

TOURISM
VICTORIA



Marketing our favourite destination

2015 Annual Business Plan

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Leadership Message

As the tourism industry in Greater Victoria prepares to enter 2015, it is a good time to consider some of the conscious choices made in the past several years that have helped stimulate recovery and positioned Greater Victoria for growth. The most important choice made was that speaking together as a destination gives us a stronger voice. As the Greater Victoria Visitors & Convention Bureau, known as Tourism Victoria, we provide a voice for more than 800 business members, linking the entire region when promoting the destination worldwide.

Another critical choice was to stand out with our marketing communications style and this approach has garnered significant results. Tourism Victoria had its 2014 *Victoria Calling* campaign independently evaluated; this campaign generated a handsome return on investment of 39:1, inspiring an estimated 10,400 Seattle visitors to book and travel to the region resulting in an economic impact of approximately \$4.7 million.

We have deliberately chosen to work together and support one another to build the business. An example is our renewed partnership with the Victoria Conference Centre (VCC) and our convention hotel partners, who struck a working group called the Victoria Conference Optimization Network (VCON).

Finally, we are completely re-engineering and modernizing our Travel Trade approach. From a refined focus on selecting source markets, to improved use of technology to send leads to members, to being more selective with what segments we target so we can pursue the best business prospects more aggressively.

Throughout this plan you will see a greater emphasis on performance measures with real meaning and impact to industry. This is a deliberate effort to be more accountable and drive more meaningful business opportunities to our valued members. Tourism Victoria has four simple strategic objectives:

1. **Grow Rate and Volume:** Tourism Victoria will focus efforts to generate demand for our must-visit destination with an emphasis to drive revenue and rate.
2. **Addressing Seasonality:** Promote Greater Victoria as a year-round destination, including building equity around shoulder and off-season opportunities.
3. **Destination Management:** Work with industry on select but critical policy and supply side drivers of destination success.
4. **Telling Tourism's Story:** Increase appreciation and support for Greater Victoria's vibrant visitor economy.

We look forward to working vigorously in 2015 to drive results on our shared objectives.

Sincerely,



Paul Nursey

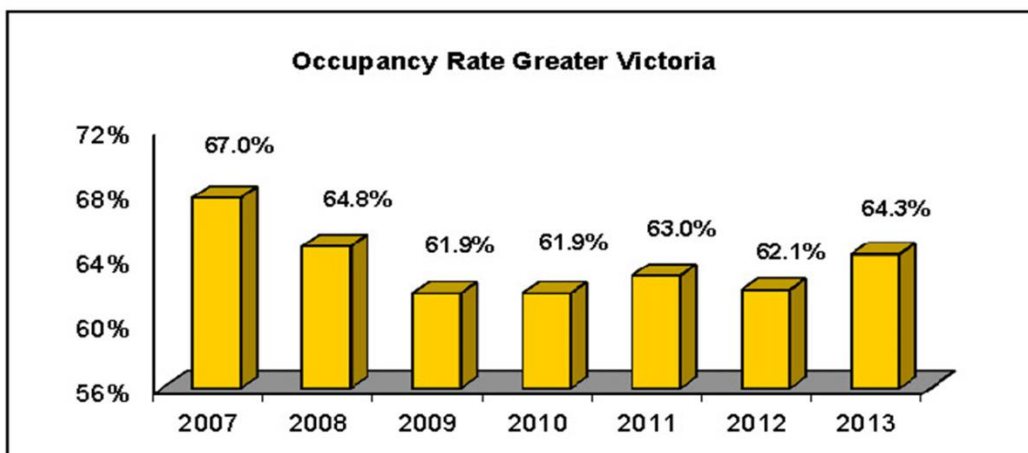
"Strategy is about making choices, trade-offs; it's about deliberately choosing to be different."

- Michael Porter

1. Introduction: 2015 a Year to Consolidate Growth and Position for Expansion

A) Destination Performance

Greater Victoria's recent performance has been positive and shows two years of consistent recovery. By the end of 2014 it is expected that Greater Victoria will have recovered to 2007 levels. From 2008 to 2012 were very challenging years for the tourism industry in Greater Victoria; however recovery appears to be on track. The tourism industry in the region suffered a number of very lean years and because of this a period of sustained growth is required to inspire and attract new investment in product and attractions for the region. This plan is designed to support further recovery, growth and reinvestment.



Source: Chemistry Consulting

B) Anticipated Growth

This recovery can be attributed to two key reasons: strong growth from a vibrant Pacific Northwest economy and broader global growth trends in Asian tourism. The Pacific Northwest region is a unique place with a vibrant economy based on technology, innovation and high value resources. These are combined with natural lifestyle attributes that make this region one of the fastest-growing economies in the world with leisure attributes.¹ One of Greater Victoria's key tourism source markets, Seattle, currently has an unemployment rate of 4.3 per cent² while other key source markets including Vancouver, Calgary, San Francisco and Portland all have strong economies, great connection to Greater Victoria and a lifestyle that encourages travel and exploration.

Globally much of the world's rapid tourism growth, anticipated to be a sustained five per cent annually through 2030,³ can be attributed to increases in outbound travel from emerging middle and upper classes

¹ Economy 101: 5 Things to Know About US Growth, Seattle PI, October 2014

² Regional and State Employment and Unemployment, United States Department of Labor, September 2014

³ Quarterly World Tourism Barometer, United Nations World Tourism Organization (UNWTO), December 2013

in Asia. Greater Victoria is positioned strategically as a one-connection short haul flight to three of North America's most important gateways to Asia: San Francisco, Seattle and Vancouver. If Tourism Victoria is focused and strategic, it can leverage these two benefits: strategic positioning in a vibrant Pacific Northwest economy and proximity to Asian gateways for ongoing growth.

C) Canadian Tourism Policy Environment

Challenges

Counterbalancing this opportunity are some significant constraints on growth in tourism in Canada. Like much of the world, Canada enjoyed tourism growth in 2014. However over the past ten years, Canada is one of only four countries in the top 50 nations to experience an absolute decrease in global arrivals.⁴ Other countries experiencing the same include Poland, Libya and Iraq. Canada has also had a series of one-time events such as SARS in 2003, which slowed travel to Canada for several years after, and the requirement for United States travellers to carry passports when visiting Canada, through the Western Hemisphere Travel Initiative (WHTI) in 2006, that have significantly setback the tourism industry. These setbacks were quickly followed by economic collapse in Canada's key source market: the United States (US).

Canada also has had, and continues to have, some very serious policy constraints affecting its tourism growth including a restrictive and slow visa regime and costly aviation policy that pushes the complete costs of air travel, including capital investments in airports and security on to the consumer. Combined with these constraints has been Canada's traditional unwillingness to enter in to many open-skies agreements or to allow state-owned foreign carriers – Singapore Airlines, Air Emirates and Etihad – to schedule daily service into Canada due to a policy imperative to protect Canada's legacy carrier from foreign competition. All of these constraints, combined with significant reductions in federal tourism marketing investment, have led to Canadian industry having to work much harder to capitalize on global tourism growth. This has meant tourism bodies at the provincial and municipal level have had to work much harder to sustain their industries over the past decade.

Improvements

In the past two years there have been some improvements in the Canadian tourism environment that have helped reposition the industry for long-term growth. Many of these changes have not taken place as fast as a recovering industry would like, but there is change for the better. Canada's visa regime is improving incrementally and largely at the operational and in-market level. However, a series of programs such as introducing a ten year visa product, fast-tracking visa applicants that already have US visas, and preferential visa handling of approved tour operators in long haul markets has helped customers and travel trade become more confident in Canada. In the US, passport ownership has increased from 33 per cent of the American population when WHTI was implemented to over 60 per cent in 2012⁵, essentially doubling the number of prospective customers from the country's most important source market. Significant work has been done between the US and Canada on the trusted traveller programs such as Nexus and Global Entry. A new paperless borders initiative at key departure points,

⁴ Quarterly World Tourism Barometer, United Nations World Tourism Organization (UNWTO), December 2013

⁵ 2014 Business Plan, Canadian Tourism Commission, November 2013

such as Seattle, is making the process of departing from and returning home a very easy process for the customers.

D) Implications for Greater Victoria

The tourism business has traditionally been cyclical in Greater Victoria; however globally the tourism industry has been on a sustained growth path for the last ten years and is projected to continue to grow into the future. In spite of many risks in the environment that need to be managed, and constraints to tourism in Canada, the region could be heading into a period of sustained growth with some inevitable disruptions and short term challenges to be managed. An internal rallying cry at Tourism Victoria is that it is time for the industry to “make hay while the sun shines” after a decade of struggle. Tourism Victoria staff are very focused on delivering results during this period of recovery and growth, to set the destination up for long term success. The organization’s goal over the next year is to make Greater Victoria a destination that inspires visitation, grows diversification of source markets and attracts investment in tourism product. This will ultimately drive rate and volume in our industry.

E) Role of a Clear Strategy and Operational Plan

Strategies and business plans are most effective when they are clear and easily understood. Staff, partners and stakeholders need to have a common understanding of objectives, priorities, initiatives and how these drive performance metrics. There can be no misunderstanding as to what staff are focused on and stakeholders need to clearly understand the strategic, budgetary and operational priorities of the organization.

The critical role of an annual operational business plan is to translate strategic goals into day-to-day operations. This document delivers on that role. Translating year one of Tourism Victoria’s new three year strategic plan into a work plan ensures it will be a roadmap for staff, a touch point for advisory committees and the Board of Directors and a reference tool for key partners and valued members.

F) Strategy Framework and Performance Management System

There are five key principles in how to be a successful, strategy-focused organization that delivers on superior results:⁶

Principle 1: Translate the strategy into operational terms

This principle comprises two sub-components: Strategy Maps and Balanced Scorecards. Together these sub-components describe the organization’s strategy and its implementation. It is by translating strategy into the logical architecture of a Strategy Map and a Balanced Scorecard that organizations create a common, understandable point of reference for everyone. This is achieved through this plan.

⁶ The Execution Premium, Kaplan and Norton, Harvard Business Press, 2008

Principle 2: Align the organization to the strategy

Synergy is the overarching goal of organization design. Organizations consist of numerous sectors, business departments and specialized departments, each with its own strategy. For organizational performance to become more than the sum of its parts, individual strategies must be linked and integrated. The corporation defines the links expected to create synergy and ensures those links actually occur. This will be achieved by department and personal Balanced Scorecards.

Principle 3: Make strategy everyone's everyday job

To move strategy from boardroom to the office, and make it everyone's everyday job, is the pre-eminent challenge for organizations. This principle considers personal Balanced Scorecards and links to compensation. Tourism Victoria will introduce department and personal Balanced Scorecards in 2015 and then link discretionary compensation to results against those Balanced Scorecards.

Principle 4: Make strategy a continual process

Putting the Balanced Scorecard at the heart of the organization's management system involves creating links from strategy to budgets and also calls for a robust learning process. Tourism Victoria has already started to deliver on a robust change management process that has been well received by staff.

Principle 5: Mobilize change through executive leadership

Kaplan and Norton emphasize the make-or-break influence of top management by stating, "if those at the top are not energetic leaders of the process, change will not take place."⁷ Simply put, if the executive leadership does not want the Balanced Scorecard and does not put effort into doing it, the Balanced Scorecard effort will fail. Tourism Victoria's leadership team is committed to the process.

More than half of Fortune 500 organizations use a version of this system. The principles of a strategy-focused organization and Balanced Scorecard are particularly popular in organizations that have a return on objective as opposed to sole concentration on shareholder value. Significant research has demonstrated organizations that successfully implement this system and execute well typically outperform those who do not.⁸

Outcomes versus Outputs

As Tourism Victoria culturalizes the Balanced Scorecard and the principles of being a strategy-focused organization, it is important to understand the difference between outcome and output performance measures or Key Performance Indicators (KPIs).

Outcome measures answer the "so what" question and should answer the question of what the tourism industry gained from this initiative. A primary example is measuring return on investment (ROI) of marketing campaigns. This empirically demonstrates whether a campaign has been successful or not, and provides helpful diagnostics.

Traditionally Tourism Victoria has been very focused on output measures. 2015 will be the first year Tourism Victoria will formally use the principles of a strategy-focused organization, measure results

⁷ The Execution Premium, Kaplan and Norton, Harvard Business Press, 2008

⁸ The Execution Premium, Kaplan and Norton, Harvard Business Press, 2008

through a Balanced Scorecard and be more focused on outcome measures. This is an exciting change that will more clearly define what Tourism Victoria delivers to its members and the community as a whole. However, implementing such a system is an exercise in change management – typically two to three years.

Much of the inspirational work has been completed in 2014, so Tourism Victoria may move more quickly to achieve the payoffs of breakthrough performance with increased focus. An example is the quick incremental success achieved in Visitor Services in 2014. In 2013, Visitor Services reported \$724,072 in sales; by April 2014, sales were down considerably and changes were made. By September 2014, ticket sales were more than \$980,000 and Tourism Victoria is projecting \$1.2 million for 2014. This is almost half a million dollars in incremental sales for the organization's valued members within a matter of months, achieved by increasing focus and tightening strategy.

The same focus is being brought to re-engineer the Tourism Victoria's Travel Trade approach and to better support the Meetings and Incentive Travel (M&IT) functions. These changes in internal processes will take time to deliver results as business-to-business work needs to be modernized and strategic choices about how to spend resources and effort are being made. Improved results will come.

Destination Marketing Gets Results

Tourism Victoria's marketing approach is differentiating and impactful, consistently disrupting the competition. In 2014, Tourism Victoria independently measured its marketing campaign in Seattle through an advertising tracking and conversion study. The results were a strong 39:1 ROI compared to industry average of 12:1. An estimated 10,400 customers were converted to travel as a result of Tourism Victoria's advertising campaign.⁹ The organization will continue to emphasize budget on core functions of sales, marketing and visitor services.

Destination Marketing Organizations (DMOs) are one of the truest forms of public and private partnerships, and there are many models around the world. In British Columbia community DMOs are typically funded by Additional Hotel Room Tax (AHRT) enabled by provincial legislation, or in some cases (such as Victoria) that require annual municipal approval. This foundation of legislated revenue is supported by partnered and voluntary contributions of industry through membership dues, participating in advertising or buy-in opportunities, or voluntary destination marketing fees.

The public policy and business problem DMOs are trying to solve is a fragmented industry that leads to market failure. Essentially tourism is made up of very small businesses whose owners and management are typically very focused on their business operations. By uniting and marketing under a common and well-recognized destination brand, such as Greater Victoria, these businesses can gain a powerful advantage. Research has consistently proven customers choose to go to a place first and then select their chosen accommodation, attractions, adventure tours, cultural activities, restaurant and retail opportunities. Customers understand a destination brand and if a strong emotional connection is made with the prospective customer, the results can be impressive.

⁹ Tourism Victoria Destination Advertising Evaluation & ROI, Insignia Marketing Research Inc., October 2014

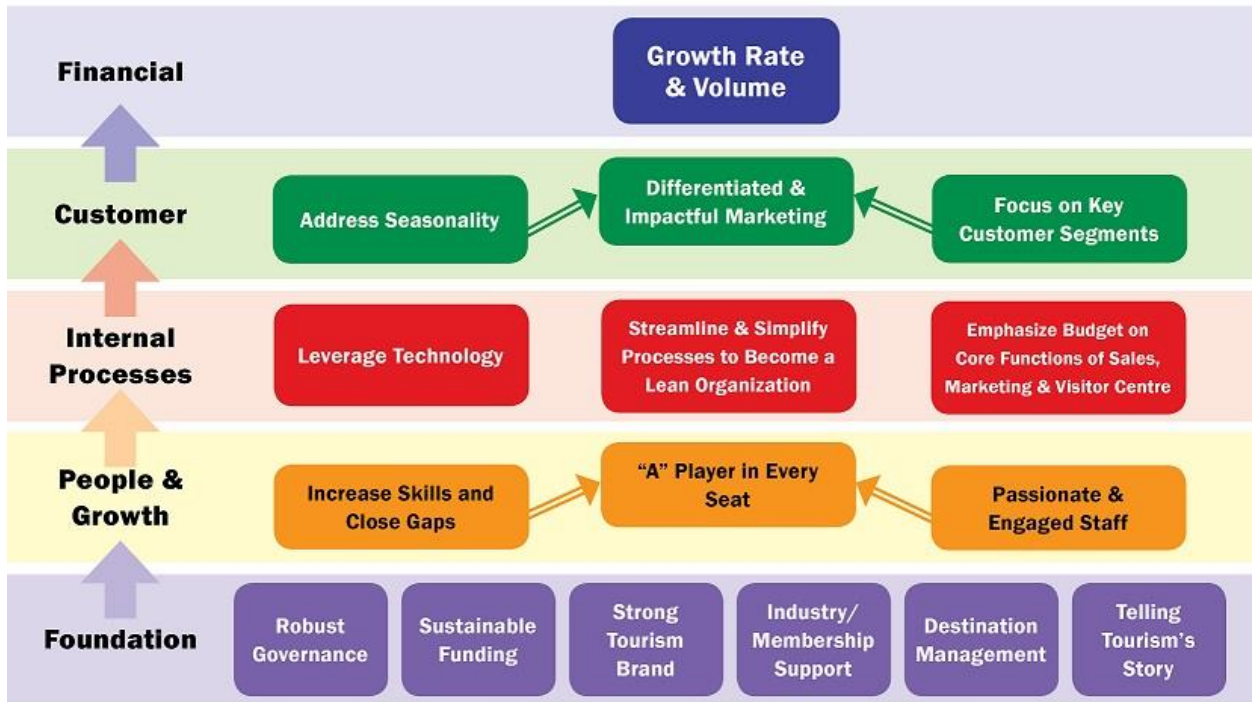
What Tourism Victoria is Trying to Achieve

The strategy map is a visual description of Tourism Victoria’s strategic priorities and how the organization is aligned to deliver against its mission and vision. The format is based on the methodology of Kaplan and Norton using perspectives of: learning, growth, internal processes, customer and financial. These perspectives are proven to deliver superior results if executed well.

Tourism Victoria Strategy Map

Our Mission: We inspire the world to experience our destination.

Our Vision: Tourism Victoria will be internationally recognized as a leader in sustainable tourism development, ensuring Greater Victoria remains one of the top destinations in the world.



2. Operating Context

Tourism Victoria presented a thorough environmental scan to the Board of Directors and industry partners in June 2014 as an input into this planning process. Between June 2014 and the time of writing this 2015 Business Plan, there have been both increased opportunities and increased risk in the operating environment. As highlighted earlier, there are significant macro opportunities for sustained growth punctuated with intense risks due to political disruption, war and pandemic along sluggish growth in select key source markets. These risks are faced by all of the competition. The key to success is to stay focused on the core business and outperform the competition through superior execution.

As foundations of its rolling 2015 to 2017 Strategy, Tourism Victoria has agreed to four key strategic objectives:

1. **Grow Rate and Volume:** Focus efforts to generate demand for the must-visit destination with an emphasis to drive revenue and growth.
2. **Addressing Seasonality:** Promote Greater Victoria as a year-round destination that includes building equity around shoulder and off-season opportunities.
3. **Destination Management:** Work with industry on select but critical policy and supply side drivers of destination success.
4. **Telling Tourism's Story:** Increase appreciation and support for Greater Victoria's vibrant visitor economy.

A) Industry priorities

Because recovery has started to set in, business becomes increasingly focused on yield management. Through extensive consultation it is clear there is a greater emphasis from industry on two key marketplace segments where Tourism Victoria has the ability to influence:

The Fully Independent Transient Traveller

This independent traveller does not travel as part of a tour group and typically are not bargain hunters looking for deals through online travel agencies. Rather these travellers are highly educated, professional, looking for value over cost savings and book direct or through a high value booking agent. These customers, because of their independent nature, are harder to reach but highly prized as they spend much more in the community.¹⁰ These customers are best reached by marketing directly to them whether through direct marketing communications, media relations or social media channels. As such, Tourism Victoria's Destination Marketing and Media Relations plan is focused on reaching these customers.

The Meetings and Corporate Group Business

Meetings, conventions and group business is foundational and represents a growth opportunity for Greater Victoria. Booking meetings in advance provides predictable business that helps drive yield and compression throughout the marketplace. There is considerable opportunity in the growing corporate marketplace. Through a renewed collaboration with the Victoria Conference Centre (VCC) and Victoria convention hotels, started in March 2014, Tourism Victoria is already seeing significant alignment and new business opportunities.

¹⁰ Trouble Beneath the Surface, Oxford Properties and Tourism Industry Association of Canada, 2012

3. The Business Plan

The Plan contains five Operational Priorities on how Tourism Victoria delivers on its business. These priorities provide clear understanding as to how staff are expected to deliver on work and how valued members and stakeholders can best engage and partner with Tourism Victoria.

A) Operational Priorities

1. Continue with highly impactful, differentiated marketing and communications that stand out in the marketplace. Make an impact on the customer and disrupt the competition.
2. Operate as a lean, outcomes-driven organization with passionate, engaged staff.
3. Emphasize and prioritize budget on core functions of sales, marketing and visitor servicing.
4. Provide educational tools, training and knowledge sharing to support industry in reaching our shared objectives.
5. Action destination management through leadership, research and coalescing industry partners around critical supply side issues.

B) Leveraging our Assets

Brand

Victoria has an excellent reputation. *Condé Nast Traveler Readers' Choice Awards* rates Victoria as the number 17 destination in the world and one of the friendliest cities in the world.¹¹ Visitors agree; 91 per cent of our visitors leave satisfied.¹² The region also has a very strong brand recognition. Greater Victoria enjoys status as the top of mind Pacific Northwest destination for residents in Seattle, Vancouver and Calgary.¹³



¹¹ Top 25 Cities in the World, Condé Nast Traveler Readers' Choice Awards, October 2013

¹² 2014 Peak Season Exit Survey, Lux Insights, August 2014

¹³ 2013 Brand Tracking Study, Lux Insights, August 2013

Greater Victoria Brand Portfolio

The Greater Victoria region is made up of a combination of brands that work together to make up all that the destination has to offer. Each brand has its own unique identity and collection of experiences to entice the visitor. Promoting all brands in the destination’s portfolio is essential for extending length of stay and maximizing the economic impact of tourism to the Greater Victoria region. Tourism Victoria uses the primary brand, which enjoys high brand awareness in the organization’s primary markets, to endorse all other brands in the portfolio as outlined below.



Strengths

Greater Victoria’s sustainable competitive advantage continues to be its relaxing atmosphere. This attribute is important to travellers when choosing a vacation destination and this is a unique strength that only Victoria can claim – no other competitive destinations score highly on this factor. This experience appeals to all visitors regardless of gender, age, income, and country of origin. Regardless of seasonality, visitors continue to cite walking around the city, dining out and relaxing as their most anticipated experiences.¹⁴

Other advantages for the region include the destination’s great gardens and green spaces, heritage, marine/wildlife viewing opportunities, status as a romantic getaway and wide variety of attractions. Two-in-three travellers rate Victoria’s attractions to be better than other Pacific Northwest destinations.¹⁵

¹⁴ 2014 Peak Season Exit Survey, Lux Insights, August 2014

¹⁵ 2014 Peak Season Exit Survey, Lux Insights, August 2014

Countering our Weaknesses

The 2013 Destination Brand Study showed culinary as a perceived weakness of the destination, but the most recent Exit Survey data shows that Victoria restaurants are one of the top three activities visitors look forward to, with 50 per cent of respondents saying the food and beverage experience in Victoria is better or much better than other Pacific Northwest destinations.

Affordability and accessibility continue to be competitive disadvantages of the region. Americans are more likely than other travellers to say the value for money of visiting Greater Victoria is worse than other Pacific Northwest destinations.¹⁶ Other weaknesses include a perceived lack of hiking trails, wineries and nightlife.¹⁷

Geographic Priorities

Tourism is a business full of many different competing opportunities; as such, strategic choices need to be made. One of the greatest risks of poor execution is not being focused. Simply put, Tourism Victoria does not have the resources to market and sell everywhere in the world, nor is it large enough to replicate the geographic market penetration of a national or provincial tourism marketing organization. The opportunity is to partner and leverage those investments. When making decisions, it is important to have clear decision making criteria and filters.

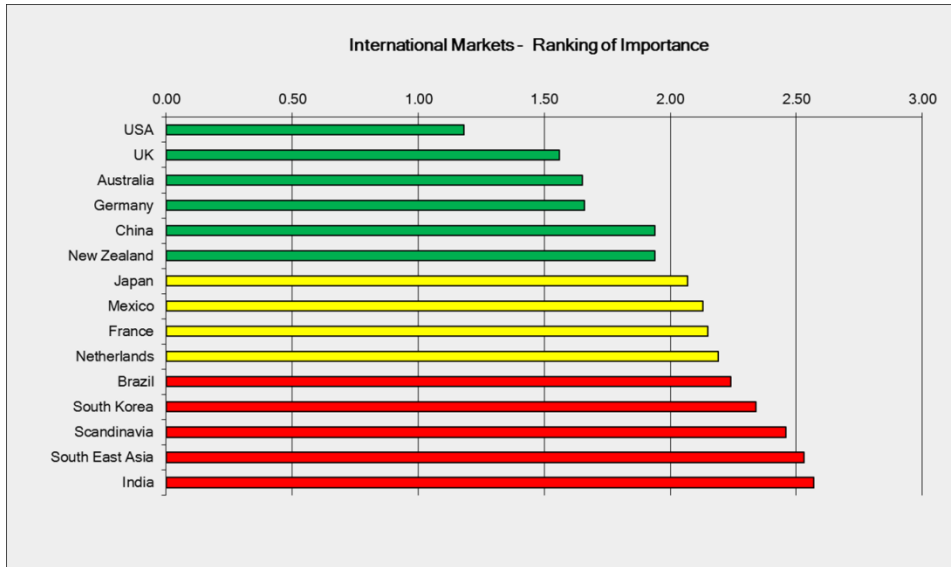
The filters to Tourism Victoria's areas of geographic selection are:

- **Member priority:** Is this source market a primary business priority for member businesses. Having surveyed members in 2014, Tourism Victoria has clear insight and direction.
- **Incremental growth opportunity:** Is there real opportunity for growth above and beyond the activity that is already entrenched and taking place in the private sector? What will investments in time and resources do to grow the business? Tourism Victoria is being smart by capitalizing on broader forces of growth in geographic source markets and will not be tempted to invest where the market is facing headwinds, structural challenges or based on nostalgic views of past performance that may never be replicated again.
- **Brand leadership and brand equity:** Tourism Victoria will invest its marketing communications resources and effort where there is innate and active understanding of Greater Victoria and where there is already a brand position. Tourism Victoria does not have the resources to build a brand in far off-markets. Tourism Victoria will leverage, not duplicate efforts, where the British Columbia or Canada brand rightly leads in the marketplace.
- **Opportunity to influence:** Tourism Victoria has the ability to influence, particularly through business-to-business channels in all parts of the globe. Material investment is required to be effective. Through Travel Trade, M&IT and Media Relations, Tourism Victoria is able to influence others. However, with limited resources focus is required, hence market segmentations and priority source markets have been established in all of the organization's business-to-business channels.

¹⁶ 2014 Peak Season Exit Survey, Lux Insights, August 2014

¹⁷ 2013 Brand Tracking Study, Lux Insights, August 2013

- Access:** An important decision filter around investment is ease of access from the particular source market. Is access easy, are source markets constrained? For example, Canada's new layer of security and fee on non-visa affected overseas countries, the Electronic Ticketing program (ETA), will certainly constrain business in the short-term in European, Australian and Japanese source markets. Hence decisions need to keep access considerations in mind.



Geographic priorities of Tourism Victoria's member businesses as surveyed in May 2013. Green indicates highest priority source market.

When considering geographic investment, Tourism Victoria's priorities for consumer advertising will be focused on Seattle, Vancouver, Calgary, San Francisco and Portland. This advertising is supplemented by integrated media and public relations activities as well as social media and content marketing efforts. Digital marketing such as Pay Per Click will be integrated to support these geographic targets.

Under the leadership of Tourism Victoria's Director of Sales a complete, research-based Travel Trade Segmentation has been completed and will be outlined in the Travel Trade section of this plan.

4. How Functional Areas Drive the Business

A) Destination Marketing

Purpose

Promote Greater Victoria to consumers to generate demand for the destination while driving rate and occupancy.

Overview

Tourism Victoria will continue its impactful and differentiated work to drive the business and build the brand. Business to consumer campaigns for this year focus on improved reach, content marketing and driving off-season and shoulder-season business. A dedicated, year-long business-to-business campaign will also continue market Victoria as meetings destination.

Activities

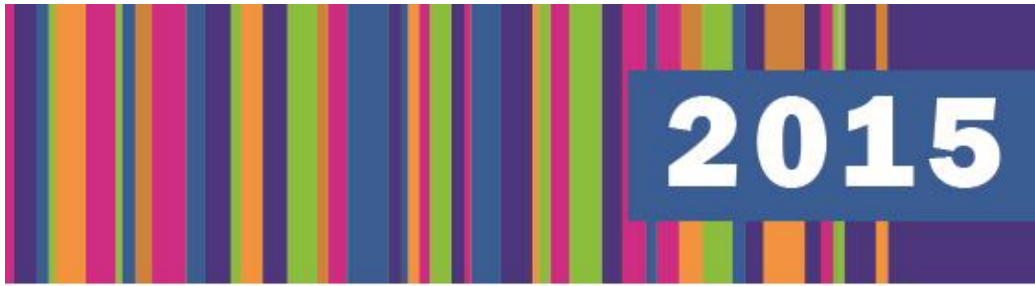
Leisure Drivers

A year-round campaign calendar ensures Tourism Victoria is consistently giving consumers reasons to come to the region as the organization builds depth and dimension to the destination brand beyond the high season.

- January/February: positioning the destination as a romantic getaway leveraging the accolades and reputation Greater Victoria has already built in this regard
- March/April/May/June: introducing a bold broadcast strategy across all screens as a key inspirational medium to build demand while giving consumers a compelling reason to visit Victoria now
- October: playing up the destination's offerings around the changing seasons and Halloween, leveraging Victoria's ghostly reputation
- November/December: carving out Christmas as a key travel time with the annual *Find Christmas Here* campaign

Group Drivers

There is renewed emphasis on collaboration to build the meetings business through the Victoria Conference Optimization Network (VCON), which consists of Tourism Victoria, the VCC and Greater Victoria meetings hotels. A unique Meetings take-to-market positioning has been established, tested with customers and will be used by the VCON group in their collective marketing efforts in 2015.



TOURISM VICTORIA

MARKETING CALENDAR

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Campaign ROI	N/A	N/A	20:1 (60% higher than industry average)
Sessions on TourismVictoria.com	1,198,942	1,378,783	1,250,000

B) Media Relations

Purpose

Promote Greater Victoria to media to achieve positive editorial coverage of the destination that counters perceived weaknesses and reinforces the region's strengths.

Overview

In 2015, Tourism Victoria will integrate Media Relations activities with the Destination Marketing, Travel Trade and M&IT departments more than ever before. With a renewed focus on geographic alignment and creative solutions, the Media Relations department will abandon old value initiatives that no longer deliver impactful results in favour of new value initiatives and fresh approaches.

Activities

Integration

The department will integrate with Destination Marketing to support the year round marketing calendar, reaching out to journalists with creative and differentiated pitches beyond the usual sales calls and hosted media events.

The department will integrate with Travel Trade by supporting the same geographic markets and also by targeting the Travel Trade media in Australia, UK and Germany. The Media Relations department will integrate with M&IT by targeting meetings publications to garner editorial coverage of Greater Victoria as a meetings destination.

Old Value Versus New Value

The Media Relations department has reengineered their calendar of initiatives trading old value initiatives such as the Society of American Travel Writers (SATW) Convention for new value ones such as Travel Bloggers Exchange (TBEX), the world's largest gathering of travel bloggers, writers, and new media content creators. Resources permitting, the department will also be taking a more proactive approach in China, working with the Canadian Tourism Commission (CTC) and other regional partners to ramp up the destination's coverage in this important market.

New this year, Tourism Victoria has also changed the name of the department to Media Relations versus Travel Media Relations. This reflects a change in the model whereby the department is no longer focusing on getting coverage solely in travel-related media and are expanding their role to lifestyle, trade and business media. This shift will allow the department to be featured in more places to reach the consumer while also supporting the Travel Trade and M&IT departments.

Geographic Markets of Focus



Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Editorial Placements	245 (60% increase over 2012)	268	250
Journalist Visits	178	145	175

C) Content Marketing

Purpose

Create, curate and share media content to promote Greater Victoria to a growing and engaged audience.

Overview

Tourism Victoria has added additional Content Marketing support to the Destination Marketing department dedicated to daily promotional efforts. This new area will focus on growing Tourism Victoria's owned channels and deepen engagement with audiences. It will also work to align content marketing across all Tourism Victoria departments, ensuring best practices are followed to guarantee success. Finally, it will also look outward into the Greater Victoria community and to Tourism Victoria's membership to create a social media centre for excellence that can be activated for the greater good of the region.

Activities

Grow and Engage

Tourism Victoria's Content Marketing efforts will start with growing the audience size and engagement level on owned media channels including: Facebook, Twitter, Instagram, Pinterest, Google+, Blog, eNewsletters and TourismVictoria.com.

This will mean daily interaction, creating and curating content that is relevant to audiences while constantly monitoring successes and failures. To grow TourismVictoria.com, Tourism Victoria will continue to work collaboratively with external SEO experts to refine website content to increase page views and time on site.

Social Media Alignment

Tourism Victoria's Content Marketing efforts will also focus on aligning the content marketing work of all internal departments including all Twitter handles and eNewsletters. Working with each department, Content Marketing will ensure all have access to robust content resources and training that will maximise the value each department delivers to its audience.

Social Media Centre for Excellence

Tourism Victoria's Content Marketing efforts will also look externally to the organization's members and partners in the Greater Victoria region and beyond to create a group of active social media influencers that can be mobilized for the greater good of the region. Together the destination's reach is strong and impactful.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Audience Growth on Social Channels	Facebook: 23,715 Twitter: 14,030 Instagram: 532 Pinterest: 596 Google+: 232	Facebook: 12% (26,560) Twitter: 13% (15,854) Instagram: 20% (638) Pinterest: 10% (656) Google+: 10% (255)	Facebook: 15% Twitter: 20% Instagram: 75% Pinterest: 25% Google+: 15%
Average Time on TourismVictoria.com	3:58	N/A	4:00
Bounce Rate on TourismVictoria.com	41.5%	N/A	43%

D) Travel Trade

Purpose

Refine strategy and tactics to build distribution and shelf space for Greater Victoria as well as deliver maximum value from key source markets.

Overview

Tourism Victoria's Travel Trade department has developed a new segmentation model with four key areas to better align Tourism Victoria's resources and focus on the source markets that will deliver the maximum return on investment in 2015. Working in greater collaboration with Destination British Columbia (DBC), Tourism Victoria will continue to receive all the trade benefits of being represented in 10 international source markets without having to exhaust as many resources in travel and affiliated costs. As the industry remains fluid, this model has flexibility to allow the free movement of markets from one segment to the next as they increase or decrease in significance to the destination over time.

Activities

Tourism Victoria will place less emphasis on traditional sales calls in core and stable source markets such as the UK, Germany, Japan and Mexico, but will develop new strategies to maintain market presence. This strategy will allow the organization to redistribute resources from its core budget and direct them into the Western USA, China and Australian markets. This will support a more vibrant approach to leveraging trade channels in these critical and growing source markets.

Tourism Victoria will also reallocate much of its travel trade co-op investment from overseas to more effectively build the primary trade markets of Western USA, China and Australia, where the organization wants to grow aggressively. In the US, by working through consortia and retail channels, there will be a stronger Greater Victoria proposition at the eye level of the customer at critical distribution points.

Tourism Victoria's improved and focused trade efforts will work in alignment with the organization's marketing investments in Vancouver, Seattle, San Francisco and Portland to drive room nights and create a powerful synergy, building a holistic Greater Victoria proposition. This shift in Travel Trade investment is closely aligned with DBC's evolving strategy, which is also more focused. To support this strategy Tourism Victoria has re-segmented and prioritized international markets to ensure the ability to resource against desired activities and execute effectively.

The following are the four key areas of the Travel Trade department's new segmentation model. Markets will be evaluated on an annual basis through data driven filters to assess opportunity and tactics for growth.



Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
New Business Leads for Members	N/A	N/A	100
Qualified FAM Tours (Result in measurable new distribution within 12 months)	57*	62*	20
New Programs by Tour Operators	8	8	10

**Filter of distribution not considered*

E) Meetings & Incentive Travel (M&IT)

Purpose

Ensure the destination is maximizing meeting, conference and sport tourism business opportunities for the VCC, its members and the region.

Overview

Tourism Victoria and the VCC will continue to build on the foundations of the organizations' existing collaboration agreement. They will have coordinated and developed strategies as well as tactics for the marketing and selling of conference business for the destination over the upcoming year. In addition to traditional association business, Tourism Victoria and the VCC also recognize the growing importance of the corporate meetings segment. Additionally, Tourism Victoria has clearly defined the sports tourism opportunities they will aggressively pursue with partners at SportHost Victoria.

Activities

VCON Marketing Collaboration

As referenced in Destination Marketing, a unique Meetings take to market positioning will be used by the VCON group in their collective marketing efforts in 2015. As part of this effort, a VCON Sales Rally will take place in early Q1 to get all the destination's meetings sales staff aligned on this new take to market initiative and the tools available to them to execute it in their own daily sales efforts.

Shared Markets: Vancouver, Ottawa, Toronto, Montreal

Tourism Victoria will continue to focus on selling all destination opportunities including association, corporate group and incentive, but will also work collaboratively with the VCC to ensure the organization is complimenting, not overlapping, efforts with clients in shared markets.

Exclusive Markets: Alberta, Western US, Eastern US

In markets where Tourism Victoria and the VCC operate exclusively, both are selling the destination as they are the exclusive representative from the region in these markets. Although the VCC will continue to focus on selling city-wide conferences, they have committed to pass on any other uncovered business not suitable for the VCC to Tourism Victoria. The M&IT department will continue to sell the destination in the exclusive markets where they operate and work directly with VCC on any large city-wide opportunities.

Tourism Victoria: Alberta, Western US, Dallas TX

Tourism Victoria will continue to focus on selling all destination opportunities including association, corporate group and incentive, but will work collaboratively with the VCC on sharing opportunities and leads for larger opportunities that will require VCC space.

VCC: Eastern US: Chicago, Washington, NY

The VCC will continue to focus on selling large, city-wide conferences that will fill the VCC. If the VCC sales team uncovers smaller association opportunities that are not suitable for the VCC, but still valuable to the destination, they will communicate these and pass the leads directly to Tourism Victoria.

Sport Tourism Strategy

Working in conjunction with partner SportHost Victoria, Tourism Victoria will continue to review, assess and pursue new sports tourism opportunities that have a proven ROI to the destination. The focus will

remain on higher profile, highly attended events that will deliver increased room nights to the destination as well as opportunities that will build and improve shoulder season volume to the region.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Number of RFPs	102	84	105
Potential Room Nights	41,671	41,700	43,000
Confirmed Room Nights	9,371	No target*	11,000

**For 2015 the department is moving from potential to confirmed room nights*

F) Visitor Services

Purpose

Apply superior destination knowledge and outstanding customer service to provide visitor information and booking services that help create an unforgettable travel experience and extend length of stay.

Overview

Tourism Victoria's Visitor Services department will focus on providing an exceptional welcome to travellers in the region while promoting member businesses through one-on-one visitor counselling services. The department will also provide opportunities for member businesses to promote themselves and, where possible, confirm business for the destination that includes confirming sales through Tourism Victoria's ticketing system.

Activities

Visitor Services

The Visitor Services department will build on its well-earned reputation for excellent customer service through one-on-one visitor counselling, telephone and e-mail counselling. The Visitor Services team will look to improve its member and regional product knowledge and build upon the excellent customer service and tourism training it provides its staff. Visitor Services will work to refine and improve the volunteer program delivered in partnership with Attractions Victoria.

Member Promotional Opportunities

Visitor Services provides a series of promotional opportunities for members that range from digital displays, posters, additional brochure racking opportunities, in-store activation and advertising opportunities such as the Official Vacation Guide. While there have been ad-hoc changes over the years, this program has not been reviewed holistically and benchmarked against competitive opportunities in many years. In 2015, Visitor Services in partnership with Corporate Services will lead a holistic review of these opportunities to assess their ongoing relevance, benchmark pricing and explore new possible opportunities.

Confirming Business/Business Development

Visitor Services confirms business for members at its Visitor Centre location, providing a service to visitors and to members. Members greatly value the ability to receive hard business from the Visitor Centre. In 2014, sales increased substantially. In 2015, Visitor Services will continue its program of adding key strategic product to the inventory and having thorough product knowledge to support the sales and services process. By taking a business development approach, Tourism Victoria will reach out to other influencers to educate them on product offerings. Examples include Clef's d'Or Society, English Language schools and tour guides.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Visitor Parties Served	46,312	Not set	50,000
Ticket Sales	\$724,072	\$1,050,000	\$1,500,000
Foot Traffic Counter	N/A	265,000 YTD through September	300,000

G) Member Services

Purpose

Maximise membership opportunities and deliver consistent value for Tourism Victoria's valued members.

Overview

Member Services is the key functional link supporting Tourism Victoria's membership-related activities and the organization's valued member businesses. For 2015, Member Services will work to add increasing strategic value by better linking valued member businesses with Tourism Victoria's operations.

Activities

Member Services will focus on communicating with members Tourism Victoria's benefits, activities, opportunities and platforms to ensure members understand how to gain the greatest possible benefit from Tourism Victoria membership. This will include a focus on retaining the membership base and growing strategically with members that are a fit.

The department will lead Tourism Victoria's member education workshop series. In 2015, more emphasis will be placed on tools and resources delivering on the operational priority of providing educational opportunities, training and knowledge sharing to support industry in reaching their shared objectives.

The department will also lead an annual membership drive each fall, attracting new members to Tourism Victoria's membership base to facilitate fresh ideas and represent the broadest spectrum of tourism-related businesses in Greater Victoria.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Member Retention Rate	77%	87%	85%
Member Satisfaction Rate	69%	70%	70%
Gross Membership Services Revenue	\$1,103,277*	\$976,327	\$978,050

**In 2013 there was a change in membership structure and categorization of revenues*

H) Corporate Communications and Public Affairs

Purpose

Ensure better communication of the tourism industry's position and articulate how the tourism industry supports community well-being and economic vitality.

Overview

Tourism as an industry in Greater Victoria is a long standing pillar of the community. The tourism industry not only creates, jobs, employment, taxation and investment in the community, it is first and foremost a people business. The Corporate Communications and Public Affairs department will work to create a deeper, more meaningful understanding of the tourism business, how it affects people and builds communities. These will be communicated with sound data-driven proof points.

Activities

Telling Tourism's Story

Tourism Victoria will promote a one page fact sheet and key messages document on the value of tourism and integrate it across all communications channels through Membership and Corporate Services. These will be used as a foundational touch point for consistent communications and be available to members to communicate the value of tourism in the community. Through the research function, Tourism Victoria will employ better uses of statistics to tell tourism's story. The organization will also review, scope and cost the possibility of an updated economic impact study to garner up-to-date statistics.

Aligning With Community Priorities

The Communications and Public Affairs department will review community plans to integrate and coordinate communications around tourism. Community priorities around tourism will be taken into account across Tourism Victoria's corporate plans. The organization will actively brief and engage provincial and federal politicians on areas of focus for tourism in the Greater Victoria region.

Communicating Contributions of Tourism Victoria

The Communications and Public Affairs department will focus on sharing corporate and destination successes and updates as well as relevant industry information and trends. The department will integrate across other departments in Tourism Victoria including Destination Marketing, Visitor Services, Member Services, Travel Trade, Media Relations and M&IT to share and educate the community on the impact of the work they do. This information will be shared through local media, member communications and appropriate social channels.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Number of Local Media Placements	N/A	75 YTD*	75
Number of Political Briefings/Opportunities per Year	Not tracked	35 YTD**	20

**Skewed high with January 2014 arrival of new President & CEO*

***Skewed high due to January 2014 arrival of new President & CEO and election year*

I) Destination Management

Purpose

Work with industry and support initiatives that ultimately drive demand for the destination focusing on critical supply side issues.

Overview

Tourism Victoria will action destination management through leadership, research and coalescing industry partners around critical issues including the Inner Harbour, Passenger Gateway Strategy and animating the destination.

Activities

Inner Harbour

Through the Transportation Committee, Tourism Victoria will continue to advance the critical Inner Harbour file. This includes advancing the Belleville Terminal file that includes the repair of dock infrastructure and the long term development of an integrated Terminal.

Passenger Gateway

Working with the Transportation Committee, Tourism Victoria will re-examine the priorities of the Tourism Victoria Passenger Gateway Strategy to establish a renewed set of priorities once the Belleville Terminal file has been advanced as far as it can be.

Animating the Destination

Tourism Victoria will scope and develop a more robust Festivals & Events strategy with the goal to build the business in the shoulder and off-seasons. Tourism Victoria will also work with the City of Victoria and other appropriate parties to secure experiential attraction investment in the downtown core. (This initiative is coalescing at the time of writing this business plan so the terms of reference of this committee are not fully developed.)

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Scope and Develop a More Robust Festivals and Events Strategy	N/A	N/A	Yes/No

J) Corporate Services

Purpose

Ensure Tourism Victoria has proper internal structure and controls to support technology, human resources and financial management.

Overview

Tourism Victoria's Corporate Services department will focus on optimizing technology ensuring all internal departments are maximizing usage of the Simpleview customer relationship management platform for superior reporting and lead generation for members. Through Human Resources (HR), the department will focus on ensuring the organization has the right people in the right roles to drive the business forward. A stronger emphasis will be placed on financial and resource management.

Activities

Technology

The Corporate Services department will lead integration of the Simpleview platform across all internal departments. The department will ensure consistent data entry and reporting for each department with lead generation and referrals going to members consistently throughout the year. This department will also focus on the efficient structure of Tourism Victoria data, continue with and enhance robust IT security and increase internal IT knowledge and expertise.

HR

Critical to Tourism Victoria's success is having an A player in every seat. Tourism Victoria's Corporate Services department will ensure the organization has the tools necessary to attract and retain the best talent. This will include a full review of the benefits program. The department will help to facilitate strong corporate culture with open communication that is supportive of new ideas and approaches. A new initiative for 2015 will be providing staff with appropriate training in their respective areas primarily focused towards usage of Simpleview across all department activities including the Visitor Centre. A skills matrix will be developed to identify gaps and provide training to individuals who have gaps.

Financial

The Corporate Services department will reduce overhead costs through the review and scrutiny of expenses and focus on more aggressively building contingency reserves. This department will also streamline internal and external financial processes through creation of templates and checklists. In addition, with input from the Finance & Membership Committee, this department will streamline and simplify the reporting of financial information.

Measurement

Performance Measure	2013 Result	2014 Target	2015 Target
Complete Integration of Simpleview Platform through Sales Channels	N/A	N/A	Yes/No
Develop an Investment Policy and Strategy for Tourism Victoria Reserves	N/A	N/A	Yes/No
Annual Savings in Overhead	Not prioritized	Not prioritized	\$25,000

5. References

The following list represents our many research sources used for this plan:

- Economy 101: 5 Things to Know About US Growth, Seattle PI, October 2014
- Regional and State Employment and Unemployment, United States Department of Labor, September 2014
- Quarterly World Tourism Barometer, United Nations World Tourism Organization (UNWTO), December 2013
- 2014 Business Plan, Canadian Tourism Commission, November 2013
- The Execution Premium, Kaplan and Norton, Harvard Business Press, 2008
- Tourism Victoria Destination Advertising Evaluation & ROI, Insignia Marketing Research Inc., October 2014
- Trouble Beneath the Surface: An Examination of the Accommodation Sector, Oxford Properties and Tourism Industry Association of Canada, 2012
- Top 25 Cities in the World, Condé Nast Traveler Readers' Choice Awards, October 2013
- 2014 Peak Season Exit Survey, Lux Insights, August 2014
- 2013 Brand Tracking Study, Lux Insights, August 2013

6. 2015 Greater Victoria Visitors & Convention Bureau Budget

	BUDGET		FORECAST		BUDGET		Ref #
	2014	% 2014 BD	2014	% 2014 FC	2015	% 2015 BD	
Income							
Revenue							
Total Commission Revenue	104,271		108,060		150,000		1
Total Destination Marketing Fee	1,100,000		1,100,000		933,900		2
Carry Over - DMF					132,570		
Total Fundraising (Travel Auction)	50,000		41,409		40,000		3
Total Grant Revenue	203,500		203,500		203,500		4
Total Add'l Hotel Room Tax Revenue	2,071,915		1,987,993		2,104,700		5
Total Membership Services	1,008,361		1,177,468		978,050		6
Total Miscellaneous Revenue	81,901		50,083		72,000		7
Total Retail Sales	51,968		56,514		59,000		8
Total Revenue	<u>4,671,916</u>		<u>4,725,027</u>		<u>4,673,720</u>		
Total Income	<u>4,671,916</u>		<u>4,725,027</u>		<u>4,673,720</u>		
Total Cost of Goods Sold	<u>41,574</u>		<u>47,901</u>		<u>50,100</u>		
Gross Surplus/ (Deficit)	4,630,342		4,677,127		4,623,620		
Expense							
Marketing Expenses							
Total Advertising	985,500		1,010,896		869,000		9a
Total General Marketing	224,600		176,027		292,850		9b
Total Meetings & Incentive Travel	152,000		161,239		186,000		9c
Total Publications	231,467		221,444		253,500		9d
Total Research	61,900		46,122		47,550		9e
Total Travel Media	64,200		57,671		58,450		9f
Total Travel Trade	138,400		99,325		165,650		9g
Total Website	77,678		80,289		82,950		9h
Total Marketing Expenses	<u>1,935,745</u>	42%	<u>1,853,014</u>	39%	<u>1,955,950</u>	42%	
Operating Expenses							
Amortization	100,701		100,688		121,500		10
Total Communications	39,600		39,569		35,400		11
Total Facilities Rent & Taxes	336,927		367,592		375,700		12
Total General Travel & Conferences	38,015		30,597		27,700		13
Total Grants & Sponsorships	4,500		4,500		1,750		14
Total Interest & Bank Charges	49,550		42,360		52,300		15
Total Membership Events	46,850		146,398		37,200		16
Total Operating Supplies	85,711		88,552		95,000		17
Total Professional Services	105,087		129,487		98,600		18
Total Utilities & Premises	33,199		32,133		32,100		19
Total Operating Expenses	<u>840,141</u>	18%	<u>981,876</u>	21%	<u>877,250</u>	19%	
Total Wages & Benefits	<u>1,843,685</u>	40%	<u>1,863,323</u>	40%	<u>1,785,950</u>	39%	20
Total Expense	<u>4,619,571</u>	100%	<u>4,698,213</u>	100%	<u>4,619,150</u>	100%	
Net Ordinary Income	<u>10,771</u>		<u>-21,086</u>		<u>4,470</u>		
Net Surplus/ (Deficit)	<u><u>10,771</u></u>		<u><u>-21,086</u></u>		<u><u>4,470</u></u>		21