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SEVERE ACUTE RESPIRATORY SYNDROME EMERGENCY MARKETING AND RECOVERY INITIATIVES UPDATE

The Planning and Economic Development Committee recommends the following:

- 1. The communication from Sheila Birrell, Town Clerk, Town of Markham, dated November 26, 2003, regarding the SARS Recovery Program Update, be received;**
- 2. The recommendation contained in the following report, November 27, 2003, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

The purpose of this report is to provide Regional Council an update of the initiatives implemented to restore consumer confidence and assist community tourism industry economic recovery from the impacts of Severe Acute Respiratory Syndrome (SARS).

3. BACKGROUND

On May 22, 2003 Regional Council considered a report that outlined the economic impacts as a result of the outbreak of SARS, and recommendations on measures that the Region could provide to provide assistance to the tourism industry. Council approved an allocation of \$250,000 to implement a SARS Emergency Marketing and Recovery Plan.

On June 5, 2003, staff reported to Regional Council on a range of strategic recovery initiatives to rebuild consumer confidence and lessen further economic erosion. Regional Council approved the proposed initiatives and allowed staff to modify the initiatives to reflect the needs of the tourism sector given the uncertainty at that time over the duration and scope of the SARS episode.

This report provides an update on the activities undertaken as part of the SARS emergency marketing and recovery plan.

4. ANALYSIS AND OPTIONS

4.1 Elements of the SARS Recovery Program

The SARS Emergency Marketing and Recovery Plan approved by Council allocated \$100,000 to address the internal audience segment (local consumers and the GTA), \$100,000 for the external audience (Ontario consumers and border U.S.A.) to drive overnight stays and \$50,000 be allocated to supplement the current tourism economic development programs.

Staff originally proposed a range of targeted initiatives at the local, provincial and national level in order to rebuild consumer confidence and leverage the participation of different players in the Region's tourism industry. With the second wave of SARS outbreaks resulting in a growing lack of consumer confidence for Toronto and surrounding area, it was necessary to review the proposed program and reallocate some of the funding accordingly. This allowed for the concentration of immediate recovery efforts at a more local and GTA audience in partnership with community groups and the enhancement of the regional branding campaign to build positive consumer awareness.

Although the accommodation sector was significantly impacted by the reduction of overnight stays caused by SARS, the hotel sector did not try to compete head-on with Toronto's heavily discounted overnight leisure packages as they deemed it not to be an effective return on investment at the time. The York Region Hotels did support the program through the provision of new "Stay n' Play" overnight packages that were posted on the Regions' tourism web site and several hotels partnered in the enhanced leisure advertising programs.

4.2 "Stay n' Play" York Region

The major element of the Region's SARS recovery program evolved around a "*Stay n' Play*" *York Region* theme complemented by an aggressive consumer campaign to rebuild consumer confidence, increase awareness and drive revenues to the region's tourism and hospitality experiences. The program included a "Stay N Play" discount coupon booklet with 59 participating partners designed to get residents and tourists out to dine, shop and play in York Region during the period July through September. The booklet included a discount promotion, a regional map and 49 regional events received free listings. The Metroland Newspaper Group promoted the "Stay n' Play" program and distributed over 200,000 coupon booklets to residents through a newspaper insert. The booklet was also promoted and distributed by the Hotels as a value added feature for overnight guests and through the tourism office to consumer inquiries generated by supporting advertising campaigns. A copy of the Stay n' Play York Region coupon booklet is attached.

(See Attachment 1)

4.3 Television Campaigns

SARS Recovery funding was also used to expand target audience reach through television advertising campaigns creating awareness of the Region's tourism product and the "Stay n' Play" program including:

- **Rogers Cable Television** – this partnership included various marketing support through First Local News, web site links and sponsorship of the “York Region Living” Television program from June-December. York Region Living airs a minimum of 21 times a week to over 200,000 York Region and GTA residents and showcased regional events and various “Stay n’ Play” partners
- **CFTO** – A series of 38 ten second “Stay n’ Play” closed caption spots aired from July through September during prime viewership times including the Evening News, Jeopardy, Amazing Race, Canada AM, Newsbeat Today and Night Beat News.
- **The New VR** – A nine week television campaign was run from August through September with an average of twenty five 30 second commercials airing per week to over 2.2 million viewers from Walkathon to Peterborough, Burlington to Huntsville. In August, an additional 60 commercials aired as part of the New VR Logo-Motion Promotion.

4.4 Community Funding

Funding was also allocated to assist four tourism community groups undertake SARS recovery initiatives and the following provides a summary of their projects. At the time of writing, staff has not yet received complete final reports from all recipients pending the completion of programs at year-end.

- **The Richmond Hill and Markham Business Association (RHMCBA)**
May 8 –June 15 **SARS Regional funding \$25,000**
Twenty five thousand dollars (\$25,000) was allocated for an extensive promotional campaign initially centred on seven Chinese Malls to encourage residents and visitors to return and support the Chinese business community during the Victoria Day weekend and was expanded to include ten Malls participating in the Father’s Day promotions. According to the 50+ page summary report prepared by the RHMCBA, these special events and draw prizes combined with their extensive promotions was successful in rebuilding consumer confidence as well as, offsetting the impact from the second outbreak of SARS. The region received a RHMCBA plaque in appreciation for financial support.
- **McMichael Canadian Art Collection “The Artful Getaway Package”**
September – December 2003 **SARS Regional Funding \$5,000**
Five thousand dollars (\$5,000) was allocated to this initiative. The McMichael in partnership with Chartreuse, The Doctor’s House, 16 Kleinburg merchants and services and the Kingbridge Centre, an “Artful Getaway Package” was developed. The primary goal was to raise awareness of the McMichael and Kleinburg as a Fall country day-trip destination and the secondary goal was to sell Artful Getaway packages. The packages were sold through Kleinburg Travel and included free parking, admission to the Gallery for two persons, a set meal at either Chartreuse or The Doctor’s House and a discount coupon booklet and an overnight option at the Kingbridge Centre could be purchased. A complete report will not be available until

the program ends December 31 but staff have been advised that to date the McMichael has tracked 400 individual (200 couple) admissions, 50 discount coupons were redeemed and 20 overnight stays were booked.

- **Federation of Chinese Canadians in Markham (FCCM) “Taste of Asia Festival” Sunday August 3 SARS Regional Funding \$4,000**

Four thousand dollars (\$4,000) was allocated to support the Taste of Asia, a day long street festival that took place on Kennedy Road (closed from north of Steeles Avenue to Clayton Drive) which drew an anticipated 20,000 people from across the GTA. The festival featured over 60 booths offering a variety of goods and ethnic foods as well, a bandstand provided a selection of multicultural entertainment. Due to the success of this year’s festival, the FCCM is now planning on two-day annual event, tentatively scheduled for July 3 & 4, 2004.

- **“Summer Shopping in Unionville” Program SARS Regional Funding \$4,000**

Four thousand dollars (\$4,000) was allocated to support an Unionville Business Improvement Association (BIA) “\$5,000 Shopping Spree” contest promotion. The “Shopping Spree” contest ran from mid-June through mid-September and was organized so that with a purchase of over \$25 the consumer was granted a ballot to win. The initial count has found that approximately 45,000 ballots were submitted over the sixty-day period of the campaign and the consumer data compiled provides direction for future marketing initiatives. The “Shopping Spree” was just one component of a successful SARS relief campaign implemented by the Unionville BIA.

4.5 Advertising

The following advertising activities enhanced the regions’ current consumer awareness and marketing campaign and were implemented in partnership with the tourism industry:

- **CAA Publications**

The CAA member publications, Journey, Leisureways and Going Places provide access to the drive market, which is a key target audience for both leisure and overnight stays in the region. The total circulation of these three publications is to 1.4 million members throughout Ontario, the Maritimes and Manitoba.

Journey and Going Places – a ¼ page regional ad was placed in the September edition of both publications.

Leisureways – a double page regional feature in partnership with ten tourism partners was placed in the September issue and promotional flyer with overnight packages was produced as a fulfilment piece for consumer inquiries.

- **What’s Up Kids? Family Magazine**

Four tourism partners participated with listings in the Back to School edition of this magazine which was circulated to 200,000 GTA family residences.

- **City Parent**

A four page York Region feature with industry advertisements was circulated in July to 100,000 homes within the Toronto and Golden Horseshoe area. Also, in July a regional ad was placed in the Ottawa edition, which has a circulation of 40,000 homes.

4.6 Accommodation Sector

After the SARS outbreak, hotels within the City of Toronto provided deeply discounted rates to attract overnight consumers. This provided an added challenge to hoteliers within York Region to not only woo back lost business caused by SARS, but to maintain profitability. The York Region Hotel Committee determined that it would be more effective initially to support building awareness and demand through regional brand advertising. The Hotels provided Stay n' Play packages for posting on the regions' tourism web site and partnered in the advertisements to encourage overnight stays. In July, a consortium of ten Markham area Hotels supported by funding from the Town of Markham and the Region submitted a proposal for funding to the Province of Ontario through the Ontario Tourism Marketing Partnership Destination Fund. The Province did not approve the proposal due primarily to an insufficient level of financial contributions from the hotels and a requirement that they must include other partners (e.g. restaurants, attractions, shopping malls etc). Staff worked with the York Region Hotel Marketing Committee (which includes the Markham Hotel Consortium partners) to develop a revised submission that addressed the concerns of the Province. The revised submission represents a longer-term strategy that concentrates on recapturing corporate and meeting business through a "Meet n' Play" reward program targeting meeting planners and business clients. The proposed program also includes a leisure travellers component building upon the "Stay n' Play" program. At the time of writing this report, Staff was still awaiting word on whether Provincial funding would be provided.

Staff will assist the partners in moving the initiatives forward based on the committed private and public sector funding and the program will be scaled back accordingly if Provincial financial commitment is not received. The Town of Markham supports the revised submission but has advised the Markham Hotel Consortium that the \$30,000 in funding that is being held in escrow by the Markham Board of Trade must be committed by July 4, 2004 or the funds must be returned to the Town. The Regional Municipality of York has committed \$40,000 of the SARS funding towards this initiative. This project has been initiated in 2003 and will be fully implemented in 2004.

4.7 Product Development

The SARS recovery program also included new product development initiatives that support both short term and longer-term recovery from SARS by strengthening the awareness of the Region's tourism products:

- **Travel Industry Tradeshow – Spotlight Toronto Marketplace November 7, 2003**

Staff participated in Tourism Toronto's inaugural Spotlight Toronto marketplace that was attended by Tour Operators and 300 Group Leaders from Buffalo, Rochester,

Pittsburgh and Cleveland and 150 Retail Travel Agents and AAA Travel Counsellors. Invitations were also extended to Ontario Motorcoach Association members, local Asian Receptive Operators and Toronto Concierge staff. The purpose of this marketplace was to introduce new tourism products and promote a safe, SARS free Toronto and area tourism experience.

- **Fish York Region**

Fishing in York Region was one area of product development that was identified in the SARS recovery program. Following a workshop with the Ontario Ministry of Natural Resources (MNR) to discuss the economic benefits of promoting recreational angling in the GTA's urban centres, staff commissioned Jellybean Imaging to produce a Fish York Region publication to launch in January 2004. Jellybean Imaging produces several Ontario regional fishing guides with guidance from MNR and through national fishing sponsors, the partner cost is kept to a minimum to allow for maximum participation from the region's fishing businesses. The Region's funding commitment of \$6,700 includes brochure production and the securing of the outside back cover of the Ontario Government fishing publication. The York Region advertisement will provide promotional leverage to the Fish York Region publication through provincial initiatives promoting fishing in Ontario.

4.8 Support Staffing for SARS Recovery Programs

Human Resources Development Canada (HRDC) had committed earlier in 2003 to provide wage reimbursement assistance to hire one support staff for the SARS Recovery Project through the Job Creation Partnership funding program for a period of 26 weeks.

Staff was not in a position to recruit this temporary position until late in 2003. HRDC has agreed to provide funding for this position to be available from December 2003 through to June 2004. This support will enable implementation of the longer term SARS recovery efforts identified in the program.

4.9 Stay n' Play Survey Results

An industry participants survey was forwarded to obtain feed back from the 59 businesses that participated in the "Stay n' Play" coupon booklet. Twenty businesses responded. The feedback from the businesses that responded was that the redemption levels for the coupon campaign were not as high as hoped but that the campaigns were well received and showed the Region's support for the industry at a very difficult time. Only three respondents indicated that they might not consider participating another time. A number of the businesses indicated that it may take a year or more to recover the levels of lost business and profitability that was caused by SARS. Staff will incorporate the suggestions from the industry partners into future marketing and promotion campaigns to better motivate tourism consumers in the future. On balance, the response from the industry partners was that they were pleased with the Regional Municipality of York's immediate and aggressive approach to providing assistance during these challenging times.

4.10 SARS Budget and Leverage Review

The following chart provides a breakdown of the projects that were undertaken by the Regional Municipality of York under the \$250,000 SARS Recovery Program and demonstrates the industry support revenue and in-kind sponsorships that the Region's investment generated for those projects. The funding that Regional Council provided to community groups helped them to leverage additional private and public sector dollars but this information was not available at the time of writing this report.

Table 1
York Region SARS Initiatives and Budget Overview

SARS Initiative	Regional Funding	Revenue Generated	In-Kind Sponsorship
Television Campaigns	\$60,425.17	-	\$86,188
Community Funding	\$38,000	-	-
Enhanced Advertising	\$26,195.82	\$10,296	\$8,000
Product Development	\$6,825	-	-
Stay n' Play	\$75,782.10	\$11,925	\$9,298.40
Meet n' Play*	\$40,000	\$211,000*	\$20,000*
Total	\$247,228.09	\$233,221*	\$123,486.40*

** Meet n' Play initiatives purposed in partnership with the York Region Hotels for implementation commencing January 2004. The revenue generated figures represent committed funding of \$30,000 from the Town of Markham, \$30,000 from the Hotels and Industry support and a pending amount of \$151,000 requested in Provincial funding. The Hotels have also committed \$20,000 of in-kind services.*

4.11 Next Steps Towards Recovery

Staff is working with the York Region Hotel Marketing Committee to facilitate the final component of the SARS funding which takes the recovery efforts into 2004. Staff will continue be able to build upon these efforts and the economic recovery process with Regional Council's approval of the 2004 Economic Development budget that supports the initiatives outlined in the 2004 Tourism Marketing Plan, which is the subject of a companion report on the Committee's agenda.

4.12 Relationship to Vision 2026

The SARS Emergency Marketing and Recovery Initiatives Program was a well-received program to help support and sustain the Tourism industry within the Region. It supports the Vibrant Economy Goal of Vision 2026.

5. FINANCIAL IMPLICATIONS

The SARS Recovery Program funding was provided from the Region's 2003 supplementary tax revenue. Some of the initiatives were partially offset through industry partnerships and in-kind sponsorship. Human Resources Development Canada fully funded the temporary staff assistance under the Job Creation Program with the Region covering only the WSIB contributions. Staff is awaiting a response regarding potential funding from the Province/Ontario Tourism Marketing Partnership to support the efforts planned for 2004 to recapture meeting, conference and leisure overnight business. The Region's funding to the Community Groups assisted their efforts in leveraging an unknown amount of public and private sector dollars that would be used to enhance the independent community initiatives.

6. LOCAL MUNICIPAL IMPACT

The impact of SARS emphasized how the tourism industry plays an integral role throughout the area municipalities social and cultural environment as well as, being a major economic generator and employment base. The activities implemented supported building awareness in priority market segments to sustain economic stability within the area municipalities' tourism business community and curtail any further erosion from the SARS impact. In addition to the Region's efforts, many area municipalities administered measures including property tax relief, providing funding and working with the Regional Municipality of York on revisions to the retail holiday business act to assist their community.

7. CONCLUSION

SARS has dealt a significant blow to the regional economy especially in the hospitality and tourism section. Provincial research estimates that it will take at least two or more years for the Toronto and area to reach occupancy and revenue levels prior to SARS. Immediately upon the SARS outbreaks Regional Council demonstrated a leadership role by committing additional funding to support the economic recovery of the business community.

The journey to recovery for at least the next year must be ongoing and it will take a collaborative approach involving private and public sector support to ensure the tourism industry continues to recover, maintains economic stability and recaptures market share.

Staff recommends that Regional Council accept this report for information.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the January 7, 2004 Planning and Economic Development Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)