

5

2010 TOURISM MARKETING PROGRAM OVERVIEW AND 2011 YORK REGION BUSINESS DEVELOPMENT PROGRAM – TOURISM SECTOR

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated January 3, 2011, from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair and Regional Clerk be authorized to sign the necessary agreement(s) with industry partners, funders and other organizations, subject to review by Legal Services, to support the 2011 York Region Business Development Program.
2. This report be circulated by the Regional Clerk to the local municipalities, the Zone 6 Regional Tourism Organization, the Tourism Advisory Group and the local chambers of commerce and board of trade for information.

2. PURPOSE

This report provides Regional Council with an overview of the 2010 Tourism Marketing Program deliverables and seeks approval to the components of the 2011 York Region Business Development Program for the tourism sector, subject to approval of the 2011 Economic Development operating budget.

3. BACKGROUND

Since 2000 marketing and promotion of the Region's tourism experiences have been a core function of the York Region Planning and Development Services Department and Economic Development Branch.

The York Region Long Term Tourism Destination Development Strategy released in October 2009, identified the scope and mandate of the York Region's current tourism activities needed to evolve beyond a marketing focus to fully capitalize on the economic, social and environmental potential from tourism.

When the Ontario Ministry of Tourism released their Competitiveness Study in December 2009 and the announcement of 13 new regional tourism organizations across

Ontario being mandated to facilitate a marketing role, it became even more evident that the Regional program needed to change how it operated from a tourism perspective. York Region is part of Provincial Regional Tourism Organization 6 (RTO 6) with Durham Region and Hills of Headwaters.

A map of the Provincial Regional Tourism Zone 6 is available in *Council Attachment 1*.

In July 2010, the Economic Strategy and Tourism Branch was restructured into three strategic programs: Business Development, International Investment and Marketing and Innovation and Economic Intelligence. The tourism function was positioned under the Business Development Program with the York Small Business Enterprise Centre. The role of the Business Development Program is to provide leadership and resources to build capacity and sustain the economic vitality of York Region's small business sector of which tourism is a key industry cluster.

As a result of reduction in funding for Regional tourism activities, the RTO 6 identifying marketing as a core program deliverable and the recent reorganization of the Economic Strategy and Tourism Branch, the 2011 Business Development Program identifies a transition from leisure consumer marketing to facilitate career, service excellence, investment and capacity building within the tourism business sector.

4. ANALYSIS

OVERVIEW OF TOURISM IN YORK REGION (2008 statistics)

3.07 million visitors spent \$336.8 million in York Region

The most recent Statistics Canada research indicates that in 2008, York Region welcomed 3.07 million visitors spending \$336.8 million on tourism experiences and services. Sixty-eight percent (68%) of total visits or 2.09 million were same day excursions and 32% or 975,000 were overnight visitors. This is an increase from 2.87 million visitors who spent \$334.86, with overnight stays rising from 30% in 2007.

Ontario accounts for 2.78 million of total visits and the metropolitan Toronto area is the largest single feeder market accounting for 26% of overnight tourism and 37% of same day visits.

Visiting Friends and Relatives (VFR) is the most prominent motivator for overnight trips 720,000 visits, (up from 471,000 in 2007), followed by pleasure 133,000 (down from 229,000 in 2007) and business travel counting for 76,000 of overnight traffic (78,000 in 2007).

There are close to 14,000 tourism related establishments in York Region. (Source: 2008 York Region data and Ontario Tourism/Statistics Canada, Business Register Division)

The 2010 Tourism Program inspired growth and economic spending

Regional Council approved 2010 Tourism Marketing and Industry Relations Programs identified and delivered innovative, integrated, research-driven marketing, public relations and promotional initiatives in partnership with industry stakeholders to inspire growth in visitation and economic spend.

Online and print marketing reached over two million consumers

Throughout 2010 York Region Tourism maintained a strong online presence with the distribution of 13 e-flyers, three online advertisements, 10 CHFI combined radio/online promotions and produced four promotional online videos each of three minute duration. In combination these promotions reached 2,318,000 consumers, generating 100,000 online visits and 5,000 contest entries.

The York Region Discovery Guide was the only print publication produced and 100,000 copies were distributed throughout the Greater Toronto Area, within York Region and to Tourism Information Centres across Ontario.

Twenty eight thousand (\$28,000) in additional funding from the Ontario Tourism Marketing Partnership Corporation supported enhanced consumer marketing activities including a direct mail postcard to 110,000 households throughout the western Golden Horseshoe directing consumers to yorktourism.com website for attraction ideas, festival and event information and overnight getaway packages.

Strengthening partnership and communications in 2010

Information sharing with local Municipalities, industry stakeholders and tourism partners to support, inform and engage partner participation in Regional activities included:

- Bi-monthly communications via email directing tourism stakeholders to the Business Development Newsletter on www.yorktourism.com where updates on Regional tourism activities, small business activities, partner opportunities, business innovation, research, marketing and advertising initiatives were posted.
- Database management and building of new tourism partners contacts for free promotion on www.yorktourism.com.
- Communication of the Ministry of Tourism's Ontario's Competitive Study recommendations, the establishment of the new Provincial Regional Tourism Organization for Zone 6 and its marketing opportunities

Supporting business sustainability and growth in 2010

On a partnership basis with the local municipalities, chambers of commerce and board of trade, the following educational forums, research and product development initiatives

were facilitated to enhance business skills, develop new products and manage operations effectively:

- Nine intercept surveys were facilitated at key attractions and festivals to gain valuable insights into the demographics of participating consumer, the reasons why they attended, their future travel intentions and the value of their economic spend. Generally the research indicated attendees were first time or repeat same day visitors travelling from the Greater Toronto and surrounding Regions who all commented positively on the quality of the experience being provided. The results of these surveys were shared with the municipalities and the participating tourism business for future programming and to support the procurement of funding for future growth.
- A Sports Symposium was held on June 3 with assistance from the Canadian Sport Tourism Alliance to develop a sports tourism and tournament program for York Region.
- As part of the York Region Long Term Tourism Destination Development Strategy process, PKF Consulting provided individual municipal accommodation needs assessments and feasibility studies for potential tourism attraction investment opportunities including Hotel and Conference Centre Development, Oak Ridges Moraine Interpretive Centre, Convention Centre and a Speciality Accommodation Green Hotel. In June 2010, Council received a report on these tourism development opportunities which was circulated with the PKF Consulting studies to the local economic development offices.
- Engagement of a variety of tourism partners in piloting of the Hospitality First website for the promotion of region-wide service excellence and to support business and career development.
- 11 tourism partners distributed information to 10,000 commuters at York Region day at Union Station in June 2010.
- 81 tourism partners participated in the HST Seminar on March 30, 2010.
- 32 tourism partners benefited from the York Region 'Plan a Winner' Seminar.
- Eight tourism partners participated in four different YRT/VIVA sampling events over May and June of 2010.

Relationship to the Provincial Tourism Direction

With York Region joining the newly created Provincial Regional Tourism Organization and Destination Marketing and Management Organization for Zone 6 the existing York Region Tourism Program will shift from marketing to enhance capacity building and support tourism infrastructure and business development in 2011.

Regional staff was invited in an ex-officio capacity to join the Board of Directors of the new Provincial Tourism Organization for Zone 6 (RTO 6) to provide direction and optimize provincial alignment with Regional product and business development activities and to ensure the best interests of York Region's tourism experiences are recognized and supported.

2011 YORK REGION BUSINESS DEVELOPMENT PROGRAM – TOURISM SECTOR

The 2011 Business Development Program incorporates recommendations from the York Region Long Term Tourism Destination Development Strategy. It was developed based on consultations with tourism industry partners and provincial tourism partners. It incorporates key learning from consumer research and best practices from the 2010 tourism marketing and industry relations programs and supports the activities of the York Small Business Enterprise Centre.

Provide leadership to facilitate economic development

The Business Development Program shifts from marketing to the undertaking of new roles: Informational resources, a facilitator in encouraging partnership between local municipalities, industry stakeholders and the business community that focuses on career and business development, service excellence, building capacity and stimulating economic development within the tourism sector.

Develop the product to attract visitors, build capacity and encourage investment

It is the intention of the Business Development Program to provide leadership to stimulate tourism economic development and to position York Region as a desirable overnight destination, and to play an active role in developing the “product” required to attract visitors, grow businesses and encourage investment to the Region.

The objectives include:

- Promoting industry growth by positioning York Region as a viable meeting, group and sport event destination thereby increasing overnight stays
- Implementation of a Sports Tourism Program which was vetted and refined in 2010
- Focusing on capacity building through product development to meet consumer needs
- Providing local municipalities and industry partners with tools and resources that support sustainability and stimulate growth within the hospitality and tourism industry
- Continuing to capture consumer data utilizing best practices including surveys and contests
- Acting as a liaison by facilitating strategic communication between industry stakeholders and potential target audiences
- Supporting service excellence delivery and encouraging tourism entrepreneurship/career and business development through the Hospitality First Program. A comprehensive report on the Hospitality First Program is included in this month’s Regional Council agenda.
- Increasing the quality and quantity of the tourism experiences through investment.

Alignment of York Region Arts Council, Media Group and Regional initiatives

Acknowledging that the Region was not in a position to compete against the RTO 6 and market aggressively to consumers outside of York Region, a strategic approach to marketing and distribution of the York Region Discovery Guide to local residents was required.

Through the established connections with the York Region Arts Council and the York Region Media Group, we were aware of their intent to create and promote a YorkScene.com website and YorkScene magazine as the number one source for arts, culture and entertainment in York Region. Recognizing the potential duplication of this new magazine to the York Region Discovery Guide and the consumer information available on the Regional and Arts Council websites, a strategic partnership was established with the York Region Media Group.

This partnership supports an efficient use of resources and results in an increased print run to two seasonal YorkScene publications; provides integrated website linkages so consumers have more than one central location to access tourism information; streamlines the number of calendars that event organizers have to post event information; and includes a redesign of the Regional tourism website (www.yorktourism.com) that allows business information to be displayed in a way that is more conducive for generating new business from meeting planners, group and sport tournament organizers.

In addition, the Business Development Program will partner with the York Region Arts Council to support sustainable development of the arts and cultural community. This will be achieved through participation at their inaugural Arts Exposed Conference in April 2011; by providing business and financial planning workshops for arts and cultural organizations and marketing the arts, culture and entertainment services on the Regional tourism website to potential meeting and group clients.

This fundamental alignment of responsibilities complements York Region's effort to support tourism businesses and the arts community and continues to provide a key consumer promotional opportunity for local municipalities, tourism partners, festivals, events and cultural organizations and provides enhanced consumer marketing and outreach activities to the resident market.

New tourism marketing and relationship building approach proposed

Initially, the foundation for successful tourism development and business capacity building must be laid by means of relationship forging with industry partners. This is a necessary step to align the Business Development Program with the goals of the local municipal strategies, the Regional Official Plans, the Provincial RTO 6 and the York Region Economic Strategy.

A period of database mining, accounting of inventory, engagement with private and public sector industry partners and cooperative product development is necessary to achieve the following:

- Expand both consumer and industry stakeholder databases in order to facilitate the development and marketing of those products
- Construct a comprehensive “inventory” for each target market segment (sport, meetings and group business)
- Develop programs that best address the requirements of each market segment by working with industry partners to produce pre-packaged products that offer simplicity and ease of purchase by consumers and business partners.
- Manage relationships for a successful York Region Media Group and York Region Arts Council partnership.
- Develop, manage and populate an enhanced York Region tourism website that builds industry capacity from a consumer, meetings, group and sport perspective.

Marketing tools and support publications developed

Suggested strategies for 2011 include positioning the Region’s tourism website as a “go to” information directory with a focus on “inventory”, capacity and partners promotional offerings. Throughout this process it is intended that new contacts be captured and included in our existing database resource so that the tourism businesses and local municipalities can partner with the Region to market digitally to potential clients.

To assist Regional tourism partners to attract new sport, meeting and group business, there will be enhancements to the existing Sport Tournament Brochure, and new print publications created will include an incentive coupon promotional booklet and market specific lure publications and promotions.

The Region will continue to market the Regional tourism experience direct to consumers through digital media including bi-monthly e-news, getaway ideas, calendar of event communications and resident marketing, which will be enhanced through the York Region Media and Provincial Regional Tourism Organization Zone 6 partnerships.

Educate and empower tourism business and local municipalities

Tourism business sustainability and growth will be achieved through the provision of strategic direction, educational forums, effective communications, business planning assistance, product and partnership development and research initiatives that assist the tourism industry to make informed decisions.

An Investment Readiness Workshop will be conducted to empower municipalities to lead the procurement of investors for the investment attraction studies provided in 2010 from PKF Consulting. Additional educational opportunities to address labour market issues in the hospitality sector and support tourism business development will be coordinated in

partnership with the York Region Arts Council, the Provincial RTO 6 and the York Region Small Business Enterprise Centre.

Need to identify the roles and/or the need for a future Advisory Group

Over the years, a Regional Chair appointed York Region Tourism Advisory Group, supported by a member of Regional Council played an integral role in providing leadership and direction in the Regional Tourism Program deliverables. In 2010, three of the advisory members volunteered as a Working Transition Team for the establishment of the Provincial Regional Tourism Organization (RTO 6). In November 2010, the RTO 6 established a 13 member Board of Directors which consists of four representatives from York Region including Bob Law – Resort Manager, Briars Resort and Spa, Patrick Regina – General Manager, Hilton Suites Conference Centre and Spa, Raffi Kaprelyan – Vice President/General Manager of Canada's Wonderland and Rob Kadlovski – President of Nicholby's/Old Firehall Confectionary. As the RTO 6 and the York Region Business Development programs evolve, consultations with local municipalities and the tourism business community will be facilitated to identify the role and/or the need for a Regional Tourism Advisory Group for the Business Development Program.

A variety of performance metrics used to gauge the success of the 2011 Business Development Program

The 2011 Business Development Program will be evaluated against a variety of qualitative and quantitative tracking and performance measures including:

- Increased industry engagement and funding partnerships in programs
- The number of incentive coupon books distributed and number of coupons redeemed
- The outreach to potential clients for meetings, group and sport tournament bookings
- Increase in consumer inquiries, web hits and unique web visits
- Increase in exposure from unpaid public relations and media activities
- New tourism investment and product development

Relationship to Vision 2026

The 2011 Business Development Program supports the Vibrant Economy and Enhanced Environment, Heritage and Culture goals of Vision 2026. Tourism sector development is a core component of the York Region Economic Development Strategy and the 2011 work program is aligned with the recommendations identified in the York Region Long Term Tourism Destination Development Strategy.

5. FINANCIAL IMPLICATIONS

Over the period June 2010 through March 2012, Ontario is providing \$4.42 million to develop the new regional tourism organization for zone 6 and to facilitate destination marketing and management activities. A tourism levy collected through the accommodation sector is being proposed to provide sustainable funding for the new provincial tourism zone past 2012. The provincial tourism organization will be the major marketing agency for tourism in the Region.

York Region's Business Development Program is subject to approval of the 2011 Economic Strategy and Tourism operating budget and shows a decrease from the 2010 budget. Under the proposed 2011 model, the Business Development budget is dependent upon a mix of funding sources including: base funding from York Region, sponsorship and grants from outside sources, and revenue from a small selection of workshops and marketing initiatives.

A request to the Ministry of Training, Colleges and University Job Creation Funding Program will be submitted to retain staffing for a one year pilot period to work with the local sport councils, sports organizations and the municipalities to implement and evaluate the success of the York Region Sport Tourism Program.

6. LOCAL MUNICIPAL IMPACT

The 2011 York Region Business Development Program connects tourism as an economic driver with its contribution to capacity building and economic development within York Region. It supports local municipal tourism efforts to foster strong urban and rural communities and facilitates industry partnerships to strengthen destination competitiveness and sustainable tourism development.

7. CONCLUSION

Tourism business development, marketing and investment are an integral component to York Region's economic, social and cultural development. Capacity building from a tourism sector perspective is contingent upon strong relationships and support from tourism partners, local municipalities and industry stakeholders.

The York Region Long Term Tourism Destination Development Strategy provided the framework for the expansion of the existing Regional Tourism Program responsibilities while the establishment of the new Provincial Tourism Zones expedited the transition to a modified marketing role that supports tourism business development and capacity building.

The proposed 2011 York Region Business Development Program facilitates long term tourism economic development in conjunction with industry partners as well as serving the interests of industry at a consumer level.

For more information on this report, please contact Brenda McGowan, Program Manager, Business Development at (905) 830-4444 Ext. 1553 or Doug Lindeblom, Director, Economic Strategy and Tourism Ext. 1503.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)

