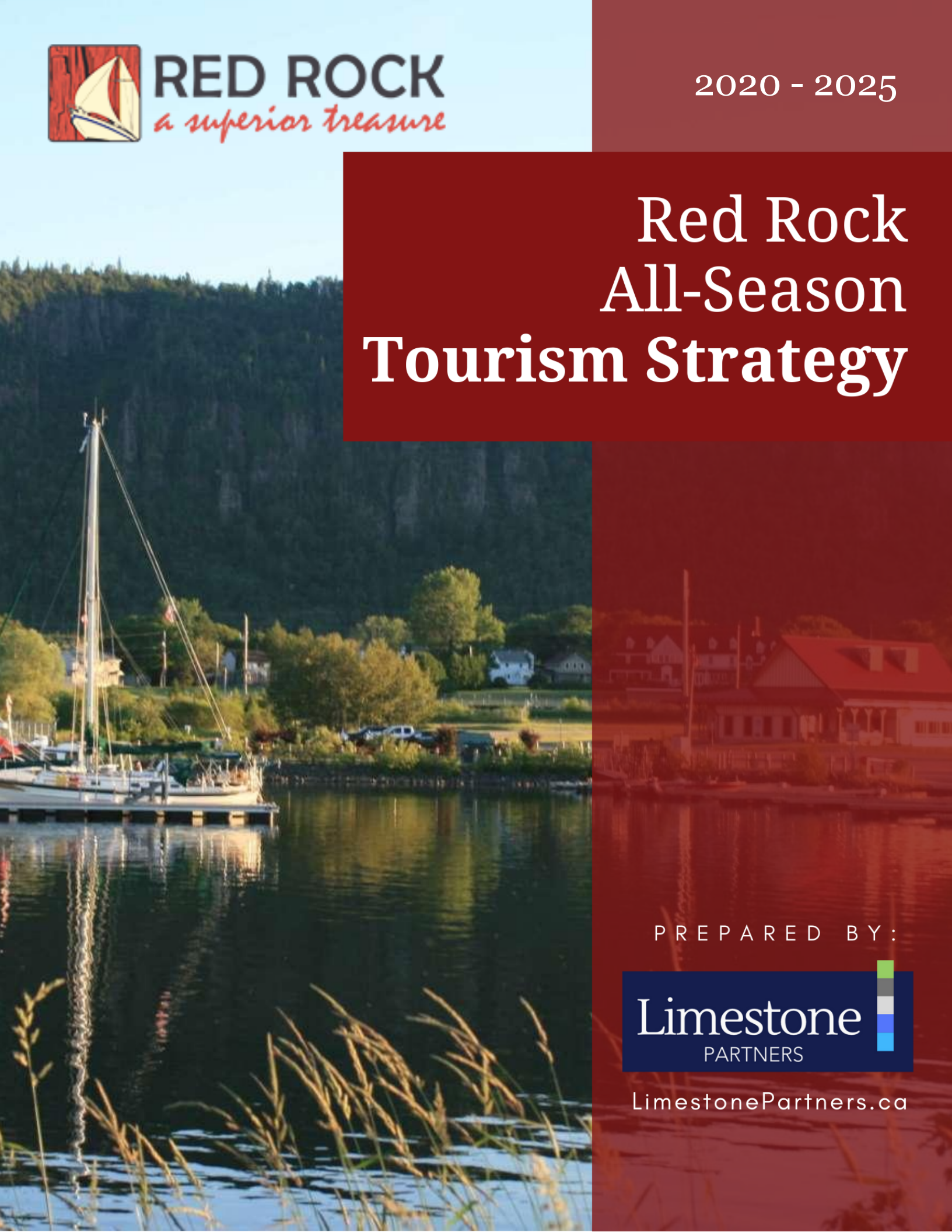
RED ROCK
a superior treasure

2020 - 2025

Red Rock All-Season **Tourism Strategy**



PREPARED BY:

Limestone PARTNERS

LimestonePartners.ca

42 Salls Street, Box 447, Red Rock, ON, P0T 2P0
(807) 886-2245
www.redrocktownship.com

Consultants of Record:
Jib Turner, Tom Ondrejicka, Dan Shepherdson and Andrew Ault
Limestone Partners Canada Inc.
17 Water St. E., Little Current, ON, P0P 1K0
(705) 348-2500
www.limestonepartners.ca

Table of Contents

Introduction

Red Rock is a **Superior Waterfront Destination** with **Tremendous Potential.**

Red Rock is a tourism destination featuring spectacular waterfront on Lake Superior, boasting a full-service marina with interpretive centre, several spectacular hiking trails, various annual events and world-class fishing. In addition to its scenic views, Nipigon Bay holds the world record for the largest brook trout, and is home to “coasters”, a special species of fish. The pristine shorelines and the people all add to this area, as does the history from World War II. With close regional proximity to world-class birding areas, scenic waterfalls, golfing, cross-country skiing and canyons, Red Rock is nothing short of being “a Superior Treasure”.

With a changing economy and evolving tourism trends, there is an opportunity to review and enhance tourism services, with respect to exploring off-season tourism, and increasing the volume and economic yield of summer tourists. Tourism development is important for the vitality of Red Rock, as a primary sector that draws external money into the community, which creates a multiplier effect that amplifies tourist spending. Dramatic changes have been noted in consumer behaviour, and their motivations for travel, with the trend moving away from individual offerings from one tourism business or product, towards the immersive, full experience of a “destination” offering. As such, tourism strategies and branding are much different now, than even ten years ago, as the needs and spending patterns of the millennials replace those of the baby boomers.

As “seeing the sights” is no longer enough to draw spending, visitors want to get to know the people and places they are visiting, with meaningful ways for them to return home with lasting memories. Successful strategies for tourism are thereby determined from how well a location can make a memory no other area can create, thereby paving the way for a opportunity to create a unique and meaningful brand.

Objectives:

The development of a comprehensive 5-year tourism strategy and action plan is required for the municipality to make informed decisions regarding their future investment in tourism, and the best structures for local tourism delivery.

The plan is based on empirical evidence, and aims to accomplish the following:

a) identify ideal target audiences, and what travel experiences they are seeking,
b) identify what experiences are currently offered, or can easily be added, that are best aligned to opportunities in the market, with new reasons to visit and return throughout all four seasons,
c) identify business, infrastructure, and partnership opportunities that increase the tourist spending yield to the local community,
d) suggest a method for performance measurement to track tourism progress, and
e) provide guiding strategies for how further tourism investments, products, and events, can be further developed, to which tactics can be applied in the action plan.

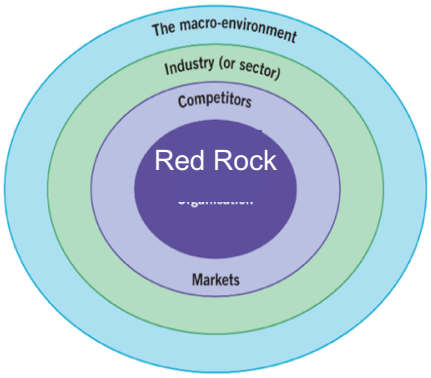
Altogether, strategies proposed will stem from assumptions that:

a) Red Rock has finite financial resources, and requires a positive return on any investment of taxpayer dollars,
b) Red Rock is interested in further development of its tourism market as a vibrant and dynamic community,
c) Relevant partners are committed to contributing a range of resources to implement realistic strategies through a phased-in approach, with a component of performance assessment.

Methodology

A Robust Strategy starts with an approach of **Evidence-Based Management**.

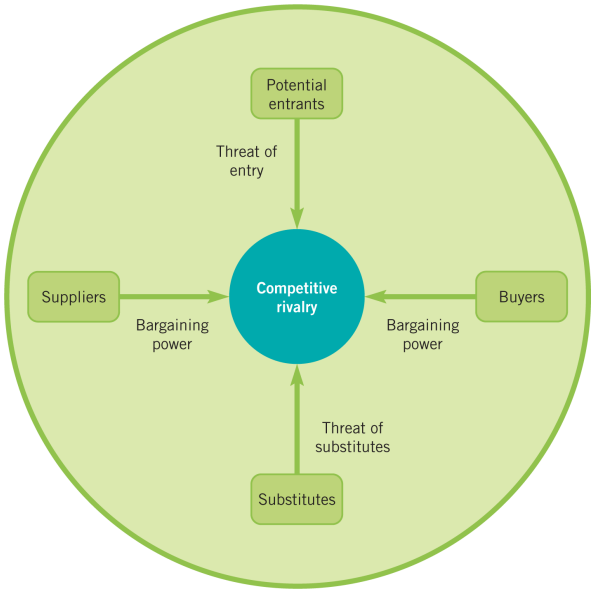
To develop an analysis as objectively as possible, this strategy relies strongly on evidence found within academic literature, market statistics, and comparable community indicators, for a comprehensive overview of the macro-environment and competitive arena. The strategies that are included in this project address the strengths, weaknesses, opportunities and threats that in turn, flow from the analysis. Environmental influences can be thought of as layers around an organisation, with the outer layer making up the macro-environment, the middle layer making up the industry of tourism, the next layer being the competition for market segments, and finally the resources of the township itself. Accordingly, this strategy will commence by carefully examining the trends in the macro environment of tourism in the world, by country and region. It will then assess the competitive rivalry of different tourism markets, proceeding to an examination of the tourism resources of the Town of Red Rock. From this, there can be the development of strategies that address the strengths, weaknesses, opportunities, and threats identified from the analysis.



Understanding the macro-environment involves an external analysis of relevant environmental influences to identify key drivers of change that are applicable to tourism development in the region, and to discern the marketable opportunities. Red Rock needs to consider the market environment, and the non-market environment throughout the layers around an organization, to create a thorough situational analysis. A PESTLE analysis (Political, Economic, Social, Technological, Legal, and Environmental) helps to

provide a list of potentially important issues influencing the strategy. It is important to assess the impact of each factor. It also helps to provide a list of potentially important issues influencing strategy, and then assess the impact of each factor on the business (Yuksel, 2012). The goal of a PESTLE analysis is to identify key drivers of change, which illuminate marketable opportunities. Key drivers of change are factors that are likely to have a high impact on certain industries and sectors, and will have an impact on the success or failure of the strategies within them.

Building on the key drivers of change in the macro-environment, an evaluation of the competitiveness within competing sectors was conducted to discern the key success factors for relevant segments, using Porter's (2008) five forces framework. To better understand the competitive landscape, Porter's competitive five forces framework was used to analyse the rivalry, threat of entrants, threat of substitutes, customer's power, and supplier's power in the various industries or sectors. On the basis of the five competitive forces, and the related complementors and network effects, we can define segment attractiveness, and identify ways of managing these forces. The main basis for undertaking a thorough situational and environmental analysis, is its ability to provide an understanding in guiding strategic decisions and choices through identification and evaluation of the related opportunities and threats.



Red Rock's current destination drivers, which are reasons why visitors travel to the community, were analyzed using VRIO analysis (Value, Rarity, Imitability, and Organizational)(Cardeal & Antonio, 2012). The key destination resources of a municipality contribute to its long-term survival, and potentially to its competitive advantage. Resources are the assets that a municipality has, or can call upon. Distinctive or unique capabilities that are of value to customers, and which competitors find difficult to imitate, are called "winners". The four key criteria by which capabilities can be assessed in terms of providing a basis for achieving sustainable competitive advantage are: value, rarity, imitability, and organizational exploitation.

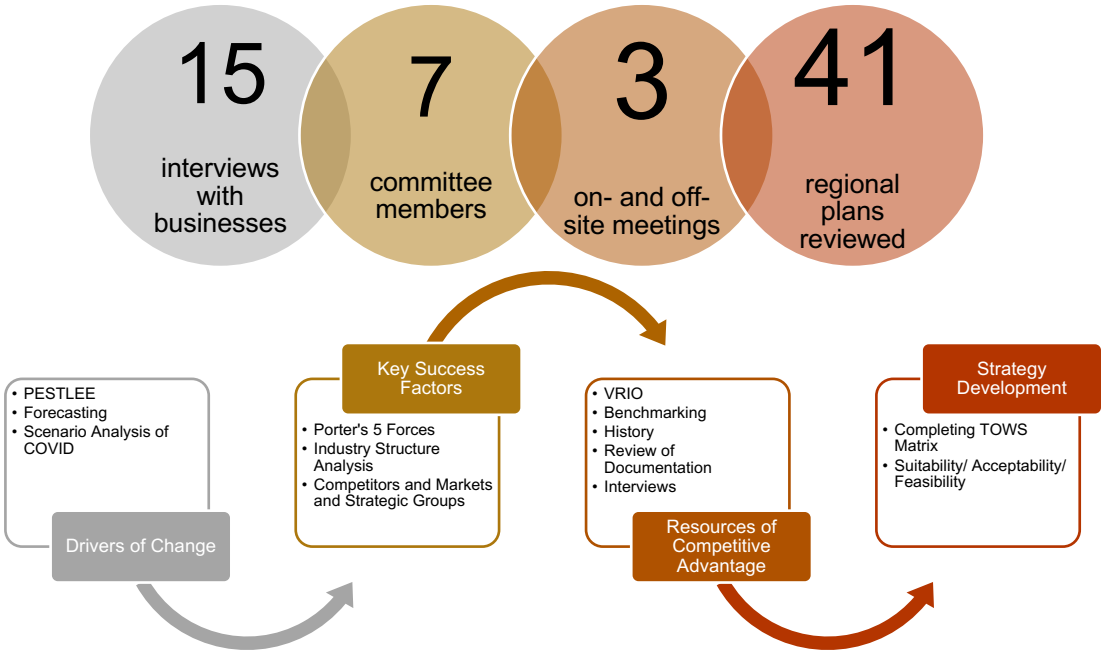
To evaluate the current availability of trip enhancers, which are businesses that increase tourist spending yield within the community, Limestone consultants completed a site visit that uncovered the relevant touchpoints, and painpoints. Touchpoints are any interaction, including those available through technology, that customers experience before, during, and after their tourist experience in the community, including any related marketing. Painpoints are those interactions where tourists have difficulty in accessing something, such as information needed for planning their trip, or finding something once they are

there. The on-site visit included an in-person meeting with Township officials, including the Mayor, CAO, and CDO, and focussed on facilities and businesses that are currently operating within the community. To understand the regional perspective of the touchpoints and painpoints, specifically related to marketing, a working session with tourism industry partners helped provide the context to that end. and the meeting also included representatives from the regional marketing organizations, tourism funding organizations, and government.

Limestone consultants also engaged in semi-structured telephone interviews with several tourism businesses in the region, to understand who the tourists currently are , where they come from, what draws them to the region, and how they are served by existing establishments. . Respondents were told how the data would be used and reported, in order to assist in developing a tourism strategy for the community.

This then contributed to the assessment of the strategic context, in which Red Rock was positioned within the broader market, including an understanding of the opportunities and weaknesses from the external environment, and strengths and weaknesses of township resources. SWOT (Strengths, Weaknesses, Opportunities and Threats) is an often-used matrix that assesses characteristics relevant to an organization's strengths and weaknesses, as well as opportunities, relative to its competitors. In order for a SWOT analysis to be effective, however, it should prioritize, not substitute for analysis, and hence should be used as a tool to summarize the analysis, and guide any potential strategies. As an alternative, a TOWS matrix (Threats, Opportunities, Weaknesses and Strengths) provides a visual means by which different factors or influences can be analyzed holistically, for strategic formulation (Weilhrich, 1982). TOWS creates a four-by-four strategy matrix for strategies that (a) address an opportunity while building on a strength, (b) mitigate a weakness from building on a strength, (c) address weaknesses in an opportunity, and (d) mitigate areas of weakness from threats in the external environment.

The balance of this report proceeds chronologically from the macro-environment, to the focal township, being Red Rock. In particular, it reviews the external environment using PESTLE to identify any drivers of change, examines the competitive environment with the Porter's Five Forces Model, analyses the destination drivers according to VRIO, and assesses these systematically discerned strength, weakness, opportunity and threat using a TOWS matrix for strategy formulation. A resulting action plan will follow, which will provide timely objectives for each strategy that stems from this report.



Situational Analysis

Examining the environmental factors for the township exposes the **drivers of change** that present **opportunities,** and **challenges,** in the building of strategies, and how to best address those strategies. This section outlines the political, economic, social, technological, legal, and environmental drivers of change (PESTLE), which each allow an assessment of the opportunities and threats at the macro-level. The ultimate success of a tourism strategy, is how well an area can leverage its resources towards the opportunities, while protecting or mitigating the threats of the external marketplace.

Political Factors

Rapid internationalization of the focus of Canada's tourism vision (2017-2022)

To support the strong and integral component of tourism to Canada's economy, the Federal Government launched "Canada's Tourism Vision" in 2017, which established a five-year, whole-of-government approach to tourism. Within this strategy, three overarching strategies can be discerned:

(a) **Growth in number of visits -** to enable Canada to be one of the Top Ten visited countries through internationalization,
(b) **Increased international overnight visits by 30% by 2021** - mostly from Europe and Asia, and
(c) **Specific focus on the Chinese market -** hoping to receive double the number of tourists from China by 2021.

This strategy was focussed mostly on increasing tourism to well-known Canadian metropolitan and regional destinations, such as Toronto, Ottawa, and Banff. Further, as this strategy was formulated long before COVID-19, it is hard to say whether the focus on the Asian market will continue to the degree it suggested.

Border closure from COVID-19 expected until mid- to late-2021.

Due to outbreaks of COVID-19 in the United States, and around the world, as predicted by several epidemiologists and economists, the USA border is expected to remain closed until mid to late 2021. This is also in consideration of a potential second wave of the virus that will impact the USA and Canada. According to a recent IPSOS poll, 85% of Canadians agree with border closures until the USA is able to experience a reduced number of COVID-19 cases. It is expected that international tourists, including those from the USA and abroad, will be gradually re-targeted in the fall of 2021, and beyond. Until then, the focus will likely remain on the regional and domestic market.

FedNor funding for tourism is available. This includes:

- **Canadian Experiences Fund,** which focuses on projects that build on northern Ontario's existing strengths in tourism. In 2020, $7.6 million was distributed to municipalities through this fund.
- **Community Economic Development Fund**, which aims to increase mobilization of resources, strengthen community competitiveness, and enhance collaboration for regional economic goals. Municipalities are eligible, and tourism is an eligible sector. To this end, youth internships, waterfront development initiatives, and strategic planning are eligible activities.

Strong commitment towards tourism from the Ontario government

With tourism supporting 400,000 jobs in Ontario, and accounting for $36 billion in spending, the Ontario Government remains strongly committed to tourism development. Among others, this includes the following initiatives and supports:

- **Creation of Regional Tourism Organizations (2009)**
    - The ***Discovering Ontario Report*** created thirteen regional tourism organizations (RTO), including RTO13 which encompasses northern Ontario. This RTO13 is divided into three sections, with 13a being Northeastern Ontario, 13b being Sault Ste Marie and Algoma, and 13c being Northwestern Ontario. This allows more localized regional marketing, directed to tourists from within and beyond Canada.
    -
- **Introduction of the Strategic Framework for Tourism in Ontario (2016)**
    - These reports aim to further maximize growth and competitiveness by working within the regional approach, to market strategically, improve the tourism workforce, and improve the business climate. As a result, with Destination Canada, statistics were collected on tourists use of certain regional airports in Canada, and a review of funding applications led to a streamlined application process, with a focus on Indigenous and Franco-Ontarian experiences.

    - **Funding Opportunities from the Ontario Government, include:**
        - **Celebrate Ontario Fund,** which provides funding for events in Ontario, with awards between $5,000 and $100,000. Three annual events in Thunder Bay received funding under this category.

- **NOHFC Funding, which includes:**
    - **Business Expansion Project Fund** which provides funding for capital construction, leasehold improvements, training, land servicing, and ICT investments, for which tourism is identified as a priority sector, so long as the project provides an economic advantage for northern Ontario.

    - **Northern Event Partnership Fund** focusses on events that result in job creation and retention, investment attraction, and tourism, and provides funding for municipalities and the private sector to increase participant numbers, tourism expenditures, raise local profiles, and promote sustainability of events.

    - **Strategic Economic Infrastructure Fund** includes covering part of the costs of "major tourism infrastructure costs necessary to support an event", for municipalities, with preference directed to vacant or underused land. A recent award included the Hearst Pavilion near the Town Hall, in partnership with FedNor.

Destination Ontario's three-year strategic plan (2018-2021)

This plan sets priorities for marketing strategies within Ontario, and concludes with an emphasis on visitor-first marketing that focuses on inclusive destination programs, as opposed to one-off experiences. It also focusses on refining partnerships and co-marketing endeavours for regional integration, evidence-driven strategy development, and strong internationalization.

The study sets the focus for Ontario primarily on couples, and groups of friends, by leveraging air travel markets, at the international level. Countries are tiered as to their activity, and include the United States, United Kingdom, and China as Tier 1; Japan, Germany, France, Brazil, and South Korea as Tier 2; and India, Mexico, and other Canadian provinces being Tier 3.

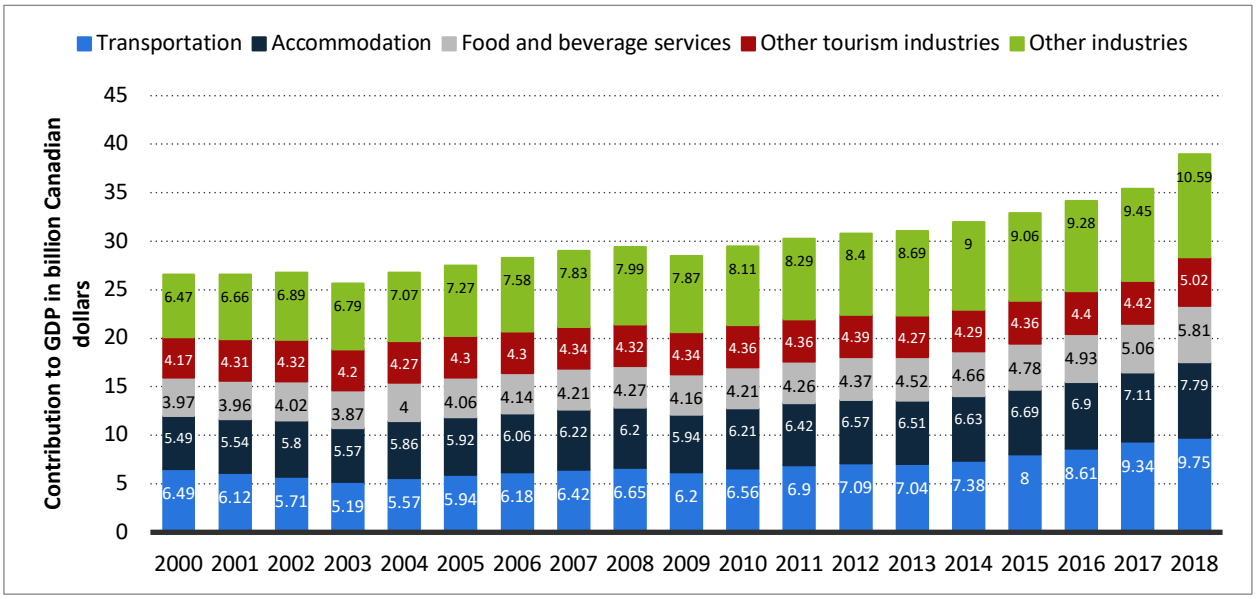
Northern Ontario priorities align with the above, however, they are tiered differently. In particular, Tier 1 includes US States such as Minnesota, Wisconsin, Michigan, New York, Illinois, Ohio, and Pennsylvania, in addition to the greater Toronto area, the UK, and Germany. Tier 2 includes North and South Dakota, Eastern Ontario and Manitoba, and Japan, and South Korea. Tier 3 includes Kentucky and Indiana, France, and China. These were abridged from the Destination Ontario Three Year Plan, after consideration of the existing strengths within the northern Ontario market.

Economic Factors

Tourism represents real economic growth, as it brings money into the economy.

One in 11 Canadian jobs relies on tourism, and in Ontario, 400,000 jobs are strongly related to the tourism sector. Tourism is also the top employer of youth, and a strong employer of new Canadians. It is important to note that the majority of tourism spending comes from accommodation, gas, and food and beverage sources.

Contribution of tourism to GDP in Canada 2000-2018, by industry, (billions of 2018 CAD$)



Source: StatCan; ID 430000

Visitor Spending, 2017, Northwestern Ontario

Item	Dollars Spent	% Total
Total Visitor Spending	359,308,441	
Transport (Total)	**137,072,798**	**38%**
Public Transport/ Flight	25,059,483	7%
Fares	573,725	0%
Other Public Transport (ie Flight)	24,485,758	7%
Vehicle Rental	4,862,745	1%
Vehicle Operations	80,254,097	22%
Local Transport	1,836,990	1%
Accommodation	**64,285,838**	**18%**
Food & Beverage (Total)	**118,620,208**	**33%**
Food & Beverage at Stores	46,389,023	13%
Food & Beverage at Restaurants/Bars	72,231,185	20%
Recreation/Entertainment (Total)	**11,250,036**	**3%**
Recreation	7,384,625	2%
Culture	3,865,411	1%
Retail/Other (Total)	**28,079,561**	**8%**
Clothing	17,974,939	5%
Other Retail	10,104,622	3%

Source: MCTS, 2020

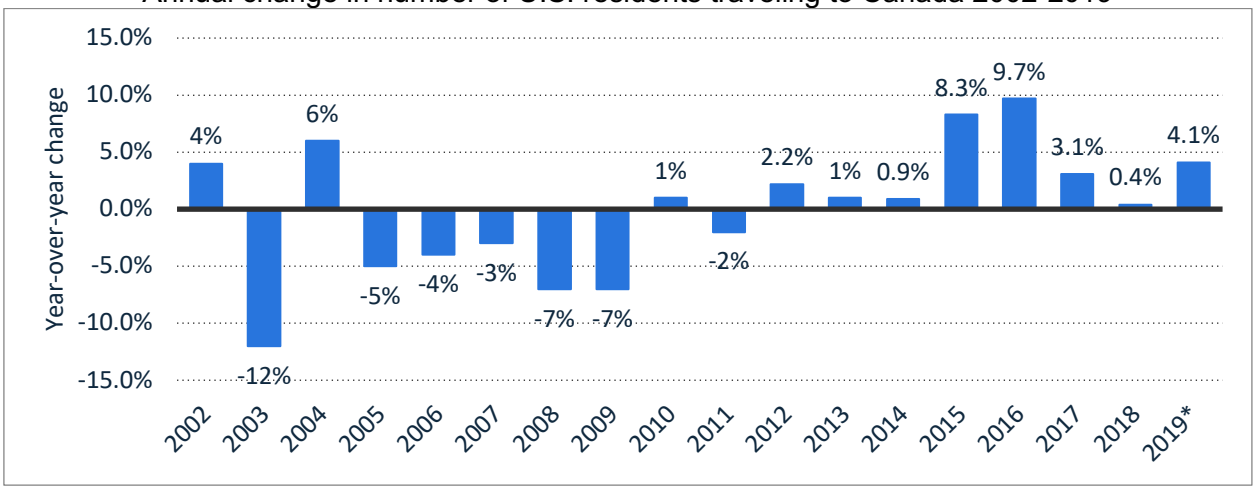
Traffic on Highway 11/17 is a consistent and major source of economic activity

4,700 passenger vehicles and 1,300 transport trucks travel through Highway 11/17, just outside the Nipigon bridge each day (MTO, 2020). This provides a significant amount of traffic for highway communities along the North Shore of Lake Superior, even if only a few vehicles stop in the towns located along the corridor. Highway activity has recently increased with work for the East-West Tie Project through Valard, which is likely to persist until the end of 2023.

Continued growth in US residents travelling to Canada.

Increasingly, US travellers are high-spenders, and come into the country through air. Accordingly, air capacity is a strong requirement to increasing volumes of US travellers. The Exchange Rate with the US is also a strong predictor of US tourism to Canada. As the dollar remains strong, Canada can be well prepared to welcome more US visitors.

Annual change in number of U.S. residents traveling to Canada 2002-2019



Source: StatCan; ID 214784

Newly Designated Parks Canada Site along the North Shore of Lake Superior

The Lake Superior North Shore Marine Conservation Area is a newly created component of Parks Canada, encompassing 10,880 km^2, and 600 islands, making it the largest protected freshwater area in the world. This also supports the Lake Superior Marine Conservation Area.

To support this outdoor offering, Parks Canada recently completed the Visitor Experience Strategy for this region, by looking at where untapped potential lies. As a result of its report, investment was encouraged for:

- A Discovery Centre development,
- Roadside scenic lookouts,
- Outfitters/ guides/ instructors,
- Attractions,
- Tour Operators,
- Accommodations and dining options with a water view, as it is believed that a water-view accommodation and local cuisine will entice people to stay and play in the region, instead of just being a temporary stop over.
-

In this strategy, the lack of waterfront accommodations was a highlighted obstacle. Limited rooms are available in the existing capacity, and often only used by tourists to book multi-night reservations. Accordingly, responses stated that accommodations are **"very hard to obtain during the summer season, and even in the off-season."** A shortage of campgrounds was also seen to be an issue, with existing campgrounds on Highway 17, and in local provincial parks being at capacity in the summer season.

Accommodations in Northwestern Ontario

Accommodation Type	Number
Accommodation (Total)	**665**
Hotels	59
Motor Hotels	27
Resorts	55
Motels	60
Casino Hotels	0
Bed and Breakfast	14
Housekeeping Cottages and Cabins	65
All Other Traveller Accommodation	15
RV (Recreational Vehicle) Parks and Campgrounds	38
Hunting and Fishing Camps	295
Recreational (except Hunting and Fishing) and Vacation Camps	37

Source: MCTS, 2020

Most visitor spending occurs between July and September, from those seeking pleasure, and bleisure (business leisure) activities, which are a significant opportunity in terms of visitor spending.

Meetings, conventions, and sports tourism is not a priority for OTMPC (Ontario Tourism Marketing Partnership Corporation), however, bleisure represents an additional opportunity to extend meeting stays, for leisure, and to bring partners and families along, and to engage in short recreational activities with friends.

Visitor Spending, 2017, Northwestern Ontario

Main Purpose of Trip	Dollars Spent in 2017
Pleasure	141,192,531
VFR (visiting friends or relatives)	92,489,820
Shopping	12,645,599
Conventions (Personal)	1,235,386
Business	62,650,992
Conventions & Conferences	25,730,400
Other Business	36,920,591
Other Personal	24,034,630

Source: MCTS, 2020

Visitor Spending, 2017, Northwestern Ontario, by Quarter

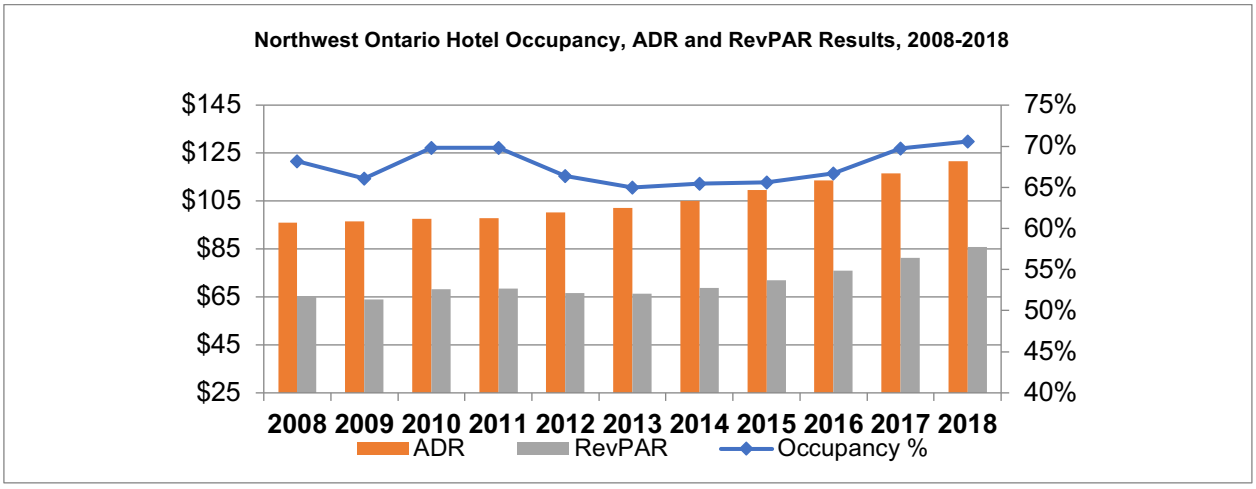
Quarter Trip Started (Visitor Spending)	Dollars Spent in 2017
Q1 (Jan - Mar)	57,592,973
Q2 (Apr - Jun)	81,447,817
Q3 (Jul - Sep)	143,225,994
Q4 (Oct - Dec)	51,982,173

Source: MCTS, 2020

Hotel occupancy in northwestern Ontario remains the highest in northern Ontario and one of the highest in the province.

Northwestern Ontario had a 73.7% occupancy rate in its hotels, compared to 71% province wide, 52.7% in Sault Ste Marie, and 56.1% in Sudbury. In Thunder Bay, the occupancy rate is 72.8%, inferring that the region has a higher occupancy rate than any other city. In 2020, amid COVID-19, Northwestern Ontario has a 38.7% occupancy rate, being the highest of all regions in northern Ontario (average is 19.5%), with the GTA North having the second highest rate, at 29.5%, and the City of Thunder Bay having a 28.2% occupancy rate. These market conditions suggest a need for further hotel development in the District, and City of Thunder Bay. Three hotel projects are currently underway in Thunder Bay, however, there appears to be no scheduled hotel activity in the region.

Northern Ontario Hotel Occupancy



Source: MCTS, 2020

Hotel Occupancy of Selected Regions, July 2019 and 2020

	July 2019			July 2020		
	Occupancy %	Avg. Daily	Revenue / Room	Occupancy %	Average Daily	Revenue / Room
Northwestern Ontario	**73.7%**	**126.24**	**93.06**	**37.1%**	**112.35**	**41.74**
Thunder Bay	72.8%	125.25	91.21	22%	108.68	22%
Northeastern Ontario	62.6%	125.03	78.24	22%	103.24	17.57
Sudbury	56.1%	123.21	69.11	23.4%	106.62	24.94
North Bay	63.5%	114.45	72.65	18.6%	89.25	16.63
Sault Ste Marie	52.7%	109.95	57.88	22.8%	95.22	21.71
Provincial Average	71.1%	168.87	120.06	19.5%	99.30	19.39

Source: MCTS, 2020

Northwestern Ontario has the highest average rate for rooms in northern Ontario

Hotel rooms in northwestern Ontario average $126.24 per night, with Thunder Bay at $125.25, inferring they are the highest in the region. The higher price in 2019 may also be attributed to the Municipal Accommodation Tax in Thunder Bay, which has added 5% to the cost of any room. Amid COVID-19, prices have not fluctuated much in 2020, with average rooms being $112.35 in the region, and $108.68 in Thunder Bay. The average price of $112 in Northwestern Ontario is the second highest in Ontario, next to the Toronto Airport**,** which averages $116 per night. Revenue per Room, at $92.06 is the highest by far in northern Ontario**,** compared to Sault Ste Marie, and Northeastern Ontario.

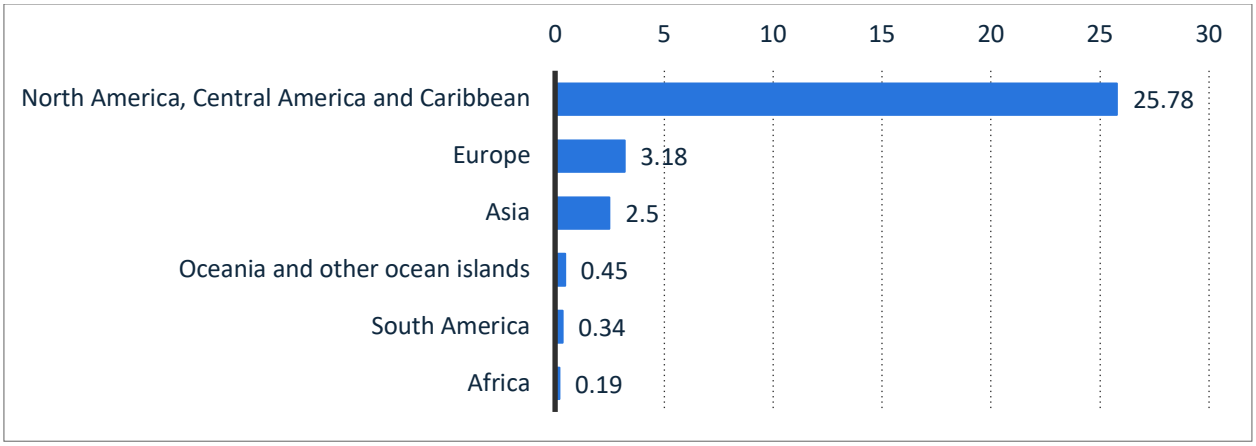
Social Factors

Geography

Growing International Tourism in Canada

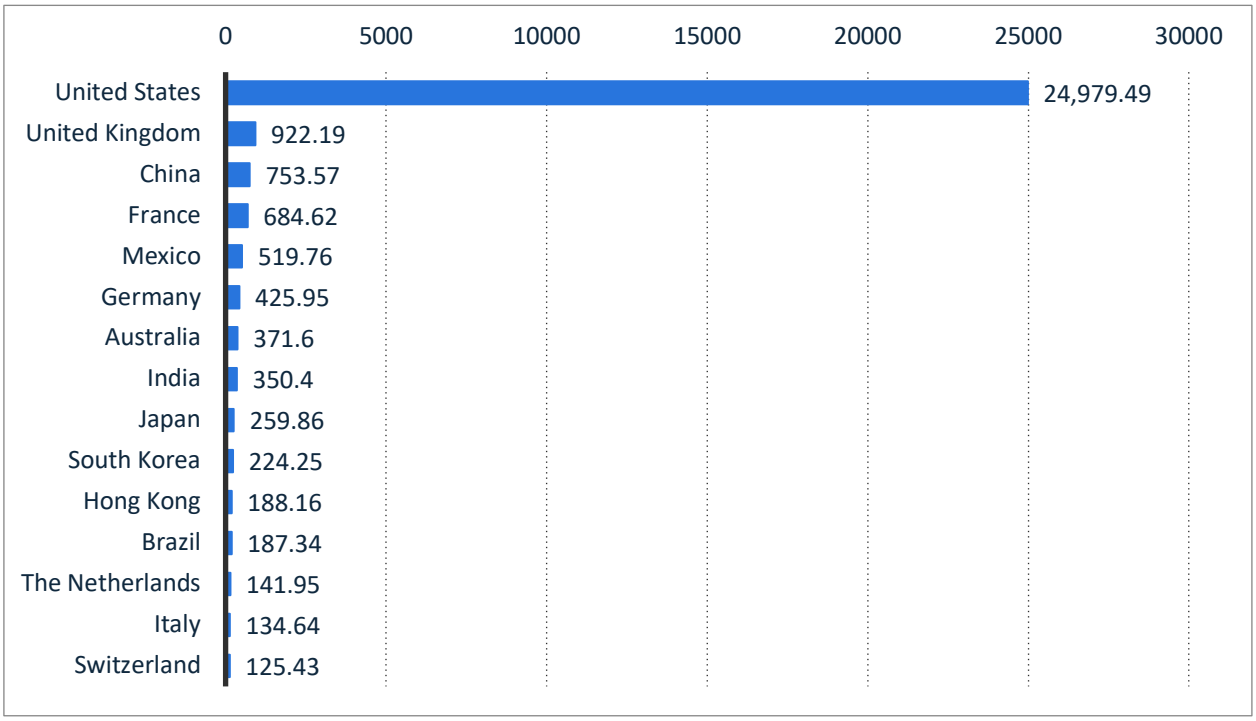
The United Nations World Tourism Organization's long-term forecast reveals international tourist arrivals' growth rate in North America is 2.6%, between 2017-2019, despite decline in the US, which infers an increased strength in Canada's role in international tourism. Worldwide, Europe remains the top region for outbound travel at 48%, with Asia at 36%, and the Americas at 17% of international tourists. In Canada, similar trends are found, as evidenced in the chart below. In Canada, 2017 saw 32 million international guest arrivals, with 3.18 from Europe, and 2.5 from Asia. The United States remains a strong contributor to tourism in Canada, Ontario, and the Northwest.

Number of international tourist trips to Canada 2019, by region of origin, in millions



Source: StatCan; ID 422469

Number of international tourist trips to Canada 2019, by country, in thousands



Source: Canadian Tourism Commission; StatCan; ID 477525

A Vast Majority of Tourists stay under three nights.

Regional and short-haul travel is significant, accounting for 43% of tourism in northwestern Ontario. This is important, as it shows that experiences should be geared for a wide range of audiences, from those on same-day trips, to those staying for a week or more.

Visitors by length of stay, northwestern Ontario, 2017

Number of Nights	Person Visits	Percentage	Avg. Per Day
0 nights	723,305	43%	1980
1 night	208,045	12%	569
2 nights	342,410	21%	936
3 nights	158,812	10%	432
4 nights	45,661	3%	125
5 nights	28,251	2%	77
6 - 9 nights	99,733	6%	273
10+ nights	63,271	4%	172

Source: MCTS, 2020

Cohort

Increasing prominence of new Canadians and millennials in tourism

The strong desire for travel from the rising middle class of new Canadians is being met with strength in the domestic market, due to baby boomers retiring, and millennials increasing their purchasing power. This is important, given the numbers of millennial tourists in Northwestern Ontario, many of whom may more likely be 1 or 2 person parties.

Visitors by Age, Northwestern Ontario, 2017

Age of Adult Visitor [18+]	Number	%
18 - 24 years old	189,306	11%
25 - 34 years old	**342,441**	**21%**
35 - 44 years old	280,981	17%
45 - 54 years old	244,701	15%
55 - 64 years old	**338,778**	**20%**
65+ years old	269,558	16%
Average age	**45.7**	0%

Source: MCTS, 2020

Visitors by party size, northwestern Ontario, 2017

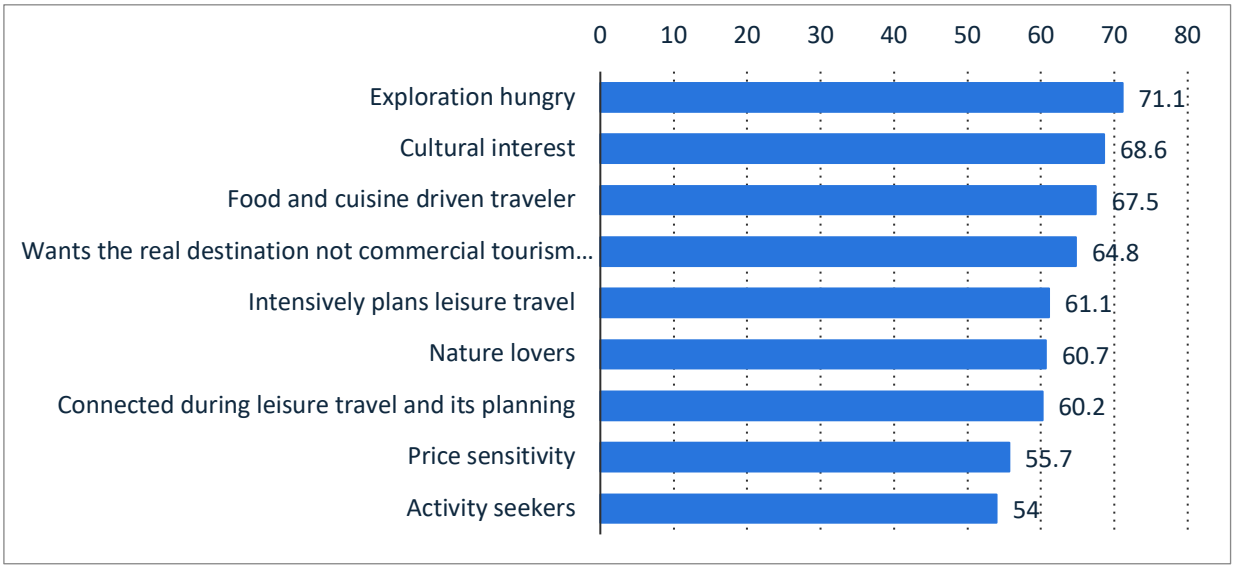
Party size	Number of visits	%
1 person (Party Visits)	351,779	30%
2 persons (Party Visits)	487,774	41%
3 or more persons (Party Visits)	344,084	29%

Source: MCTS, 2020

Stronger and growing desire for authentic and immersive travel

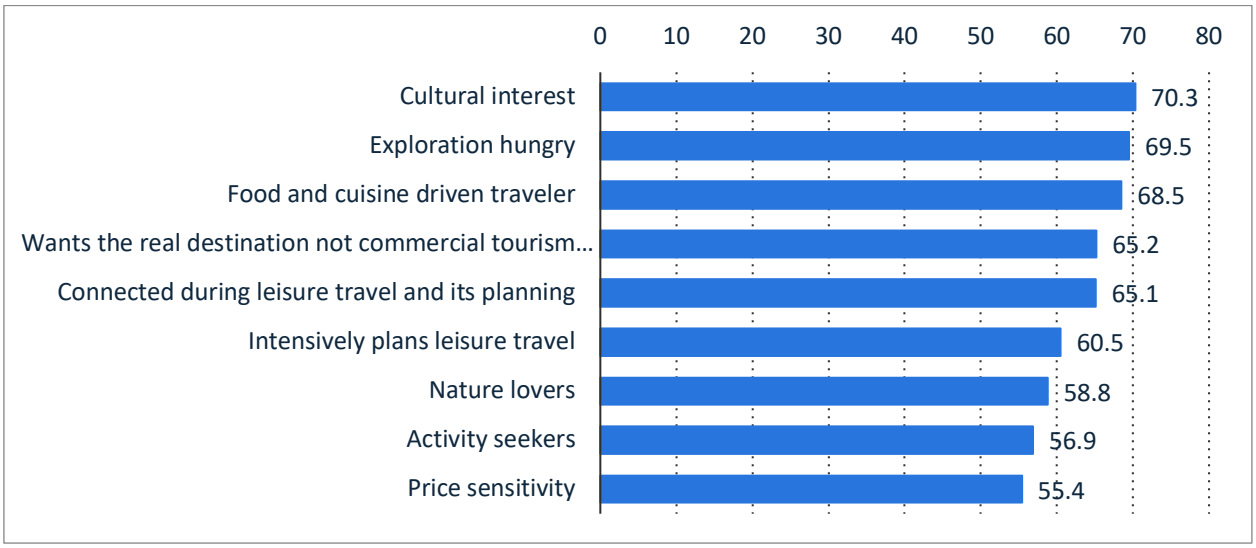
Immersive travel means living like a local, and understanding local culture. Academic research points out that short haul tourists want to understand particular destinations, and get to know the place, or its people, rather than simply just visiting there. This speaks to a personal fulfilment of a goal that tourists seek, which also partially explains the emergence and acceptance of AirBnB, with millennials and generation X. With millennial influence, accommodations and restaurants are preferred to be localized, instead of cookie-cutter.

Profile of Generation X travelers
Average Traveler Psychographic Intensity Index score*



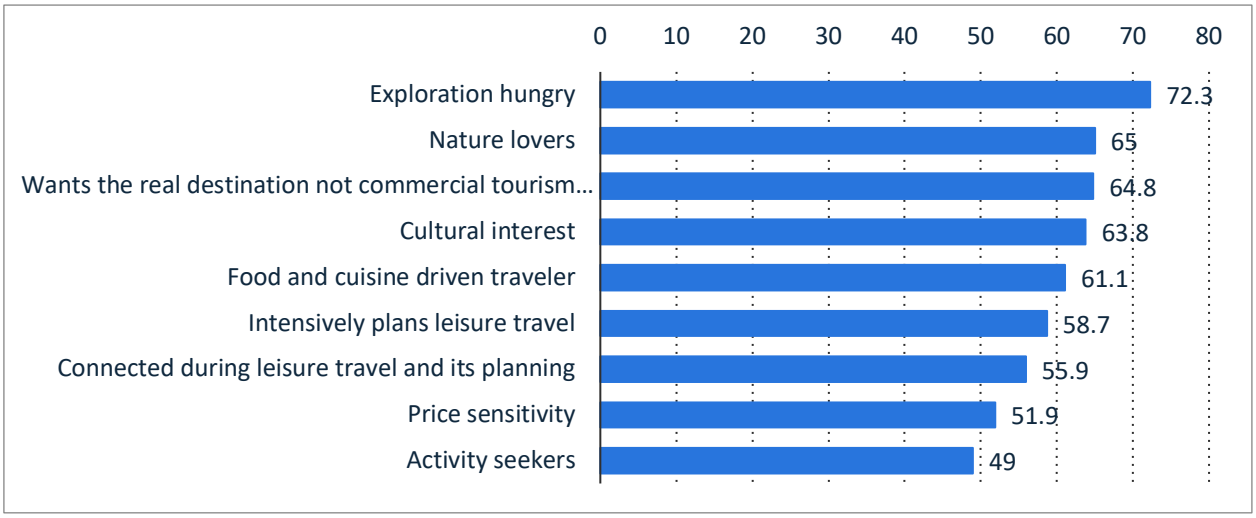
Note: 2,007 Respondents
Source: Destination Analysts; ID 318088

Profile of Millennial travelers
Average Traveler Psychographic Intensity Index score*



Note: 2,007 Respondents
Source: Destination Analysts; ID 318096

Profile of Baby Boomer travelers
Average Traveler Psychographic Intensity Index score*



Note: 2,007 Respondents
Source: Destination Analysts; ID 318071

Segmentation Targets

Domestic markets for Ontario are mostly mellow vacationers, family memory builders and youthful socializers

To help identify ideal segments, OTMPC (Ontario Tourism Marketing Partnership Corporation) identified twelve unique domestic markets, as follows:

- **Pampered Relaxers**: Enjoy resorts, beaches, and sun destinations to re-energize through high-end activities.
- **Sports Lovers:** Mostly male, driven by a love of sports to watch or participate in, and are most likely involved in either team sports or golf.
- **Knowledge Seekers*:** Couples aged 55+ who are nearing retirement as empty nesters, looking to expand their mind through cultural experiences.
- **Up & Coming Explorers*:** Young, affluent families looking to learn as a family, with an emphasis on those of visible minorities, looking to explore the outdoors closer to home.
- **Connected Explorers*:** Looking to escape, these youthful 18 to 34 year olds are without children, and enjoy authentic experiences, and expanding their horizons, with a strong interest in outdoor adventure.
- **Aces:** Driven by a love of gambling, these individuals like to escape and have 'fun' with close proximity to casinos and hotels.

- **Outgoing Mature Couples:** Seniors in retirement who are driven by maintaining vitality, often by interacting with other people, hoping to feel competent and vital.

- **Family Memory Builders:** This segment has children under 18, who believe in centering experiences around their children, to make lasting memories.

- **Mellow Vacationers**: Wanting to unwind in low-key style, they want experiences that set them at ease, without much activity.

- **Nature Lovers*:** Attracted to outdoor experiences aligned with Ontario's parks and lakes, this group has a passion to experience the outdoors, and are looking to experience something new.

- **Solitaires:** This group refers to those who travel alone, and are usually quiet and reserved people whose travel experiences and budgets are basic. They are introspective and prefer activities with inward thinking, like museums, art galleries, and some outdoor single person activities.

- **Youthful Socializers:** This segment is driven by experiencing new things with friends on a limited budget, in order to share memorable experiences with other youthful friends.

Destination Northern Ontario defined primary markets as knowledge seekers, up and coming explorers, and connected explorers, with a secondary target towards nature lovers

Tourists in northwestern Ontario are most likely drawn for outdoor activity

Destination Northern Ontario's product development strategy unveils the main activities in northern Ontario as follows:

- Priority 1: Fishing, Nature & Adventure, Auto/RV, Urban
- Priority 2: Motorcycle, Hunting
- Priority 3: Cruise Ship, ATVs, Snow machines, Indigenous Experience

Superior Country's target markets are fishing, RVing and short-haul travel

Superior Country, a non-profit, membership-based marketing agency for communities from Silver Islet to Manitouwadge, has its primary target market set on US anglers. This is due to their high yield, and so generally, most marketing dollars are spent on campaigns targeted to this segment, from January to March. Second on their list are the RV vacationers, again, for their high yield in tourism spending within the region. Short-haul travel is also a high priority for the organization, especially during COVID-19, as they attract large numbers of people from the Thunder Bay region, however, the yield from this segment is much more minimal, with the most value spending coming from restaurants. This shows that strategic integration with regional strategies is important for successful community tourism strategies.

Activities

19% of visitors to northwestern Ontario had a primary purpose of outdoor activity

This does not include an additional 3% who visited provincial parks, 2% for historic sites, and 4% who went sightseeing. Other large reasons include visiting at 9%, and shopping at 3%.

Activities of those whose primary purpose was outdoor activity, 2017
Respondents could have multiple responses.

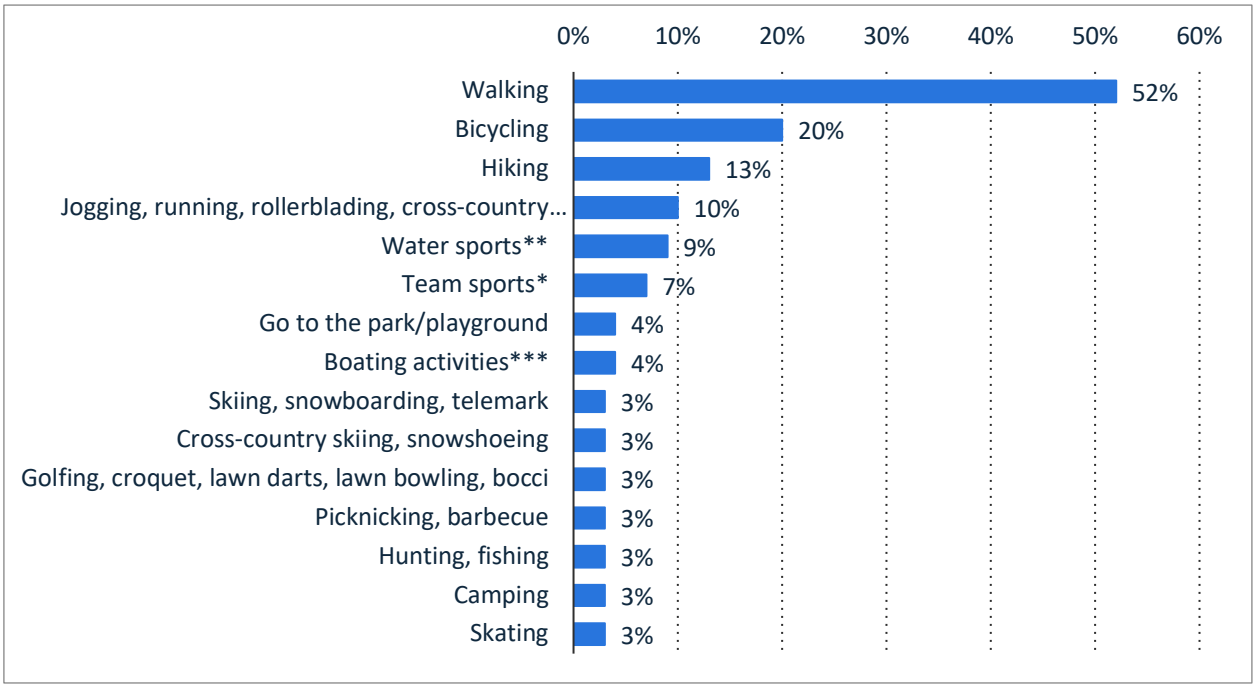
Activity	Number	%
Play a sport	77,607	10%
Boating	292,065	37%
Canoeing	186,433	24%
Golfing	43,469	6%
Fishing	292,171	37%
Hunting	29,741	4%
Skiing/Snowboarding	9,776	1%
Cross-country Skiing	28,483	4%
Snowmobiling	19,603	3%
ATV	24,054	3%
Cycling	67,822	9%
Hiking	235,020	30%
Camping	232,852	30%
Visit a beach	240,875	31%
Wildlife/Bird watching	193,677	25%

Source: MCTS, 2020

13% prefer hiking as a close to home activity in Canada, which may require travel outside an urban core

This infers that hiking is a very good activity for promotion of regional centres located outside of an urban core, who are looking to attract day tourists.

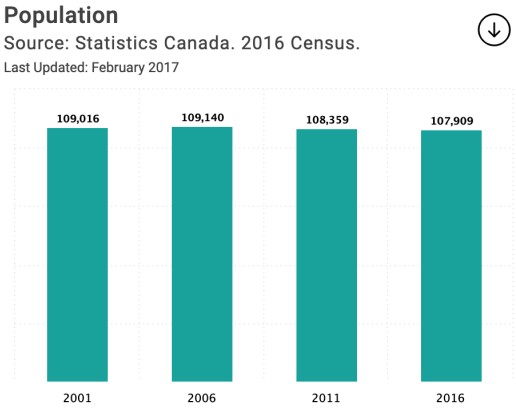
Most popular close to home outdoor activities among households in Canada in 2015



Source: StatCan; ID 425103

Relatively steady population in the City of Thunder Bay presents opportunity

Culturally, Thunder Bay is seeing global immigration influences from Southeast Asia, as a result of its knowledge economy, and immigration strategies. Its population remains consistent around 108,000.



Immigrant entrepreneurs rising in northern Ontario

Along with a sharp increase in international students at Thunder Bay's Lakehead University, and Confederation College, there has also been a swift uptake of businesses, by immigrant entrepreneurs. This includes motels, gas bars, convenience stores, restaurants, and sandwich shops. Most of these entrepreneurs arrive from India, and the numbers have risen since 2007. A major attraction is work-life balance, according to media reports with northern entrepreneurs. In the words of Dr. Sandhu, a veterinarian, "the return is a lot more here with less investment and less competition. If you like to do outdoor things, like the lakes, it's great. I like to golf." (Curry, 2020) Several hotels near Thunder Bay are also owned by recent immigrants from India, based on word-of-mouth. Thunder Bay's Multicultural Association notes the uptake of those from India and other countries, who are buying motels in smaller communities. One not from India is Wahid Alnadi, who owns the Trading Post Motel in Ignace, and is from Jordan. Since moving to Ignace, he has purchased an auto parts store, hardware store, and a towing company. Also in Ignace, Anuh Badel owns Northwoods Motor Inn and Restaurant. In a CBC interview, Michelle McKenzie-Lander from the Thunder Bay Multiculturalism Association suggests "there's a trend with immigrants moving into the region, and purchasing motels." In Terrace Bay, an East Indian company owns the Mill, and the town now boasts a substantial East Indian population, with enough critical mass to host its own cultural festival. Along the Trans Canada highway, interviews reveal that many motels from Wawa to Marathon are being bought by immigrant entrepreneurs, and this trend is likely to continue into and across Superior Country, and the Red Rock region.

Expedited visa program for northwestern Ontario

The Rural and Northern Immigration Pilot is a community-driven program to expedite visas for those immigrants potentially willing to choose to reside in Northwestern Ontario, and who have received a job offer in the community. This can be critical to filling jobs, which cannot be met from the current local labour market.

Fishing and Hunting Tourism

Continued stronghold on hunting market

Ontario attracts more hunting tourists than any other Canadian province, 3 in 10 nationally, comprising 275,000 overnight North American tourists (1%). In northern Ontario, there are an average of 75,000 hunters annually comprising 8% of all hunting tourists in Ontario. Americans represent about one-tenth of Canada's North American overnight tourists, and about the same proportion of those hunt on their trips (9%).

Continued stronghold on fishing market

Fishing is also a major outdoor activity for northern Ontario, attracting anglers at 4 times the rate it attracts all other overnight tourists. In an average year, Canada attracts 8 million anglers, of which 1 million are attracted to northern Ontario, representing 12%, when compared to just 3% of all overnight tourists. Angling accounts for just over 33% of all overnight tourism in northern Ontario, and account for 37% of the $1.0 billion in the sale of goods, and half of the 4.2 million for roofed lodging.

Threatening demographics of recreational fishing tourism

Most studies support a declining market for angling, due to urbanization, and ageing of the population. There are 60 million anglers in the US, of which 46 million fish in any given year. USA Anglers coming to northern Ontario tend to be older, and live in the nearby northern US States, and they do not bring children on their trips. This is important to note, as there appears to be little fishing interest from the younger segments of the population.

Among Ontario anglers, northern Ontario accounts for 50% who require paid, roofed lodging during their trips. Southern Ontario represents 23% of these individuals, while 27% are from other parts of northern Ontario. A further 10% reside in Manitoba. While there are more Canadians who go on fishing trips in northern Ontario than Americans, at a rate of 6 to 4, the market yield for Americans is significantly higher, due to their desire for week-long all-inclusive lodges. Two-thirds of those seeking roofed lodging for a fishing trip are Americans (262,000), whereas one third are Canadian (126,000). Likely, Canadians prefer campgrounds, cottages, and cottages of friends and family when they engage in fishing.

76% higher yield among American anglers

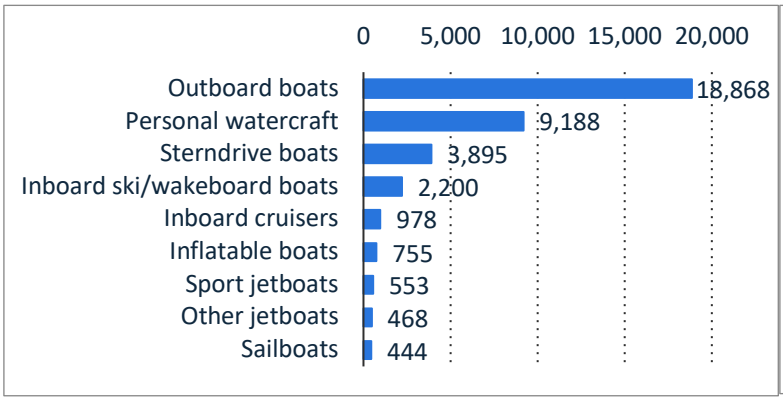
75% of Americans prefer a commercial lodge in northern Ontario, and Canadians account for 50% of campgrounds. American tourists to northern Ontario generate 76% more spending than their Canadian counterparts, likely due to differences in lodging preferences. Anglers are becoming older, and with urbanization and immigration, downward pressure has been seen on angler volumes. Accordingly, experience programs for partners and children, and programs to build the next generation of anglers, need attention.

Marine Tourism

The popularity of boating is mostly concentrated on outboards in Canada overall, however, sailing is popular, especially on Lake Superior

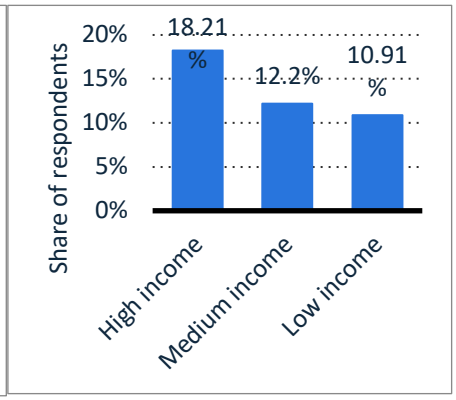
With relatively declining new boat sales, from 37,349 in 2016, to in 34,520 in 2019, the market is indeed decreasing overall on a nation-wide level. This infers that while boating is strong, it is a decreasing market with fewer aging baby boomers and millennials in the activity. Boating interest is nonetheless highly dependent upon income levels, with a vast majority in the upper quartile of income, with 18.21%, showing that boating is a high yield segment, especially related to gas purchases and shopping.

Number of new boats sold in Canada in 2016, by type



Source: NMMA; ID 742050

Boating Interest by Income

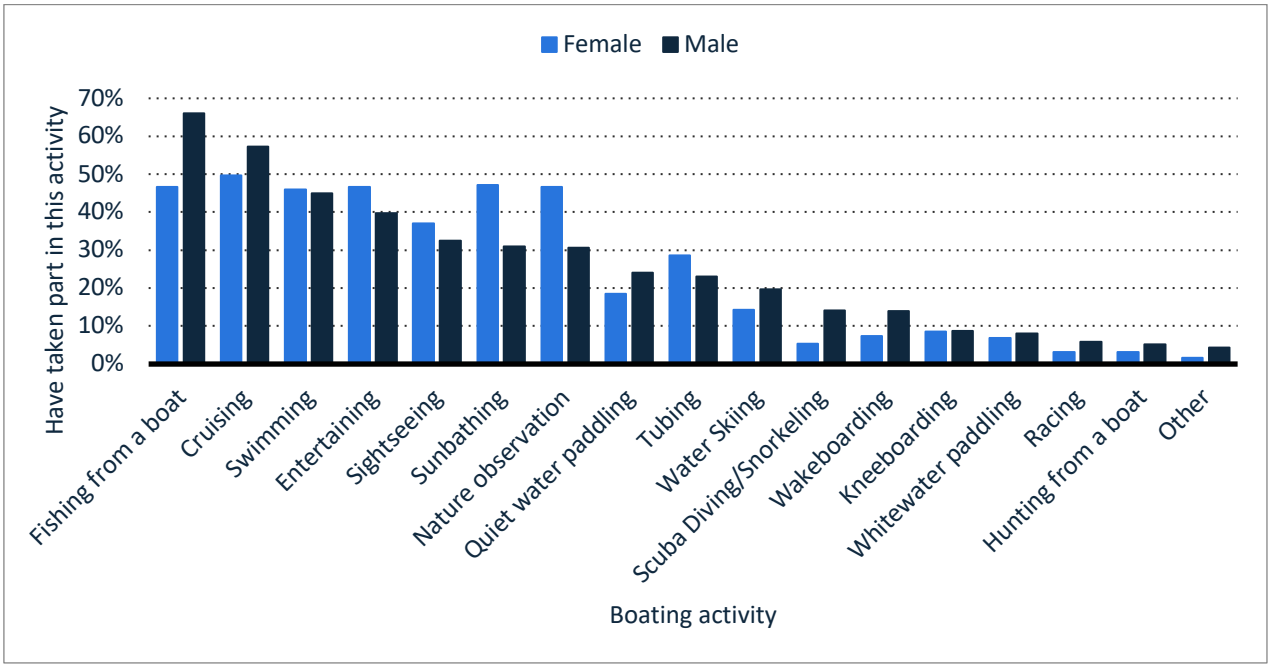


Source: Statista Survey; ID 242743

Males are more interested in fishing, water skiing and boat cruising, while women prefer sunbathing and nature observation

This is important, as boating and fishing areas that are looking to attract couples and families would also need to boast nice beaches and areas to sight-see, as well as other resources that are capable of producing a wide range of activities, beyond boating and fishing. This would be also true of fishing resorts looking to diversify their offerings and market segments.

Participation in boating activities by gender

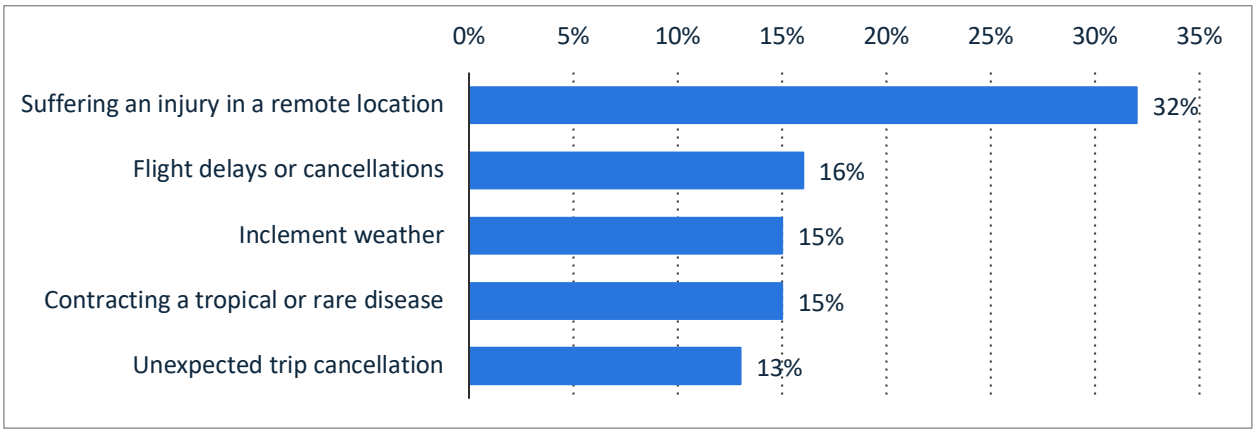


Source: Outdoor Foundation; RBFF; ID 240578

Eco-Tourism

Eco-Tourists are very concerned about risk of injury, with flight delays and inclement weather also in the top three concerns. This suggests communities looking to expand into eco-tourism would need to ensure trails and other resources are met with an environment of safety. Other people also hiking can act as a safety mechanism, as it minimizes the risk perception of suffering injury while hiking alone. In addition, cellular service can also act as a key mechanism to minimize the perception of risk.

Most common concerns of ecotourists when traveling



Source: Travel Guard; ID 299673

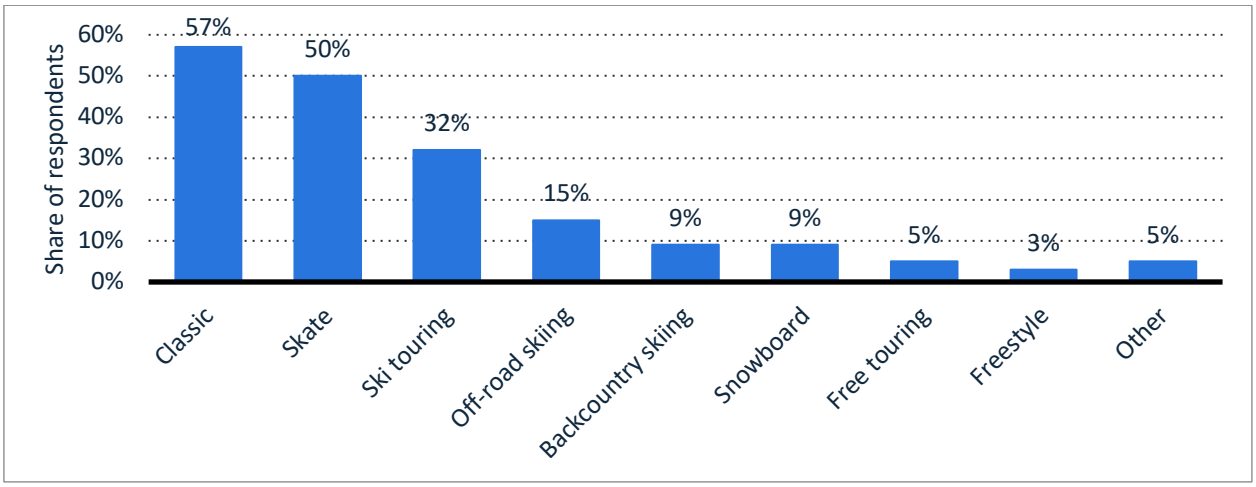
Growth in winter eco-tourism projected

The *Globe and Mail* (2019) points to the fact that, while there is a lack of statistics in Canada on trends for winter eco-tourism, anecdotal evidence suggests it is growing. As an example, Algonquin Park's winter camping program went to having an average of 10 visits per night, to the present situation of having difficulty in even accessing a winter cabin, due to the overwhelming demand. In times since, several other provincial parks have created winter camping facilities. In Northwestern Ontario, winter hiking can be seen as a growing trend by the number of Instagram posts, specifically of Mazukama Falls, and Red Rock Falls in the Superior Country region.

Skate skiing is a growing trend

While classic cross-country skiing remains the largest segment of cross-country skiing with 57% of skiers taking part in the activity, 50% are now skate skiers. This number is significant, and while many partake in multiple forms of cross-country skiing, the skis used differ widely between these two styles, and hence, do not generally overlap. As different wider trails are needed to accommodate skate skis, there may be significant implications for cross country ski centres that only focus on classic skiers. In Thunder Bay, both cross-country ski areas accommodate both types of skiing, and are well attended by the strong Finnish population, among others who share the spirit of cross-country skiing.

Allocation of Popular Skiing Styles



Source: BVA

Campground and RV Park Tourism

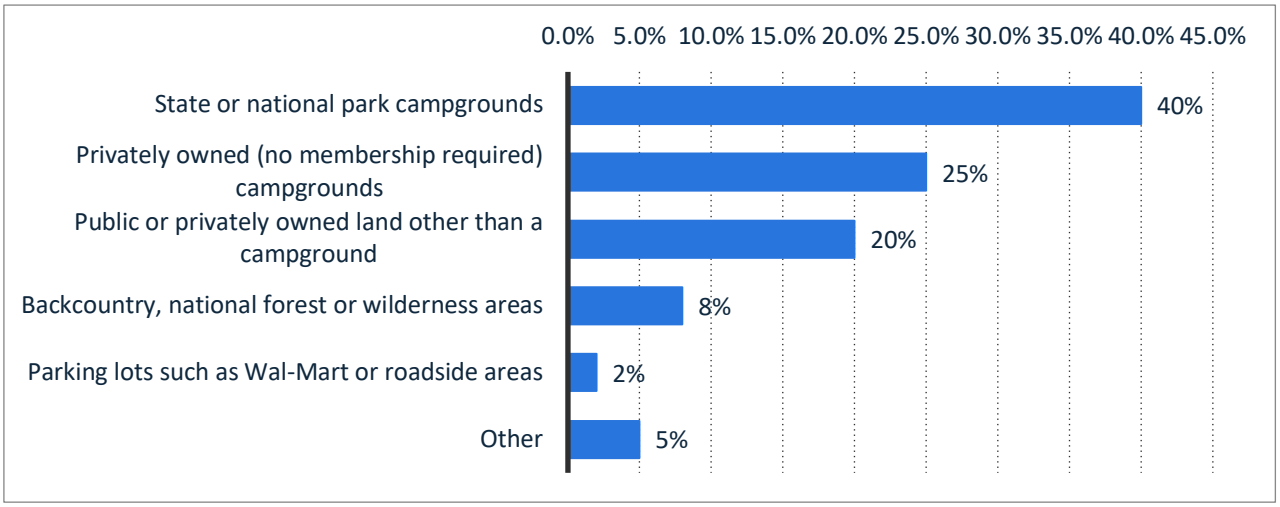
The Lake Superior Circle Tour is currently resurging

Destination Northern Ontario is focussed on rejuvenating the project for RV touring traffic, with aggressive marketing and partnerships along Highway 17. A big factor to RV tourism is scenic vistas and rest stops along the Trans-Canada Highway. This will add to the traffic flow along the highway and present an expanded opportunity for RV tourism.

Tents lead camping accommodations, followed by RVs, which collectively comprise over 80% of the market for camping activities in North America

This implies that new camping and RV developments compete with government-owned camping facilities, who have typically been first and foremost, with 60% collective market share.

Most popular camping accommodation types in North America 2018

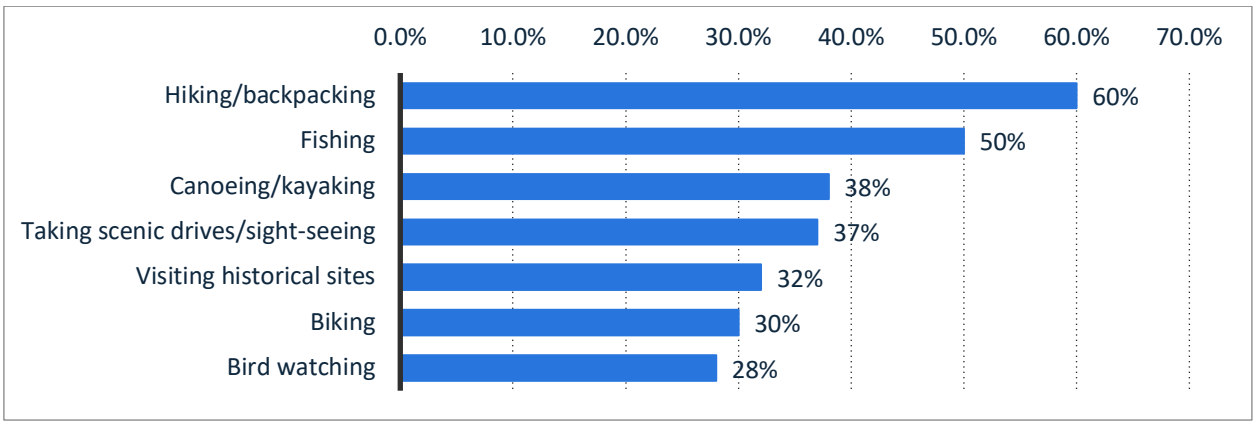


Source: KOA; Cairn Consulting; ID 415993

Overall, campers look for opportunities to hike, fish, canoe, sight-see, and visit historical sites, with over 60% preferring hiking.

This suggests that future RV sites will have their success dependent, in part, on the activities that surround such park developments, including hiking, fishing and canoeing. Close proximity to scenic drives can also be argued to be a necessary condition for success in this market, with 37% of campers taking part in such activities.

Most popular recreation activities among campers in North America 2018

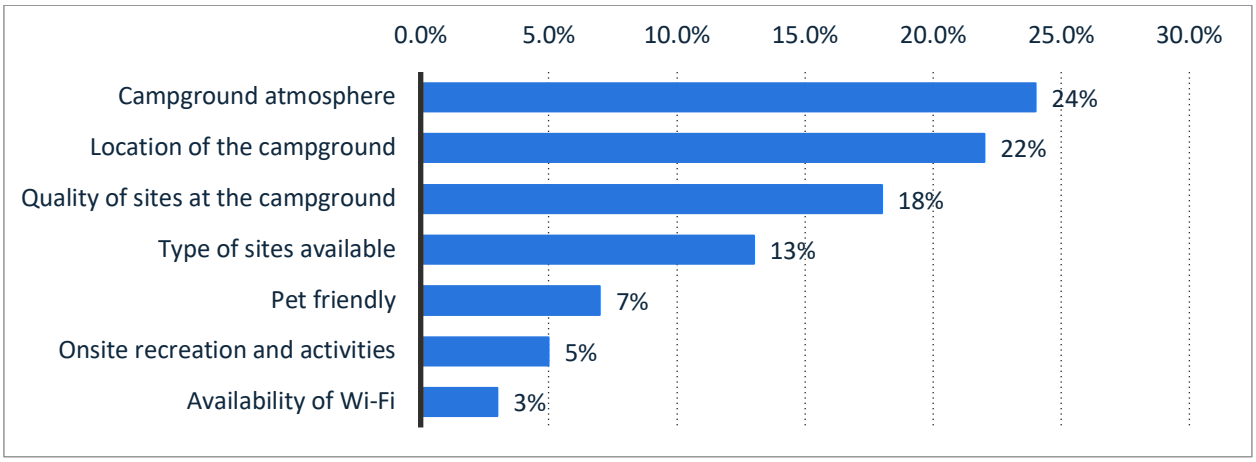


Source: KOA; Cairn Consulting; ID 416869

The most important amenities to an RV park are its atmosphere, location, and the quality and type of sites available

Indeed, campers are mostly caring about the general location of the sites, and what it provides, with 46% citing the atmosphere or location as the most important factor. This means that parks should be located in areas where outdoor activities can be done, ideally situated in an area with a view, such as a lake, mountain range, or river.

Most important campground amenities according to campers in North America in 2018

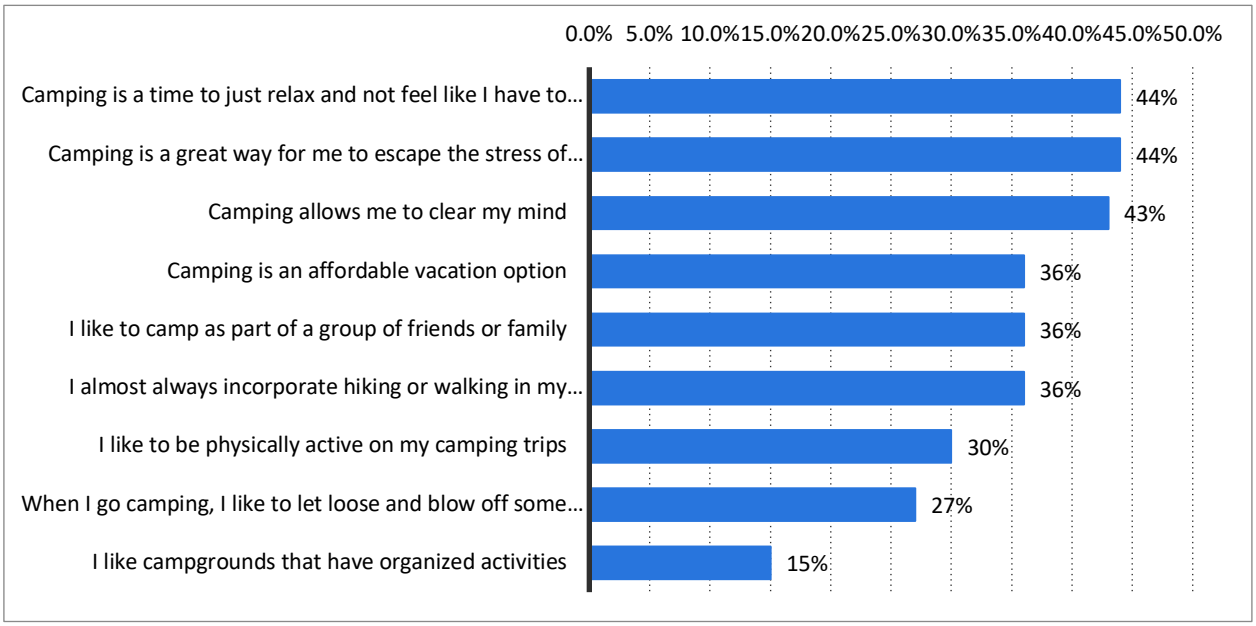


Source: KOA; Cairn Consulting; ID 415977

Campers' main motivation is to get away from the big city and clear their mind.

Not surprisingly, a campers' main reason to camp is to relax and escape the stress of the city. With a focus on mental wellness, camping is an activity that people engage in when they clearly want to be more mindful, and be around their families to spend quality time. Accordingly, sites that are peaceful and connected to nature are likely to appeal more to campers than those closer to the big city.

Leading benefits of camping in North America in 2018



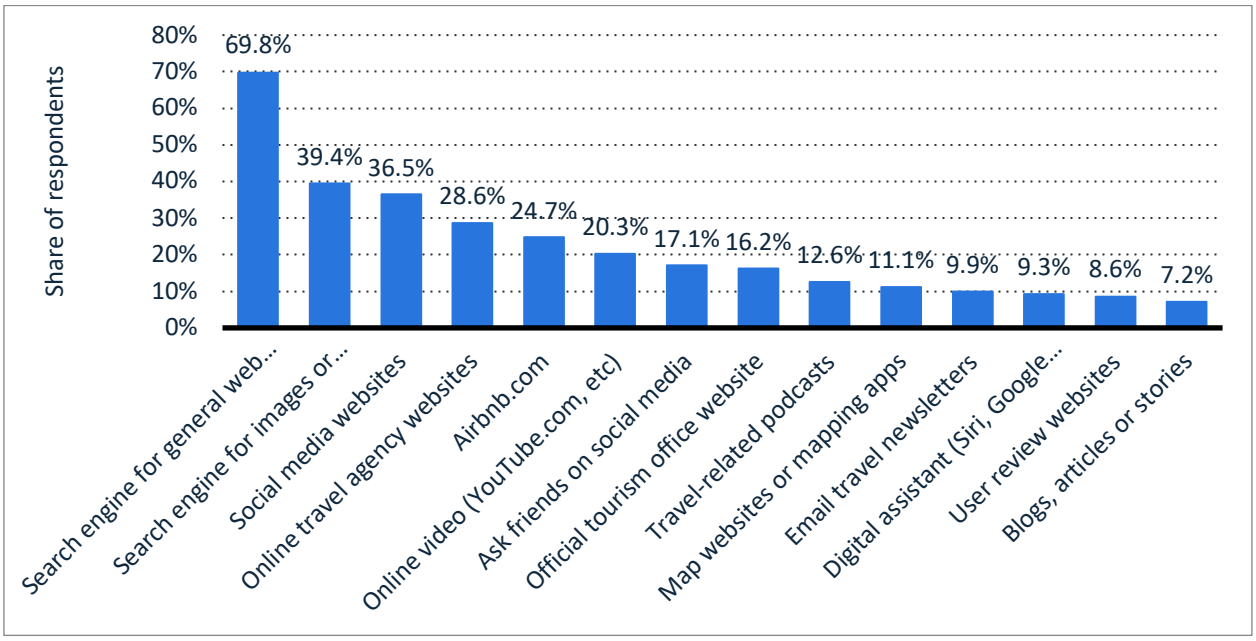
Source: KOA; Cairn Consulting; ID 416883

Technological Factors

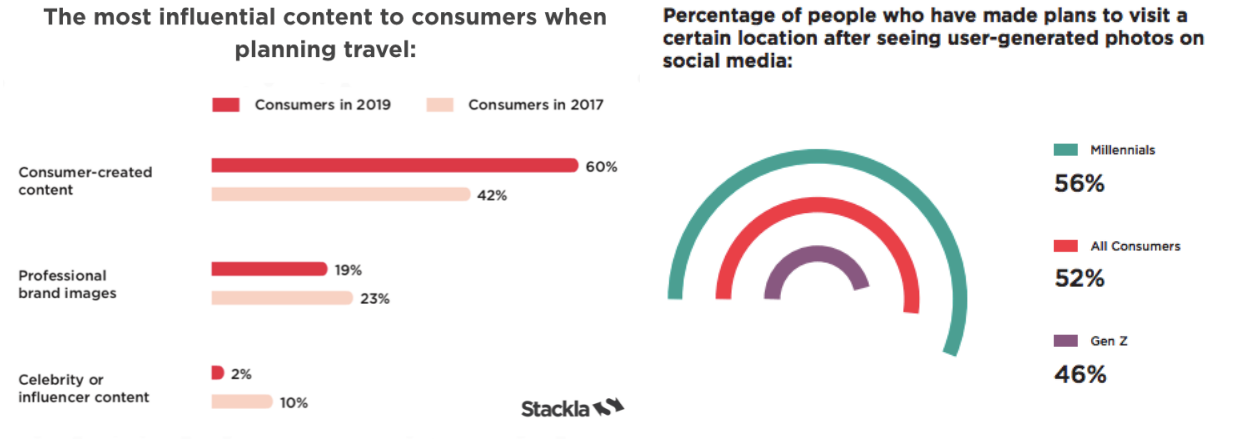
Greater Role of Technology in Trip Planning

Technology plays an increasing role in trip planning, with video marketing and Instagram playing exceptional roles in attracting people of all ages, putting emphasis on online booking, and social media. Millennials are 84%, and non-millennials are 73% more likely to plan a trip based on someone else's vacation photos, or social media updates (amp agency, 2016). When it comes to destination inspiration, leisure travelers ages 18 to 34 are 2.4 times more likely than those over 35, to discover travel destinations via mobile applications (Facebook, 2018). A social-media-first branding strategy is used by all hotel segments, from international luxury hotel chains (79%), to hotel groups (73%), to independent hotels (52%) (Sojern, 2019). Clearly, technology is becoming the norm for travellers, with mobile payments and wi-fi being essential components to retain millennials, and tech-savvy baby boomers.

Mobile phone services used to plan leisure travel in the US as of Spring 2019



Source: Destination Analysts; ID 185454



Source: Stackla

www.NorthernOntario.Travel is well-developed gateway

Northern Ontario has aggressively embraced digital and social channels by maintaining the northern portal of Ontariotravel.net, and has created the first-class northernontario.travel portal with regularly updated content.

Social media as social currency

With prestige of travel a key driver for emerging market travellers, and authenticity and uniqueness for millennials, social media has grown in its role in documenting travel experiences

for communication and influence. Travelers share photos on vacation 72% of the time, which includes 90% of millennials (Crowdriff, 2020). Social media is also used after vacations, with those who post restaurant reviews, hotel reviews, and with 55% of people who "like" Facebook pages of places they have encountered (SmartInsights, 2020).

Legal Factors

Insurance for adventure tourism is at a high cost

Insurance for adventure tourism is a significant barrier to the development of rental and leasing of eco-tourism equipment, like kayaks or boats. Some regional municipalities offer rentals of this equipment, should entrepreneurs not have the contribution margins that would cover the price of insurance, and other fixed costs.

Fish licences continue conservation-oriented limits

Fish licenses in Ontario are divided between Conservation, and Sports Fishing. Regulations are strictly adhered to in order to prevent over-fishing. Guests to lodges are only permitted to bring back the equivalent of one day's limit. Fishing regulations differ among Ontario's 20 Fisheries Management Zones, and relevant rules must be followed, including fishing limits, size restrictions, and catch-and-release programs.

Paid, crown land camping permits are needed for non-residents

Camping on Crown Land is different in some regions for residents, versus visitors from other countries. In general, should camping on crown land be available, citizens of Ontario are allowed to stay for no cost, however, crown land camping permits would need to be purchased by non-residents, at about $9.35 per day.

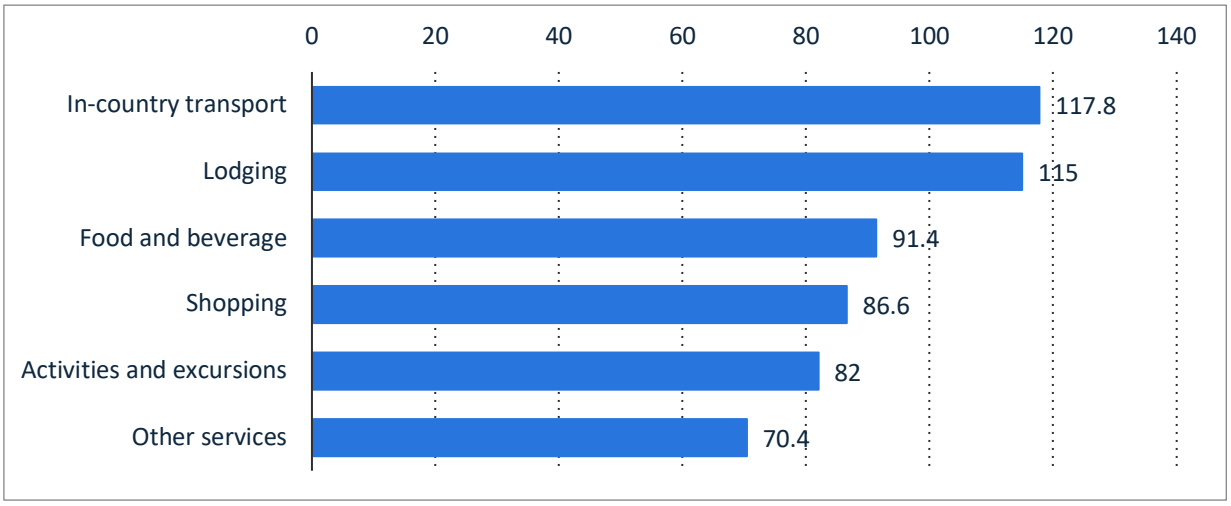
Environmental Factors

Wellness tourism is a continued high yield segment of tourism

Wellness tourism includes primary wellness travellers, such as those seeking a yoga experience, as well as secondary wellness tourists, who might purchase health food or other related products when on a trip. Secondary tourism accounts for 89% of wellness tourism trips in 2017, for which 82% is drawn from the domestic market. A domestic primary wellness tourist spends 178% more than an average domestic tourist, while a domestic secondary tourist spends about 146% more. In part, this can be seen in premiums for wellness-based trip enhancers, such as health food stores in a local community.

Source: Global Wellness Institute

Global market size of the wellness tourism industry in 2015, by segment, in USD billions



Source: Global Wellness Institute; SRI International; ID 318289

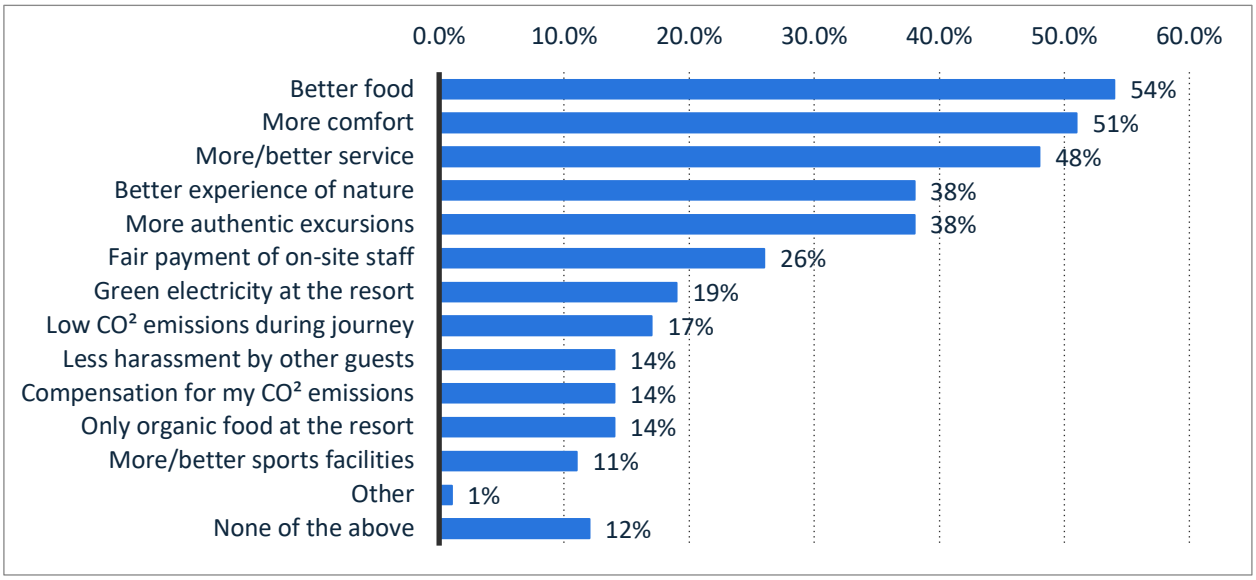
Climate change having significant impact on fish populations and water quality

Rising mercury levels in Northern Ontario lakes, as well as increasing invasive species such as Asian carp, zebra mussels, or sea lampry, as well as the increasing threats of blue green algae, and a lack of sufficient research on climate change adaptation for northern Ontario fisheries, means fish populations and water quality continue to remain environmentally threatened.

Increasing consciousness of overconsumption and the environmental impact of tourism

This suggests sustainable experiences are important to meet the needs of the up and coming explorer segment of travellers. Millennials and baby boomers alike prefer local, organic, and environmentally friendly items when they shop in a region.

Circumstances travelers would pay more for aspects of their vacation, 2017

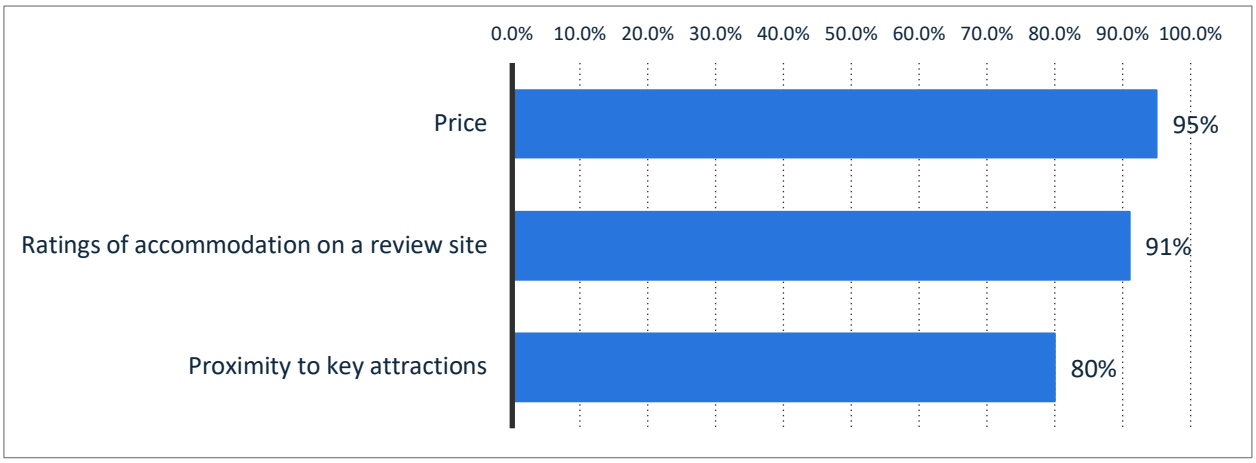


Source(s): Statista Survey; ID 707460

Influences affecting hotel bookings are most commonly price, ratings, and close proximity to attractions

Interestingly, is that price, ratings, and proximity to attractions were the most influential factors. Price is interesting, as technology platforms such as PriceLine and HotWire play an expanding role among budget travellers, for their discounted room rates. Ratings on TripAdvisor and Google are quintessential to being placed at the top of the list of search results, and also valued as a potential accommodation rating. Proximity to attractions is also a major factor. It is important to note that, for highway tourists, the highway is the attraction of the night, as they venture onwards to their destination. All of these factors, especially proximity, should be considered for any new hotel build.

Factors affecting accommodation booking worldwide as of July 2016

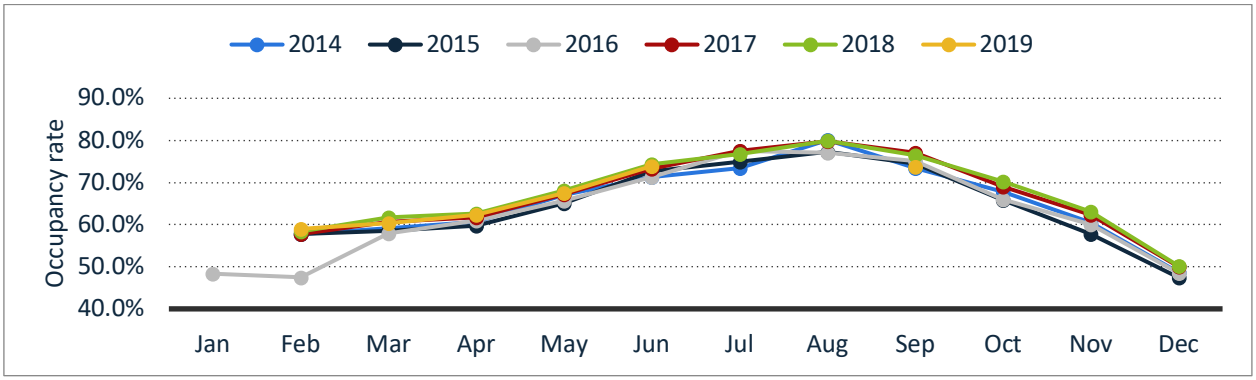


Source: TripAdvisor; Ipsos; ID 299809

Seasonal fluctuations in hotel occupancy is found throughout Canada

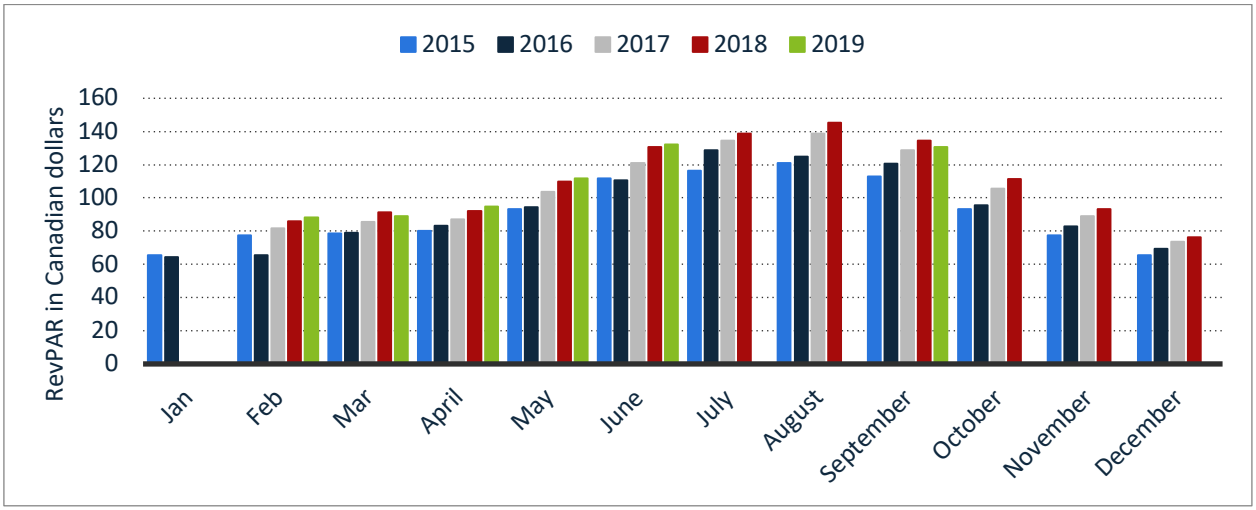
With warm summers and cold winters, hotel occupancy in Canada fluctuates consistently per season, drawing to a peak in August, and declining in December. This impacts revenue per room in different seasons, with most revenue occurring during the summer, and the least during the winter.

Monthly occupancy rate of hotels in Canada from 2014 to 2019



Note: Canada; February 2014 to September 2019
Source: TIAC; ID 422485

Monthly average revenue per available room of hotels in Canada from 2015 to 2019



Note: Canada; April 2015 to September 2019
Source: TIAC; ID 422499

Competitive Analysis

Understanding and evaluating segment attractiveness is important for identifying key success factors, which allow a community to succeed within their target markets.

Five potential segments emerged from our stakeholder consultations, as follows:

(a) Mariners
(b) Outdoor Sportspeople
(c) Connected Explorers
(d) Up and Coming Explorers
(e) RV Tourists, including Knowledge Seekers, and Family Memory Builders

Segments (c), (d) and (e) are in line with priorities from Destination Northern Ontario, and were identified in the OTMPC survey. Item (e) connects knowledge seekers and nature lovers as a secondary market, where they specifically have an RV. Within a major RV touring route, the Lake Superior Circle Tour is a mere eight minutes from Red Rock, and a strong qualifier such as this may present a niche opportunity for the region. Mariners and Outdoor Sportspeople are segments that Red Rock currently has, and can cater to their needs, although these were not identified in the survey. Instead, these segments were identified by activity profiles from the Ontario Ministry of Culture, Tourism, and Sport (MCTS) profiles.

To evaluate segment attractiveness, this analysis uses Porter's *Five Forces Model* adopted for the tourism industry, which evaluates the competitive environment, and the factors that will be key to long-term profitability. These factors are:

(a) **Potential of new entrants into the segment:** This refers to the potential of other nearby communities entering the segment, while considering the barriers to entry, such as access to capital, or the extend and complexity of related regulations.
(b) **Power of operators**: This refers to the power of operators to potentially raise prices, which increases dollars spent in the community, without reducing demand.
(c) **Power of tourists**: This refers to the buying power of tourists in making decisions, as sectors with many, smaller customers will have an easier time in raising prices.
(d) **Threat of substitute experiences**: This refers to the potential that a targeted tourist will do an unexpected activity, or not doing an activity at all.
(e) **Degree of competitive rivalry**: This refers to the degree of rivalry, as other communities compete for a segment in a region in close proximity with one another.

Together with trends from the situational analysis, key success factors for each segment will be identified, with success being defined by measuring revenue into the community.

Mariners

Mariners can be divided into two segments: *Outboard Mariners,* and *Sailors and Surfers*.

Outboard Mariners:

The Ministry of Culture, Tourism and Sport reports that 13.4% of overnight tourists to Ontario went motorboating, and 4.1% went waterskiing on a trip within two years, with an average of 27.2% reporting boating was the main reason for making at least one trip.

Mariners tend to be younger than average pleasure travellers, and are most likely young couples and mature families with teenage children. This activity is moderately affluent, related to an average income of $89,504.92 in 2020.

Proximity is important for mariners, as 93.4% travel within their own region. While travelling, this segment can also be found participating in other activities such as sports, games, cycling, downhill skiing, and snowboarding. They are more likely to attend sporting events, music concerts, and lakeside attractions, and tend to stay at lakeside or riverside accommodations if those options are available to them. This segment seeks destinations with many relaxation activities for adults and children, to provide an escape from their day-to-day environment.

Outboard boaters are moderate users of the internet to plan and book travel, at around 50%. They are more likely than the average to use official travel brochures and guides and can be obtained across a wide range of media.

Sailors and Surfers:

Approximately 4.7% of adult Canadians went sailing or surfing while on an out-of-town, overnight trip of one or more nights, of which 3.3% went sailing, and 1.0% went parasailing. A mere 0.8% went windsurfing, and 0.2% went kite surfing. Among sailors, 30.0% stated that this activity was the main reason for taking at least one trip in the past two years.

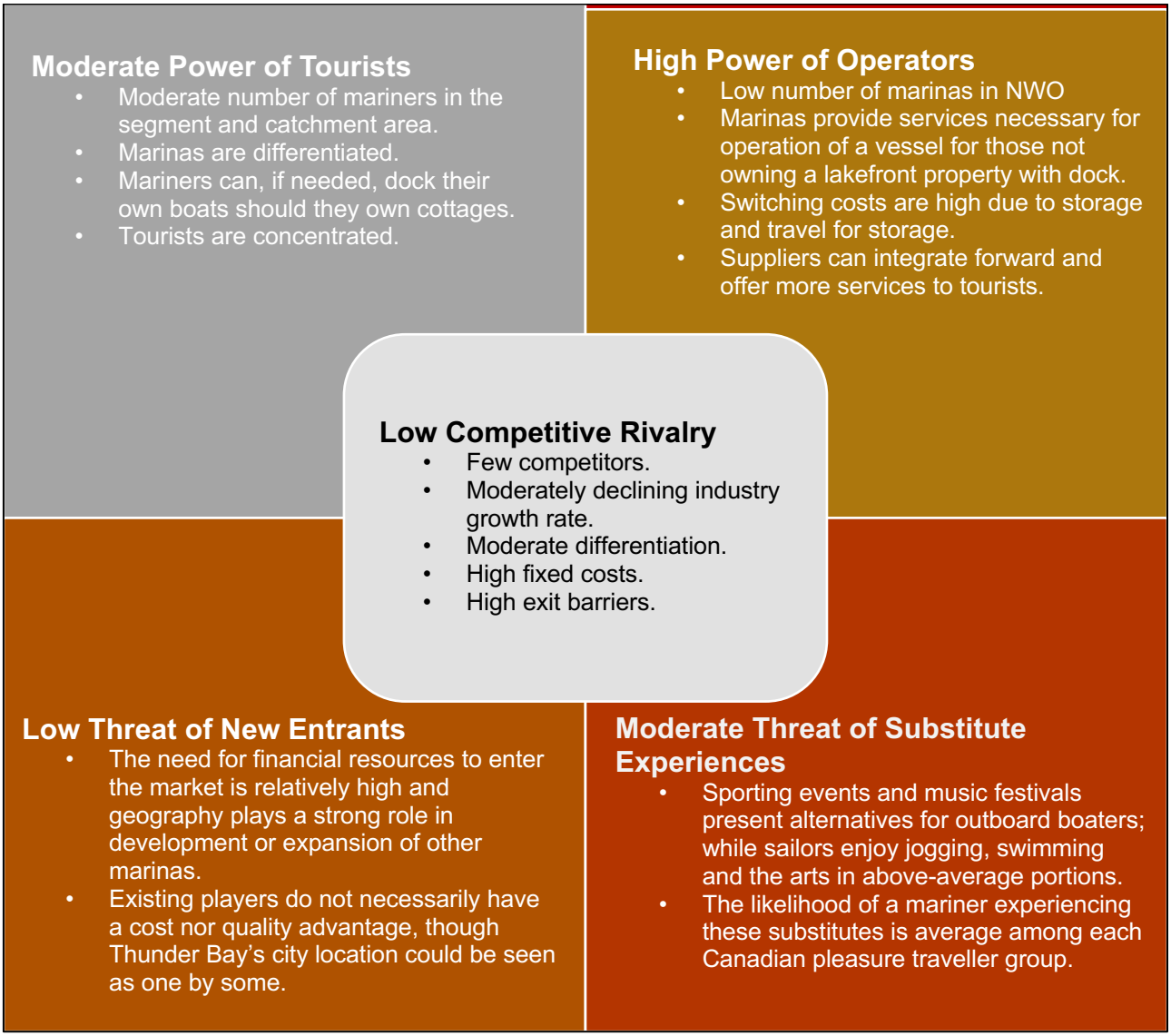
Sailors and Surfers tend to be male (53.8%), between the ages of 18 to 44, and married. They are over-represented among Young Couples. Statistically, 43.1% have a university degree, they are 3rd in the ranking out of the 21 outdoor activity types identified by the ministry, and have the 4th highest income, at an average of $105,310.50 in 2020. Sailors and surfers travel mainly within Canada, and alternative activities are typically high-energy, strenuous activities like downhill skiing, snowboarding, jogging, and swimming. They are also very involved in arts and culture, such as beer and wine tastings, and film festivals. Where possible, they prefer lakeside accommodation, and are the heaviest users of the internet to plan and book travel as a primary means, with 91.7% using such.

Key Players

The key players in the region for mariners include:

(a) Thunder Bay, with their Marina at Prince Arthur's Landing (271 slips, full-service)
(b) Red Rock (1 hr from TB), with a medium-size marina on Lake Superior (82 slips, full-service)
(c) Nipigon River (1 hr from TB), with a small marina at Nipigon Bay (32 slips, full-service)
(d) Rossport Harbour Marina (2.5 hrs from TB), with a very small marina at the Rossport Dock on Lake Superior (6 slips, no fuel)
(e) Wawa (5 hours from TB), with a medium-size marina on Lake Superior (128 slips, full-service)

Five Forces Analysis



Power of Tourists: Low

Mariners in the surrounding region are lower than in Lake Huron, yet are still a significant source of recreation among high-yield tourists. All tourists in Ontario report boating as a major purpose of a trip 3.6% of the time, and capacity for boats by marinas in the surrounding region consists of just under 300. The marinas in the Thunder Bay region are differentiated, with two on Nipigon Bay in the outskirts, and one in Thunder Bay located near the city. Conceivably, attraction to regional marinas is due to cost, fishing opportunities, and lower boating traffic. Mariners could tow their boat and not use marina services, however, this is costly. If they own lakeside property, they could also store their own boats, however, this is also costly and labour intensive. Tourists in the industry are relatively concentrated to the Thunder Bay region, with over 95% of boaters keeping their boat within close proximity to their home or cottage.

Power of Operators: High

The low cost of marinas and marine dealers in Northwestern Ontario provides these operators with significant power to raise prices, and due to limited regional capacity, not greatly effect supply. Marinas provide services necessary for vessel operation, unless owners have lakefront property, or choose to tow their boats, which are expensive. Due to a strategic lock in initiatives such as local winter storage, and seasonal memberships, switching costs for boaters are high, which adds to the power of operators. Operators can also integrate forward in providing amenities, such as waterfront dining, or shopping. Some examples include the Richard's Landing Marina, and the Hilton Beach Marina.

Threat of New Entrants: Low

The threat of new entrants is somewhat low. The capital resources required for marina development along the North Shore is a major barrier to entry, as is water depths and regulations. Existing players do not necessarily have the capital funds to expand, unless government unveils funding that would be accessible to marinas in the region. Existing players also do not currently have any unique quality advantages, aside from proximity to the city in the case of Thunder Bay, and fishing opportunities in the case of Nipigon and Red Rock.

Threat of Substitute Experiences: Moderate

Mariners are tourists who also experience a wide range of other experiences during summer months. Popular activities include attendance to sporting events, music festivals, jogging, swimming, and the arts. The likelihood for engagement in these substitutes is average among Canadian pleasure travellers, with each substitute event between a 42% and 47% likelihood.

Competitive Rivalry: Low

Competitive rivalry is low for regions catering to the mariner. There are only four marinas in one-hour proximity from Thunder Bay and from Red Rock, on Lake Superior. While boating is experiencing a moderately declining industry growth rate, it is remaining relatively stable in the Northwest, with marine statistics in the localities reporting consistent occupancy rates of seasonal slips. There are high fixed costs in the area as municipal infrastructure, in the form of a marina, is a requirement for competition in the area. While there are high exit barriers, given the land the

marinas occupy, and the costs of redevelopment, altogether, there is low competitive rivalry in the market, as capacity meets demand well.

Summary

Mariners are an attractive segment. The power of tourists remains low, as does the threat of new entrants, and competitive rivalry. These points infer that the industry is not overly price sensitive, and that little new competition can be expected. Moderate threat of substitution infers that mariners are not the most, nor the least likely segments to engage in other activities instead of boating, but instead are positioned in the middle of the twenty-one potential activities a pleasure traveller can engage in. The high power of operators infers that forward integration is possible by municipalities adding value to the mariner, through the offering of additional dining and shopping services. This is also quintessential to monetizing the mariner.

Key Success Factors

Fuel Service:

Having fuel service nearby is important for monetizing and serving the mariner, given the amount of gas required by boats for exploration. While mariners may come with boats filled with gas, those staying seasonally require fuel on an ongoing basis as they explore and sport fish. With limited ranges on boat motors, having fuel service in the region is also an important driver of overall activity.

Differentiation in Leisure:

Differentiation is one method to win in competition among differentiated lines of business. Ensuring accessibility to a wide range of water-based activities becomes quintessential to ensuring boaters will switch marinas, especially if these provide means to do activities for partners and children. The situational analysis discusses gendered differences between boating use, and as a family activity, it is necessary to have activities that appeal to all genders.

Close Proximity to Regional Centre:

As discussed in the profile of the mariner, proximity to home is a key determinant to their selection of a marina, as they seek to maximize recreational time. It would be unreasonable to expect anyone travelling longer than one hour and a half to their vessel on a regular basis.

Dining and Shopping Options:

The Five Forces reveal that forward integration by regions is a viable and meaningful way to provide extra services to mariners and capture more value from activities. This entails having dining and shopping services, with dining establishments open later in the evening, to cater to those who return from boating during the day.

Technology Connections:

Today's modern boater has accessories such as smart phones and computers, and as such, having a strong Wi-Fi connection is important to market towards younger boaters, especially sailors. VHF communications for weather and traffic are also important necessities to facilitate mariners. While storage and seasonal rates provide some strategic lock-in, another form to do so is to focus on amenities that form community. Community consultation and interviews revealed that boaters choose marinas on the basis of where their friends dock their boats, explaining why word-of-mouth was so strong as a marketing tool. Facilities that focus on community building, and family-friendly services are stronger at retaining boaters, especially with nice facilities.

Outdoor Sportspeople

Segment Description:

Fishing and hunting experiences are strongholds of the northern Ontario market, and can be divided into Canadian and American guests. 15.4% of Canadian pleasure tourists enjoy fresh-water fishing, and 3.9% experience ice fishing. Among the 17.6% who fished while on a vacation, just under half (48.6%) reported the main reason was fishing. Sportspeople are predominantly male (68.2%), and are well represented among those between 18 and 54. They have a lower household income on average at $76,370, and are also one of the least likely to have a university education. Canadians who enjoy fishing do so within the province, and are second least likely of the 21 segments, to visit the United States.

Alternative experiences for Canadian outdoor sportspeople include wilderness activities, snowmobiling, ATVing, and attending sporting events. They seek vacations that allow them to get away from their day-to-day environment, relax, relieve stress, and find solitude and isolation.

Anglers are the least likely to use the internet to plan or book travel among the 21 activity groups, at 60.1%, however, this number is increasing. Past experience, word-of-mouth, maps, and trade shows are nonetheless still commonly used methods of targeting this segment. Nature magazines and sports-related media are also strongholds.

14.6% of Americans went fishing while on an out-of-town trip of one or more nights, 40.9% of whom report it as the primary purpose of their trip. Those who went fishing while on trips tend to be male, married, and 35 to 54 years old. Their household incomes and level of education are comparable to that of the average in the US and are most likely to reside in smaller cities, towns, and rural areas. 17.9% of fisher people from America have reported going to Ontario for a fishing trip within the last two years.

Somewhat similar their Canadian counterparts, alternative activities for these tourists include wildlife viewing, hiking, climbing, and paddling. Attendance to sporting events is also a very likely alternate.

On average, these tourists visit lodges and outposts for inclusive packages, and tend to consult the internet but not book travel online. Travel and trade shows as well as television programming plays a key role in attraction to different areas. Media preferences include magazines, television programs, and websites towards nature.

Five Forces Analysis

Low Power of Tourists

- Significant number of fisher people though there are declining demographics.
- Lakes are differentiated based on species of fish and distance to centres.
- Fisher people must travel outside of urban centre to experience such.
- High Yield Fisher people are concentrated in Midwest US.
- Regions may impact catch quantity and experience quality.

Moderate Power of Operators

- High number of operators at ~250 lodges in northwestern Ontario alone.
- Outfitters provide a differentiated offering in terms of lodging.
- Switching costs are low.
- Outfitters can integrate forward.

Moderate Competitive Rivalry

- Many competitors, crowded.
- Small Industry Decline.
- Moderate differentiation among regions.
- High Fixed Costs to build lodges.
- Moderate Exit Barriers in finding new owners.

Moderate Threat of New Entrants

- The need for financial resources to enter the market is relatively high for land acquisition and construction.
- Capital costs are high with labour.
- Existing Players do have somewhat of a quality advantage.
- Newcomers find consumer channels easy to access with internet and trade show presense.

Moderate Threat of Substatute Experiences

- Alternative activities include boating, ATVing, and attendance to sporting events.

Power of Tourists: Low

Outdoor sportspeople are high in number, with a strong number of Canadians and Americans reporting fishing as a major driver to their trips. However, among these segments, there are declining demographics which was discussed in the situational analysis, to which may show its impact on vacancy rates of lodges in the next decade. Lakes are relatively differentiated based on species of fish, whether or not there is road access and their distance to other centres. IN general, different prices for lodges are based on the quality of fish within its waters and its proximity from larger urban centres. Quality of fishing may impact one's experience especially on whether or not they are able to catch their limit of their desired species of fish. There is a higher yield among American tourists among fisher people in northern Ontario, and these people are mostly from border states.

Power of Operators: Moderate

There is a moderate power of operators in this segment, as around 250 lodges exist in Northwestern Ontario alone. Outfitters provide a slightly differentiated lodging style depending on the level of rustic luxury it provides. Switching costs are low among consumers as they are free to choose different lodges for different years. Outfitters can integrate forward and, since they are inclusive vacations, significant power rests with the outfitter on their choice of vendors in terms of food, gasoline and other services.

Threat of New Entrants: Moderate

Given the need for an entrepreneur to have ready access to substantial financial resources in order to acquire land and construct a lodge, which are both essential for regions specializing in serving these tourists, there is low possibility of other regions beginning to compete in this segment. Capital costs are high with a high degree of labour and this may discourage potential entrepreneurs given overhead costs. Existing players, however, can expand and there is a strong possibility of existing operators expanding into the off-season like September and October. Due to aggressive marketing efforts, existing players also have a strong quality advantage due to their refinement of sources of fish in the lakes and with brand recognition through presence at regional sports fishing shows. It is for this region and the personal relationships that are built for explaining why lodges usually have extraordinarily high rates of retention.

Threat of Substitute Experiences: Moderate

American and Canadian fisher people regularly also attend sporting events and may also consider wilderness vacations which could involve hiking, wildlife viewing and ATVing. The strongest likelihood of one of the aforementioned being a primary reason of engaging a trip is 44% implying relatively average threat of substitute experiences.

Competitive Rivalry: Moderate

Competitive rivalry among regions for fishing tourists is moderate. There are many regions in northern Ontario catering to fishing tourists as it is the number one target segment by most regional tourism organizations. There is only moderate differentiation between lodges due to different species of fish and degrees of luxury and inclusiveness. Moderate exit barriers are present with a difficult task of finding qualified new owners.

Summary

Outdoor sportspeople are a strongly attractive segment. Their spending yields identified in the situational analysis, together with the moderate market forces suggest that, while it would be a somewhat competitive target, has tremendous potential for further growth and development. A low power of tourists and moderate power of operators are favourable to ensuring prices can be set with reasonable profits. With threats of new entrants and substitute experiences both being moderate, market competition is not likely to grossly and dynamically change with consistent patterns expected. Moderate competitive rivalry also suggests that, while price sensitivity is a factor, the aggressive marketing being invested into the segment ensures market strength for years to come.

Key Success Factors

Inclusive Accommodation:

As the situational analysis makes clear, most high yield American tourists prefer to stay at lodges that provide inclusive packages for their stays. Accordingly, the number of lodges is a key success factor to how well a region will perform in this area. In addition, having diversity of tourist bases ensures that external conditions effecting visitor numbers in one region will be easily mitigated by drawing on separate pools of customers. There is a growing trend among lodges to play host to families, host weddings and host business conferences with further potential in wellness tourism. Accordingly, ensuring lodges are equipped for a wide variety of water-based applications and event facilities can ensure diversity in market potential and address threatening trends and demographics of fisher people in North American markets, proactively.

Attractive Waterways with High Fish Populations:

As fishing is the main activity of choice for visitors to these lodges, having attractive waterways with dense fish populations are important to their feelings of the experience. When visitors catch more fish, their trip impressions will increase in terms of value for money. Focussing on particular species and excelling within that segment is thereby important for marketability and differentiation.

Unique Shopping:

To engage outdoor sportspeople who visit all-inclusive lodges for their vacation, it is important to have unique shopping opportunities that will bring them the “exta mile” into the community. Their spending in different stores at some point during their stay will enhance the economic gains to the region.

Aggressive Marketing:

As a crowded segment, aggressive marketing is necessary to capture enough potential tourists that provide a strong economic flow into the community. With a crowded market, focussing on areas of differentiation in terms of amenities and the natural environment is critical, as is diversity of mediums employed to capture differently aged segments.

Lodging Support Market:

Support businesses for the lodging sector are sometimes the most important factor for maximizing economic flows into the community. Support businesses include outboard motor repair, boat sales and service, the trades, fuel sales, bait stores, and food wholesale businesses that supply the lodges with inputs. This maximizes employment and economic spinoffs of tourists staying in all-inclusive resorts.

Connected Explorers

Connected Explorers are young couples under 40, both with and without children who are confident, youthful, and optimistic. Connected Explorers have a deep-seated need to travel and expose themselves to many new experiences. Travel to the connected explorer is about expanding horizons, and as such, they are looking for a fully packed schedule of activities. Technology is a key part of travel using it at all phases of a trip from researching, booking, planning and sharing their travel experiences once back home.

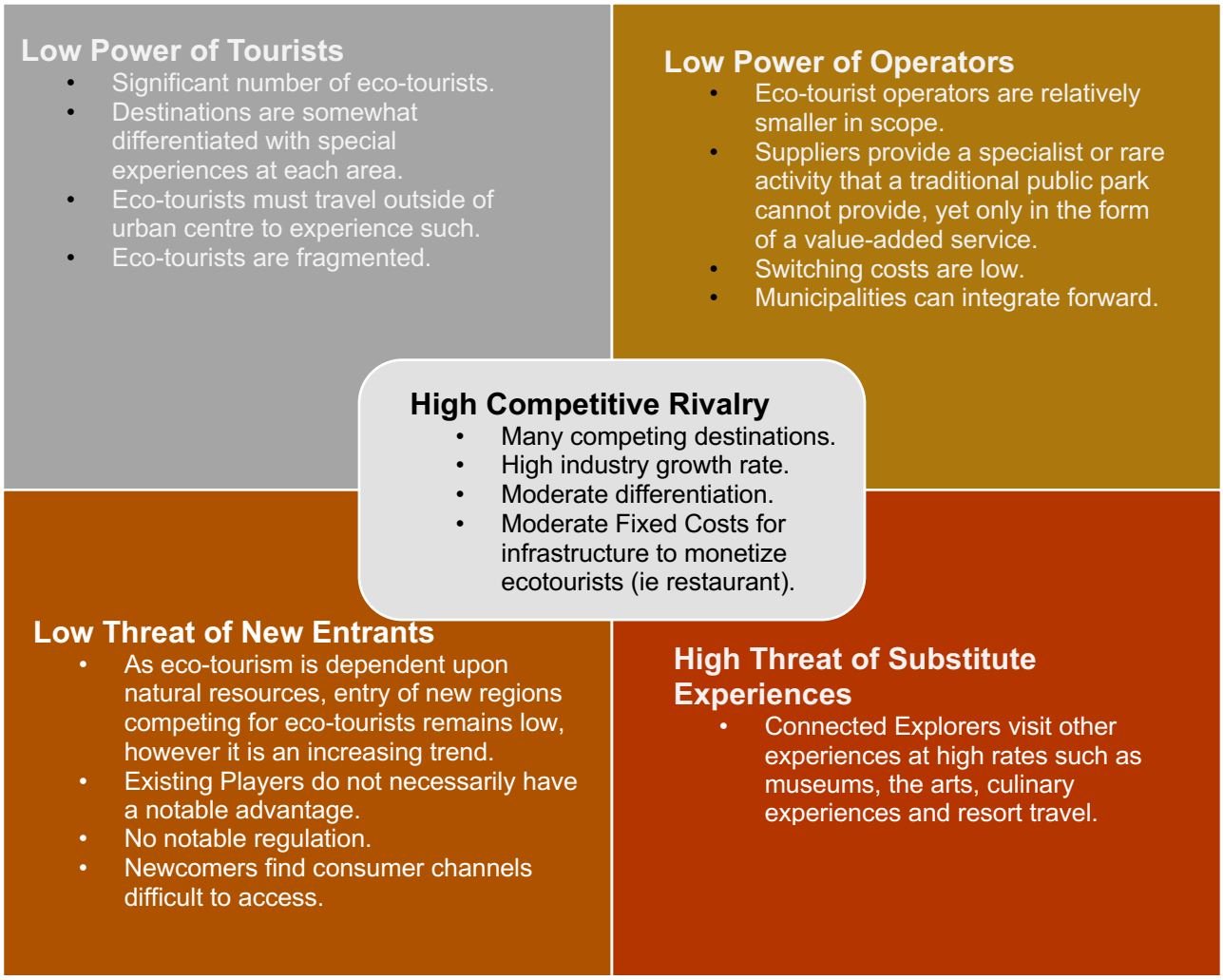
Connected explorers have a psychological need to take a break from the everyday and be exposed to new experiences and knowledge. They are described as being committed to expanding their horizons through travel to which the Internet and new technologies are key instruments in facilitating these travel interests & experiences. They research, book and share travel experiences through new technologies at all stages, before, during and after travel. 79% use a smartphone while travelling, 90% share travel experiences on social networks.

44% are between 18-34, are most likely employed couples with no children (55%). The average income is $93,080, which is above average, holding $4,267 as the travel budget for the year. They engage in an average of 3.6 trips in a twelve-month frame, spending an average of $862 per trip.

Sharing experiences are important to this segment. 94% report wanting to share the tourism experience after their travel. 88% find it interesting to live like a local and experience people in another region. 85% enjoy social elements of travel with 75% report having a desire to explore places off the beaten path.

They have a large range of alternative activities. Among connected explorers, 78% have also visited museums, 70% went travelling for shopping, 69% attended nature parks, 69% travelled to experience culinary talent and 63% travelled to experience a resort.

Porter's Five Forces



Power of Tourists: Low

There is a significant number of eco-tourists, who are fragmented inferring low power of tourists. Destinations themselves are somewhat differentiated by offering different types of activities and scenes, however are similar along the North Shore of Lake Superior in terms of their geography, difficulty and length. As eco-tourists must travel outside the urban area to hike or engage in most eco-based activities, they must travel to a regional municipality or unorganized area. These factors suggest the power of eco-tourists is low.

Power of Operators: Moderate to High

Eco-tourism operators are relatively smaller in scope and provide specialist activities that are not found in a traditional public park, such as ice climbing, zip lining or other similar activities. Switching costs are low for the ecotourist as there is a range of places to visit within proximity to most northern Ontario cities. Municipalities can integrate forward and offer more services to the

eco-tourist to capture more tourism spending, namely through establishment of dining facilities and procurement of fuel.

Threat of New Entrants: Moderate

As most ecotourism assets involve a natural resource, commonly a provincial park or well-marked hiking trail, the barrier to entry of new regions is low. However, some municipalities are engaged in trail development programs to further develop their natural resource appeal towards these tourists, such as Manitouwadge. A major barrier to entry is natural infrastructure for ecotorusim such as lakes, rivers and groomed and maintained trails. The existing competing regions for ecotourism along Lake Superior's North Shore do not necessarily have any notable advantages over others aside from the proximity to the City of Thunder Bay, being a factor for city residents and city tourists. Newcomers find it difficult to access where hidden hiking trails may exist, yet the use of apps are continually bridging such concern. Accordingly, the threat of new municipalities becoming to compete for eco tourists in the Lake Superior North Shore region remains low.

Threat of Substitute Experiences: High

Connected explorers have strong attendance to a wide range of other activities, such as visiting the museum, involvement in the arts and culinary scenes and resort travel. 78% visited a museum among this segment, which is extraordinarily high as an activity substitution rate. Accordingly, the threat of substitute experiences is very high among this segment.

Competitive Rivalry: High

The market rivalry for connected explorers is high, with many competing destinations for eco-tourism targeted to casual travellers in Ontario and especially within northwestern Ontario. As the industry growth rate climbs, so too does the market size allowing diffusion of regions competing for this segment. With moderate levels of differentiation between sites in terms of their experiences, difficulty levels and proximity to urban centres, destinations competing in this category would need to build on their areas of strength to be positioned well. Eco-tourists, like Connected Explorers, have faced difficulty in monetization compared to other segments, however amenities such as restaurants, hotels and gas stations effectively bring an adequate yield for these tourists, however developing these establishments have moderate fixed costs.

Summary

Altogether, eco-tourism like Connected Explorers is an attractive segment for regions. Eco-tourism is a growing market with people from a wide range of regions participating. The power to operators is moderate for their use is limited to value added eco-tourism, which is less popular than eco-tourism within provincial parks or on crown land. Monetizing tourists is important and is mostly done through restaurants and retail services. As this segment implies municipalities have a strong natural environment in close proximity which limits new entrants, some communities with untapped potential are beginning to enter through trail creation and identification. Up and coming explorers also participate in a wide range of other activities and hence need content marketing to make the decision to pursue eco-tourism as the primary purpose of the trip.

Key Success Factors

Competitive Eco-Friendly Trip Enhancers:

Consumers have low power however, as the situational analysis discusses, have defined tastes for which regions must cater to. In the situational analysis, it was revealed that sustainable consumption is a growing trend especially among eco-tourists. Further, in the segment profile, it was revealed they prefer lakeside accommodation, local shopping and regional cuisine which suggests a more localized and independent taste. Offering enhancers that cater to these needs will enhance economic flows into the community.

Marketing Image and Reputation:

With high competitive rivalry, the focus needs to be on beating competition in terms of showcasing areas of differentiation. In the segment description and situational analysis, it was revealed that this segment uses social media greatly before, during and after trip experiences and accordingly having strong presence on key social media networks is key for the connected explorer. Having a strong reputation on social media with a strong media image, a connected explorer would become more aware of a region and more likely to revisit.

Differentiation in Landscape Resources:

With low consumer power, low to moderate power of operators and high potential for substitute experiences, offering a diversity of landscape is important for appealing to as many individual tastes as possible. The situational analysis also unveils an uptake in winter tourism, which could prove to be a fruitful area of differentiation.

Safety Communications:

The threat of substitutes for this segment are high, and combating barriers to engage in eco-tourism hence become extraordinarily important. The situational analysis shows that a major barrier is the risk of falling and injury, to which safety communications are essential components of mitigating. Safety communications can be marketing the availability of cellular service or having locals in close reach.

Technology Connections:

The competitive analysis in this segment suggests competitive rivalry is high, putting focus on differentiation. Tourists in this segment are very media-savvy, so having assets designed to ensure media-savvy tourists can take and share photos is essential to their happiness and can organically grow the presence of community attractions.

Up and Coming Explorers

Segment Profile

This is a youth-oriented group that is on its way up in the world. These travellers are emerging into a new life-stage, often characterized by greater affluence and new opportunities. Visible minorities and immigrants often fall into this segment.

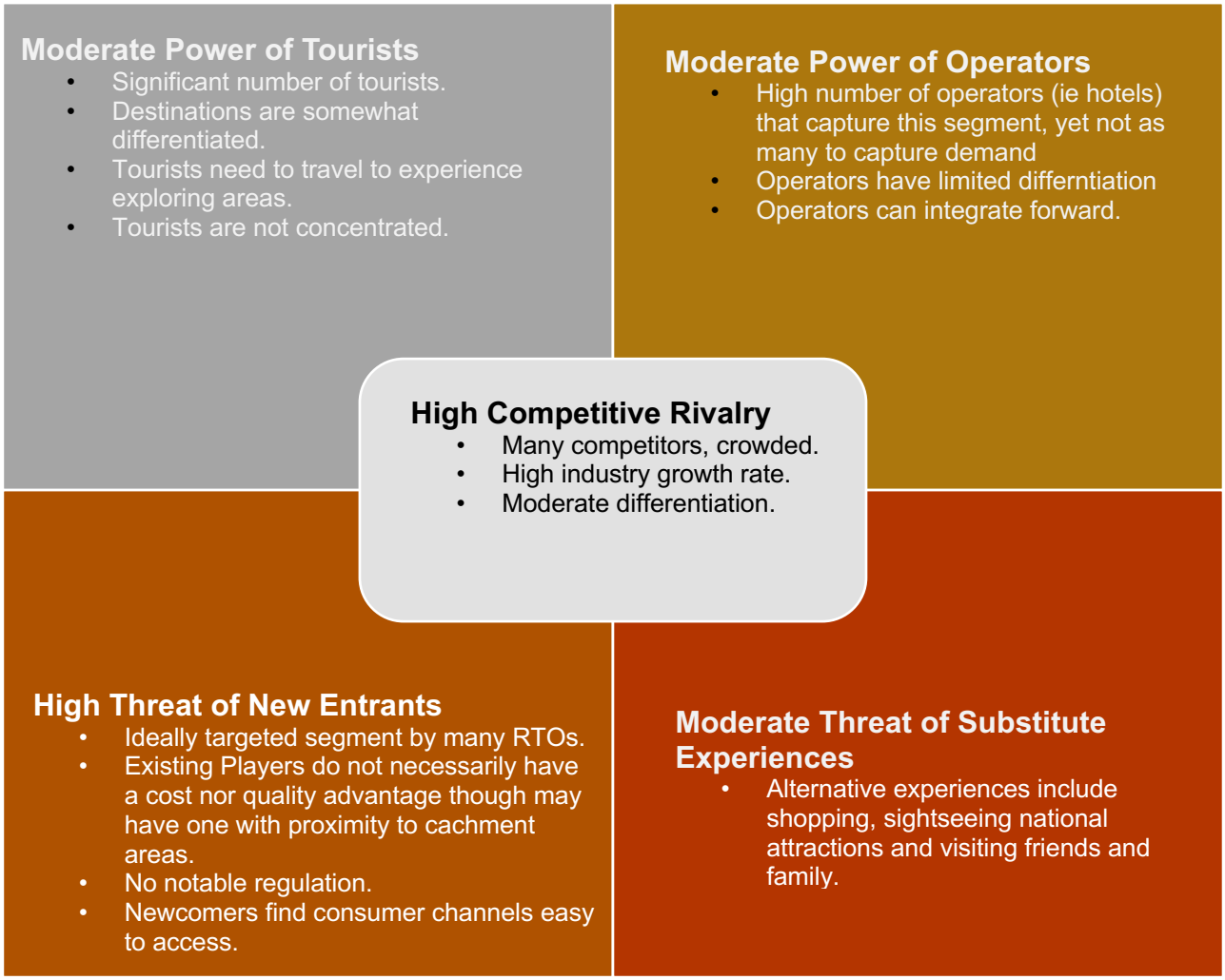
Travel is not about connecting with family or friends. While these people often want to be adventurous and energetic their travel experiences often start with what is nearby and typically with core tourist attractions. Ontario is popular with this group and visitation is typically very recent.

Up and Coming Explorers have an average household income of $88,361, stay an average of 4.6 days spending 947 per trip on average. 70% aim to travel to feel carefree compared to how they feel at home, 65% belive shopping is an important part of the experience and 45% are inspired to try local cuisine that they can not get at home.

54% report being attuned to nature, 52% report a need to escape everyday life to experience these experiences and 51% travel to seek solitude and quiet times for contemplation. Alternative activities involve major tourist attractions, museums, and beaches.

In terms of media consumption, 89% use the internet to plan or book travel, spending an average of 13.8 hours online per week. 19% use travel apps, 41% use the internet to make reservations and 73% use the internet to look up information.

Porter's Five Forces



Power of Tourists: Moderate

Up and coming explorers are significant in number in Canada, growing with internationalization of Canadian citizens and millennials, and are well targeted across Ontario RTOs. Given this, tourists of this segment are not concentrated to any particular area of the province. Destinations these tourists seek are very well differentiated, in order to have a wide range of understanding the sights of Canada. Given the volume and spread of these tourists, their power hence remains low.

Power of Operators: Moderate

Operators in this segment, such as hotels, is moderate. On one hand, there is a significant number of operators that capture and cater to this segment, yet not enough to fully cater to the demand. Hotels in the Superior region have limited differentiation with most being either airport hotels in Thunder Bay or motor hotels on the Highway with little exception. Operators can integrate forward

by offering dining services and retail space to capture more value of tourists. Additionally, they could also integrate into activities such as fishing, eco-tourism gear rental and charters.

Threat of New Entrants: High

The threat of new regions competing for up and coming explorers is high, as it is targeted as an ideal segment by eleven of the thirteen RTOs, in addition to 13a and 13b representing Northeastern and Northcentral Ontario respectively. While each region varies in its own ways, existing regions catering to this segment do not necessarily have a cost or quality advantage aside from proximity to urban centre catchment areas. Newcomers to this segment find channels relatively easy with a range of digital marketing campaigns by others being targeted to them.

Threat of Substitute Experiences: Moderate

Up and coming explorers also participate in shopping, sightseeing national attractions and visiting friends and family, at average rates to other segments in the mid-40% range depending on the activity. Accordingly, the threat of substitute experiences is ranked at moderate.

Competitive Rivalry: Moderate

As a widely targeted segment, there are many regions in Ontario currently competing for this segment and it is accordingly a crowded market. Nonetheless, with a growing rate of internationalization there is a high segment growth rate. Each destination catering to this market offers something somewhat different from others in Ontario, however the degree of differentiation among northern Ontario attractions remains moderate.

Summary

Up and coming explorers are a large and growing market, with plenty of competition. The power of tourists is moderate as they face many choices in terms of regions to spend their vacation. The threat of new entrants is quite high, as this group is a priority segment for the majority of Ontario RTOs, and this implies towns within each RTO will be planning to greatly cater to this segment. Substitute experiences are moderate as they are on-average with their likelihood to engage in other activities, namely shopping, sightseeing and visiting others. Competitive rivalry for this segment is moderate, implying that supply and demand are closely tied and that some price sensitivity exists when catering to this market.

Key Success Factors

Competitive Trip Enhancers	Differentiation of Destination Drivers	Ability to Draw Traffic to Community Downtown	Range of Accessible Outdoor Activities	Proximity to Regional Centre

Competitive Trip Enhancers:

In order to monetize up and coming explorers, it is important to have a competitive offering of trip enhancers, such as dining options and hotels. In the situational analysis, it was revealed that most tourists in this age range seek local cuisine and unique shopping and are willing to pay more for sustainable products and local food. Up and Coming explores also prefer lakeside lodging and so having lodging that ties in with the natural environment would be important for extracting maximum value from this segment and serving their needs best.

Differentiation of Destination Drivers:

With many regions competing for tourists of this segment, highlighting differentiation among destination drivers, whether natural or physical structures, would be important to maximizing the likelihood of them pursuing one region over others.

Ability to Draw Traffic to Community Downtown:

The primary purpose of the trip for this segment is exploring, however shopping ranks as a high alternative and is important for economic contributions to the community. Wayfinding signage has become increasingly popular in North American destinations, for its effectiveness at bringing tourists into the commercial parts of the community to maximize visitor spending.

Range of Accessible Outdoor Activities:

Having accessible outdoor activities that are well marked would be important for engaging this segment who is new to the outdoors. As this segment is likely to also consider pursuing other activities as the main purpose of their trip, it would be important for regions competing in this space marketing a range of accessible outdoor activities. This would raise awareness and desire to explore and in return increase likelihood of them pursuing this activity. Further, providing a range of activities can increase retention of tourists who will visit again and reduce associate acquisition costs.

Proximity to Regional Centre:

As this segment has a high risk of substitute experiences, offering close proximity to a regional centre can increase likelihood of them pursuing this activity. Further, this proximity will enhance the likelihood of the tourist choosing a region over others for a similar experience.

RV Tourism

Segment Description

Family Memory Builders

RV tourism consists of two major segments: Family Memory Builders, being families wanting to create a memory for all people; and Knowledge Seekers

Family Memory Builders are a segment driven by families with children under the age of 18. They want a fun vacation that is centred around building family memories and strengthening the bonds within the family. Activities such as interactive exhibits and parks allow the family to have fun and build these lasting memories.

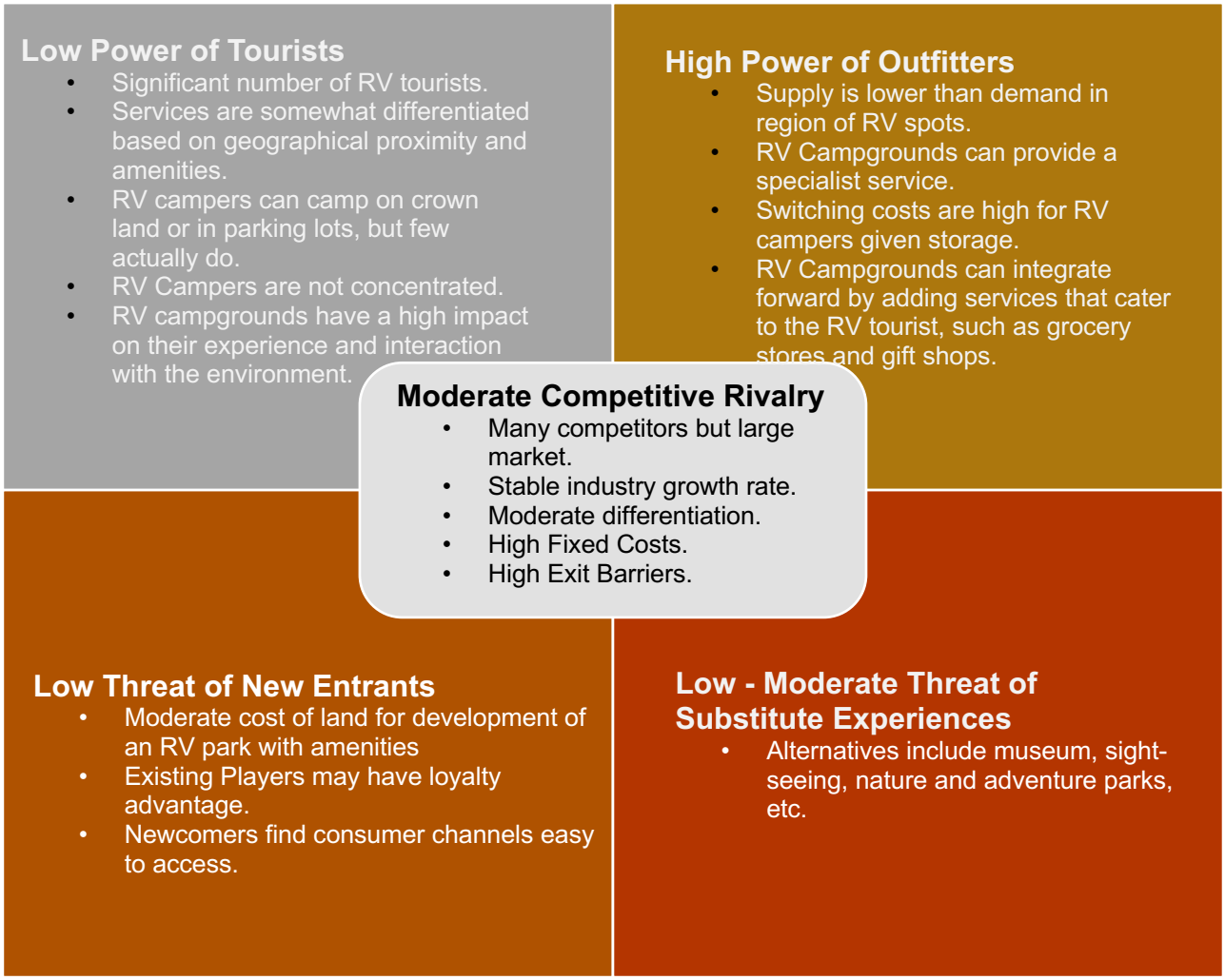
Among Family Memory Builders, 92% suggest the reason for their trip is to create lasting memories, 83% report wanting to enrich their relationship with family, 81% claim their families are what their lives revolve around and 83% travelled with children, nearly triple the average of all segments. A majority of these tourists are 35-54 years of age, with average income of $82,159. This segment is more likely to travel to the US than other segments. Alternative activities are more limited for these tourists, and include visiting major tourist attractions, visiting relatives and shopping.

Knowledge Seekers

Travellers in this segment are looking to appreciate and understand the places they visit. Their trips are typically about expanding their knowledge and stimulating their minds rather than resting and relaxing. They are driven by a desire to explore culture, history, architecture and natural landmarks and often focus on sight-seeing, museums, galleries and historical sites.

43 % are retired which is above average and 54% are above 55. The average income in this segment is $102,480 with a travel budget of $4,713, who spend an average of 8 days per trip. Among those in this segment, 60% want to experience local cuisine and 45% like everything planned in advance which explains high usage of internet to plan and book travel. Alternative activities include museum (86%), nature parks (76%), touring (66%) and culinary (55%).

Porter's Five Forces



Power of Tourists: Low

RV tourists are a large market for northern Ontario with the Lake Superior Circle Tour surrounding the Canadian side of Lake Superior, being a top ranked destination. Within Northern Ontario, campgrounds are differentiated based on geographical proximity and amenities, in addition to factors within the natural environment and whether or not it is a provincial or national park, municipal park or privately run. While RV tourists could stay overnight in a parking lot for free, few do compared to paying guests. RV campers to northern Ontario come from a variety of markets including the border states, southern Ontario and Manitoba. RV campgrounds have a high impact on their experience and interaction with the natural environment.

Power of Operators: High

As the supply of RV camp sites in northwestern Ontario is lower than the demand, as revealed in community consultations, there is considerable power to operators to raise prices without effecting

supply. RV campgrounds can provide specialist services in terms of proximity to natural and physical attractions and amenities. For annual RV guests, switching costs are high given storage and transportation of RVs. The high power of operators is further engrained when RV campgrounds integrate forward by adding services catering to their guests including grocery and gift shops and dining experiences.

Threat of New Entrants: Low

The threat of new entrants is somewhat low for the RV market. With a moderately high cost of land and amenities, it is unlikely new development would occur strictly from the private sector within the North Shore of Lake Superior. Loyalty is high in the segment which gives some moderate advantage to existing players. With RV-targeted digital advertising and signage, it is generally the case that newcomers find consumer channels easy to access.

Threat of Substitute Experiences: Low-Moderate

RV tourists have a low to moderate level of substitute experiences, with museum visiting, sight seeing, and adventure parks being the top three alternatives, each with a 23% to 36% probability of participation which is in the low-moderate range for engagement in other activities.

Competitive Rivalry: Moderate

Competitive rivalry for the RV market is relatively moderate. There are many RV parks in northern Ontario, however, there is also a large market. It is important to note that 50% of the pads in northwestern Ontario are within provincial parks, such as Sleeping Giant, Kakabeka Falls, and Rainbow Falls, and a further 20% are owned by municipalities such as Thunder Bay and Nipigon (modified parking lot). RV sales are growing at a stable rate which implies market growth. The segment has strong differentiation between parks in terms of amenities and natural experiences. High fixed costs are necessary for competition in the segment and exit barriers are also high with uncertainty about finding suitable people to takeover the business.

Summary

The RV segment is highly attractive for the reality that capacity is not meeting demand at the moment within northern Ontario. The market for RV tourists is not necessarily concentrated and comes from a variety of sources, which minimizes risk to external market pressures. The power of operators is relatively high, showing that incremental price increases would not be offset by decreases in supply. This is also valuable as differentiation is a major factor as they can provide specialist services. As discussed in the situational analysis, preferences include being nearby to hiking and recreational activities, being located near a major thoroughfare, having a peaceful atmosphere and a range of sites to choose from. The threat of new entrants is low due to capital costs for potential private sector operators. The threat of substitute experiences is also low, implying those who prefer an RV trip will indeed likely choose an RV trip, and RV destinations would not have to compete against those consumers engaging in other activities. The degree of competitive rivalry is moderate, as there is differentiation provided among campgrounds and the reality that 70% of campgrounds are owned by a government entity in Northwestern Ontario potentially discouraging private investment.

Key Success Factors

Location Close to Major Destination:

In the competitive analysis, it was revealed that supplied camp sites are scarce compared to demand, and accordingly, location is a major key success factor. In particular, locations in proximity to major destinations are important for overnight stays, while locations near outdoor activities are key for both short-term and long-term travellers. Locating an RV park in an underserved market near a city centre is very important, with the majority travelling no more than 100 miles to a seasonal campground as shown in the situational analysis.

Peaceful atmosphere:

In the competitive analysis, a focus on differentiation is found to drive prices and competitiveness among RV campgrounds. In the situational analysis, it was unveiled that a peaceful atmosphere was an important component to RV parks as vacationers look to get away from the hustle and bustle of city life for some relaxation and rest.

Nearby Hiking and Outdoor Activities:

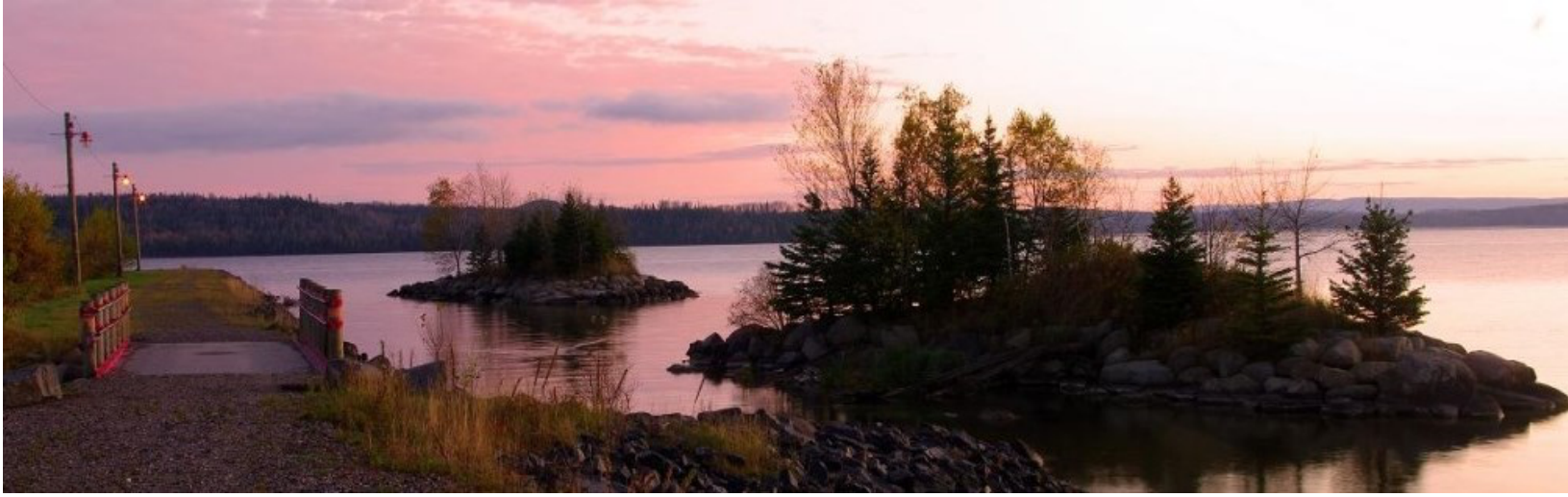
Stemming also from the focus on differentiation found within the competitive analysis to drive prices, focussing on locations near hiking and outdoor activities is one possible means. According to the situational analysis, such proximity was the most important locational amenity.

Mix of Sites Available:

To maximize the number of potential customers who have different tastes on camp sites and amenities, having a mix of sites is important to meeting customer demand as shown in the situational analysis. This includes a solid mix of sites with and without electricity and of varying sizes.

Amenities and Technology:

Amenities and technology, in terms of WiFi, are popular sources of differentiation among campgrounds. These amenities are not usually found within provincial parks and provides assurance for market capture when campsites can differentiate themselves with technological and on-site amenities like showers and communal spaces.



Destination Analysis

Understanding a region's **tourism resources,** in terms of competitive advantage, leads to an understanding of what **key resources are required to change** the external environment, and where **key challenges** may occur in making those changes.

A VRIO analysis asks four questions related to each asset, on a yes/no basis. Once a "no" is reached on any one of the ordered questions, "no" becomes the value to all other assets. The questions are as follows:

(a) **V**alue: Is it valuable in providing something that tourists like?
(b) **R**arity: Is it rare compared to its immediate competition?
(c) **I**mitability: Is it easy for competition to imitate the resource?
(d) **O**rganization: Are activities in the town organized for exploitation economically?

VRIO examines each asset within the community, that falls into one of the following categories:

(a) Natural Destination Drivers: Based on environmental resources, these assets drive visitors to a region.
(b) Infrastructural Destination Drivers: Based on buildings and infrastructure, these assets drive visitors to a region.
(c) Regional Destination Drivers: Based on proximity to regional nature or infrastructural attractions, these assets drive visitors to a region.
(d) Trip Enhancement Drivers: Important for monetization of tourists, these drivers help monetize traffic, by providing goods and services relevant for tourists.
(e) Development Assets: These are important for future development of the region, to further drive visitors to a region, and capture their spending.
(f) Marketing Assets: The marketing assets of a region are directed to potential tourists, in hopes of driving demand.

As a result, each resource can be categorized as being at a:

(a) Competitive Disadvantage – Providing something that is not valuable
(b) Competitive Parity – Providing something valuable, but not rare
(c) Temporary Competitive Advantage – Providing something rare, yet easily imitated

(d) Underused Competitive Advantage – Providing something valuable, rare, and imitable, but not organized to exploit for economic potential; or
(e) Sustainable Advantage – Providing something valuable, rare, difficult to imitate, and organized for exploitation economically

Natural Destination Drivers

Red Rock Mountain	**V**	**R**	**I**	**O**
Description: 7.5 km long foot and bike path, going through crests and valleys of the Mountain.. It is a Blue rated trail, with no ATVs allowed, that is fully signed.	**Value:** Scenic hiking trail with views of Lake Superior. **Rarity:** Somewhat rare with its lakeside views, however, competes with larger trails in Sleeping Giant Park, and Casque Isles, in surrounding communities. **Imitability:** As a natural resource, it is difficult to imitate. **Organization:** Lack of businesses in the area limit the ability to provide amenities for tourists who come to the trail, with most going to Nipigon instead. Lack of marketing of the trail, limits visitor numbers. Hiking trail begins before townsite, meaning most do not visit the actual town.			

Nipigon Recreation Trail	V	R	I	O
Description: 10 km hiking trail between Nipigon and Red Rock, offering amazing views of Lake Superior, with a range of difficulty from easy to black diamond.	**Value:** Large, scenic hiking trail in the region with outstanding views of Lake Superior, and range of difficulty levels. **Rarity:** Somewhat rare trail for its lakeside attractiveness, though trails in Sleeping Giant Provincial Park provide similar experiences. **Imitability:** As a natural resource, it is difficult to imitate. **Organization:** Lack of businesses in the area limit the ability to provide amenities for tourists who come to the trail, with most going to Nipigon instead. Lack of marketing of the trail limits visitor numbers. Hiking trail begins before			

	townsite, meaning most do not visit the actual town.

Nipigon Bay	V	R	I	O
Description: Protected sheltered bay of Lake Superior, with upstream hydroelectric dams, which has also been revitalized as a recreation playground.	**Value:** Provides an oasis for fishing, water-based recreation, kayaking, and boating, as well as scenic views from shore. **Rarity:** One of few large and sheltered bays of Lake Superior. Holds world record for Brook Trout, and is home to a special species of fish, “Lake Superior Coasters”. **Imitability:** As a geographic resource, is not imitable. **Organization:** Lots of natural attractions to make use of the Bay, however, plenty of additional capacity exists.			

Summer Events	V	R	I	O
Description: Events in Red Rock include: ➢ **Folk Fest:** Live folk festival since 2003, drawing from the local catchment area ➢ **Hike for Health**: Fall Hike in support of local organizations, with sponsorships from the Nipigon region. ➢ **Paju Mountain Run:** Run drawing 60 runners per year, mostly from the Thunder Bay region. ➢ **Trout Derby:** Event by Fish and Game Club held annually, drawing locals along the North Shore.	**Value:** Provides events catering to a wide range of local people from Thunder Bay to Terrace Bay. In total, approximately 4,000 visitors make the trip to Red Rock for an event each year. **Rarity:** The only small-scale folk festival in the region, and one of a very limited number of sponsored hiking events, planned runs, and trout derbies from the catchment area.			

	Imitability: Considering organization of events is a difficult task, particularly in a somewhat remote area, it is difficult to imitate. **Organization:** Organized for exploitation in the summer.

Lake Superior National Marine Conservation Area	V	R	I	O
Description: An area that covers 10,000 square kilometers of Lake Superior, including 600 Islands. It is a Parks Canada site and was created September 1, 2015. Includes Kama Cliffs, Mazukama Falls, the Nipigon Recreation Trail, and the Ruby Lake hiking trails.	**Value:** Offering exceptionally scenic vistas of Lake Superior, this nature reserve is the largest of its kind in Canada. **Rarity:** Only Nipigon and Red Rock serve as a full-service towns within this region. **Imitability:** Considering this is a geographical asset of a considerable size, it would be difficult to imitate. **Organization:** Lack of accommodation and businesses catering to tourists limit revenue flows from this attraction.			

Infrastructure Destination Drivers

Marina	V	R	I	O
Description: Full-service marina on the secure freshwater harbour of Nipigon Bay, with deep water access points.	**Value:** Third-largest full-service marina on Lake Superior, second only to Thunder Bay. It is in close radius to Thunder Bay, and also in an area where it acts as the only fuel stop between Wawa and Thunder Bay. Marathon provides a dingy service of jerry cans. **Rarity:** Other marinas in the region are very small (Nipigon, Rossport), and no other community from			

	Wawa to Thunder Bay have a full-service marina. **Imitability:** High cost of capital and geographical considerations mean this would be difficult for other municipalities to imitate. It is located on a sheltered Bay in Lake Superior. **Organization:** Is currently hovering at 80% capacity and provides jobs for summer students. Downtown businesses (a grocery store with an LCBO) provides boaters with necessities, however, aside from the Red Pebbles Café inside the arena, no other businesses or dining facilities exist in Red Rock, that caters to boaters.

Deep Water Shipping Port	V	R	I	O
Description: Port with capability of handling industrial ships and cruise ships, which was used for cruise ships in previous years, with visitors brought in by outboard boat.	**Value:** Deep water port can provide port of entry to potential cruise ship traffic. **Rarity:** One of only two ports on the North Shore of Lake Superior, the other being Thunder Bay. Cruise lines generally prefer smaller towns to larger centres. **Imitability:** High cost of capital and geographical considerations mean this would be difficult for other municipalities to imitate. **Organization:** Is currently not used for any purpose.			

Marina Park/ Pull-A-Log Park	V	R	I	O
Description: Multi-use Marina Park with a Critter's Dock, Kayak Dock, Splash Pad, Pavilion, and Board Walk, with lots of nature and space for hosting large events.	**Value:** Waterfront Park with outdoor assets catering to families and eco-tourists, next to the marina. Special kayak dock provides access to remarkable area. Critter's Dock is for little kids catching little bugs and frogs in a			

	marsh. Board Walk is great for a little stroll after a long day of driving. Space is remarkable and can be used for events. **Rarity:** One of only three waterfront parks along Lake Superior's North Shore (along with Nipigon and Thunder Bay). Schrieber, Marathon, and Terrace Bay have beaches but not parks per-se. Wawa's park is on Lake Wawa. **Imitability:** As other towns have more developed waterfronts; it would be difficult to imitate. **Organization:** Can be more well organized to attract volumes of tourists in conjunction with other tourism assets in the region.

Interpretive Centre	V	R	I	O
Description: Interactive centre on Lake Superior with a range of exhibits. Includes a small art gallery and souvenir store.	**Value:** Interactive, technology-enhanced centre with exhibits that teach its visitors about the environmental, social, and historical aspects of the region, and Lake Superior, including activity during WWII. **Rarity:** Only interactive centre along the North Shore of Lake Superior, providing a great attraction for families. **Imitability:** Cost of capital is major barrier to other communities imitating the project. **Organization:** Attracts 880 guests per year. While a small souvenir store exists inside the centre, a lack of tourist visitors limit the dollars flowing to the community.			

Historical Society Walking Trail	V	R	I	O

Description: Short walking tour that passes through the townsite (Red Rock), with logging and WWII history..	**Value:** Historical tours are popular with retiree travellers, and this provides some logging and WWII history from the North Shore of Lake Superior. **Rarity:** While other towns have similar logging histories, this town's added focus on WWII is unique among other communities. **Imitability:** While other logging communities can deploy similar exhibits, WWII history is rare along Superior, and cannot be imitated. **Organization:** With limited tourist businesses and stores that build from the history, minimal dollars flow to the community from these tourists.

Eco-Tourism Business Assets	V	R	I	O
Description: ➢ **Eagle Canyon** is home to Canada's Longest Zip Line. ➢ **Epic Adventures** does ice climbing and provides shuttle for the Nipigon River Recreation Trail, between Nipigon and Red Rock Trailheads. ➢ **Nipigon River Adventures** provides inclusive eco-tourism activities for the whole family. ➢ **By the Bay Adventures** provides sailing in a protected bay of Lake Superior.	**Value:** Recreation services for ecotourism is important by engaging visitors from Thunder Bay, and the region. **Rarity:** These businesses take advantage of the regional assets by providing unique services within a 2 to 8 hour radius. **Imitability:** These attractions are easy to imitate, however would require capital. **Organization:** With the exception of Eagle Canyon, and By the Bay Adventures, all businesses are active in Red Rock, by servicing tourists to the region. Further capacity is possible, as are expanded business services..			

Regional Attraction Destination Drivers

Proximity to Hurkett Cove (Regional)	V	R	I	O
Description: World-class birding exhibition in Dorion Township, and the unorganized township next to Red Rock. It is on undeveloped Black	**Value:** Full-service town located very close to a world-class birding exhibit.			

Bay, with a 1 km hiking trail, red sand beach, and is home to many rare species of birds.	**Rarity:** Hurkett Cove is recognized as a premier birding exhibit, with rare species on the shores of Lake Superior, and Cranberrry Marsh. **Imitability:** As a physical resource, with special wildlife, this would be hard to imitate. **Organization:** Lack of businesses that could even potentially monetize day tourists. As most visitors to Hurkett come from Thunder Bay, they do not travel as far down to meet the Red Rock intersection.

Proximity to Wolf River Falls (sometimes called Red Rock Falls) (Regional)	V	R	I	O
Description: Red Rock Falls is a popular off-grid waterfall down a logging road, 30 minutes from the Trans Canada in the unorganized township between Dorion and Red Rock. It is noted that, despite online popularity, the trail is unsigned, and is not able to be advertised. However, it is precisely that remoteness, in addition to the lack of services and civilization, that draws people to this natural, hidden gem.	**Value:** Closest town to Red Rock Falls, could potentially offer guests enhanced experiences such as dining, shopping, or accommodation. **Rarity:** Red Rock Falls is the most well-known waterfall in Northwestern Ontario, where people can walk underneath the Falls. **Imitability:** As a physical resource, this would be hard to imitate. **Organization:** Lack of businesses that could even potentially monetize day tourists. As most visitors to the Falls come from Thunder Bay, they do not travel as far down to meet the Red Rock intersection.			

Proximity to Superior Hiking Trails	V	R	I	O
Description: Regional hiking trails on superiorhiking.ca reveals a dozen trails in the local 30 minute drive, including Ruby Lake, Mazukama Falls, Alexander Dam, Superior Shores, Morraine Falls, and others.	**Value:** Full service town in the heart of the region where many from Thunder Bay go hiking. **Rarity:** Nipigon is the only other town in the proximity to this area.			

	Imitability: As a physical resource, this would be hard to imitate. **Organization:** Lack of businesses that could even potentially monetize day tourists. Interviews with businesses reveal some guests engage in these trails.

Proximity to Golf Course	V	R	I	O
Description: North Shore Golf Course is a 9-hole golf course, with cross-country ski trails in the winter.	**Value:** While off the highway by 8 minutes, Red Rock could provide services that cater to the visitors of the golf course, which mostly come from the regional communities along the North Shore. **Rarity:** Several other golf courses and cross-country ski trails exist within a one-hour drive. Further, Nipigon is also able to service visitors as most pass through the town on their way to the golf course.			

Proximity to Three Operating Provincial Parks within 1-hour drive and several non-operating.	V	R	I	O
Description: Full-Service Town in close proximity to Sleeping Giant, Ouimet Canyon, and Rainbow Falls Provincial Parks.	**Value:** RV tourists like to sight see along their journey. Red Rock provides a superior vista. Others look for accommodations and dining and use such as a “base camp.” **Rarity:** Only Nipigon offers similar commute times to each provincial park. Other communities, being an hour away, would provide proximity to two (Thunder Bay) or one (Terrace Bay/Schreiber) park. Sleeping Giant is unique for its size and ruggedness, and is a top 10 park in Canada. Ouimet Canyon is unique for being the largest canyon in Ontario. Rainbow Falls is			

	popular due to its location on Lake Superior near Rossport. **Imitability:** New provincial parks are rarely created. **Organization:** Interviews reveal that while some tourists use Red Rock as a base camp, there is limited capacity with respect to accommodations and restaurants, and hence the township is not capturing all the value from this possible expansion.

Trip Enhancement Drivers

Accommodations	V	R	I	O
Description: Existing accommodations include a bed and breakfast, lodge, a small hotel, and a parking lot for RVs.	**Value:** Overnight visitors increase spending by far, compared to short haul guests. **Rarity:** Accommodations similar to those in Red Rock exist in many other North Shore towns.			

Dining	V	R	I	O
Description: Red Rock is home to one year-round, full-service restaurant, inside their arena, that serves a wide variety of Canadian cuisine, and breakfast.	**Value:** Visitors like to dine, and is an important area for the town to monetize tourists. The town has a restaurant located inside the arena, mostly catering to local residents. Some visitors use the restaurant, including contractors and visitors to the Inn.			

Shopping	V	R	I	O
Description: Stores available include a grocery store and a LCBO outlet, credit union, hair	**Value:** Visitors like to shop, and it is important for the town to monetize tourists. LCBO and			

salon, and convenience store. A small store exists at the Marina.	grocery store are used by visitors to buy essentials. **Rarity:** The stores provided do not sell anything rare and are common in any region of Canada.

Development Assets

Waterfront and Mountain Top Land for Development	V	R	I	O
Description: Serviced land atop Red Rock Mountain, with extraordinary views of Lake Superior.	**Value:** Studies from Superior Country reveal a desire by tourists for scenic vistas, and for water view accommodations. This land provides water view, and is ready for development. **Rarity:** No waterfront accommodation exists along the North Shore within a two hour drive of Red Rock, and only a handful of motels in Terrace Bay provide water views. Only two hotels in Thunder Bay re located near the water. **Imitability:** As a physical resource, this would be hard to imitate. Other towns nearby do not have serviced land with such views available for development. **Organization:** While this provides an exceptional opportunity, it has not yet been developed.			

Location from Market

Proximity to Thunder Bay	V	R	I	O
Description: Red Rock is located 1 hour and 10 minutes outside of Thunder Bay.	**Value:** Closest town to the East of this large population centre presents opportunity for short-haul travel. Residents of Thunder Bay also travel for staycations more often than others, due to lack of other towns in a reasonable radius of the City.			

	Rarity: Only town aside from Nipigon accessible by car from Thunder Bay within 1 hour and 15 minutes. **Imitability:** As a physical resource, this would be hard to imitate. **Organization:** Interviews reveal very little tourist businesses, aside from the marina, cater to this segment.

Proximity to USA	V	R	I	O
Description: Red Rock is 2 hours drive from Pigeon River Border Crossing, and 5.5 hours drive from Sault Ste. Marie.	**Value:** With two border crossings in close proximity, border states such as Minnesota, Wisconsin and Michigan are in exceptionally close reach. **Rarity:** Six other towns are within the similar range of both borders (Nipigon, Terrace Bay, Schreiber, Marathon, White River, and Wawa) **Imitability:** As a physical resource, this would be hard to imitate. **Organization:** Interviews reveal many businesses in the region are reliant on US customers. However, further development of this base is possible, as supply does not meet demand.			

Marketing Presence	V	R	I	O
Description: Presence on Northern Ontario travel, signage on the Highway, featured on township website, and directory pages of Lake Superior travel websites. YouTube videos are also present.	**Value:** Marketing draws people, however, it is rather small and limited. **Rarity:** All towns from the region have similar marketing profiles to Red Rock. There is no differentiation.			

Summary

Evidently, Red Rock is home to many strong tourism assets in terms of destination drivers, with many making good use of Nipigon Bay, the waterfront Marina, and spectacular hiking trails. Proximity to many other regional centres also shows the strong potential Red Rock holds as a destination, as is its location within the catchment area is central. However, assets almost exclusively remain underutilized, due to a lack of trip enhancement drivers. Enhancement drivers are necessary to monetize traffic from other attractions, and without accommodations, dining, and shopping, Red Rock will be at a competitive disadvantage compared to other communities.

	V	R	I	O	
Natural Destination Drivers					
Red Rock Mountain					Underutilized
Nipigon Recreation Trail					Underutilized
Nipigon Bay					Underutilized
Events					Temporary
Lake Superior National Marine Conservation Area					Underutilized
Infrastructural Destination Drivers					
Marina					Underutilized
Deep Water Port					Underutilized
Marina Park/ Pull-A-Log Park					Underutilized
Interpretive Centre					Underutilized
Historical Society Walking Trail					Underutilized
Eco-Tourism Business Assets					Sustained
Regional Destination Drivers					
Proximity to Hurkett Cove (Regional)					Underutilized
Proximity to Red Rock Falls (Wolf River Falls)					Underutilized
Proximity to Superior Hiking Trails					Underutilized
Proximity to Golf Course					Competitive Parity
Proximity to Three Operating Provincial Parks within 1 hour drive and several non-operating.					Underutilized
Trip Enhancement Drivers					
Accommodations					Competitive Parity
Dining					Competitive Disadvantage
Shopping					Competitive Parity
Development Assets					
Waterfront and Mountain Top Land for Development					Underutilized
Location from Market					
Proximity to Thunder Bay					Underutilized
Proximity to 2 USA border crossings					Underutilized
Marketing Presence					Competitive Parity

Strategic Framework

Putting Research into Action

A tourism strategy, at is core, is a recommendation for how a community can utilize and change its resources to best meet opportunities and defend against threats. Accordingly, It examines how strengths and weaknesses of its resources are able to meet a changing and dynamic external environment.

The TOWS matric stands for threats, opportunities, weaknesses and threats and is similar to a traditional SWOT analysis, however the emphasis is on strategy formulation. The opportunities and threats stem from key themes in the PESTLE analysis which takes an in-depth view of the key drivers of change, and the five forces model which provides key success factors with respect to industry dynamics. Strengths and weaknesses are gleaned from key themes in the VRIO analysis of resources for which strategies measure how well such measure against the opportunities and threats.

Unlike SWOT, TOWS provide a visual format of linear relationships between each category, into four types of strategy classifications:

(a) **Attacking Strategy (Strength/ Opportunity):** Actions that leverage strengths being put to use in the most promising opportunity.
(b) **Build Strengths for Attacking Strategy (Weakness/ Opportunity):** Actions that minimize the company's weaknesses in being able to respond to opportunities.
(c) **Defensive Strategy (Strength/ Threat):** Strategies that can leverage a community's strengths to minimize identified threats.
(d) **Building Strengths for Defensive Strategy (Weakness/ Threat):** Strategies that minimize a community's weaknesses to avoid a threat identified.

	Strengths	**Weaknesses**
	➢ Natural Destination Drivers provide extraordinary rare views of Lake Superior with range of activities, maintained and marked trails and a unique species of fish and world record of brook trout. ➢ Summer Events are regionally unique. ➢ Outfitters provide inclusive services. ➢ Infrastructural drivers including large full-service marina, deep water port, Marina Park, Interpretive Centre, and Eco-Tourism business assets and new highway interchange. ➢ Proximity to several regional nature assets (Wolf River Falls, Hurkett Cove, Superior Hiking Trials) ➢ Proximity to 3 Ontario Parks in 1 hour. ➢ Development Assets, namely Waterfront and Lake view land for development. ➢ Cellular Service for Canadians. ➢ Proximity to Markets, namely Thunder Bay and 2 USA border Crossings.	➢ Dining option is very limited and at a competitive disadvantage. ➢ Lack of gas station to provide gas to tourists. ➢ Few accommodations within the town, limits the ability to monetize tourists. ➢ Limited shopping with limited hours does not cater to tourist market well. ➢ Underutilized natural destination drivers and infrastructural drivers due to lack of amenities within the town and under promotion. ➢ Skate ski trails are not carved at local skiing trial, limiting potential draw. ➢ Lack of Winter Events. ➢ Lack of WiFi at Marina. ➢ Marketing presence is generic, dated and has not gained significant attention.
Opportunities ➢ FedNor Funding for building on tourism strengths. ➢ NOHFC funding for events, and strategic infrastructure. ➢ Recent Tourism Strategies from Federal, Provincial and Regional governments and agencies. ➢ Tourism Northern Ontario is focussing on high yield sports (fishing, nature, auto/ RV) as first priority, with a focus on Knowledge Seekers, Up and Coming Explorers, and Connected Explorers. ➢ Superior Country's target markets are fishing, RVing and Short-Haul Travel. ➢ 85% of tourism value capture in NWO is in accommodation, transportation and food. ➢ 4,700 cars and 1,300 transports daily travel on Hwy. 17. ➢ Continued growth of US tourists to Canada. ➢ Growing internationalization of tourism. ➢ Most tourists stay 3 nights. ➢ Under capacity of regional accommodations, none with lake view nor catered for short-term stays. ➢ Hotel market strong in NWO in terms of vacancy, price per room and revenue per room. ➢ Under capacity of RV and campgrounds in the region. ➢ Increasing prominence of millennials and New Canadians in tourism, which increases authentic and immersive travel with local cuisine and accommodation. ➢ Hiking is most popular close-to-home activity requiring a short-haul travel outside of urban area. ➢ Rise in Immigrant Entrepreneurs in the Region. ➢ American fisher people are 75% likely to stay in a lodge and have a 76% higher yield. ➢ Growth in Winter Eco-Tourism Projected ➢ Skate Skiing is a Growing Trend ➢ Lake Superior Circle Trail is Resurging ➢ Greater Role of Technology in Trip Planning ➢ Northern Ontario-wide Marketing ➢ Social Media as Social Currency for Millennial Travelers ➢ Wellness Tourism as a growing high-yield segment. ➢ Increasing consciousness of sustainable consumption. ➢ Low threat of substitute experiences to RVers. ➢ Low threat of new entrants to RV, eco and marine.	Plan to attract a hotel developer for a hotel with a Lake view within five years to anchor tourism and development. Build Distinctive Wayfinding signage to attract and steer tourists and business from Highway 17 Corridor. Continue to work towards development of waterfront RV Park and campground. Promote Red Rock as an affordable, accessible and regional destination for marine and as a hub for eco-tourism. Promote Red Rock as a unique, one-of-a-kind natural destination to domestic and American anglers, and support up and coming explorers and connected explorers as part of current destination plan. Consider development as a cruise ship destination.	Encourage Waterfront Development with local dining and retail space and consult available funding for strategic infrastructure. Integrated technology expansion to connect tourists, local residents, businesses in the Red Rock region. Develop an inclusive digital marketing strategy connecting Red Rock through a range of mediums, including web, social media, mobile apps and integrated technology partners. Stabilize and Expand Event Portfolio. Explore market research to examine development of the Highway 17 exit.
Threats ➢ Most visitor spending occurs July to September, and by pleasure tourists, those visiting and those on business. ➢ Threatening Demographics of Recreational Anglers ➢ Boat sales are declining, though relatively stable participation in Northwestern Ontario. ➢ Families are now more involved in boating, who prefer activities beyond fishing, namely sunbathing and nature. ➢ Eco-tourists are concerned about risk to injury. ➢ Insurance for Adventure Tourism at a high cost. ➢ Climate Change having negative impact on fish populations and water quality. ➢ Seasonal fluctuations to Hotel occupancy in Canada. ➢ Marine Fuel Service increasingly rare in North Shore. ➢ High Threat of Substitute Experiences among Eco-tourists/ Connected Explorers. ➢ High likelihood of new entrants for Up and Coming Explorers and moderate level for Connected Explorers. ➢ High competitive rivalry for Up and Coming Explorers and Connected Explorers.	Continue advocacy efforts for fish rejuvenation in Nipigon Bay. Consider adding adventure tourism rentals to the Marina Park list of services to diversify activities and increase accessibility.	Work with local tourism operators to diversify winter offerings including skate skiing. Promote abundance of scenic winter and off-season eco-tourism activities.

Encourage Waterfront Development with local dining and retail space and consult available funding for strategic infrastructure.

With ample room for development on the waterfront, it is possible for the town to take advantage of funding opportunities to build critical infrastructure that would monetize tourism in the community. A three-store commercial plaza could be a viable option for a first-phase development. Develop multiple strategic objectives to test inclusive service and retail combinations, as early as next Summer.

Integrated technology expansion to connect tourists, local residents, businesses in the Red Rock region.

With innovative technology increasing among modern consumers, connectivity is an increasingly valued yet is rare along the North Shore. Understanding a lack of broadband internet to Red Rock, making connectivity more widely available is a strong next step.

Develop an inclusive digital marketing strategy connecting Red Rock through a range of mediums, including web, social media, mobile apps and integrated technology partners.

Digital marketing is important for the target audiences, as ensuring proper digital campaigns with a unique branding position are important in order for it to identify market.

Stabilize and Expand Event Portfolio.

Events can be a multiplier for revenue to communities, and therefore, to strengthen existing events while introducing a new anchor event showcasing Red Rock, would be of benefit.

Explore market research to examine development of the Highway 17 exit.

With potential for fuel, accommodation and commercial development, there may be possibility. Further real estate and market research of highway travellers should be conducted to confirm viability.

Plan to attract a hotel developer for a hotel with a Lake view within five years to anchor tourism and development.

Significant value capture by tourism is from accommodations. As the region has very attractive market conditions for hotel development as does the immediate region surrounding Red Rock, future development would surely be feasible. In particular, there is preference from consumers for Lakeside accommodation. A potential lake view hotel could be located on serviced Red Rock Mountain for scenic views of Lake Superior. Such lodging can also host weddings and conferences.

Build Distinctive Wayfinding signage to attract and steer tourists and business from Highway 17 Corridor.

Many communities on highway 17 are erecting significant wayfinding signage to draw people into their respective downtown communities. While some wayfinding signage exists with Red Rock, it is very minimal and does not feature images of what one could expect if they turn off the highway. Development of photo-genic wayfinding signage that highlights the benefits of turning off the highway would be welcomed, similar to that of Blind River, Ontario or Manitoulin Island. Highway

traffic visiting the town could prove beneficial to familiarize people with the community, and once more businesses are brought to the community, considerably assist with its development prospects.

Continue to work towards development of waterfront RV Park and campground.

Clearly, market conditions show great sufficiency for creation of a waterfront RV park and campground, initially owned by the municipality. As an underserviced and growing market, RVing is becoming increasingly popular and is evidenced in near full capacity by regional campgrounds even amid COVID-19 in summer 2020. The amenities that Red Rock can provide are aligned with the critical success factors of the RV market, with close proximity to Thunder Bay and minutes from world-class natural destination drivers.

Promote Red Rock as an affordable, accessible and regional destination for marine and as a hub for eco-tourism. Promote Red Rock as a unique, one-of-a-kind natural destination to domestic and American anglers, and support up and coming explorers and connected explorers as part of current destination plan.

Red Rock is home to some of the most unique and amazing natural destination drivers in Northwestern Ontario, and presents itself only one hour away from Thunder Bay and home to the region's second largest marina which aligns with Red Rock's exclusive waterfront and scenic vistas.

Consider development as a cruise ship destination.

Cruise ships power some economies, such as Little Current, Ontario in bringing high volumes of high yield tourists at once. While this traffic will only be monetized once a commercial centre at the marina is built, work for planning Red Rock as a destination would need to begin earlier.

Continue advocacy efforts for fish rejuvenation in Nipigon Bay.

Healthy fish volumes lead to satisfied guests of fishing lodges. Lobbying for rejuvenation of fish populations in Nipigon Bay is essential for increasing prospects of attracting further operators.

Consider adding adventure tourism rentals to the Marina Park list of services to diversify activities and increase accessibility.

Given the difficulty of insurance and likely small demand, it would be recommended that the municipality purchase adventure equipment and rent it from the Marina Park or Town Office until demand can be sufficient for a private operator. Several other municipalities do this and, if marketed correctly, can draw new tourists and carve a niche in the area.

Work with local tourism operators to diversify winter offerings including skate skiing.

Skate skiing requires wider trails than classic skiing and is a big undertaking. However, as the current ski trails are on a golf course, the clearing of trees should not be a major issue. Working with the non-profit would be essential to marketing the region towards skate skiers, who comprise a large group in the local region.

Promote abundance of scenic winter and off-season eco-tourism activities.

Red Rock is home to some spectacular winter tourism adventures in close proximity and can carve itself a niche by being the first mover on promotion of winter tourism. Economically exploiting these tourists will be greatly enhanced once commercial centre is open and available.


RED ROCK
a superior treasure
Limestone
PARTNERS
Photo By:
CASCADES