HIGH YIELD ANGLERS IN RTO13:

A SITUATION ANALYSIS

EXECUTIVE SUMMARY

PREPARED FOR

TOURISM NORTHERN ONTARIO

BY

Research Resolutions & Consulting Ltd.

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INTRODUCTION

As one of the ways to increase tourism activity and revenue in RTO13, Tourism Northern Ontario is exploring a core Northern Ontario tourism experience: fishing. Specifically, the organization is seeking information on the segment of the angling market that relies on fishing lodges, outposts, commercial cottages and camps for overnight stays in the region. This interest is consistent with the goals set out in the *2012 – 2017 RTO13 Tourism Marketing Strategy*.[1]

- *Increase the percentage of visitation that stays in non-private roofed accommodation. In other words, focus on "heads in beds".*
- *Increase the percentage of visitation from outside of the region.*
- *Increase the percentage of visitation for the purposes of pleasure trips.*[2]

To learn more about the characteristics of this potentially *high yield* market segment, Tourism Northern Ontario commissioned Research Resolutions & Consulting Ltd. to provide a situation analysis.[3]

This analysis provides RTO13 tourism operators, planners and marketers with information about the structure, size and characteristics of the fishing market in Canada and RTO13.[4] Using the latest available Statistics Canada tourism studies, it focuses on tourists who go fishing on their overnight trips and rely on non-private roofed accommodation, referred to throughout this report as ***PRL Anglers*** or RTO13's *target market.*[5] PRL Anglers are differentiated from tourists who fish on overnight trips and stay in private homes or cottages or in campgrounds, referred to as ***Other Anglers***.[6]

For the most part, analysis is provided for RTO13 as a whole although where sample sizes permit, sub-regional information is included for 13A (North East), 13B (North Central) and 13C (North West).[7] The reader is encouraged to use caution in interpreting findings in this report because base sizes for RTO13 sub-regions and some behavioural groups (e.g., Canadian PRL Anglers in RTO13) are relatively small.

For more details on market size, origin, spending and other characteristics of high yield anglers, readers are encouraged to refer to the full report (*High Yield Anglers in RTO13: A Situation Analysis*).

In a parallel project, Robin Somerville of the Centre for Spatial Economics produced an analysis of the economic contribution of high yield anglers in Northern Ontario. This report, *Economic Contribution of High Yield Anglers in RTO13*, provides information on the economic impact of the target sector on RTO13 including estimates of contributions to GDP, jobs, wages and salaries and taxes.

EXECUTIVE SUMMARY

KEY FINDINGS

Image and activities converge around water-based outdoor activities in general and *fishing* in particular.

RTO13 is most notable among potential tourists in key U.S. and Canadian markets for its *impressive scenery and landscapes . . . as a great place for enjoying outdoor activities, wilderness activities, exploring nature and for outdoor adventure.*[8] In light of this characterization, it is not surprising that fishing and boating are the only activities engaged in by at least 1-in-4 overnight tourists to RTO13 from Canada, U.S.A. and overseas countries.

RTO13 attracts anglers at four times the rate it attracts all overnight tourists.[9]

Fishing is a major tourism activity for many parts of Canada but nowhere more so than in RTO13. Over the course of a year, Canada attracted 8.2 million overnight tourists who went fishing on their trip. About 1.1 million of these tourists from Canada, U.S. and overseas countries went to RTO13 (13%) even though the region captures only about three per cent of *all* overnight tourists across the country.

RTO13 is, in fact, Canada's pre-eminent destination for fishing.

RTO13 attracts anglers at more than three times the national rate and the rate for the southern portion of Ontario (*Other Ontario*). Almost 3-in-10 overnight tourists to RTO13 from Canada, U.S. and overseas markets go fishing on their trip (29%) compared to about eight per cent of Canada's overnight tourists and seven per cent of Other Ontario overnight tourists.[10]

There are more Canadians than Americans fishing in RTO13 but the high yield market is dominated by Americans.

Like tourists in Canada generally, most anglers are Canadians. The domestic market represents close to 9-in-10 of the country`s overnight tourists (85%) and the same proportion of the angler market (87%). Anglers in Manitoba, Saskatchewan, British Columbia, Other Ontario and RTO13 are most likely to be Canadians and to be residents of the respective province. In short, most Canadian anglers fish near where they live.

While most RTO13 anglers are Ontario residents, the region attracts American anglers at more than **three times the rate** as does the country as a whole (37% for RTO13 versus 11% for Canada). Similarly, RTO13 is three times more successful in attracting American anglers than are other parts of Ontario (12%).

	Canada's Anglers	RTO13 Anglers	Other Ontario Anglers
Total Overnight Anglers	8.2 Million	1.1 million	2.7 Million
Canadians	87%	63%	88%
Ontarians	36%	52%	84%
Americans	11%	37%	12%
Overseas	1%	Less than 0.5%	1%

RTO13 pulls well above its weight in attracting PRL Anglers to the province.

At 30%, RTO13 attracts high yield anglers – those who spend nights in paid roofed lodging (PRL Anglers) – at about twice the national rate (18%) and at twice the rate as other destinations in Ontario (17%).

	Canada's Anglers		RTO13 Anglers		Other Ontario Anglers	
	8.2 million		1.1 million		2.7 million	
PRL Anglers	**1,491,000**	**18%**	**325,000**	**30%**	**448,000**	**17%**

The American market is central to RTO13's success in attracting PRL Anglers.

American tourists represent three-quarters of this important segment or 241,000 of the 325,000 PRL Anglers visiting the region. Almost all domestic PRL Anglers are Ontario residents (72,500) and most of these Ontarians reside outside RTO13 (54,800).

	RTO13's PRL Anglers	
	325,000	
Place of Residence	#	%
Canada	83,000	25%
RTO13 Residents	17,700	5%
Other Ontario Residents	54,800	17%
Other Canadians	10,500	3%
U.S.A.	**241,000**	**74%**
Overseas	1,000	Less than 0.5%

RTO13 emerges as Canada's largest high yield fishing destination for Americans.

From a competitive perspective, of the 522,000 American PRL Anglers across Canada, 241,000 of them went to RTO13 (46%). RTO13 captures a higher share of this target market than does the southern portion of Ontario (157,000). It also surpasses other key fishing destinations such as Manitoba (27,000), Saskatchewan (15,000) and British Columbia (58,000) by wide margins.

American PRL Anglers spend more nights in RTO13 than do Canadians.

At 1.5 million of approximately 2.0 million nights spent in RTO13 by *all* PRL Anglers, the American market is clearly dominant (77%). Not only are there *more* American PRL Anglers (241,000) than Canadians (83,000) visiting RTO13 but Americans tend to stay about one night longer on each trip (5.4 nights for Canadians; 6.3 nights for Americans).

Canadian and American PRL anglers favour commercial cottage accommodation in RTO13 and in other key fishing destinations across Canada.

Of the 447,000 nights spent in RTO13 by Canadian PRL Anglers, close to 6-in-10 are spent in the region's commercial cottages while 8-in-10 of American PRL Anglers' 1.5 million nights in RTO13 are in this type of lodging.[11]

Even though they prefer the same type of lodging in RTO13, American PRL Anglers outspend their Canadian counterparts by a wide margin.

All American anglers in the region spent approximately $253.1 million in 2010, of which 75% or $190.1 million was spent by the PRL segment. The average spending for a U.S. PRL Angler was about $2,360.00 on a per trip basis or about $375.00 per trip night. In contrast, of the $166.9 million spent by *all* Canadian anglers in the region, one third derived from the PRL segment ($55.2 million). Canadian PRL anglers spent about $920.00 per trip or $180.00 per trip night.

Other Anglers also make a sizeable contribution to RTO13' tourism economy.

While not as powerful an economic engine for tourism in RTO13 as the PRL Angler segment, the many Americans and Canadians who go fishing in the region and rely on private lodging contribute to tourism's coffers. The region benefits from $63.0 million from Americans and $111.7 million from Canadians who fish but stay in their own cottages, campgrounds or homes of friends and relatives during their trip.

American PRL Anglers are concentrated in border states.

At the national level, more Americans in the PRL Angler market live in the East and West North Central U.S. regions than in any others. Together, these two regions account for over half of **Canada's** PRL Anglers (54%). These same regions supply four fifths of RTO13's PRL Angler market (83%), following the typical American tourist pattern of travelling on a North/South axis and to destinations nearest their homes. Thus, Southern Ontario (*Other Ontario*) is especially attractive to U.S. PRL Anglers from Mid-Atlantic states (52%) while British Columbia's PRL Anglers are concentrated in the Pacific region (55%).

Americans' travel patterns result in relatively little cannibalization of the PRL Angler market from province to province. For example, RTO13 is especially successful in attracting PRL Anglers from Minnesota, Wisconsin, Michigan, Illinois and Iowa whereas the southern part of Ontario is particularly successful among Americans from Pennsylvania, New York and Ohio. British Columbia captures about half of its PRL Anglers from Washington and California.

East North Central and West North Central states are the largest markets for fresh water fishing in the U.S.

According to a recent U.S. recreational fishing study, one fifth of the country's 38.9 million fresh water recreational anglers reside in East North Central and a further 11% live in West North Central. The proximity of so many Americans who go fresh water fishing is good news for RTO13 although fishing as a *recreational* activity and as a *tourist* activity are two very different things. The U.S. Fishing Study reveals that most American freshwater anglers travel no more than one hour to reach their fishing destination and do not spend a night away from home. Only about two fifths would be considered *tourists* – those who fish on an overnight trip (38%).[12]

RTO13's American PRL anglers tend to older men . . . but market growth is expected from younger people and women.

Four fifths of RTO13's American PRL anglers are men (82%). On average, they are 52 years of age and almost 3-in-10 are at least 65 years of age. This American market is more male-dominated and older than the corresponding domestic market in RTO13 (Canadians: 75% men; average age, 47 years). At the same time, the U.S. recreational fishing study predicts that future growth in the American fishing market will come from young people and women.

As the increasingly aging American PRL angler for Northern Ontario retires from the sport, replacing him (or her) may be challenging. Are the fishing experiences and accommodations that have historically met the needs of older men going to attract younger Americans and women?

Fly fishing may hold some promise for expanding the American market for RTO13.

According to the U.S. fishing study, while fewer in number than freshwater anglers, fly fishing attracts *new* anglers at a higher rate than does traditional freshwater fishing.[13] This fact paired with high income and education levels make this niche market worthy of consideration by RTO13 operators.

Unlike freshwater anglers, American fly fishing enthusiasts are not especially concentrated in RTO13's key feeder markets (East and West North Central). Instead, their highest concentration is in states that typically feed *southern* Ontario: New York, New Jersey or Pennsylvania. As such, a sizeable share of the market is within the reach of RTO13's operators. There is also a high concentration of fly fishers in the Pacific and Mountain regions – markets that might be challenging to attract to RTO13 because of travel time and cost. At the same time, fly fishers are apt to travel sizeable distances to engage in the sport and have the financial wherewithal to reach good fly fishing streams or rivers.

Anglers in RTO13 are focussed on fishing.

PRL Anglers engage in few other activities while on their visits to RTO13. In fact, apart from fishing and boating, most American and Canadian PRL Anglers do little else. Very few are drawn to entertainment or cultural activities while on the trip, suggesting that this market is an unlikely source of visitors to cultural and entertainment attractions in the region.

Location, location, location: bordering the U.S. is a key factor in sub-regional PRL Angler market shares.

Of RTO13's 3.7 million overnight visitors, **13C** attracts 1.2 million or about one-third (32%). At the same time, the sub-region attracts almost twice this proportion of RTO13's PRL Anglers (61%), largely because of 13C's proximity to Minnesota and Wisconsin. Of 13C's 197,000 PRL Anglers, 9-in-10 are Americans.

Targeted marketing efforts in Winnipeg for 13C's fishing product seem to be bearing fruit. Over the course of 2010, there were 6,000 PRL Anglers from Winnipeg fishing in the area and many more Winnipeggers who were fishing but staying in private lodgings.

Sub-region **13B** captures 16% of RTO13's overnight tourists and about the same proportion of its PRL Anglers (14%). Adjacent to Michigan, two thirds of this sub-region's 46,000 PRL Anglers are Americans.

Unlike other the other sub-regions, **13A** does not have direct access to the important U.S. PRL Angler market. With three Northern cities within its boundaries and direct highway access to the more densely populated southern parts of Ontario, 13A is the most successful sub-region in attracting RTO13's overnight visitors overall (56%). Partly because it is not adjacent to the U.S., the sub-region attracts about 1-in-4 of RTO13's PRL Anglers (28%). About three fifths of the 90,000 PRL Anglers in the sub-region are Ontario residents and two fifths are Americans.

The spending pattern across the three sub-regions closely resembles the volume of tourists each captures. With its particularly high concentration of PRL Anglers, 13C attracts about $156.4 million in tourism spending from these tourists, or almost two thirds of all spending by these high yield anglers in RTO13 (64%).

Region 13A captures about $57.1 million from PRL Anglers or close to one quarter of the market's spending throughout RTO13. The remaining $26.1 million spent by PRL Anglers in the larger region are spent in 13B, representing about one tenth of target market spending.

THE AUTHOR'S OBSERVATIONS[14]

Canadian and American Anglers are both critical to the health of RTO13's tourism industry. The Canadian segment, almost exclusively comprised of Ontario residents, makes a substantial contribution to the health of gas stations, restaurants, retail and recreational enterprises even if comparatively few of them rely on paid roofed lodging for their Northern Ontario visit.

Keeping the *tourism plant* healthy not only enhances anglers' experiences but also contributes to the ability of the region to meet the needs of *other* tourists. Canadian anglers are also particularly important for 13A – the sub-region without direct U.S. access.

Historically, most overnight tourists in each province are residents of that province. Ontario is no exception. Despite considerable efforts to attract overnight tourists from Quebec and other provinces, Ontario has met with very limited success. Certainly for fishing, RTO13's neighbours – Manitoba and Quebec – offer experiences similar to those they would find in Northern Ontario. Thus, when marketing

dollars are scarce, Northern Ontario Tourism might consider the wisdom of investing in promotional efforts aimed at these neighbours.

Currently, RTO13's Ontario PRL Angling market is concentrated in the province's small city and rural areas. Few of these anglers live in the Greater Toronto Area. As the population of the province continues to move into major urban areas, it will be increasingly important to determine whether effort should be invested in getting Torontonians to go fishing in RTO13. Are they currently not in the market because of low awareness, distance and/or cost considerations, lack of interest in the sport or other factors? Is there appropriate product in RTO13 to meet the language and lifestyle needs of Toronto's large and diverse ethnic communities?

By virtue of geography, 13C followed by 13B are and will likely remain the destinations of choice for American anglers. Fortunately, the sub-regions are adjacent to U.S. states with populations that are especially prone to go fishing. Ensuring that their fishing experience meets or exceeds their standards for lodging, food, guiding and price will be central to the health of this critical market segment. In turn, *learning* what brings them to Northern Ontario to fish and what will bring them *back* to the region should be an industry priority (e.g., regular, consistent customer surveys shared among operators).

With few other tourism activities drawing large numbers of American tourists to RTO13, fishing is a logical focal point for the region. Will Northern Ontario's tourism operators invest in the maintenance and enhancement of infrastructure so that it meets the needs of older men yet accommodates the possible market expansion to very different market segments: young anglers and women?

Attempts to attract anglers to urban-based cultural and entertainment activities in RTO13 are unlikely to be successful within the *current* market. This market travels in order to *go fishing.* Whether more diversified tourism experiences will be sought by younger anglers or women entering the market remains to be seen . . . and should be explored.

NOTES

[1] *Rediscovering Northern Ontario: Partnerships for a Strong Tourism Industry, Northern Ontario Tourism Marketing Strategy, 2012-2017*. Government of Ontario, 2012, referred to as "The Strategy" in this report.
[2] *Rediscovering Northern Ontario: Partnerships for a Strong Tourism Industry, Northern Ontario Tourism Marketing Strategy, 2012-2017*. Government of Ontario, 2012, page 61.
[3] Judy Rogers, President of Research Resolutions & Consulting Ltd. prepared the report. She can be reached at Research Resolutions & Consulting Ltd., 16 Hepbourne Street, Toronto ON, M6H 1J9; 416 531-9973; rogers.judy@sympatico.ca.
[4] The project was commissioned by Tourism Northern Ontario to Research Resolutions & Consulting Ltd. in February 2013.
[5] Paid Roofed Lodging Anglers (PRL Anglers) are overnight tourists who stay in a hotel, motel, commercial cottage, resort, fishing camp, B&B or other form of commercial roofed lodging for at least one night on their fishing trip in the location under study. Statistics Canada surveys used for this analysis include 2010 International Travel Survey, USA and Overseas; and Travel Survey of Residents of Canada (pooled) files.
[6] Information sources used in this report are detailed in the Appendix.
[7] Throughout this report, sub-regions are referred to by names (North East, North Central, and North East) rather than the respective numbers (13A, 13B, 13C).
[8] TNS Segmentation Study, Description of 13B, p. 18. Similar image profiles are evident for 13A and 13C.
[9] All figures in the Summary are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada (pooled) and/or the International Travel Survey 2010. All computations on these microdata were prepared by Research Resolutions and Consulting Ltd. on behalf of Tourism Northern Ontario and the responsibility for the use and interpretation of these data is entirely that of the author(s).
[10] Other Ontario is Ontario, excluding RTO13. Source: TSRC/ITS 2010.
[11] The questionnaires for Statistics Canada's US and Canadian travel surveys provide different lodging choices for survey respondents. Furthermore, respondents self-identify their lodging type from an available list that does not provide descriptions to aid in differentiating a "lodge" from a "resort" or "commercial cottage/cabin". This analysis can only provide information *as reported*, recognizing that consumer responses may not match industry definitions of lodging types.
[12] Source: *Special Report on Fishing and Boating 2012*, A Partnership Project of American Boating & Fishing Foundation and Outdoor Foundation, page 28. A brief synopsis of this report is appended.
[13] Source: *Special Report on Fishing and Boating 2012*, A Partnership Project of American Boating & Fishing Foundation and Outdoor Foundation. A brief synopsis of this report is appended.
[14] The observations offered are those of the author and are provided to generate discussion among Northern Ontario Tourism's staff and tourism operators throughout the region.