

A scenic landscape featuring a body of water in the foreground, a person walking on a path to the left, and mountains in the background under a blue sky with clouds. The entire image has a dark blue overlay.

A Study of Online Marketing Communication Used by Nunavut Inuit Owned Organizations

Small Business Advisory Group
Spring 2018

Small Business Advisory Group

The Small Business Advisory Group (SBA) is comprised of Franklin Pierce Students who often partner with the New Hampshire Small Business Development Center, in helping organizations and start up companies develop business initiatives. Additionally SBA often undertakes unique research projects for various constituencies.

Team Members

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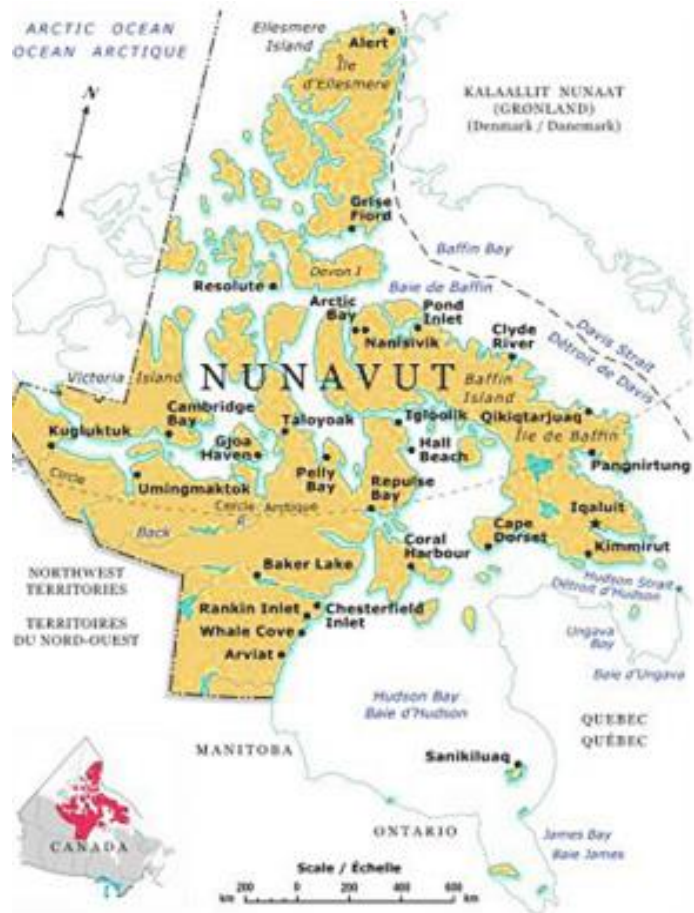
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Purpose of the Project

Given Nunavut is the fastest growing Canadian province/territory, business development is key for ensuring opportunity for the Inuit. The purpose of the research is to determine effective marketing communication strategies for businesses located in Nunavut, Canada.

Research Problem Statement

Research is necessary to determine effective marketing communication strategies for businesses located in Nunavut, Canada.



Research Objectives

1. Conduct a literature review related to Nunavut background information and marketing communications
2. Identify what online marketing communication tools are used by Nunavut Inuit owned organizations
3. Analyze what online market communication messages are used by Nunavut Inuit owned organizations

Literature Review - Part I

Nunavut Overview

Geography

- Canada's largest territory; covering one-fifth of the country's landmass ¹
- Stretches across most of the Canadian Arctic
- Half of the Nunavut Territory is comprised of islands (including Baffin, Devon, Ellesmere, Victoria)



History

- Nunavut's name means "Our Land" in Inuktitut, the language of the Inuit ¹
- The Inuit has called Nunavut home for at least 4,000 years
- Human exploration began about 5,000 years ago in the Nunavut region
 - Wave of migration that likely started from Siberia
- Nunavut territory became to be on April 1, 1999 ²
 - Encompasses over 2 million km and has a population over 35,944, 85% of the population are Inuit

Demographics

Total Population: 35,945 ³

Employment (Ages 15+)

- Employment rate: 53.6%
- Unemployment rate: 21.5%

Work Language

- Inuktitut: 33%
- English: 22%
- French: 2%



https://en.wikipedia.org/wiki/Auyuittuq_National_Park

Demographics

Education

- High school diploma (inuit): 15% ³
- High school diploma (non-inuit): 15%
- College certificate or diploma (inuit): 19%
- College certificate or diploma (non-inuit): 21%
- Bachelor's level or above (inuit): 3%
- Bachelor's level or above (non-inuit): 49%

Economy

- In 2016, Nunavut's Gross Domestic Product was \$2.44 billion out of \$2 trillion in Canada (Statistics Canada) ⁴
- Nunavut's capital expenditure for agriculture, fishing, hunting, mining, construction, manufacturing, etc, was \$877.4 million in 2014 (Statistics Canada)
- Government expenditures made up the largest portion of GDP at 71% ⁵



Economy

- Nunavut's economy includes ⁵
 - Mineral exploration
 - Traditional Harvesting
 - Fisheries
 - Tourism
 - Inuit Art



<http://www.cbc.ca/news/canada/north/pond-inlet-public-alert-1.4566882>

Economy - Mining

- Mining has been a key economic driver in Nunavut for 80 years ⁵
- Mining industry has provided economic employment, business and community development opportunities for northerners
- In 2011, the cost of mineral exploration reached over \$300 million as gold, diamond, and base metal deposits were explored throughout Nunavut
- 270,800 ounces of gold were produced at the Meadowbank mine at a market value of approximately \$420 million

Economy - Harvesting

- Nunavut's economy is historically based on the harvesting traditions of its Inuit, who continue to maintain strong ties to the land ⁵
- Harvesting animals provide meat for food; fur and skin for clothing; and bones for tools, games and art
- A recent study estimated and current harvesting economy is worth approximately \$40 million annually



Economy - Fishing

- Fishing is a primary industry in Nunavut ⁶
- Much of waters in Nunavut are currently unexplored
- Government has invested in funding from federal government to collect information on marine species, habitat, and populations in waters around Nunavut ⁷



Economy - Tourism

- Tourism is an important component of Nunavut's economy ⁵
 - Estimated 14,000 people visit Nunavut annually
 - Range of tourism activities include ecotourism, sports hunting, fishing, and adventure and educational activities



<https://www.nunavuttourism.com/about/welcome-to-nunavut/>

Economy - Inuit Art

- Production of Inuit art continues to play an important role in the economies of many Nunavut's communities ⁵
- Departmental studies found the arts and crafts sector contributes approximately \$33 million to the territory's economy
- Nunavut artists are rapidly making a name for themselves in film, broadcasting, and other types of media



<http://www.nacaarts.org/home/index.php/en/nunavut-arts-festival>

About The Nunavut Government

1. The Legislative assembly is one of only 2 federal territorial legislature in Canada that has a consensus style government ⁸
2. Nunavut has three branches
 - a. Legislative Branch
 - b. Judicial Branch
 - c. Commissioner of Nunavut
3. Members of the Legislative are voted in by the public
4. Government Terms are 4 years
5. Nunavut has a Responsible Government
 - a. Executive Council holds power as long as they have support from the majority of the members of the elected legislative assembly
 - b. If voted on, members can dethrone a member of the executive council
 - c. Happened during the first Legislative Assembly of Nunavut (1999-2004)

Government and Health Care

- The government of Nunavut offers the Nunavut Health Care Plan following the Canada Health Act ⁹
- All enrolled Nunavut residents have access to medical services
- Every person enrolled in the Nunavut Health Care Plan is given a health care card with a unique 9-digit number.

Business Development - Part II

Business Development Organizations

Baffin National Chamber of Commerce ¹⁰

- Non-partisan organization established to foster, promote, improve business development
- Developing a Best Practices resources library and database; provide materials and strategies for small business management ¹¹

Business Development Organizations

- Kivalliq Chamber of Commerce ¹⁰
 - Advocacy group for business in the Kivalliq Region
- Community Futures Group
- Baffin Business Development Corp
 - Offers business counseling through various stages of business life cycle
 - Advice on start-up, growth and expansion, maturity, wind down, succession planning

Business Development Organizations

- Keewatin Business Development Centre ¹⁰
 - Offers business counseling
 - Assists businesses in Baffin region as they grapple with regulatory and compliance issues that businesses face in various sectors ¹¹
 - 5 full time staff, support agency for small and medium sized businesses
 - Also provide loans and equity investments

Business Development Organizations

- Department of Economic Development and Transportation ¹¹
 - Small business support program: Provides up and coming small businesses, community organizations, and individuals with support to grow
- Contains 3 funds
 - Small business opportunities fund-help business start up, expansion
 - Entrepreneur development fund-assists businesses through training and skill development
 - Sustainable livelihood fund-assistance to overcome immediate legal or bookkeeping problems

Opportunities: Financial Growth

- Industries are steadily growing with plentiful business opportunities ¹²
- Corporate tax rate of 4% on the first \$200,000 which is the second lowest in Canada
- Investors that partner with Inuit, Nunavut businesses may be eligible for generous financing, loans, wage subsidy programs
- No sales tax

Opportunities: Natural Resources

- Petroleum source rocks ¹³
 - Paleozoic, Mesozoic and Cenozoic shales are exposed by numerous outcrops and penetrated by limited drillings
- Oil and Gas Resources
 - 181.43 trillion cubic feet of technically recoverable natural gas
 - 18.25 billion barrels of technically recoverable crude oil



Opportunities: Growing Population

- Median age of 22 years, population is the youngest in Canada ¹⁴
- It is also one of the fastest growing; the 2011 population was just over 31,000 compared to 26,000 in 2001
- Statistics Canada attributed the increase almost exclusively to a fertility rate in Nunavut of 2.9, well past the national average of 1.6
- Nunavut's population of 35,944 outstripped that of Yukon, marking the first time since the territory was founded in 1999 that its ranks exceeded those of Canada's northwest-most region

Opportunities: Tourism

Big tourism attractions ¹⁵

- Hunting and Fishing
- Camping and Hiking
- Nature Watching
- Music, and crafts
- Snow activities



http://nunatsiaq.com/stories/article/65674nunavut_tourism_honours_territorys_business_leaders/

Opportunities: Ice Caps

Ice Caps Melting ¹⁶

- Can Increase ship activity through the area
- A big increase in industrial activities
- Increased ability to explore and mine for natural resources
- Opportunity for construction due to more favorable land conditions



http://www.wwf.ca/conservation/arctic/sea_ice/

Challenges: Infrastructure

- Does not have roads connecting any of its communities ¹⁷
 - Within communities most roads are unpaved
- Poor marine infrastructure
 - Due to ice, Market is far away and would be costly to import fish
- Each community has an airstrip, but some are limited to how big the aircraft can be
- No land based communications because of Arctic conditions
 - Relies solely on satellite services
- Completely dependent upon imported petroleum

Challenges: Transportation

- Air: Expensive and unpredictable weather ¹⁸
- Water: Ocean and lakes are frozen for roughly 9 months out of the year
- Land: Ice ways... frozen roadways over the frozen lakes and ocean



Challenges: Housing

- Lack of affordable housing ¹⁹
- Extreme overcrowding
- Arctic environment hard to build and keep warm
- Limited local resources
- Brief construction season



<https://www.ctvnews.ca/canada/to-rent-or-buy-in-iqaluit-nunavut-votes-whether-to-let-residents-own-land-1.2872493>

Challenges: Food Security

- Food Insecurity in Nunavut “needs remedial action” ²⁰
- High food prices
- Improving financial circumstances



<https://www.skymetweather.com/content/global-news/5-8-magnitude-earthquake-shakes-nunavut-canada/>

Challenges: Education

- Lack of bilingual education ²¹
- Lack of teaching resources
- Low attendance
- Educational achievements and outcomes in Nunavut are lower than in other jurisdictions
- Higher rates of teenage pregnancy and substance abuse



<http://www.cbc.ca/news/canada/north/french-school-board-taking-nunavut-government-to-court-1.2955668>

Challenges: Labor Force

- Lack of training opportunities to prepare new positions ²²
- Lack of preparation for the children to receive jobs in the future
- Systemic barriers to inuit employment



Literature Review - Part III

Marketing Communication

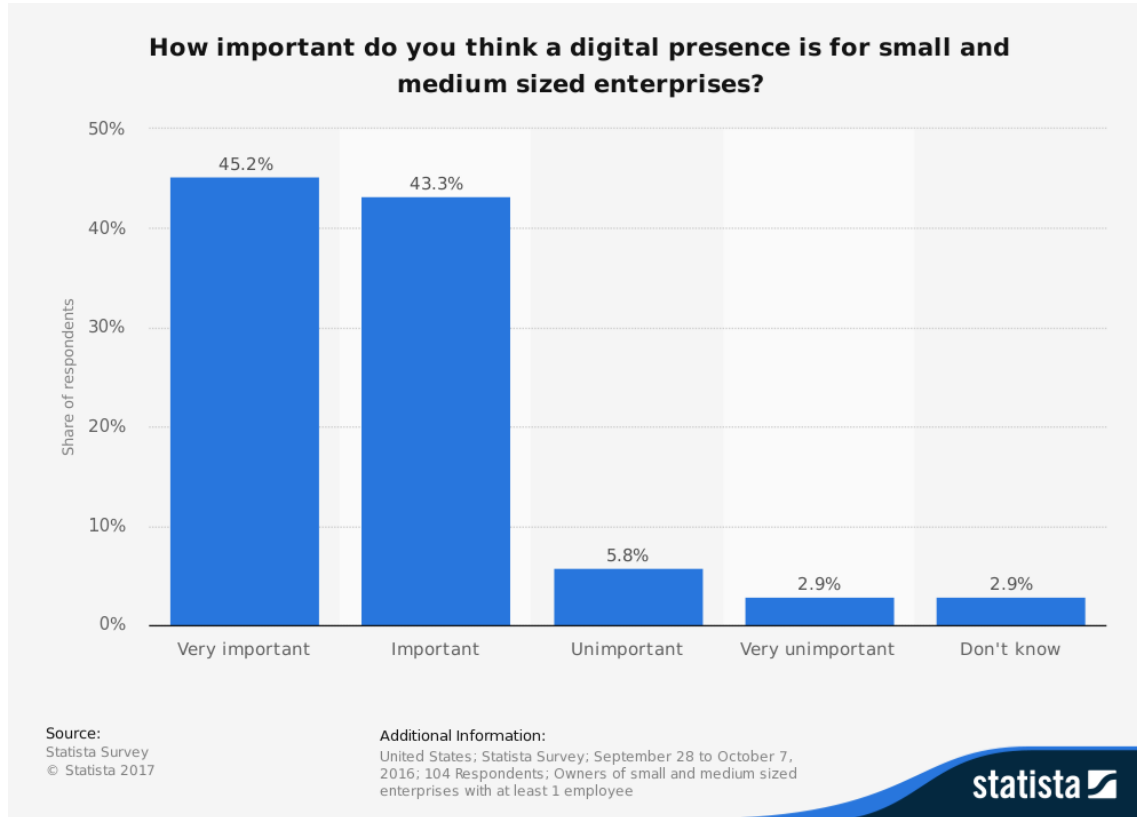
Why a Website is Important

- First impression a business gives potential customers ²³
- Makes a business look more credible and professional
- Increases reach to customers
- Cost effective way to market products or services
- Quality Website-clean, well-organized, easy to navigate, clear/concise, modern, functional, branded, and visually appealing ²⁴
- Customers want a quick solution to their problem or a quick answer to their questions

Google as a Search Engine to Locate Businesses

- As of 2017, Google Search is the leader of global search engine market, boasting 86% market share ²⁵
- Google earned 89.46 billion U.S. dollar revenues that came from advertising through Google Sites or Google Network Sites for other businesses
- Google.com is visited the most by users in the U.S. with a global share of 34.3% as of February 2017 ²⁶
- According to Statista (2016), 41.35% of small and medium enterprise owners in the U.S. believed it digital presence to be important for their business ²⁷

Google as a Search Engine to Locate Businesses



Overall Usage of Different Social Media Platforms

- Major asset in business development research ²⁸
- Concrete way to see how companies are performing
- Position the business as industry experts, share thought-provoking content, highlight any recent successes/milestones
- Aid in connections for a leg-up in business development
- A means for relationship building in today's increasingly connected world

Overall Usage of Different Social Media Platforms

- Number of worldwide users is expected to reach roughly 2.95 billion by 2020 ²⁹
- Region with the highest penetration rate of social networks is North America
- Around 70% of the population in North America has at least one social account
- Most popular social media networking sites include Facebook (2.23 million), Youtube (1.5 million), WhatsApp (1.5 million), Facebook Messenger (1.3 million), WeChat (980,000)
- On average, global internet users spend 135 minutes per day on social networks (2017)
- Active social network penetration per country-United States: 71%, Canada: 68%

How Effective Social Media is for Developing Businesses

- Based on statistics collected in 2014:
 - 3 out of 5 small businesses gained new customers using social media ³⁰
 - 70% of business-to-consumer marketers have acquired customers through Facebook
 - 46% of web users look towards social media when making a purchase
- Increase brand awareness and loyalty
- Provide rich customer experiences
- Keep up with your competitors

Effective Slogans

- Plays with the customers mind in believing that they have a reliable product ³¹
- What the brand stands for, a commitment
- Create a bridge between the clients and the brand to build and strengthen a relationship
- 2-5 rememberable words
- Should be easily predictable ³²
- Good opportunity to tell consumers why their product is unique and different from others

Marketing Communication Messages

- Connecting value and communication is not new, but it remains rather rare ³³
- Businesses must create a message that will excite people to spread the word through word of mouth
- NIDA KHIZAR found When a business communicates, they are more likely to create brand and company loyal customers
- Brand awareness can be created or destroyed through marketing communication messages ³⁴
- A strong communication message can motivate workers. They now have a motivation to work and create quality products

Methodology and Procedures

1. Secured a list of 343 “Inuit Firms” that are listed by Nunavut Tunngavik Incorporated (NTI). NTI coordinates and manages Inuit responsibilities set out in the Nunavut Agreement and ensures that the federal and territorial governments fulfill their obligations

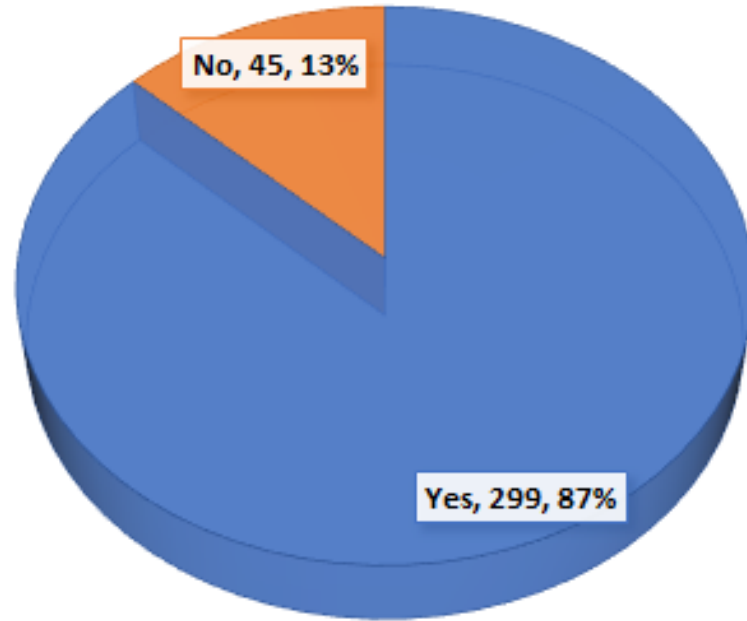
“Inuit Firm” means an entity which complies with the legal requirements to carry on business in the Nunavut Settlement Area, and which is:

- a) a limited company with at least 51% of the company’s voting shares beneficially owned by Inuit, or
- b) a cooperative controlled by Inuit, or
- c) an Inuk sole proprietorship or partnership

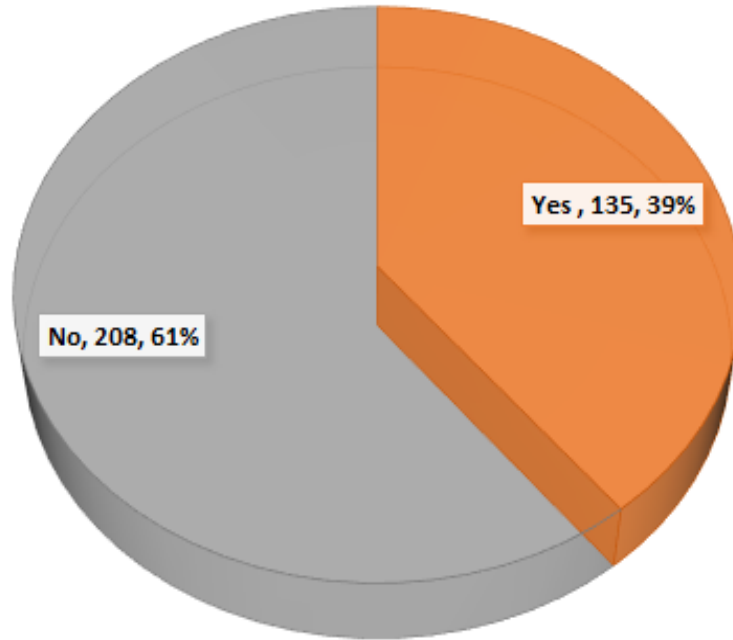
2. Conducted a Google search for “Inuit Firms”
3. Reviewed Websites
3. Documented Social Media Sites
4. Documented Slogans
5. Documented Overall Marketing Communication Message
6. Entered all Data on a Spreadsheet

Results

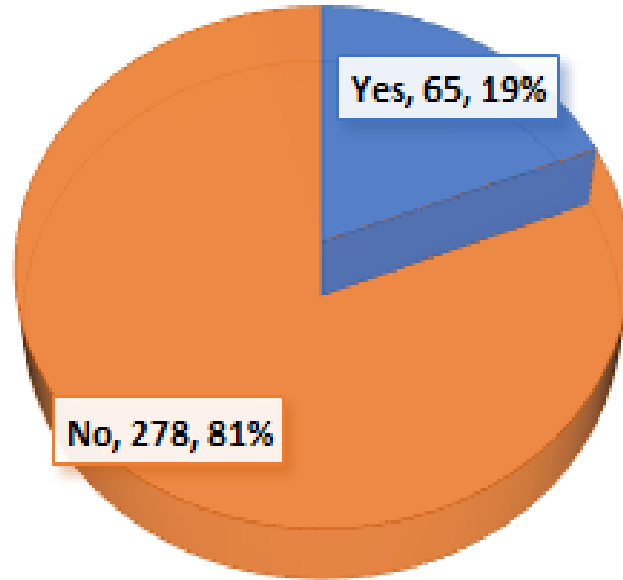
Google Search



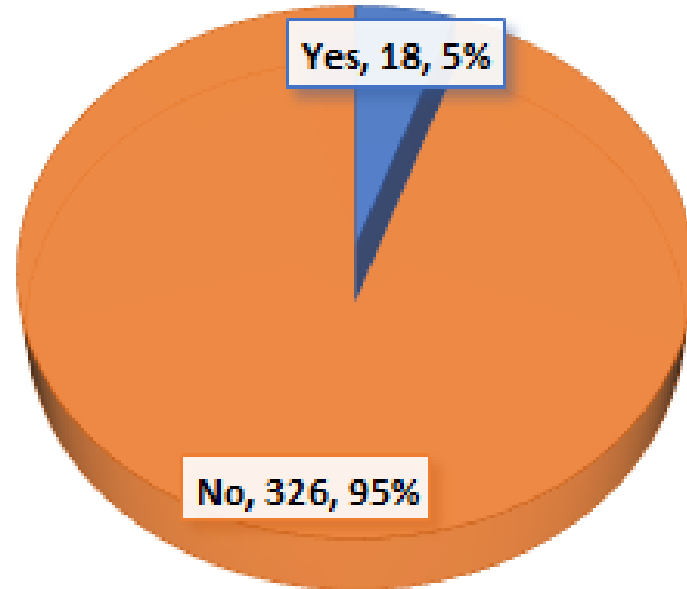
Website



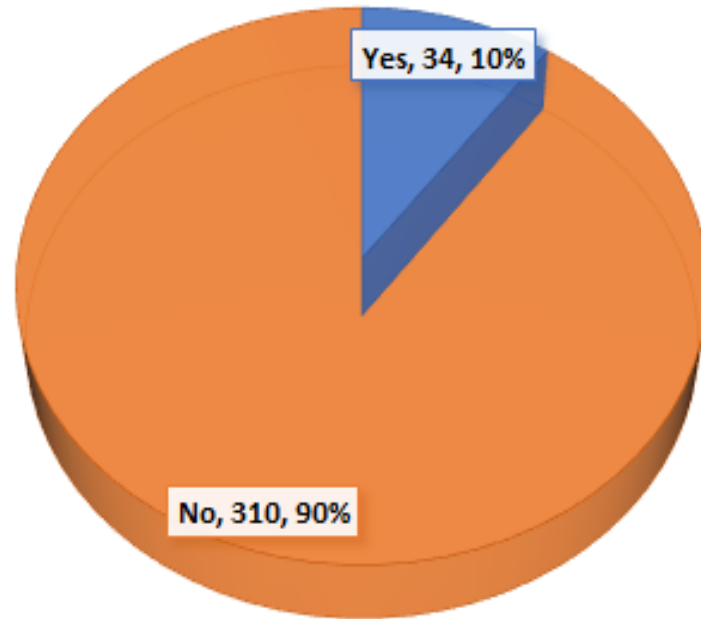
Facebook



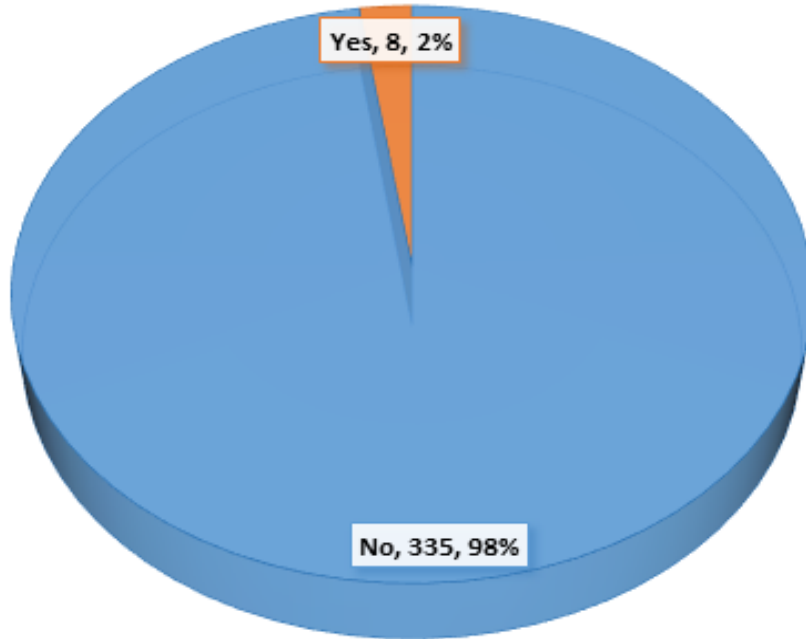
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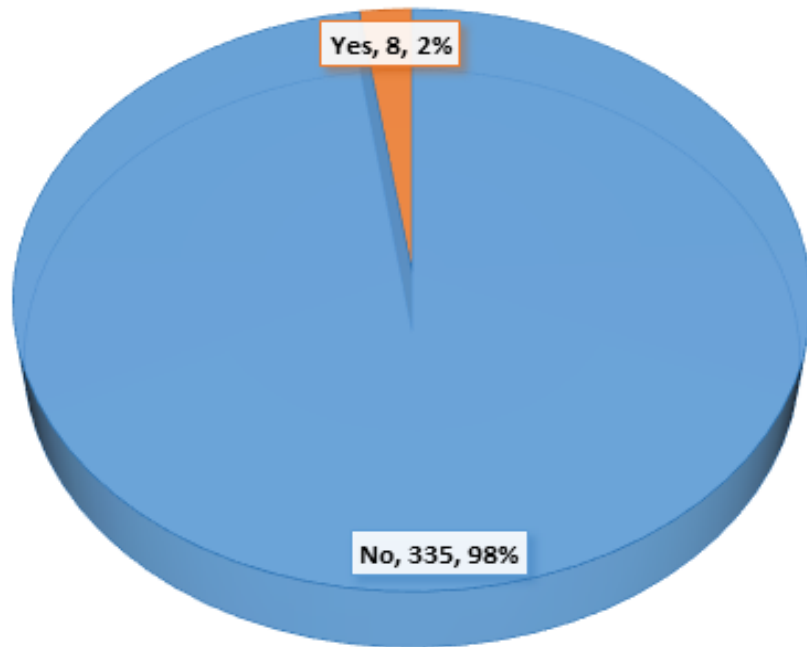
LinkedIn



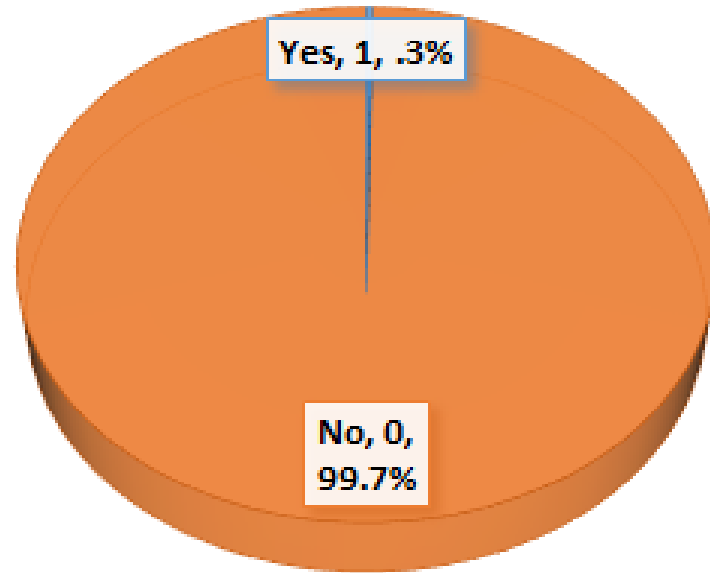
Instagram



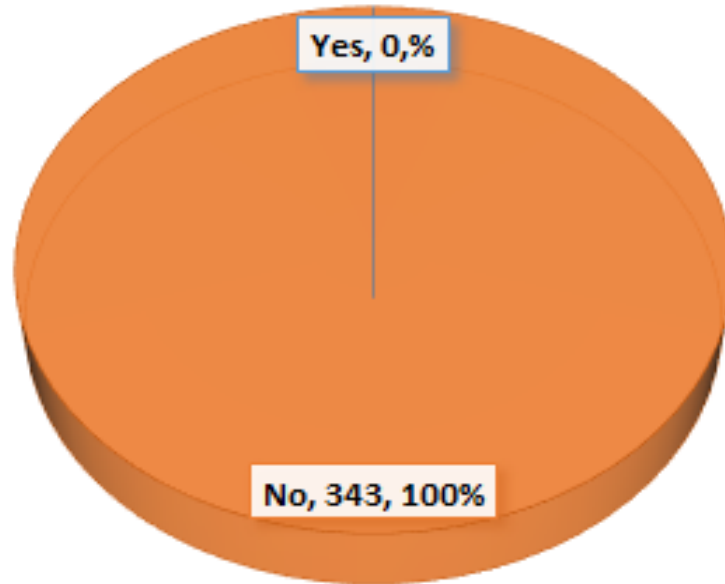
YouTube



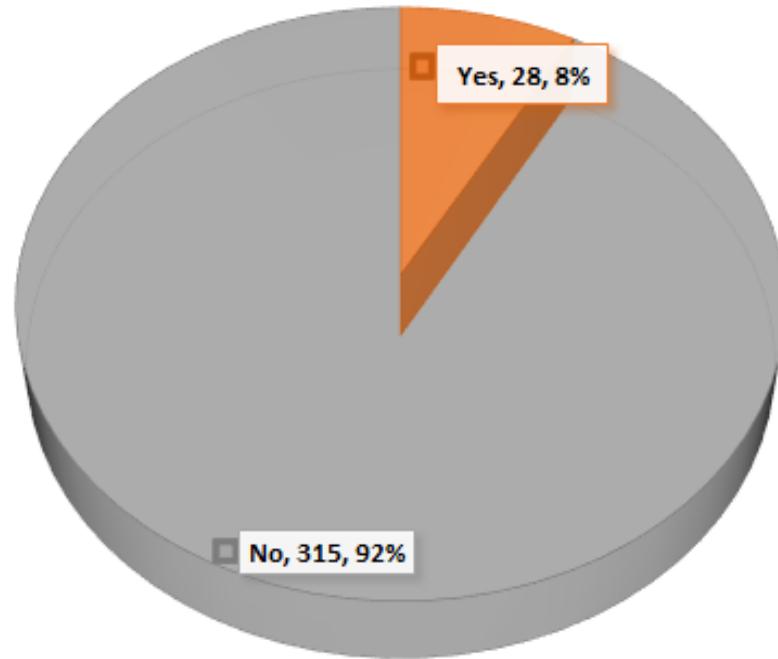
Pinterest



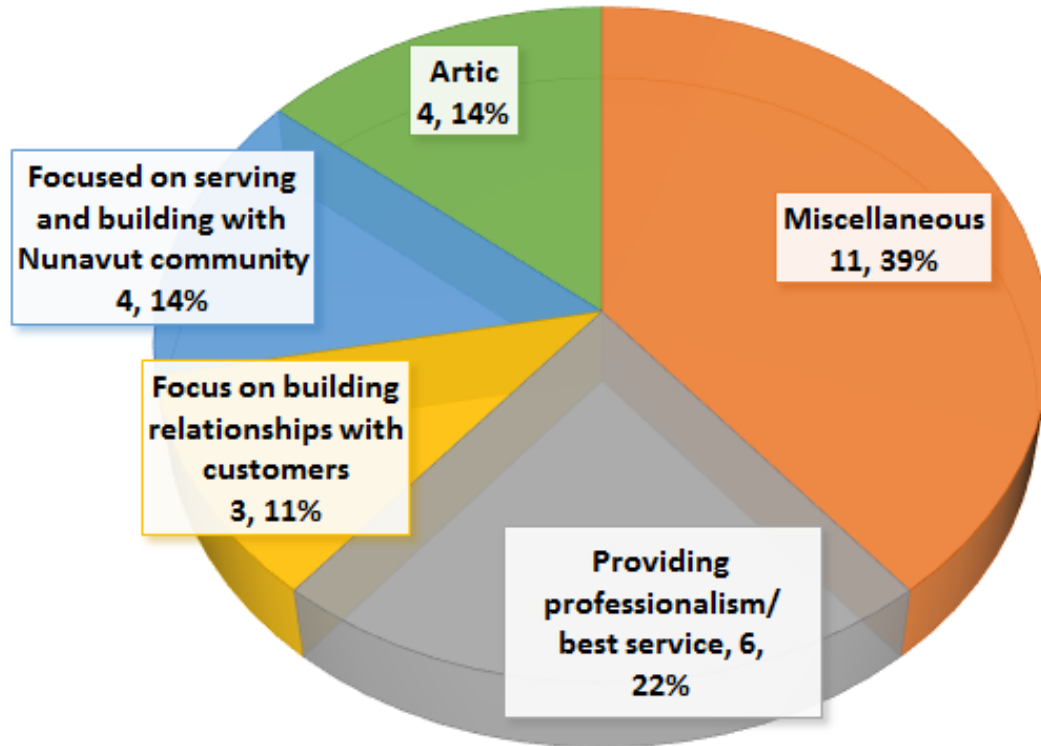
Snapchat



Slogan



Business Slogans



Overall Marketing Communication Message

- Employment and training opportunities for Inuit
- Promoting economic development
- Focus on customer satisfaction

Discussions, Conclusion & Recommendations

Discussion

Nunavut's growing population shows promise for further business growth, however, there is only a 53.6% employment rate, and college education graduation rates are low, with only 14.3% of people between 25-64 having a bachelor's degree or higher as of 2016 ³⁵

- Business development has great potential due to numerous business support service organizations
- These organizations help promote and protect businesses and their interests
- Opportunity for fishing, hunting, mining, construction, manufacturing (capital expenditures, major parts of the economy)
- Consumers face no sales tax

Discussion

Social Media is a major benefit for business development

- 70% of the population in North America has at least 1 social media account.
- Nunavut Area- 19% facebook, 5% twitter, 10% linkedin, 2% instagram, 2% youtube
- 3 out of 5 small business' gain new customers using social media
- Increases brand awareness and loyalty.
- Online presence of websites is the first impression a company gives to potential customers.

Lack of Teaching Resources

- Educational achievements and outcomes in Nunavut are lower than in other jurisdictions.
- Based on the results of the study, marginal web-based market communication used by Inuit owned businesses might be due to the lack of technology, education, and awareness.

Discussion

No land based communications because of Arctic conditions

- Relies solely on satellite services
- Might reduce the opportunity to have web based services
- Communications satellites operating in geostationary Earth orbit do not cover the area of the arctic.
- Even when a link can be made, it can be prone to interruption from icing on antennas, or from disruption caused by heavy seas.
- Iridium satellite constellation can supply communication services in the Arctic, but there have been recorded cases of interruptions to the service, which can last several minutes.
- All arctic territories in Canada all have serious challenges in accessing affordable and reliable communication services

Conclusion

- Related to the literature, it was concluded that customers use google to find and locate businesses
- Websites are important for customers
- Number one social media platform for business development is Facebook
- Related to online marketing communication tools used by Nunavut Inuit owned organizations:
 - 87% of registered businesses showed up in a Google search.
 - Only 39% of businesses had a professional website.
 - Only 19% of businesses had a Facebook page.
 - All other social media platforms researched were minimal.

Conclusion

- Related to online marketing communication messages owned by Nunavut Inuit owned organizations it was concluded that:
 - Community comes first
 - Support local businesses is key in nunavut culture
 - Providing customers with the best services

Recommendations

- More businesses should develop and improve their websites.
- More businesses should utilize social media platforms, especially Facebook.
- Businesses should have active social media accounts that are updated frequently.
- Businesses should have relevant information listed.
- Utilize the Nunavut business support services to help with development and growth.

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