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2013–2016

TOURISM MARKETING STRATEGY



The 2013–2016 Tourism Marketing Strategy outlines a roadmap for Tourism Yukon and our industry partners for the next three years. The Strategy articulates priorities for Tourism Yukon that will enable us to fulfill the Department of Tourism and Culture's goal to facilitate sustainable economic growth for Yukon's tourism sector.

YG Photo: D. Crowe

01 MESSAGE FROM THE GLOBAL MARKETING TEAM

Tourism Yukon is mindful of the challenges that tourism marketers and more important, tourism businesses in Yukon continue to face. This three-year strategy endeavours to address some of these challenges by developing and implementing strategic priorities that will maximize opportunities to increase tourism revenues, enhance the effectiveness and return from marketing investments, engage industry, and entice travellers to choose Yukon as a future travel destination. This strategy has been developed with consideration of the strategic priorities of Yukon's tourism industry.

Once statistics are compiled, it is expected that the overall number of visitors to Yukon will have increased by about three per cent in 2012 in response to stabilizing economies in key target markets like the US and the UK, growth from Australia and Japan, strong bookings and increased air access from German-speaking Europe and stimulated visitation from Canada due to enhanced air capacity. These results provide some cause for cautious optimism for Yukon's tourism industry.

Our mission and goal focuses on facilitating the growth of tourism revenue, which does not necessarily mean a growth in the number of visitors to Yukon. We believe this is an important strategic distinction which takes into account Yukon's existing capacity of product, experiences and infrastructure.

It focuses on high-yield customers from the markets that have traditionally provided longer stay and/or higher spending per stay and better return on investment for Yukon. It is important to understand and acknowledge that Tourism Yukon is defining high yield visitors based on total trip expenditure. A critical success factor in this approach will be to support Yukon's tourism industry to develop and expand tourism products and services that meet the expectations of high-yield travellers.

At the heart of our approach is the consistent application of Yukon's Larger Than Life tourism brand in a way that builds intimacy and a powerful personal relationship between our customers and Yukon. Our marketing messages and investments need to leverage this relationship with the Yukon brand and help embed in consumers a profound desire to visit Yukon. Over the next year, we will be implementing and integrating EQ across our marketing and experience development initiatives.

This three-year Tourism Marketing Strategy is linked to our annual Tourism Marketing Plan. Collectively, they define Tourism Yukon's strategic priorities, marketing activities, and ensure that our activities are measured against our goal to grow tourism revenue.

The foundation of this marketing strategy was built from research, analysis, market intelligence and experience, development of a compelling brand



YG Photo: F. Mueller

Yukon's Larger Than Life tourism brand builds intimacy and a powerful personal relationship between our customers and Yukon.

platform, and collaboration with industry. In 2013, we will be conducting a Marketing Program Assessment in collaboration with the SMC that will enable us to more strategically assess the performance of our target markets which will in turn guide our level of investment in each market.

On behalf of Tourism Yukon, we are pleased to present the 2013–2016 Tourism Marketing Strategy.

Denny Kobayashi
Senior Manager, Global Marketing

02 DEPARTMENT OF TOURISM & CULTURE

VISION

The place the world wants to be.

MISSION

Facilitate long-term economic growth for the tourism industry through developing and marketing Yukon as a year-round travel destination.

GOAL

Economic Growth

OBJECTIVE

Increase tourism revenue

YG Photo: R. Postma

The background of the slide is a composite image. The upper portion shows a dark night sky filled with stars and a vibrant, multi-colored aurora borealis (northern lights) in shades of green, blue, and purple. The lower portion shows a dark, silhouetted landscape of rugged mountains or hills under a twilight sky with soft orange and yellow light on the horizon.

WHAT WE BELIEVE – OUR VALUES

Respect – treating one another with fairness, courtesy and honesty

Collaboration – working together as a team to share information/
build partnerships and acknowledge achievements

Integrity – ensuring our actions match our word ~ inspiring
confidence, honesty and respect

Innovation – embracing, adopting and recognizing creative
ideas and adapting and evolving with new technologies

Professionalism – being accountable to our peers, clients
and stakeholders by encouraging the pursuit of high standards
of service and quality work

Leadership – lead by example, demonstrating a commitment
to work and effectively communicating goals and expectations

03 WHO WE ARE

Department of Tourism and Culture

The Department of Tourism and Culture works in partnership with the private sector, non-governmental organizations, other governments, and other Yukon government departments to deliver a diverse range of programs and services that support tourism and culture across Yukon.

Mission

- Facilitate long-term economic growth for the tourism industry through developing and marketing Yukon as a year-round travel destination.

Tourism Branch

The Department of Tourism and Culture, Tourism Branch (Tourism Yukon) is Yukon's designated destination management organization (DMO).



YG Photo: F. Mueller

Mandate

- Work in partnership with the private and public sectors, First Nations, and non-governmental organizations to develop and implement strategic tourism marketing, product development, research strategies and programs that grow tourism revenues.
- Industry-led, research-based, market-driven.

Marketing Unit

The Marketing Unit is one of three units within the Tourism Branch whose principal responsibility is global tourism marketing.

Mandate

- In consultation with the tourism industry, develop, implement and evaluate tourism marketing programs in all global target markets.
- Develop, implement, evaluate and manage the integration and implementation of the Yukon tourism brand.

Tourism Industry Association of the Yukon (TIAY)

The TIAY is a membership-based association of tourism-related businesses and organizations. The stated purpose of TIAY is to forge a common voice and actions to influence, promote and assist the development of tourism in the Yukon.



YG Photo: D. Crowe

Mandate

- Ensure that tourism remains a strong, vibrant and sustainable industry across Yukon.
- Be an advocate for the tourism industry and its contributions to the Yukon economy.

Senior Marketing Committee (SMC)

The Senior Marketing Committee is a committee of industry representatives appointed by the Tourism Industry Association of the Yukon.

Mandate

- Communicate the priorities of Yukon's tourism industry to Tourism Yukon.
- Participate in tourism strategy development.
- Advise Tourism Yukon and TIAY on tourism marketing issues.

04 STRATEGIC CONTEXT

World View

Economic recovery has been slower than anticipated and consumer confidence continues to be fragile in many of our target markets. Economies in the U.S. and the U.K. are stabilizing, but continue to show signs of economic challenges. Germany, Yukon's largest overseas market, is however boasting strong economic conditions.

Consumers are putting increased emphasis on value and this can be expected to be a deciding factor in consumer purchase behaviours for the foreseeable future. One of Canada's greatest challenges over the next few years will be to improve its eroding competitive positioning. Canada's market share of foreign travellers has fallen more than 18 per cent since 2004. Canada is a relatively high-cost, mature travel destination and visitation from primary markets has moved beyond the peak growth phase into a period of slower growth. Canada is not alone in this situation; many other mature travel destinations such as Japan, the U.K. and Germany also face declining

market share. Other factors that have led to a decrease in Canada's travel market share include security concerns, greater demand for short-haul travel, reduced funding to the Canadian Tourism Commission, and fierce competition from other destinations.

Increasingly competitive destinations such as Southeast Asia, Africa, Eastern Europe, Turkey and the Middle East have seen growth fueled by improved air access, value for money offerings and interest in exotic new experiences. That being said, Canada emerged in 2011 with new opportunities for increased tourism demand with notable growth from China and India – however, these markets show limited opportunity for Yukon in the short term.

For Yukon, more specifically, direct flights from Germany, continued interest in aurora viewing from Japan in the fall and winter, recovery of the U.S. economy and an enhanced investment in overseas marketing should result in modest growth from international visitors each year.

On the home front, a strong Canadian dollar has been hovering close to parity with the American dollar, making outbound travel from Canada much more attractive to Canadians. This is making it more challenging for us to convince Canadians to visit Yukon. However, additional investments through various federal programs for the promotion of the North and the desire of many Canadians to visit a region that they consider profoundly "authentic", has kept Yukon on many Canadian travellers' list of potential destinations.

One of Canada's greatest challenges over the next few years will be to improve its eroding competitive positioning.



YG Photo: R. Hartmier



YG Photo: D. Crowe

Trends

As demand for travel grows, high-quality and authentic experiences will be sought by travellers around the globe.

Many destinations – Countries and regions that previously attracted few visitors are now competing actively. These include rainforest destinations such as Costa Rica and previously closed countries such as China and nations of the former Soviet Union.

Increased demand – Wealthier travellers, emerging economies and an expanding Asian middle class will contribute to increased demand for tourism.

Also, retiring 'Baby Boomers,' the largest population group in western countries, will take advantage of their wealth and free time to travel more.

Economic recovery – Slow and inconsistent recovery from recent global economic crises will lead to more conservative choices for travel in the short term, resulting in shorter, less expensive trips.

Growing use of technology – Consumers' use of technology is enabling them to make better-informed judgements about purchases and serve as "go-to" authorities for each other about the value and reliability of different options.

Opportunities

With its awe-inspiring natural landscapes, natural phenomena, authentic experiences, vibrant culture, and strategic geographic location Yukon offers a unique set of opportunities.

Diverse Natural Landscapes and Experiences – These attributes, coupled with the warmth of Yukoners, uniquely positions the Yukon – Larger Than Life brand.

Improving Air Access – Yukon enjoys exceptional air access. Domestically, daily jet flights are available from Air North – Yukon's Airline and Air Canada. West Jet and Condor provides seasonal service with Condor offering charter service direct from Frankfurt once per week.

Accessibility and Proximity to Alaska – Yukon's geographic proximity to Alaska and road access to the state, uniquely position Yukon to benefit from US travel to Alaska, as well as the Yukon/Alaska cruise and cruise tours that are popular in our key target markets. There is a keen interest by Canadians to visit both destinations.

Diverse Tourism Products – Yukon has developed and enhanced a variety of tourism products such as northern lights viewing, hiking, canoeing, cultural events and activities which motivate travellers to visit Yukon.



YG Photo: F. Mueller

Challenges

While Yukon's tourism sector has notable strengths, there are a number of overarching considerations and challenges that influenced this Tourism Strategy.

High Cost Destination – Yukon is a long-haul destination for all visitors. The cost to fly to Canada/ Yukon is high compared to all of our competing destinations – primarily due to airport rents, taxes, fuel costs and market size. The high price of gasoline has become a significant influence for the long-haul rubber tire market.

Strong Canadian dollar – A strong Canadian dollar presents challenges to increasing tourism. In particular, price advantage against the US for international visitors and an attractive exchange rate to attract US visitors – Yukon's largest market by a massive margin – has evaporated. European travellers have also suffered an important decrease in purchasing power following the decline of the Euro.

Increasing worldwide competition – With many other destinations working hard to attract travellers, Yukon's opportunity to compete is diminished. In particular, an annual multi-million dollar investment by Brand USA in our target domestic markets makes it more difficult to have meaningful reach and impact using traditional marketing approaches and media.

Competitions in the Domestic Market – Other Canadian jurisdictions such as Saskatchewan, Newfoundland and Labrador, and Nova Scotia have

significantly increased their marketing budgets in an effort to compete for Canadian visitors.

Access to Land – Yukon's tourism potential could be enhanced through enhanced access and certainty to land tenure.

Product Availability – The majority of Yukon's visitors arrive in the summer season. This seasonality has made it difficult to develop and enhance products, services and experiences that today's travellers have grown to expect. In particular, Yukon suffers from a lack of 'high end' luxury experiences which limits opportunities for growth.

Customer Service – Customer service standards in Yukon have not kept pace with competing destinations. Destinations, where tourism is becoming a key pillar in the economy like New Zealand, Iceland, Turkey and Vietnam are delivering high standards of customer service that Yukon struggles to match/maintain.

Labour Supply Management – Strong growth of the mining sector in Yukon combined with related demand on tourism and other sectors, has made it difficult for the tourism industry to attract and retain employees.

Border Security and Visa Procedures – Security requirements have increased processing times at border entry points leading to delays for visitors. Requirements for visas for Mexican visitors essentially eliminated this once emerging market for Yukon.



YG Photo: P. Mantle

We will continue to focus on the northern lights and midnight sun as our Unique Selling Propositions.

Our Experiences

Yukon offers its residents and visitors diverse, exceptional tourism experiences in a safe environment, highlighted by warm Northern hospitality, breathtaking scenery, natural phenomena, Gold Rush history, abundant wildlife and rich cultural experiences. We will continue to focus on the northern lights and midnight sun as our unique selling propositions. Yukon offers a unique opportunity to experience true wilderness and nature while remaining close to urban comforts.

Our Product

It is clear that the success of Yukon's tourism industry in the long term will require an ongoing investment in the development and expansion of Yukon tourism products and experiences that meet the expectations of high-yield travellers. Yukon and Canada are high cost destinations for the majority of world travellers, and we need to avoid commoditizing Yukon tourism products by competing for customers based on price. With global brand integration underway and planned development and utilization of a more sophisticated segmentation marketing tool, the Canadian Tourism Commission's Explorer Quotient™ (EQ), we are poised to target and attract the high-yield traveller who will be critical to building a sustainable tourism sector in Yukon.



YG Photo: R. Wheeler



YG Photo: B. Atkinson

05 STRATEGIC PRIORITIES 2013–2016

Tourism Yukon will focus on these five strategic priorities over the next three years:

1. Deliver a consistent and compelling Yukon brand

- Integrate Yukon brand guidelines across all marketing activities.
- Communicate Yukon's unique attributes to tell our brand story that connects visitors to memorable Yukon experiences.

2. Create advocates for the Yukon brand and experiences

- Develop and implement the Global Media Relations Strategy.
- Develop and implement the Digital Strategy.
- Develop Explorer Quotient implementation and integration plan.
- Work with industry to promote industry standards that align with market and trade-ready criteria.

3. Maximize the efficiency of marketing investments

- Develop and implement a Marketing Program Assessment model and process that informs marketing investment decisions.
- Integrate and review strategies and activities of organizations and projects funded by Tourism Yukon.

- Strengthen and/or leverage strategic partnerships across all channels.
- Leverage marketing investments through partnerships.
- Explore ways to more effectively integrate product development, research and visitor services into marketing planning.

4. Engage stakeholders

- Invest in community tours, programs and initiatives that are relevant to industry.
- Communicate opportunities to participate in Tourism Yukon marketing initiatives.
- Collaborate with industry to develop market – driven and market-ready products and experiences.

5. Nurture organizational excellence

- Refine and practise our corporate values in everything that we do.

- Enhance frequency and quality of communications with industry and other Yukon government branches and departments.
- Foster team collaboration by developing and implementing communication, performance, development and internal planning processes that empower team members.
- Leverage internal resources to develop an organizational growth and succession plan that enables sharing, mentoring, training, education and hands-on experience across channels and markets.
- Build clear objectives and performance measures into the Tourism Marketing Plan that flow down to the individual personal performance plans of each employee.



YG Photo: D. Crowe

06 SEGMENTATION MARKETING

The Explorer Quotient® (EQ)

As Yukon's destination management organization, Tourism Yukon has a responsibility to learn everything we can about travellers to Yukon and who our best high-yield customers are.

That's why we've gone beyond traditional market research to find out exactly why people travel and why different types of travellers seek out entirely different travel experiences. To accomplish this objective, we signed on as a licensee to the Canadian Tourism Commission's Explorer Quotient (EQ) program in 2011.

The consumer should be at the centre of our marketing approach. EQ will help narrow the focus of our marketing initiatives to more efficiently reach our target audiences. By creating a profile of our customers, EQ provides our team and the partners we work with a common language to discuss prospects, plan campaigns, build marketing communications, purchase media and ultimately deliver the products consumers are most likely to buy.

EQ is an innovative tool that comes from the science of psychographics – an evolution of the traditional field of demographics. Instead of defining people based on age, income, gender, family status or education level – all of which is valuable information – psychographics

look deeper at people's personal beliefs, social values and view of the world. It's a major leap forward, because these factors are what drive people to seek out certain types of experiences.

EQ is changing not only the way that the Yukon will market and sell its experiences, it will create a focus on the visitor experience. This is often referred to as a customer-centric or “outside-in” approach. The EQ tool will assist Yukon tourism operators to develop their tourism product, pinpoint the best customers, market the business, and drive sales.

What about the segments Yukon has been targeting since 2005?

Tourism Yukon fully embraced a segmentation marketing approach in 2005 on the heels of significant consumer research conducted in Canada and the U.S. which identified our target segments as Scenic Outdoor Travellers, Cultural Explorers and Adventure Challengers. In the past year, we analyzed our previous travel types and compared them to the EQ segments. This analysis has not only provided us with valuable insights into travellers to Yukon, it has ensured that our investment and experience with visitor segmentation since 2005 can inform our transition into EQ segments.



YG Photo: J. Kennedy

Why are we changing?

Our previous visitor segmentation research had not been updated since 2005 and only looked at travellers from Canada and the U.S. Our investment as an EQ licensee provides us with access to segmentation research and intelligence from all of our overseas markets in addition to Canada and the U.S. The research for each market (nine in total) is refreshed every five years.

Globalization of the tourism industry has created new and fierce competition for the high-yield traveller from countries, states, regions and cities around the world – many of them with much larger marketing budgets than Yukon. EQ will enable Tourism Yukon to market “smarter” and compete for a global customer. In addition, EQ research will enable us to provide Yukon tourism operators with strategic market intelligence, trends, key messages, media alternatives and consumer behaviour that will assist them to build tourism products that are relevant and compelling for travellers in our target markets.



YG Photo: J. Kennedy

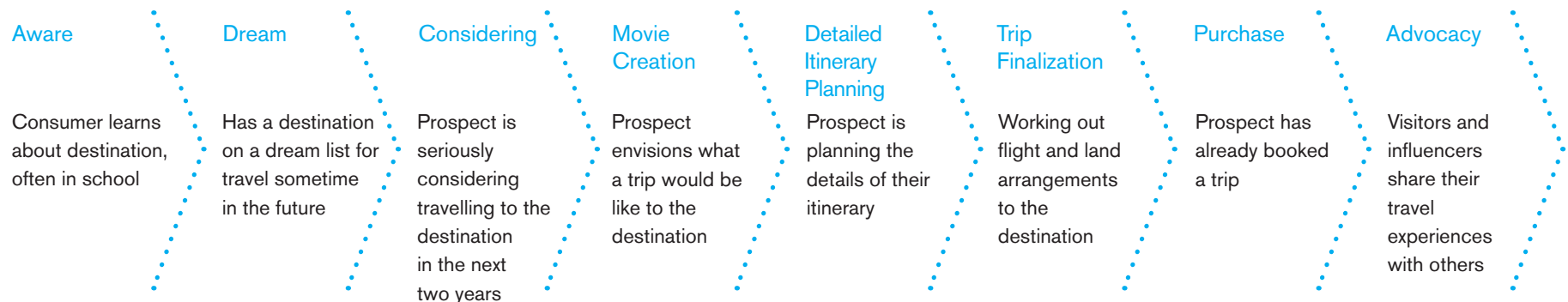
07 THE ADVANCED PATH TO PURCHASE FRAMEWORK

Tourism Yukon has adopted the Canadian Tourism Commission's Path to Purchase model (PTP) for its Tourism Marketing Strategy and Marketing Plan. This PTP model will guide our understanding and help us to distinguish between prospective and

non-prospective travellers, where they are along the PTP, and enable us to better anticipate a prospective consumer's needs, perceptions and behaviors at each stage. The model captures the consumer's journey in making the decision to travel to Yukon.

Tourism Yukon will focus on the Path to Purchase as the foundation of its marketing strategy by allocating marketing investments based on where the prospective visitor is on the path.

Path to Purchase Framework



08 MARKET CLASSIFICATION

Tourism Yukon assesses the potential and performance of all of its geo-markets on an annual basis taking into account a number of factors including border crossings, data from the International Travel Survey, the Canadian Tourism Commission's Market Portfolio index, exit surveys, visitor intercepts, reports from travel trade partners and market performance intelligence provided by Yukon tourism operators.

Since 2009, Tourism Yukon has utilized a Market Assessment Model that analyzes each target market based on a number of criteria that are fed by the various sources of intelligence listed above. In the coming year, Tourism Yukon is undertaking a Marketing Program Assessment (MPA) that will drive creation of a 'made in Yukon' Market Assessment Model that draws on research,



YG Photo: J. Kennedy

industry and departmental intelligence, empirical data and marketing program key performance indicator reporting, that will enable strategic market assessment that ultimately drives budget allocation.

For the 2013–2016 Marketing Strategy and 2013–2014 Marketing Plan, we will continue to classify our geo-markets as Primary, Secondary, Emerging and Monitor. Tourism Yukon's investments, activities and support for each market will be driven by these classifications, with some flexibility to respond to strategic opportunities when they arise.

Primary:

Channels:

Consumer, Trade, Media Relations/PR, and Meetings, Incentives, Conventions and Events (in Canada)

- Canada
- United States
- German-speaking Europe (Germany, Switzerland and Austria)

Secondary:

Channels:

Trade, Media Relations/PR, and Consumer CTC campaigns and Trade co-operative marketing

- Australia
- U.K.
- Japan



YG Photo: D. Crowe

Emerging:

Channels:

Media Relations/PR, Trade (responsive, in-market activity limited to CTC events, respond to trade inquiries)

- Netherlands
- South Korea
- France

Monitor:

No planned in-market activities

- Mexico
- China
- Brazil

09 SENIOR MARKETING COMMITTEE MEMBERS (OCTOBER 2012)

Patricia Cuning (Chair)

MacBride Museum

Marsha Cameron

Boréale Mountain Biking

Torsten Eder

Northern Tales Travel Services

Mary Ann Ferguson

Westmark Hotels, Yukon

Bill Fletcher

Holland America Line

Neil Hartling

Canadian River Expeditions;
Nahanni River Adventures

Bernie Lehmann

Fraserway RV

Brian Stetham

Klondike Visitors Association

Josh Clark

Air North, Yukon's Airline

Sarah Stuecker

Tagish Wilderness Lodge

Rod Taylor

Waste to Energy Canada

Rich Thompson

Northern Vision Development

Mary-Jane Warshawski

The Taku Sports Group

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YUKON
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