



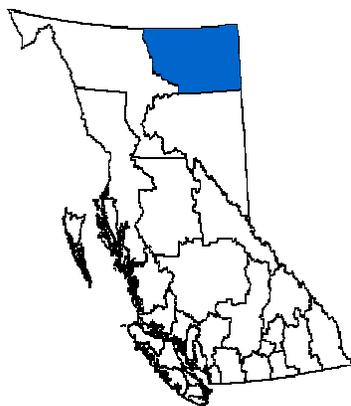
**Northern Rockies District
Value of Tourism Research Project
December 2007**

Project Partners:

Northern Rockies Regional District, Tourism British Columbia,
Northern Rockies Alaska Highway Tourism Association, Tourism Dawson Creek,
Tourism Research Innovation Project, Northern British Columbia Tourism Association,
BC Parks

Project Partners





Northern Rockies, British Columbia

This project to determine an estimation of the number of tourists and their expenditures in the Northern Rockies Regional District was a pilot study to test the *Value of Tourism* model which was developed by the Tourism Planning Group for Tourism British Columbia. The project was coordinated by Dustin Bodnaryk in the summer of 2007 as Northeastern BC Regional Liaison for the Tourism Research Innovation Project (TRIP).

The Tourism Research Innovation Project is a provincial wide initiative that is funded and supported by Malaspina University–College, Thompson Rivers University, College of the Rockies, University of Northern British Columbia, College of New Caledonia, Tourism BC, Ministry of Tourism, Sport, and the Arts, Ministry of Economic Development, BC Parks, BC Centre for Tourism Leadership and Innovation, and the Canadian Rural Secretariat. The purpose of TRIP is to present a collaborative effort in supporting rural communities throughout the province by mobilizing information, developing an understanding for tourism within communities, linking academic and non-academic partners, and to enhance community based tourism.

The Value of Tourism pilot study was made possible through the collaborative efforts and resources of the project partners: Northern Rockies Regional District, Tourism Research Innovation Project, Tourism British Columbia, Northern Rockies Alaska Highway Tourism Association, Northern British Columbia Tourism Association, Tourism Dawson Creek, and BC Parks.

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Executive Summary

The Northern Rockies Value of Tourism project was undertaken in 2007 as a 'pilot study' to provide an estimation of visitor volume and direct expenditures to enhance marketing and tourism strategic planning in the Northern Rockies region. The pilot study utilized a new model, to estimate tourism's contribution to communities, which was developed by the Tourism Planning Group for Tourism British Columbia. The pilot project in Fort Nelson was supported by seven local and provincial organizations that provided direct funding and/ or in kind services.

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- Northern Rockies Regional District
- Tourism British Columbia
- Northern Rockies Alaska Highway Tourism Association
- Tourism Research Innovation Project
- Tourism Dawson Creek
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- BC Parks

Methods

To begin, a complete inventory of commercial accommodations (fixed roof/RV & Campgrounds) in the Northern Rockies was conducted. Between July 15 and November 30, 2007 commercial accommodations were approached to participate in the project. The objective was to gain commercial accommodations performance data for the most recent 12 month period. The *Value of Tourism* model uses this data and also incorporates tourist characteristics and expenditure data from the 2003 Northern Rockies Alaska Highway Visitor Study (2005), Canadian Travel Study (CTS), and the International Travel Study (ITS).

A representative sample of 50% of the commercial room/site base by accommodation type (e.g. hotel, motel, B&B, and campground) was needed in order to successfully implement the model. An overall total of 63% of fixed roof accommodations room base and 95% of RV/Campgrounds site base participated in the project.

Trip Length & Expenditure

Between October 1, 2006 and September 30, 2007, visitors traveled to Fort Nelson and the Northern Rockies for leisure as well as business. During this period, an estimated 162,300 leisure stayed in the community for approximately 1.3 days on average, and spent an average \$90 per trip. An estimated 52,900 business guests, stayed in the community for approximately 4.2 days on average, and spent an average of \$610 per trip.

Visitors who traveled to Fort Nelson and the Northern Rockies region to visit friends and relatives totalled 7,700, and stayed on average for approximately 4 days in the community, and spent an average of \$210 per trip. It was estimated that approximately 1,300 day visitors, who drive through the Northern Rockies, only stopped to refuel.

Visitor Volume

The results indicate that between October 2006 and September 2007 approximately 224,200 people visited the Northern Rockies District for leisure (162,300), business (52,900), visiting friends and family (7,700), or were day travelers passing through the region with a planned destination, i.e. Yukon or Alaska (1,300)

Direct Visitor Expenditures

The model provides an estimate of direct visitor spending only, based on the total estimated number of visitors to a community. This model does not estimate the economic impact (GDP, employment, municipal tax revenue, etc.) of tourism within a community.

The estimate of direct visitor expenditure in the Northern Rockies from October 2006-September 2007 was \$47,580,000.

Limitations of the *Value of Tourism* Model

- 1) The *Value of Tourism* model is only relevant to the 12-month period between October 2006 and September 2007. The results should not be applied to any other time frame.
- 2) The accuracy of the model depends on how well the tourism characteristics and expenditure data represent actual spending and behaviour patterns in the Northern Rockies Regional District during the time of the study.
- 3) The model is dependent upon the data provided by local commercial accommodations and therefore is based on the quality of this data.
- 4) The model results for the Northern Rockies Regional District should not be applied to other areas.

Introduction

In British Columbia tourism is one of the largest and fastest growing sectors of the province's economy. In 2005, the province hosted more than 22.5 million overnight visitors, generating visitor expenditures of approximately \$9.8 billion. The province of British Columbia has set an ambitious goal of doubling tourism revenue by 2015. In many cases though, research data for local revenue and visitor volume are not available. Therefore, by taking a community /regional approach to determining the value of tourism, quantitative data is provided to a community in order to support and develop tourism initiatives. The ability for communities to have access to this information is pivotal in providing an informed approach to tourism planning, strengthening support of community stakeholders, increasing their service sector and visitor experience, and encouraging an appreciation of tourism's economic development potential.

Background

The Northern Rockies Regional District is located in the northeast corner of British Columbia. The Town of Fort Nelson, the regional district's only municipality, is located at Historical Mile 300 on the Alaska Highway, 454 km north of Dawson Creek. The area of the regional district (85,808 km²) comprises approximately 10% of the total area of the province.

Fort Nelson is the economic hub of the north, with a community population of 4,514 (Statistics Canada, 2006), and a regional population of less than 10,000. The region has a strong economic base which is based on a foundation of natural gas and oil, and the wide range of industrial services that support that sector, forestry, agriculture, and a growing tourism sector. The Northern Rockies region has tremendous tourism growth opportunity, due to the abundance and diversity of wildlife and the picturesque Northern Rocky Mountains.

In preparation of undertaking the study in the Northern Rockies District, a thorough understanding of past and on-going tourism development efforts for Fort Nelson and the Northern Rockies Regional District was developed and analyzed. The three secondary research documents viewed included the Community Tourism Essentials Workshop Results, the Community Workbook for the Alaska Highway Scenic Byway, and the 2003 Northern Rockies Alaska Highway Visitor Research Project (2005).

Community Tourism Essentials Workshop Results

In 2006, Tourism BC, the Northern BC Tourism Association, and Western Diversification provided funds to the Northern Rockies Alaska Highway Tourism Association to coordinate the Alaska Highway Corridor Community Consultation Workshops in the ten Northeastern BC communities from November 2005 to June 2006. The sessions incorporated Tourism BC's Tourism Essentials Program and introduced the America's Scenic Byways Framework. The workshop was conducted in Fort Nelson on February 14-15, 2007. The goals and objectives were formulated from the top-ranked

weaknesses as identified by the attendees. Each objective was subsequently translated into an actionable format. Ultimately, the recommendations provide direction for developing community tourism initiatives.

Some of the tourism action steps illustrated in the document include:

- Improving tourist attractions through the creation of a dedicated tourism development position. Individuals would be responsible for improving packaging of Alaska Highway product, preserving airport history, improving coordination and communication between towns and First Nations, and developing summer activities and sanctioned events for the visitor.
- Improving tourism services through communities' attitude and knowledge of tourism, improving highway signage, rest stops and public washrooms; and improve business hours of operation.
- Improving tourism hospitality through improved employee training, the cooperation and partnerships, including First Nations, ensuring historic values of Alaska Highway are preserved.
- Improving tourism infrastructure by creating rest stops and public washrooms along highway, improving directional and interpretive signage, and creating new tourism product, attractions and visitors.
- Improving tourism promotion through the development of a tourism strategy and marketing plan with the incorporation of culture and heritage product, improving community's commitment to tourism, and improving quality of staffing level throughout the year.

Community Workbook for the Alaska Scenic Byway

The America's Scenic Byway Program was identified by the 13 signatory communities of the Alaska Highway as a framework for developing a corridor management plan for the Alaska Highway. The America's Scenic Byways Program is a nationwide effort to identify, promote and manage the country's system of highways and roads through community efforts. Communities have the opportunity to look at their special roads, places and features.

Scenic byways provide an antidote to the monotony of standard highway travel; by nature of location offer historic values and scenic attributes to scenic highways themselves. A case in point: *The Alaska Highway*. The vision of the Alaska Highway Community Initiative is to ensure that the Alaska Highway Corridor is recognized as the most important international, historic, cultural and wilderness highway in North America. Fort Nelson's corridor from Wonowon to the Yukon Border was elected to be a scenic byway and the workbook contains suggested attractions along the route, such as Sikanni Chief River, Sikanni Falls, 2nd Highest Point, and Prophet River Church. The workbook also provides instructions on how to do an inventory of the assets along the corridor such that the visitor experience is enhanced.

In August of 2007, the inventory process began, with an inventory of Intrinsic Qualities, such as signage, rest stops, public washroom facilities, historic mile posts, and

interpretive signage from Summit Lake Provincial Park to Trout River on the Alaska Highway.

2003 Northern Rockies Alaska Highway Tourism Visitor Research (2005)

The Northern Rockies-Alaska Highway Visitor Research project was initiated to: Provide data on the characteristics and volume of travelers along the highway; and to provide research needed to support marketing plan design and product development in the Northern Rockies-Alaska Highway region.

The following are highlights from the visitor research project:

- Between May 15 and September 25, 2003, approximately 320,400 visitors traveled the Alaska Highway.
- Overall, half of all travelers were Canadians, and 45% Americans, 6% were overseas visitors, predominantly Europeans from Germany or Switzerland.
- Three-quarters of Americans said their primary destination was Alaska, compared to 20% of Canadians. Half of Canadians were traveling to Northeast BC or the Yukon (27% and 24% respectively). While 40% of overseas travelers were destined for Alaska, nearly a third said they were on a circle tour with no specific destination.
- Overall half of the travelers were 55 years of age or over; a quarter were 65 years and older.
- Most people were traveling in parties of two (60%), and less than 15% were traveling with children.
- 83% of people were traveling for leisure; 10% to visit friends and family; and 5% for business.
- On average, travel parties spent \$150 per day (\$CDN) during their trip.
- Half of travelers used self-contained vehicles-truck campers, camper vans, 5th wheel trailers, and motor homes, as a primary mode of transportation

Methodology

Value of Tourism Model

A new model, to determine an estimation of the number of tourists and their expenditures in communities was developed by the Tourism Planning Group for Tourism British Columbia. The *Value of Tourism* model uses ratios and expenditures from visitor surveys and commercial accommodation survey data to estimate the number of tourists and how much they are spending in a given year.

In order for the model to be successfully utilized 50% of the commercial room/site base by accommodation type (e.g. hotel, motel, B&B, campground) were needed to participate in the project and provide information.

Objective:

To provide a conservative and credible estimate of visitor volume and direct tourism expenditures within a community.

Determining a credible estimate of the value of tourism to a community is essential in developing an educated approach to tourism planning, strengthening the support of community stakeholders, and encouraging an appreciation of tourism economic development potential.

The *Value of Tourism* model takes a structured approach in determining the total volume and direct visitor expenditures of tourism. The success of the model is based on achieving accommodation operator participation by providing their most recent annual performance data. A strong participation of each of the fixed roof accommodations (hotels, motels, bed & breakfasts, cabins) and RV/Campgrounds is needed in order to achieve a representative sample of accommodation businesses in a community. Local, regional, provincial and national tourism indicators are then applied to provide an informed estimate of the volume and visitor expenditure within the community/region.

The survey that commercial accommodation providers were asked to complete include the following questions:

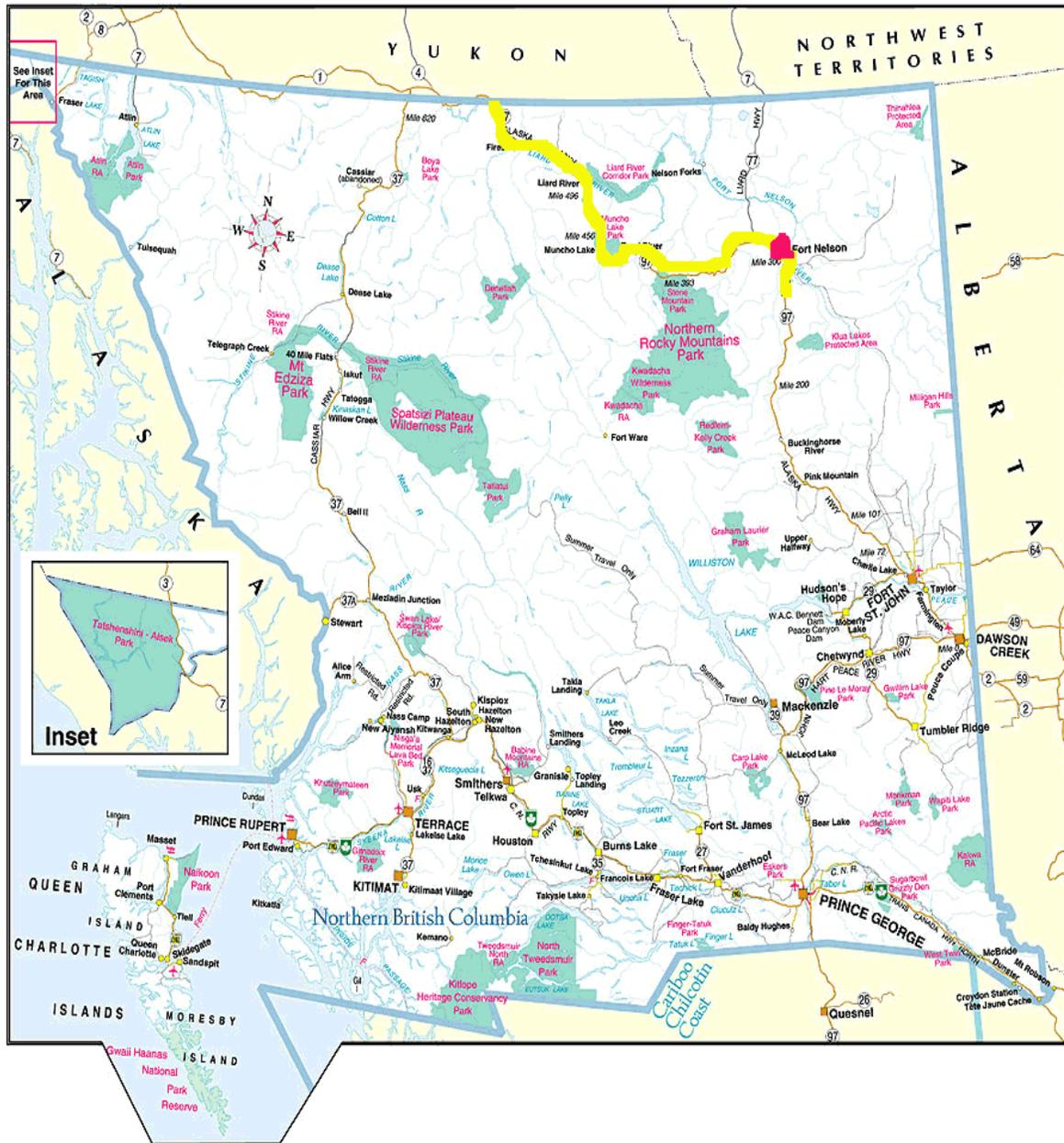
- Average achieved daily rate
- Number of available rooms/sites
- Total occupied room nights
- Average length of stay
- Average party size

The survey separates business guests from leisure guests and provides an overall total for all guests.

Location

The Northern Rockies District was chosen as a candidate to test the *Value of Tourism* model in a pilot study. The Northern Rockies region which is located in the Northeast corner of the province is strategically situated on the world famous Alaska Highway, which sees over 300,000 visitors annually (2003 Northern Rockies Alaska Highway Visitor Study, 2005). Fort Nelson, which is mile 300 of the highway, is the largest community in the region and contains the majority of the commercial accommodation facilities.

Figure 1. Map of the Study area Northern Rockies District

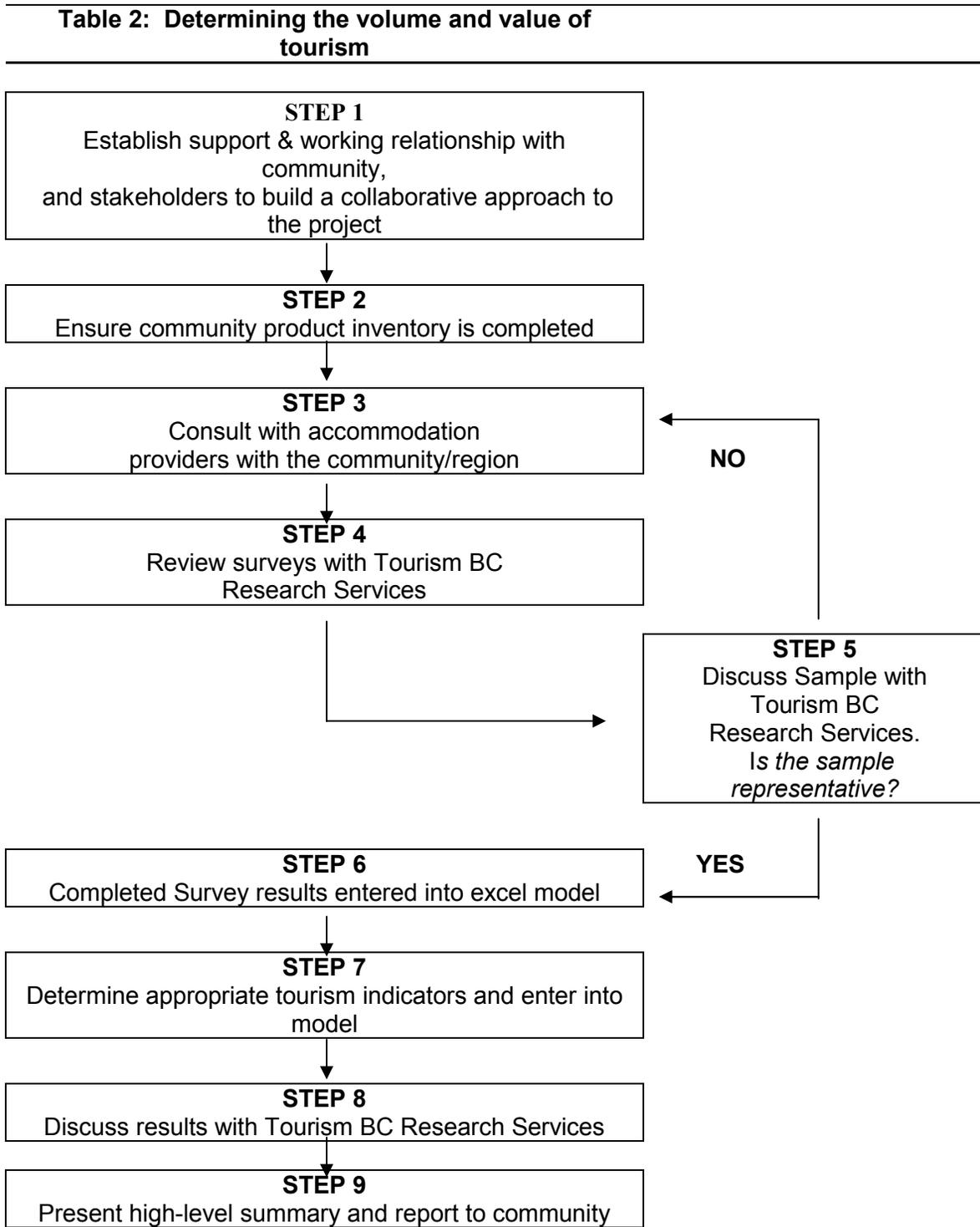


Direct Visitor Spending

The model provides an estimate of direct visitor spending only, based on the total estimated number of visitors to a community. This model does not estimate the economic impact (GDP, employment, municipal tax revenue, etc.) of tourism within a community.

Process

The following flow summarizes the process that was taken in determining the volume and value of tourism in the Northern Rockies Regional District.



Results:

The data that was collected from the commercial accommodation operators was imputed into the *Value of Tourism* model, which resulted in the estimates provided below in Table 3¹. An overall total of 63% of fixed roof accommodations room base and 95% of RV/Campgrounds site base participated in the project.

Table 3¹. An Estimation of Tourism Volume and Direct Expenditures in the Northern Rockies District for October 2006-September 2007

Estimates of Visitors	
Type of Visitor	Volume of visitors
Fixed Roof (Hotels, Motels, B&B)	
Leisure	65,900
Business	52,900
RV & Campground	96,400
Total Visitors in Commercial Accommodations	215,200
Visiting Friends & Relatives	7,700
Day Visitors	1,300
Overall Visitation	224,200

Estimates of Direct Visitor Expenditures				
Type of Visitor	# Visitors	Average length of stay (days)	Average total spend (\$) per visitor per trip	Totals (\$)
Leisure (commercial accommodation)	162,300	1.3	90	13,840,000
Business	52,900	4.2	610	32,030,000
Visiting friends & Relatives (VFR)	7,700	4	210	1,610,000

¹ The Contribution of Tourism figures presented above provide estimates of the size and value of the local tourism industry. They are prepared largely from information collected from tourism businesses within the community and are limited to the quality of that data collection. These estimates are only applicable to the time period and community for which the data was collected for. These values should not be applied to other years or communities.

day visitors	1,300	80	100,000
Annual Direct Expenditures			47,580,000

Limitations of the *Value of Tourism* Model

- 1) The *Value of Tourism* model is only relevant to the 12 month period between October 2006 and September 2007. The results should not be applied to any other time frame.
- 2) The accuracy of the model depends on how well the tourism characteristics and expenditure data represent actual spending and behavior patterns in the Northern Rockies Regional District during the time of the study.
- 3) The model is dependent upon the data provided by local commercial accommodations and therefore is based on the quality of this data.
- 4) The model results for the Northern Rockies Regional District should not be applied to other areas.
- 5) Results from the *Value of Tourism* model are to be used with caution, due to the stated limitations of the model.

Conclusion:

The success of this Value of Tourism pilot study in the Northern Rockies region is a testament to the tourism operators and the community for their support to the tourism industry. In determining the value of community tourism, Fort Nelson has proven the economic worth and contribution that tourism has on the region and can now focus on strengthening support and resources, increasing their service sector and providing a higher quality visitor experience.

Testimonials:

"Understanding the value of tourism to remote communities like Fort Nelson is important as it builds support for the introduction of the industry. The success in Fort Nelson is due to a combination of factors, but in my opinion, the established relationships with the Northern Rockies Alaska Highway Tourism Association and the use of an outreach approach through the liaison for the Tourism Research Innovation Project were pivotal in convincing local operators to share data. Congratulations on the implementation of the model Fort Nelson, your buy in at the local level is a model for the rest of the communities in the province!"

Nicole L. Vaugeois

Malaspina University-College Professor

Project Coordinator-Tourism Research Innovation Project