

A person wearing a hat and a backpack is standing in shallow water, holding a fishing rod. The sky is dark with a vibrant green aurora borealis (Northern Lights) visible. The water is calm, reflecting the lights and the person. There are some reeds or sticks in the water near the person.

# REPORT NWT TOURISM BUSINESS SURVEY

JUNE 2023

SPECTACULAR  
NORTHWEST  
TERRITORIES 

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# OBJECTIVES & METHODOLOGY





## BACKGROUND

It is now over a year since the Northwest Territories border was reopened to visitors after COVID-19 restrictions (March 1<sup>st</sup>, 2022). Over the past year there has been continued strain on NWT tourism business operators with many concerned about inflation, airline-related issues and a limited labour supply. Northwest Territories Tourism, in partnership with Outcrop, is looking to understand the current sentiment of NWT tourism businesses.

## OBJECTIVES

- Understanding whether tourism operators intend to make any changes to their product offerings and, if so, why change and what will they change?
- Understanding operators' expectations of revenues compared to before the pandemic.
- Gauging the number of employees before the pandemic, post-pandemic (current) and potential employee needs in the next 12 months.
- Determining the current biggest barriers for businesses.
- Identifying the profile of Northwest Territories tourism businesses.



## METHODOLOGY & SAMPLE



Online 9-10 min survey with a total of 56 business owners in the Northwest Territories.

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Data collection:  
19<sup>th</sup> May – 6<sup>th</sup> June 2023

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Results are unweighted.

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Please note that overall sample size is small ( $n=56$ ). Please interpret findings with caution. Where possible, we have highlighted any differences between sample subgroups.



# KEY FINDINGS



# KEY FINDINGS

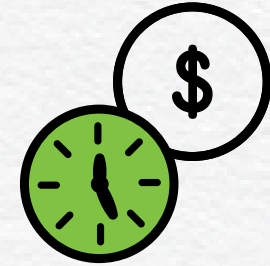


## **NEARLY ALL (94%) OF TOURISM BUSINESSES IN THE NORTHWEST TERRITORIES ARE NOW OPEN**

with most fully open (89%).  
This is up 17-points from last year's proportion of 77%.



Almost **HALF OF BUSINESSES (48%) HAD PRE-PANDEMIC REVENUES OF LESS THAN \$500,000** and almost one-third (32%) had revenues of \$500,000 or more prior to the pandemic. These estimates are similar to last year.



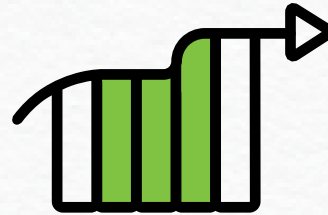
Only two in 10 businesses are currently at the same revenue levels as pre-pandemic with **THE MAJORITY OF NORTHWEST TERRITORIES TOURISM BUSINESS OWNERS (68%) ANTICIPATING REVENUE LEVELS WILL RECOVER WITHIN THE NEXT YEAR OR LONGER.**



# KEY FINDINGS

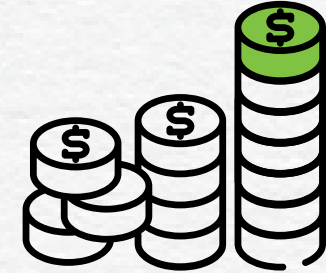


**ONE-THIRD EXPECT TO SEE INCREASED REVENUES FOR JULY-DECEMBER 2023**, compared to the same seasonal time frame pre-pandemic in 2019—this is inline with last year’s expected revenue for July-December 2022. The proportion of those expecting to see decreases this year (36%) is lower than those who expected decreased revenues last year (52%).



NWT tourism operators’ March 2022 predictions for employment over the next 12 months, at that time, has mostly come true and is reflected by the current employment figures.

- **The number of employees has increased this year**, especially in businesses with 5-19 employees.
- Owners managing their own businesses solely has dropped significantly this year (18%) compared to last year (41%). **This is back inline with pre-pandemic levels. Continued growth and recovery is anticipated for the next 12 months.**

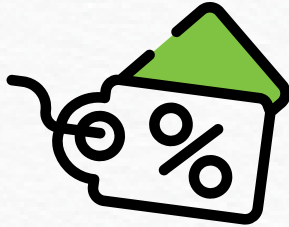


Inflation has the largest impact on potential changes to product offerings for NWT tourism businesses with seven in 10 (72%) anticipating their product offerings to change due to the current economic climate/inflation.

- **Two in 10 businesses** each expect to either **increase or decrease offerings** with one-third expecting to modify/adjust their products.
- Of those making changes to their offerings, **over half (55%) are increasing prices** and one-quarter are adjusting expenses.

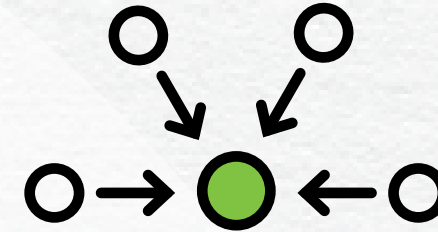


# KEY FINDINGS



**COVID-19 IS STILL EXPECTED TO CAUSE CHANGES (63%) TO PRODUCT OFFERINGS FOR NWT BUSINESSES**, as one-quarter expect to modify/adjust their products.

- **Two in 10 businesses** expect to decrease offerings **due to airline-related concerns**, while three in 10 expect to modify/adjust their products.
- **Half of businesses** anticipate their product offerings to change **due to limited labour supply**.
- Two in 10 expect to decrease offerings with nearly three in 10 expecting to modify/adjust their products.



**THERE ARE MANY ONGOING CONCERNS, INCLUDING COVID-19, INFLATION, AIRLINE CONCERNS AND LABOUR ISSUES**, that are significantly impacting tourism and tourism businesses in the Northwest Territories.

- The most common impacts are struggling with a decline in business/loss of revenue, high travel/flight costs, and high operation costs at 21% each.

## KEY FINDINGS

# OBSERVATIONS/ RECOMMENDATIONS

- There is a positive future for tourism businesses in the Northwest Territories with nearly all businesses re-opening after COVID-19. One-third of businesses expect revenues to increase in July to December of this year, compared to the same seasonal time period pre-pandemic (2019).
- COVID-19 is no longer a concern for businesses, but the revenue lost during this period is still impacting businesses with many going into debt or using personal savings to keep their business open. Businesses are struggling with the recovery, and one-third expect decreased revenues from July to December 2023 compared to this time in 2019.
- Businesses are now facing new challenges. As they try to recover from COVID-19, they are also encountering inflation, labour shortages and airline-related concerns. The majority of Northwest Territories tourism business owners state the current economic climate and inflation is the biggest barrier to their business operations and growth, with seven in 10 businesses anticipating their product offerings to change due to this.







## KEY FINDINGS OBSERVATIONS/ RECOMMENDATIONS

- Overall, tourism businesses in the Northwest Territories are more optimistic than last year, but there's still a long road to recovery. Many are looking for government funding to help with the current economic climate. For example, the increased cost for potential visitors to take air travel to NWT is affecting businesses. Subsidizing these flights could increase tourism and, in turn, help local businesses. Other government funding suggestions include increased advertisements, insurance grants, equipment grants, and general support overall.



# DETAILED FINDINGS







## BUSINESS STATUS

**94%**  
TOURISM  
BUSINESSES OPEN

**89%**  
FULLY OPEN

**UP  
17-POINTS**  
FROM LAST YEAR

THREE-QUARTERS OF  
BUSINESS OPEN  
**10+ YEARS**

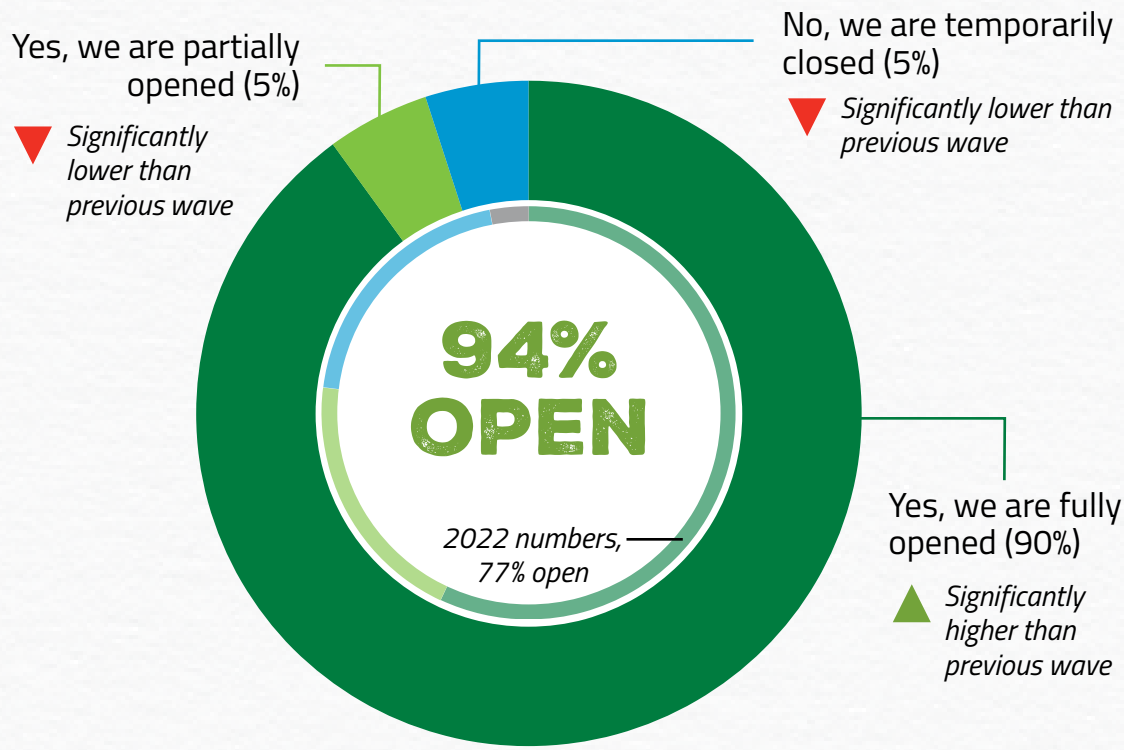
MORE THAN HALF OF  
BUSINESSES OPEN  
**20+ YEARS**

NWT TOURISM  
BUSINESSES ARE  
WELL-ESTABLISHED

# BUSINESS STATUS

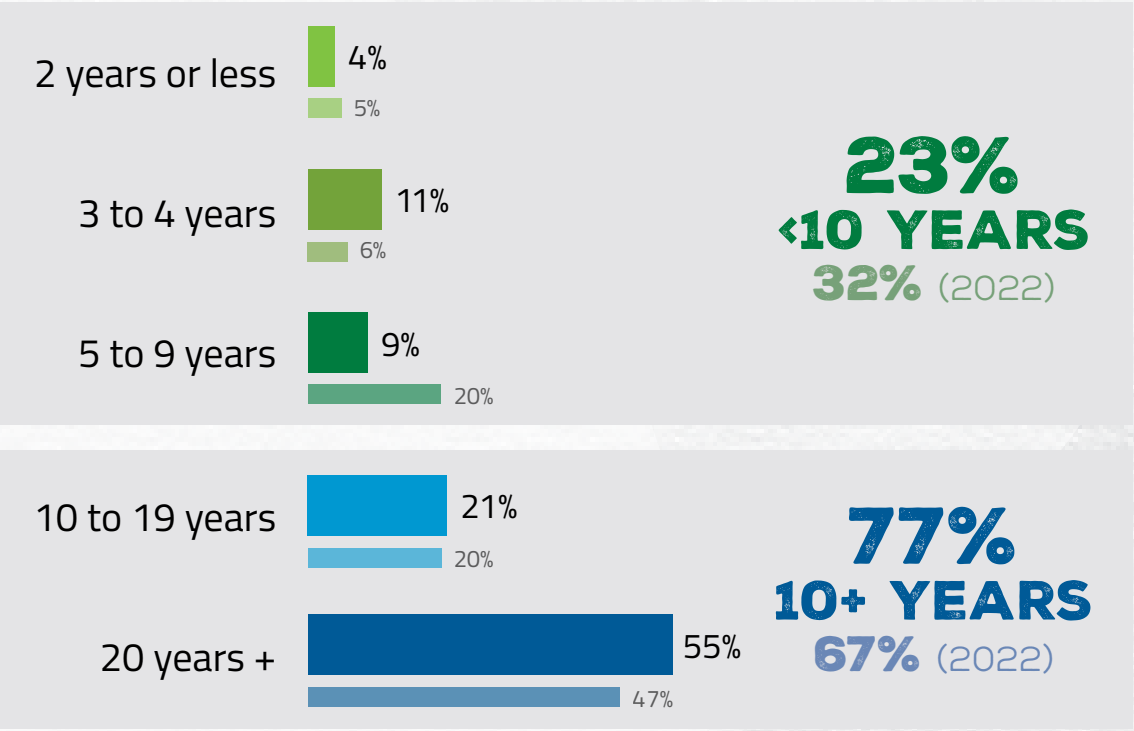
## BUSINESSES CURRENTLY OPEN

Base: All respondents (2023 n=56, 2022 n=79). S3. Is your business still open?



## YEARS IN OPERATION

Base: All respondents, excl. prefer not to answer (2023 n=56, 2022 n=79). Z1. How long has your business been/was your business in operation?





# BUSINESS REVENUE

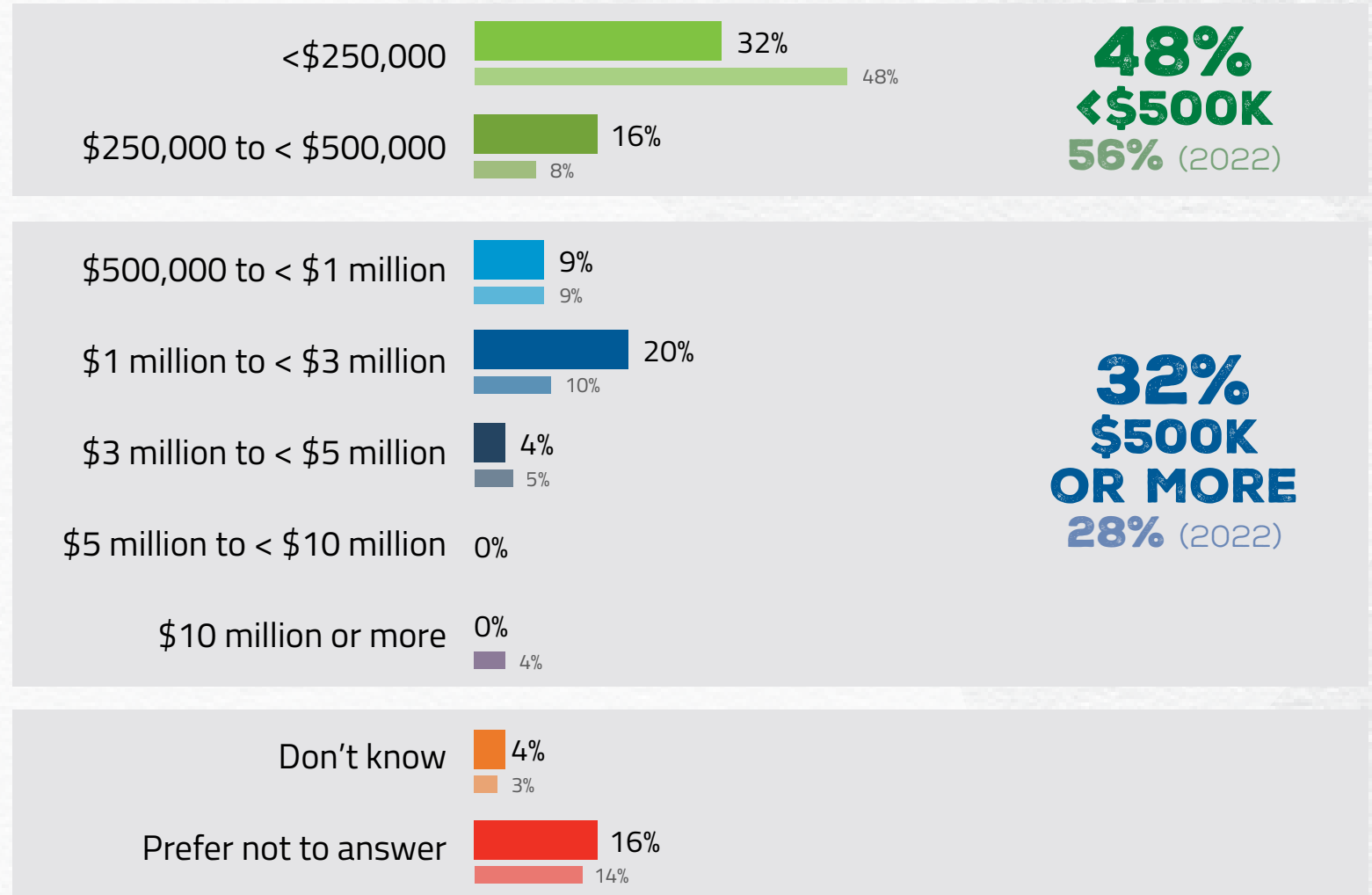
Almost half of businesses had pre-pandemic revenues of less than \$500,000.

Nearly one-third had revenues of \$500,000 or more prior to the pandemic.

These estimates are fairly similar to last year.

Base: All respondents (2023 n=56, 2022 n=79).

Z2. What were the estimated revenues for your business in 2019 (pre-pandemic)?



# COVID-19 BUSINESS IMPACT

## ANTICIPATED PRODUCT OFFERINGS CHANGE

### INFLATION

**Seven in 10 (72%)** businesses anticipate their product offerings to change due to the current economic climate/ inflation. **Two in 10 businesses** expect to either increase (18%) or decrease (18%) offerings with one-third expecting to modify/adjust their offerings. **Of those making modifications to their offerings, over half (55%) are increasing their prices with one-quarter adjusting expenses.**





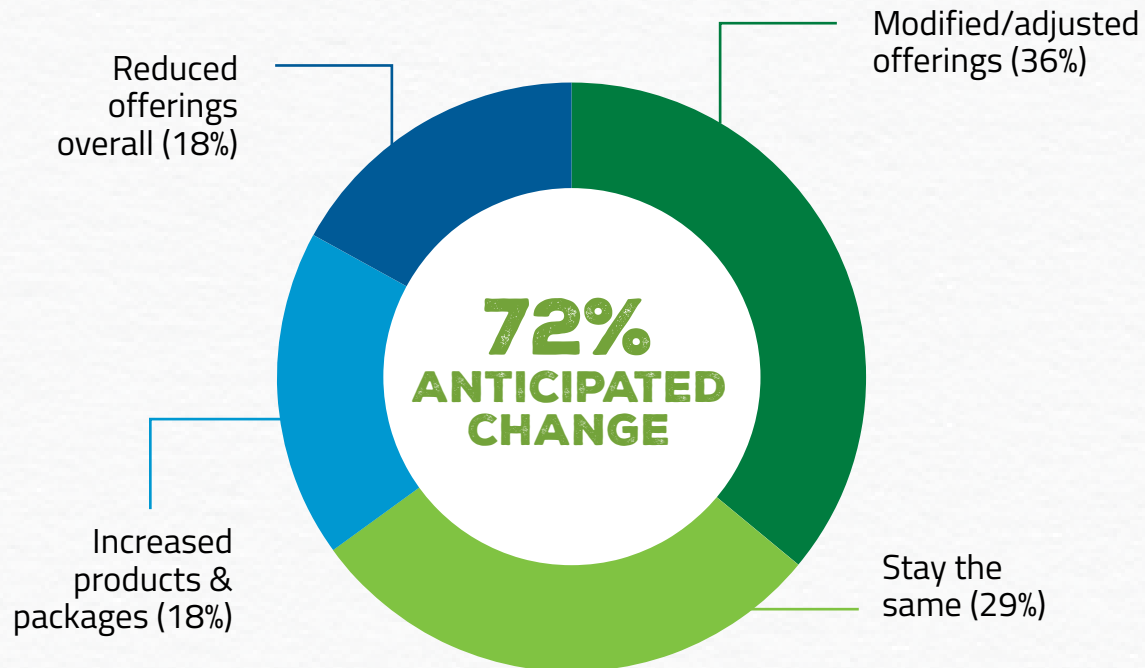
# COVID-19 BUSINESS IMPACT

## ANTICIPATED PRODUCT OFFERINGS CHANGE INFLATION

### CHANGE IN OFFERINGS

Base: Open/temporarily closed businesses (n=56).

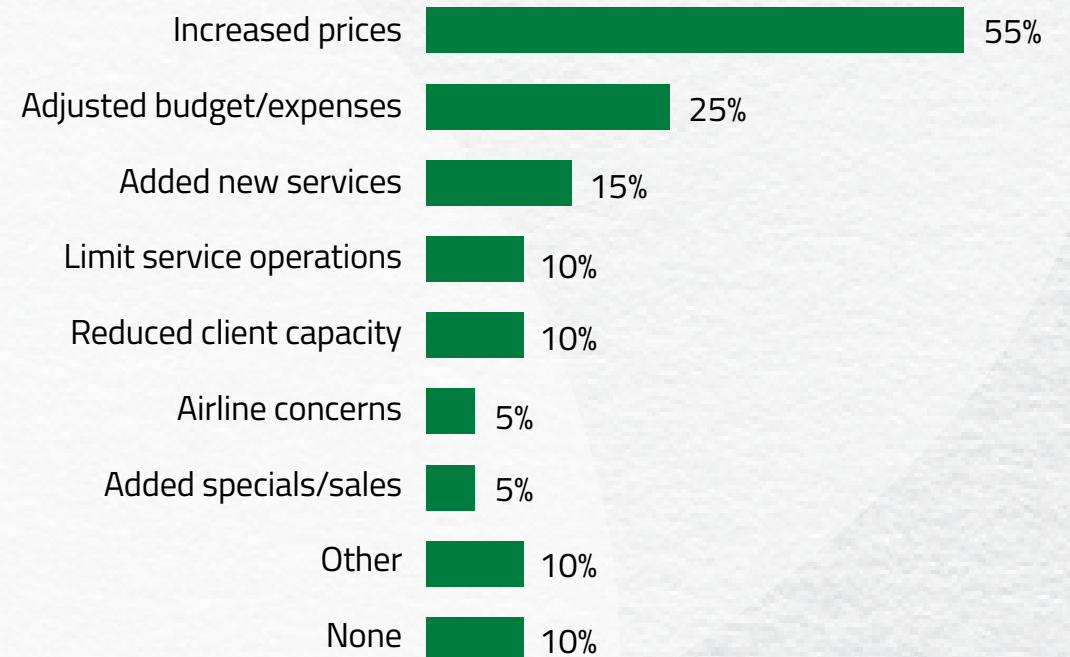
A1c2. How, if at all, do you expect your product offerings to change as a result of existing economic climate/inflation?



### MODIFIED/ADJUSTED OFFERINGS

Base: Open/temporarily closed businesses (n=20)

A2r2. If offerings are or will be modified/adjusted, please explain how... (existing economic climate/inflation)





## COVID-19 BUSINESS IMPACT **ANTICIPATED PRODUCT OFFERINGS CHANGE** COVID-19

**Over six in 10 (63%)** businesses anticipate their product offerings to change due to the continued impact of COVID-19. **One-third** expect their product offering to be reduced, while **one-quarter** expect to modify/adjust their offerings.

**Modifications/adjustments include adding new services, limiting service operations, and increasing prices.**

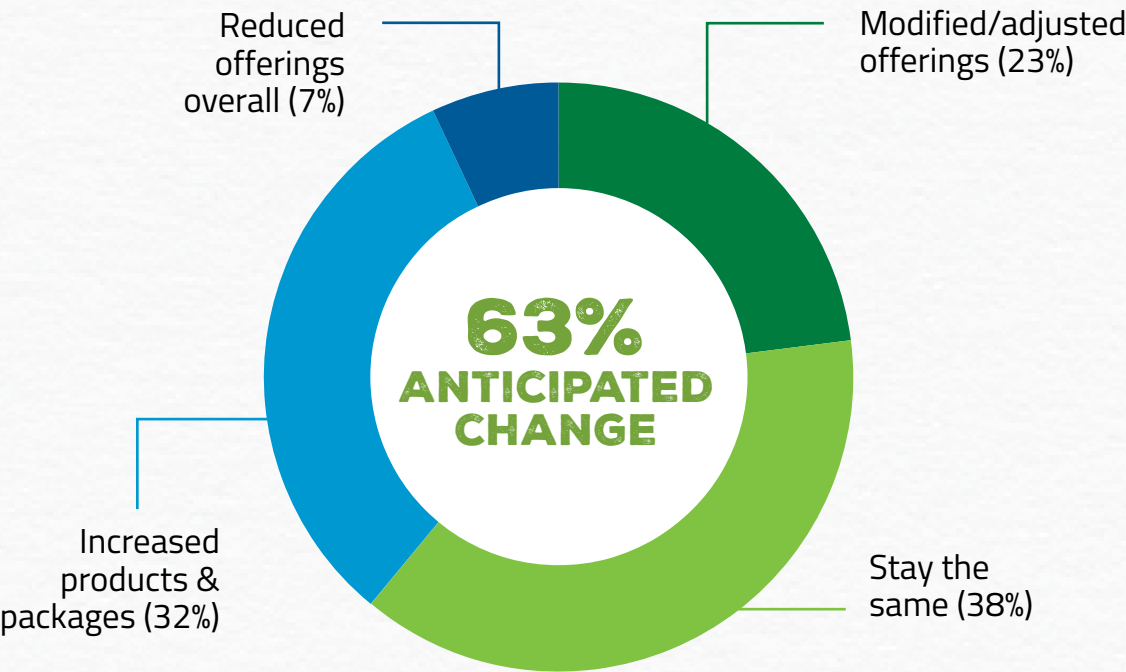


# COVID-19 BUSINESS IMPACT

## ANTICIPATED PRODUCT OFFERINGS CHANGE COVID-19

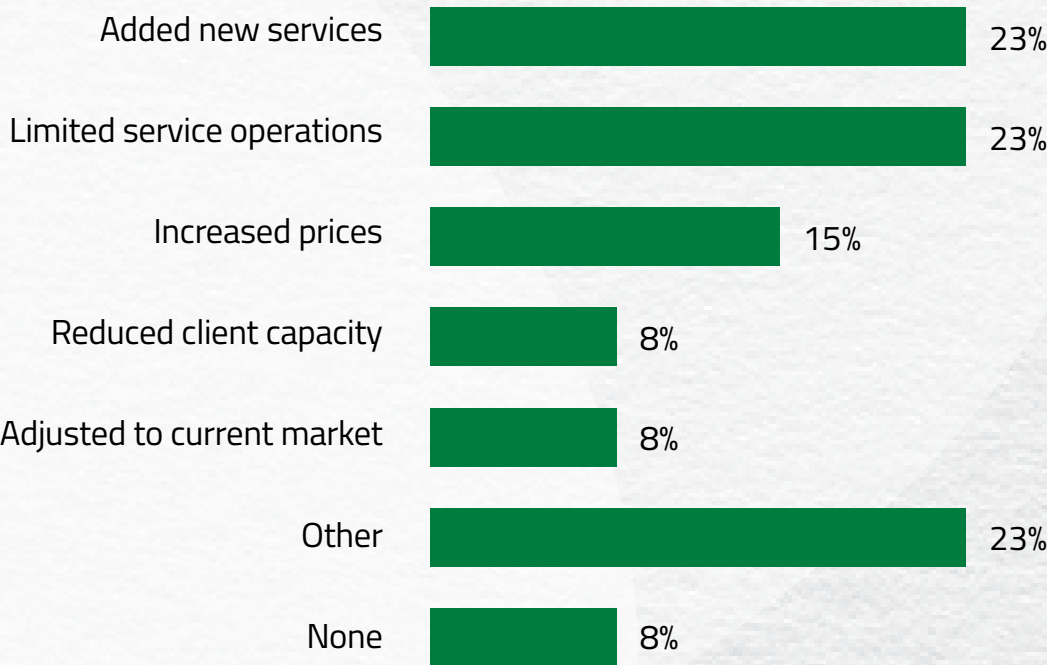
### CHANGE IN OFFERINGS

Base: Open/temporarily closed businesses (n=56).  
A1c1. How, if at all, do you expect your product offerings to change as a result of COVID-19?



### MODIFIED/ADJUSTED OFFERINGS

Base: Open/temporarily closed businesses (n=13)  
A2r1. If offerings are or will be modified/adjusted, please explain how... (COVID-19)



## COVID-19 BUSINESS IMPACT

# ANTICIPATED PRODUCT OFFERINGS CHANGE

### AIRLINE-RELATED

**Six in 10 (59%)** businesses anticipate their product offerings to change due to airline-related concerns. **Two in ten** expect to decrease offerings with three in ten expecting to modify/adjust their offerings. **Of those making modifications, the large majority (75%)** mention travel costs related to airlines and schedules.



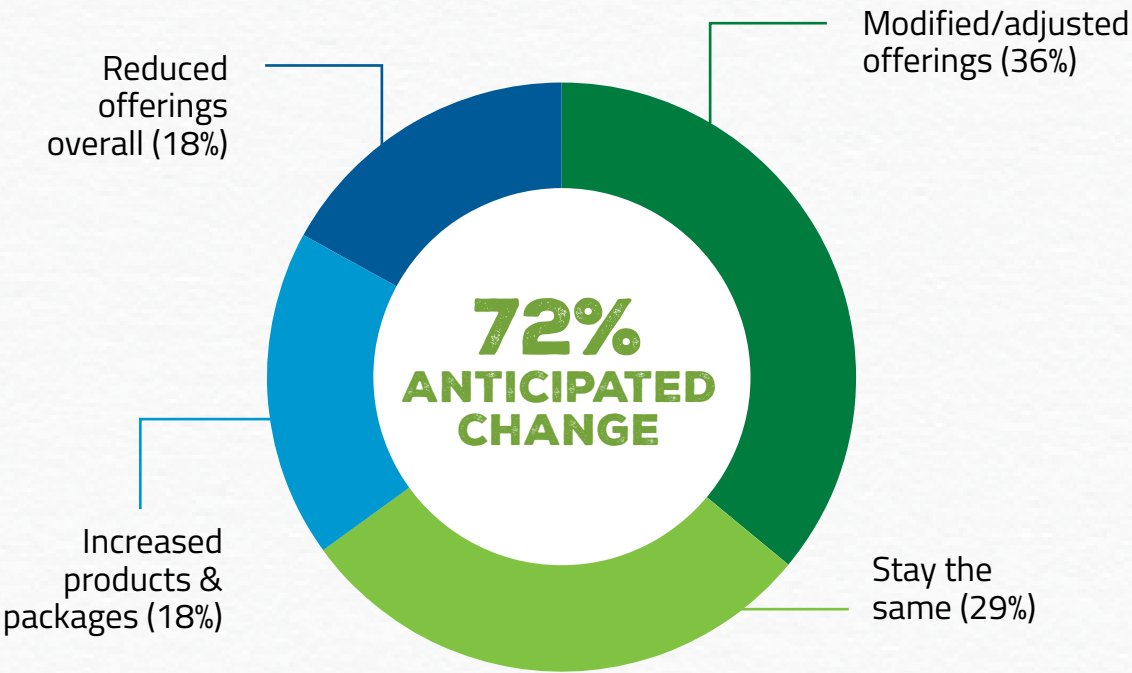


# COVID-19 BUSINESS IMPACT

## ANTICIPATED PRODUCT OFFERINGS CHANGE AIRLINE-RELATED

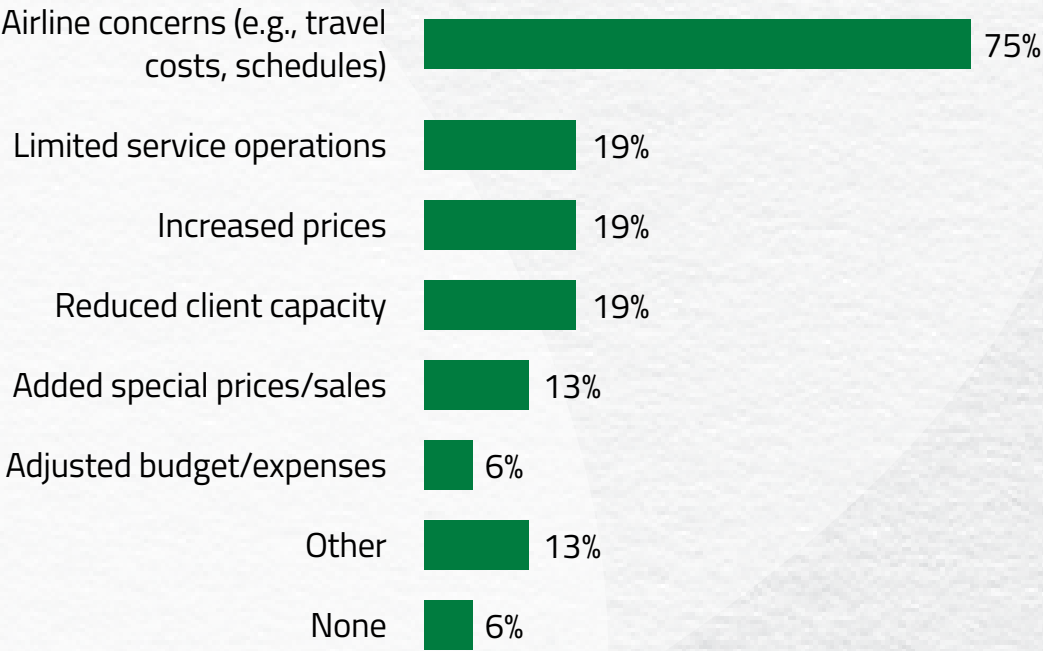
### CHANGE IN OFFERINGS

Base: Open/temporarily closed businesses (n=56).  
A1c2. How, if at all, do you expect your product offerings to change as a result of existing economic climate/inflation?



### MODIFIED/ADJUSTED OFFERINGS

Base: Open/temporarily closed businesses (n=20)  
A2r2. If offerings are or will be modified/adjusted, please explain how... (existing economic climate/inflation)





## COVID-19 BUSINESS IMPACT ANTICIPATED PRODUCT OFFERINGS CHANGE LABOUR

**Half of businesses** anticipate their product offerings to change due to limited labour supply. **Two in 10** expect to decrease offerings, while nearly **three in 10** expect to modify/adjust their offerings.

**Modifications/adjustments include adding new services and limiting service operations. The difficulty of finding quality staff is also mentioned among those making modifications.**

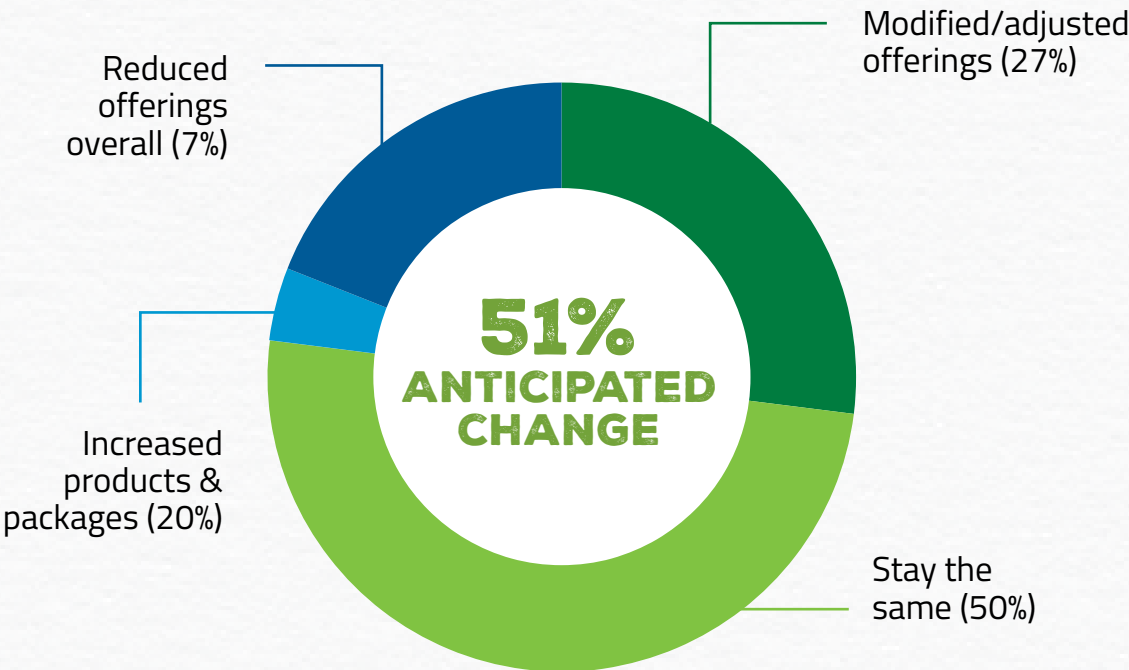


# COVID-19 BUSINESS IMPACT

## ANTICIPATED PRODUCT OFFERINGS CHANGE LABOUR

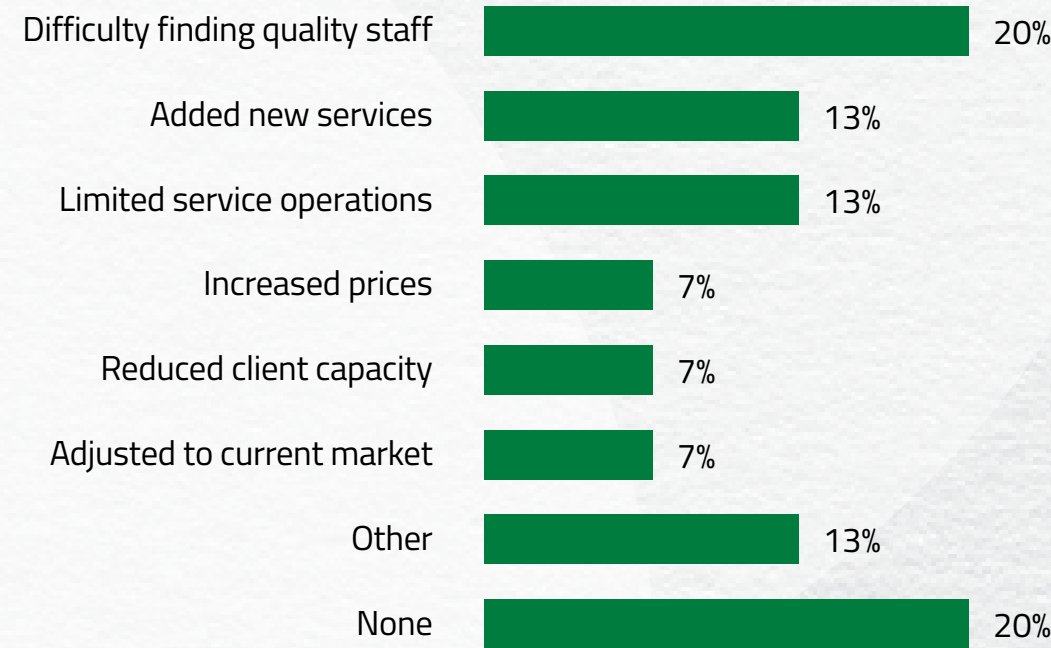
### CHANGE IN OFFERINGS

Base: Open/temporarily closed businesses (n=56).  
A1c4. How, if at all, do you expect your product offerings to change as a result of limited labour supply?



### MODIFIED/ADJUSTED OFFERINGS

Base: Open/temporarily closed businesses (n=15)  
A2r4. If offerings are or will be modified/adjusted, please explain how... (limited labour supply)



## COVID-19 BUSINESS IMPACT

# REOPENED BUSINESSES

Half of businesses closed during COVID-19, with the majority reopening one to two years ago. Of the very **few businesses that still remain closed**, they expect to reopen within the next 12 months or more and state that **financial support will help their reopening**.





## COVID-19 BUSINESS IMPACT

# REOPENED BUSINESSES

Base: Businesses open post-COVID (n=53)

A3a. If you were closed during COVID-19, how long ago did your business reopen?

Less than 1 year



9%

1 year to  
less than 2 years



30%

2 years to  
less than 3 years



11%

We never closed



49%

## COVID-19 BUSINESS IMPACT EXPECTED REVENUES

One-third expect to see increased revenues for July-December 2023, compared to the same seasonal time frame pre-pandemic in 2019. This is in line with last year's expected revenue for July-December 2022.

One-third also expect to see decreased revenues – a lower proportion than last year. This is due to jumps in those stating their revenue will remain the same and those who cannot predict their future revenues.

**1/3 EXPECT TO SEE  
INCREASED REVENUE**  
for July-December 2023  
compared to 2019

**1/3 EXPECT TO SEE  
DECREASED REVENUE**  
which is a lower proportion  
than last year





# COVID-19 BUSINESS IMPACT

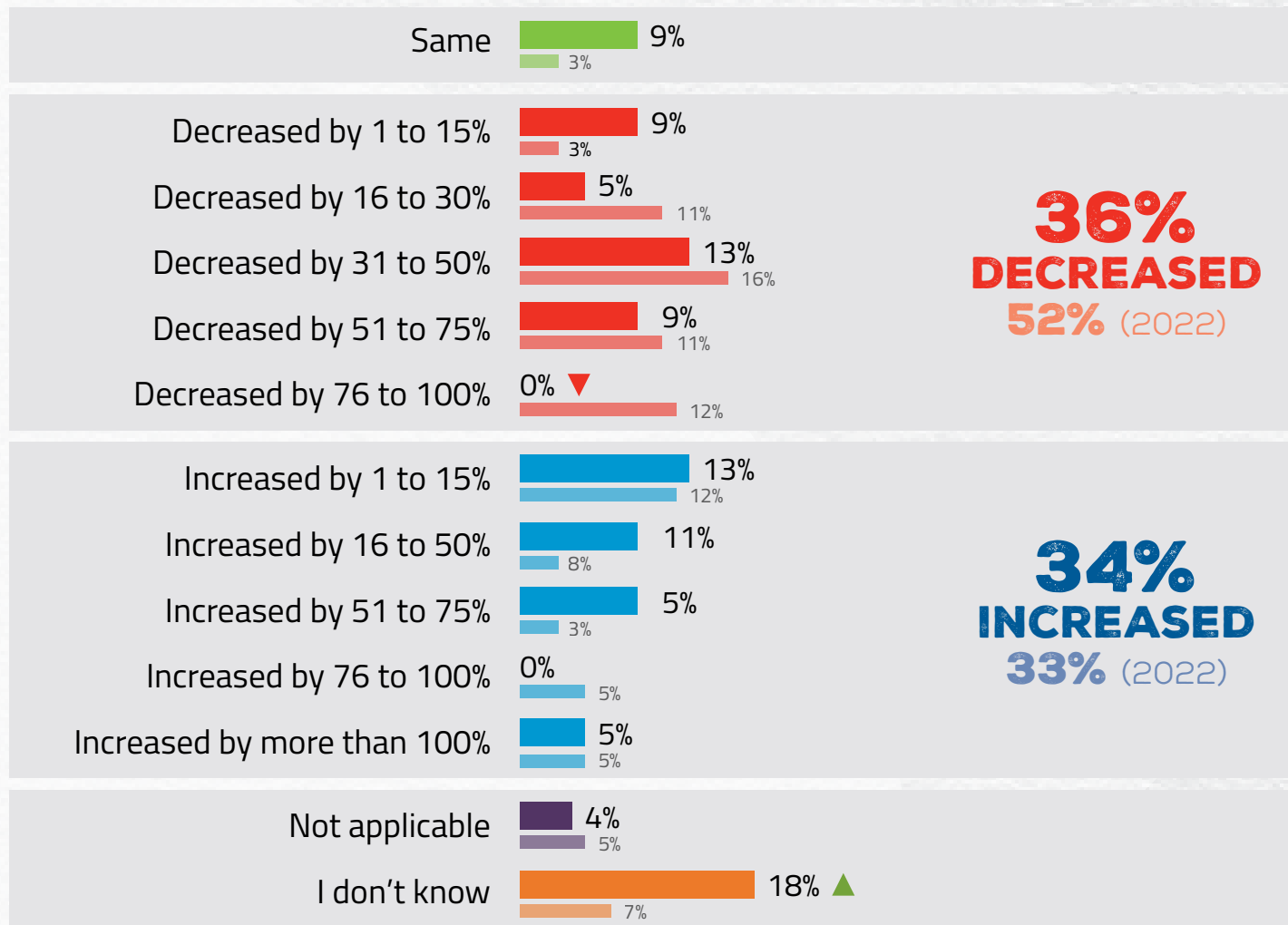
## EXPECTED REVENUES

### JULY TO DECEMBER 2023 VS. JULY TO DECEMBER 2019

Base: Open businesses or planning to reopen within next 12 months.  
A5. Compared to a similar time period of July to December in 2019, where do you expect your revenues to be this year in the same months?

▼ Significantly lower than previous wave

▲ Significantly higher than previous wave



## COVID-19 BUSINESS IMPACT EXPECTED RETURN TO PRE-PANDEMIC REVENUE LEVELS

Only two in 10 businesses are currently at the same revenue levels as pre-pandemic, with the majority (68%) of Northwest Territories tourism business owners anticipating revenue levels will recover within the next year or longer.



Owners of businesses with **pre-pandemic revenues of more than \$250K are more likely to be at the same current revenue level** compared to businesses with revenues of less than \$250K.

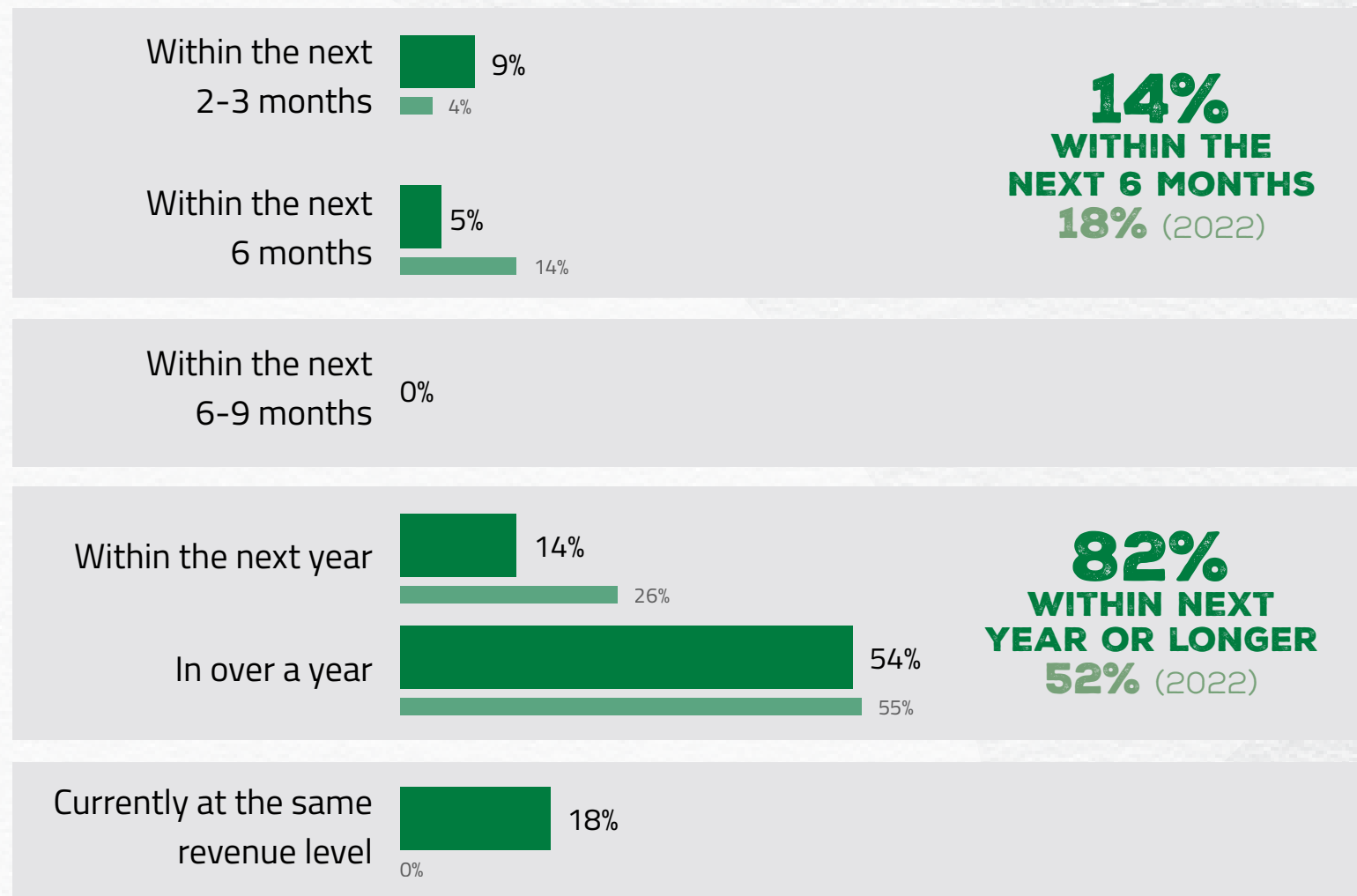




# COVID-19 BUSINESS IMPACT EXPECTED RETURN TO PRE-PANDEMIC REVENUE LEVELS

The majority (68%) of Northwest Territories tourism business owners anticipate revenue levels will recover within the next year or longer.

Base: Open businesses or planning to reopen within next 12 months  
A6. When do you anticipate your business being at the same revenue levels as pre-pandemic?



## COVID-19 BUSINESS IMPACT

# SIZE OF WORKFORCE

NWT tourism operators' March 2022 predictions for employment over the next 12 months, at that time, has mostly come true and is reflected by the current employment figures. The number of employees has increased this year, especially in businesses with 5-19 employees. **Owners managing their own businesses solely have significantly dropped this year (18%)** compared to last year (41%). This is back in line with pre-pandemic levels. Continued growth and recovery in workforces are anticipated over the next 12 months.





# COVID-19 BUSINESS IMPACT

## SIZE OF WORKFORCE

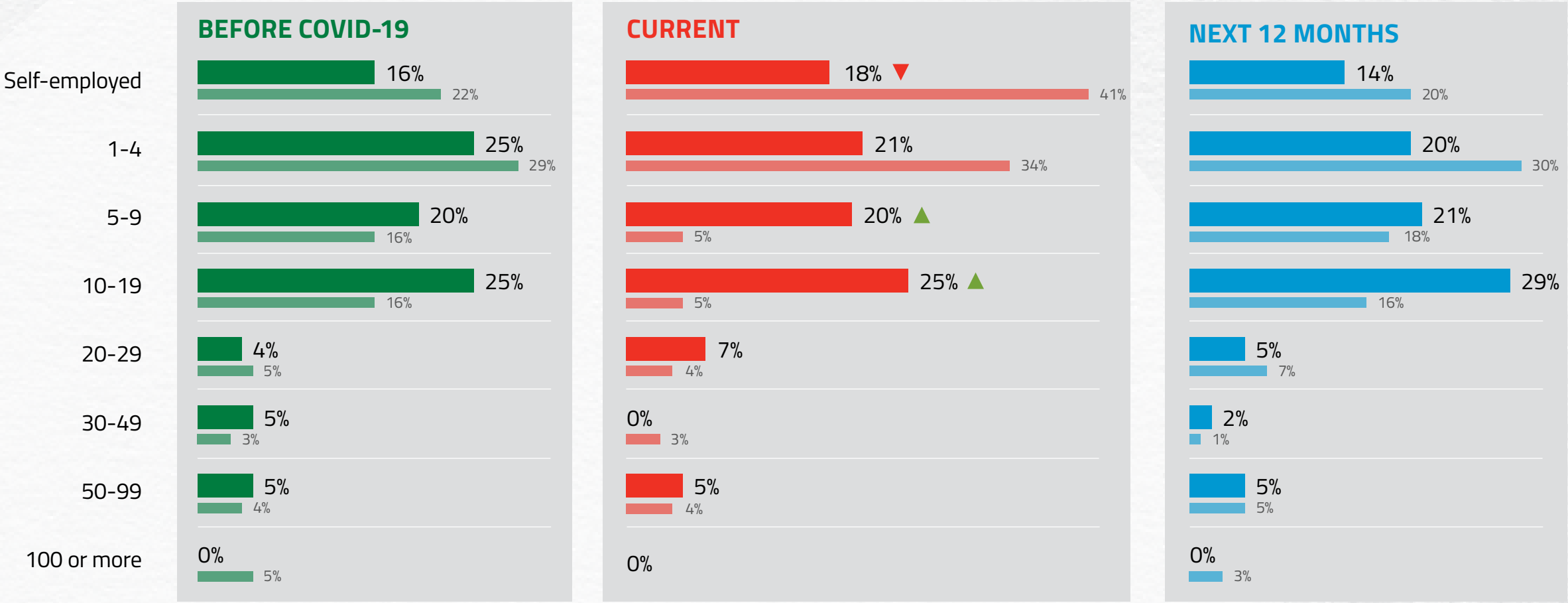
Base: All respondents (2023 n=56; 2022 n=79)

A7a. What was the size of your company's workforce in the Northwest Territories before the COVID-19 pandemic?

Base: Businesses planning to reopen (2023 n=56; 2022 n=76)

A7b. What is the current size of your company's workforce in the Northwest Territories – i.e., during the COVID-19 pandemic?

A7c. And what do you anticipate the size of your company's workforce in the Northwest Territories will be in the next 12 months?



▼ Significantly lower than previous wave

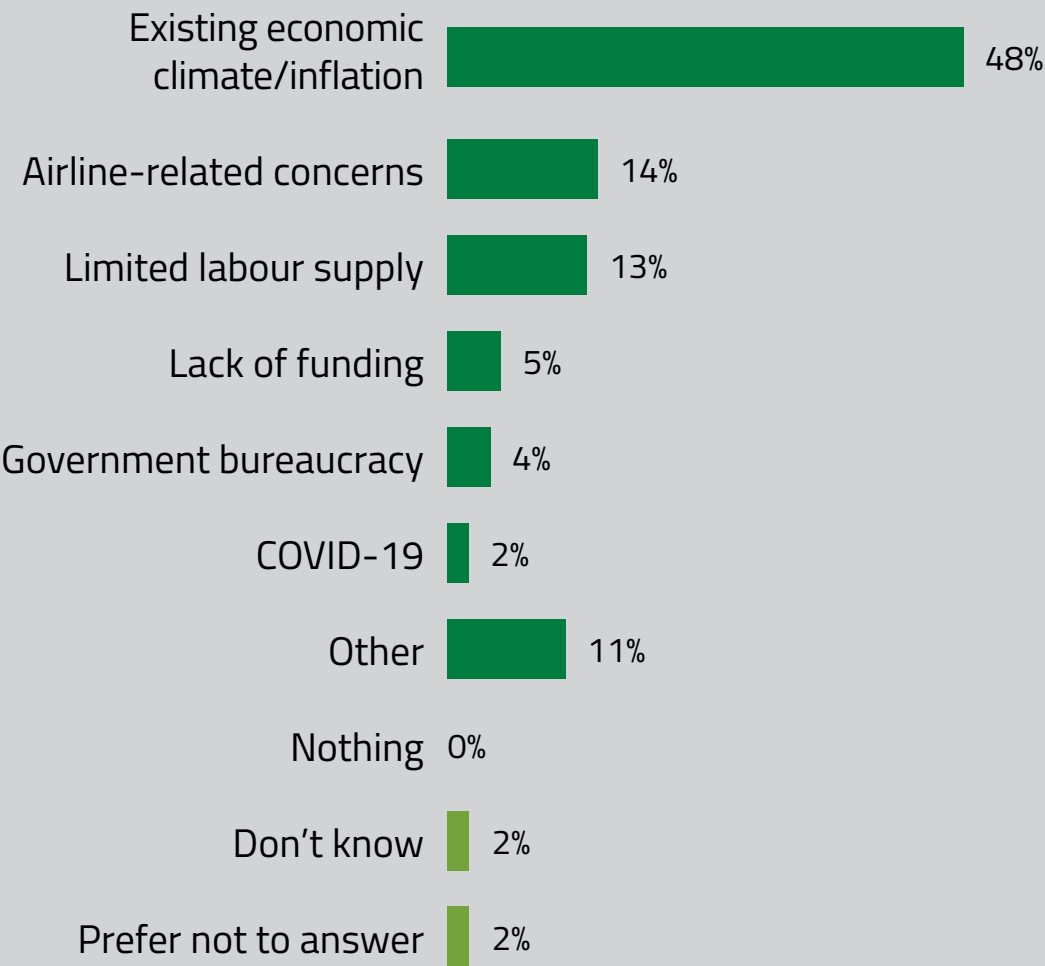
▲ Significantly higher than previous wave

# COVID-19 BUSINESS IMPACT

## BIGGEST BARRIER TO BUSINESS OPERATIONS

The majority of Northwest Territories tourism business owners state the current economic climate and inflation is the biggest barrier to their business operations and growth.

Base: All respondents (2023 n=56)  
A9a. What would you say is currently the biggest barrier to your business operations and growth?







## OTHER FEEDBACK

There are many ongoing concerns, including COVID-19, inflation, airline concerns, and labour issues, that are significantly impacting tourism and tourism businesses in the Northwest Territories. **The biggest impacts include struggling with a decline in business/loss of revenue, high travel/flight costs, and high operation costs.**

**// With costs of doing business increasing rapidly,** it would be greatly appreciated if the government would offer assistance in paying for costs such as insurance. More targeted advertising for the lodge/fishing sector would definitely be beneficial.”

## OTHER FEEDBACK

**// We are trying to offer the same service as pre-pandemic but it is slow and steady.** We have the extra debt incurred from the pandemic to keep our business open to deal with, plus the rising costs and inflation that is keeping us from rebounding even though the visitor traffic is returning. I see this as the biggest barrier at this time for us."

*Base: Those who provided additional feedback (n=34)*

*A9. Is there anything else you would like to share with us regarding the impact that COVID-19, the existing economic climate/inflation, airline-related concerns and limited labour supply has had on you or your business?*





## OTHER FEEDBACK

**// We lost two years of revenue due to Covid closures.** Our business is now \$150,000 further in debt because of this..."

**// We lost 1.5 years of revenue. This was not vacation time.** We had to do office work the entire time. The clients we could not provide with their trips in 2020 and part of 2021 had to be taken in 2022 and 2023, meaning we are still suffering from not running at full capacity. If we would not have had our own resources/savings... if we would have been in debt, then our business would have gone bankrupt and with it, our family."

**// GNWT should help** tourism operators with chartered air costs."

**// The time, resources and energy it takes to rebuild after Covid is a big drag on tourism businesses** that had to shut down or pull back. The expense of travelling this far for visitors has always been a detractor. That problem is considerably amplified as airfares soar. I don't know what to do about that."

## OTHER FEEDBACK

**“ Airline concerns and high costs** have been an issue for Fort Smith since before the pandemic. We would like to work with NWTT, the municipalities in the South Slave to create a solution for more affordable flights.”

**“ In my opinion GNWT must reduce red tape** for new and existing operators. it is EXCESSIVE. GNWT employees need to be more responsive and helpful.”

**“ We need more help from the government** to operate, mainly for funding the purchases large items.”

**“ The cost of air travel is extremely high** especially in the smaller communities using chartered small aircraft and it seems to be increasing every year. This is a major barrier to tourism as the cost to access remote locations and communities is cost prohibitive. The average person can reach Yellowknife at a reasonable cost but to travel to Fort Simpson return and then our lodge makes it too expensive for the average person or family. The government should subsidize the cost for tourists to fly to the region.”



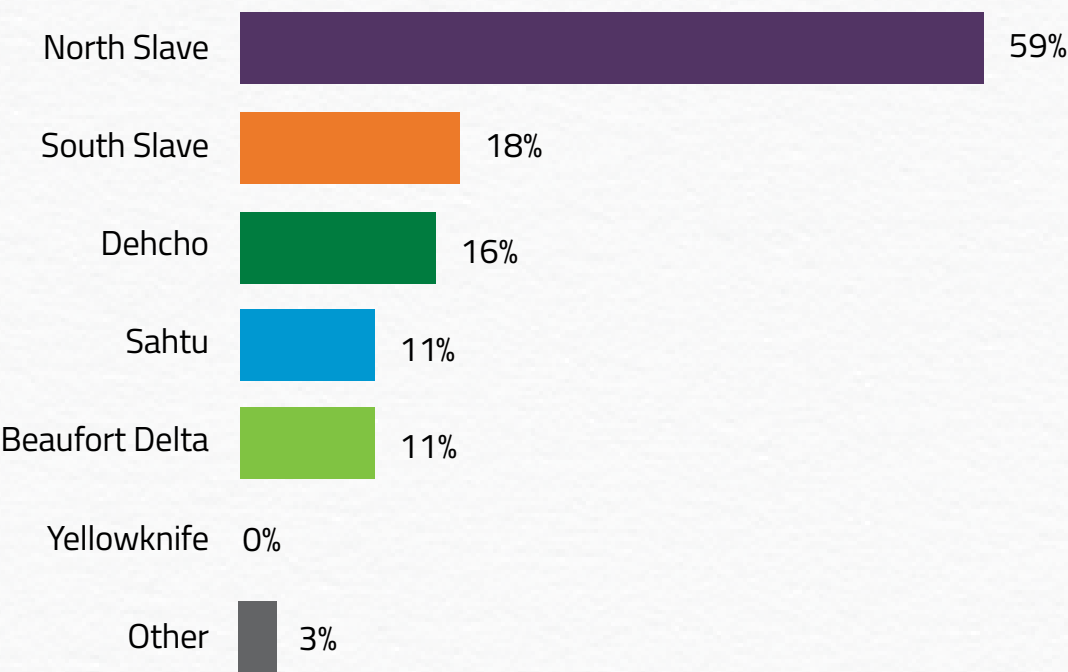
# RESPONDENT PROFILE





# REGION OF OPERATION

Six in 10 responding tourism businesses operate in the North Slave region, followed by two in 10 in South Slave.

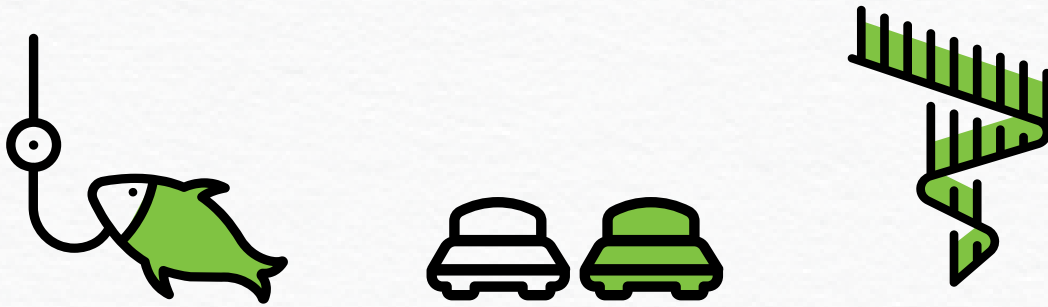


Base: All respondents (n=56)  
S1. To start, in which region(s) of the Northwest Territories do you operate your business?



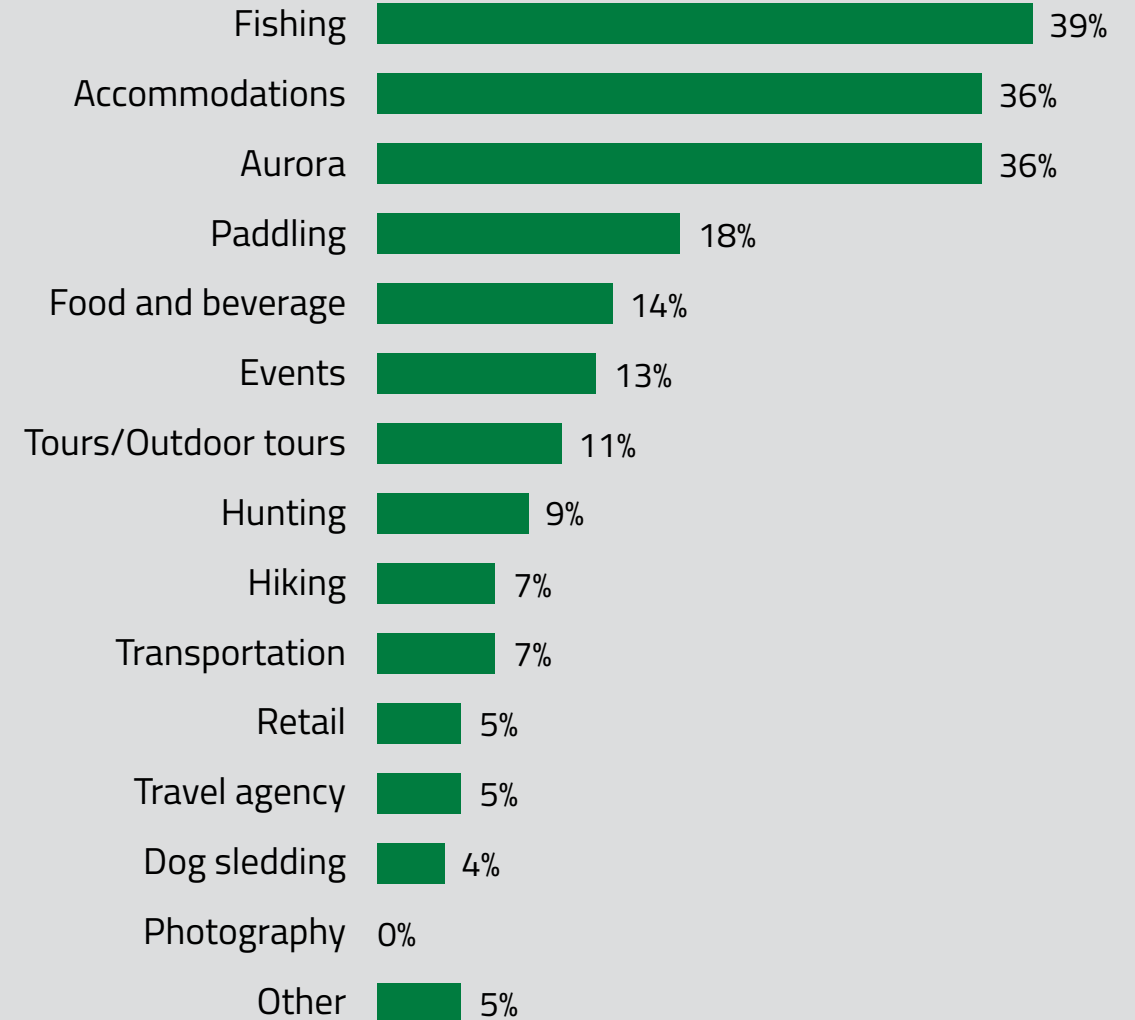
# SECTOR OF OPERATION

These businesses most commonly focus on fishing, accommodations, and aurora, with around four in 10 operating in each of these sectors.



**4 IN 10 BUSINESSES  
OPERATE IN FISHING, ACCOMMODATIONS  
OR AURORA**

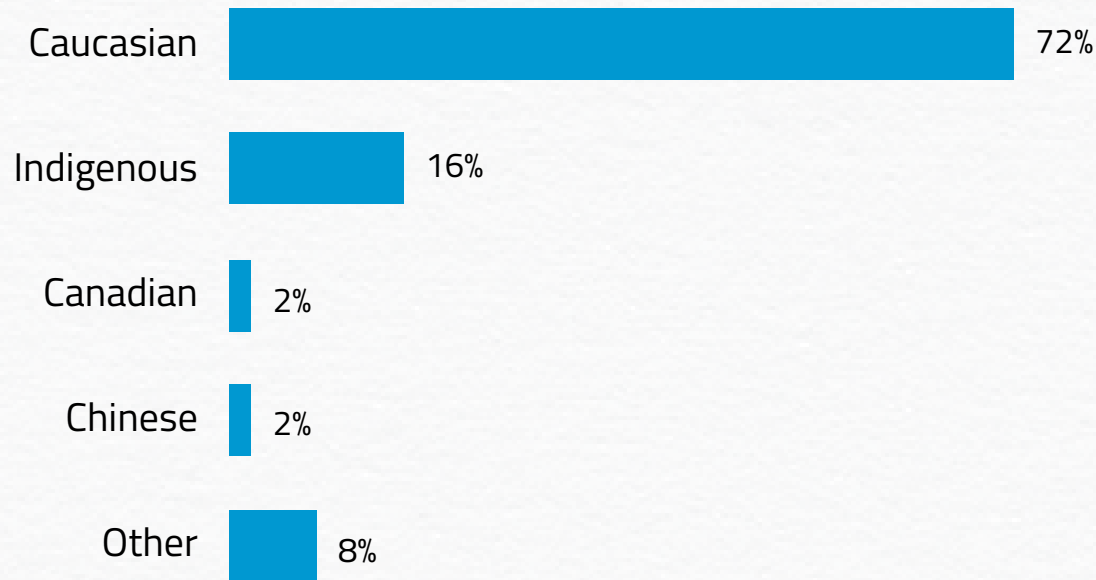
Base: All respondents (n=56)  
S2. And what sector(s) do you operate in?



# RESPONDENT PROFILE

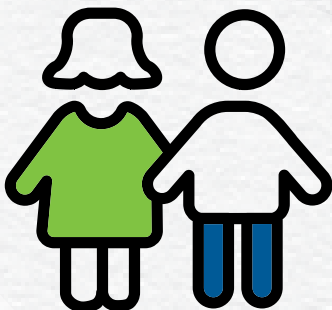
Base: All respondents excluding prefer not to answer.

## ETHNICITY



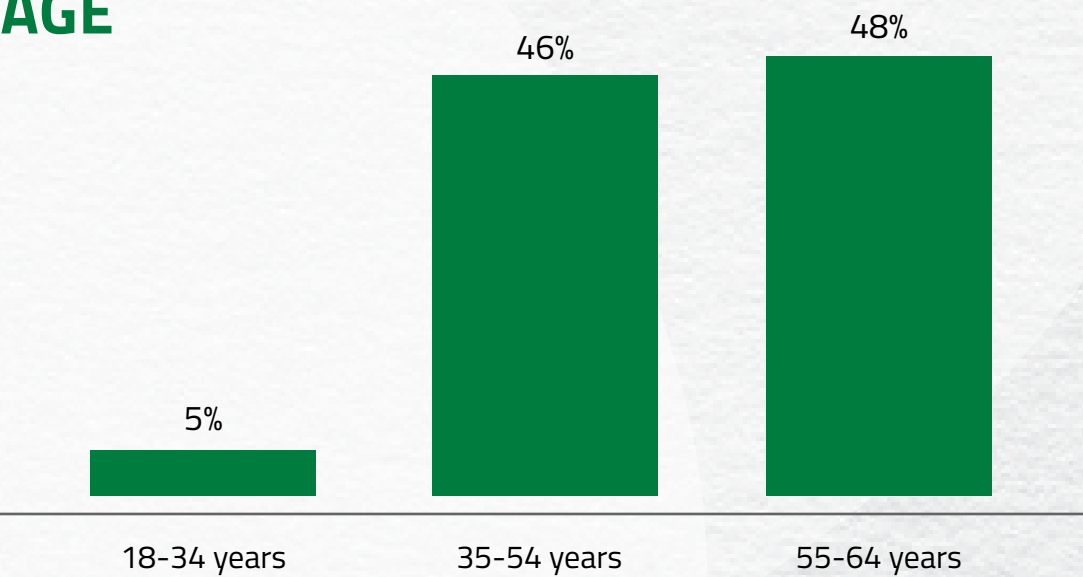
## GENDER

45%  
FEMALE



55%  
MALE

## AGE





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OUTCROP

THANK YOU

SPECTACULAR  
NORTHWEST TERRITORIES



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