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PREMIER RANKED TOURIST DESTINATION PROJECT

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Barbara Bartlett, Chair, York Region Tourism Advisory Group, Richard Innes, Brain Trust Marketing and Communications and Brenda McGowan, Senior Tourism Promotion Co-ordinator, Economic Development Branch, be received; and**
- 2. The recommendations contained in the following report, September 6, 2006, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. The findings and recommendations in this report, as endorsed by the York Region Tourism Advisory Group and the Premier Ranked Steering Committee, be adopted in principle.
2. Tourism staff incorporate recommendations that can be implemented within the parameters of the approved 2006 tourism marketing program and budget.
3. The request for a funding increase of \$75,000 to implement the development of a long-term tourism strategy and establish a brand position for York Region be deferred to the 2007 operating Budget deliberations.
4. The Regional Chair and the Regional Clerk be authorized to sign any necessary agreement(s) with industry partners, government and other organizations, subject to review by Legal Services, for funding assistance to support the implementation of the recommendations.
5. Regional staff report back on the implementation results of the 2006 and 2007 York Region tourism program.

2. PURPOSE

This report outlines the process undertaken to assess the current and future potential of tourism in York Region, summarizes the key findings, and provides recommendations for enhancing the tourism experience and increasing tourism revenues.

The findings and recommendations will be used to direct current tourism programs and serve as the basis for the development of a long range tourism strategy.

3. BACKGROUND

The Premier Ranked Tourist Destination (PRTD) framework was developed by the Ontario Ministry of Tourism to provide a process for tourist destinations to understand their competitive position within the domestic and international tourism marketplace.

The PRTD research project provides:

- a solid base for preparing a long-term regional tourism strategy
- product development and partnership opportunities
- recommendations that support the growth and sustainability of the tourism sector
- a foundation to attract tourism investment and create employment opportunities.

Council approved the PRTD project in 2004 and with the financial support of the Government of Canada (Service Canada) and the Ontario Ministry of Tourism staff commenced the project in October 2005 with a completion date of September 2006. In November 2005, the Planning and Economic Development Committee received a staff presentation on the PRTD project that was circulated to Local Municipalities to engage their participation. Five individuals were hired through Service Canada as the Premier Ranked Team to facilitate the comprehensive audit and implement the analysis process. The consulting company of Brain Trust Marketing was retained to provide direction throughout the project and to craft the final report and summary upon project completion. A Premier Ranked Steering Committee was struck consisting of representatives from Chambers of Commerce, Business Improvement Associations, the Municipalities and the tourism industry to assist the facilitation of the project with the York Region Tourism Advisory Group. Mayor Sherban and Regional Councillor Scarpitti are the appointed Planning and Economic Development Committee representatives on the Region's Tourism Advisory Group.

This report provides an overview of the Premier Ranked Tourist Destination framework process and presents the Consultant's key findings and recommendations that have been vetted through industry consultations and approved by the York Region Tourism Advisory Group and the Premier Ranked Steering Committee. This report is based on the Consultant's August 1 industry presentation that provided the Findings and Recommendations as it relates to the PRTD Product, Performance and Futurity analysis.

4. ANALYSIS AND OPTIONS

4.1 Starting from a Position of Strength

The Premier Ranked Tourist Destination process is not an official designation or grading but a framework designed to assist destinations in improving their viability and competitiveness as a place consumers want to visit. The process provides recommendations, that if implemented, enables a tourist destination to operate at the highest possible level it can achieve.

The external consultant who assisted the tourism industry with analysis of the data, undertook this initiative in Niagara Region, Prince Edward County and Mississauga and is aware of findings from another six destinations. He advised that none of those destinations were considered “Premier Ranked” and that York Region fared better in comparison.

The Premier Ranked Tourist Destination report is designed to identify the areas where improvements are required, however the study identified that York Region is starting from a position of strength.

The key York Region advantages include:

- Tourism visitation and revenues are growing. In 2004, York Region attracted a record number of 3 million visitors, a 16% increase over the previous year. Overnight trips increased by 21% and visitation from all regions grew substantially; Canada +17%, U.S. +30%, International +34%.
- York Region Tourism is recognized as the lead Destination Marketing Organization by the tourism industry within the Region and the Province.
- York Region Tourism has established solid working relationships with key tourism organizations including Ontario Tourism Marketing Partnership Corporation, the Ontario Ministry of Tourism and Recreation and the Canadian Tourism Commission.
- York Region Tourism has successfully partnered with government organizations to source funding including a multiple year funding partnership with Tourism Toronto.
- York Region has seen significant investment in tourism facility renewal, expansion and development and businesses continue to upgrade tourism products.
- York Region offers visitors signature attractions, McMichael Canadian Art Collection, and some of York Region’s individual tourism operations have critical acclaim, Canada’s Wonderland, Angus Glen Golf Club.
- York Region offers visitors a range of experiences encompassing a variety of activities, price points and layers of added value.

- York Region offers visitors a variety of accommodation options and price points with close proximity to the core and supporting attractors.
- Compared to other destinations, York Region scores high with the variety and quality of dining and retail shopping experiences.
- York Region is well prepared to manage the employment concerns.
- York Region is well prepared to manage water treatment and delivery capacity, road, transit, parking and trail capacity plus the environmental effects of infrastructure expansions.
- York Region is well positioned to handle a growth in tourism visitation.

4.1.1 The Premier Ranked Tourist Destination Process

The Premier Ranked Team undertook an audit and survey of potential tourism businesses representing the accommodation, food and beverage, attraction, heritage and cultural, wineries, breweries, campgrounds and parks, marinas, golf, transportation, retail and outdoor adventure sectors and assessed this information, as well as, the regional performance against the following three dimensions defined in the Premier Ranked Tourist Destination framework workbook:

- 1. The Product Dimension** - this section measures the feature that enables York Region to offer a quality tourist experience. It evaluates distinctive core and supporting attractors, product experience critical mass, accessibility, consumer satisfaction and value and support accommodation base.
- 2. The Performance Dimension** - this section assesses York Region's market performance in terms of visitation numbers and market share, attractiveness to different market segments, industry critical acclaim, hotel occupancy and yield and delivery of year-round experiences.
- 3. The Futurity Dimension** - this section identifies the extent to which the Region and industry is investing in its future as a place with viable and continuing attractiveness to emerging markets. It includes the activities in place to raise awareness and demand for the destination as well as the degree in which new investment in the form of capital dollars is being made to enhance and renew product offerings. It also determines the regional capacity in a number of physical measures such as infrastructure and managing within carrying capacities.

The Premier Ranked Team utilized the survey data and third party research to complete the evaluation, interpretation and planning components of the framework workbook. Consultations with the York Region Tourism Advisory Group, the Premier Ranked

Steering Committee and industry stakeholders were held at critical stages of the project to validate findings and recommendations.

On August 1, the Consultant presented the final Findings and Recommendations derived from the PRTD process to representatives of the York Region Tourism Advisory Group, the Premier Ranked Steering Committee and interested industry stakeholders for confirmation, discussion and approval. This meeting was the final stage of the project and the Consultant is now preparing a comprehensive Premier Ranked Tourist Destination Project report. Staff is proposing a media and industry launch of the Premier Ranked Tourist Destination Project Final Report and Recommendations to take place in conjunction with York Region's annual tourism conference.

4.2 Product, Performance and Futurity Findings

This report provides an overview of the Consultants August 1 industry presentation that confirmed the key PRTD Findings and Recommendations.

4.2.1 Product – The York Region Experience

The PRTD research confirmed the Region's Core Attractors (not listed in priority sequence) are:

- Natural Outdoor Attractions and Recreation Opportunities
- Urban / Rural Experiences and Activities
- Cultural / Heritage Attractions and Events
- Canada's Wonderland

The PRTD research confirmed the Region's Supporting Attractors are:

- Meeting and Conference Venues and Facilities
- Dining and Shopping Opportunities

The Region's core and supporting attractors on their own may not have the potential to motivate visitors to travel to the Region (with the exception of Paramount Canada's Wonderland) however, as part of a cohesive regional complex these attractors offer significant motivating power and appeal.

The core attractors have a close link to the Region's physical setting as well as its historical linkages. Being located in the newly defined "Greenbelt" area that surrounds the Greater Toronto Area and having the Oak Ridges Moraine, the Holland Marsh and Lake Simcoe within its borders supports the Region's attractiveness when it comes to natural outdoor attractions and recreational opportunities.

Although the core and supporting attractors offer collective appeal they do not necessarily present an exclusive or completely unique product offering and would not be considered superior to other destinations. Many neighbouring destinations such as the Regions of Peel, Durham and Niagara offer similar product experiences and opportunities

and these destinations are all located within easy reach of York Region's target audience and therefore the competition for the visitor dollar is significant.

4.2.2 Quality and Critical Mass

York Region offers visitors a range of core and supporting experiences however, these attractors are not necessarily memorable and may not be sufficient to sustain consumer interest for more than 24 hours. The Region's core experiences are typically consumed over a period of one to six hours with the average experience consuming no more than three hours.

York Region offers visitors signature attractions such as McMichael Canadian Art Collection and a range of experiences encompassing a variety of activities, price points and layers of added value. As well, these activities include experiences that provide opportunities for relaxation, entertainment, interpretation, education, cultural / historic understanding, skills development and adventure. Unfortunately, it can be said that the range of these activities are not widely promoted or understood by consumers, nor are the products easily purchased from outside the Region.

York Region scores high compared to other destinations when it comes to variety and quality of dining experiences and in terms of retail shopping experience, York Region has recognizable retailers, malls, factory and discount outlets, as well as specialty stores, galleries, antiques and artisan shops and a significant number of equestrian tack shops.

4.2.3 Satisfaction and Value

The PRTD framework process has identified a significant gap in customer satisfaction research to attest to guest experience in terms of hospitality, warm and friendly people and value for dollar spent. In spite of the lack of visitor experience data, the positive indicator is that the increase in service price points and growth in visitation numbers supports that visitors must be receiving some degree of value for the dollar and are receiving acceptable levels of service and hospitality. Peer to peer feedback through the industry consultations supports levels of service does not seem to be an issue for York Region.

4.2.4 Accommodation Base

York Region offers visitors a variety of accommodation options (over 3341 roofed guest rooms) at a variety of price points within close proximity of the core and supporting attractors. The accommodation inventory includes branded operators including Hilton, Best Western, Marriott, Radisson, Sheraton, Comfort Inn, Holiday Inn, Monte Carlo and others, plus Resorts and Conference Centres and B & B's.

4.3 Performance - York Region's market performance and deliverables

4.3.1 Visitation

York Region is starting from a position of strength as demonstrated in the record three million visitors spending \$209 million in 2004. This is an increase of 16% and 13%

respectively compared to the 2003 economic impact statistics. Overnight trips experience an increase of 17% from Canada, 30% from the USA and 34% for International visitation compared to 2003 but overnight travel to York Region is still below the provincial average.

Most of York Region's visitation is domestic, with 98% from Ontario. As well, Ontario represents 85% of overnight visitors and 90% same day visits in 2004. The visiting friend and relative (VFR) and the meeting market represent key consumer market segments for the Region to build upon.

When comparing York Region's core and supporting attractors and the share of business it receives compared to the provincial shares York Region is not securing market share of the trips taken to and within the province. While it is difficult to directly align the Region's core attractors to definable provincial trip types, it is safe to say that the Region is only securing a small percentage of visitor trips taken for the purpose of rural and urban, cultural and heritage experiences or for outdoor activities, recreation, sightseeing or touring.

4.3.2 Occupancy and Yield

The Region's commercial accommodation occupancy was 61.7% in 2005; compared to an industry average of 65%. In 2004, total spending by guests on same day trips was \$63,032,095; this represents 30% of tourism spending within the Region but only 2% of total spending in Ontario. Overnight guests spent \$146,246,867; this represents 70% of tourism spending in the Region but only 1% of total spending in Ontario for the same period. The average expenditure for visitors on day trips was \$28.94 compared to \$62.56 average for Ontario and overnight guests spend on average \$188.32 compared to \$270.27 average for Ontario. A goal for York Region would be to undertake initiatives to increase hotel occupancy, yield and visitor spend.

4.3.3 Critical Acclaim

It is difficult to consider York Region as a "must see / must do" destination. Within the consumer markets the Region draws from, several other destinations including Niagara Falls, Niagara on the Lake, Toronto, Muskoka and Ottawa rank higher on the list of must see locations.

However, some of the Region's core and supporting attractors and individual operations do have critical acclaim. For example, Canada's Wonderland is Canada's largest theme park attracting more than 3 million visitors annually and does have recognition on a national and perhaps international scale. Angus Glen Golf Course is widely recognized as one of the countries top golf venues and home to several Canadian golf championships. The McMichael Canadian Art Collection has notoriety on a national scale due in part to its vast collection of Tom Thomson and the Group of Seven works.

4.4 Futurity - Investment into the future

4.4.1 Destination Marketing

York Region's core and supporting attractors do have general appeal and market demand. The 2004 Canadian Travel Survey and the International Travel Survey data suggests that travellers to Ontario do engage in the type of experiences that are available in the Region but does not support the notion that they are travelling to York Region for their activities.

York Region Tourism, which is a core service of the York Region Economic Development Branch is the recognized Destination Marketing Organization (DMO) for the Region. This recognition is validated through the PRTD research as having an annual marketing strategy and plan in place, an identifiable tourism marketing budget, designated staff and established partnerships and recognition at all levels of government including the Ontario Ministry of Tourism, the Ontario Ministry of Culture, Ontario Ministry of Agriculture and Food and others. As well as being recognized as the industry leader and partner with a variety of tourism organizations such as Tourism Toronto, the Ontario Tourism Marketing Partnership Corporation and the Canadian Tourism Commission. As well, the Region's tourism industry supports and partners with York Region Tourism and staff efforts are highly regarded within the tourism industry and area municipalities.

Although York Region Tourism takes advantage of a wide variety of co-op marketing opportunities and partnership programmes with the Ontario Tourism Marketing Partnership Corporation and Tourism Toronto to leverage its current level of funding, York Region Tourism is viewed as having insufficient funds and resources to do an effective job when compared to other destinations with similar populations and tourism product.

4.4.2 Product Renewal

In the past five years significant dollars have been invested in facility renewal and / or expansion and development and 87% of this investment has occurred in the last two years including Vaughan Mills, Markham Museum, various Accommodators, Reptilia and Canada's Wonderland to name just a few.

The Region does have under performing and under developed assets and they include the heritage and cultural product in the Region. The current and growing multi-cultural resident population may represent an area for product development with its potential to attract visits by offering unique cultural expressions and diverse tourism experiences. The Region's equine product may also be under developed based on the significant inventory of equestrienne related product existing. While it serves the equine community and is considered a niche tourism product it does represent high yield.

4.4.3 Managing Within Carrying Capacities

Tourist visits to York Region make a net positive contribution to the local economy. This is demonstrated by over \$200 million in direct visitor spending and the ripple effect of

this spending is felt throughout the entire Region. This ripple effect equates to \$148.6 million in total economic activity (GDP). This spending also positively impacts tax revenues for federal, provincial and municipal governments. In 2004, 2121 direct and 528 indirect jobs were generated within the Region across all sectors of the tourism industry as a result of tourism spending.

Stable investment and a skilled and semi-skilled labour force are also present with York Region and based on the Employment and Industry in York Region documentation the Region is well prepared to understand and manage this without issue in the foreseeable future.

Managing within the carrying capacities of the natural systems that sustain local ecosystems and quality of life within York Region are well understood and monitored. York Region is well prepared to manage its futurity specifically related to water treatment and delivery capacity, sewage treatment and trunk capacity, road, transit, parking and trail capacity and the environmental effects of infrastructure expansions. Therefore growth in tourism will not tax current and future infrastructure.

4.5 Key Findings

4.5.1 Product

- The York Region experience is not necessarily memorable and may not motivate tourist traffic.
- Guest experience, satisfaction levels and value for money metrics are not tracked or monitored.
- Guest experience is typically less than 24 hours.
- Core and Supporting Attractors are:
 - not widely promoted
 - not superior to other destination experiences
 - under developed and are under performing.

4.5.2 Performance

- Same day visitation will not maximize economic impact and / or long-term sustainability or growth.
- Core and supporting attractors are not generating levels of visitation comparable to other destinations within Ontario.
- Average hotel occupancy is below industry standard.
- Visitor expenditures are below provincial averages.
- While the Region has some iconic tourist attractions, they do not have critical acclaim and are not deemed as must see / must do experiences.
- The Region has few “best in class” products and experiences.

4.5.3 Futurity

- The Region has a recognized Destination Marketing Organization (DMO) in York Region Tourism.
- A long-term destination development strategy is not in place.
- York Region does not have an identifiable “tourism” brand positioning statement or logo.
- The DMO, York Region Tourism does not have sufficient funding to reach potential visitor target markets effectively.
- A regional marketing strategy is in place with limited performance measurements to monitor and track effectiveness.
- Opportunities exist to understand the product areas that are under developed including not-for-profit culture and heritage attractions, recreation and natural events and activities, equine product.
- The multi-cultural product may offer more potential.
- Visiting Friends and Relatives market offers growth potential.
- No regional customer service training initiatives for tourism are in place.

4.6 Premier Ranked Tourist Destination Project Recommendations

4.6.1 Immediate / Short Term Initiatives

- Initiate the process to develop a long-term tourism destination development strategy for York Region that includes the “branding” of York Region as a viable four season tourism destination.
- Reinforce through consistent marketing and promotion the core and supporting attractors.
- Continue to raise the profile and awareness of the positive economic impacts generated through tourism among key internal audiences, residents, business leaders, politicians, service clubs, municipal and regional stakeholders.
- Identify tactics to extend length of stay and spend:
 - Facilitate industry partnerships through education
 - Bundle experiences, develop itineraries, package product offerings
 - Capitalize on the GTA market to grow day-trip visitation / expenditures
- Reinforce the Region’s “Character Community” philosophy within the tourism business sector.
- Capitalize on the Visiting Friends and Relatives market:
 - Establish a resident based “tourist in your own town” programme
 - Establish tourism partnerships with key multi-cultural communities
- Schedule industry networking and educational seminars including the Ontario Ministry of Tourism workshops throughout the Region and deliver them in partnership with Business Improvement Associations, Chambers of Commerce and Local Municipalities:
 - Tourism Inc. (market readiness training)
 - Demand Generators (destination development)
 - Tourism Keys (customer relationship management)

4.6.2 Long-Term Initiatives

- Use the long-term tourism destination development strategy to:
 - Establish a brand position for York Region
 - Research travel motivations, behaviour and customer experiences specific to York Region
 - Enhance under developed, under performing experiences such as culture and heritage, multi-cultural fabric and rural experiences
 - Identify and build product development opportunities such as equine, meetings and convention, sport and recreation, visiting family and relative
 - Connect product experiences available in the north with infrastructure in the southern portion of the Region
 - Explore ways to improve visitor transportation within the Region
 - Grow and leverage tourism marketing budget through partnerships with organizations including Tourism Toronto, Ontario Tourism Marketing Partnership Corporation, all levels of Government, Business Improvement Associations, Chambers of Commerce, Local Municipalities, tourism businesses and non-traditional partners
 - Assess and develop tourism investment infrastructure
 - Clearly define the roles and responsibilities of the Region's tourism partners

4.7 Next Steps

The Premier Ranked Tourist Destination process has provided a clear appraisal of the Region's competitive position in the tourism marketplace and a benchmark to measure future performance. The findings validate that the Region's tourism program is effective and successful based on the current level of investment and resources allocated. The research confirms that the Region as a tourist destination does have market and investment appeal and based on Regional efforts to successfully manage within carrying and infrastructure capacities, is well-prepared to handle growth in tourism visitation. The inventory of tourism resources and assets provides a solid foundation for the development of a tourism strategy to position York Region as an exciting and vibrant destination that should be considered first when making travel plans.

Based on these findings, staff will work with Local Municipalities and industry stakeholders to begin to incorporate recommendations that can be implemented within the parameters of the approved 2006 tourism program and budget. A Regional commitment for additional funding and staff resources will be required in 2007 for continued implementation of the recommendations through an enhanced tourism program that includes the undertaking of a tourism development strategy and brand position that will assist the Region to capitalize on the potential economic impacts from tourism.

4.8 Relationship to Vision 2026

The undertaking of the Premier Ranked Tourist Destination project supports the Vibrant Economy and Enhanced Environment, Heritage and Culture goals of Vision 2026.

5. FINANCIAL IMPLICATIONS

Expenditures incurred to implement the Premier Ranked Tourist Destination Project were included in the 2005/2006 operating budget and offset through funding from Service Canada and the Ontario Ministry of Tourism. Staff will incorporate recommendations that can be implemented within the parameters of the 2006 and 2007 tourism marketing program. An increase of \$75,000 in funding will be proposed in the 2007 base operating budget to implement the recommendation to develop a long-term tourism development strategy and establish a brand position for York Region. Staff will endeavour to offset the implementation costs of the short and long term recommendations through sponsorship and partner funding.

6. LOCAL MUNICIPAL IMPACT

Tourism has tremendous potential to enhance job and wealth creation within local municipalities while contributing to the quality of life for all residents. The implementation of the recommendations in partnership with local municipal efforts supports building and diversifying jobs and economic growth. The Premier Ranked Tourist Destination project provides a database of critical baseline data that paints a clear picture of York Region's strengths and weaknesses and provides direction to pursue to improve tourism industry success and augment local municipal tourism efforts. The process involved several critical steps along the way and a serious commitment and investment of time by the industry partners involved, resulting in an expanded network of area municipal stakeholders who have a more cohesive focus on solving ongoing and future tourism challenges.

7. CONCLUSION

The York Region Tourism program identifies research as a key initiative to support the growth of the sustainability of the Region's tourism industry. The Premier Ranked Tourist Destination Project framework provides critical baseline data, reveals York Region's tourism status and provides direction to pursue to further improve the tourism business sector and foster strong urban rural communities.

The Senior Management Group has reviewed this report.