air Canada, Porter Airlines and Westjet provides increased capacity and connections for long haul domestic, US and overseas travellers. In some instances, rail access provides the link to transport passengers to smaller communities, remote areas and lodge experiences. • Colleges and universities throughout Northern Ontario, some of which deliver tourism curriculum, are becoming more engaged as partners and venues in the delivery of experiences. • Museums, theatres, galleries, farmer's markets and heritage downtowns in communities of all sizes play an important role in telling the local stories. There is potential for these partners to deliver or be the venue for higher yield experiences.
Sub-regional Considerations (where applicable and available)	• Sudbury in particular and to some degree, North Bay and Timmins actively pursue and are in position to serve Francophone travellers from both Ontario and Quebec. • SSM and Thunder Bay benefit from their location along the Lake Superior Circle Tour. • Sudbury benefits from its position along the Georgian Bay Coastal Route. • Kenora acts as a gateway to Lake of the Woods and the Red Lake area due to its location.
Product Currently Under Development	• Waterfront developments have been undertaken or are under way in Thunder Bay, Sault Ste. Marie, and North Bay. • Group of Seven product development is currently in process in 13A & B. The urban areas act as both gateways and hosts for these experiences. Built attraction developments of interest to this experience development include the expansion of the Art Gallery of Algoma in Sault Ste. Marie and the re-build and renaming of the Art Gallery of Sudbury as the Franklin Carmichael Art Gallery. • Long term plans to develop casinos across Northern Ontario have been announced.
Competitive Factors	• The cities compete with each other to some degree for meetings, conference and competitive bid sport events. • A different type of competition comes from other industries such as mining and forestry that fill hotel rooms, displacing tourists.
Issues, Needs, Gaps	• Commitment to tourism can fluctuate in urban centres based on make-up and interest of municipal councils, other commercial/industrial priorities (mining, forestry etc.) and the strength of the region's tourism sector. This uncertainty can result in short term decision-making, gaps in product development and marketing and sales efforts that have a longer term impact. • Built attractions in NO must consider distance from market and the ability to sustain the attraction with visitors and multiple revenue streams in order to be economically viable. • Dominated by branded hotels, there is a general lack of 'character accommodation' such as urban inns and a critical mass of B&Bs in these major cities which may be a gap or weakness for some market segments. • Communities that act as gateways have different product development and marketing needs than those that are destinations. This distinction must be recognized as product development advances.

Development Resources Available	• *Premier Ranked* program, Ministry of Tourism, Culture & Sport • *Group of Seven Handbook* completed for Algoma; Northeastern Ontario's is underway. • Ontario Culinary Tourism Alliance Industry Resources • *Francophone Tourism Product Development Guide*, Ministry of Tourism, Culture & Sport • *Bienvenue en Ontario, Engaging the Francophone Visitor*, Direction Ontario • Various resources from Canadian Sport Tourism Alliance • *A Guide to Building Packages Handbook*, OTMPC • *Selling Through Travel Trade* manual, OTMPC
Future Product Development Opportunities	• Support for development and enhancement of ancillary experiences that reflect local products and cultural heritage connections such as art & artisans, northern 'cuisine' reflecting a particular area (Finnish food in Thunder Bay area for example) to extend stays, encourage stops and increase spending and to build a strong sense of place. • There may be an opportunity to create and deliver an annual or bi-annual Northern Ontario sports tournament/event to attract out of province participants that rotates between major urban cities. • Consider creating a new "true wilderness" adventure race/event that is authentic to Northern Ontario's natural assets to attract active adults and/or millennials, with a finish and end in urban centres for preparation, as well as post-competition for banquets and awards. The race itself would access natural resources (similar to Yukon Quest that starts in Whitehorse, Yukon one year and Fairbanks, Alaska the next –route is reversed each year and finishes in the other location). • Continue to engage colleges, universities and other non-traditional stakeholders as venues and partners in the delivery of tourism experiences. • Position and package NO cities as more accessible and preferred destinations to those adverse to visiting major, busy urban centres for getaways of all types. • Link communities more closely to nature and outdoors offers as gateways and transition zones, particularly for those market segments seeking urban amenities before or after their wilderness experience.

Aboriginal Tourism in Northern Ontario	

Facts & Figures	• Aboriginal tourism experiences represent an important rural tourism product in Northern Ontario.
	• Aboriginal interest refers to those travellers that have participated in three relevant activities from the TAMS list:
	  o Aboriginal cultural experiences in a remote setting
	  o Aboriginal heritage attractions
	  o Aboriginal outdoor adventure and sports
	• Ontario and New York represent the largest markets with an interest in Aboriginal culture.
	• Parks and hiking are key activities that go along with Aboriginal interest.
	• Stakeholder opinion indicates that long haul travellers show interest in the Mosonee/James Bay experience.
	• Aboriginal Tourism BC (AtBC) is the voice for the Aboriginal tourism sector in British Columbia.
	  o They estimate that 3.7 million tourists to BC experienced some form of Aboriginal cultural tourism in 2010.
	  o This figure is expected to grow to 3.9 million by 2012, spending a total of $43 million, an increase of 115% over the expenditures on Aboriginal cultural tourism in 2006. This is a rapidly growing sector of the BC tourism industry.
	  o In the current development strategy for Aboriginal tourism in the province, *The Next Phase: 2012-2017* it is stated that AtBC will invest $10 million over the next 5 years for product development and marketing initiatives. Research conducted for AtBC indicates one in four visitors to BC were interested in adding an Aboriginal cultural tourism experience to their trip.
	• The Canadian Tourism Commission has identified Aboriginal tourism as a significant growth opportunity for Canadian tourism.
	  o In their *Global Tourism Watch* series of research to monitor awareness, travel intentions and other indicators for key markets visiting parks and protected areas, observing wildlife in their natural habitats and Aboriginal cultural tourism all continue to rank very high for major growth markets like China, Mexico, France and Germany.
	  o CTC research suggests Aboriginal cultural tourism may not be a driver in destination selection (as wildlife viewing would be) but can add significant value and it can provide the authentic experience that travellers are increasingly looking for.

Assessing Current Offer in Northern Ontario	• Current fully developed aboriginal offers are focused in sub-region 13A.

Sub-regional Considerations (where applicable and available)	• The Great Spirit Circle Trail (GSCT) is the leader at providing Aboriginal experiences in Northeastern Ontario (13A), with fully developed aboriginal product, supported by a newly built major accommodation on Manitoulin Island. Travellers interested in aboriginal tourism display some key characteristics for consideration in assessing the market for Northern Ontario.
	  o GSCT research shows that in Region 13A, Aboriginal tourism businesses contribute $13 million annually to the local economy in the following proportions:
	    ▪ Accommodation 22%
	    ▪ Restaurants 17%
	    ▪ Activities/attractions 15%
	    ▪ Gas/auto 25%
	    ▪ Grocery 12%
	    ▪ Other 9%
	  o Further, they feel that the potential in Region 13A is $80 million per year representing 9% of the total for Northern Ontario
	• Wasaya Wildness Adventures, located in Fort William First Nation is a product of the Regional Aboriginal Tourism Development Corporation and offers visitor information, as well as product development and training for Aboriginal businesses. The company is owned by 12 First Nations in Northwestern Ontario.

Product Currently Under Development	• Moosonee, Moose Factory and Moose River Heritage and Hospitality Association are currently completing a tourism development strategy. The strategy is anticipated to include niche and product development guidelines.
Competitive Factors	• Tourism Autochtone Quebec/STAQ represents aboriginal experiences in Quebec and Plan Nord outlines the tourism strategy for Northern Quebec tourism regions. • Aboriginal Tourism Association of BC brings together 60 tourism products and promotes partnerships. • The Osoyoos Indian Band has created an award winning $40 million tourism business.
Issues, Needs, Gaps	

Development Resources Available	• The Great Spirit Circle Tour (GSCT) took a lead role in developing an Aboriginal Tourism Strategy for the Province. The strategy includes a focus on four pillars:
	  o Human resource development
	  o Cultural authenticity
	  o Marketing and branding
	  o Product development
	The focus for product development will be on themed routes including:
	  o Adventures routes
	  o Festival route
	  o Outfitter route
	  o Cultural route
	The strategy outlines a four phased approach for assessment, development, implementation and operational start-up and launch.

Future Product Development Opportunities	• The product development work done by the GSCT could act as the catalyst and model for further future aboriginal product development throughout Northern Ontario where there is potential for return on investment.

Best Bet Product Assessment Findings – Summarized

The following chart summarizes key findings related to several of the best bet products. Comparable details are not currently available for the auto/RV touring, boating/Great Lakes, ATV, urban and rural products and markets. If in depth research surrounding these products and markets is commissioned by Northern Ontario, the detailed findings should be added to the summarized research above to complete the summary comparison.

Best Bet Products	Fishing	Hunting	Nature & Adventure	Motorcycle[2]	Snowmobiling
Market (M = millions)					
Market Size[3]	8.2M Canadians 60 million Americans	925,000 Canadians & Americans	25.6M Cdn & 2.7M US nature-based overnight tourists in Canada	543,000 Canadians 5.1M Americans	1M Canadians 326,000 Ontario residents 300,000 Quebec residents 3.4M Americans
Trips to Northern Ontario	1.1M overnight tourists fished on their vacation were spent in NO 572,000 trips by Ontarians 407,000 trips by Americans	76,000 Canadian & American hunters 64,000 trips by Ontarians 49,000 trips by NO residents	Other nature based visits – 656,000 Paid Roof Lodging (PRL) nature-based tourist visits - 158,000	107,000 Canadian motorcyclists, 76,000 Ontario motorcyclists, 106,000 American motorcyclists have visited Northern Ontario in the last 2 years.	80,500 overnight snowmobiling trips by Canadians were spent in NO in a yr 65,000 trips by Ontarians which includes 32,000 trips by NO residents
Potential to Increase Visitation & Economic Activity (M = millions)					
Spend in NO	$166.9M spend by Canadians $253.1M spend by Americans	$17.5M spent by Canadian hunters $19.5 million spent by US hunters	$151.5M Cdn / $34.4M US spent on Canadian nature based trips in RTO13 in 2010	$16-18M spend	$23.6M spent by Canadians

[2] See details regarding numbers in the full assessment above
[3] Number that took an overnight trip that included the activity

Best Bet Products	Fishing	Hunting	Nature & Adventure	Motorcycle[2]	Snowmobiling
Nights spent in NO	2M nights spent by all PRL anglers 447,000 nights spent in by Canadians in paid accommodation	438,000 nights spent by Canadian & US hunters 78,000 nights in paid accommodation	392,000 nights spent by Cdns 186,000 nights spent by Americans (578,000 total)	Estimate 47,000 – 58,000 North American *trips* to NO	343,000 nights spent by Canadians 20,580 nights in paid accommodation
Trip length	5.4-6.3 nights NO trips	5.8 nights NO trips	Avg nights per trip: 4.0 general nature based travellers	5.9 nights avg trip length	4.3 nights NO trips 2 – 4 nights elsewhere
Market decline/ increase	Overall market size significant. Decline in non-resident Canadian and foreign anglers Potential for interested new anglers, experiences and US market to offset decrease.	Stable - # of American hunters remained stable over a 10 yr period Older demographic may lead to a decline in the future	Growing: stand up paddling; boardsailing/ windsurfing; triathlon; adventure racing, hiking, wildlife viewing, running, photography, viewing nature, skiing, equestrian, motorized water activities. Moderate growth: no motorized boating (ie kayaking) Low growth: visiting primitive areas, floating activities Slight decline: fishing, road cycling, camping, RV camping.	Increasing – Canadian registration of motorcycles continues to increase even when sales of new units is decreasing due to economic downturn	Decline – Canadian, Ontario & US snowmobile registration and sales decreasing

Appendix 6

Northern Ontario Market Assessments

Northern Ontario's tourism sector competes with the world. To be most effective, the product and experiences must resonate with the markets they are attracting or want to attract. This section provides insights into the markets that Northern Ontario currently attracts as well as other market segments with potential to attract.

There are many ways to segment types of travellers, with each type adding more depth to the understanding of what motivates travel. The review of markets in this section uses a range of available research to assess the market potential for Northern Ontario's tourism sector.

Avid/Niche Travellers

Avid and niche travellers are those who are motivated to travel by one main activity or interest. In Northern Ontario, for example, the avid fishing market has provided significant economic impact and spending. Similarly, niche markets, often small in number but strong in interest such as diving, mountain biking or ice-climbing, are passionate about their activity and will invest the time and money to travel to destinations that meet their needs.

In assessing product-market match, avids and niche travellers are the first and an important market to consider.

TNS Priority Traveller Segments for Northern Ontario

TNS Canada completed comprehensive research with travellers located in Ontario, Quebec and US border states to identify opportunities for growth using a number of factors. Twelve *Traveller Types* were identified for consideration. Research reports customised by TNS for each of the sub-regions in Northern Ontario recommend the following traveller segments with most potential for each sub-region.

	13A	13B	13C
Connected Explorers: Looking to escape, connected explorers are youthful (18-34), travel without children and enjoy authentic experiences. They are committed to expanding their horizons through travel.	✓	✓	✓
Up & Coming Explorers: Young affluent families, looking to explore and learn as a family. This group includes a high percentage of visible minorities and immigrants, who are looking to explore core attractions, starting close to home.	✓	✓	✓
Knowledge Seekers: Couples aged 55+ who are nearing retirement, Knowledge Seekers are empty nesters looking to expand their minds through cultural experiences.	✓		
Nature Lovers: They are attracted to outdoor experiences aligned to Ontario's quintessential parks & lakes offering. Camping and associated activities, such as hiking, canoeing, recreational fishing are key interests for this group. Not surprisingly, the travel style is basic with camping prevalent.		✓	✓

Source: TNS Consumer Insight Research for each of 13A, 13B and 13C; December 2013

Additional information on interests is available by Traveller Type to inform product development.

Other Markets for Consideration

There are other markets that should be analyzed to determine their fit with Northern Ontario's product offering. Markets that may be included as part of the Ontario priority segments and require a more detailed analysis and other markets that have filtered to the top during the strategy process and deserve a closer look include the following: Newcomers, visiting friends and relatives, inter/intra-regional travellers, Millennials, Lesbian Gay Bisexual and Transgender (LGBT), and Francophone.

The Newcomer Travel Market

The market for new Canadians is a large one in Ontario.[4] [5]

- Approximately 3 million or 30% of the adult population living in Ontario were born outside of Canada.
- This percentage is expected to rise to 36% by 2025.
- Country of origin varies, with the largest segment coming from Europe (44%), Asia (32%).

[4] Ministry of Tourism, *Ontario's Immigrant Travel Market and Its Impact on Domestic Travel*, 2007.
[5] Ipsos Reid, *Exploring travel motivations and attitudes of South Asians and Chinese Canadians Qualitative Research Report*, 2010.

Travel characteristics:

- The newcomer travel market exhibits a general disinterest in travelling to Northern Ontario.
- Asian born newcomers are less likely than the average Ontarian to take an overnight trip and considerably less likely to take a trip within Ontario and Northern Ontario. South Asians value family and put emphasis on being together rather than the destination. The Chinese market enjoys packaged tours, and is looking to get away and have fun.
- Similar to Asian newcomers, European born immigrants are considerably less likely to take a trip to Northern Ontario than the average Canadian.
- The newcomer population shows a higher incidence of overseas travel.
- Lower levels of overnight travel are mitigated by factors such as higher education and household income.

Travel interests – how do they fit the Northern Ontario offering?

- Newcomer travellers are less likely to be interested in outdoor activities, with Asian travellers the least likely to seek outdoor activities. They seek more passive outdoor activities that require limited energy or strength to enjoy.
- Marked differences between newcomer traveller interests begin to level out with other Ontario residents' interests on the 3rd generation of Canadian residents.

Conclusions:

- To attract the resident immigrant market there is a need for education and adjustment of experiences to appeal to these markets and to accommodate cultural differences.
- Due to its proximity and ease of access to major urban areas, Northeastern Ontario is the sub-region with the most immediate need to address and consider the resident immigrant market.
- As immigration patterns shift outside of major urban centres in southern Ontario to towns and urban centres in Northern Ontario, the VFR market will result in visits from overseas travellers.

Visiting Friends & Relatives and Inter/Intra-Regional Travel Market

Visiting Friends and Relatives (VFR) market is an important one in Northern Ontario:

- 38.2% of all visits to Northern Ontario are VFR, virtually equal to pleasure traveller visits at 38.4%.[6]
- VFR differs by region and by origin as follows
    - 43.8% 13A

[6] Tourism Research Statistics Region 13, Tourism Research Unit, Ministry of Tourism, Culture and Sport, Fall 2013.

    - 34.6% 13B
    - 28.5% 13C

    - Visits by Ontarians account for 85.5% of all VFR visits,
    - other Canada 10.4%,
    - US 3.5%, and
    - Overseas 0.6%.

VFR spending in Northern Ontario:

- While the VFR market doesn't always stay in roofed accommodations, they do tour in and around the community often taking their host with them on their excursions, increasing the spend at supporting attractions.
- 2011 Regional Profile data pegs the VFR spend in RTO13 at $361 million, or 25.5% of total visitor spending[7].
    - VFR from Ontario accounts for $284 million (79%) of the spend,
    - Other Canada $56 million (15%),
    - US $15.5 million (3%), and
    - Overseas $9 million (2.5%).
- Research completed by TNS for OTMPC[8] notes that between 32% and 45% of VFR travellers stay at least one night in paid accommodation in Ontario. This is an important fact, as these stays then increase the economic impact of the segment.

Inter and intra-regional travellers are important supporters of niche activities like snowmobiling and ATVing and are the key attenders of the region's festivals and events.

Conclusions:

- The VFR and inter-regional travel markets play an important role in filling hotels, and spending at restaurants, attractions, retail stores and gas stations in non-peak travel times. This support contributes to the economic health and sustainability of the sector as a whole.

Millennials

The millennial generation (also known as generation Y which includes those born from the early 1980's to the early 2000's) are now a larger generation than the baby boomers. According to the CTC the youth travel segment is significant:

- with 187 million travellers,
- representing 20% of annual global arrivals, and
- is tourism's fastest-growing traveller segment (increasing 3-5% per year).

Youth are valuable travellers because they tend to take longer trips and spend more overall than other segments.

[7] Ministry of Tourism, Culture and Sport, Regional Profile – RTO13, 2011.
[8] TNS, "Impact of VFR Visiting Friends and Relatives"

The Amadeus report titled "*Trending with NextGen Travellers"* indicates the Millenial generation*:*

- want personal experiences not for mass consumption,
- are looking for personal fulfillment and growth,
- trust brands they have relationship with,
- are heavy technology users, very internet savvy, and use social media as their personal assistant, and
- are heavy travel consumers of the future.

They are:

- empowered to build personalized travel packages
- want beginning and end points and they will create their own path in between
- consider themselves explorers rather than tourists
- crave differentiation and uniqueness
- are looking for authentic – not fabricated, and
- are cynical towards advertising and distrust authority.

Conclusions:

- Due to both its size and growth, the Millennials market segment is an important one to keep an eye on for the future.
- Millennials can be found under several segment (EQ) types, and can be targeted to build awareness and visitation to Northern Ontario to replace the aging baby boomer market.

Lesbian, Gay, Bisexual, Transgender Market

Travel Gay Canada provides important details surrounding this market in its press kit.

- LGBT tourism spending in North America is estimated at more than $70 billion annually. Spending in Canada specifically amounts to $7 billion annually.
- Estimates place the North American LGBT community at 30 million people.
- Canadian gay and lesbian travellers spend nearly twice as much as other travellers and stay longer.
- The LGBT traveller is loyal and tends to support destinations and operators who support the community and are committed to them.
- Canada is the top travel destination for American LGBT travellers. Vancouver, Montreal and Toronto are top destinations. Ontario hosted 31% of trips within Canada.
- The Canadian LGBT travel market remains relatively untapped. Destinations currently successfully marketing to these lucrative travellers, include Philadelphia, PA, Atlantic City, NJ and Hudson Valley, NY.
- Travel Gay Canada is working with Ontario Tourism on product development for the LGBT market and is currently working with RTO4, Windsor/Essex and Gananoque/Thousand Islands to develop their LGBT products and marketing and attract more visitors.

The 2012 industry consultation workshop *"Ontario LGBT Tourism Development Initiative" presented* by Travel Gay Canada and Ontario's Ministry of Tourism outlines some key facts about LGBT travel interests.

- The top 10 reasons for choosing a destination include:
    1. Rest and relaxation
    2. Shopping
    3. Safety
    4. Attractions
    5. Cost
    6. Climate
    7. Outdoor Activities
    8. Food
    9. Extended business trip
    10. LGBT bar scene

- The top 12 activities an LGBT traveller is likely to engage in while on vacation include:
    1. Food and dining
    2. Beach activities
    3. Lesbian/Gay bars and nightlife
    4. Gay/Lesbian specific events
    5. Pride parade and events
    6. Hiking
    7. Mainstream events and festivals
    8. Camping
    9. Film festivals
    10. Educational opportunities
    11. Cycling
    12. Casinos

Conclusions:

- Of the top 12 activities, the LGBT market might fit with Northern Ontario's hiking, camping and cycling activities, with best in class culinary experiences to support these activities.
- An opportunity may be available for operators and destinations to align themselves directly with this market, but this market is not considered one that is a high priority for the region as a whole.

Francophone Markets

Research completed for or by OTMPC[9,10] and Direction Ontario[11] shed some light on the Ontario Francophone and Quebec Francophone markets as noted below.

- There is strong Quebec Francophone travel market concentrated in Montreal and Quebec City rather than rural Quebec.
- The awareness of RTO 13 in the Quebec Francophone market is 13%, as compared to awareness of Toronto (80%) Niagara Falls and Wine Country (76%) and Ottawa and area (65%).
- In surveys completed at consumer shows in Quebec in 2013, 22% of Quebec City RVers expressed interest in trips to Northern Ontario; Northern Ontario was not mentioned as a possibility for boating or cycling trips.
- French-language services are important to Quebec travellers, especially important to RVers & boaters, less important to cyclists.
- Over 80% of the Ontario Francophone population is concentrated in Ottawa (52%) and Northern Ontario (29%).
- Northern Ontario interest from Quebec travellers is primarily centred on Thunder Bay (18%), Sudbury (11%) and Sault Ste. Marie (11%). Timmins, North Bay and the James Bay region may offer niche potential.
- Those interested in visiting Northern Ontario are relatively more likely to be seeking rest and relaxation (91%), nature and outdoors activities (90%), local history and culture (81%) and Francophone history and culture (56%) on their travels.
- While experiencing local history and culture is important to about two-thirds of Quebec travellers, experiencing Francophone history and culture in particular does not tend to be a major travel driver (43%). In other words, while having Franco-Ontarian experiences may make Ontario more attractive overall to Quebecers, they will not necessarily be the trigger for a trip.

Conclusions:

- The Francophone market is most relevant to 13A due to its proximity to Quebec and the high percentage of Francophone population living in the region.
- There may an opportunity for individual operators and communities to align their offer to this market segment.

International Markets

International visitors, while currently at just 1% (32,000) of overall visits and 2% ($20 million) of spending in Northern Ontario, are important segments to consider as they spend more, stay longer and bring new economic activity into the province. They also provide opportunity for growth.

As noted in the Phase One report, overseas travellers to Northern Ontario come from nine overseas target marketed with the majority of those from Germany (27%), the United Kingdom (16%), Japan (5%),

[9] Environics Analytics , "Ontario Francophone Analysis and Segmentation", June 2009
[10] OTMPC and Industry Canada-FedNor, Decima Research, Quebec Tourism Consumer Research, 2006
[11] Direction Ontario, The Resource Management Group, "Penetrate the Quebec Travel Market", 2013

France and India (4% each). Germany and the UK are strong in all sub-regions with Japan particularly strong in 13C.

To reach the international visitors, efforts should leverage tactics and activities led by both OTMPC and CTC. When considering if these international markets and target audiences are worth pursuing in partnership with OTMPC and CTC, it is important to first consider the market's interests and their fit with current or potential products/experiences available in Northern Ontario.

OTMPC's 2014/15 marketing plan outlines their focus under three tiers of priorities. International markets (removing Canadian markets and near north USA) are summarized as follows:

1. China: Brand advertising, travel trade and media relations
2. Britain, Japan, Brazil, Germany, France, India: CTC partnership, travel trade and media relations:
3. Korea, Mexico: Media relations

The CTC focuses its efforts on positioning Canada to 9 overseas markets under the following unique selling propositions:

1. Vibrant cities (on the edge of nature);
2. Personal journeys by land, sea, air, rail;
3. Connecting with Canadians;
4. Award-winning local cuisine;
5. Active adventure among awe-inspiring natural wonders.

CTC Core Markets

- Canada
- United States
- United Kingdom
- France
- Germany
- Australia
- China
- Japan
- Mexico
- South Korea

Fundamental to CTC's global marketing and sales success is its proprietary research and segmentation tool Explorer Quotient (EQ), a tool that helps to go beyond traditional demographics providing insights into actionable travel motivations and social values. Developed over a number of years and using surveys in origin countries, 'Explorer Types' reflect similar characteristics on social values, travel motivations and behaviours. Publicly available information in the EQ Profiles and Toolkits are further embellished with more results available to licensees.

The most recent update and refresh of the research provides insights to target global profiles, customized by the following country of origin. Canada is also included.

The three primary Explorer Types that have been identified as a priority for Canada were selected by the CTC based on their affinity for the *Canada. Keep Exploring* brand, love of travel, potential for being high-yield customers and their likelihood to be actively engaged in word-of-mouth advocacy.

- **Free Spirits**: *13% of global market,* a sub-set of a broader '*enthusiastic indulgers'* group, these are young, experimentalist, committed travellers looking for thrills and frills. They seek some structure when they travel to engage in worry-free hedonistic activities.

- **Cultural Explorers**: *12% of global market* avid, open-minded and socially engaged travellers who immerse themselves in all aspects of the travel experience. They seek spontaneous and authentic experiences on their own terms. They take the most vacations and trips of all durations, especially weekend escapes. They want to learn, explore something new, and engage in the local culture and are open to B&Bs, camping, hostels, all modes, of travel. They are interested in sampling local flavours, local lifestyles, Aboriginal culture, beautiful landscapes, rivers/waterfalls, cultural attractions, festivals, relaxing in peaceful environments, self-touring.

- **Authentic Experiencers**: *9% of global market* older and highly educated, they relish experiencing all their travel destination has to offer in a reserved, non-exorbitant way. They are drawn to history and prefer to travel independently. Most likely to travel for specific adventures, or to learn/explore something new. They are more likely to fly to distant destinations and are interested in outdoor adventures, local lifestyles and flavours, beautiful landscapes, wildlife, historical/cultural attractions and landmarks, learning/exploring, self-touring, resorts and accommodations tied to their interests, and classical performing arts.

The table that follows notes 'appealing experiences' by country of origin by EQ type.

Conclusions:

- International travellers are an important segment as they spend more and stay longer.
- Northern Ontario product development should focus on those international travellers with experience and affinity for the offer, from traditional origin markets that include Germany, UK, and France.
- Emerging markets for Ontario that include China, Mexico, India and Brazil are longer term opportunities to keep an eye on for the future but are not a high priority in the short term.
- Adoption and use of CTC's Explorer Quotient tools and resources will strengthen product offered as well as marketing and communications by using insights to appeal to specific traveller types.

Photo: OTMPC

Most Appealing Experiences (relevant to Northern Ontario) by Explorer Quotient Type			
	Free Spirits	Cultural Explorers	Authentic Experiencers
Germany	• Wildlife viewing - land based animals & bird watching • Visiting national, provincial/state parks to visit interpretative centres/museums • Dining at restaurants offering local ingredients • Seeing beautiful coastlines, beaches • Visiting national, provincial/state parks to view wildlife and surrounding nature and/or to participate in adventure experiences • Dining at restaurants serving their home specialties • Visiting well known historic sites and buildings • Seeing autumn leaves	• Wildlife viewing - land based animals & bird watching • Visiting well-known natural wonders • Visiting national, provincial/State park to view wildlife and surrounding nature and/or to participate in adventure experiences • Seeing beautiful coastline, beaches • Visiting small towns, villages • Visiting national, provincial/State parks to visit interpretative centres/museums • Attending farmers' markets • Visiting World Heritage Sites • Interacting with the local inhabitants, people	• Wildlife viewing - land based animals & bird watching • Seeing beautiful coastline, beaches • Visiting national, provincial/State parks to visit interpretative centres/museums • Visiting well known historic sites and buildings • Visiting national, provincial/State park to view wildlife and surrounding nature and/or to participate in adventure experiences • Dining at restaurants serving your home specialties • Dining at restaurants offering local ingredients • Visiting World Heritage Sites • Interacting with the local inhabitants, people
UK	• Seeing beautiful coastline, beaches • Visiting national, provincial/State park to view wildlife and surrounding nature and/or to participate in adventure experiences • Dining at restaurants offering local ingredients • Wildlife viewing - land based animals & bird watching • Visiting well-known natural wonders • Visiting aquariums/zoos • Taking a day cruise	• Dining at restaurants offering local ingredients • Visiting small towns, villages • Seeing beautiful coastlines, beaches • Visiting national, provincial/state parks to view wildlife and surrounding nature and/or to participate in adventure experiences • Wildlife viewing - land based animals & bird watching • Visiting well-known natural wonders • Interacting with the local inhabitants, people • Visiting well known historic sites and buildings • Visiting World Heritage Sites	• Dining at restaurants offering local ingredients • Visiting well-known natural wonders • Visiting small towns, villages • Visiting World Heritage Sites • Wildlife viewing - land based animals & bird watching • Visiting well known historic sites and buildings • Seeing beautiful coastline, beaches • Visiting national, provincial/state parks to view wildlife and surrounding nature and/or to participate in adventure experiences • Touring, sightseeing in rural areas

Most Appealing Experiences (relevant to Northern Ontario) by Explorer Quotient Type			
	Free Spirits	Cultural Explorers	Authentic Experiencers
France	• Dining at restaurants offering local ingredients • Dining at restaurants serving their home specialties • Interacting with the local inhabitants, people • Seeing beautiful coastlines, beaches • Touring, sightseeing in urban areas • Attending performing arts - Music • Visiting small towns, villages	• Dining at restaurants offering local ingredients • Visiting national, provincial/state parks to view wildlife & surrounding nature and/or to participate in adventure experiences • Visiting World Heritage Sites • Seeing beautiful coastlines, beaches • Visiting small towns, villages • Wildlife viewing - land based animals & bird watching • Attending museums • Visiting national, provincial/State parks to visit interpretive centres/museums • Seeing autumn leaves	• not applicable

Appendix 7

Northern Ontario Product Market Match

Taking the information learned from the product assessments completed above, and aligning with market needs and interests, the product-market match brings together the essential information needed to determine where opportunity lies. Including key markets as outlined above, the product market match also recognizes that in addition to these markets, there are niche markets for avids that fit well with some of Northern Ontario's experiences.

Ultimately, the product market match allows Northern Ontario to be poised for future growth and to determine where to focus to ensure that the tourism industry is best able to attract and serve core and niche markets. It allows Northern Ontario to pull together product directions to focus on rejuvenating, repositioning, expanding and building new experiences that appeal to the markets that are most important to the region. Finally, it indicates where opportunity is available to shift the focus to larger market and higher yield experiences and to shift the focus away from products with declining prospects.

The table on the following pages visually outlines the product market match and uses checkmarks (as outlined below) to indicate the opportunity with respect to market and product. The resulting 'matches', indicated by the number of checkmarks in any one column, provide direction on where to invest product development time and resources to meet the needs of a range of markets now and in the future.

✓✓✓	Strongest product market match (strong market potential (size, yield etc.), strong product (current or potential to meet interests))
✓✓	Moderate product market match
✓	Limited product market match

Markets		Products: Fishing	Hunting	Nature & Adventure	Automobile/ RV	Motorcycle	Boating/ Great Lakes Cruising	ATV	Snowmobile	Gateways & Urban Communities	Aboriginal
Avid /Niche		✓✓✓	✓✓✓	✓✓✓		✓✓	✓	✓	✓		
TNS Priority Traveller Segments for NO (as per TNS reporting to include travellers from Ontario, Quebec, Manitoba and near-US states)											
Connected Explorers				✓✓	✓					✓	
Up & Coming Explorers					✓					✓	
Knowledge Seekers				✓	✓					✓✓	✓
Nature Lovers		✓✓	✓✓	✓✓✓							
Other Markets											
Ontario's Newcomers					✓					✓	
VFR				✓✓						✓	
Inter/Intra-region		✓✓	✓✓	✓✓	✓		✓	✓✓	✓✓	✓	
Millennials				✓✓	✓					✓	
LGBT				✓							
Francophone				✓	✓				✓		
International											
Free Spirits	Germany			✓✓	✓✓						✓
	UK			✓✓	✓✓		✓✓				
	France				✓✓					✓✓	
Cultural Explorers	Germany			✓✓	✓✓						✓✓
	UK			✓✓	✓✓						
	France			✓✓	✓✓						
Authentic Experiencers	Germany			✓✓	✓✓						✓
	UK			✓✓	✓✓						
	France										

Product Market Match Conclusions

Based on the product-market match, Northern Ontario must focus product development efforts on the following highest priority core and supporting product areas to position the industry for the future and to generate incremental economic activity.

Fishing is a significant economic driver, representing a substantially larger market, spend and visitation than any of the other product offerings in Northern Ontario. Surprisingly, fishing seems to have the least amount of partnership development, the least amount of development resources available to support it, limited tourism-specific provincial research completed and little concentrated focus on product development initiatives to reposition, rejuvenate, build new or expand offerings through product development as opposed to traditional marketing. The market for fishing experiences is slightly declining. The sheer size of this market, the concentration of operators and the corresponding potential in Northern Ontario, warrants undertaking initiatives to reinvigorate the experience to entice a large share of this large market.

Auto, RV and Motorcycle Touring represent growth areas for the region. While their market size is significantly smaller than fishing, these experiences are growing in popularity due to the aging demographic. These touring markets play an important role not only in bringing economic activity to rural areas and communities but to supporting a key feature of sustainable tourism destinations as noted by UNWTO –hub and spoke touring opportunities.

Nature and Adventure representing several activity sets rolled into one area offers another significant opportunity for Northern Ontario. Adventure tourism is a major growth market segment with increasing focus on off-the-beaten path destinations where visitors can make meaningful connections with local peoples and have authentic experiences. Northern Ontario is rich in notable landscapes, wildlife, waterways and other year-round natural assets to support nature and adventure, some mainstream, some niche. Northern Ontario must position itself to capitalize on this growth by providing high yield experiences supplemented by local and regional heritage offers, including Aboriginal tourism.

Gateways & Urban Communities Northern Ontario's rural and urban communities act as gateways to access Northern Ontario's other experiences, but they also function as important economic engines on their own both within and outside of the tourism industry. All sizes of communities are also an important feature of touring routes. Together northern communities form an important feature of a sustainable tourism industry in Northern Ontario.

Although each of these best bet experience areas are listed in isolation, there are overlaps and connections between and among them that when combined create new products. In addition, support for the development of a range of underlying supporting experiences that showcase local stories, history, arts, culture, heritage and food, further enrich all other products.

TOURISM
NORTHERN
ONTARIO