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2004 SARS RECOVERY PROGRAM - FINAL REPORT

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report, November 17, 2004, from the Commissioner of Planning and Development Services and wishes to acknowledge Brenda McGowan, Tourism Promotion Co-ordinator, for her work on this program:

1. RECOMMENDATION

It is recommended that:

1. Regional Council receive this report for information.

2. PURPOSE

The purpose of this report is to report back to Regional Council the results jointly funded 2004 SARS recovery program. This completes the Region's SARS Recovery program.

3. BACKGROUND

In April 2004 Regional Council approved a continuation of the 2003 SARS recovery program. The program was to be funded by a financial partnership of the Region, tourism industry, The Town of Markham and the Province of Ontario. The strategy was based on a two phase program focussed on recapturing corporate and meeting business through a "Meet n Play" program and increasing leisure overnight stays through "Stay n Play" program. A "Stay n Play Savings to Excitement Guide" providing discount coupons to 46 partners representative of attractions, golf courses, restaurants, theatre, galleries, shopping centres and Historic Unionville was created to supplement the June-September Hotel packages. This program completes the Region's SARS Recovery efforts.

4. ANALYSIS AND OPTIONS

The 2004 SARS Recovery Program marked the first time the Region, The Town of Markham and regional tourism industry partners had worked together in a tourism marketing program. The results of the program have demonstrated the business success and the financial leverage that can be achieved by working in partnership. The program has also provided a sustainable foundation to build upon to position York Region as a viable destination with potential to generate future additional revenues from the leisure, corporate and meeting sectors.

The 2004 SARS recovery project was implemented in two phases:

- Meet n Play to attract new corporate meeting and conference business was proposed for the February to June period.
- Stay n Play to attract additional leisure travellers and overnight hotel stays was rolled out in June and running through September.

The partnership approach allowed for the leveraging of Provincial funding to support the implementation of initiatives that increased market reach and raised the level of awareness. The Hotel partners created Fall leisure overnight packages and developed an incentive offer to attract new corporate and meeting business during a traditionally slower Jan-April 2005 period. These program changes were made in consultation with the partners and approved by the Province. It is expected that additional revenues will be generated into York Region based on the results recorded to date and the new initiatives.

4.1.1 Stay n Play & Meet n Play Project Results Feb-September 2004

Stay n Play generated \$613,054.48 in revenues representing sales of three thousand and ninety-nine (3099) overnight packages purchased during the period June-September reported by the Hotels. The average stay varied between 1-3 nights with the largest percentage of overnight stays generated from within Ontario followed by the USA then other destinations.

To date, Meet n Play has been effective in generating 1198 new meeting and convention rooms nights representing \$171,324 in revenue for the Hotel partners. Meet n Play has also provided 12 new business contacts and 17 meeting leads and it is expected that the efforts in this market segment will reap longer-term benefits and results.

The success metric proposed for the program was for the accommodation sector to maintain a 52% occupancy level February-June and increase to a 65% occupancy level July-September. The Partners report that Stay n Play and Meet n Play helped to exceed these success measures resulting in a 59-71% occupancy level Feb-Jun and 72%-78% July-September.

The Stay n Play Savings to Excitement Guide redemptions were not overly high but the participants were supportive of the program intent, the potential market reach and increase consumer exposure that the overall marketing program provided. A low coupon redemption was not a surprise based on anecdotal information provided by some of the Guide partners who had participated in other discount promotions during the same period (June-September) which were also not overly effective.

4.1.2 Partner Financial Support

The combined Provincial and industry support yielded a total marketing budget of \$202,000 to continue economic recovery efforts.

Partner Contributions:

Town of Markham	\$ 30,000
York Region Hotels	\$ 30,000

Unionville Business Improvement Association	\$ 2,000
York Region	\$ 40,000
Ontario Tourism	\$100,000

Additional industry funding of approximately \$30,000 was generated to offset the costs for the development of the KeyNote Conference and Meeting Planner and the Stay n Play Savings to Excitement Guide. In-kind give-aways were donated for the Meet Canada Trade shows and New VR Television promotions.

The following industry partners were key contributors to the programs:

- The Briars Resort and Conference Centre
- Sheraton and Best Western Parkway Hotel
- Holiday inn Hotel & Suites Toronto-Markham
- Hilton Suites Conference Centre and Spa
- Radisson Hotel Toronto-Markham
- Best Western Voyageur Place Hotel Newmarket
- Comfort Inn Markham
- Howard Johnson Hotel Toronto-Markham
- Hilton Garden Inn
- Monte Carlo Inn
- Plus 46 partners consisting of attractions, golf courses, restaurants, theatre, galleries, and shopping centres participated in the Stay n Play Savings to Excitement Guide.

4.1.3 Direct Marketing Expenditures

The total funding allocation for paid advertising, promotion and direct marketing initiatives was \$202,000 of which \$128,546.60 was allocated to Stay n Play and \$73,455.20 to Meet n Play.

Total Funding	\$202,000.00
Stay n Play	\$128,546.60
Meet n Play	<u>\$ 73,455.20</u>
Total Expenditures	\$202,001.80

4.2 Relationship to Vision 2026

The 2004 SARS recovery program supports the Vibrant Economy goal of Vision 2026.

5. FINANCIAL IMPLICATIONS

The combined Provincial and partnered dollars yielded a total marketing budget of \$202,000. The Region's \$40,000 contribution was funds that were re-allocated from the 2003 SARS recovery funds, \$30,000 from the Town of Markham and \$32,000 contributed from tourism industry partners. The Province has provided \$75,000 of their \$100,000 contribution with the \$25,000 balance forthcoming upon approval of a post project report being submitted by staff. No additional Provincial funding will be

forthcoming. Upon receipt of this outstanding balance the Region's SARS Recovery program will be completed.

6. LOCAL MUNICIPAL IMPACT

The revenues generated by the Stay n Play and Meet n Play program demonstrated how local municipalities can benefit from an effective tourism marketing promotion implemented in a collaborative partnership approach.

7. CONCLUSION

Given the global competitiveness, soft market conditions and continued challenges (lack of USA travellers, border crossing challenges, high gas prices, strong Canadian dollar and growing competition from other destinations, the Meet n Play and Stay n Play programs were deemed by the Partners as a success. The programs assisted significantly to position and build awareness of York Region and this collaborative marketing approach has provided a foundation from which to build future initiatives.

The Senior Management Group has reviewed this report.