

IT'S AUGUST. THE SUNDAY OF SUMMER.



Joel McKay, CEO, Northern Development Initiative Trust

If you're reading this, it likely means you're not outside enjoying all that British Columbia has to offer. We'd prefer it if you were out spending your hard-earned money to support our tourism industry, but we recognize that people must make a living. So how about we cut a deal? Read this report on the condition that once you're done you'll make plans to go out and enjoy our province. Visit a park. Go camping. Fishing is great this time of year. Check out one of our museums. Have a pint at one of the bazillion craft breweries that call B.C. home. Selfishly, we'd prefer you do all of this in the Cariboo Chilcotin Coast or Northern B.C. regions, but, hey, you can forgive us that, right? We're Northerners and we tend to think our part of the province is the best part of the province.

For this issue of the Northern Dispatch we've decided to focus on the tourism sector, not just because we're at the height of the summer tourism season (again, get out there), but also because it's an industry with a lot of opportunity for growth in Northern B.C. – that's why we featured it in the State of the North Economic Report we published earlier this year.

Truth is, the stats for the tourism industry in Northern B.C. are a bit hard to find, which makes it difficult to wrap your head around the critical importance of this sector, how it ties to economic development and the trends and issues that affect it. For that reason, we've invited a couple friends to help us paint a picture of tourism in Northern B.C. In this issue of the Northern Dispatch, you'll find guest columns by Clint Fraser, CEO of the Northern BC Tourism and Erica Hummel the CEO of Tourism Prince George.





Joel McKay, CEO, Northern Development Initiative Trust

THE STATE OF TOURISM IN NORTHERN B.C.

Tourism in Northern B.C. is generally tied to outdoor recreation and travellers who come to visit friends and family. The region is known for its untamed wilderness, diversity of wildlife, outdoor recreation and indigenous cultural sites that typically draw visitors from other parts of B.C., elsewhere in Canada, the U.S. and parts of Europe.

According to the State of the North report, 73% of overnight visitors in the region are British Columbians, with another 10% from Alberta and 10% from the U.S., and smaller amounts from other parts of Canada, Germany and Switzerland and elsewhere in the world.



DATA ON TOURISM IN NORTHERN B.C. IS HARD TO COME By on an annual basis

Activity in this industry is typically measured through passenger traffic at airports, ferry passenger volumes along the central and north coast, cruise ship passengers and travel parties that stop at local visitor centres. These indicators, albeit not perfect, show that tourism in the North experienced modest growth between 2014 and 2016. The data shows that between 2014 and 2015 there was a slight increase in travellers who stopped at visitor centres and an increase in the number of ferry passengers on BC Ferries' Haida Gwaii routes, indicating that domestic and international marketing exposure for the islands generated an increase in tourist traffic. Still, there was a significant decrease between 2014 and 2015 along the Port Hardy to Prince Rupert route.

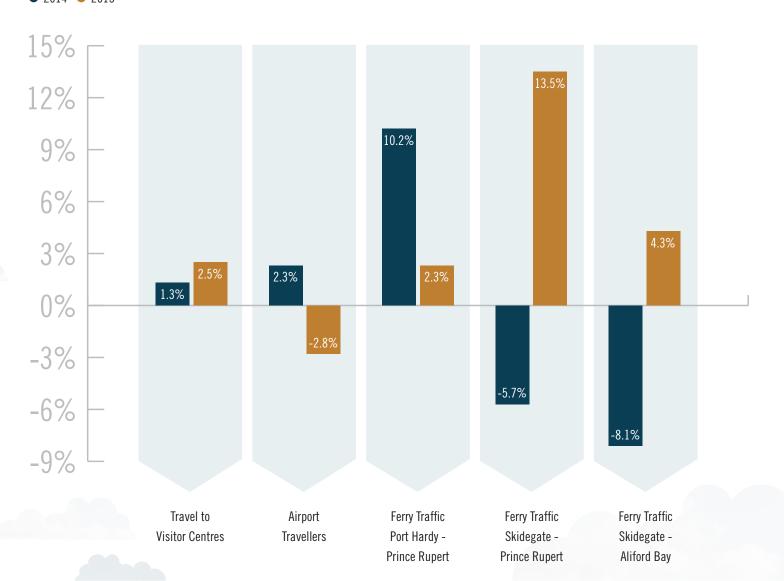
On the airport side, Northern B.C. saw a 2.8% decline in overall airport traffic in 2015 compared with 2014. Here's the challenge with these stats – they include all airport traffic, not just tourists. We know that the 2014/15 period was one of decline in our regional natural resource sectors, some of which rely on transient workforces that access the region via our airports. In this way, the year-over-year decline may indicate a downturn in resource industries but not necessarily one in tourism, or even all aspects of tourism. These are also region-wide airport numbers. For example, we know that airport traffic at Prince George International Airport has continued to increase, indicating strong traffic to and from the more localized Prince George economy compared with other cities in the Northwest or Northeast impacted by the downturn in the energy and mining sectors.



VISITOR INDICATORS YEAR-OVER-YEAR CHANGE: Visitor Centres, Airports and Ferry Traffic - Northern B.C.

(Source: Destination B.C. Tourism Indicators and B.C. Ferries)

20142015





TOURISM IN THE NORTHERN B.C. AND CARIBOO CHILCOTIN COAST REGIONS

8% of overnight stays in B.C.

1,464,000 overnight visitors

3.3 nights average stay in Cariboo Chilcotin Coast region

4.4 nights average stay in Northern B.C. region

5

6% of related spending in B.C.

\$582 million in spending

\$321 average spending per person in Cariboo Chilcotin Coast region

\$441 average spending per person in Northern B.C. region

1,500 tourism-based businesses



8,400 tourism-based employees

Overall, the Northern B.C. and Cariboo Chilcotin Coast regions represent 8% of provincial overnight visitation and 6% of related spending, according to 2014/15 stats from Destination BC. These two regions are home to approximately 1,500 tourism-based businesses and together employ 8,400 people. In 2014, these two regions received 1,464,000 overnight visitors and generated \$582 million in related spending. Data for the same year also shows us that average spending per visitor in the Cariboo Chilcotin Coast region was \$321 with an average stay of 3.3 nights, while in the Northern BC tourism region it was \$441 per visitor and an average of 4.4 nights.

So, what are people doing when they visit these regions? Well, most are staying with friends and family, which means they already have a familial connection to these regions. In fact, only about 10% of B.C. residents who visited these regions in 2014 stayed in hotels. In terms of activities, when B.C. residents visit our region they like to be outdoors – boating, camping, checking out wildlife or fishing and hiking. How about international travellers? Well, they're more likely to stay in hotels and campsites or RV parks, they're also more likely coming to our region to visit national and provincial parks.

In this way, international travellers are showing us that they're most interested in experiencing our publicly owned and funded park system – they want the outdoors, the escape to untamed wilderness they can't experience other places. That means our public assets, be they parks, rec sites or wilderness areas, are our tourism industry anchors – our main attractions.

OK. Now that you have a few stats to get your brain churning about tourism in our region let's turn it over to Clint and Erica to tell us what they're seeing on the ground and how we might best go about supporting the development of our tourism industry.







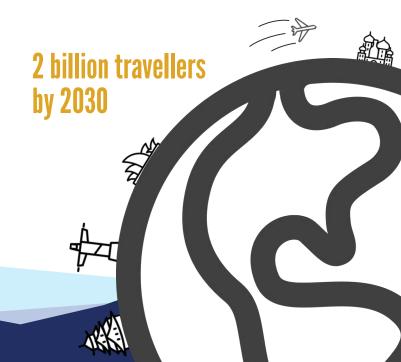
TOURISM MAKES LIFE BETTER FOR EVERYONE

Tourism is not often recognized as a primary industry in Northern B.C. and it's not hard to understand why when you consider the overall visibility of some of the region's other key sectors. At times, our highway corridors are bursting with semi-truck trailers carrying highly valued logs from a fresh cut block or heavy equipment used to support mining exploration. At many points along those same corridors we get a glimpse of rail cars full of cargo headed to the coast and onward to international markets. Local newspapers are littered with headlines related to the region's latest energy development and work crews can be seen occupying space in many local RV parks. These are all everyday scenes from around the north that act as highly visible evidence of the economic contribution of these industries.

The tourism industry in Northern B.C. is developing and maturing. The north is home to some of the world's most sought-after tourism experiences, but many of the associated activities may be less visible or obvious than other northern industries. For example, you may only get a glimpse of a group of Europeans headed to one of the north's renowned Heli ski lodges or hear the American accents at a regional airport of a group of tourists heading off to a Northern B.C. backcountry lodge for a corporate retreat. If you happen to be passing by the Skeena River or one of its tributaries during a salmon run, you would recognize an escalation in both international and domestic anglers in search of a northern salmon or steelhead. If you monitor the license plates on one of the region's scenic driving routes, like the world-famous Alaska Highway, it becomes more evident how popular the region has become as a tourism destination.

THE TOURISM INDUSTRY IN B.C. IS AN ECONOMIC FORCE

It generates \$17 billion a year in revenue, employs 133,000 people and in 2016 contributed \$7.9 billion to the provincial economy – more than agriculture, forestry and mining. The tourism industry in Northern B.C. is made up of approximately 1,500 tourism related businesses and employs approximately 8,400 people. Almost one million people visit the region annually, which generates more than \$400 million in local revenue. The growth potential is also promising. By 2030 it is expected that there will be two billion travellers roaming the planet. Globally, tourism growth is set to outpace almost every other industry. As many northern communities look to economic diversification, the tourism industry poses great potential and there is opportunity to collaboratively increase the impact on the regional economy.





SO HOW DO WE REALIZE TOURISM GROWTH IN NORTHERN B.C.?

An important component we need to consider is our Destination Marketing activities, or how we create awareness and generate demand for our products and experiences. It's not a stretch to say that digital disruption has significantly impacted the way we market tourism experiences. Emerging technologies and platforms have changed consumer behaviour and the path to purchase has become less linear. An increased reliance on digital information and mobile devices has escalated the importance on how we develop and distribute relevant content to appropriate markets.

Digital marketing sophistication is a necessity. At Northern BC Tourism (NBCTA) we have transitioned our marketing activities to focus on working with industry partners to develop and distribute relevant and inspirational digital content to appropriate target markets. To be successful, innovative partnerships are being developed with like-minded brands that have access to highly qualified markets and provide expertise on effectively distributing digital content. Recently, NBCTA (and industry partners) initiated a partnership with well-known outdoor adventure brand Arcteryx to build a digital content campaign around the stories of Northern B.C. characters who have helped shape the backcountry ski experience in the region. The content, which included a virtual reality component, was the foundation for the entire Arcteryx

Words By Lias Richardson. Photos by Mattias Fredriksson.

The spinal cord of a cataking operation is its roads. Without a road, there's no network, no nervous system, no blood flow. No moves to make, nowhere to go. No fun, full stop.

Fall/Winter 2017 ski campaign and was distributed globally through Arcteryx's distribution channels. This partnership provided unprecedented opportunity to get Northern B.C. tourism experiences in front of Arcteryx's loyal consumer base and potentially inspire a visit to the region. Brands around the world are turning to content marketing to ensure promotional strategies are successful. Ultimately, the tourism industry will need to stay current with digital trends to ensure that the stories of our destination and experiences, our highly valuable content, stays in front of our key markets.

However, Destination Marketing activities are only a part of the equation in successfully achieving regional tourism growth and sustainability. As a developing tourism destination, it is important that the industry adopt a shared vision for how the region will be developed over the long term to ensure it remains competitive and desirable to travellers. Destination British Columbia, in partnership with Northern BC Tourism, has recently introduced a Destination Development process aimed at building Destination Development Strategies for defined regions in British Columbia. The Destination Development strategies will pull together planning, policy, and capacity building efforts to ensure areas around the province are well positioned to make future strategic decisions. The strategies will address impediments to tourism growth, and ensure regions are set to capitalize on future tourism opportunities. In Northern B.C. the process is well underway. Industry stakeholders are engaging across the region and strategies will be developed in three planning areas - Northeast B.C., Northwest B.C. and Haida Gwaii. If we want a piece of the projected two billion travellers by 2030 we will need to ensure that proper strategies are in place that recognize a collaborative approach to developing the appropriate products, experiences, services and infrastructure in Northern B.C.



TOURISM DEVELOPMENT SUPPORTS AMENITIES FOR TRAVELLERS AND RESIDENTS

Partnerships. Without meaningful partnerships and true collaboration, it will be difficult to realize the north's full tourism potential. Globally the competition is only getting stronger and there is increasingly more investment being made by destinations looking to gain market share. Moving forward we will need to ensure the industry shares a collective vision and provincial, regional and local government alignment will ensure efficient growth. Collaboration between tourism businesses, community groups and tourism organizations still remains one of the most important components to creating a viable tourism industry. Meaningful engagement and partnerships with Indigenous communities are fundamental in building a robust industry. With 50 Indigenous communities in the region, there is significant potential to further develop the indigenous tourism sector and build opportunity for Indigenous tourism growth into the future. The tourism industry is complex and requires deliberate attention to partnerships as the success of the industry depends on them.

Tourism makes life better for everyone and provides a foundation for the social fabric of every community. Tourism development supports amenities both travellers and residents benefit from. A great place to live is a great place to visit. Think about it. Have you ever visited a place while you were on vacation and said to yourself, "I should move here?" If not, perhaps you should reconsider how you are planning your holiday getaways! The point is that we all want to visit a place that has the experiences we crave, the services we need, the culture that appeals to us and, ultimately, leaves us feeling a sense of satisfaction for the time and money we spent. We all want to live in a place that possesses similar qualities.

Today, there is a vibrant tourism industry in the north and, although it might be less visible than some of the other key industries in the region, it is making an impact on the regional economy. Yet what is quickly becoming much more visible and appealing to northern communities is the longer-term opportunity and growth potential for tourism in Northern B.C.







QUALITY OF LIFE OF RESIDENTS

SHOULD BE THE STARTING POINT FOR EVERYTHING WE DO

Prince George is known as the "hub of the North" – the regional centre for shopping, education and health services. For visitors from farther afield, Prince George is a convenient stopping point en route to the Yukon or Alaska, offering a variety of supplies, accommodations and restaurant options before getting back on the road.



WHAT WOULD IT TAKE TO MAKE PRINCE GEORGE A PREMIER TOURIST DESTINATION?

This success is intrinsically tied to Prince George's livability; that sense of localism that makes the traveller want to invest time, money and emotional energy in getting to know the place.

So, how do we, the local Destination Marketing Organization (DMO), make that happen? Businesses need support, residents need reassurance that new arrivals won't affect their quality of life, visitors expect a world-class experience, while political representatives see city marketing as a soft target when it comes to trimming budgets. Faced with so many great challenges, DMOs like Tourism Prince George can no longer operate in isolation, simply focusing on marketing and promotion. We must shift our thinking and ways of doing business to include social sustainability, placemaking and working with new technologies and partners.

The quality of life for residents should be the starting point for everything we do. Destination planning, management and marketing should include consultation with the public and other stakeholders. Our organization can play a fundamental role in creating job opportunities for citizens through promoting innovation, placing the focus on localism and supporting events that include the whole community.

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DESTINATION DEVELOPMENT IS NO LONGER ABOUT 'HOTSPOTS' OR 'HIDDEN GEMS'; IT'S ABOUT THE WHOLE PLACE.

Today, the most forward-thinking tourism organizations are re-inventing themselves primarily through building deep and meaningful partnerships that maximize research and development, effective destination management and innovation. Whether it's through teaming up with UNBC to analyze data, rolling out a major campaign with an online travel platform or building a political task force to tackle a specific issue, partnerships will become essential for helping us get to where we want to be.

What consumers are looking for and where they are finding it has changed significantly over the last few years. Peer to peer platforms (like Airbnb and Uber) have proven to be very effective when it comes to giving consumers what they are looking for. They connect locals with visitors and have become the catalyst for boosting experiential innovation in travel. Our role as the DMO is to integrate with the sharing economy to ensure that its impact does not negatively affect the lives of residents, the life of neighbourhoods and to ensure quality and safety for visitors.

Finally, advances in technology will continue to evolve our destination. When people arrive in Prince George, they expect clean air, safe streets, power, transport and pleasant public spaces. Using the power of artificial intelligence, big data and internet of things, the world's tech innovators (big and small) have the capacity to change lives in our city, bringing people together and helping them learn, share and integrate.



















Joel McKay, CEO, Northern Development Initiative Trust

TOURISM IN NORTHERN B.C. IS A RESOURCE INDUSTRY

Two billion travellers globally by 2030. Digital marketing sophistication is a necessity. Tourism development supports amenities both travellers and residents benefit from. Quality of life for residents should be the starting point for everything we do. Destination development is no longer about 'hotspots' or 'hidden gems'; it's about the whole place.

Clint's and Erica's words are critically important points for tourism operators, elected officials, administrators and economic development officers across the region to consider as they work to develop this industry. We at Northern Development agree with them.

It's true that tourism in Northern B.C. is not as visible as other industries – it happens off the beaten path, and because it's not as visible, because it's still a developing sector, we've often overlooked the opportunity it presents to strengthen and diversify our economy. I still hear officials in this region remark that tourism development isn't as important as other sectors because the jobs typically pay less. But I would argue that in Northern B.C. a job is a job, and it's not about choosing one over another but rather supporting the development of all our sectors and integrating them responsibly to improve quality of life and profitability for the people who call this region home. Let's get everyone to work – no matter the sector.

Truth is, tourism in Northern B.C. is a natural resource sector. By and large, people visit our region to experience our lakes, rivers, mountains, wildlife and forests. These are the natural resources that we export as experiences to visitors that we import to our region, be it for a day or two or multi-week adventures.

WE NEED TO STEWARD AND PROTECT THESE RESOURCES IF WE'RE TO SUPPORT THE DEVELOPMENT OF THIS INDUSTRY

Not at the expense of our extractive sectors but in coordination with them. Northern B.C. is the size of France – there's room here for all our natural resource sectors to grow.

\$74 MILLION IN REGIONAL INVESTMENT IN TOURISM BY NORTHERN DEVELOPMENT TO DATE

Over the years, the Trust has invested \$74.3 million in tourism development throughout the region – building mountain bike trails, museums, marinas, expanding airports and helping to market the tourism products we have. We've yet to see a community in Northern B.C. that hasn't identified tourism as a growth opportunity in its economic developments trategy, but we continue to struggle as a region to truly collaborate and partner. Our weakness is that we remain fragmented.

Clint and Erica rightly point out that partnerships and meaningful collaboration are key. The development of regional destination marketing strategies that are inclusive of local talent, assets and goals are important set pieces that will guide our efforts to develop this industry into the future. These can be used by communities to guide more localized planning and investment efforts instead of reinventing the wheel with entirely new tourism strategies that aren't regionally integrated.

\$74 million in funding to enhance Northern B.C. tourism

SINCE 2005, NORTHERN DEVELOPMENT HAS INVESTED MORE THAN \$74.3 MILLION IN THE FORM OF GRANTS AND LOANS INTO KEY INFRASTRUCTURE THAT SUPPORTS THE TOURISM INDUSTRY.

Getting here is half the battle

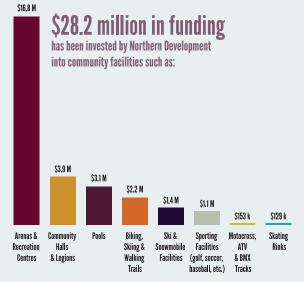


As many Northern B.C. tourist activities involves international visitors accessing the backcountry via small communities, having sound and reliable transportation infrastructure, such as airports and marinas, is key. Additionally, many of the businesses rely of this infrastructure to provide access to supplies for their day-to-day operations.

\$6.8 million for airports
\$1.4 million for marinas, boat launches, docks

Community facilities for all

As stated throughout this report, investing in tourism starts with investing in residents. Northern Development has provided funding to help build and enhance many community facilities that improve the lifestyle for locals, but that are also being leveraged to host events and attract visitors to the region.



Getting to know us

Appealing to the international, national and even local tourist is a competitive space. Quality promotions that showcase the rugged and mystical appeal of Northern B.C. will help bring visitors here. Visitor centres and museums will help welcome and introduce them to our history and present-day experiences, shop local programs introduce to hidden gems throughout a community and the everimportant signage will help them navigate our region independently to enhance their local experience.

\$2.2 million for marketing & branding projects

\$2.8 million for visitor centres & signage

\$4.7 million for museums & history-related projects

\$1.6 million for the Love Northern BC shop local program

Looking spiffy

Community revitalization programs and improvements to business facades are going a long way to making Northern B.C. communities into welcoming places. Investments into aesthetics makes communities more walkable, translates into increased foot traffic through business doors, and results in greater local economic benefit.

\$9.4 million in community revitalization funding \$1.9 million for business facade improvements

Let's connect

One of the keys to attracting both business and the recreational visitor to the region is having reliable and accessible high-speed internet. Whether they are looking to conduct their day-to-day business, participate in a world-class event, communicate with their friends or family, or get directions to one of the regions key tourist destinations, connectivity infrastructure is critical for the visitor experience and growth in the Northern B.C. tourism industry.

\$982,846 in broadband connectivity funding

Always something to do

Northern B.C. has incredible, character-filled events that attract visitors to the region. For many small communities, these events provide the economic benefits that sustain small businesses and the community through most of the year. The ability for these events to grow their hosting capacity will strengthen these events and their host communities, and Northern Development has provided funding to help.

\$2.0 million in event and venue funding



Gold Rush Mail Run - Wells



Emperor's Challenge -Tumbler Ridge



Interlakes Outhouse Races - 100 Mile House



Atlin Arts & Music Festival - Atlin



WE HAVE THE ASSETS WE NEED TO DEVELOP AND MARKET THE EXPERIENCE

Whether its Tumbler Ridge's UNESCO Global Geopark, Gwaii Haanas National Park Reserve, the Barkerville-Wells-Bowron Lakes corridor or the Ancient Forest/Chun T'oh Whudujut provincial park – we have the product, we just need to develop the businesses and communities around them to improve the experience for our visitors.

As Erica says, destination development is about the whole place. It's the visitor experience from the time they land at the airport, to their hotel, to the community amenities and, ultimately, the natural resource or cultural experience that has drawn them here. That means investing in placemaking enhancement initiatives and business facade improvements that encourage visitors to spend time and money in our communities. It means keeping our signage up-to-date, large, visible and attractive along our highway corridors. It means investing in rest stops that are safe, well-kept and include relevant travel and attraction information. It means improving customer service at our hotels and restaurants and providing resources to tourism operators that help them develop new products and experiences that support their profitability, just like we do with other industries.

And certainly, as Clint points out, meaningful engagement with indigenous communities is essential to the development of this industry. It is our indigenous communities that offer the unique cultural experiences in this region that can't be found anywhere else in the world. Those cultural experiences - the history and traditions, the stories and mythologies have the potential to transform this emergent region into an internationally renowned destination. And that's one more reason why we should continue to support economic development in our indigenous communities, inclusive of language and culture revitalization.

Remember – destination development is about the whole place. Thanks to Clint and Erica for their assistance with this dispatch.

Now, dear reader, it's August. The Sunday of summer. Remember our deal?

GET OUTSIDE AND ENJOY OUR PROVINCE.









JOEL McKAY, NORTHERN DEVELOPMENT INITIATIVE TRUST

Joel McKay is the Chief Executive Officer of Northern Development Initiative Trust, a quarter billion dollar regional development corporation focused on building a stronger economy across Northern British Columbia. Joel joined Northern Development in June 2012 as Director of Communications where he led a successful communications services program for small communities across the region, and handled the Trust's communications and marketing and economic research and analysis.

Joel was previously Assignment Editor at Business in Vancouver Newspaper where he led a team of journalists and focused on in-depth coverage of the resource sector. Joel is editor of the Don Rennie award-winning Small Town P.R. Playbook, a Jack Webster award winning journalist, was named one of Prince George's Top 40 Under 40 business leaders, an alumni of the 2015 Governor General's Canadian Leadership Conference and in 2016 was honoured with a Distinguished Alumni Award from Kwantlen Polytechnic University.





GUEST CONTRIBUTOR: CLINT FRASER, NORTHERN B.C. TOURISM ASSOCIATION

As the Chief Executive Officer of the Northern BC Tourism Association, Clint works with the board and leads the team at Northern BC Tourism to achieve the overall vision and mission for the organization. He is a well-respected member of the tourism industry and is acknowledged industry wide as a leader and innovator in new marketing technologies. With over 15 years' experience in the tourism industry, Clint has been devoted to building the tourism industry in northern BC and has successfully contributed by leading and managing major tourism marketing and development programs at the provincial, regional, and community level.

A longtime resident of Northern BC, Clint continues to advocate for the region and is an active member of the community in Prince George. Recently appointed to the Ministers Tourism Engagement Council and a standing member of the Provincial Tourism Marketing Committee, he continues to spend time volunteering and sitting on industry related committees. As an emerging business leader in Northern BC, Clint earned the acknowledgement as one of Prince George's Top 40 Under 40.





GUEST CONTRIBUTOR: ERICA HUMMEL, TOURISM PRINCE GEORGE

Erica Hummel has worked in the tourism and hospitality sector for over 15 years in BC, Ontario and the UK. She is currently the CEO of Tourism Prince George, a position that has provided her with some great opportunities to develop community partnerships, including several initiatives to support Prince George's role as Host City for the 2015 Canada Winter Games. Her past employers include tourism operators and municipal and regional destination management organizations. She has worked with a number of boards, and currently sits on the City of Prince George Economic Development Advisory Committee.

Education has been a significant cornerstone in Erica's career growth. After completing a diploma in Events and Convention Management and a bachelor's degree in Tourism Management at Thompson Rivers University, she later went on to complete her master's degree in Tourism Policy and Planning from the University of Waterloo.

In her free time, Erica loves taking the opportunity to explore new places, both close to home and further afield, with her partner and their son. She particularly enjoys any excuse to go hiking, canoeing or cross-country skiing in Northern B.C.'s scenic parks.





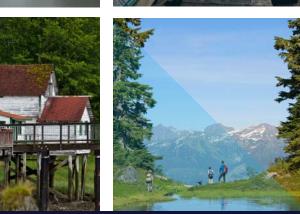












ABOUT NORTHERN DISPATCH

As Northern B.C.'s leader in economic development we at Northern Development feel that it's crucial to understand the data behind the decisions that affect the communities we serve. Earlier this year, the State of the North Economic Report revealed that although Northern B.C.'s economy remains largely reliant on the natural resource sector, it's also incredibly complex, nuanced and ever shifting. For that reason, we've created the 'Northern Dispatch' – short reports that delve into portions of the State of the North in greater detail, adding commentary and context on specific sectors or subjects... and maybe a little mythbusting too.

Our hope is that the Northern Dispatch will provide value to communities, business leaders and stakeholders who share our passion for Northern B.C. We plan to issue four of them this year, each one focusing on a different topic pulled from the State of the North. Here's hoping you have as much fun reading them as we did writing them.

northerndevelopment.bc.ca/northern-dispatch northerndevelopment.bc.ca/state-of-the-north



