



# DESTINATION GREATER VICTORIA



## 2022-2026 Strategic Plan

The visitor economy enhances the quality of life for residents  
and enriches the lives of our visitors to Canada.

Destination Canada

Designated Recipient: Greater Victoria Visitors & Convention Bureau (dba Destination Greater Victoria)

Community Name: Victoria

Date Prepared: November 2020 to February 2021

Current MRDT Term Expiry Date: December 31, 2021

Five Year Period: January 1, 2022 to December 31, 2026

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The central goal of Strategic Planning is to achieve superior long-term ROI as well as long-term sustainable differentiated competitive advantage.

*Institute of Corporate Directors*

## SYNOPSIS

Destination Greater Victoria's 2022 to 2026 Strategic Plan has been developed during the severe impacts of the COVID-19 pandemic throughout Greater Victoria's visitor economy, and is therefore firmly grounded in the urgent need to build effective pathways to reopening and recovery. Destination Greater Victoria (DGV) has achieved the objectives and targets of its 2017 to 2021 five-year plan and consistently improved its attributable business results. There is now a very strong foundation of strategic alignment, engaged partners and members, diverse year-round business opportunities, a high-profile global brand, and enviable destination attributes to build from. There is also the valuable opportunity to rebuild in new and deliberate ways to ensure positive, sustainable outcomes for communities as well as industry.

Destination Greater Victoria's mission and vision are unchanged. DGV will continue its work to build a vibrant, year-round visitor economy that contributes economic value for Greater Victoria, provides stable revenue growth for tourism businesses, and generates jobs and benefits for citizens in ways that are sustainable and closely aligned with community values. To gain these outcomes, DGV will deliver on four strategic objectives:

1. Recover from COVID-19 quickly and efficiently,
2. Set the tone for the visitor economy to operate in line with values of our community,
3. Focus on higher yielding, year-round customers in all target segments, and
4. Support our member businesses and communities.

As part of the process of formulating this Strategic Plan and setting the four objectives, Destination Greater Victoria has consulted with industry partners, DGV's members, government and community stakeholders, and Victoria's citizens. This extensive stakeholder engagement has directly informed the Plan and ensured close alignment, which will be critical in working towards shared goals.

A key forward focus for Destination Greater Victoria's marketing initiatives will be penetrating further into US and Canadian short-haul markets. Using a more-nuanced approach to segmentation, DGV will seek higher yielding customers attuned to local values across all business channels. There will be a strong focus on building rate and volume for accommodation partners to underpin sector-wide benefits. There will be continued work to build compression and dispersion, reduce seasonality, tell tourism's story to enhance appreciation for the industry, and lead with destination management. In collaboration with stakeholders, DGV will implement an experiences strategy for Greater Victoria to encourage visitors to stay longer and spend more. DGV will partner to support continued growth in indigenous tourism, support City of Victoria affordable housing initiatives, and continue industry's contributions to the David Foster Harbour Pathway project. Throughout this Plan DGV will maintain its robust governance structure, financial prudence and rigorous performance monitoring using the Balanced Scorecard framework.

Overarching all of Destination Greater Victoria's activities will be a commitment to sustainability as well as diversity and inclusion, which will be key lenses for determining what DGV does and how it carries out its mandate. These commitments will also directly reflect in the annual Tactical Business Plans to be developed in support of this Strategic Plan.

The history of Destination Marketing Organizations dates to the 1890's when civic leaders in Detroit, Michigan established the Detroit Convention League. The concept was to host association meetings for delegates able to invest in the city. There are now Destination Organizations in all major cities in a highly competitive environment.

# 1. INTRODUCTION

## 1.1 THE ROLE OF THE TOURISM BOARD OR VISITORS & CONVENTION BUREAU

Traditionally the role of a tourism board or visitors & convention bureau was very narrowly focused; to market the destination, attract visitors, and provide destination information. The primary purpose was to bring visitors and their spending into the destination. More recently this focus has expanded to include community and stakeholder relations as well as industry advocacy. This wider concept of destination management industry organizations reflecting community values and being responsible for destination management encompasses much more than economic growth or business revenue. While marketing the destination to attract visitors and their spending remains a core function, other vital considerations such as community acceptance, benefits for citizens, support for locally-owned small businesses, environmental sustainability, and supporting diversity and inclusion are forefront for modern Destination Organizations.

## 1.2 CORE REASON FOR EXISTENCE: CORNERSTONE STATEMENT

The role of Destination Organizations has come into sharper focus over recent years, with markedly greater emphasis on providing local programs in an environment of global travel options. In a world dominated by large global brands, who is speaking for the local community and providing business programs to benefit the community? With platforms such as Expedia, Booking.com, Airbnb or Vrbo continuing to grow, who will facilitate direct bookings from customers without punitive commissions, or collaborate upfront with stakeholders to compete for and win lucrative conferences, events and sports opportunities to drive economic impact? Who will steward and promote the tourism brand in ways that communicate a community's values, people and neighbourhoods authentically, and also ensure the community's brand is not simply commodified to benefit third parties? Each of these key roles belong to the local Destination Organization, which must be authentic and true to its home.

Online travel agencies, global travel or accommodation technology platforms, and third-party meeting planning companies do not share our strong community focus on working together to build a year-round visitor economy that is sustainable for the long term, disperses economic benefits widely to residents, and encourages visitors to see and discover more while also respecting and embracing community values. Destination Greater Victoria cares greatly about these outcomes and this is the essence of who we are. A positive, engaged and aligned Destination Organization not only fills the gaps, but also sets the tone. This is the type of tourism industry we wish to see and Destination Greater Victoria works diligently to achieve it.

Whereas many pundits in the tourism industry had forecast that online travel agencies, global travel platforms, and/or third-party meeting planners would disintermediate Destination Organizations, this is increasingly not the case. The role of Destination Organizations is more important than ever, given the imperative to align authentically with community values while driving the visitor economy using lenses focused on citizens as well as the commercial sector. Destination Greater Victoria has been able to achieve this over recent years and, as we rebuild from the COVID-19 pandemic, this is our opportunity once again.

### ***Destinations International's Cornerstone Statement***

Every community must compete with every other community for their share of the world's attention, customers, and investment. To compete, people need to be aware of a community, have a positive impression, and want to visit to experience the community and meet its people.

This is achieved through clearly developing, articulating and managing the community's brand. Efforts must be made to promote, market, sell, and engage potential visitors. And all of this must be reinforced again and again. Destination organizations are uniquely positioned to do this.

Addressing this need for destination promotion is for the benefit and well-being of every person in a community. It is a common good. It is an essential investment to develop opportunities and build quality of life to benefit all the residents of a community.

*Destinations International 2019, Our Cornerstone: Being a Community Shared Value & Asset*

## **1.3 THE VISITOR ECONOMY**

Destination Greater Victoria embraces the concept of the 'visitor economy' rather than the outdated notion of a 'tourism economy'. Traditional perspectives equate tourism with leisure travel and define the tourism economy as revenues resulting from these travellers' in-destination activities. This view fails to capture a large proportion of the interactions and economic benefits that occur when people travel into a destination by (a) overlooking the many visitors who are not leisure travellers and (b) not accounting for the social, cultural and environmental components of an economy.

A visitor economy is considerably more comprehensive, inclusive, and far-reaching in its economic outcomes than a tourism economy. It is based on interactions and exchanges between visitors and the destination, including its citizens. Visitors are not only leisure travellers but also conference and meetings delegates, business travellers, event-specific visitors, and 'temporary residents' including students and contract workers. Collectively these are the hosts who comprise the social fabric of a destination. The visitor economy incorporates the direct, indirect and induced benefits flowing from these exchanges and interactions between visitors, their hosts and the destination itself, across all dimensions of the economy – financial, socio-cultural and environmental.<sup>1</sup>

Economic activities generated by the visitor economy contribute beyond tourism to multiple sectors of the broader economy. There is direct revenue from goods and services used by visitors, indirect contributions through supply chains and supporting services, and induced benefits via spending by those who derive income from visitation. All of these benefits flows, and the interactions giving rise to them, must be given strategic attention in order to achieve successful, equitable and sustainable destination management. Accordingly, Destination Greater Victoria refers exclusively to the 'visitor economy' throughout this document, to reflect its perspective that the visitor economy goes beyond traditional concepts of tourism to encompass not only financial returns derived from hosting visitors in Greater Victoria but also the socio-cultural, community, sustainability and quality of life benefits it can deliver.

*"The visitor economy is much more than simply the tourism industry. It extends to interactions between visitors and the city, and all of the direct and indirect effects triggered by visitors."*

*Vienna Tourist Board, Shaping Vienna Visitor Economy Strategy*

<sup>1</sup>See: Vienna Tourism Board 2019, Shaping Vienna: Vienna Visitor Economy Strategy 2025. Foundation for Puerto Rico 2020, What is The Visitor Economy? Destination Canada and McKinsey & Company 2018, Unlocking the Potential of Canada's Visitor Economy.

## 1.4 BRITISH COLUMBIA'S DESTINATION ORGANIZATION SYSTEM

Destination Organizations in British Columbia operate under a Municipal and Regional District Tax (MRDT) program that provides a legislated taxation framework along with specific qualification and reporting requirements. MRDT is levied at a rate of up to three percent (3%) on sales of short-term accommodation within participating areas of British Columbia, on behalf of municipalities, regional districts and eligible entities. The MRDT program is administered jointly by the Ministry of Finance, Ministry of Tourism, Arts and Culture, and Destination BC.

The following principles are applied to promote coordinated and efficient use of MRDT funds:

- Effective tourism marketing, programs and projects.
- Effective local-level stakeholder support and inter-community collaboration.
- Coordinated marketing that complements broader provincial marketing strategies and tactics.
- Fiscal prudence and accountability.

In 2018 the Province of British Columbia and Online Accommodation Platforms (OAPs), comprising Airbnb to date, agreed to commence collecting MRDT at platform level. In view of this there are now two categories of MRDT:

1. Traditional MRDT collected from hotels, motels, and bed & breakfasts; and,
2. Online Accommodation Platform (OAP) MRDT which is also available for affordable housing initiatives as outlined in section 8 below.

## 2. BACKGROUND

### 2.1 DESTINATION GREATER VICTORIA

Victoria is located on southern Vancouver Island as the capital of British Columbia. Greater Victoria incorporates 13 municipalities which collectively have 370,000 citizens including vibrant indigenous communities. By population Greater Victoria is the second largest Census Metropolitan Area (CMA) within British Columbia and has experienced steady growth due to a strong economy, an energetic and diverse tourism sector, and a favourable climate. The region is an established home for thriving technology, marine services, ocean science, education, clean tech, health, advanced manufacturing and agricultural sectors. Greater Victoria is widely regarded as a great place to live, work and visit.

Destination Greater Victoria (DGV), previously known as Tourism Victoria, is the official Destination Marketing Organization (DMO) for the Greater Victoria region, with Municipal and Regional District Tax (MRDT) relationships with the City of Victoria and the District of Saanich. DGV is the largest of Vancouver Island's DMOs and the leading regional DMO for industry.

In addition to the City of Victoria and District of Saanich, five municipalities in Greater Victoria (the City of Langford, City of Colwood, District of Oak Bay, Township of Esquimalt, and Town of Sidney) are active members of DGV. The City of Langford is a top-tier member of the Greater Victoria Sport Tourism Commission (GVSTC) and major supporter and enabler of sports business for the region. Although the District of Oak Bay, City of Langford, and Gulf Islands have their own MRDT programs, DGV works collaboratively with all municipalities and tourism organizations across the region.

As a member-based not-for-profit organization governed by a Board of Directors and with day-to-day leadership by a CEO, DGV is responsible for marketing tourism to the Greater Victoria region within Canada and the United States as well as select international markets. DGV builds and promotes a strong visitor economy across many sectors of the industry, including leisure tourism, meetings and conventions (business events), travel trade, sports events, festivals and cultural events, and media relations. These are reflected in a comprehensive, integrated brand family.

DGV is also responsible for sales and marketing of the Victoria Conference Centre, operates a visitor information centre and kiosk, conducts tourism-related research and plays a central role in destination management and tourism policy in the Greater Victoria region. By staying close to both industry and government partners, working collaboratively, being open and transparent, and actively driving very significant business results, Destination Greater Victoria enjoys strong stakeholder support within a complex multi-dimensional environment.

Destination Greater Victoria has been in continuous operation since 1974 and currently represents almost 1,000 member businesses across all sectors of the tourism and hospitality services industry. DGV has also developed an extensive network of partner and stakeholder relationships to underpin its industry relevance and strategic impact. Destination Greater Victoria has been the Eligible Entity for MRDT in Victoria since 2017, when it deepened its relationship with the City of Victoria by taking on sales and marketing of the Victoria Conference Centre, which is a key City asset.

DGV has been pivotal in raising the profile and economic impact of sport tourism in Greater Victoria by working collaboratively with (previously) SportHost Victoria to establish the Greater Victoria Sport Tourism Commission (GVSTC). Supported by DGV and its resources and marketing expertise, the GVSTC was formed in 2018 to grow sport tourism by developing sports-hosting opportunities in a strategic, coordinated manner that delivers measurable business and community ROI. Similarly, in 2018 Destination Greater Victoria established major events and conferences functionality within its structure. With this dedicated management capacity DGV adapted a business model from Australia to become actively involved in owning and operating core conferences and events. This approach retains key programs aligned with DGV's brand and helps round-out business seasonality.

Destination Greater Victoria operates with a robust and transparent governance structure that is not only representative of members and stakeholders, but also reflects evolving business priorities and developments. For example, alongside its existing advisory committees, in 2018 DGV established a Sport Tourism Committee to link DGV's Board of Directors and management team with the Greater Victoria Sport Tourism Commission. Similarly, in 2019 DGV established a Sustainability Committee to advise on sustainability issues and opportunities for the tourism sector and



also help coordinate sustainable tourism initiatives for Greater Victoria. To further support good governance Destination Greater Victoria maintains membership of the Institute of Corporate Directors (ICD), which ensures Board members and management are up-to-date on governance issues and developments through ICD resources, seminars and training programs. Additional details of DGV's governance, including private sector, public sector and partner representation, are provided in section 6 below.

A core role of Destination Greater Victoria is to grow Greater Victoria's visitor economy sustainably, which in turn is central to the strength of the wider local economy. By leveraging strategic alignment via a Balanced Scorecard performance management framework, DGV has continued to improve its attributable business results over the last five years. Notwithstanding the impacts of the COVID-19 pandemic, there is now a strong foundation of strategic alignment, engaged members and partners, a high-performance team and impressive destination attributes to build from when developing and implementing marketing initiatives.

## 2.2 KEY ACHIEVEMENTS FROM 2017-2021 STRATEGIC PLAN

Destination Greater Victoria's strategic plan for 2017 to 2021 has been highly successful; amplifying growth, building yield, attracting investment, telling tourism's story, and tackling the difficult task of addressing seasonality effectively. This forward-looking plan for 2022 to 2026 builds upon this and focuses on continuing to manage and stimulate responsible year-round growth while also ensuring the benefits of tourism are maximized locally, sustainability is forefront, and broader economic and societal outcomes are realized.

Key outcomes and achievements to date from the 2017-2021 Strategic Plan include:

- Attaining Eligible Entity status for MRDT in Victoria from 2017. This has strengthened DGV's capacity to influence the visitor economy by facilitating secure longer-term planning and a multiple-year approach to strategic initiatives. This status also significantly increased DGV's ability to build predictable, year-round meetings and conference business, which is typically booked more than one or two years in advance. Additionally, more-secure funding has been central to stable staffing and developing positive organizational culture and competencies.
- Modernizing Destination Greater Victoria's digital platform to be more versatile, user-friendly, responsive and impactful, along with a major review and refresh of DGV's brand and brand positioning (see further details below).
- Enhancing strategic alignment, coordination and business opportunities in the sport tourism sector by establishing the Greater Victoria Sport Tourism Commission. The GVSTC enables stakeholders from sports teams and associations, municipalities, education, and the tourism sector (including commercial accommodation, attractions and experience providers) to align efficiently in securing strategically-valuable sport tourism business for Greater Victoria.

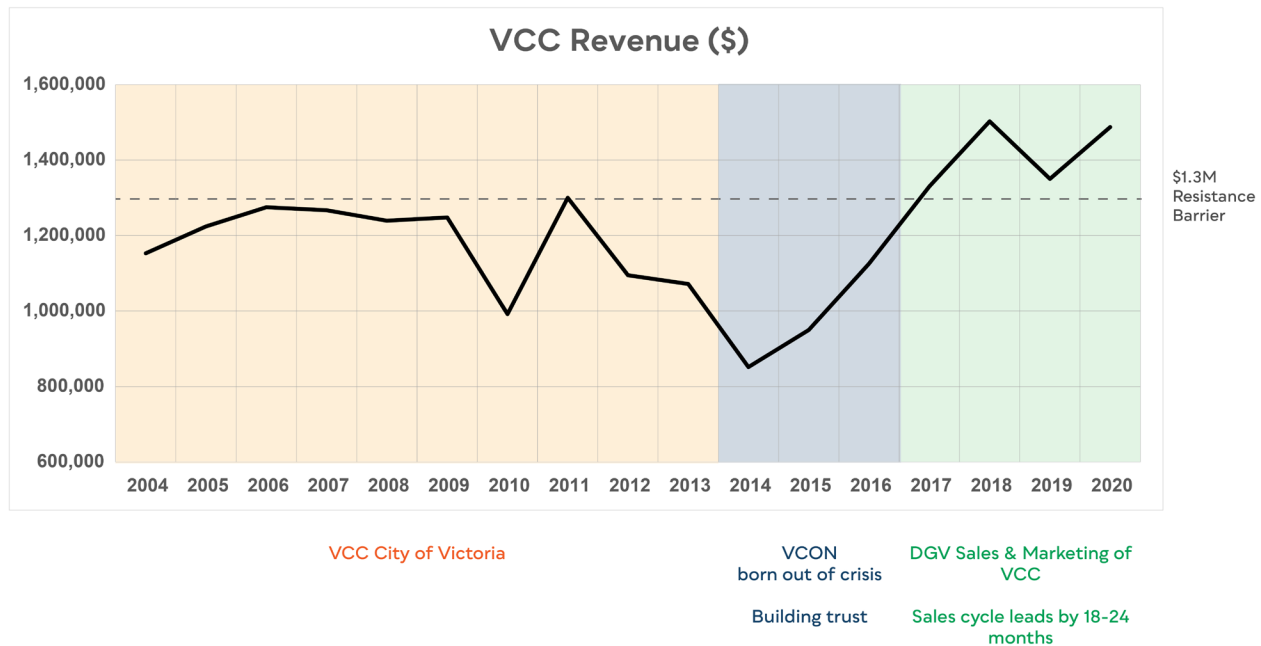
### ***Strategic Growth in Sport Tourism Business in Greater Victoria***

The Greater Victoria Sport Tourism Commission (GVSTC) was established in 2018 to coordinate sport opportunities and win sport tourism business for Greater Victoria. The GVSTC's work has included developing an integrated strategy for sport tourism business in collaboration with sport partners and stakeholders. The strategy acts as a toolkit for evaluating the feasibility, merits, and ROI for sports opportunities, with a focus on large single events (such as the World Junior Hockey Championships and the FIBA Olympic Qualifying Basketball tournament) and smaller multi-sport events (such as the Invictus Games or 55+ BC Games).

- Achieving significant growth in meetings and conference business through Business Events Victoria, particularly as a result of taking on sales and marketing responsibility for the Victoria Conference Centre from 2017. Key performance metrics are highlighted in the summary of Enterprise Balanced Scorecard results below.

## Successfully Managing Sales and Marketing for the Victoria Conference Centre

Destination Greater Victoria has delivered strong results for the Victoria Conference Centre since taking on responsibility for sales and marketing in 2017. Based on average figures for three years from 2017 to 2019 compared to the three years prior to 2017, there has been a 43% increase in VCC revenues along with a 16% increase in VCC delegate days. Also, DGV's Business Events team achieved a 177% increase in confirmed room nights from meetings and conventions, which benefits hotel partners. VCC revenue flow from 2004 to 2020 is shown below (note: the 2020 figure refers to business booked pre-COVID); whereas revenue flow was highly variable prior to 2017, it is now more stable and above \$1.3 million annually.



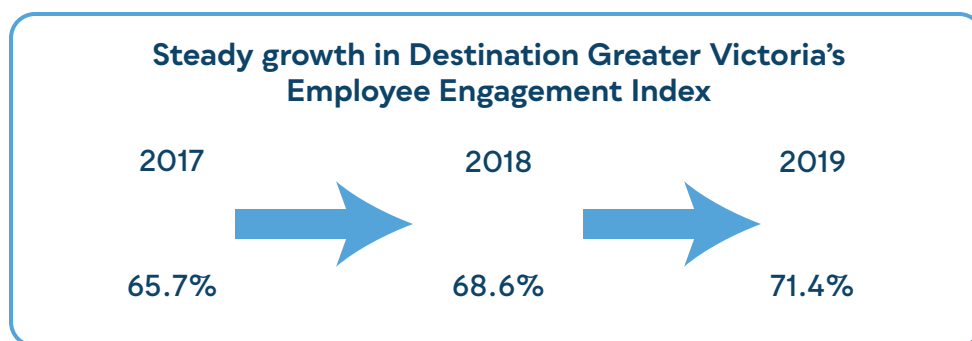
### 2014 VCON

Built out of a need to collaborate to improve performance for all. Built trust as partners, resulting in a recovery and step change from 2014 onwards.

### 2017 DGV

DGV takes on responsibility for Sales & Marketing at VCC and was able to maintain solid growth. In 2020, sales team had been optimized and was headed towards another positive step change when COVID-19 pandemic hit.

- Successfully standing-up the Major Events and Conferences function to deliver events such as the annual IMPACT Sustainability Travel & Tourism Conference and Capital City Comic Con. Involvement in owning and operating these core events has helped to retain important shoulder-season business and reduce seasonal variance.
- Building a Restricted Reserve that is sufficient to ensure the organization can weather shocks and downturns, and implementing a prudent and flexible investment strategy to generate further low-risk growth in Reserve funds.
- Developing a highly-aligned, engaged organization throughout a period of significant growth and change, including implementing a corporate succession plan to further strengthen DGV going forward. DGV's most recent Employee Engagement Survey highlighted ongoing very positive perceptions of DGV's work policies, sharing of information, teamwork, collaboration, communication, leadership, services to members, and industry engagement. All employees understand how their role contributes to DGV's goals and reported high job satisfaction. The Employee Engagement Index has grown steadily from 65.7% in 2017 to 68.6% in 2018 and 71.4% in 2019, along with the high proportion of employees who actively promote DGV as a rewarding and progressive organization to work for.



- Continuing to embrace sustainability and work towards sustainable practices and outcomes for DGV as well as the broader visitor economy. This has included forming a Sustainability Committee within Destination Greater Victoria's governance structure from 2019 and efforts to achieve carbon neutrality in 2021.
- Achieving all major enterprise Balanced Scorecard targets through to the end of 2019 (2020 not included due to COVID impacts) with significantly increased performance compared to prior to 2017. Collectively these results (as indicated by the following metrics) have provided an execution premium:

		<b>ENTERPRISE BALANCED SCORECARD RESULTS</b>				
Performance Measure	Unit	2015	2016	2017	2018	2019
Accommodation Occupancy Rate	%	70.2	74.2	73.4	76.4	73.5
Average Daily Room Rate (ADR)	\$	147.74	159.55	169.19	184.20	189.10
Revenue Per Available Room (RevPAR)	\$	103.65	118.43	124.21	140.77	139.03
YYJ Airport Arrivals	#	1,710,825	1,856,421	1,934,842	2,048,627	1,924,385
Conference Centre Delegate Days	#	96,590	106,808	108,836	121,430	118,661
Victoria Conference Centre Revenue	\$	949,501	1,132,846	1,330,263	1,508,427	1,350,171
Business Events Confirmed Room Nights	#	12,788	12,169	22,966	34,184	37,951
DGV Visitor Centre Ticket Sales	\$	1,555,786	1,595,939	1,855,703	1,994,912	1,753,500
DGV Membership Services Revenue	\$	995,100	1,096,784	1,095,378	1,124,832	1,114,451
New Business Leads for Members	#	307	328	484	516	535

## RESULTS FOR 2017-2021 STRATEGIC OBJECTIVE TARGETS

Additionally, performance has exceeded specified targets for each of the four objectives within the 2017-2021 Strategic Plan, providing a solid foundation and benchmarks for business going forward following the industry's recovery from the impacts of COVID-19.

### 1. Grow Rate and Volume

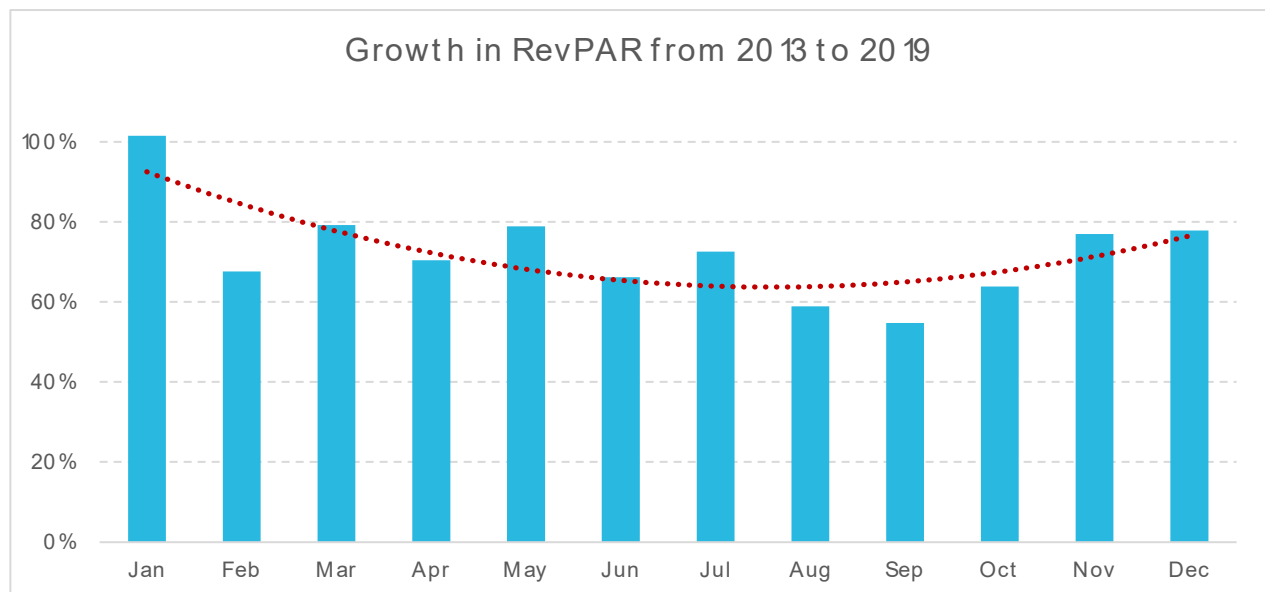
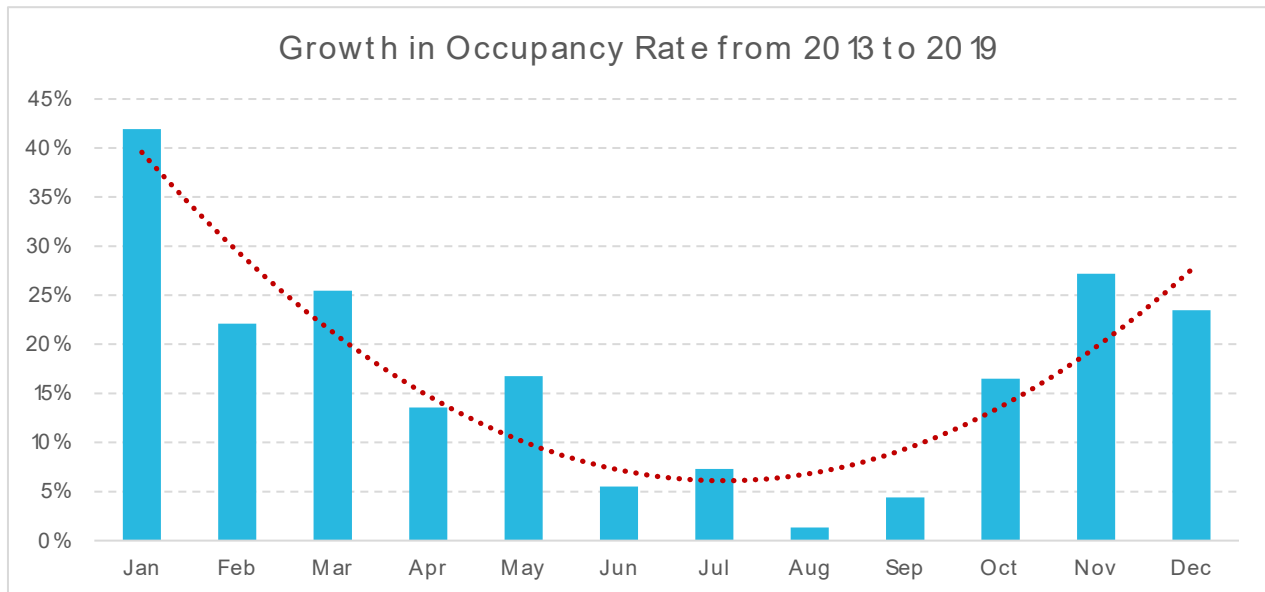
This objective reflected Destination Greater Victoria's primary priority of generating demand for the destination with a strong focus on yield as well as volume. Targets were average 72.2% occupancy and \$105 RevPAR. Results for 2017 to 2019 have been average 74.4% occupancy alongside \$135 RevPAR, exceeding expectations well within the Plan's timeframe.

#### STRONG PERFORMANCE GROWING RATE AND VOLUME

	Average Occupancy	Average RevPAR
<b>Targets 2017 to 2021</b>	72.2%	\$105
<b>Results 2017 to 2019</b>	74.4%	\$135

## 2. Addressing Seasonality

In line with Destination Greater Victoria's objective to address seasonality, growth in occupancy and RevPAR has also been markedly greater in the off-season and shoulder seasons than during peak season, as illustrated in the following charts:



*Source: Chemistry Consulting Group, Victoria Tourism Bulletins*

These results flow directly from DGV's strategy of building consistent off-peak business via targeted and seasonally-themed marketing campaigns, more meetings and conference business, and high-ROI festival and major events business. The target for this objective was average 59% occupancy from October to April. The result prior to 2020 has been 66% occupancy from October to April each year, exceeding target by 12%.

### **3. Destination Management**

This objective focused on working with industry on critical supply-side drivers of destination success and has been primarily achieved via policies and actions developed with DGV's Transportation and Destination Management Committee (TDMC). Specifically the target was to work with stakeholders on three-phase redevelopment of Belleville Terminal and position Greater Victoria for pre-clearance and homeporting. Two phases of redeveloping Belleville Terminal's facilities are now complete and the final stage is on the horizon, significantly improving the visitor experience and setting the stage for preclearance capability.

### **4. Telling Tourism's Story**

This objective has been achieved through Destination Greater Victoria's advocacy and policy work, corporate messaging, marketing and membership communications, stakeholder engagement, and research insights. The focus has been on tourism's experiential nature and benefits, the importance of social license and a positive visitor-resident interface, the need for sustainability and innovation, and the value of tourism's many contributions to the regional economy. Increasing appreciation and support for Greater Victoria's vibrant visitor economy will continue to be a core priority.

Collectively the abovementioned achievements and outcomes from the 2017 to 2021 Strategic Plan provide important context and benchmarks for this next five-year plan. They form a robust platform that Destination Greater Victoria can build from alongside new directions and initiatives.

## **2.3 OPPORTUNITIES AND CHALLENGES OF DEVELOPING A FIVE-YEAR PLAN DURING A GLOBAL PANDEMIC**

This five-year Strategic Plan has been developed during unprecedented conditions arising from the global COVID-19 pandemic, which has severely impacted travel, tourism businesses and the wider economy. Planning within this context presents challenges as well as opportunities. While on one hand there continues to be significant uncertainty about how and when critical gates for tourism, events and conferences will reopen, on the other hand there are opportunities to rebuild in new, deliberate ways to produce more positive and sustainable outcomes for stakeholders as we continue to grow a strong and vibrant visitor economy. The plan will provide a strategic framework throughout recovery from COVID-19 and as we rebuild in close positive alignment with the values of the communities we serve.

In addition Destination Greater Victoria will develop annual one-year business plans that are more tactical, as is required by DGV's Constitution and Bylaws and in accordance with the Province of BC's MRDT guidelines. These tactical plans will consider the prevailing and foreseeable business and community conditions at the time, and address opportunities in place or likely to arise.

## 3. STRATEGIC CONTEXT

### 3.1 VISION AND MISSION

Destination Greater Victoria's Mission and Vision continue to anchor strategy and are aligned with community values as well as industry and stakeholder priorities. The Mission and Vision are roundly supported by clear brand definition and an effective, successful brand proposition. These attributes are well-established and underpinned by significant long-term investment and equity.

#### OUR MISSION

We inspire the world to experience our destination.

#### OUR VISION

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

### 3.2 BRAND AND POSITIONING

Greater Victoria is a small to mid-size city with a global brand reputation. It is consistently ranked in the top ten small cities of the world in publications such as Condé Nast Traveler, and is increasingly recognized as a leading global city for business, education, technology and innovation. With diverse attributes, Greater Victoria is an exciting, multi-dimensional city in a vibrant, evolving region.

During 2018 Destination Greater Victoria undertook an extensive and robust branding process from a tourism perspective to gain a deeper and more-nuanced understanding of core brand attributes. A key part of this work sought to break from past stereotypes and communicate a modern, fresh and accurate representation of who we are as a destination and what visitors can expect.

DGV's brand refresh was informed by six months of research and consultation, including interviews with community, local government and industry stakeholders, workshops with citizens and business owners, sentiment analyses, and consumer surveys within target markets. The process defined the destination's fundamental attributes to develop an integrated brand story, strategy, and positioning along with unique selling propositions (USPs) centred on connections to the Salish Sea.

Destination Greater Victoria implemented its brand refresh in September 2018, with the new brand reflecting the vibrant multi-faceted global destination we have become. As part of the brand update the organization's trading name was changed from Tourism Victoria to Destination Greater Victoria, to better represent DGV's membership portfolio as well as the increasingly regional nature of visitor experiences. The change in trading name was also driven by DGV's focus on strategic destination management; many tourism boards have now incorporated a destination management function into their operations and have revised their trading name to highlight this responsibility. DGV's updated trading name is a platform for building cohesive regional marketing strategies that highlight all there is to see and do in the destination and encourage customers to revisit and explore more.

The brand refresh extends to Destination Greater Victoria's sub-brands, forming an integrated brand family including Business Events Victoria, the Greater Victoria Sport Tourism Commission, Greater Victoria Visitor Services and Greater Victoria Membership.

## DESTINATION GREATER VICTORIA BRAND FAMILY

DESTINATION GREATER  
**VICTORIA**



The brand review confirmed that the attributes most responsible for driving positive visitor sentiment for Greater Victoria are nature, outdoor activities, attractions, restaurants and breweries, performing arts, festivals, sports, business events and conventions, and wellness and spas. Core elements of Greater Victoria’s brand positioning are:

### **Far from Ordinary**

Greater Victoria looks and feels like no other place. It is timeless and monumental, vibrant but also mild and relaxed. Victoria meshes wild nature with gentle sophistication and eclectic contemporary energy. The result is a place that’s far from ordinary.

### **A Place to Reconnect and Renew**

Explore a city that is ready for your kind of adventure at the pace you choose. Disconnect from the hustle and bustle of regular life and reconnect with experiences to feed your soul. Victoria is a place to renew yourself.

### **Timeless City on the West Coast**

Experience the best of British Columbia’s past and present. Chart your own adventure and explore this special place where the Pacific meets the land. Experience the vibrancy of an intimate city alive with character. Victoria is a Pacific Coast city unlike any other.

### **Connections to the Salish Sea**

Rediscover perspective by immersing into one of Canada’s most diverse ecosystems. Connect with coastal Salish Indigenous traditions, natural landscapes and wildlife. Greater Victoria is shaped by the interactions between natural environment and history.

### **Alive with BC’s History**

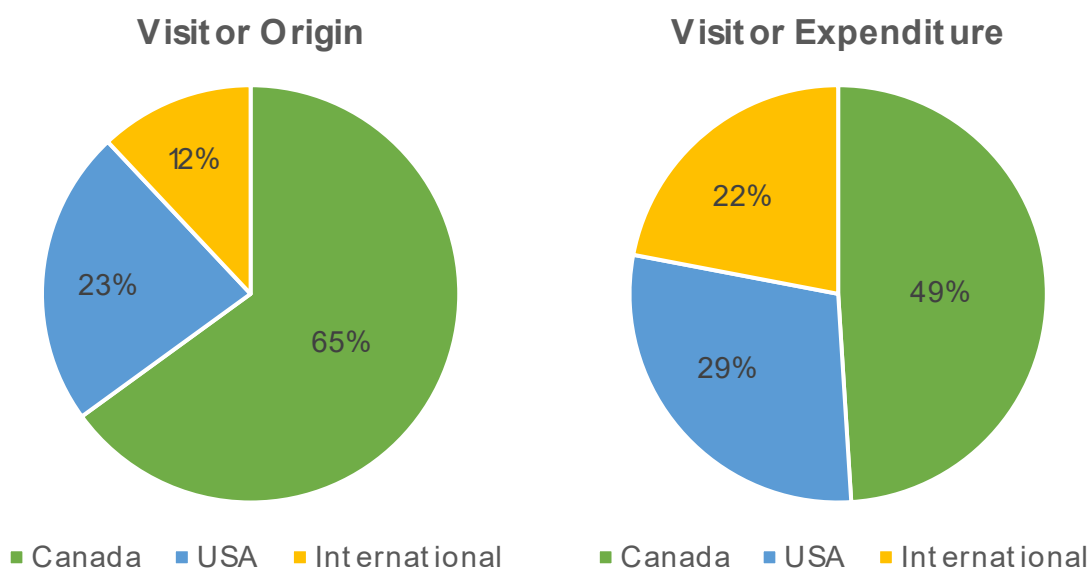
Engage with the rich and diverse history of British Columbia’s capital city. As one of the oldest cities in the Pacific Northwest, the history of the Coastal Salish First Nations together with British legacies, European influences and North America’s second oldest Chinatown surrounds you.

Destination Greater Victoria’s brand refresh successfully moved our tourism proposition away from past stereotypes and delivered a compelling and competitive brand. However, more work must be done to remain on pace with our evolving tourism economy, visitor preferences and the realities of the destination we serve. A brand update is planned for 2021-2022, which will be appropriate timing because insights about consumers’ adaptations due to COVID will be available and effects of severe disruptions should have reduced for visitors and the industry. Outcomes from this brand update will be reflected in the marketing components of Destination Greater Victoria’s five-year strategy.

### 3.3 SOURCE AND TARGET MARKETS

Source markets for Greater Victoria’s visitor economy have predominantly been within Canada and western states of the USA. Short-haul markets such as Vancouver, the BC Lower Mainland, Seattle and Calgary are primary markets because they connect quickly and directly to Victoria via multiple modes of transportation and meet key criteria for market size, customer profile, return on marketing investments, and effectiveness of digital marketing. Over recent years Toronto, Montreal, Portland and San Francisco have also shown growth as important markets.

Based on pre-COVID data<sup>2</sup>, Greater Victoria hosts approximately 4.2 million visitors each year who spend almost \$1.5 billion within the destination. Historically, as shown in the charts below, travellers from within Canada account for almost two-thirds of visitors to Greater Victoria but less than half of visitor expenditure, confirming the critical strategic importance of US and international markets. On average (and with minor seasonal variation), visitors from the USA spend 70% more than Canadian visitors within Greater Victoria, while international visitors spend up to 133% more.



A survey of Destination Greater Victoria’s members in October 2020 (discussed further in section 4 below) sought feedback on source market priorities for the next five years. Members recommended that short-haul and domestic markets take precedence, with the five most-important being:

1. Vancouver and Lower Mainland
2. Seattle and Washington State
3. Calgary, Edmonton and Alberta
4. British Columbia beyond Vancouver and Lower Mainland
5. Toronto, Ottawa and Ontario

<sup>2</sup>Sources: Statistics Canada 2018 National Travel Surveys (NTS) and Visitor Travel Surveys (VTS). Destination Greater Victoria 2019 Visitor Survey Report.



Accordingly, Canadian and US short-haul markets will continue to be primary target markets for the next five years. It will be critical to penetrate further into these markets, particularly in the USA given potentially high returns on investments, and a main pathway towards achieving this will be applying insights from a comprehensive market segmentation process, as outlined further below. In addition, Destination Greater Victoria will target international markets selectively for appropriate channels of business. Target markets over the term of this Strategic Plan are listed below; DGV will focus most actively on the Tier A markets and have limited, channel-specific involvement in the Tier B markets. As always, DGV will remain responsive to market developments and any emerging opportunities to build business in line with strategic objectives.

TIER A TARGET MARKETS <i>Active Involvement</i>	TIER B TARGET MARKETS <i>Limited Involvement</i>
BRITISH COLUMBIA Vancouver and BC Lower Mainland	OTHER BRITISH COLUMBIA Vancouver Island, Okanagan, Kelowna
WASHINGTON STATE Seattle and Western Washington	ALBERTA Edmonton
ALBERTA Calgary	QUEBEC Montreal
ONTARIO Toronto and Ottawa	CALIFORNIA Los Angeles
CALIFORNIA San Francisco	OREGON Portland
INTERNATIONAL Selective in Asia-Pacific and Europe	OTHER USA Denver, Dallas

### 3.4 ROLE OF SEGMENTATION

Market segmentation is a process of systematically dividing and defining a market into increasingly nuanced categories to facilitate finer-scale targeting. The process assigns customers to groups that share relevant characteristics based on demographics, behaviour, interests, preferences, needs or geographic location. Main benefits of market segmentation include identifying the most appropriate customers, creating a highly focused or engaged customer base, informing the design and delivery of hyper-targeted advertising, focusing on customers with niche interests, needs or values, and brand or service differentiation.

Market segmentation is well established in Canadian tourism, ranging from market-specific reports and analyses to customizable software allowing data to be queried at various scales across multiple parameters. Segmentation linking traveller typologies with specific activity preferences was a main output from the 2001 national Travel Activities and Motivation Survey (TAMS), which remains a key resource for tourism market research in Canada. Using data on consumers' geo-demographics and behaviour, Environics Analytics has aligned its PRIZM software with Destination Canada's Explorer Quotient (EQ) model to define almost 70 traveller-lifestyle types, allowing segmentation at very fine scale. Although these tools have limitations in how data are sourced and how consumer attributes are assumed to reflect in travel behaviour, they provide useful market insights and are updated and refined frequently. Destination Greater Victoria has drawn upon such tools effectively to help inform its marketing strategies.

As noted throughout this Strategic Plan, Destination Greater Victoria will continue to focus on higher yielding and values-aligned customers within all our channels. This requires a refreshed approach to segmentation, aligned with new ways of characterizing customers, greater data availability and new methods of analysis. By year-end 2022 DGV will leverage existing segmentation data via programs such as Explorer Quotient, engage widely where possible on additional and emerging data sources, and work with its agency partner on a refreshed segmentation process to identify target customers who best fit strategic goals.

### 3.5 EXPERIENCES STRATEGY

Over the next five years Destination Greater Victoria is committed to developing, implementing and refining an ‘experiences strategy’ for visitors to Greater Victoria. Calls to explore this concept were initiated by industry partners, particularly those in the experiences sector, and they have requested DGV to bring it to life; hence all stages of development will occur in close consultation with industry. Alongside destination stewardship and community alignment, digital conversion to connect tourism businesses with travellers in more sophisticated ways has been identified as a key transformational opportunity<sup>3</sup>. The aim is to provide an engaging, user-friendly digital platform that makes it enticing and easier for visitors to experience more of Greater Victoria than has historically been the case.

The platform will be available to travellers prior to visiting (for example, on booking accommodation or transportation) and also while in-destination. It will be integrated across all experiences, including attractions, tours, activities, culinary, wellness, entertainment, events and bespoke services. A core goal is encouraging visitors to experience more, spend more and stay longer in Greater Victoria by helping to curate and guide their journey within the destination, in ways that are most appealing to them based on insights from digital data.

This component of DGV’s strategy is intended to tie into marketing across all lines of business and complement initiatives to promote a more-sustainable visitor economy. Performance measures are likely to focus on rate of uptake, depth and breadth of engagement, dispersion, yield, length of stay (hotel room nights) and growth in shoulder and off-season business.

Work on the experiences strategy will commence in 2021, with further development planned in early 2022 for implementation by summer 2022. The strategy will then grow incrementally and be further refined over subsequent years in line with insights about performance. Importantly, the platform for the experiences strategy is not only intended to curate activities for visitors but also provide insights about how visitors are experiencing Greater Victoria. This feedback loop will allow DGV and tourism partners to fine-tune and refine the platform on an ongoing basis to maximise performance.

### 3.6 IMPORTANCE OF COMPRESSION

The process of compression is an important driver of tourism performance and growth in the visitor economy. Compression exists in a destination when a large number of meetings, major sporting or cultural events, or pre-planned leisure business creates limited availability for last minute travellers. This has the positive benefit of prompting transient travellers to either pay a higher rate at their first choice accommodation or book a different accommodation option in the destination; both outcomes are beneficial for the destination’s overall business health<sup>4</sup>.

In addition, compression creates geographic dispersion of business into other neighbourhoods and commercial centres, thereby spreading the benefits of the industry more broadly. Accordingly, it is strategically important to focus on securing more pre-planned business on the books because that will allow the entire region to benefit from compression. A critical role of DMOs such as Destination Greater Victoria is to create compression and subsequent dispersion. The DMO should plan across years and tourism seasons to ensure healthy beneficial compression occurs, which in turn provides a steady platform for the wider visitor economy. This is the approach DGV will continue to use going forward.

### 3.7 ROLE OF DISPERSION

The growth of tourism globally reflects greater participation in travel by people from a broader range of countries, in line with increased economic prosperity in those countries. If not managed properly, tourism can be relatively concentrated in time and space, which is becoming more evident with (for example) the rapid increase in Chinese tourism activity. Improved dispersion of tourism across time and space is likely to be much more sustainable because capacity restraints in popular destinations will be mitigated and economic benefits can be distributed more widely<sup>5</sup>.

<sup>3</sup>MMGY NextFactor DestinationNEXT 2019 Futures Study.

<sup>4</sup>Cornell University 2011, The Cornell School of Hotel Administration on Hospitality.

<sup>5</sup>McKinsey & Company and World Travel & Tourism Council 2017, Coping with Success: Managing Overcrowding in Tourism Destinations.

Destination Greater Victoria is committed to the concept of dispersion for several reasons:

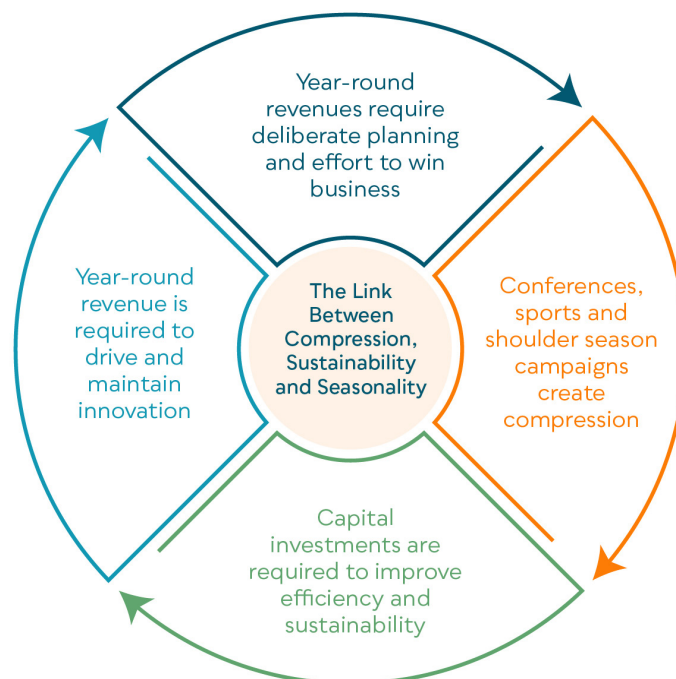
1. It generates economic opportunities for a broader range of members of our community;
2. it provides a variety of diversification opportunities for existing tourism businesses; and,
3. it exposes visitors to a diverse range of quality experiences, leaving them keen to return and explore and experience more in the destination.

Given impacts of the COVID pandemic, the risk of ‘overtourism’ in Greater Victoria remains far from immediate. The narrative has shifted towards re-establishing the benefits of tourism lost due to the pandemic, but through the lens of a positive visitor-resident interface. It is timely to plan and prepare strategically. Destination Greater Victoria’s performance demonstrates that it executes on strategic dispersion extremely effectively, delivering a full range of benefits while continuing to build positive branding for our communities. Key examples are (i) the Pacific Marine Circle Route program, which achieved international recognition and provided economic benefits to underserved areas, (ii) recent work on ‘agritourism’ on the Saanich Peninsula, and (iii) partnership with Tourism Cowichan Society while concurrently linking back to the culinary scene in Victoria’s hotels and restaurants. This level of highly-tuned strategic destination management, tied to marketing and communications, can drive new benefits for our community efficiently. Destination Greater Victoria is highly skilled in this area and will continue to implement strategic dispersion very effectively in future years.

### 3.8 THE LINK BETWEEN SUSTAINABILITY, COMPRESSION AND SEASONALITY

The concepts of sustainability, compression and seasonality interlink. To improve performance on environmental sustainability, significant investments are required. Over recent years many tourism businesses in Greater Victoria have made sizeable investments in sustainability initiatives, such as hotel retrofits, motor coach fleet modernization, alternative fuel systems, and innovative propulsion systems (for example, Harbour Air’s electric aircraft) which carry investment risks. A sound revenue model is needed to support this. Business operators are comfortable making required sustainability investments if they can foresee year-round revenues, which is underpinned by achieving significant future meetings, conference and sports business on the books. These books of business then drive compression to reduce seasonal variability in business and build a predictable year-round revenue cycle. These links are illustrated in the diagram below.

At the outset of this document, reference was made to building a long-term sustainable competitive advantage. Destination Greater Victoria has reached the conclusion that the very way we live, along with who we are as community, provides our long-term sustainable competitive advantage.



## 3.9 SWOT ANALYSIS

As a central component of strategy development, this five year plan has been informed by analysis of Destination Greater Victoria's strengths and weaknesses, as well as opportunities and threats in its operating environment. As is typical of SWOT analyses for effective organizations positioned for growth, DGV's strengths are significantly greater than its weaknesses while opportunities outweigh potential threats.

### STRENGTHS

- High-profile destination with positive reputation and diverse tourism assets and attributes.
- Strong tourism brand and extensive brand portfolio relative to competitive set.
- Proximity to large and affluent markets with a wide range of transportation links.
- Wide range of tourism products, services, attractions and experiences across all seasons.
- Extensive accommodation options offering high quality, value and services for visitors.
- Modes of travelling to and exploring Greater Victoria enhance the visitor experience.
- Positive visitor sentiment and perceptions along with a history of repeat visitation.
- Solid foundation of addressing seasonality and building a year-round visitor economy.
- Focused on increasing yield as well as volume along with benefits for citizens.
- Active across multiple business channels with solid expertise and strong performance.
- High capacity to compete for and win meetings and conventions business.
- Strategic support for business events including a customer advisory board.
- Attractive destination for meetings, conferences, festivals and major events.
- Positive sports and recreation culture with community support for sports events.
- Strong alignment and collaboration with all sectors of industry.
- Strong focus on social license, community values and a positive visitor-resident interface.
- Active involvement in destination management and stewardship.
- Established networks of effective partnerships and stakeholder engagement.
- Alignment with regional, provincial and national tourism partners.
- Tourism is seen as a major contributor to Greater Victoria's economy and workforce.
- Adaptable, talented, engaged and highly-skilled staff focused on strategic priorities.
- Robust, effective and transparent governance structure and practices.
- Stable funding and an effective medium to longer-term strategic planning horizon due to MRDT eligible entity status.

### WEAKNESSES

- Perceptions that Greater Victoria has limited access, is not a hub, or is not easy to travel to.
- Reduced staffing and constrained resources until growth can support further investments.
- The need to rebuild trust during COVID recovery that travel and tourism can occur safely.
- Potentially enduring negative perceptions around links between travel and COVID.
- Perceptions that Greater Victoria has predictable tourism products late in their lifecycle.
- Insufficient capacity for meetings and conventions business at Victoria Conference Centre.

## OPPORTUNITIES

- Potential to outcompete competitors and recover faster from COVID impacts, thereby providing more benefits to communities more quickly.
- Greater customer focus on sustainability, regenerative practices and the circular economy.
- Further growth in alignment and effective relationships with indigenous stakeholders.
- Building a positive visitor-resident interface and strengthening community alignment.
- Rebuilding purposively and operating in new ways as part of recovery from COVID.
- Increased leveraging of technology and data across all business operations.
- Sustainable growth in yield and ROI through nuanced visitor and market segmentation.
- Continuing scope to address seasonality and build a year-round visitor economy.
- Improved and expanded facilities for meetings and conventions business.
- Potential for expanded air and ferry access to Greater Victoria.
- Improved sports and recreation facilities to support growth in sports events business.
- Further growth and development of co-owned conferences and events, including the IMPACT Sustainability Travel & Tourism Conference.

## THREATS

- Loss of tourism products and businesses due to impacts of the COVID pandemic.
- Lack of a coordinated restart and reopening plan from COVID restrictions.
- Potential inability to recover from COVID at the same or faster pace than competitors.
- Strong competition for visitors as all jurisdictions re-prioritize tourism highly.
- Concerns around perceived negative externalities of tourism which must be planned for, managed and mitigated.
- Potential economic downturn and/or further disruptive tourism industry risks.

## 3.10 SITUATION ANALYSIS AND LOOKING FORWARD

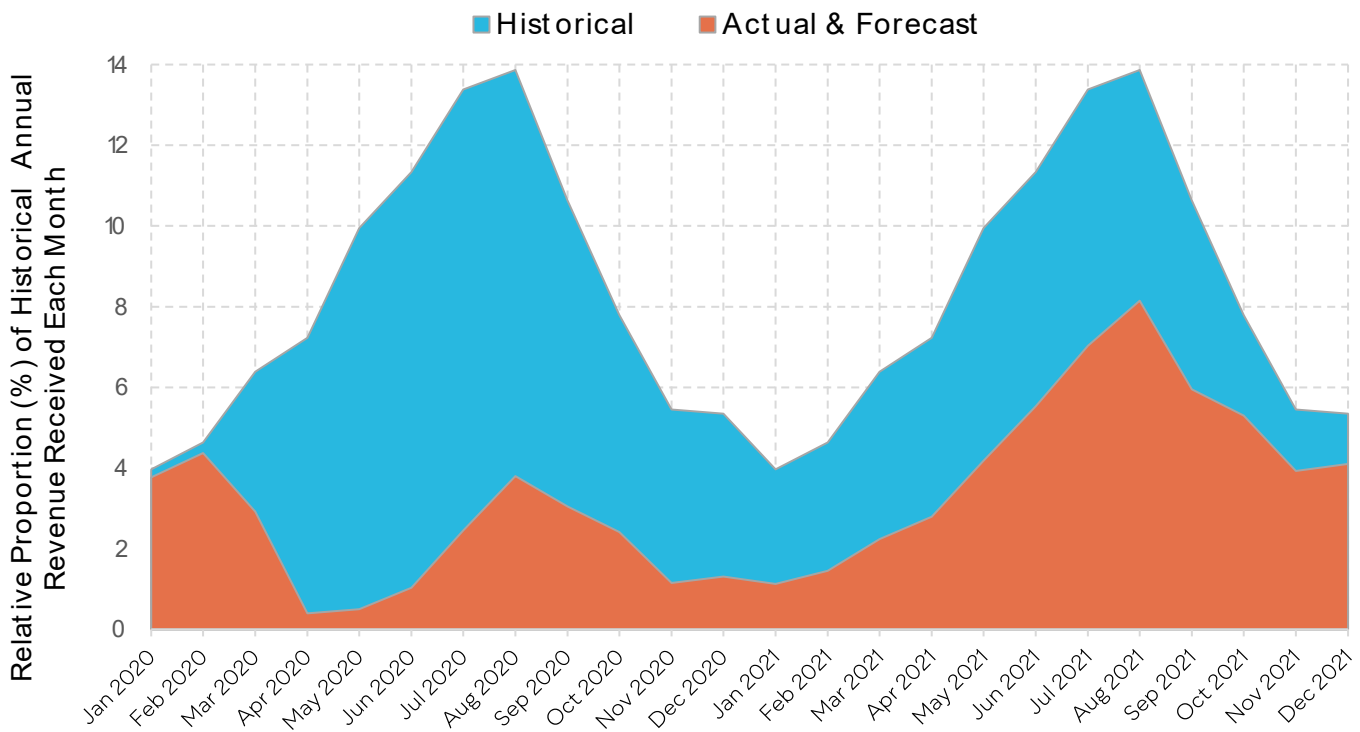
This Strategic Plan has been developed against the backdrop of severe industry-wide impacts from the COVID pandemic. Because these impacts continue to undermine the visitor economy, the ways in which Destination Greater Victoria's strategy rolls out, and the timeline this follows, will be greatly influenced by how effectively the pathway to recovery unfolds over the next one to two years. There were very strong levels of business on the books as 2020 commenced and Greater Victoria's visitor economy had achieved significant growth from 2017 to 2019. Tourism business can, and will, return to these levels and grow further; however, the way in which it returns and how quickly it returns are dependent on actions in the short to medium term. A roadmap to recovery with clear milestones is essential and stability, predictability, financial prudence and depth of expertise will be critical. These factors have been considered in developing this Plan.

## IMPACTS OF THE COVID-19 PANDEMIC

Prior to the COVID-19 pandemic, tourism was Greater Victoria's second largest industry, delivering \$2.3 billion economic impact annually and bringing \$1.4 billion in new revenue from visitors into the local economy each year. This revenue sustained the numerous small and medium size businesses which underpin the sector. Almost 40% of working Victorians were directly or indirectly employed in the tourism industry. Tourism generates jobs at all skill and technical levels for people of all ages; it is a major employer of young adults and an important gateway employer for students seeking work experience. Tourism's contributions to year-round quality of life for residents enhances the region's ability to attract and retain skilled human resources for the technology, government, academic and health care sectors.

Prior to COVID-19, cross border travel along with business events and conferences accounted for more than 45% of visitors to Greater Victoria as well as 55% of total visitor expenditure. Tourism is inherently seasonal; most tourism businesses receive up to two-thirds of their annual revenue from May to September each year then rely on this critical core revenue to continue operations over the remainder of the year. Due to the travel and health restrictions required to address COVID-19 there has been minimal tourism activity in Greater Victoria in 2020, with limited or intermittent access to most Canadian source markets and no access to key USA and international markets. Revenue for tourism businesses has therefore been very modest for 2020 and far below historical levels, While recovery is expected to commence in 2021, it is likely that pre-COVID revenue levels may not return until 2022 or 2023.

The following chart compares historical revenue flows (averaged for 2018 and 2019) for commercial accommodation providers in Greater Victoria (blue) with their actual and forecast revenue flows for 2020 and 2021 due to the impacts of COVID-19 (orange).



Source: STR, Destination Reports Victoria BC 2018 to 2020

Recent research by Destination Canada<sup>6</sup> proposes two key recovery scenarios going forward. The scenarios forecast revenue impacts for Canada’s tourism industry and likely timing for visitation to return to 2019 levels, based on when the border reopens (April 2021 or October 2021). Under both scenarios, domestic travel is expected to recover to 2019 levels by 2022 provided COVID remains under control following the second wave. Although (assumed) redirection of outbound spending to domestic travel is forecast to partially buffer the loss of US and international visitors, experience in 2020 showed this will be far from sufficient to offset actual losses to any meaningful extent, at least for Greater Victoria. Still, it will be important to convert as many Canadians as possible to travel to British Columbia. Destination Canada’s scenarios are outlined in the table below; both assume that when the border reopens it will be open to all US and international markets, and all domestic travel restrictions are lifted.

<sup>6</sup>Destination Canada, Visitor Demand Forecast Update November 2020 and Canada’s Business Events Restart Recovery Framework December 2020..

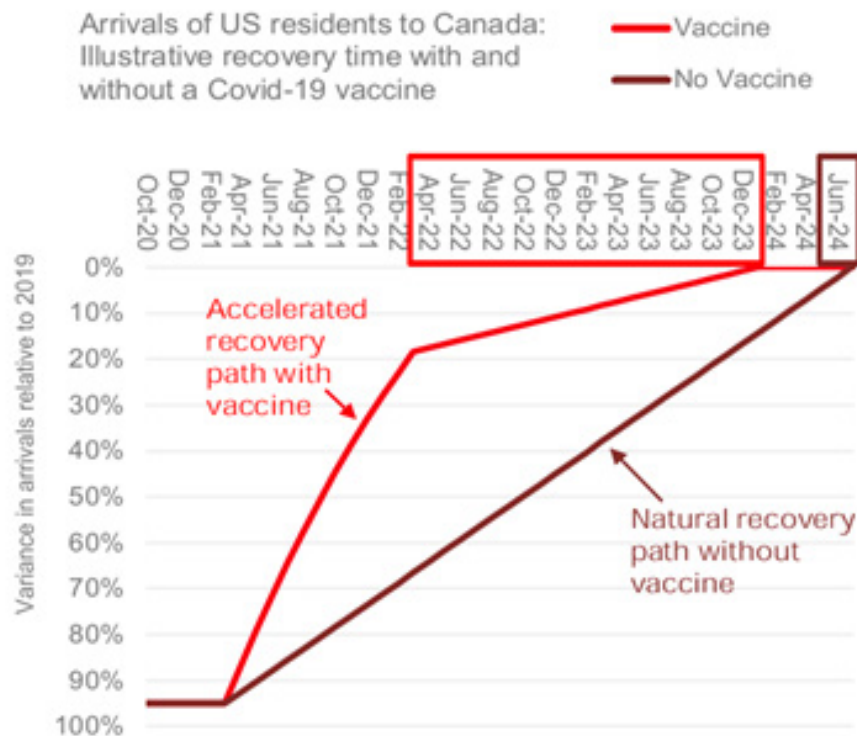
## Destination Canada’s Scenarios for Recovery of Tourism Business to 2019 Levels

Scenario		Revenue Forecast		Month of Return to 2019 Trip Levels			
Border Reopening		2021 Canadian Tourism Revenue	2021 Revenue Loss vs. 2019	Intra-Provincial	Inter-Provincial	USA Arrivals	Overseas Arrivals
1	Apr 2021	\$48 billion	-54%	Mar 2022	Mar 2023	Jun 2024	Jun 2025
2	Oct 2021	\$42 billion	-60%	Dec 2022	Sep 2023	Mar 2025	Mar 2026

Source: Destination Canada Research 2020

Importantly, availability and widespread use of COVID vaccines is expected to accelerate the pace of industry recovery. Vaccine roll-out is already underway across Canada as well as internationally, although timeframes to protect significant proportions of populations remain uncertain. The diagram below shows the dramatic positive benefit of vaccines in accelerating recovery assuming the border reopens in April 2021. It is anticipated that vaccines administered to 70% of individuals within target populations over one year would accelerate recovery to 2019 business levels by a minimum of six months.

### Forecast Pathways for Recovery of US Visitation, With and Without Vaccines



Source: Destination Canada Visitor Demand Forecast November 2020, p.20.

## URGENT NEED FOR STABILITY AND PREDICTABILITY FOR POST-COVID RECOVERY

Of all industries affected by the COVID pandemic, tourism was first to be restricted, it has been the most severely impacted, and it is likely to be last to fully recover. Virtually all jurisdictions have seen their visitor economy decimated. Although Greater Victoria’s brand is solid and has many attributes making it a destination of choice going forward, the industry cannot simply ‘bounce back’; it has been damaged so extensively that it needs to be rebuilt in planned steps, one initiative or customer segment at a time.

Living on an island we need to work deliberately to restore and secure each vital transportation link, which are currently tenuous. We must rebook as many delayed conferences as possible while also securing new business events, and compete for sports events aligned with DGV's strategy to drive year-round business. We need to execute highly-focused, efficient marketing campaigns to secure high-value overnight stays while also supporting festivals, the arts and events that fit our objectives. The visitor economy must be viewed through a destination management lens, in order to compete vigorously in a manner that reflects the values of the community we are grateful to call home. In all cases there are medium-term opportunities to improve on what was done previously.

To set the stage for recovery and rebuilding in better ways, there is an urgent need for stability and predictability. Without these it is extremely difficult to develop pathways and plan actions. DGV will continue to advocate and work for these preconditions, with a caveat to 'beware shiny objects' that advance simplistic or quick-fix ideas in the name of tourism recovery. Rebuilding will be specialized work that should be led by experts, such as DGV's highly skilled team in collaboration with a deeply experienced industry that has worked successfully through crises previously. By way of our actions, effectiveness and commitment, Destination Greater Victoria seeks to continue earning the trust and respect of industry and government partners as well as community organizations. DGV has a track record of success and is pursuing a renewed mandate to lead recovery efforts for Greater Victoria's visitor economy from 2022 to 2026.

## FINANCIAL PRUDENCE

As demonstrated throughout the pandemic to date, prudent financial management and policies are critical to working through crises, and will be equally imperative post-COVID. It is very important to constantly evaluate expenditures, reforecast where warranted, and implement rigorous controls to ensure spending does not creep unnecessarily. COVID has required deep efficiencies very quickly and Destination Greater Victoria's strategy is to continue working in such ways. Operational savings and efficiencies have been part of DGV's Balanced Scorecard framework for many years, alongside accuracy of financial forecasts.

Notably, the lease for Destination Greater Victoria's headquarters at 737 Yates Street will expire in May 2022. With fewer staff DGV requires less office space, and will work through the Finance and Membership Committee to search the market for suitable, safe, efficient and more-affordable space if available. It is expected that any new office space will meet DGV's operational needs for at least the term of this Strategic Plan.

## DEVELOPING HUMAN RESOURCES

At its core, a Destination Organization is a highly skilled and specialized professional services entity with solid expertise in marketing communications, digital marketing, research, complex business to business sales, industry advocacy, and many related areas necessary for success. High-performing Destination Organizations recruit carefully, nurture and develop talent fastidiously, and understand that its people drive success. The paradox is that, because of their not-for-profit model, Destination Organizations often have difficulty competing with the private sector, government departments and agencies for talent. Organizations such as DGV are frequently the training ground for future private sector and government leaders by providing broad industry experience. Doing this over the longer term has considerable innate value for the visitor economy. Experienced executives in Destination Organizations understand they are required to not only deliver results today, but also develop talent for tomorrow.

Key human resources elements of Destination Greater Victoria's strategy for the next five years are:

- Continuing to ensure there is an "A" player in every seat.
- Engendering a learning environment where growth is at the centre of the employee experience.
- Continuing to focus on the mental health and wellness of employees.
- Revisiting team values and norms in a post-COVID environment.

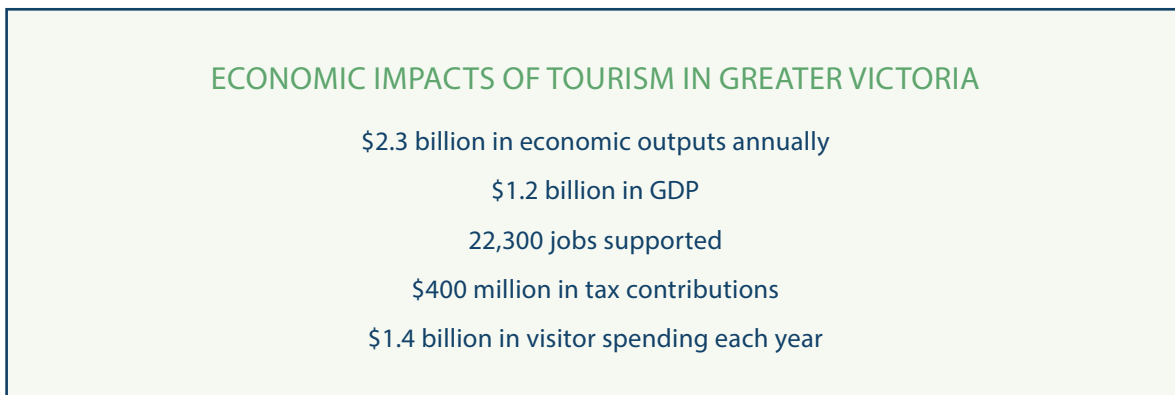


## 4. PARTNERSHIPS AND ALIGNMENT

Partnerships are central to all aspects of Destination Greater Victoria's operations. Because DGV's work affects or influences all areas of Greater Victoria's visitor economy, these partnerships involve a diverse range of stakeholders with varied perspectives and interests. Collaboration is critical and community and industry alignment are paramount. Partnership underpins DGV's strategy; DGV has worked diligently to build effective stakeholder relationships and will continue to do so.

### 4.1 VALUE OF TOURISM FOR GREATER VICTORIA

Tourism's value for a destination is typically expressed in terms of economic benefits, which usually also translate into benefits for local communities and thereby support the families and associations comprising these communities. Primary benefits are business and employment opportunities as well as contributions to government revenues through taxes.



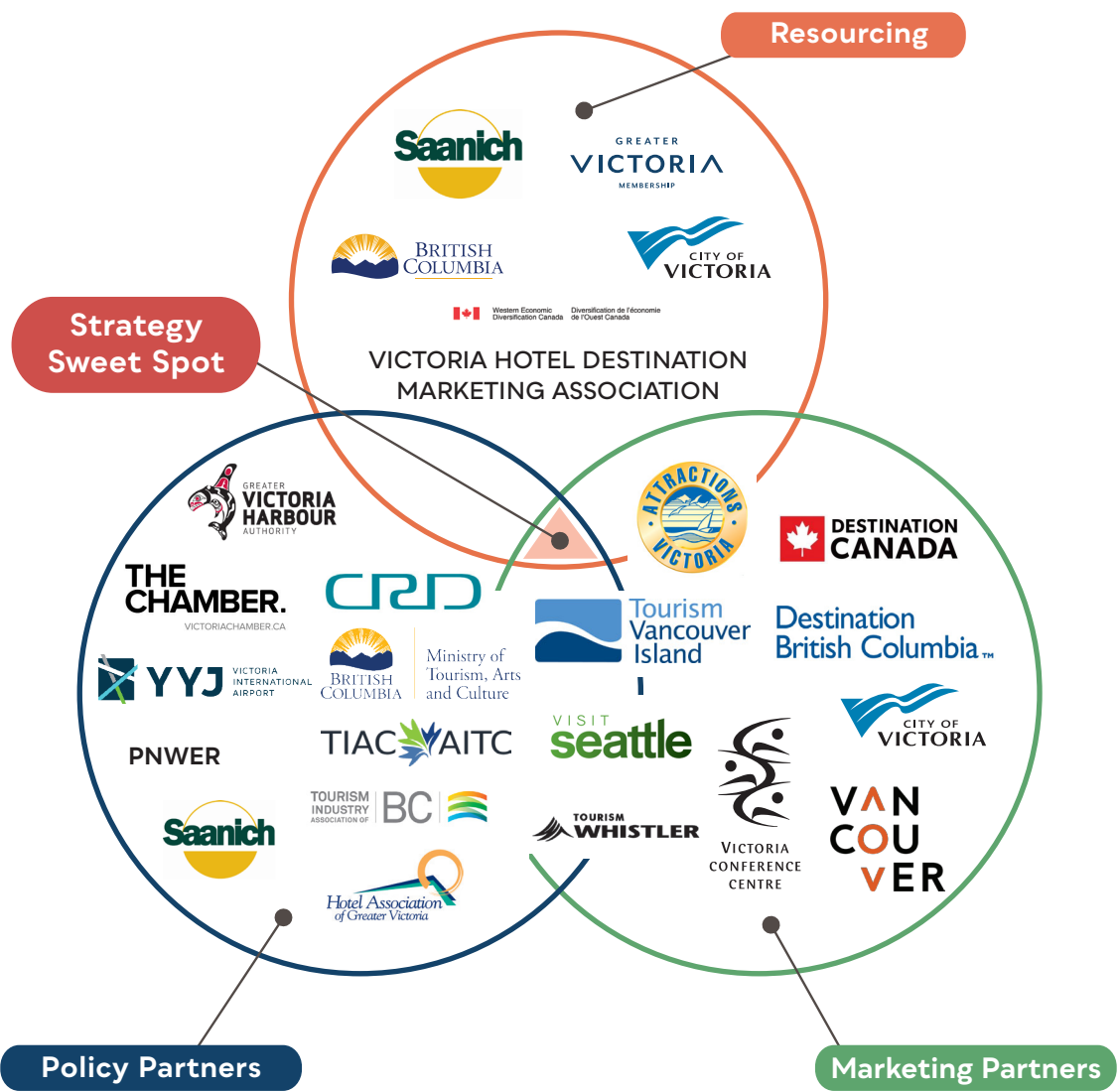
Recent (pre-pandemic) assessment of the economic impacts of Greater Victoria's tourism industry<sup>7</sup> confirms it is a major contributor to the local economy. Economic outputs total \$2.3 billion annually, supporting more than 22,000 jobs, almost \$750 million for wages and salaries, \$1.2 billion in GDP, and almost \$400 million in tax contributions. Visitor spending brings \$1.4 billion in new revenue into Greater Victoria's economy each year.

In Greater Victoria, the value tourism generates through its economic impacts is made possible by the collaborative partnerships that Destination Greater Victoria has built and nurtured with tourism stakeholders over many years. Going forward these partnerships will continue to be the foundation for effective stakeholder engagement and strong strategic alignment.

### 4.2 PARTNERSHIP ENVIRONMENT

Destination Greater Victoria works effectively with myriad funding, marketing and policy partners to advance the mutual goal of a vibrant, sustainable, year-round visitor economy that benefits Greater Victoria's citizens. DGV's primary partners are shown in the diagram below. Strategic alignment occurs when the objectives of these partner groups mesh together, which DGV works diligently to achieve. Many of these partners have provided input in the development of this five-year plan.

<sup>7</sup>InterVISTAS 2018, Economic Impact of Tourism in Greater Victoria, B.C.



### 4.3 STAKEHOLDER ENGAGEMENT

Destination Greater Victoria works to engage actively, effectively and collaboratively with all tourism stakeholders in Greater Victoria. These comprise industry partners (including DGV’s membership), municipal, provincial and federal government, other DMOs, tourism organisations, Greater Victoria business associations, citizen’s groups and communities. Input for this five-year Strategic Plan has been sought widely from these stakeholder groups, including as outlined below.

#### ENGAGEMENT WITH CITIZENS

Community alignment is central to Destination Greater Victoria’s objectives. To inform development of the next strategic plan, in September 2020 DGV surveyed residents of the City of Victoria about their perceptions of tourism as well as key priorities and opportunities for tourism over the next five years. The survey was prompted by the need for broad engagement as best practice, especially to gauge citizen sentiment and perspectives in light of pandemic impacts. The survey was conducted online by Insights West using a ten-item questionnaire comprising multiple-option and open-ended questions. The sample was 701 residents (49% female, 51% male) across all age categories, from 18 to over 65. Where appropriate, data were weighted in line with Statistics Canada census records to ensure the sample was representative of the City of Victoria’s population.

### *Importance of Tourism*

Four out of five Victoria citizens consider tourism to be very important because it contributes significantly to Greater Victoria's economy, provides jobs for residents and promotes Greater Victoria's quality of life, features and attractions.

**When asked whether tourism is important for Greater Victoria, 98% of respondents stated that it is very important (80%) or important (18%).**

When respondents were then asked why they considered tourism to be important, the vast majority (80%) cited economic contributions (jobs, taxes, sales revenues, and business opportunities) while others (12%) noted that tourism promotes the many features and attractions that make Victoria a great place to live and work and also visit. These results align almost completely with findings from an equivalent survey in July 2018, indicating Victoria residents' positive perceptions about tourism's importance are solidly grounded and enduring, even given adverse impacts of the COVID pandemic.

When asked how much they agreed or disagreed with various statements about tourism in Victoria, the vast majority of respondents completely agreed or agreed that tourism generates jobs, supports small business, provides positive exposure, and creates new business opportunities. Similarly, the vast majority agreed tourism provides activities, experiences and facilities which residents can also enjoy, brings diversity and different cultures into the region, and makes Victoria a good place to live and work. Perceptions were much more disparate about possible negative impacts of tourism, such as making Victoria more expensive for residents, damaging nature and the environment, potentially overloading infrastructure and facilities, or diverting resources from resident services or amenities.

**Overall, 82% of citizens surveyed completely agreed or agreed that the benefits of tourism outweigh any potential disadvantages; 13% were neutral and only 5% disagreed.**

These results are shown in the chart below and highlight the critical importance of ensuring tourism delivers benefits to citizens, nurtures a positive visitor-resident interface, and acts sustainably while also generating valuable economic contributions. This approach is central to the strategic objectives within this five-year plan.

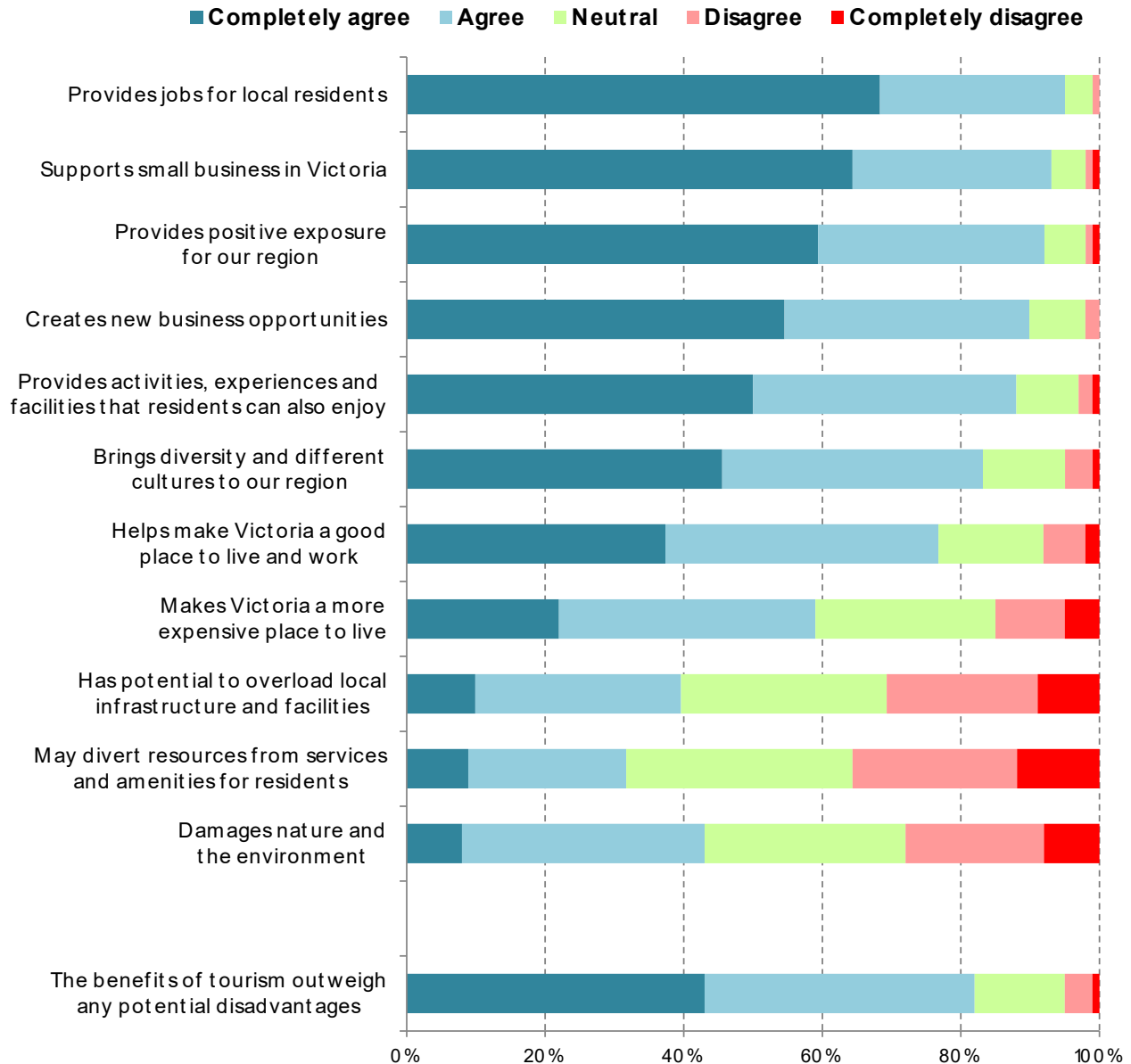
When residents were asked to score the overall value of tourism to the region using a scale from one (no value, does not benefit Victoria) to ten (very valuable, great for Victoria) the median score was 9 and the mean 8.3. The large majority (87%) scored tourism's value to Greater Victoria very positively from 7 to 10. Broadly, and in line with results noted above, those residents most focused on tourism's economic contributions rated tourism's value most highly, while those who highlighted potential social and/or environmental concerns were more likely to reduce or qualify their score.

In an open-ended question residents were asked what they see as the most important priority or opportunity for tourism over the next five years. The response stated most frequently (30%) was rebuilding the visitor economy as soon as safely possible from the effects of the COVID pandemic.

**The top five priorities or opportunities for tourism were identified as:**

1. Rebuilding tourism as soon as safely possible from the impacts of COVID-19.
2. Further investment in tourism products, services, experiences and infrastructure.
3. Ensuring sustainable practices in tourism and a positive visitor-resident interface.
4. Focusing on nature-based and authentic experiences, ecotourism and outdoor activities.
5. Promoting longer visitor stays and diversifying source markets.

## Victoria Citizens' Agreement or Disagreement with Statements About Tourism



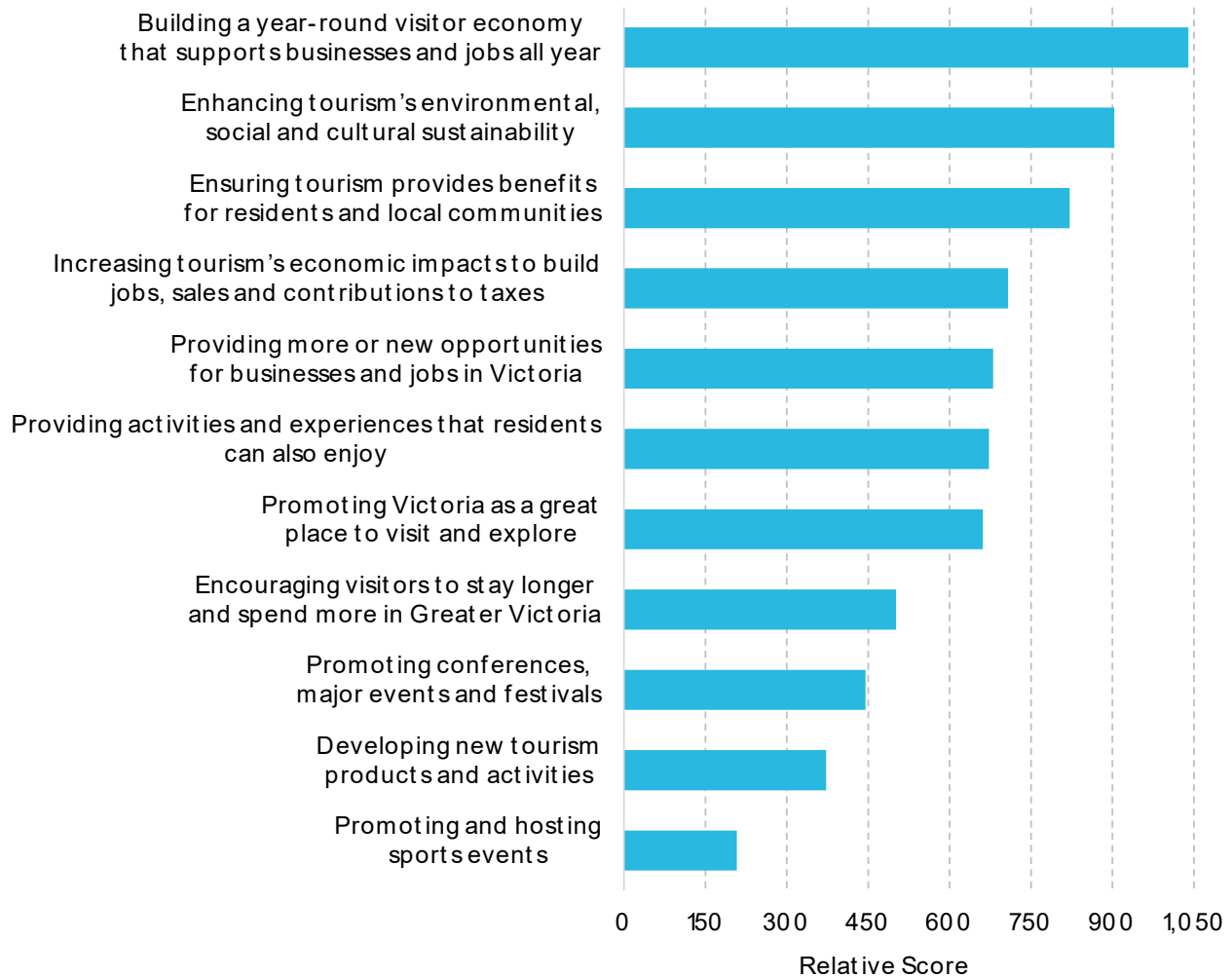
Similarly, from a list of eleven options (shown in the chart below), Victoria residents ranked the five most important areas of focus for tourism over the next five years as:

1. Building a year-round economy that supports businesses and jobs all year.
2. Enhancing tourism's environmental, social and cultural sustainability.
3. Ensuring tourism provides benefits for residents and local communities.
4. Increasing tourism's economic impacts to build jobs, sales and contributions to taxes.
5. Providing more or new opportunities for businesses and jobs in Victoria.

While there were no gender-based differences in ranking the main areas of focus, there were some differences based on age. Broadly, those aged from 18 to 34 felt that enhancing sustainability and providing benefits for residents should be tourism's primary areas of focus going forward. Although residents aged 35 to 54 also ranked sustainability as very

important, they saw generating business opportunities along with supporting businesses and jobs as more important than providing benefits for communities (acknowledging that business opportunities and jobs usually benefit communities). Those aged 55 or more generally regarded economic impacts and contributions as most important, while also being mindful of sustainability issues.

### Most Important Areas of Focus for Tourism Over Next Five Years - Victoria Citizens



These patterns confirm that among the citizens of Victoria there are multiple groups of stakeholders seeking different priorities for tourism, although each places greater importance on positive, broad-scale economic and societal outcomes rather than promoting specific channels of business. To be both representative and inclusive, strategies for tourism must speak to the interests and needs of these citizen groups, which is the approach DGV has adopted.

The abovementioned priorities, opportunities and important areas of focus for tourism identified by Victoria's citizens have directly informed and guided development of this five-year plan, and hence are reflected in Destination Greater Victoria's strategic objectives. DGV will also continue to engage with citizens throughout the term of the Plan to ensure ongoing alignment and shared goals.

#### *Priorities Over Next Five Years*

Victoria's citizens have confirmed that over the next five years tourism should focus on building a year-round visitor economy that supports businesses and jobs while also ensuring tourism is conducted sustainably with direct benefits to residents and local communities.

## DESTINATION GREATER VICTORIA'S ADVISORY COMMITTEES AS FORUMS FOR INDUSTRY AND COMMUNITY ENGAGEMENT

Destination Greater Victoria's six Advisory Committees (as detailed in section 6 below) collectively comprise more than 70 industry, municipal and community representatives, directly linking DGV to multiple stakeholders and ensuring formal engagement is integrated into DGV's governance. Each committee meets quarterly as a collaborative forum for stakeholder insights, roundtable discussion and input on tourism initiatives. DGV's Advisory Committees have been valuable sounding-boards and sources of input for development of this five-year plan, helping to ensure strategy is in lockstep with stakeholder perspectives.

## ENGAGEMENT WITH DESTINATION GREATER VICTORIA'S MEMBERS AS INDUSTRY REPRESENTATIVES

As a membership-based organization, Destination Greater Victoria supports and represents almost 1,000 businesses and associations involved in Greater Victoria's tourism industry. Given the critical importance of close alignment with industry both strategically and operationally, DGV greatly values input and feedback from its members, which it seeks continuously. This is gained most formally via DGV's advisory committees (as noted above) and task-force groups, less formally through member events, workshops and mixers, and informally from catch-up discussions. Additionally, DGV surveys members regularly to gain their perspectives.

To further inform development of this strategic plan, during October 2020 DGV conducted an online survey of members about priorities and where tourism in Greater Victoria could perform better over the next five years. The sample comprised 110 members representative of the diversity of industry sectors, sizes of company, and business locations within DGV's membership; 54% of respondents were from the accommodation, attractions, sightseeing, and culinary sectors.

The chart below shows the nine most important areas of focus for tourism in Greater Victoria for the next five years, as ranked by DGV's members from a list of twenty options. The results confirm strong alignment between industry and Victoria's citizens about the most important priorities for tourism in Greater Victoria going forward. Industry substantially shares the view of residents that tourism should focus on developing a year-round visitor economy that:

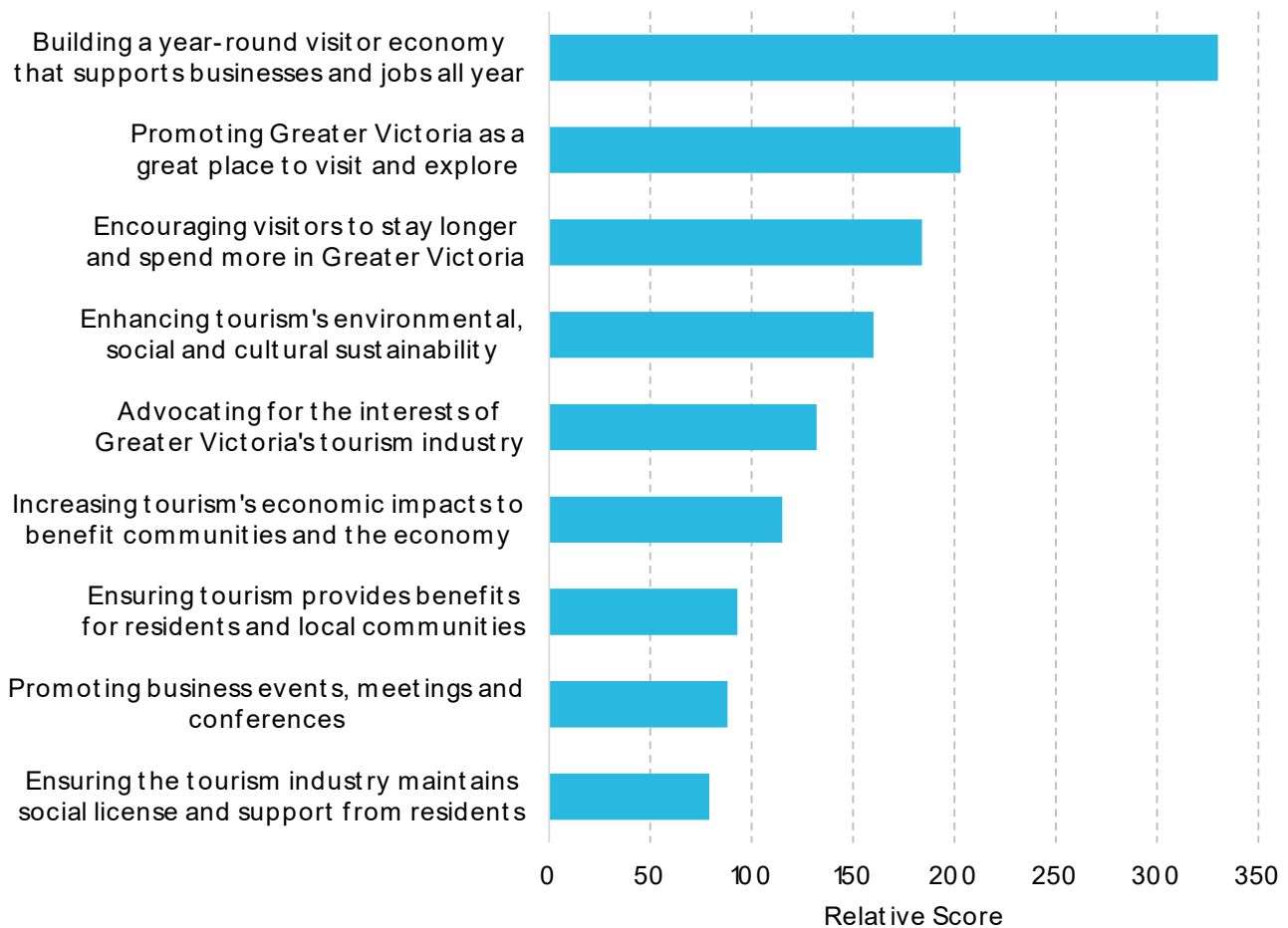
- supports businesses, jobs and the broader economy,
- enhances environmental, social and cultural sustainability,
- encourages best practices to ensure sustainable tourism outcomes, and
- fosters a positive visitor-resident interface to deliver benefits to local communities.

DGV's members also felt it will be particularly important to promote Greater Victoria as a vibrant diverse destination and encourage visitors to stay longer and spend more, because these areas of focus directly drive positive business outcomes. Members noted that, in turn, positive outcomes for tourism businesses typically benefit the wider community through jobs and economic contributions.

Members' suggestions for where the tourism industry could improve performance over the next five years included:

- Ensuring there is high inclusion and diversity in industry's voice and representation.
- Supporting indigenous tourism initiatives and strengthening indigenous partnerships.
- Sharing information with communities about the value and contributions of tourism.
- Increasing industry understanding about the potential impacts of tourism for residents.
- Building further collaboration and understanding of industry issues with government.
- Implementing an integrated, industry-wide experiences strategy for the destination.
- Increasing digital presence, reach and impact and building longer stays year-round.
- Showcasing Greater Victoria's nature-based outdoor activities, historical attractions, vibrant culinary scene, authentic experiences, and appeal to younger visitors.

## Most Important Areas of Focus for Tourism Over Next Five Years - DGV



As per findings from engaging with Victoria's citizen, the insights and recommendations provided by DGV's members have informed and guided the strategy outlined in this Plan. Furthermore, DGV has multiple mechanisms in place through its governance structure, member services and research activities to remain attuned to the needs of member businesses as well as industry as a whole.

### OTHER INDUSTRY ENGAGEMENT

Destination Greater Victoria engages regularly with a wide range of other industry stakeholders or organizations, as listed below. Input from many of these stakeholders has helped shape the scope and direction of DGV's strategy going forward.

- Hotel Association of Greater Victoria
- Victoria Hotel Destination Marketing Association
- Greater Victoria Sport Tourism Commission
- Tourism Vancouver Island
- Destination BC
- Destination Canada
- Business Events Canada
- Other DMOs
- Tourism Industry Association of BC
- Tourism Industry Association of Canada
- Attractions Victoria
- Greater Victoria Harbour Authority
- Greater Victoria Chamber of Commerce
- South Island Prosperity Partnership
- Downtown Victoria Business Association

## 4.4 STAKEHOLDER ALIGNMENT

### INDUSTRY ALIGNMENT

Member satisfaction rate is a key measure of DGV's membership service performance and this has been 90% or higher (range: 90% to 97%) annually since 2014. This indicates strong alignment with industry on an ongoing basis through Destination Greater Victoria's members. To ensure alignment with industry over the next five years, input from a broad range of tourism businesses and industry organizations, including DGV's membership base, Board of Directors and six advisory Committees, has been incorporated into this Strategic Plan.

### COMMUNITY ALIGNMENT

As outlined in earlier sections, Destination Greater Victoria will continue working to ensure Greater Victoria's tourism sector shares community values and aligns with community goals. In addition to DGV's long-standing collaborative partnerships with the City of Victoria and District of Saanich (see section 6), Destination Greater Victoria works closely with other Greater Victoria municipalities and may pursue further formal community partnerships where mutually beneficial.

Examples of Destination Greater Victoria's partnership and close alignment with the City of Victoria include successful sales and marketing of the Victoria Conference Centre, industry contributions to the David Foster Harbour Pathway project, and support for affordable housing initiatives in Victoria. Additionally, results achieved by DGV over the term of its 2017-2021 Strategic Plan have exceeded target metrics for experiential tourism in the City of Victoria's Making Victoria: Unleashing Potential economic action plan<sup>8</sup>.

DGV also aligns strategically with many aspects of Victoria 3.0, which sets out the City of Victoria's vision for Victoria over the next two decades<sup>9</sup>. Consistent with the City's direction and aspirations, DGV is also globally fluent, an innovative organization influential in its industry, focused on bringing investment to Victoria through visitor expenditure, supportive of environmental sustainability and a low carbon economy, and working to showcase Victoria globally and positively. In addition to overall alignment, Destination Greater Victoria's strategic objectives for the next five years directly support many of the initiatives and action items envisioned by Victoria 3.0. For example:

- Actions 2.1, 2.10 and 2.11 of the **Create An Ocean Futures Cluster** initiative.
- Actions 4.1, 4.4 and 4.6 of the **Learn From Other Cities** initiative.
- Actions 5.1, 5.2 and 5.3 of the **Redevelop Victoria Conference Centre** initiative.
- Actions 7.4, 7.5 and 7.8 of the **Support Small Business** initiative.
- Complementing the goals of the **Support Indigenous Business** initiative.

#### City of Victoria's Victoria 3.0 Vision

As the Capital City, Victoria is a future-ready, globally fluent, influencer and innovator. We are nurturing our innovation ecosystem and using our status as a small powerhouse to create high-value jobs and build a high-value economy that meets our needs now and anticipates the future.

*City of Victoria 2020, Victoria 3.0: Pivoting to a Higher-Value Economy p.3.*

<sup>8</sup>City of Victoria 2015, Making Victoria: Unleashing Potential, The Mayor's Task Force on Economic Development and Prosperity Economic Action Plan.

<sup>9</sup>City of Victoria 2020, Victoria 3.0: Pivoting to a Higher-Value Economy 2020-2041.



## PROVINCIAL AND NATIONAL ALIGNMENT

Destination Greater Victoria aligns well with the brand and marketing objectives of Destination BC and Destination Canada. DGV's marketing is consistent with and draws upon broader provincial or national marketing resources and supports. DGV has consistently been granted funding from DBC for cooperative marketing programs with multiple partners and champions Greater Victoria within DBC's strategic initiatives. Destination Greater Victoria is able to access tourism data and insights through Destination BC's and Destination Canada's research platforms, and builds additional alignment by contributing data for Greater Victoria. DGV greatly values its relationships with these organizations and will continue to work effectively and collaboratively with them.

Overall, Destination Greater Victoria has worked diligently to engender strong partnerships with all stakeholder groups and this will continue to be a core focus going forward. These relationships and the alignment they produce are essential for building a sustainable year-round visitor economy that delivers positive returns for Greater Victoria's tourism businesses while also reflecting the values of Greater Victoria's communities. Close alignment across stakeholders underpins this Strategic Plan and represents collaborative mutual support for DGV's strategic objectives and what the Plan seeks to achieve.

## 4.5 SUSTAINABILITY AND REGENERATIVE TOURISM

Sustainability and sustainable tourism have been priorities for the industry and Destination Greater Victoria for many years, well before the COVID pandemic. The priority of being recognized globally as a leader in sustainable tourism development, with an acknowledgement that this is essential to ensure Greater Victoria remains one of the world's top destinations, has long been enshrined within DGV's vision statement. Throughout the term of Destination Greater Victoria's 2017-2021 Strategic Plan, the organization's commitment to sustainable tourism has been constantly elevated, with key recognition that making sustainability a strategic and operational priority not only aligns with shared community values but is also good business.

In January 2018 Destination Greater Victoria and partners launched the first IMPACT Sustainability Travel & Tourism Conference in response to the rapidly growing need for collaborative dialogue on innovation and tourism's contribution to a sustainable future. The goal of the IMPACT conference is to align the tourism industry and other stakeholders and communities touched by tourism behind a vision to achieve economic, social and environmental sustainability. The conference is now a major annual event with high profile globally, and is recognized in Canada and increasingly worldwide as the definitive forum to learn about sustainability and regenerative tourism developments, and share insights and experiences.

## CARBON NEUTRALITY

Destination Greater Victoria recognizes that its leadership and actions can set the tone for industry. Accordingly, DGV has been working diligently to reduce and subsequently completely offset its own carbon footprint. Destination Greater Victoria has been certified "carbon friendly" by Offsetters and has achieved certified carbon neutrality in February 2021. As such, DGV is the only major North American Destination Organization to become a certified carbon neutral operation. This is not only aligned with community expectations but also reflects the values of our members, including several major hotels, Harbour Air, Eagle Wing Whale & Wildlife Tours and others who are operating carbon neutral as standard business practice and have been doing so for many years.

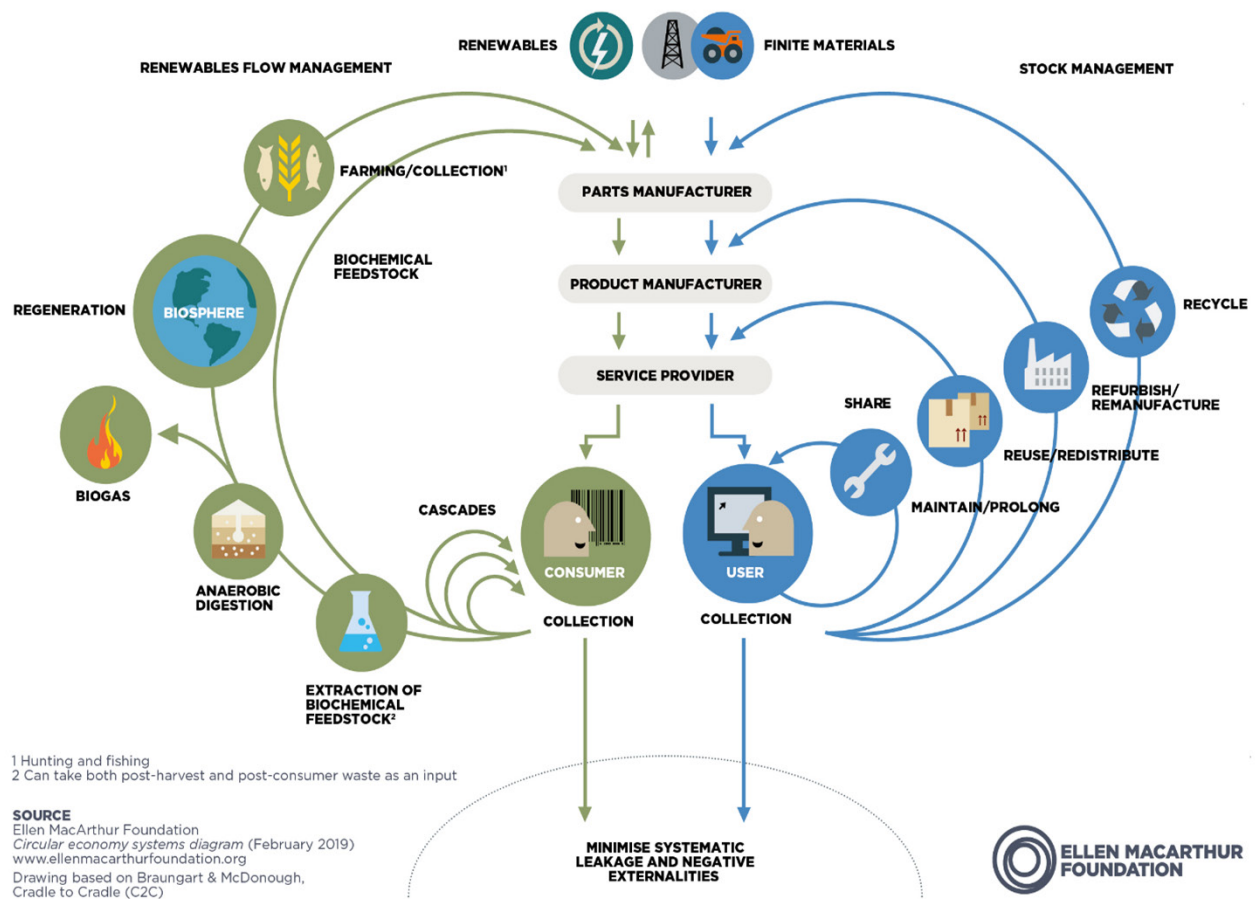
## SUSTAINABILITY COMMITTEE

A common disparity in sustainability efforts is reconciling how targets for sustainability, environment regeneration, and climate action created by governments and related bodies may be best used to mobilize industry and facilitate stakeholders working together to achieve the targets constructively. Targets need to be translated into achievable actions. Destination Greater Victoria found that more coordination was required for industry to achieve its sustainability goals and, importantly, enable a formal forum where governments at all levels and industry can interact and collaborate to drive our sustainability agenda in partnership. Similarly, many tourism businesses are pursuing sustainability initiatives independently with significant success, and there is a need to capture this inspiring work and build capacity to move forward jointly and systematically.

Accordingly, in 2019 DGV established a Sustainability Committee within its governance structure to advise about sustainability issues and opportunities for the tourism sector while also helping to coordinate sustainable tourism initiatives within Greater Victoria. The Committee is developing a program of priorities and work for the years ahead, as one of the central components of this Strategic Plan. A major deliverable in this regard will be supporting Destination Greater Victoria's strategic objective to achieve and maintain a world-leading third-party sustainability accreditation.

## CIRCULAR ECONOMY AND TOURISM

The concept of the circular economy is an increasingly important paradigm in sustainable resource management. Whereas resources in the traditional linear economy are taken from their source and then converted into products with limited life that become waste, the circular economy is inherently restorative and regenerative<sup>10</sup>. A circular economy can be defined as a regenerative system where resource inputs, waste, emissions, and energy leakages are minimized by slowing, narrowing and closing materials and energy loops, which can be achieved by longer-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and/or recycling<sup>11</sup>. The circular economy aims for zero waste by extracting as much value as possible from resources, which can save money, lead to new leaner and sustainable business opportunities, and benefit communities. The diagram below shows process flows through a circular economy.



The concept of the circular economy is now being applied to the visitor economy and its conceptual frameworks, and appropriate metrics are increasingly being developed and refined. This innovative work is providing a pathway for incorporating new metrics alongside previous traditional measures.

<sup>10</sup>See: Ellen MacArthur Foundation ([ellenmacarthurfoundation.org](http://ellenmacarthurfoundation.org)); Stahel 2016, The Circular Economy *Nature* 531 7595; Korhonen et al 2018, Circular Economy *Ecological Economics* 143 pp.37-46.

<sup>11</sup>Geissdoerfer et al 2016, Circular Economy: A New Sustainability Paradigm *Journal of Cleaner Production* 143 p.762.

For businesses that are highly asset-g geared, particularly those operating large physical assets such as accommodation or transportation fleets, circular procurement is a core lever to enabling further circularity in the upstream supply chain along with a focus on efficiency and greenhouse gas (GHG) reductions. This also provides savings in capital and operational expenditures, and/or new revenue by re-selling elements of the supply stream that can no longer be used. For asset-light businesses delivering non-tangible services, such as travel agencies, tour operators and/or distributors of travel services, adopting a position of market differentiation using a circular, collaborative and purposeful business-driven proposition is a powerful transformational lever<sup>12</sup>.

Through its Sustainability Committee and research resources, Destination Greater Victoria will aim to identify and utilize the most-appropriate metrics for driving the transition to sustainable practices while simultaneously supporting economic vibrancy.

## REGENERATIVE TOURISM

The tourism industry is increasingly focusing on the concept of regenerative tourism, which involves “creating the conditions for life to continuously renew itself, to transcend into new forms, and flourish amid ever-changing life conditions”<sup>13</sup>. The central tenet is to move beyond sustainability and towards improving conditions and outcomes through regenerative practices. Based on insights gained from the most-recent IMPACT Sustainability Travel & Tourism Conference, Destination Canada, as the national tourism body, has now embraced the concept of regenerative tourism into its core strategy and plans moving forward. This is a notable example of sustainability leadership fostered in Victoria catalyzing to produce broader positive benefits.

## SUSTAINABILITY BENEFITS FOR BUSINESS

It has become increasingly evident over recent years that a focus on sustainable operations is good for business in multiple ways. Sustainability and sustainable practices will not only create conditions enabling the tourism industry to remain viable and grow longer-term, but also create positive brand perception and reputation for the destination, particularly with younger travellers. Sustainability also modernizes the industry and makes it more efficient, engenders a strong sense of shared purpose, and further aligns the tourism industry with community values.

Recent research by Destination Canada<sup>14</sup> confirms travellers’ decisions about where and how they travel are increasingly influenced by concerns for sustainability. More than 60% of travellers actively avoid destinations they perceive as crowded, while almost 50% are mindful of their personal impact on the destinations they visit. One-third of travellers (a) favour destinations that are invested in socially responsible tourism practices and reducing their environmental impact, and (b) all else being equal, would pay more for socially responsible and/or environmentally friendly travel options.

## 4.6 DIVERSITY AND INCLUSION

A core component of DGV’s strategy to 2026 and beyond will be supporting initiatives that improve diversity and inclusion (a) within the organization, (b) in DGV’s governance structures, (c) in DGV’s relationships with stakeholders and vendors, and (d) throughout Greater Victoria’s tourism industry. Along with the societal imperative for practices promoting equity, diversity and inclusion, there is a compelling business case. Companies in the top quartile for ethnic diversity or gender diversity are, respectively, 36% or 25% more likely to achieve financial returns exceeding national averages and significantly more likely to have above-average profitability<sup>15</sup>. Companies ranked high for both ethnic and gender diversity are up to 12% more likely to outperform others in their industry. High diversity on other variables, particularly experience, can compound improvements in competitive advantage. Enhancing diversity and inclusion is not only the right thing to do, but also strategically makes good business sense.

<sup>12</sup>Sorin and Einarsson 2020, Circular Economy in Travel and Tourism: A Conceptual Framework for a Sustainable, Resilient and Future-Proof Industry Transition *CE360 Alliance*.

<sup>13</sup>Hutchins and Storm 2019, Regenerative Leadership: The DNA of Life-Affirming 21st Century Organizations.

<sup>14</sup>Destination Canada 2020, Canada Global Travel Watch November 2020.

Destination Greater Victoria's work regarding diversity and inclusion will align closely with strategy formulated by Destinations International through its Equity, Diversity and Inclusion Committee<sup>16</sup>. In 2019 and 2020, Destinations International conducted research benchmarking equity, diversity and inclusion (EDI) practices in North American Destination Organizations, highlighting opportunities to improve<sup>17</sup>. Insights from these studies then informed strategy development. The strategy sets out a range of priorities for EDI initiatives, such as self awareness and personal investment (including a CEO pledge which DGV's CEO Paul Nursey has committed to), education and industry awareness, actively engaging with communities, workforce development and alignment, and inclusive branding and marketing. DGV executive Miranda Ji has been appointed to Destination International's Equity, Diversity and Inclusion Committee, which directly informs DGV's diversity and inclusion strategy.

Miranda Ji is also a member of the Community Partnership Network established by the Intercultural Association of Greater Victoria, which provides further access to resources and training to promote and support cultural diversity locally. Destination Greater Victoria has recently become a founding supporter of Innovation, Science and Economic Development (ISED) Canada's 50-30 Challenge<sup>18</sup>, which aims to achieve gender parity (50%) and significant participation (30%) for less-represented groups in senior management and governance structures.

In 2021 or early 2022 DGV will partner with external experts to complete a comprehensive audit of its diversity and inclusion policies and practices. The audit will (i) determine where the organization is in terms of supports or barriers to diversity or inclusion, (ii) identify conducive policies or practices already in place, and (iii) highlight opportunities to act or do more. Insights through this process will then direct and drive DGV's diversity and inclusion activities over the term of this Strategic Plan. In line with DGV's support for diversity and inclusion goals, positive practices will be actively promoted at industry level, reflected in Board and Committee composition, and also an expectation for DGV's members through membership criteria.

## 4.7 SUPPORTING INDIGENOUS TOURISM

Destination Greater Victoria continues to be focused on supporting and working collaboratively with indigenous partners. This has included improving the organization's knowledge, skills and capacity to engage with indigenous partners through indigenous-led training. Notably, as Explore Songhees continues to develop, builds further capacity and executes on their tourism strategy, this will be an important component of DGV's marketing and brand initiatives.

Continued collaboration with the Indigenous Tourism Council of Canada (ITAC) is also an important component of Destination Greater Victoria's strategy going forward. In 2019 DGV and ITAC agreed to leverage each organization's strengths and mobilize resources toward developing and promoting indigenous tourism. Through a memorandum of understanding this includes supporting the annual International Indigenous Tourism Conference (IITC), including marketing and promotions. ITAC is also represented at the annual IMPACT Sustainability Travel & Tourism Conference and will be an important partner for DGV's work on sustainable practices for the tourism industry.

Close alignment with the perspectives of indigenous tourism partners will be vital in DGV's work to position the destination as a leader in environmental sustainability and promote sustainable tourism business operations. Similarly, in line with DGV's strategy to build a diverse range of authentic and immersive experiences for visitors, indigenous tourism will be an integral component of developing Greater Victoria's experiences strategy (outlined in section 3).

<sup>15</sup>See McKinsey & Company 2020, Diversity Wins: How Inclusion Matters.

<sup>16</sup>See Destinations International 2021 Equity, Diversity & Inclusion Strategy Roadmap.

<sup>17</sup>Destinations International 2020 Equity, Diversity & Inclusion Study on Destination Organizations.

<sup>18</sup>See Innovation, Science and Economic Development Canada 2020, The 50-30 Challenge: Your Diversity Advantage.

## 5. STRATEGIC OBJECTIVES, TARGETS AND GOALS

In light of the achievements, situation analysis, priorities and opportunities noted above, Destination Greater Victoria has distilled four strategic objectives for this Strategic Plan. Additionally, four broad goals have been developed as the foundation for DGV's Balanced Scorecard performance targets, which will be reported and reviewed in annual Tactical Business Plans.

### 5.1 STRATEGIC OBJECTIVES AND TARGETS

#### 1. RECOVER FROM COVID-19 QUICKLY AND EFFICIENTLY

How rapidly and how efficiently Greater Victoria's visitor economy recovers from the impacts of the COVID pandemic will directly affect the survival of local businesses, prospects for workers, and the solvency of our communities. While the visitor economy has endured shocks and major disruptions previously, including 9/11, SARS, global financial crises and natural disasters, the effects of COVID have been by far the most far-reaching. The implications of a quick and efficient recovery are deep and broad, including the strategic importance of maintaining the solvency of businesses large and small, retaining local ownership of existing enterprises where possible, returning industry's workers to their jobs (providing income and meaning as quickly as possible), and retaining key talent for the long-term competitiveness of the sector. Destination Greater Victoria's efforts to coordinate locally, and its influence on provincial, national and international stages through key associations, will help this process significantly because DGV will be connected and able to influence outcomes over the crucial immediate to short term.

It is critical that revenues return as soon as possible. In the reopening and rebuilding phases, it will be essential to have a high-functioning Destination Organization to not only develop and implement effective marketing campaigns and sales initiatives for the destination, but also do important work partnering with Victoria International Airport to rebuild decimated air-route connections, while also partnering and communicating with our international ferry operators and related operators such as Kenmore Air to ensure their voices are considered in reopening strategies. Highly experienced Destination Organizations such as DGV provide the requisite expertise in tourism distribution and public policy to help move this process along effectively and efficiently.

*The target for this strategic objective is to recover from the impacts of the COVID pandemic in line with or more rapidly than Destination Canada's national benchmark scenarios<sup>19</sup>.*

#### 2. SET THE TONE FOR THE VISITOR ECONOMY TO OPERATE IN LINE WITH VALUES OF OUR COMMUNITY

Greater Victoria's visitor economy can build back and operate in a manner that is more aligned with community values. The Destination Organization sets the tone in this regard, which DGV will do in terms of environmental sustainability, destination stewardship, diversity, and inclusion. Destination Greater Victoria will continue to focus on partnering with Explore Songhees as they further advance their indigenous tourism strategy, along with other indigenous communities from DGV's designated region should they wish to make tourism a priority within their economic development strategy.

*Dual targets for this strategic objective are (a) Greater Victoria's tourism industry will achieve and maintain a world-leading third-party sustainability accreditation, and (b) Destination Greater Victoria will maintain or improve its carbon-neutral operations.*

#### 3. FOCUS ON HIGHER YIELDING, YEAR-ROUND CUSTOMERS IN ALL TARGET SEGMENTS

It will be important to continue building on past progress addressing seasonality and prioritizing the revenues derived from the visitor economy rather than primarily volume metrics. Through business strategies that focus on year-round visitation, brand positioning that reflects the essence of who we are as a destination and nuanced customer segmentation, Destination Greater Victoria's marketing efforts can focus on attracting visitors who are the best match for Greater Victoria,

<sup>19</sup>Destination Canada, Visitor Demand Forecast Update November 2020 and Canada's Business Events Restart Recovery Framework December 2020.

thereby building a healthier visitor interface for residents. This includes focusing on visitors who align highly on core values and spend more, which provides a larger economic contribution per visitor and reduces the need to focus on mass visitor volumes.

*Dual targets for this strategic objective are to (a) recover annual revenue per available room (RevPAR) to the level of 2019 (\$139.03) by 2023, with further increases annually to 2026, and (b) continue to address and reduce seasonality as part of building a visitor economy that supports businesses and jobs year-round.*

#### 4. SUPPORT OUR MEMBER BUSINESSES AND COMMUNITIES

Destination Greater Victoria will continue to enhance destination development and advocacy in the best interests of our industry and communities. As demonstrated repeatedly over the course of the COVID pandemic to date, although there is a broad diversity and large number of tourism-focused businesses in Greater Victoria, they all benefit from the support, coordination, research intelligence and advocacy voice provided by their tourism-specific not-for-profit Destination Organization. DGV will always be highly collaborative and constructive, but will also speak firmly and courageously for the needs of its members throughout the current crisis as well as the long recovery period ahead.

Destination Greater Victoria will also listen attentively to understand the priorities of its government partners in the City of Victoria and District of Saanich, and will incorporate these where they make business sense in order to create 'win-win' scenarios. DGV has listened and applied ideas such as promoting the unique characteristics of Victoria's vibrant and colourful neighbourhoods, promoting tourism through active transportation in Victoria, and the priorities of sport tourism and agritourism in Saanich. In all cases, Destination Greater Victoria will continue to apply a business lens for how such opportunities can be best delivered to ensure they are welcomed and supported by business partners as well as communities.

*The target for this strategic objective is to develop, implement and refine an integrated experiences strategy for the destination that is recognized as industry-leading by 2026.*

#### 5.2 GOALS AND USE OF BALANCED SCORECARD

To further round-out Destination Greater Victoria's strategic objectives over the next five years, four goals have been set with an expectation that all be achieved by 2026:

1. Continue a relentless focus on addressing seasonality through confirmed contracted meetings, conference and sports business.
2. Improve our globally-recognized experiential tourism brand.
3. Focus on well-managed, bespoke tourism opportunities which address both time-of-day as well as day-of-week opportunities to improve the visitor experience and benefits to our community.
4. Communicate destination management priorities to ensure the foundational elements of a vibrant destination are in place, including appropriate infrastructure for tourism and tools that support a positive visitor-resident interface.

#### BALANCED SCORECARD

Destination Greater Victoria is a strategy-focused organization using the Kaplan & Norton Balanced Scorecard approach to performance-based management. Balanced Scorecard moves beyond only financial metrics to capture all core elements of business operations across four perspectives:

1. **Financial Perspective:** answer questions for "How are we seen by those invested in us?"
2. **Customer Perspective:** answers questions for "How do our customers see us?"
3. **Internal Process Perspective:** answers questions for "What should we be best at?"
4. **Learning and Growth Perspective:** answers questions for "How can we improve and drive value?"

By assigning performance measures and targets across all four perspectives, Balanced Scorecard explicitly links strategy to business operations to drive superior results. The framework also ensures all components of the organization are aligned and functioning effectively.

Destination Greater Victoria has used the Balanced Scorecard framework to underpin performance management for more than five years. The approach has been integral to driving strong results and incremental year-on-year growth directly attuned to strategic objectives. DGV will continue to use a Balanced Scorecard approach throughout the term of this Strategic Plan. Performance metrics and results will be reported in Tactical Business Plans prepared and submitted annually in accordance with MRDT program requirements. Given continuing COVID-related uncertainty, it is proposed that submission of the Business Plan for 2022 be delayed until later in 2021 to ensure it can achieve its intended purpose.

## 5.3 FOUNDATIONAL DRIVERS OF SUCCESS

A range of factors underpin Destination Greater Victoria's strategies going forward and collectively determine how effectively the objectives are achieved. These foundational drivers are key enablers of DGV's performance and work together to ensure DGV remains aligned and on track; they therefore also support the Balanced Scorecard. DGV has the following key drivers in place:

### ***Robust Governance***

A robust, transparent and representative governance structure with informed advisory Committees and an engaged Board of Directors that provides insights, strategic advice, governance oversights, and support for Destination Greater Victoria's management team.

### ***Sustainable Funding***

Reliable, competitive levels of funding, particularly as the eligible entity for MRDT, allow Destination Greater Victoria to plan for the longer term and focus its energy and efforts toward building Greater Victoria's visitor economy.

### ***Strong Tourism Brand***

The strength and high profile of Greater Victoria's brand and brand positioning enables Destination Greater Victoria to implement compelling marketing communications that draw high-yield visitors to the destination and encourage them to stay longer and spend more.

### ***Industry / Membership Support***

Destination Greater Victoria is sustained by its members and industry partners, and their continued support is vital for success. DGV works collaboratively in everything it does and aims to consistently deliver added value for members and industry partners.

### ***Destination Management***

Destination Greater Victoria focuses strategically on destination management issues and engages industry and other stakeholders effectively around critical matters that impact, could affect or would enhance Greater Victoria's prospects.

### ***Telling Tourism's Story***

Destination Greater Victoria utilizes effective in-house and external corporate communications and public affairs resources to advocate for Greater Victoria's tourism sector and build appreciation for Greater Victoria's vibrant visitor economy.

### ***Environmental Sustainability***

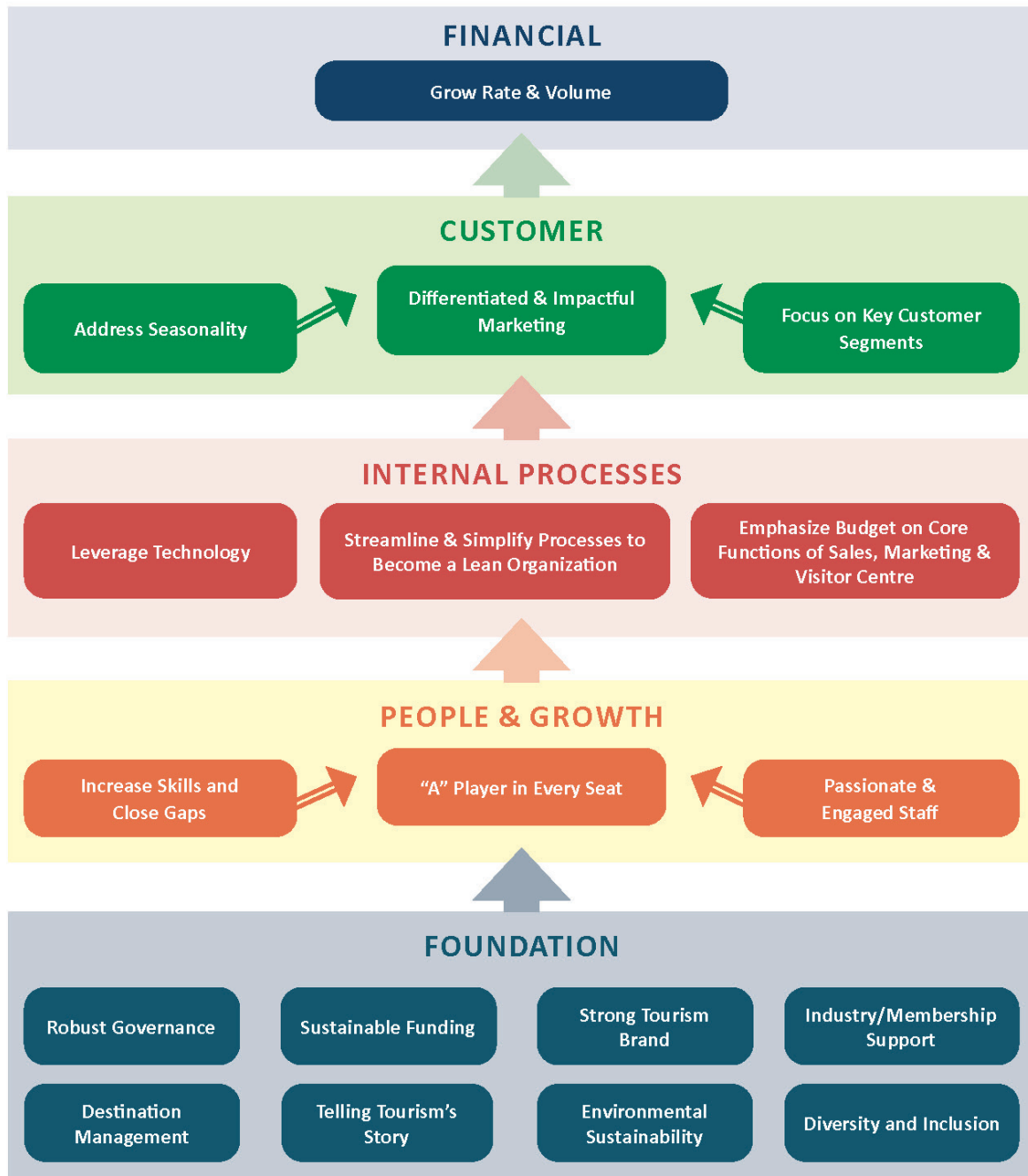
As detailed in this Plan and in line with community values, Destination Greater Victoria is committed to enhancing environmental sustainability within the organization, among members and also for the destination. DGV will take a lead position on many initiatives that work towards this.

### ***Diversity and Inclusion***

Destination Greater Victoria is committed to promoting policies and practices that enhance diversity and inclusion, not only within the organization but also within its governance structures and for the tourism industry generally.

## 5.4 STRATEGY MAP

To support its Balanced Scorecard approach, Destination Greater Victoria uses a Strategy Map to integrate the four Balanced Scorecard perspectives with the organization’s strategic objectives and operational priorities. The drivers of success listed above form the foundation of the Strategy Map, underpinning each operational perspective to show how the components of strategy are linked and support each other. Although the Strategy Map is reviewed regularly and may be updated to reflect changes in conditions or priorities, when developed well it is central to multiple-year strategy. DGV’s Strategy Map for this Strategic Plan is shown below.





## 6. GOVERNANCE, MANAGEMENT AND ADMINISTRATION

### 6.1 CONTINUING PARTNERSHIP WITH CITY OF VICTORIA AND DISTRICT OF SAANICH

There is a long history of Destination Greater Victoria and the City of Victoria working in partnership to advance mutual objectives, and support business and community initiatives. This partnership is collaborative, efficient and successful, and therefore central to DGV's strategy going forward. DGV remains the Eligible Entity for MRDT in the City of Victoria and since 2017 has managed sales and marketing for the Victoria Conference Centre (VCC), which the City of Victoria owns. DGV and the City of Victoria are renewing their business services contract in 2021, which will operate throughout the duration of this Strategic Plan, include specific deliverables for VCC sales performance and set broad expectations for destination marketing and management.

Similarly, Destination Greater Victoria continues to have an effective, collaborative partnership with the District of Saanich, which also underpins this five-year plan. DGV and the District of Saanich are aligned on a wide range of strategic goals and priorities, particularly sustainable business practices, benefits of tourism for communities, growth in sports tourism, and enhancing tourism products and opportunities. This relationship is integral to DGV's destination management activities.

### 6.2 DESTINATION GREATER VICTORIA'S GOVERNANCE

Destination Greater Victoria is a not-for-profit, membership-based organization governed under the BC Societies Act. DGV operates in accordance with its comprehensive Constitution and Bylaws that were most recently updated and approved by its general membership on September 12, 2018. The Constitution and Bylaws are available on the Corporate Information pages of DGV's website.

Destination Greater Victoria is overseen by a Board of Directors comprising (a) eleven Directors who are elected by DGV's membership, (b) four Directors appointed as representatives of partners, and (c) two ex-officio Directors:

#### Elected Directors

- Accommodation – More than 149 Rooms
- Accommodation – From 26 to 149 Rooms
- Accommodation – 25 Rooms or Fewer
- Arts, Culture and Societies
- Attractions
- Recreation and Outdoor Adventure
- Retail and Restaurants
- Transportation and Sightseeing
- Director at Large (three Directors)

#### Appointed Representatives

- City of Victoria (contributes MRDT to Destination Greater Victoria)
- District of Saanich (contributes MRDT to Destination Greater Victoria)
- Tourism Vancouver Island (regional DMO)
- Greater Victoria Chamber of Commerce

## Ex-officio Directors

- Past Chair of the Board of Directors
- Chair of the Sport Tourism Committee as representative of the Greater Victoria Sport Tourism Commission (GVSTC)

Destination Greater Victoria is also supported by six advisory Committees that report into the Board of Directors. The committees are important connections to DGV's membership, a valuable interface between the tourism industry and DGV, and provide advice and recommendations to the Board of Directors as well as DGV's management team.

## Advisory Committees

### *Finance and Membership Committee*

- Reviews Destination Greater Victoria's financial position and policies, provides insights and advice on finance or membership issues, and ensures effective, fair and consistent member representation.

### *Governance, Human Resources and Risk Committee*

- Oversees effective governance of the organization and provides insights, recommendations and advice about governance issues or procedures, human resources policies and practices, and enterprise-level risk assessment, management and mitigation.

### *Sales and Marketing Committee*

- Provides insights and advice on marketing and sales strategies, reviews Destination Greater Victoria's marketing and sales performance, and has input into marketing initiatives.

### *Sport Tourism Committee*

- Provides advice and recommendations about sport tourism issues, strategies, initiatives and opportunities, ensures the Greater Victoria Sport Tourism Commission leverages resources efficiently, supports the GVSTC's mission to champion sport tourism in Greater Victoria, and reviews the GVSTC's performance and strategic goals.

### *Sustainability Committee*

- Advises on environmental, cultural and social sustainability issues, including developments, new initiatives, and best practices for Destination Greater Victoria, member businesses, the destination and the tourism industry.

### *Transportation and Destination Management Committee*

- Provides insights and advice to support development of effective destination management strategies, recommends responses to transportation or destination management issues, and works collaboratively towards sustainable access and capacity for Greater Victoria.

Destination Greater Victoria's Board and Committees meet quarterly. Additionally, the Board meets each December to elect Officers for the upcoming year and conducts an annual strategic retreat to support business planning for the following year.

## 6.3 DESTINATION GREATER VICTORIA'S MANAGEMENT AND ADMINISTRATION

Destination Greater Victoria's Board of Directors has a single employee, the Chief Executive Officer (CEO). The CEO reports to the Chair of the Board of Directors, leads DGV's day-to-day operations, and is accountable for execution of strategy as well as organizational performance. The CEO is one of two officers of the society; the other is the Chief Financial Officer (CFO). The CFO has an indirect reporting relationship to the Chair of the Finance and Membership Committee and the Chair of the Board of Directors with regard to the financial status and wellbeing of the organization. Dual fiduciary accountability within the organization serves as a prudent control measure.

Destination Greater Victoria's executive management team comprises six roles:

- Chief Executive Officer
- Chief Financial Officer
- Vice President, Marketing Communications
- Vice President, Sales, Victoria Conference Centre and Business Events Victoria
- Executive Director, Governance, Research and Corporate Communications
- Executive Director, Greater Victoria Sport Tourism Commission

Destination Greater Victoria operates a lean and primarily flat human resources structure supported by a range of robust management and administration tools. Core tools include (a) Balanced Scorecard and Strategy Mapping (Kaplan and Norton, of Harvard Business School and The Palladium Group) which translate strategy into operational terms and underpin performance measurement at multiple levels, (b) a comprehensive Human Resources Strategy which guides human resources initiatives and administration, and (c) an integrated Customer Relationship Management (CRM) system to inform and track service performance for members, business partners and industry stakeholders.

## 7. TOURISM PROJECT

### 7.1 CONTINUING CONTRIBUTIONS TO DAVID FOSTER HARBOUR PATHWAY

MRDT program guidelines specify that MRDT funds are intended to be used for community tourism projects as well as promotion. Accordingly, as part of the 2017 MRDT agreement between the City of Victoria, Destination Greater Victoria and Greater Victoria's commercial accommodation sector, the tourism industry, through DGV, will make a \$1 million industry contribution to building the David Foster Harbour Pathway (DFHP). This investment has been focused on Phase Two of the Belleville Terminal redevelopment plan designed by the City of Victoria and the BC Ministry of Transportation and Infrastructure. The City of Victoria is matching the \$1 million industry contribution to provide a total budget of \$2 million for the work. As required, the terms for the tourism industry's contributions to the DFHP project are formalized within a Tourism Industry Contribution Agreement (TICA); these agreements must be negotiated transparently by all parties, then approved by firstly the Ministry of Tourism, Arts and Culture, then by the Ministry of Finance and finally by Cabinet of the Province of British Columbia.

The DFHP project has been, and continues to be, supported by numerous stakeholders, namely the Hotel Association of Greater Victoria, Greater Victoria Harbour Authority, Greater Victoria Chamber of Commerce, Greater Victoria Development Agency, and SportHost Victoria.

The DFHP and redevelopment of Belleville Terminal are important strategic priorities for the City of Victoria as well as the tourism industry. These projects will enhance the Inner Harbour and gateway experiences for visitors as well as Victoria's residents, and provide improved community amenities that will enrich Victoria's infrastructure and landscape over many years. The schedule of industry's contracted, actual and proposed future contributions to the David Foster Harbour Pathway through DGV is shown below. Contributions were ahead of schedule prior to the COVID pandemic and the schedule sets out planned payments from 2021 to 2026 to complete the \$1 million contribution over the required ten-year term. The David Foster Harbour Pathway project continues to be an excellent fit with Destination Greater Victoria's strategic objectives.

Year	Contracted Industry Contribution by DGV	Contracted Cumulative Contributions by DGV	Actual and Proposed Industry Contribution by DGV	Actual and Proposed Cumulative Contributions by DGV	Contribution Status
2017	\$95,000	\$95,000	\$150,000	\$150,000	Paid
2018	\$95,000	\$190,000	\$150,000	\$300,000	Paid
2019	\$95,000	\$285,000	\$175,000	\$475,000	Paid
2020	\$95,000	\$380,000	\$95,000	\$570,000	Paid
2021	\$100,000	\$480,000	\$71,667	\$641,667	Scheduled
2022	\$100,000	\$580,000	\$71,667	\$713,334	Scheduled
2023	\$105,000	\$685,000	\$71,667	\$785,001	Scheduled
2024	\$105,000	\$790,000	\$71,667	\$856,668	Scheduled
2025	\$105,000	\$895,000	\$71,667	\$928,335	Scheduled
2026	\$105,000	\$1,000,000	\$71,665	\$1,000,000	Payments end at \$1M
2027	\$0	---	\$0	No further industry commitment via DGV	

## 8. AFFORDABLE HOUSING

### 8.1 SUPPORTING AFFORDABLE HOUSING INITIATIVES

Given Destination Greater Victoria's strategic objective to ensure tourism is aligned with community values and provides community-level benefits, an important component of DGV's strategy over the next five years will be continuing to direct online accommodation platform (OAP) MRDT revenue to the City of Victoria to support its Housing Reserve Fund. MRDT regulations were amended in 2018 to form two categories of MRDT – Traditional MRDT and OAP MRDT – and specify that OAP MRDT (currently remitted by Airbnb) may be used for affordable housing initiatives. Traditional MRDT and the uses for Traditional MRDT remain separate and distinct from OAP MRDT. Destination Greater Victoria, the City of Victoria and the Hotel Association of Greater Victoria (HAGV) have a history of partnering collaboratively to help drive sustainable business initiatives; when the MRDT regulations were amended to include OAP revenue, these partners identified the City's Housing Reserve Fund as the most effective mechanism for allocating OAP MRDT to affordable housing initiatives.

The Victoria Housing Reserve Fund is part of the City of Victoria's Affordable Housing initiative and was established to (a) provide grants to assist with developing and retaining affordable housing for households with low or moderate incomes, which supports community diversity and infrastructure, and (b) facilitate affordable rental housing and/or affordable home-ownership projects. The Fund is enabled by two Reserve Fund Bylaws (15-050 and 18-080) of the City of Victoria and is widely well understood, with transparent application processes and reporting criteria for housing agencies.

It has been agreed that 100% of OAP MRDT revenues received by Destination Greater Victoria as MRDT eligible entity will be provided to the City of Victoria to include in its Victoria Housing Reserve Fund. The City of Victoria will assist DGV in its reporting of uses and outcomes for the OAP MRDT revenues. Additionally, DGV and the City will work together to enhance the availability of affordable accommodation for hotel and hospitality industry workers who fit the eligibility criteria of the Victoria Housing Reserve Fund program. These arrangements not only align with stakeholders' objectives, but also promote effective use of OAP MRDT revenues, could benefit a large segment of Victoria's workforce, and add direct enduring value to this very important MRDT partnership.

