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2010 YORK REGION TOURISM MARKETING PROGRAM

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated September 2, 2009, from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. The 2010 York Region Tourism Marketing Program be adopted as outlined, subject to the approval of the 2010 Economic Development operating budget.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreement(s) with industry partners and other organizations, subject to review by Legal Services, to support the tourism program.
3. This report be circulated by the Regional Clerk to the local municipalities, the Ministry of Tourism, the Tourism Advisory Group and the local chambers of commerce and board of trade for information and engagement.

2. PURPOSE

This report provides Regional Council with the 2010 York Region Tourism Marketing Program and seeks approval to the components of the work plan, subject to approval of the 2010 Economic Development operating budget.

3. BACKGROUND

The Regional mandate is to support the business of tourism in York Region by working in collaboration with local Municipalities and industry stakeholders to increase visitation and generate economic activity. The 2010 York Region Tourism Marketing Program identifies marketing and promotional initiatives that are aligned with the goals of the 2005 York Region Economic Development Strategy and Vision 2026. It builds upon recommendations identified in the Premier Ranked Tourism Destination research and supports the strategic direction of key industry stakeholders including the York Region Tourism Advisory Group and the Ontario Tourism Marketing Partnership Corporation. The 2010 marketing program implements key recommendations from of the Long Term Tourism Destination Development Strategy recommendations and was developed based on ongoing consultations with tourism industry partners, key learnings from the 2009 program and consumer research to optimize return on investment.

The three year destination marketing fee (DMF) \$300,000 funding partnership with Tourism Toronto expires as of December 2009. Negotiations to continue this funding are pending resolution of the proposed new Provincial tourism strategy due in December 2009. The York Region 2010 Tourism Marketing Program is based on funding from York Region and our industry. If additional funding becomes available it will be used to enhance the core program.

4. ANALYSIS AND OPTIONS

The tourism industry continues to face increased challenges as a result of the global economic crisis and enhanced border crossing guidelines for American tourists.

Visitation, occupancy and revenues continue to decline

Based on Ministry of Tourism research U.S. border crossings to Ontario declined 4% and overseas traffic decreased 11% in the first quarter of 2009. Ontario occupancy rates, average daily rates and room revenue decreased 3.2%, 3.0% and 8.9% respectively compared to the same period. At a local level the GTA east/north hotels experienced a 5% decline in occupancy, a 3.4% decrease in daily room rates and a 12% decrease in room revenue January through April 2009. In order to reclaim market share and get heads in beds hotels are drastically reducing room rates for leisure consumers and business meetings which at times positions a downtown Toronto hotel more competitive than a York Region property.

Information from various tourism attractors suggests that same day travel and overnight visitation are lower than previous years based on less than favourable summer weather as well as the economic situation. With forecasts of continued challenges in 2009, the tourism industry is working to secure business in a heightened competitive environment.

OVERVIEW OF TOURISM IN YORK REGION

2.87 million visitors spending \$334.86 million on tourism activities

In 2007, York Region welcomed 2.87 million visitors spending \$334.8 million on tourism experiences and services. Seventy percent (70%) of total visits or 2.02 million were same day excursions and 30% or 852,000 were overnight visitors.

Ontario and the Toronto Census Area remains York Region's primary market

Ontario accounts for 2.59 million of total visits and the metropolitan Toronto area is the largest single feeder market accounting for 21% of overnight tourism and 26% of same day visits.

Visiting Friends and Relatives (VFR) is the most prominent motivator for overnight trips (471,000 visits), followed by pleasure (229,000) and business travel counting for 78,000 of overnight traffic.

Relationship to the Provincial Tourism Direction

In February, a new Ontario Tourism Competitiveness Study “Discovering Ontario – A Report on the Future of Tourism” was released. Both the Provincial Study and the York Region Long Term Tourism Destination Development Strategy recognize the importance of the tourism sector and the need for a sustainable tourism infrastructure to contribute to the diversity of the economic base. The Provincial Strategy proposes the creation of 11 new tourism zones with one destination marketing and management organization per zone. These zones would be funded with revenues from the harmonized sales tax to be introduced in July 2010.

2010 York Region Tourism Marketing Program

The 2010 York Region Tourism Marketing Program identifies marketing and promotional initiatives that support the recommendations identified in the Long Term Tourism Destination Development Strategy, further referenced as LTTDDS. Operating with a reduced marketing budget the core marketing initiatives have been refined, auxiliary programs have been cancelled and will not be reinstated without external funding support.

The objectives, goals and target audiences remain the same but in 2010 a more innovative thematic approach to how the Region is marketed and how revenues are generated to support the tourism program is being proposed.

Facilitate innovative partnerships to increase visitation and spend

The goal of the Tourism Marketing Program is to deliver innovative, integrated, research-driven marketing, public relations and promotional initiatives in partnership with industry stakeholders that inspire growth in visitation and economic spend.

The Objectives:

- To build the profile of York Region as a viable four season tourist destination
- To increase overnight stays in commercial lodging and increase visitor spending
- To attract new and repeat visitation to attractions, festivals and tourism amenities
- To engage residents and Visiting Friends and Relatives to experience York Region's tourism offerings
- To increase industry participation in Regional tourism marketing initiatives

Strengthen the image of York Region as a premier four season destination.

Activities defined in the 2010 Tourism Marketing Program are designed to attract visitors, increase volume and revenues with a focus on the following three key audience and market segments:

Leisure Consumers – same day and overnight visitors comprised of Adult Explorers, Visiting Friends and Relatives and Family Travellers based in the geographic locations of:

- York Region
- Greater Toronto Area
- Rest of Ontario

Corporate Group – business meetings, conferences, conventions focusing on:

- Greater Toronto Area Association and Meeting Planners
- Local business community – corporate and non-profit

Leisure Group – sport and recreation, student and adult groups targeting:

- Ontario based Tour Operators
- York Region , GTA and Ontario Sport Organizations

Audience specific multimedia advertising campaigns will be implemented incorporating print and web based activities which have been determined based on their potential to deliver results to tourism businesses, to increase consumer inquiries and to engage financial support from the tourism industry. Refer to *Attachment 1* for the market specific tactics.

Execute multimedia campaigns based on themed promotions to increase visitation and spend

Building upon the Premier Ranked Tourism Destination research and PKF Consulting research for the development of the LTTDDS, York Region's primary tourism products or "experiential pillars" are:

- Recreation/Outdoors
- Family Adventure
- Arts and Culture
- Festivals and Events
- Agri-Culinary
- Golf
- Shopping

This aligns with the results from the 2007 Statistics Canada Domestic and International Travel Surveys research for the top three reasons visitors travel to York Region are to attend:

- Festivals and Fairs (36,000 visitors)
- Cultural performances (67,000)
- Museums and Galleries (49,000)

Capacity building and product development based on consumer demand was a LTTDDS recommendation. In 2010, this will be accomplished by clustering the above tourism experiences into themed seasonal promotions for leisure consumer marketing campaigns.

LEISURE CONSUMER MARKETING

Coordinate a York Region Tourism Week in June

Annually in June, the Ministry of Tourism declares one week national awareness week to highlight the economic and social value of tourism and encourage “staycations” in the Province. To leverage Provincial initiatives, special events and activities will be coordinated with local municipalities to inform residents and engage and visiting friends and relatives to the outdoor adventures, culinary experiences, unique festivals and events, diverse shopping and authentic cultural and heritage attractions available this summer and year round in the Region.

Regional marketing initiatives will include a direct mail campaign to residents, promotions at Union Station and VIVA Bus Terminals and a travel showcase will be held at the York Region Administrative Centre. Increased public relations activities and a media tour will be coordinated to promote and build profile for the tourism industry.

Golf is one of York Region’s key experiences

Based on 2007 Statistics Canada Domestic and International Travel Surveys research the single York Region experience that generates the most visitors is golf. In 2007, 187,000 visitors played golf in York Region and 150,000 were overnight visits. For the past 3 years, York Region’s golf product has been promoted through the Ontario Tourism Marketing Partnership’s *Distinctive Getaways* program.

Subject to sufficient industry partner participation, an enhanced York Region Distinctive Getaway golf program will be developed that could include the creation of a golf publication, a frequent golfer promotion or the fabrication of a new golf event. The involvement of local municipalities and accommodation partners will be encouraged to

develop packages to increase overnight stays and to increase the market share and economic spend generated by golf travellers.

Convert same day visitors to overnight stays

Traditionally 70% of all person visits to York Region are same day excursions. To encourage repeat visitation and generate overnight stays, tourism product will be clustered into themed promotions.

This year, the *Doors Open* event organizers financially partnered on marketing initiatives that encouraged cross promotion and repeat visitation across the participating eight local municipalities. Efforts will be enhanced to build more partnerships like this that support increased collaboration to extend marketing reach that leverage limited marketing dollars, and are packaged to generate overnight stays.

Outdoor recreation and agri-culinary potential opportunities

Development of programs featuring outdoor recreation and agricultural experiences will be dependent upon the interest of industry partners including the Greenbelt, Oak Ridges Moraine, Conservation Authorities, Regional Forest, local Municipalities and the York Region Farm Fresh Association to collaborate on marketing initiatives.

CORPORATE GROUP MARKETING

Promotion of the benefits of location, accessibility, venue options, quality service standards and added value propositions will be featured to increase business travel, meeting and convention business. This month, a meeting incentive program was launched to attract business meetings and a new Keynote Conference and Meeting Planner was distributed via direct mail campaigns to York Region companies and meeting planners nationwide.

Incentive offer and Trees in Trust program in place to secure new meeting business

To stimulate new conference and meeting business, from now until December 2010, there are 20 hotels offering 10% off the entire business meeting costs plus several hotels are supporting a green environmental initiative through the provision of a *Trees In Trust* donation on behalf of the company booking a meeting.

In 2010 Regional marketing activities will focus on print and online advertising in key industry publication promoting the value added incentive offer and Keynote publication.

LEISURE GROUP MARKETING

Regional tourism staff will provide industry consultations and guidance to assist tourism establishments identify tour operators who represent the best potential for their tourism experience.

The Long Term Tourism Destination Development Strategy identified sport tourism as a key potential economic stimulus for York Region. The Industry Relations component of the tourism program has proposed hosting a sport tourism symposium in 2010 to establish a sport program for York Region.

MARKETING TOOLS AND SUPPORTING PUBLICATIONS

Due to budget reductions, both editions of the York Region *In Your Backyard* seasonal magazines (Spring/Summer and Fall/Winter) will be discontinued in 2010. These magazines were produced as a result of the Tourism Toronto funding partnership with the primary purpose to provide seasonal getaway ideas and promote hotel overnight packages.

The York Region Discovery Guide will be the primary tourism publication

The Discovery Guide will continue to be the key regional publication to engage consumers. One hundred thousand (100,000) copies of the Discovery Guide will be produced and distributed throughout Ontario. The size and creative look of the Discovery Guide will be modified to a readers digest size and allowing for expanded editorial and lifestyle sections, the incorporation of an enhanced reader friendly layout and to include more value added incentives and overnight package offerings. Advertising opportunities will be promoted to offset production, marketing and distribution costs.

www.yorktourism.com, the lead information portal for tourism business promotion

All marketing and advertising activities will direct consumers to www.yorktourism.com. Additional web enhancements and features will be incorporated in 2010 to maximize World Wide Web presence and user capabilities. Continuing to promote the Regional web site as the lead information portal for the tourism industry to market their experiences, encouraging the local Municipalities to regularly update their exclusive feature pages and to engage tourism businesses to participate in this free online marketing opportunity will be ongoing. Banner advertising opportunities will be introduced in 2010 to increase the online presence of tourism businesses.

Increased online marketing initiatives target media and consumers

Seasonal e-newsletters and bi-monthly event calendars will be circulated to the media and to the existing 5000 consumers and others who opt into receiving York Region tourism communications and marketing materials.

Proactively solicit unpaid editorial coverage

In 2010 York Region Tourism will develop a media tour to intimately introduce key media representatives and travel writers to York Region and its tourism products. In addition, opportunities exist for tourism stakeholders to provide innovative story ideas and press releases to populate and update the Media section of yorktourism.com.

PERFORMANCE METRICS

The 2010 Tourism Marketing Program will be evaluated against a variety of qualitative and quantitative tracking and performance measures including:

- Number of discount coupons redeemed and number of overnight packages booked
- Number of meetings and rooms booked based on hotel incentive offer
- Increase in consumer inquiries, web hits and unique web visits
- Increase in exposure from unpaid public relations and media activities
- Increased industry engagement and funding partnerships in programs

4.6 Relationship to Vision 2026

The 2010 Tourism Marketing Program supports the Vibrant Economy and Enhanced Environment, Heritage and Culture goals of Vision 2026. The marketing program is a core component of the York Region Economic Development Strategy and is aligned with the recommendations identified in the York Region Long Term Tourism Destination Development Strategy.

5. FINANCIAL IMPLICATIONS

York Region's Tourism Marketing Program is subject to approval of the 2010 Economic Development operating budget. The funding allocations identified in the 2010 operating budget include revenues generated from the sales of advertisements to partially offset the costs. The proposed York Region Tourism budget for 2010 is \$605,760 with a net tax levy impact of \$484,160. This compares to the 2009 budget of \$898,200 with a net tax levy impact of \$476,600.

The agreement with Tourism Toronto Region to provide funding in the amount of \$300,000 from the hotel destination marketing fee to support the Regional marketing

activities was for a three year term (2007-2009). Negotiations to extend this agreement are on hold pending the finalization of the new Provincial tourism strategy in December 2009.

A Tourism Sponsorship position was piloted during 2009 to seek out funding opportunities to enhance the marketing activities and to build financial sustainability for the tourism program. To date, \$840,000 has been generated for tourism program enhancements and for business development initiatives. In the 2010 budget a proposal has been submitted to convert this into a permanent position responsible for increasing advertising revenues and leveraging federal and provincial funding opportunities.

6. LOCAL MUNICIPAL IMPACT

The 2010 Tourism Marketing Program makes the connection between tourism as an economic driver and its contribution to community building and quality of place within York Region. It supports local municipal tourism efforts to foster strong urban and rural communities and facilitates partnerships to strengthen destination competitiveness and sustainable tourism development.

7. CONCLUSION

Tourism is an integral component to York Region's economic and cultural development. The Region's ability to deliver a successful Tourism Marketing Program is contingent on strong relationships and support from tourism partners, local Municipalities and industry stakeholders to instil a Regional approach to destination marketing and coordination. The Regional program provides the tourism industry with tactical partnership and promotional opportunities at various levels of financial commitment to increase awareness and revenues to individual tourism businesses. The Tourism Marketing Program plays an integral role in the implementation of the York Region Long Term Tourism Destination Development Strategy recommendations.

For more information on this report, please contact Brenda McGowan, Program Manager, Tourism Development at (905) 830 4444 Ext. 1553 or Patrick Draper, Program Director, Economic Development and Tourism.

The Senior Management Group has reviewed this report.

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

2010 York Region Tourism Marketing Tactics

MARKET SEGMENT			
Leisure Consumer	Overnight Visitors <i>Audience:</i> Adult Explorers, Visiting Friend and Relative, Families <i>Geographic Market:</i> Ontario, Toronto and GTA		
OVERNIGHT VISITORS % of marketing spend = 71%	Tactic	Consumer Reach	Budget
	2010 Discovery Guide	100,000	\$ 65,200
	Golf Promotion Publication	25,000	\$ 4,700
	Silver Sticks Guide	500	\$ 1,100
	ONLINE		
	Google Adwords	Pay per click	\$ 2,500
	CHFI Bonus Code Events (10wks)	900,900	\$ 10,000
	Toronto Star e-blast x2	80,000	\$ 11,000
	Toronto Star sports page box ad x4mos	1,000,000	\$ 2,000
	Globe & Mail e-flyer x2	150,000	\$ 9,000
	Globe & Mail Big Box Ad x 6wks	300,000	\$ 9,000
	E-newsletter	5,000 – 10,000	\$ -
	Calendar of Events PDF's	Unlimited	\$ -
	Web coupons	Unlimited	\$ -
	York Region Tourism Website	175,000	\$ -
	PRINT		
	Festivals & Events Ontario	250,000	\$ 4,815
	Francophone Tourism Info Guide	80,000	\$ 325
	Golfer's Guide	55,000	\$ 4,000
	Great Fall Drives		\$1,000
	Wine Council of Ontario Ad & Listing	600,000	\$3,800
	OTHER		
	Creative Costs	N/A	\$ 7,100
	Union Station Domination	20,000	Tourism Promotions
	Media Relations – Media Tour	TBC	Tourism Promotions
	TOTALS	3,746,400	\$ 135,540

* Additional Print Opportunity:
Distinctive Getaways with OTMPC

MARKET SEGMENT			
Leisure Consumer	Same Day Visitors <i>Audience:</i> Adult Explorers, Visiting Friend and Relative, Families <i>Geographic Market:</i> Greater Toronto Area, York Region		
Same Day Visitors % of marketing spend = 25.5%	Tactic	Consumer Reach	Budget
	2010 Discovery Guide	100,000	As above
	Golf Publication	25,000	As above
	ONLINE		
	Google Adwords	Pay per click	As above
	E-newsletter	5,000 – 10,000	\$ -
	Calendar of Events PDF's	Unlimited	\$ -
	Web coupons	Unlimited	\$ -
	York Region Tourism Website	175,000	\$ -
	PRINT		
	Resident Postcard & Mail drop	290,000	\$ 43,000
	York Works	580,000	
	VIVA Route Maps & Newsletters	840,000	\$ -
	OTHER		
	Creative Costs	N/A	\$ 2,050
	VIVA Transit Ads	1 in each Muni	\$ 3,500
	VIVA Sampling Event	2,500	\$ -
	Admin Centre Tradeshow		\$ -
	Media Relations	TBC	\$ -
	TOTALS	2,022,500	\$ 48,550

MARKET SEGMENT			
Meetings Market	Corporate Groups <i>Audience:</i> Meeting Planners, Executive Assistants, Associations <i>Geographic Market:</i> Greater Toronto Area, York Region, Ontario		
Same Day Visitors % of marketing spend = 3.5%	Tactic	Consumer Reach	Budget
	Keynote	10,000	pd
	ONLINE		
	Ignite - e-spark	~ 9,000	\$ 1,500
	M&IT - online ad	20,000	\$ 1,900
	MPI Global Market Place	1,056,000	\$ 550
	York Region Tourism Website	175,000	\$ -
	PRINT		
	CM&E source Book	10,000	\$ 325
	MPI Toronto Chapter Ads x3	3,000	\$ 1,100
	CSAE Trillium Chapter - member		\$ 250
	OTHER		
	Creative Costs	N/A	\$ 1,000
	TOTALS	1,294,000	\$6,625