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2007 YORK REGION TOURISM MARKETING PROGRAM

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Brenda McGowan, Senior Tourism Promotion Co-ordinator, Economic Development Branch, be received; and**
- 2. The recommendations contained in the following report, September 5, 2006, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. The 2007 Tourism Marketing Program as outlined be adopted in principle subject to the approval of the 2007 economic development operating budget.
2. The Regional Chair and the Regional Clerk be authorized to sign the necessary agreement(s) with industry partners and other organizations, subject to review by Legal Services to acquire funding assistance to support the tourism program.

2. PURPOSE

The purpose of this report is to provide Council with an overview of the 2007 York Region Tourism Marketing Program and to seek approval in principle to the components of the work plan, subject to approval of the 2007 operating budget.

3. BACKGROUND

The Tourism Marketing Program has been a core component of York Region's overall economic development efforts since January 2000, when the responsibility of tourism promotion, marketing, partnerships and industry development was integrated within the York Region's Economic Development division. The Tourism Program identifies tactical marketing and promotional initiatives that are aligned with the mandate of the 2005 York Region Economic Development Strategy and Vision 2026.

The 2007 York Region Tourism Marketing Program was developed based on consultations with the York Region Tourism Advisory Group, the Hotel Destination Marketing Fee Advisory Committee and other industry partners, along with a thorough assessment of market conditions and opportunities. The Tourism Marketing Program

also capitalizes and builds upon the findings and recommendations from the Premier Ranked Tourist Destination research project completed in 2006.

York Region's Tourism Marketing Program supports the strategic direction of key tourism stakeholder organizations including the provincial Ministry of Tourism & Recreation, Tourism Toronto, and the Ontario Tourism Marketing Partnership Corporation.

4. ANALYSIS AND OPTIONS

Within York Region, tourism supports many industries including accommodation, attractions, food and beverage, recreation, culture, entertainment, transportation, retail and others. In 2004, York Region welcomed 3.0 million visitors spending \$209 million on tourism activities. Tourism contributed \$148.6 million in GDP and generated 2,646 jobs in the region.

The scope of the Tourism Marketing Program is to develop and deliver an integrated, research-driven marketing strategy in partnership with industry stakeholders that support the growth and sustainability of the region's tourism industry.

The Tourism Marketing Program supports local municipal tourism efforts to foster strong urban and rural communities and facilitates partnerships to strengthen competitiveness and build developmental and investment opportunities.

4.1 Highlights of the 2007 York Region Tourism Marketing Program

The Tourism Marketing Program provides a strategic framework identifying marketing and promotional opportunities to maximize the potential of York Region as a place for tourists, visitors, business travellers and residents to live, work and play.

The Tourism Marketing Program includes the following components:

- Vision and Goals – positioning and mandate of York Region Tourism.
- Target Audience, Market Segments and Tourism Product – the who, the where and the deliverables.
- Advertising and Promotions – build awareness and create demand.
- Research – understanding York Region's customer is key to enhancing the tourism experience, performance and deliverables.
- Partnerships – working in partnership and sourcing funding resources are key components of the tourism program.
- Industry Development – assisting the tourism industry to make informed decisions.

4.1.1 Vision and Goals

To position York Region as a viable four season visitor destination with attributes to support various consumer, recreation, sport, and business audiences (meetings, corporate, conference) and travel trade market segments.

To motivate new tourists and business sector travellers; to encourage repeat visitation and increase overnight stays.

To create an environment for the development, growth and sustainability of the region's tourism industry and strengthen urban and rural communities.

4.1.2 Target Audience, Market Segments and Tourism Product

- **Target Audience**

York Region's target audience is consistent with available research that indicates the focus for capturing market share and increasing tourism revenues are:

- Greater Toronto Area
- Residents
- Ontario
- Quebec
- Secondary markets: USA and International travellers

- **Market Segments**

The Tourism Marketing Program identifies marketing, promotional and product development activities targeting the following three key market segments:

- Leisure Travellers – residents, visiting friends and relatives, tourists
- Travel Trade – group travel, packaged travel
- Corporate/Convention/Conference/Sport – business, meeting and conventions, recreational, SMERF (social, military, educational, religious and fraternal), associations, Sport meetings and events

- **Tourism Product**

Staff will partner with industry stakeholders to develop innovative tourism product offerings and packages that meet consumer demand. The focus is to build upon York Region's unique urban/rural positioning including the natural green assets, recreational experiences, agricultural product, touring/walking/hiking routes, and the development of arts, heritage and cultural based tourism opportunities. The York Region experience, as defined by the Premier Ranked Tourist Destination project, confirms that as part of a cohesive regional complex, these tourism attractors offer significant motivating power and consumer appeal.

4.1.3 Advertising and Promotions

- **York Region Visitors Guide**

The York Region Visitors Guide is the only regional publication of its kind and is the consumer call to action for all tourism marketing campaigns. Design and production changes were made to the 2006 Visitors Guide that allowed for the print quantity to increase from 80,000 to 150,000 copies without increasing the cost for industry partners to advertise and promote their business. The new compact size has received positive feedback from user groups and has allowed for expanded distribution and consumer reach throughout York Region and Ontario. The 2007 Visitors Guide will be based on this new format.

- **www.yorktourism.com**

The marketing program directs consumers to the web site to research their visit or to call for a copy of the Visitors Guide. The reality within tourism marketing is that consumers are using the internet to extensively research, plan and purchase travel. Printed materials are a secondary resource to communicate the marketing message. The goal is to position the tourism web site as the lead community information portal for the region's tourism industry and provide consumers a one-stop shop for information, planning and buying purposes. This approach will result in more effective marketing tools; provide increased promotional opportunities and network penetration, as well as building customer loyalty. In 2007, staff will continue to build upon enhancements in 2006 to upgrade the region's tourism website and maximize its presence and effectiveness on the world wide web.

Marketing publications will continue to be produced to promote various tourism products but the key consumer information channels consist of the tourism website and the York Region Visitors Guide.

- **Advertising**

The Tourism Marketing Program identifies a variety of strategic, research-driven marketing initiatives to promote the nine Municipalities as an integrated travel destination. The Tourism Marketing Program provides cooperative buy-in opportunities for the tourism industry to leverage their marketing dollars and extend their target audience reach. Advertising campaigns are proposed for all three market segments incorporating various mediums including print, radio, magazine, newspaper inserts and web banners/promotions.

- **Trade Shows and Conferences**

Staff will market directly to the Meetings/Conference/Sport/SMERF and Travel Trade market segments through participation in key industry trade shows and conferences. Opportunities exist for tourism stakeholders to provide product information relevant to the market audience for staff to position and promote the attributes of York Region. Sponsorship opportunities are also available to showcase area Municipalities and tourism product experiences.

- **Media Relations**

Staff assist with inquiries, attends the Travel Media Association of Canada Conference and encourages the Media to experience and write about York Region's tourism product. Opportunities exist for tourism stakeholders to partner with York Region to host media participants on familiarization tours and to provide staff with story ideas and press releases.

- **Familiarization Tours**

Staff will coordinate familiarization tours for qualified representatives from the Travel Trade and Meetings/Conference/Sport/SMERF market segments to build profile for the region. Opportunities exist for tourism stakeholders to partner with York Region to showcase facilities and product experiences.

The attached 2007 York Region Tourism Marketing Program details the initiatives and partnership opportunities per market segment.

4.1.4 Research

York Region tourism experiences compete with many other travel destinations to attract visitors and generate tourism revenues. Understanding consumer trip motivators, experience expectations and satisfaction levels, as well as, who and where the York Region's tourists originate is necessary to be successful in increasing visitation and tourism revenues. Staff uses on-going provincial research and forecasting data available to support the tourism program.

The following research projects are proposed for 2007:

- **An Overview of Tourism in York Region**

Research Resolutions and Consulting Ltd., will be retained to provide an overview of the economic impact of tourism into York Region. This research will analyse recent statistics provided to the Ontario Ministry of Tourism and Recreation based on the Statistics Canada domestic and international travel surveys.

- **Visiting Friends, Family and Relatives Initiative**

Three-fifths of all visitors to York Region claim visiting friends and relatives was one activity on their trip. With the rapid population growth, the visiting friends and relative market represents significant volume and spend for York Region. Researching travel motivations, behaviour and customer experiences specific to this market segment, as well as understanding and identifying the multi-cultural communities will be necessary to capitalize on this lucrative target audience. Staff will seek support from Local Municipalities, industry stakeholders/partners, the Ontario Ministry of Tourism and Recreation and the Ministry of Culture to assess best practices, define strategic direction and potential opportunities to enhance spend and length of stay from this market segment.

4.1.5 Partnerships

Developing partnerships and identifying incremental funding resources to support tourism initiatives are key components of the tourism program. Working together on joint initiatives secures more public sector investment, creates greater leverage towards common goals, provides more clarity for industry stakeholders and avoids product and industry fragmentation. From a potential visitor perspective, regionally positioned promotions strengthen destination awareness and creates consumer demand.

- **Tourism Toronto**

In 2005, a memorandum of understanding with Tourism Toronto was established whereby York Region received funding to implement an enhanced marketing program promoting York Region and the Toronto East area. Funding was extended through 2006 and a long-term funding partnership with Tourism Toronto is now in place. A memorandum of understanding has been successfully negotiated that provides the York Region tourism program with \$300,000 in funding annually for a term of four years, effective 2006 through 2009. Renewal of this memorandum for a further term of three years may be possible and discussion for renewal will take place in 2008 with our Tourism Toronto partners.

This funding partnership is made possible through a 3% destination marketing fee that currently 10 York Region Hotel and 11 Toronto East Hotel properties have agreed to voluntarily impose to overnight guests. This partnership program leverages regional dollars and enables staff to implement enhanced destination and new marketing efforts in all consumer target audiences.

- **Neighbouring Regional Partnerships**

York Region's partnership with the Getaway Country destination consortium representing Durham, Haliburton, Northumberland, Peterborough, Bancroft and the Kawarthas, provides another opportunity to extend consumer market reach and leverage marketing dollars while creating awareness of regional tourism attributes.

In 2006, York Region and Durham Region partnered on the development of overnight packages and the inaugural "Heritage and Hamlets" driving route that was included in the provincial *Great Fall Drives* brochure. This consumer program is extensively promoted through the Ontario Tourism Marketing Partnership Corporation. A website www.hamletsandheritage.com linked to both regional tourism and the provincial (www.ontariotravel.ca) websites was developed to increase consumer awareness and demand. To date, this promotion has generated significant consumer interest demonstrated through increased web hits and consumer inquiries. In 2007, staff will work with Durham to build upon the success of this partnered initiative that leverages provincial marketing, media and promotional campaign support.

- **Provincial Partnerships**

The on-going relationship building with provincial and industry organizations including the Ontario Ministry of Tourism and Recreation, Ontario Farm Fresh, Ontario Tourism

Marketing Partnership Corporation, Ministry of Culture, Ministry of Agriculture, Food and Rural Affairs, Canadian Tourism Commission, Ontario Motorcoach Association and Green Tourism assist to build profile, leverage programs and access resources.

Staff will continue to seek non-traditional funding sources and partnership opportunities to enhance the region's tourism budget and leverage support for the tourism program.

4.1.6 Industry Development

York Region's tourism program includes providing assistance to the tourism industry to make informed decisions by providing marketing intelligence, educational seminars, networking opportunities, access to partnership opportunities and building effective communication channels.

- **York Region Tourism Advisory Group**

In February 2004, Regional Council approved the establishment of a voluntary York Region Tourism Advisory Group. The Advisory Group is comprised of 12 industry leaders plus participation from Regional Councillor Frank Scarpitti and Mayor Sherban of the Region's Planning and Economic Development Committee. The Tourism Advisory Group is another opportunity for industry leaders to participate and provide valuable input to support the growth of the tourism industry. The role of the Advisory Group is providing leadership and advisement to staff on matters that affect the sustainability of the region's tourism sector. The Advisory Group served as the lead industry voice during the Premier Ranked Tourist Destination Project consultations to ensure the final recommendations and action plan focussed on priority issues to increase the competitiveness of the region's tourism industry. Given the transient nature of the tourism industry it is a challenge to maintain a full Advisory Group complement. One of the staff priorities in 2007 will be to build increased industry participation and engage involvement on the York Region Tourism Advisory Group.

- **Character Community – Business Program**

The Premier Ranked Tourist Destination Project identified a gap in monitoring guest experiences and satisfaction levels at tourism businesses region wide. One avenue to address this will be to support and reinforce the region's "Character Community" philosophy within the tourism business sector. Currently there are 90 Character Businesses in York Region of which several are tourism related businesses including Angus Glen Golf Club, Cardinal Golf, Cora's Restaurant, Chambers of Commerce, and Magnotta Winery. In 2007, staff will partner with the Character Community Foundation of York Region to encourage more tourism businesses to get involved and incorporate the principles of the Character Business program into their organizations. Research confirms that providing excellent customer service builds customer loyalty resulting in increased visitation and revenues.

- **York Region Tourism Newsletter**

The York Region Tourism Newsletter continues to be the primary communication vehicle used to provide updates to industry stakeholders. This electronic newsletter is circulated on a bi-monthly basis.

- **5th Annual York Region Tourism Conference**

This is the only annual regional tourism event engaging Local Municipalities and tourism industry stakeholders in York Region. The 5th annual York Region Tourism Conference will be held in January 2007 and the proposed agenda will include a presentation of the 2007 Tourism Program, a review of the 2006 tourism activities and an educational component. Staff will consult with Local Municipalities and tourism industry stakeholders to assist with coordinating this conference and further details will follow.

4.2 Evaluation Process

Staff will employ a series of performance metrics to analyse the effectiveness of the activities outlined in the tourism program. Such metrics could include the tracking of the number of consumer inquiries, web hits, media relations results and feedback from the Hotel industry to determine revenues generated and new business booked.

4.3 Relationship to Vision 2026

The activities outlined in the 2007 Tourism Marketing Program support the Vibrant economy and Enhanced Environment, Heritage and Culture goals of Vision 2026.

5. FINANCIAL IMPLICATIONS

York Region's tourism business model is based on recovery of revenues through advertising sales and sponsorships. The funding allocation identified in the proposed 2007 operating budget includes revenues generated from the sales of advertisements and partner sponsorship to partially offset the costs for the tourism program.

The destination marketing fee funding in the amount of \$300,000 will be allocated to support an enhanced level of promotional and marketing activities identified in the memorandum of understanding with Tourism Toronto.

Staff will endeavour to acquire funding assistance to support the tourism program and request that the Regional Chair and the Regional Clerk be authorized to execute any necessary agreements.

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 regional

tourism program in partnership with local efforts supports building and diversifying jobs and economic growth. In 2004, 3.0 million visitors to the region spent over \$209 million on tourism activities and services, which generated approximately \$148.6 million in GDP and produced 2,646 regional jobs in local municipalities. These jobs generated \$76.5 million in wages and salaries and \$6.4 million in local municipal taxes.

York Region's Tourism Marketing Program identifies the most critical tourism markets and works to maximize potential while developing new business opportunities and diversifying the market base. The program sells the virtues of York Region as a destination while supporting emerging municipal tourism initiatives. It is important to work in unison as a cohesive unit at municipal, regional and industry stakeholder levels to be effective in acting on common interests, to eliminate overlapping efforts and channel collective resources in today's competitive marketplace.

7. CONCLUSION

To fully realize the potential of tourism economic and social benefits and for York Region's Tourism Program to be effective, commitment from and collaboration with all tourism related business sectors, Local Municipalities and all levels of government is required to consolidate efforts and where possible eliminate duplication.

York Region's 2007 Tourism Marketing Program provides the tourism industry with tactical partnership opportunities at various levels of financial commitment to increase awareness and revenues to their tourism businesses, to enhance their current marketing initiatives and extend market reach while leveraging their marketing dollars.

The 2007 York Region Tourism Marketing Program will be launched at the 5th Annual Tourism conference proposed for January 2007.

The Senior Management Group has reviewed this report.

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