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2009 YORK REGION TOURISM MARKETING PROGRAM

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated September 17, 2008, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. The 2009 York Region Tourism Marketing Program be adopted as outlined, subject to the approval of the 2009 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. The Faren Group Inc. creative development contract be extended through December 2009 at a maximum cost of \$25,000.
4. 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 2009 York Region Tourism Marketing Program and seeks approval to the components of the work plan, subject to approval of the 2009 Economic Development operating budget.

3. BACKGROUND

The Regional mandate is to support the business of tourism throughout York Region by working in collaboration with local Municipalities and industry stakeholders to increase visitation and generate economic activity. The 2009 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, the Ontario Tourism Marketing Partnership Corporation and Tourism Toronto. The marketing program incorporated key learnings

from the 2008 program tourism industry feedback, consumer research and priorities to optimize return on investment.

On October 24, 2007, the Faren Group Inc. was awarded the request for proposal for creative development of the York Region tourism program initiatives for a contract term through to December 31, 2008. The Faren Group developed the York Region Discovery Guide and the creative concept for the “in your backyard” theme used for advertising campaigns and supporting collateral publications and promotions targeting consumers, and the meetings and group markets.

4. ANALYSIS AND OPTIONS

Trends impacting the tourism industry include an aging population, the strong Canadian dollar, changes in currency exchange rates, rising fuel prices impacting automobile and air travel, global travel destination competition, web savvy consumers, delays in border crossings and the uncertainty around the passport and visa requirements for American visitors to Ontario.

Provincial data states that the strengthening of the Canadian dollar against the U.S. dollar has brought about significant re-alignment in travel patterns to and from Ontario. Based on a March forecast overall travel to Ontario in 2008 is expected to decline by -0.6%. Overnight travel will decline by -0.7% and same day travel will decline by -0.5%. For 2008, U.S travel to Ontario is expected to decline by -8.6% from, and by -1.6% from Overseas travel. The 2009 outlook forecasts continued declines in U.S. visits and modest increases from intra-provincial and overseas visits.

Marketing Ontario Tourism

The Ministry of Tourism and the Ontario Tourism Marketing Partnership Corporation primary focus is on encouraging Ontarians to vacation at home leveraging the “There’s No Place Like This” brand campaign. Limited U.S. marketing is proposed followed by overseas efforts in United Kingdom, Germany, Japan, Mexico, South Korea, France and China. As well, the Province is undertaking a competitiveness study “Mapping Ontario’s Tourism Future”, which will be released in 2009. This study will look at ways to increase Ontario’s share of the tourism market, raise the profile of the tourism industry, design a strategy that identifies actions for industry and defines roles for all levels of government.

Canadian Tourism Commission focus on long haul markets

The Canadian Tourism Commission marketing focus is on attracting long-haul and high yield travellers to Canada from the International overseas markets of the United Kingdom, France, Germany, the Americas- United States and Mexico and Asia Pacific – South Korea, Japan, Australia and China.

Hotel Performance

Based on PKF Consulting research, occupancy rates and average daily rates for the first quarter of 2008 for the GTA East/North Accommodation properties were at 52.5% and \$117.22 respectively compared to a GTA average of 59.3% occupancy and average daily rate of \$133.03. Although the GTA East/North area includes more than just York Region, the breadth of accommodation properties in the Region account for 4,497 rooms. Clearly, there is capacity and a need to increase overnight stay and yield within York Region.

4.1 Overview of Tourism in York Region

2.7 million visitors spending \$284.4 million on tourism activities

In 2006, York Region welcomed 2.7 million visitors spending \$248.4 million on tourism activities and services. 2,850 jobs were generated in York Region.

- 70% of the total visits or 1.9 million were same day excursions accounting for more than one-third of all tourism spending, \$91.1 million.
- 30% or 820,000 were overnight visitors spending \$157.3 million. One quarter of the \$157.3 million spent by overnight visitors was at York Region's lodging establishments.

Ontario remains York Region's primary market

- Based on 2006 Statistics Canada Domestic and International Travel Surveys sources, Ontario is the primary source for tourism for York Region, accounting for 2.4 million of the total visits. Tourists from the United States, primarily New York and Michigan represent 177,000 visits and 104,000 were visitors from Overseas.
- The Toronto Census Metropolitan Area, including Metro Toronto is the largest single feeder market for tourism in York Region accounting for 30% of overnight tourism and 57% of same day visits.
- Visiting Friends and Relatives (VFR) is the most prominent motivator for overnight trips (508,000 visits), followed by pleasure (203,000 visits) and business tourism accounting for 87,000 of all overnight tourism activity in York Region.

- Because York Region attracts so much tourism associated with visiting friends and relatives and supports a variety of recreational activities year round, York Region can claim it is truly a four seasons destination.

4.2 The 2009 York Region Tourism Marketing Program

The Tourism Marketing Program provides the strategic framework for a long-term coordinated approach to sustainable growth of the tourism sector. The Tourism Marketing Program was crafted based on on-going consultations with tourism industry partners and was vetted by the York Region Tourism Advisory Group on September 5. It will be presented at the 6th Annual York Region Tourism Conference scheduled for

November 6, 2008 and progress reports will be provided to the Planning and Economic Development Committee throughout 2009. A comprehensive overview of the 2009 York Region Tourism Marketing Program activities can be found under *Attachment 1* of this report.

The Goal

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

The Target Audiences and Market Segments

Activities defined in the 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

4.3 Advertising and Promotions

Multi media advertising campaigns are proposed for all market segments incorporating print, radio, magazine 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 the tourism industry.

Strategic marketing initiatives, distinctive audience messaging and supporting collateral materials will be developed to support the needs of the various target audiences and the proposed proportionate budget allocations per market segment are identified below.

Leisure Consumer

Regional activities to increase Overnight Visits will leverage the success of current involvement in the Provincial Distinctive Getaways, Great Drives and Golf programs and development of new experiences based on the product clusters of Culinary, Arts and Culture and Outdoors.

- 59% of the marketing budget will be allocated to marketing activities that reach over 19,000,000 potential **Overnight Visitors**

The current “In Your Backyard” experiential theme will be built upon to motivate the Resident, the Same Day Visitor and extend the length of the Visiting Friend and Relative stay in York Region.

- 30% of the marketing budget will be allocated to reach 2,670,000 potential **Same Day Visitors**

Corporate Group

Identifying the benefits of location, accessibility, venue options, quality service and added value propositions will be featured to increase business travel, meetings and conventions.

- 9% of the marketing budget will be allocated to reach 294,182 corporations and potential meeting organizers

Leisure Group

The diversity and wealth of tourism experiences and available recreation facilities will be featured to build York Region's share of this market.

- 2% will be allocated to reach 231,600 potential sport organizations, educators and tour operators

4.4 Marketing Tools and Supporting Publications

The tourism industry will be engaged in the development of niche promotional materials that support market specific advertising and promotional campaigns and build upon the strengths of the 2008 initiatives including the:

- York Region Discovery Guide
- Sport Tournament Brochure
- Conference and Meeting Guide
- Student and Group Tour Flyer
- York Region Resident Postcard Direct Mail Promotion

A new "Getaways" Magazine will be launched

In 2009, a new "Getaways" Magazine will be launched for Spring/Summer and one for Fall/Winter which will feature themed all-inclusive weekday or weekend packages that bundle accommodation with multiple tourism experiences including Golf, Outdoor Adventures, Attractions, Festivals and Arts and Cultural offerings to attract new overnight visitors to York Region.

Direct consumers to www.yorktourism.com

All marketing and advertising activities direct consumers to www.yorktourism.com. Additional web enhancements and features will be incorporated in 2009 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 page and to engage their tourism businesses to participate in this FREE on-line marketing opportunity will be ongoing in 2009.

4.5 Public Relations

Opportunities exist for tourism stakeholders to support regional staff efforts to proactively solicit unpaid editorial coverage in key print publications by providing innovative story ideas, press releases and hosting media participants on familiarization tours.

4.6 Performance Metrics

The 2009 Tourism Marketing Program will be evaluated against a variety of qualitative and quantitative tracking and performance measures including:

- Increase in visitation and spending
- Increase in consumer inquiries, web hits and unique web visits
- Increase in exposure from unpaid public relations and media activities
- Increased industry engagement and partnerships in programs

4.7 Relationship to Vision 2026

The 2009 Tourism Marketing Program supports the Vibrant Economy and Enhanced Environment, Heritage and Culture goals of Vision 2026 and is a core component of the York Region Economic Development Strategy.

5. FINANCIAL IMPLICATIONS

York Region's tourism marketing program is subject to approval of the 2009 Economic Development operating budget. The funding allocations identified in the 2009 operating budget include revenues generated from the sales of advertisements and sponsorship to partially offset the costs. The total York Region Tourism budget for 2009 is \$896,200 with a net tax levy impact of \$474,600. This compares to the 2008 budget of \$873,200 and \$451,600 respectively.

The Memorandum of Understanding between Tourism Toronto and York Region provides funding in the amount of \$300,000 from the Hotel destination marketing fee to support the regional marketing activities. The agreement with Tourism Toronto is for the three year term (2007-2009) and negotiations are underway to continue a funding agreement going forward.

To build upon this creative concept and continue to project a synergistic York Region “look”, it is being recommended to extend the contract with the Faren Group Inc. through to December 2009, in the amount of \$25,000.

Partnerships with leading public and private industry organizations and additional funding resources will be utilized to leverage regional marketing activities.

6. LOCAL MUNICIPAL IMPACT

The 2009 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.

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.)