



TOURISM VANCOUVER

2015 Sales & Marketing Plan



TOURISM
VANCOUVER



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Table of Contents

Overview	2
Meeting & Convention Sales and Service.....	2
Leisure Travel & Digital Marketing	7
Marketing Communication & Member Services.....	10
Experience Vancouver	14
Sales and Marketing – Markets by Origin	17
Canada.....	17
United States.....	27
Australia	42
Brazil	51
China	57
Germany.....	64
India.....	73
Japan.....	79
Mexico	84
South Korea	90
United Kingdom.....	95
International Associations and <i>Be a Host</i>	104
Sales and Marketing – Niche Markets	112
Cruise	112
Cultural Tourism	118
Member Relations	122
Travel + Trade Media Relations	127
Experience Vancouver and <i>Tickets Tonight</i>	131
Pan-Organization Services	136
Business Technologies	136
Corporate Communications	139
Corporate Sponsorships	141
Digital Marketing	144
Marketing Services.....	146
Research	148

Overview

Meeting & Convention Sales and Service

	<i>2013 Actual</i>	<i>2014 Forecast</i>	<i>2014 Plan</i>	<i>2015 Proposed</i>
Investment				
Programs	\$1,198,164	\$1,443,915	\$1,773,000	\$1,956,000
Personnel	\$2,011,759	\$1,922,229	\$1,943,000	\$1,987,000
Total	\$3,209,923	\$3,366,144	\$3,716,000	\$3,943,000
Output - KPI				
Future Definite Room Nights	334,424	255,000	284,000	280,000
Future Citywides	23	21	24	22
Lead Room Nights	1,038,865	852,183	1,050,000	971,000
Conversion Ratio	43%	46%	45%	45%
Increase Citywide Days 2016	23	14	28	24

Results / Achievements for 2014

- Future Definite Room Nights: target of 284,000, forecast of 255,000. Q4 is usually our strongest quarter with December the largest booking month. The Outstanding Citywide report is solid and all efforts will be made to sign these before December 31. However, we do not anticipate contracting enough large scale citywides in order to reach target.
- NOTE: the actual number of definite bookings is close to pace. This indicates a lower number of contracted hotel room nights per definite booking - a continuing industry trend.
- Future Citywides booked: target of 24, forecast of 21. Similar booking dynamics as Definite Room Nights.
- Lead Room Nights: target of 1,050,000, forecast of 852,183.
- NOTE: actual number of leads is ahead of pace. This indicates a lower number of requested hotel room nights per lead.
- Conversion Ratio: target is 45%, forecast of 46%. By industry standards this is exceptionally high.
- Increase the Number of Citywide Days two years out (for 2016): target is 28, forecast of 14. One citywide has contracted for 2016 (Vancouver Convention Centre [VCC] West), however, the dates overlap with an existing citywide (VCC East), therefore the days do not count. Two of five verbal definite citywides for 2016 have recently reverted to tentative, meaning – the client will now not contract prior to year end.
- 2014 has been another strong year client education/familiarization (FAM) group visits (8), most have been supported by Destination Marketing Funds (DMF). 2014 has also been another solid year for individual client site inspections, an average of 7 to 8 per month.

Planning Assumptions

- Market assumptions - no major changes in our core markets. Partner assumptions – consistent levels of partner investment. Business mix assumptions – we are anticipating potential reductions in meeting and convention hotel room blocks as well as increases to hotel rates. This may affect our ability as a destination marketing organization (DMO) to secure future Meeting and Convention (M&C) business for the destination.
- For the Canadian market, Vancouver remains geographically and cost challenged with respect to Canadian national organizations, especially corporate. Canadian citywide groups are reducing contracted room blocks as they do not want to be responsible for large hotel contracts. Having said that, based on business in the pipeline and rotations, we expect 2015 results to be solid. The hosting of the FIFA Women's World Cup in June of 2015 will be very positive for Canada and Vancouver.
- As the Canadian Tourism Commission (CTC) states "trade follows tourism", which is encouraging as US leisure travel is strong. However, competition is fierce from within the US and from our Canadian partners. Many US cities have implemented tax collection zones similar to DMF, with a large percentage of these funds being used to subsidize sales and marketing efforts as well as "buy" business. That said, with leisure travellers outpacing business travellers, some tier one cities are no longer offering the same level of substantial incentives for citywides. At the same time tier two and three cities are filling the void, increasing the playing field and the competition.
- Travel trends include business travellers (individual and group) adding on personal vacation time. This is a strength for Vancouver given the nature of our destination and the pre and post opportunities.
- Many US organizations have seen stagnant membership and meeting attendee numbers. Vancouver is an excellent option to grow Asia Pacific international attendees.
- 2015 is an excellent year for international business. Vancouver will host several large scale international citywide congresses. This starts with World Congress of Dermatology in June and concludes with International Diabetes Federation in December. In addition to the immediate economic benefit, this as a tremendous opportunity to showcase Vancouver to many of the affiliated organizations who will be participating in these congresses.
- Citywides with virtually no contracted hotel room blocks are becoming reality; International Society of Cerebral Blood Flow and Metabolism, June 28 to July 1, 2015. Total expected attendance of 1,200, contracting only 80 hotel rooms peak night.

Department Overview & Budget for 2015

- The main focus/purpose of the department is to generate overnight visitation through sales and marketing of Vancouver as a must visit, premier meeting and convention destination. Contracted hotel room nights remain a key measure. Expected Room Attendees (the number of out of town delegates requiring accommodation for an event) also guides our investment.
- Our investment priorities focus on direct client interaction with decision makers and influencers through sales activities in-market and in Vancouver. We generate quality leads for and with our members/partners active in the market and convert them to booked (definite) business. We also provide convention service expertise to ensure successful Vancouver events with an emphasis on maximizing out of town attendance, extending length of stay and increasing delegate spend.
- The 2015 draft program and personnel budget for the department is \$3,943,000, an increase of +17% over 2014 forecast. The year over year increase is due to reductions/cost savings in the 2014 budget, much of it rolled forward to 2015. It is also due to Tourism Vancouver's financial commitment to

Professional Convention Management Association (PCMA). Tourism Vancouver's total commitment is \$425,000 to be spent over fiscal years 2015 and 2016. We have set aside funds in our core M&C budget for each of the past three years; 2012, 2013 and 2014. We are hosting the PCMA annual meeting in Vancouver in January 2016.

- In addition to Tourism Vancouver's core budget, we invest and manage significant DMF funds in partnership with the Vancouver Hotel Destination Association (VHDA). These are fully activated by the Tourism Vancouver's sales team with no increase in permanent full time staff. Proposed DMF funds for 2015 total close to \$2.6 million (+37% over 2014). This includes the VHDA's significant commitment to the Vancouver Convention Development Fund (\$1.3 million for 2015, +51% over 2014). For the past few years we have seen consistent DMF financial support of Tourism Vancouver M&C sales activities. This has been very positive for business and budget planning.

Key Performance Indicators (KPIs)

- Future definite room nights – 280,000, increase of 10% over 2014 forecast.
- Future citywides booked – 22, increase of 5% over 2014 forecast.
- Lead room nights – 971,000, increase of 14% over 2014 forecast.
- Conversion ratio – 45%, decrease of 2% over 2014 forecast.
- Increase the number of citywide days on the books two years out, for 2017 – 24, increase of 71% over 2014 forecast.
- Room Attendees (out of town attendees requiring accommodation) – 102,000, increase of 23% over 2014 forecast.

Customers

- Meeting and convention primary customer segments are association and corporate. Incentive, government, union, sport, philanthropic and social, military, educational, religious and fraternal (SMERF) are secondary. Vancouver has done very well in booking high yield industry sectors within association.
- Main geographic markets are Canada, the US and International. In most cases it is based on where the headquarters for the organization are located. Important to note, for the international market the majority of congress business is generated through a "local host", the mandate of the *Be a Host* program. International business is classified as such based on where the meeting rotates around the world, not necessarily where the organization is headquartered.
- All clients expect responsive, reliable, professional and objective sales and service. In many cases the client expects the DMO to act as an advocate on their behalf in bringing their business to the destination. In this case, we look for a balance between what the customer wants and what is best for our destination and our members. In other cases the client may expect substantial financial support from the DMO as well as dedicated human resource support.
- In support of our One Citywide per Month strategy, and to fill identified future need periods, we will continue to explore opportunities in more modest market segments. This will depend on the relative need, seasonality and value of the business. It will also depend on support from our hotel partners in terms of large enough room blocks and competitive rates.
- In 2015 will see continued work on developing leads from China, Japan and the Philippines, mainly large scale incentive/corporate business.

Outcomes (Goals) and Strategies

The M&C Sales and Service team will, in partnership with our members active in the market, focus on the following:

- Fill identified future need periods, with an emphasis on;
 - 2015 – fill gaps.
 - 2016 and 2017 – convert tentative citywides to definite business as well as generating new leads.
- Build a solid base of citywide meeting and convention group business beyond 2017.
- Maximize room attendees from definite on the books business.
- Maintain a balanced portfolio – customer market segments and geographic territories.
- Sales and marketing business decisions based on data; real time customer relationship management (CRM) reporting (Simpleview), TAP report, Arena/Simpleview, MNP LLP.
- Maximize DMF investments relative to human resource capabilities.
- Strategic, targeted and aggressive use of the Vancouver Convention Development Fund.
- Re-Book and multi-year offer strategies. 2014 was the first year of the 9 year, 5 meeting deal with CIMMP. Also first year for Technology, Entertainment and Design (TED), 2015 is definite, immediate goal is to re-book TED for 2016 to 2020, then 2021 to 2026. In 2014 Vancouver hosted SIGGRAPH for the second time (2011), we are actively bidding for 2018. 2015 begins with Vancouver hosting the 7,000 person Modern Language Association conference in January - this meeting is already re-booked for 2020.
- One Citywide per Month proactive sales strategy.
- Bid on select client rich industry organization events in order to host them in Vancouver. Dependent on DMF financial support.
- Unified Vancouver message in-market.
- In support of achieving Optimal Business Mix targets, continue the strategy of focusing on higher yield group business for Vancouver's peak season. At the same time, work to generate increased opportunities during low season by exploring more modest priced organizations and increased volume. This will require consistent support from the hotel community.
- Based on feedback from Board and Coalition sessions, key strategic outcomes in 2015 will include:
 - Establish an action plan with hotels to address 2017.
 - Review and revise strategy for the corporate meetings market.
 - More closely align with the CTC's focus on federal trade priorities.
 - Determine ways to better manage room blocks for city-wide business.

Key Initiatives/Tactics

- Direct sales, client focused, sales time with decision makers and influencers.
 - In-market; sales calls, sales missions, client events, conferences, tradeshow, bid presentations, industry organization representation/partnerships/volunteer leadership, advertising (traditional and new media) and attendance building.
 - In Vancouver; CRM, research, *Be a Host*, Vancouver Bid Seminars, client site inspections, education/familiarization group visits, hosting clients through industry partnerships and hosting of select industry events.
- Investment mix in sales and marketing activities is expected to be consistent with the past few years.

- New Initiatives/Tactics worthy of note, more detail will be available in the final written Business Plan;
- Canada: Meeting & Incentive Travel Canada (M&IT) University in Montreal and Ottawa,
- US: New York corporate third party educational visit, Pharma Forum conference, client education day at the Canadian Embassy in Washington, DC, sales trips/client events in Portland and Salt Lake, Senior Planner Industry Network (SPIN) Nov conference sponsorship with the goal to bid on and host in Vancouver, Taxis sales mission, Chicago/Midwest corporate sales mission, TED live client events in Chicago and Washington, DC, Vancouver stand-alone partnerships with ConferenceDirect and Experient, hosting of the Association Management Company (AMC) Institute Nov 2015 Executive Leadership Forum in Vancouver, we have also secured hosting the AMC annual in Feb 2018.
- International: Asia-Pacific Incentives and Meetings Expo (AIME) Melbourne, Incentive Travel & Conventions, Meeting China Shanghai.
- Pan Department: Local Host Committee responsibilities for the PCMA Convening Leaders annual meeting – this is a huge priority for Vancouver’s meeting and convention community, Dave Gazley and Claire Smith (VCC) are Co-Chairs of the Local Host Committee, international congress research work in order to leverage 2015 opportunities for all markets, partnership with UBC Sauder and/or SFU Beadie School of Business, social media strategy consultations.

Leisure Travel & Digital Marketing

	2013 Actual	2014 Forecast	2014 Plan	2015 Proposed
Investment				
Trade Programs	\$753,277	\$711,460	\$908,500	\$763,000
Consumer Programs	\$306,930	\$302,827	\$329,500	\$291,000
Personnel	\$1,212,397	\$1,202,213	\$1,149,000	\$1,212,000
Total	\$2,272,603	\$2,206,500	\$2,387,000	\$2,266,000
Output – KPI				
Corporate Web Visits	2,869,311	3,100,000	3,127,550	3,250,000
Blog Visits	1,731,589	2,000,000	2,025,960	2,300,000
Consumer Referrals	NA	230,000	NA	255,000
Consumer Database	139,378	142,000	145,000	145,000
Travel Trade Leads	1,366	1,385	1,250	1,350
<i>Vancouver Specialists</i>	1,499	1,370	1,500	1,400

Results / Achievements for 2014

- Consumer – database growth – target 145,000; projection 142,000; referrals to members - projection 230,000 (baseline)
- Digital – corporate web visits – target 3.1 million; projection 3.1 million; blog views – target 2.0 million; projection 2.0 million
- Trade – leads and referrals – target 1,250; projection 1,385; *Vancouver Specialists* – target 1,400; projection 1,370

Planning Assumptions

- Main assumptions include the same level of financial investment in 2015 as in 2014: a level of partner support comparable to the previous year; and a full staff complement.
- Also assume that the web site is optimized for mobile devices in 2015.
- Performance indices tracked – both for incentive plans and key performance indicators (KPIs) – are for the key tactics driving awareness and conversion in our trade and consumer markets.
- Market context assumes growth will continue from Asia and emerging markets; domestic and US demand will be nominal; Europe will be flat with some growth from UK and Germany.
- Trade markets are focused on high-end free independent traveler (FIT) and incentive (where possible); groups are more nuanced and customized, with tailor-made experiences and itineraries becoming the norm.
- Air access from China will increase in 2015 (possible new direct routes from Xiamen and Kunming); direct air from Air France in 2015 also a possibility. Air capacity from Japan to increase with Air Canada Rouge flight from Osaka to YVR.
- Canadian Tourism Commission (CTC) repositioning in Korea to profile Vancouver and focus on high end FIT.

Department Overview & Budget for 2015

- The primary purpose of the department is to build demand for the destination from our short-haul and long-haul leisure travel markets. Short-haul markets, primarily BC and Washington, are the focus for consumer marketing. Long haul is heavily influenced by the travel trade (retail travel agents, tour operators, receptives and wholesalers) who are our primary focus in international markets. We invest in programs and trade relationships in 10 countries and in two niche markets.
- Re-engagement in Japan following stronger growth in 2014 and increased air access expected in 2015. Investments in growth markets – China, India and Brazil – will be partnered; all consumer programs will be retail oriented – hotel-direct or rooms booked - with database acquisition a secondary objective; all consumer tactics will be digital; there will be no brand-building consumer marketing without the support of Vancouver Hotel Destination Association (VHDA) Destination Marketing Fund (DMF).
- The program and personnel budget for 2015 is \$2,226,000 (trade and consumer) which represents 8 full-time, 1 term and one contract position.
- Total investment requested from the VHDA for 2015 to support trade and consumer programs is \$859,750. YVR has also expressed interest in a multi-year relationship with Tourism Vancouver in priority markets.

Key Performance Indicators (KPIs)

- Consumer – database growth of 2% (145,000 total); referrals of 11% (255,000 total with 60,000 attributed to our relationship with Meridian)
- Digital – corporate web visits of 3.25 million (5% growth); blog views of 2.3 million (15% growth)
- Trade – leads and referrals of 1,350 (0%); *Vancouver Specialist* acquisition of 1,400 (2%)
 - Flat leads and referrals reflect the lack of major trade events in Vancouver in 2015 (i.e., cruise360, Rendez-vous Canada [RVC], Canada's West Marketplace [CWM]).
 - Return on investment (ROI) on marketing is tracked on all trade campaigns as an internal KPI (however not an incentive measure) as timing, magnitude of investment, market priorities and choice of tactics have a marked impact on outcome.

Customers

- The general expectation for 2015 is for 3-4% growth overall in overnight volume; with overseas markets leading the way (5%) and the US growing by (4%). Domestic demand is expected to be 2%. The cruise demand experienced in 2014 will be sustained in 2015. Europe will be soft, but the UK and Germany are expected to show some growth to Vancouver (1-2%).
- In all markets – both trade and consumer- there is more segmentation and increasing focus on FIT and higher yield consumers who see value in a downtown stay. *The Explorer Quotient* (EQ) is being used for segmentation wherever possible.
- Trade relationships, in the US in particular, are focusing on retail consortia that service high-end, luxury-oriented, consumers. Incentive customers are being targeted in growth markets (e.g., China, India, Mexico) in conjunction with M&C.
- Potential target markets include increasing focus on affluent high net worth individuals in Asia and emerging markets; incentive markets in China, India, Mexico, Japan and Brazil; ethnic markets in US –

particularly the Hispanic market in western US; student travel market internationally –in conjunction with increasing focus from CTC on this segment.

Outcomes (Goals) and Strategies

- Expected outcomes for consumer, digital and trade include the following:
 - Design and launch of new website at www.tourismvancouver.com to be responsive to a growing mobile environment pending funding/budget outcome.
 - Consumer retail sales and database acquisition using seasonal themes and more focused communications using *EQ Tool*, monthly incentives and marketing campaign support
 - Incentives and ongoing engagement for *Vancouver Specialist Program* to drive itinerary development and sales by trade.
 - Strong, enduring relationships with at least two US trade consortia that positions Vancouver as a value-added FIT and customized group destination.
 - Rich content and social media programs in both English and Chinese that engages and significantly grows our online community of bloggers and fans.
 - Strong bilateral trade/media mission in Guangzhou in support of 30 year sister-city anniversary
- Regarding the optimal business mix, extending Vancouver's seasonality is influenced by seasonal positioning through the consumer program, enhanced social media content during anticipated need periods, and using trade incentives to stimulate off-season interest and booking. Whistler's cachet during the winter and Chinese New Year are opportunities to stimulate demand in winter/spring. All trade campaigns focus on segmenting clients and buyers with an interest in downtown locations and extended stays.
- Trade will be exploring relationships in key markets with influencers who work with student travel market (i.e., young people who travel post-graduation before settling down to busy careers). This is in response to growing global demand, and in anticipation of the CTC's focus on student travel as Canada approaches its 150th anniversary in 2017.
- Incentive travel influencers are being targeted in growth markets in conjunction with M&C. China is a priority but India, Japan and Mexico are also considerations for 2015.
- Emphasis on the *Vancouver Specialist Program* to date has been on acquisition and conversion. The next stage of the relationship is to focus on incenting/encouraging business performance
- Based on feedback from Board and Coalition sessions, key strategic objectives in 2015 will include:
 - Manage the *Vancouver Specialist Program* to incent/encourage business performance.
 - Continue to build on the efforts of VHDA leisure hotels that have invested in fall/winter trade marketing campaigns.

Marketing Communication & Member Services

Marketing Communications	2013 Actual	2014 Forecast	2014 Plan	2015 Proposed
Investment				
Programs	\$ 834,242	\$898,077	\$926,000	\$840,000
Personnel	\$1,097,669	\$1,021,558	\$1,041,000	\$999,000
Total	\$1,931,911	\$1,919,636	\$1,969,000	\$1,880,000
Output - KPI				
Stories - Core Markets	1,489	1,500	1,555	1,575
Media Hosting	433	300	400	400
Member Services	2013 Actual	2014 Forecast	2014 Plan	2015 Proposed
Investment				
Programs	\$150,922	\$180,000	\$195,000	\$200,000
Personnel	\$468,008	\$492,098	\$492,000	\$468,000
Total	\$618,930	\$672,098	\$687,000	\$688,000
Output - KPI				
Member Engagement	5,131	5,400	5,385	5,550
Fees and Buy-in	\$962,575	\$910,000	\$945,000	\$930,000

Results / Achievements for 2014

- In Membership/Sponsorship, Member Engagement is likely to reach target with excellent participation by members in various initiatives; Fees & Buy-ins will be close to target.
- In Travel & Trade Media, we are slightly behind pace due to a transition in media tracking assistants. However, we expect to reach our target. Corporate stories are somewhat dependent on external forces but we do expect to meet target as well.
- Many of the new tactics proposed for Membership in 2014 have been implemented including extranet webinars, a targeted member acquisition strategy, member LinkedIn group.
- Major media relations tactics include: hosting press trips; media pitching at conferences and events; media communications through newsletters and news releases. So far in 2014 we have tracked 1,021 consumer and trade focussed travel stories. Over 400 Tourism Vancouver members have been mentioned in articles.

Planning Assumptions

- While research has been conducted on the advantages or disadvantages of a membership structure, planning has been conducted on the premise that Tourism Vancouver will remain a member-based organization for the foreseeable future.
- One of the major industry trends is the proliferation of travel blogs/bloggers which have taken the place of major industry publications for content and perceived credibility.

- Media Relations remains an inexpensive and powerful way to generate exposure for Vancouver and interest in travelling here. Newspapers, magazines, the web and television shows are still among the top three ways consumers in our target markets get travel information and inspiration. Our Media Relations program has been generating excellent results for the past 10+ years.
- Strong member participation and engagement with Tourism Vancouver, sales results, as well as strong retention clearly demonstrate that members are satisfied with the services we provide and the opportunities/results we have achieved on their behalf.
- The Travel Media Team takes direction from the trade teams with respect to market focus. Importantly, research shows that different countries consumer media differently (e.g., television is king in Brazil while newspapers are king in Germany). This intelligence affects the way we pitch media in different markets.
- While we continue to look for opportunities to add member value, we also review each initiative to ensure we provide ways to improve existing services to members. The initiatives we introduced in 2014 proved to be beneficial.
- The concentration of media efforts in core markets produced excellent coverage. The ability to leverage our earned reputation in core markets will allow us to be even more focused in targeting select, high profile and influential media outlets to profile Vancouver.

Department Overview & Budget for 2015

- The department is comprised of several mini-business units that support the efforts of our sales teams, as well as execute corporate strategies.
 - Member Relations – Recruit and retain a network of tourism-related businesses that provide products, services and experiences that visitors expect.
 - Marketing Services – In-house graphic design and production services for sales and marketing tools such as visitor guides, maps, advertisements. Clients are internal departments.
 - Corporate Sponsorships – Provides Tourism Vancouver with additional resources by building relationships with companies that provide a combination of cash, marketing leverage and in-kind services to augment existing programs and promotions. Sponsors such as BC Hydro, EasyPark and Air Canada expect a measurable return on their investment with Tourism Vancouver, through innovative programming and initiatives that enable them to reach their individual goals.
 - Corporate Communications – Raises awareness of Tourism Vancouver and the wider tourism industry within Metro Vancouver and beyond largely through media relations. Tourism Vancouver has become a reliable source for information and opinions on a wide range of tourism issues.
 - Travel & Trade Media Relations – Position Vancouver as a must-visit destination in key markets by generating non-purchased, positive, editorial exposure in print, broadcast, online and social media.
 - Destination Management – Liaises with governments, businesses and residents of our region to ensure our industry's voice is heard at every level of policy and decision-making, demonstrating leadership in transforming the city into a sustainable tourism destination while building industry revenues and elevating tourism as an integral sector of the economy.
- Given that resources are largely unchanged from 2014, there are no major changes proposed for 2015.
- The Marketing Communications budget is \$1,880,000 while Member Services is \$688,000. These are slightly different (-\$39,630 and + \$16,000 respectively) than 2014 base.

- We expect Destination Marketing Fund investment of \$55,000 for emerging market media FAMs.

Key Performance Indicators (KPIs)

- Fees and buy-ins target – \$930,000, an increase of 2%.
- Member engagement – 5,550, an increase of 4%.
- Stories in core markets – 1,575, an increase of 5%.
- Local stories – 580, an increase of 5%.

Customers

- 1,000+ member businesses representing all aspects of the tourism industry. Expectations are to deliver members a measurable return on their membership investment through tangible benefits (sales, marketing opportunities) or other benefits such as being the voice of the industry in Vancouver.
- Vancouver has a reputation for having among the best Visiting Journalist Programs in the world. Consequently, travel journalists, bloggers, local media know to expect a high level of service.
- A formalized targeted acquisition strategy has led to a broader focus for the membership team from merely servicing existing members to proactively pursuing businesses that would enhance our membership and provide a benefit to customers. For example, as part of our Tourism Energy Specialist program, we are targeting sustainable suppliers who can work with our members on their energy saving initiatives.
- In sponsorship, the focus will be on both leveraging existing assets and developing new assets or initiatives that allow us to work closely with Vancouver-based businesses to generate mutual business results within the visitor market.
- In media, we will be placing greater focus on online influencers (e.g., bloggers and social media storytellers) who have established a significant audience and influence in core markets.
- As the global tourism industry continues to focus on authentic experiences, smaller neighbourhood businesses will likely become more of a focus in the coming years. Hence the engagement of business improvement associations (BIA's) within our Membership and Travel Media initiatives.

Outcomes (Goals) and Strategies

- Actively recruit those businesses, products and services that have been identified as in-demand by visitors, and that enhance our existing membership complement. Sectors such as Arts & Culture, retail will be targeted through a strategic acquisition strategy.
- Establish partnerships with at least three local companies in categories such as digital, credit card and media to provide additional resources to support existing programs and/or develop new initiatives with mutual benefits. Utilize the results of the commercialization strategy to identify assets and potential partners.
- Increase the number of member mentions in travel media stories, particularly within high profile publications or broadcasts in core markets, partnering with members on in-market activities and other programs.
- Attract more influential media to Vancouver to experience the destination first-hand by building relationships and concentrated, focused story pitches.
 - The Member and Sponsor relations team supports the efforts of Tourism Vancouver's sales

- teams and provides them with the member products and sponsor benefits that they need to deliver on the Optimal Business Mix targets.
 - Travel & Trade Media create awareness of the destination in core markets, as well as generate earned media results vis-à-vis specific initiatives (e.g., *Dine Out Vancouver Festival*, consumer campaigns) to contribute to program objectives.
- Based on feedback from Board and Coalition sessions, key strategic outcomes in 2015 will include:
 - Focus more resources in the communications area to generate quality, unearned media over quantity.

Key Initiatives/Tactics

- Develop and implement a robust member care plan for both new and existing members that ensure consistent, personal interaction and engagement with each member of Tourism Vancouver.
- Solicit and engage potential members in the retail and Arts & Culture sectors as part of the strategic member acquisition strategy.
- Partner with Destination BC, Tourism Whistler and Tourism Victoria on in-market press trips to key publications and other media.
- Attend Canada Media Marketplace and Go Media for face-to-face meetings with travel journalists.
- Write monthly newsletters (*Fresh, Vibe*) for distribution to media database.
- Continued and increased member engagement in Tourism Vancouver's initiatives and activities
- Increased member satisfaction, which will result in strong overall retention
- An increase in program participation across the organization resulting in additional revenue
- Increased revenue generated by new sponsor relationships, as well as added value to the membership base due to new sponsor generated programming.

Experience Vancouver

	2013 Actual	2014 Forecast	2014 Plan	2015 Proposed
Investment				
Programs	\$552,029	\$350,175	\$482,999	\$475,000
Personnel	\$1,058,755	\$1,053,970	\$1,077,000	\$1,093,000
Total	\$1,610,784	\$1,404,145	\$1,559,000	\$1,568,000
Output - KPI				
Gross sales – Visitor Centre	\$2,351,700	\$2,500,000	\$2,800,000	\$2,700,000
Gross sales – <i>Tickets Tonight</i>	\$2,566,984	\$2,700,000	\$2,900,000	\$2,800,000
Visitor Parties Served	145,862	138,000	140,000	140,000

Results / Achievements for 2014

- Sales of members' products and services were at \$2.2 million (as of September 30th) which represented 79% of our target of \$2.8 million and 5.2% ahead of previous year's sales for the same period.
- Sales of *Tickets Tonight* totalled \$1.7 million (as of September 30th) which represented 59% of target of \$2.9 million and 7% ahead of last year. A total of 329 producers (shows) were serviced as of September 30th which was 73% of the yearend target of 450.
- Visitor parties directly served were 5% behind last year at 127,854 (September 30th) due to the elimination of the remote visitor kiosk located next to the Vancouver Art Gallery.
- As of September 30th, 18,105 hours, the equivalent of 8.7 full-time employees (FTEs), were contributed by volunteers who assisted in the visitor centre and on the street as tourism hosts.
- Experience Vancouver's team (staff and volunteers) received the most number of nominations for outstanding customer service as recognized at the recent 2014 Vancouver Tourism Awards event.

Planning Assumptions

- Experience Vancouver's focus is on the post-decision and, in particular, the in-destination component of the visitor's travel journey to Vancouver.
- Continue to engage with visitors on the ground to foster greater spend, longer stay, stimulate repeat visitations by optimizing existing initiatives (visitor centre, *Tickets Tonight*, delegate services and volunteer/city host program) and building community capacity to better engage with visitors.
- Key market segments are independent travellers, convention delegates and those visiting friends and relatives.
- Actively promote, sell and refer members' products and services to visitors.
- Experience Vancouver will have at least a similar amount of funding as in 2014 budget.

Department Overview & Budget for 2015

- The mandate for Experience Vancouver is to lead and orchestrate the delivery of unsurpassed visitor experiences the successful outcomes of which are incremental visitor spending, extending length of

stay, stimulating repeat visitation and thereby maximizing the economic impact of visitation to Vancouver and the region.

- In 2015, we will continue to evolve and formulate plans to champion the Vancouver visitor experience. This involves reaching out and building greater capacity within the local community to better engage with visitors.
- A key strategy is the establishment of an “official Vancouver tourism network - Experience Vancouver” the foundational elements of which include a framework to continuously improve the visitor experience through alignment of stakeholders to defined standards and best practices, real-time gathering and conversion of visitor feedback into useable metrics and taking actions on things that matter most to visitors. The Experience Vancouver network will also involve the deployment of a destination delivery/booking platform and an expanded tourism ambassador program.
- Total proposed budget for 2015 is \$1,568,000 which is in line with 2014 budget and higher than 2014 forecast as a result of the deferral of the booking platform and expanded tourism ambassador programs due to the need for greater research and Tourism Vancouver’s funding challenge.
- No investment is contemplated from Vancouver Hotel Destination Association (VHDA) Destination Marketing Fund (DMF) for now.

Key Performance Indicators (KPIs)

- Gross sales – members’ products/services (e.g., attractions, tours) of \$2,700,000, an increase of 8% over 2014 forecast.
- Gross sales – *Tickets Tonight* of \$2,800,000, an increase of 4% over 2014 forecast.
- Visitor parties served in person of 140,000, an increase of 1% over 2014 forecast.

Customers

- The key customer segments targeted by Experience Vancouver and *Tickets Tonight* are free independent travellers, those visiting friends and relatives, convention delegates, and Metro Vancouver residents seeking arts and entertainment experiences.
- Based on a July 2014 survey, 54% of visitors who used the visitor centre were from Europe (UK and Germany being the top two markets), 23% were from the US, 10% from Canada and 1% from the rest of the world. It is noted that very few Chinese visitors utilize the visitor centre.
- Top means by which visitors located the visitor centre were street signage, internet,
- The focus in 2015 continues to be to formulate plans that support local community hosts which would include emerging “sharing economy” channels who have the ability to directly engage with visitors.

Outcomes (Goals) and Strategies

- Key strategy: Augment Vancouver’s competitive advantage through the establishment of a destination-wide visitor experience management initiative.
- Key goals:
 - Extend visitors’ average length of stay.
 - Encourage and help generate greater visitor spending.
 - Stimulate repeat visitations.
 - Drive visitor advocacy for Vancouver as a “must-do” travel experience.

- Starting in 2014, strive to become financially self-sufficient over a period of 5 years (i.e., 2018).
- Based on feedback from Board and Coalition sessions, key strategic outcome in 2015 will include:
 - Drive down operating costs of visitor centre while exploring commercial opportunities.

Key Initiatives/Tactics

- Optimize existing operations – *Tickets Tonight*, message centre, visitor centre and delegate servicing.
- Continue to build community capacity to deliver positive visitor experiences:
 - Establish visitor experience management program – a framework that aims to continuously improve on Vancouver visitor experiences through a system of visitor feedback which are then addressed by stakeholder groups.
 - Establish a destination delivery/booking platform – a booking engine/platform that allows visitors to buy using their own devices (self-serve) or through intermediaries/resellers such as hotel concierges and member storefronts.
 - Engage the City of Vancouver for visitor Wi-Fi, the community, and in-destination visitors via an expanded tourism ambassador program.

Sales and Marketing – Markets by Origin

Canada

A Quick Update

Overnight Canadian visitation to Vancouver in 2014 is expected to show growth (4%) at 5,473,325 compared with 2013. Projected visitation for 2015 is minimal growth (2%) at 5,569,781 compared with 2014.

Key highlights of 2014 included a full annual cycle of Vancouver's new seasonal branding including short videos, other assets and paid campaigns. New opportunities for sales and content included events such as Celebration of Light, the Vancouver Auto Show and Brand Live's announcement of a New Year's Eve event for Vancouver. Also, *Dine Out Vancouver Festival* included new events such as the Chef's Soup Experiment, and in the fall, year-two of Vancouver's Holiday Shopping Days promotion was streamlined to have greater emphasis on attractions in November. Vancouver was featured on major Canadian television show, Marilyn Dennis. Vancouver will once again play host to the high-profile Technology, Entertainment and Design (TED) conference in 2015. Based on the successful 2014 TED, we are looking to leverage and capitalize on the 2015 conference. A new module developed by Tourism Vancouver's booking engine provider was adopted and launched in Q2 which enables direct referrals to specific hotel product via a search engine. The change was well received by members no longer needing to pay commissions or manage separate inventory; carrying out numerous marketing campaigns with key Canadian operators which include a stronger presence with two fundamental consortia groups than in previous years (Virtuoso and Signature) through the assistance of the Vancouver Hotel Destination Association (VHDA).

In 2012, Canadians took more than 32 million overnight trips, a 6% year-over-year gain. They also continued to increase their spend on international trips, spending more than \$30 billion across the border and internationally.¹ Canada is the sixth largest spender when it comes to outbound travel, and is growing at the fifth-fastest rate amongst advanced economies.²

Exotic destinations continue to entice domestic travellers; however, traditional competitors are also posing a threat like never before. Most notable is the United States, with its national tourism marketing organization, Brand USA. The organization has access to up to \$200 million a year in marketing dollars, ready to entice Canadian travellers across the border. Tourism Australia, Tourism New Zealand and VisitBritain also continue to grow and maintain robust investments in the North American markets.³

Vancouver needs to continue differentiating itself against competitors as demand for domestic travel remains soft. Tourism Vancouver's four-season campaign will assist in positioning Vancouver as a

¹ http://en-corporate.canada.travel/content/ctc_news/tourism-snapshot-year-in-review-2012

² Canadian Tourism Commission, Helping tourism businesses prosper, *2013-2017 Corporate Plan Summary*, p.4.

³ Canadian Tourism Commission, Helping tourism businesses prosper, *2013-2017 Corporate Plan Summary*, p.3.

desirable, cosmopolitan city on the edge of nature with year-round entertainment, major events and world-class culinary experiences – all key drivers for Canadian travellers.⁴

The Canadian Tourism Commission (CTC) is not active in the Canadian market. This creates a need for Tourism Vancouver and associates to be present to ensure brand is maintained and growth possibilities explored. Currently the CTC is researching opportunities for future years in the domestic youth market, this will be an area to watch as there may be options to leverage off their efforts and grow Vancouver's domestic share from this niche area.

Traditional media remains the most trusted source for Canadians seeking information, including travel.⁵ Therefore, generating media coverage about Vancouver's diverse travel experiences in newspapers, magazines, broadcast and online remains a focus for Tourism Vancouver. The Media Relations team will continue to work with writers, editors and producers across the country, feeding them stories and bringing them to Vancouver on press trips.

2014 was a successful year for Canadian meetings. Vancouver hosted Rendez-vous Canada, the Canadian Chemistry Conference & Exhibition, the Canadian Institute of Mining, Metallurgy and Petroleum Annual Conference & Exhibition and the Canadian Cardiovascular Society. In 2015 Vancouver will host several large international congresses; this will provide Vancouver an opportunity to prospect for additional national and international business. The Director of Sales, Canada and International position has been vacant since early in 2014. With that, responsibilities have been added to the Canadian Sales Manager position in terms of working more with Canadian Associations on both national and international business opportunities.

A trend that we continue to see is that meeting planners are being conservative in their room block numbers for both citywide and in-house groups. For 2014, the number of leads are ahead of pace, however the number of room nights are behind pace.

In late 2014, Vancouver hosted the Grey Cup and Fédération Internationale de Volleyball. In 2015, Vancouver is one of the host cities for the FIFA Women's World Cup. We will host a number of games throughout June 2015, including the final game in the first week in July. This will create exciting marketing and media relations opportunities. And once again, this will put Vancouver on the world scale of hosting international sporting events, keeping in line with Vancouver's strategy to secure one major event each month and one major convention each month.

Since the Olympics in February of 2010, Vancouver has seen the growth of sport events plus the arrival of major destination sporting events, driving room nights and participation (i.e., FIFA, GranFondo cycle, SeaWheeze half marathon, Rock and Roll marathon). This growth and profile sets the scene for a greater appeal for Vancouver as a host city for sporting events.

Traffic to all Tourism Vancouver web properties continues to grow, with visits to the blog increasing by 40% in 2014 and double-digit growth in followers on social media networks. Like other markets, Canadians are increasingly accessing web content via their phone or mobile device. To address this growing trend Tourism Vancouver will be launching a new and fully responsive website by early 2015.

⁴ Canadian Tourism Commission, *Global Tourism Watch, Canada Summary Report – 2011*, p. 7.

⁵ 2014 Edelman Trust Barometer <http://edelman.ca/2014/01/30/2014-edelman-trust-barometer-canadian-findings/>

Situation Analysis

Strengths

- Beautiful, cosmopolitan, multicultural and walkable city on nature's edge.
- Diverse visitor experiences (culinary, culture, sightseeing, outdoor adventure, shopping, spa).
- Diverse spectrum of sporting and cultural festivals and events.
- Growth of grassroots/neighbourhood events help support Vancouver's seasonal brands.
- Infrastructure to Host major events such as the Olympics, TED, Grey Cup, the Olympics, AA, FIFA Women's World Cup in 2015, and Professional Convention Management Association's (PCMA) Convening Leaders and cruise3sixty in 2016.
- New tourism product providing economic growth and driving "what's new" public relations stories (e.g., Skwachays Lodge; Sea To Sky Gondola, BC Place Development, Trump Tower; Aquarium Expansion).
- New Experiences such as craft breweries, garden tourism, birding, emerging neighbourhoods.
- Vancouver is internationally recognized as a lesbian, gay, bisexual and transgender-friendly (LGBT) destination.
- Ease of access (no border, direct flights, highway access and train connections).
- Mild climate is strong draw in markets of extreme summer and winter temperatures.
- Tourism Vancouver's hotel referral platform for commission free reservations to members.
- Strong partnerships including Destination BC, VHDA and Tourism Vancouver members.
- Award-winning convention centre and hotels.
- Potential to partner strategically with PCMA on increasing national delegation to Convening Leaders in 2016.
- Cruise and rail destination and pre- post- city.

Weaknesses

- Lack of urgency to visit destination.
- Price competitiveness - high cost of visiting Vancouver (airfare, taxes, fuel, accommodation) relative to other Canadian and international cities.
- Distance is a key obstacle for travellers in central and eastern Canada.
- Vancouver not perceived as iconic or exciting as other world cities (e.g., New York, San Francisco, Las Vegas, Sydney, and Montreal).
- Unable to provide incentives smaller conferences are requesting in order to bring their meetings to Vancouver.
- Meeting planners very conservative in their room blocks for both citywide and in-house group business in relation to the actual number of room attendees (out of town attendees). From some hotel's point of view this artificially de-values the business. As well, it causes some business to be turned down due to meeting space to contracted hotel room ratio.
- Lack of budget for rights fees and operational costs, at city and provincial levels, to host new or major sporting competitions, broadcast opportunities and special events
- A sense of over-familiarity and complacency among Canadians to see their own country.
- No domestic investment from the CTC.

Opportunities

- Strong visiting friends and relatives market.
- High repeat visitation rates.
- Capitalization of social media networks of Canadians travelling in Vancouver and locals.
- National associations tend to rotate within Canada for their annual conferences with regular rotations to the west.
- Strong PCMA, Meeting Professional International (MPI), and Canadian Society of Association Executives (CSAE) chapters across Canada.
- National and regional magazines, newspapers and broadcast media's regular appetite for news and information about Vancouver's travel offerings.
- Potential CTC investment for the youth market.

Threats

- Uncertain long-term sustainable funding.
- Increased competition from traditional and emerging destinations courting Canadian travellers (e.g., Brand USA, Tourism Mexico, Travel Alberta).
- Shorter leisure trips and lead times make it difficult to forecast need periods.
- Competing destinations enticing Canadian meeting, convention and sport groups with subvention funds.
- Compression during peak times (e.g., citywides, cruise season, festivals) can impact hotel availability and rates.
- Major events in Canadian and American cities attracting Tourism Vancouver's target audience (e.g., Pan-Am Games in Toronto, Calgary Stampede, and Toronto International Film Festival).
- Other Canadian city convention centre expansions underway.
- Direct competition from Vancouver Hotel Destination Association using identical tactics in local BC markets, makes it difficult to build business to hotel stakeholders during identified need periods.
- The media landscape in Canada is changing. Magazines are folding, newspaper travel sections are shrinking and television shows are demanding cash sponsorship. The changes are making it harder to find opportunities to get unpaid media coverage.

Our Competition

Canadian outbound travel has significantly increased in recent years. The length of stay for domestic travellers to Vancouver has also decreased,⁶ and competition and affordability are still cited as the two greatest deterrents for domestic travel.⁷

Direct competitor destinations include the US, UK, France, Italy, Australia, New Zealand, China and Hong Kong.⁸ Our competitors are taking advantage of Canadians' propensities to travel abroad. USA has entered the market aggressively with a first-time \$20 million Brand USA campaign targeted directly at summer vacationers.

⁶ Statistics Canada, Travel Survey of Residents of Canada and/or International Travel Survey, 2011. Cities Profile Report – Canada, All Overnight.

⁷ Canadian Tourism Commission, *Global Tourism Watch, Canada Summary Report – 2011*, p. 10.

⁸ Destination British Columbia, *Visitor market profile – Ontario*, July 2012, p.3.

Calgary, Ottawa, Montreal, Toronto and Victoria are Vancouver's main competition for Canadian meeting and convention business. Toronto is often the headquarters location for many Canadian companies. Opportunities to host their meetings have been lost as they wish to keep the program in Eastern Canada for budget reasons. Some of these cities also offer significant subvention funds to conferences.

Many Canadian destinations are subsidizing sport business with financial incentives to help meet clients' budget priorities in hosting events. Unfortunately, Vancouver is not in a position to compete in this way. The VHDA is supplementing various events for the purpose of driving hotel room nights to VHDA member hotels.

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, free independent travellers with a propensity to stay in downtown hotels. The Canadian outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ).

Visitor Market Profile (2012 Leisure Travel Only):⁹

- 30.5% of total arrivals are for leisure.
- 25-44 years is the largest demographic.
- \$328.33 is the average spend per person per trip.
- 2.7 nights is the average length of stay of leisure only visitors.
- July to September – largest travel months.

For Vancouver, the three segments of particular interest are: Cultural Explorers, Authentic Experiencers and Free Spirits, as their travel values resonate most strongly with Vancouver's product offerings. These travellers are independent and immersive: They like to explore, travel with like-minded people and feel part of the local culture. They also enjoy natural landscapes and vast settings. Value is especially paramount to the Free Spirits, who like to indulge in the best they can afford

Geographically, British Columbia is Vancouver's largest domestic market, representing more than half of all visitations to Vancouver, followed by Ontario and Alberta. Metro Vancouver residents also present a good opportunity for retail sales offers through visitor services (e.g., *Tickets Tonight*).

Two important segments within these primary markets are the cruise vacationer looking for pre/post vacation options around an Alaska cruise experience, as well as the gay and lesbian traveller.

The Canadian meeting and convention market sees a mix of association (primary), corporate, union, government and sport. An increased number of associations and corporate companies are working with third party planners. Often we do not have contact with the end user client. The headquarters are primarily based in Ottawa, Toronto and Montreal.

⁹ The 2012 Canadian overnight Visitor to Metro Vancouver

Secondary Market(s)

A large part of Vancouver's domestic leisure market is visiting friends and relatives particularly from Ontario and Alberta. Though this market tends to have less of an impact on paid accommodations, there is an opportunity to add or extend room nights, visit attractions and increase spending by engaging locals to be ambassadors for a Vancouver getaway.

Secondary markets for meetings and conventions include business from within British Columbia and Alberta.

Our Focus

Vancouver's Creative Direction

- Vancouver's seasonal branding.
- Vancouver is a cosmopolitan, multicultural city on nature's edge.
- Vancouver is a year-round destination offering a plethora of outdoor pursuits, from mountains to ocean.
- Vancouver is rich with culture, festivals and events.
- Vancouver is a culinary hotspot.
- Vancouver has a distinctive culture promoting wellness and an active lifestyle.
- Vancouver has leading-edge meeting and convention facilities and hotels.
- Vancouver has a solid reputation for hosting major sporting events.
- Vancouver is a centre of ideas, inspiration and innovation.

Key Tactics

- Destination marketing campaigns to consumers – traditional, digital and social media.
- Cooperative marketing campaigns via the travel trade.
- Media press trips and travel agent/meeting planner familiarization tours.
- Sales calls and trade shows.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Creating sweepstakes incentives and in-kind promotions.
- Generating unpaid media coverage.
- Database acquisition and email marketing.
- Online content development.
- Identification of meeting and convention opportunities through *Be a Host*.
- Building attendance for conferences, meetings and trade shows.
- In-market engagement through service and sales.

Vancouver's Strategy 2015 - 2017

Tourism Vancouver's Canadian leisure strategy is to promote the four-season brand to build Vancouver's awareness as a year-round destination through both consumer-direct and trade distribution channels, using consumer segmentation.

Tourism Vancouver's meeting and convention market key strategy is to position Vancouver as a premier meeting, convention and event destination for in-house, multi-hotel and citywide business. Also to ensure the Canadian market knows that Vancouver very much values their business.

Engaging members is key to increasing the scope of experiences promoted, leveraging messaging in the marketplace to ensure Vancouver is the destination of choice, and encouraging greater length of stay. Instilling a sense of urgency to visit will inform the creative direction for 2015 campaigns.

- Continue highlighting the all-season, urban and ocean qualities of Vancouver in Tourism Vancouver channels as many of these assets have distribution to domestic audiences. Focus on EQ segmentation to ensure targeted messages are delivered through the right channels at the right time to those domestic EQ types that are priority.
- Work with partners and clients to attract high-yield leisure travellers and the lucrative meeting, convention, event and sport market.
- Create urgency to visit through strong value-add messaging and offers.
- Ensure Vancouver is top of mind for meeting planners for their meetings and conventions, and that Vancouver is always part of their regular conference rotation.
- To continue to identify, and meet, the changing needs of Canadian clients.
- Generate short, medium and long-term meeting and convention business opportunities.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with Best Customers in Canada.

- Continue to build and strengthen partnerships with up to two key online travel agencies in Canada to drive direct bookings and build incremental room nights from Ontario, year-over-year, in key need periods.
- Grow incremental room nights and extend average length of stay over the campaign period with one growth and/or mature high-yield, free independent travel Best Customer account.
- Expand travel trade's product knowledge by generating a minimum of 90 travel trade leads and/or member referrals from the Americas market (United States and Canada).
- By December 2015, identify new and emerging trade accounts/distribution channels that present a future opportunity for Vancouver.
- Attend Rendezvous Canada and Canada's West Marketplace tradeshows.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay by:

- Increasing total registration for the *Vancouver Specialist Program* by 20% with Canadian-based travel trade.
- Providing comprehensive face-to-face and webinar training of 100 Canadian-based frontline sales agents.
- Supporting a minimum of two familiarization trips, including Canadian-based travel trade, with an overall satisfaction rating of 90%.

Meetings & Conventions Objectives

Ensure Vancouver is top of mind for Canadian clients for their meetings and conventions, and that Vancouver is always part of their regular conference rotation. Re-booking and multi-year agreements are a priority. Direct sales activities; sales missions, targeted client events, tradeshow, industry conferences, in-market educational sessions, site inspections and familiarization visits are the sales tactics used to reach this core objective.

- Attend PCMA Convening Leaders and the PCMA Canadian Innovation Conference in 2015 as more Canadian clients are becoming active with PCMA.
- Lead two sales missions with members active in the Canadian association market to Ottawa, Toronto and Montréal, January and December 2015.
- Participate in MPI and/or CSAE chapter events in Ottawa, Toronto and Montréal in conjunction with sales missions.
- Host our Vancouver client event during Tête-à-Tête in Ottawa in January 2015
- Lead the Vancouver team at Tête-à-Tête (January 29, 2015), IncentiveWorks (August 18-19, 2015) and the CSAE National Conference (October 28-30, 2015).
- Represent Vancouver at the Canadian Sport Tourism Alliance annual Sports Congress in Toronto (March 29-31, 2015).
- Targeted, in-market sales calls with Tourism Vancouver's international Sales Manager to Canadian associations who have the potential to bring both their national and international conferences to Vancouver.
- Lead in-market educational sessions with our *Be a Host* Manager targeting local hosts and Canadian associations that have potential to bring both their national and international.
- Influence clients to visit Vancouver for site inspections and familiarization visits by working with our members.
- Leverage Vancouver's hosting of the TED Conference by inviting Canadian clients for a familiarization education visit, in conjunction with the US and International markets.
- Host Canadian clients for an educational trip during the Lululemon Sea Wheeze Half Marathon in conjunction with US and International markets
- Support member-led familiarization trips.
- Identify and bid for sport events and congresses that generate significant impact for the city and the region in the form of out-of-town attendance, visitation and media exposure.

Generate short, medium and long-term meetings and conventions business opportunities.

- Generate 86,000 lead room nights.
- Generate 44,000 definite room nights.
- Generate 25,000 room attendees

Convention Services Objectives

Continue to position Vancouver as a leading meeting and convention destination in order to generate member business opportunities. Increase convention delegate attendance, length of stay and spend. Initiate and/or support re-book efforts before decision makers depart Vancouver. This will be done

through in-market activities, as well as social media and electronic marketing tools.

- Drive business to our members through service requests and referrals by assisting clients with their convention supplier requirements.
- Build attendance and encourage more delegate participation and extended stays by utilizing in-market destination promotions, social media tools and value-added programs.
- Increase length of stay, pre and post meeting.

Generate business opportunities for Vancouver. *(Note the following three measures reflect all markets; it is not specific to Canada).*

- Generate 240 service request leads for member services.
- Identify rebooking opportunities to generate up to 28,000 total room nights of future convention rotation meetings.
- Generate a 7% increase in Vancouver convention attendance versus the previous host city.

Consumer Objectives

Growing demand through experiential content; direct response from close-in states; and referrals to member businesses are Consumer Marketing's primary goals. This will be achieved through partner investment, member engagement strategies, segmentation and continued emphasis on a four-season creative focus.

- Contribute to a 10% increase in Canadian visitor volume to Metro Vancouver by the end of 2017.
- Generate an average of 5,000 referrals per month from the Meridian reservation system to member hotels.
- Grow the number of incremental Dine Out Hotel reservations by 50% through promotions to BC residents.

Cultural Tourism Objectives

Work cooperatively with a minimum of five major cultural entities or events in 2015 to achieve maximum reach and marketing impact.

- Highlight and promote events that align well with the interests of Vancouver's key EQ types, and core American and Canadian audiences.
- Aid in the product/experience development for several events to make them more market-ready and consumable.
- Continue to market these cultural events and festivals through *Tickets Tonight* promotions, Tourism Vancouver marketing channels and alignment with Consumer Marketing.
- Work with external groups including committees, boards, the City and BIAs to identify gaps in the calendar for events, and source new projects to be cultivated.
- Collaborate with Meetings and Conventions to strike a balance between delegate benefits when events are in town, vs concerns over hotel compression when the city is full.

Media Objectives

The Travel Media team's goal is to generate positive editorial coverage inspiring travel to Vancouver in high-circulation Canadian media outlets. In addition to mainstream consumer publications (e.g., *The National Post*), the team also targets special interest outlets such as in-flight magazines, meetings/trade publications and culinary/lifestyle magazines.

- Generate 800 travel articles in Canadian print, radio, online and/or television outlets.
- Host approximately 50 Canadian travel journalists on press trips in conjunction with provincial and federal partners.
- Host at least one major Canadian television crew (such as ET Canada).
- Conduct media missions to Toronto and Calgary to meet with editors/producers at key outlets (e.g., *The Globe and Mail*, *Calgary Herald*).
- Attend GoMedia Canada conference (fall) to pitch Vancouver travel stories to Canadian journalists.

United States

A Quick Update

Overnight visitation from the United States to Vancouver in 2014 is expected to be 2,016,659, an increase of 3% over 2013. Projected visitation in 2015 is 2,103,679, an increase of 4% over 2014.

In 2014 highlights included hosting trade familiarization tours with Tourism Vancouver's Best Customer accounts; undertaking a number of successful marketing campaigns with Best Customers in the United States, including two key consortia groups (Virtuoso and Signature Travel Network) through the help of the Vancouver Hotel Destination Association (VHDA); hosting a highly successful Rendez-vous Canada event, the 2014 globally-renowned Technology, Entertainment and Design (TED) conference and SIGGRAPH, Vancouver's largest meeting in 2014, as well as hosting more than 80 key US-based media.

A full annual cycle of Vancouver's new seasonal branding implemented into trade and consumer materials including videos, paid advertising and electronic mail.

New content and events were announced or debuted including the TED Conference, The Board of Trade's presentation of Hilary Clinton and Brand Live's production of Vancouver New Year's Eve. Major theatrical events such as Broadway Across Canada's production of Wicked and the return of Cirque du Soleil with their show TOTEM added to Vancouver's 2014 cultural offerings in US short-haul markets.

A new commission-free HOTEL DIRECT booking module on tourismvancouver.com and newly introduced online attraction sales, further expanded Tourism Vancouver's offerings to all consumer markets online, and brings the reservation service in line with trends in consumer purchasing behavior.

In the lesbian, gay, bisexual and transgender (LGBT) niche consumer market; Vancouver's presence at Pride events was expanded to include additional cities such as Portland, Dallas, and a return to San Francisco, in partnership with Vancouver Coast and Mountains tourism region, and with supportive funding also from the Vancouver Hotel Destination Association (VHDA).

Paid advertising campaigns in the spring and fall highlighted Vancouver's arts, culture, events and festivals in the shoulders seasons to Washington State residents.

The United States remains Canada's top source market, with 11.9 million visits in 2012 and accounting for 72% of visitor volume.¹⁰ Washington and California continue to be the largest states of origin to Vancouver, reflecting the importance of accessibility and proximity.

Consumer confidence remains high, and continues to move in the right direction. The consumer confidence index up 1.7 points from May 2014, it now stands at 85.3 for June 2014. This highlights encouraging signs in overall economic recovery. Consumer confidence can mainly be attributed to improved business conditions, economy outlook and a more favourable job market.¹¹ The US has enjoyed steady growth in outbound international travel since 2010 with 30% of US travelers taking at least

¹⁰ Canadian Tourism Commission, Global Tourism Watch, 2013 US Summary Report, June 2013, p.2

¹¹ <https://www.conference-board.org/data/consumerconfidence.cfm>

one international trip in 2013.¹² Overnight visitation to Vancouver in 2014 is forecast to be up 3% to 2013 and continue to grow in 2015.

Leisure travel made a major comeback in 2013. Over the past few years many in the US forewent travel however in 2013 millions of travellers who had put off a vacation finally felt confident enough to book. When the recession was at its worst in 2009 leisure travel became quite stagnant, this changed in 2013 with leisure travel frequency receiving a healthy boost, rising to 65% from 61% in 2012 (representing the % of the adult population who purchased at least one leisure trip that included either air or lodging). The segments with greatest growth were 25-34 year olds and 55-64 year olds.¹³

“The majority of prospective travellers (particularly in the United States) are already aware of and interested in visiting Canada. However, many travellers remain passive about the destination and are still unsure of what a holiday in Canada could look like. Without having a complete view of a potential Canadian vacation, prospective travellers will remain complacent, opting for an alternate destination and pushing Canada further down the consideration list.”¹⁴ In light of this and the growth observed in leisure travel over the past year from the US, it is crucial to raise Vancouver’s profile to this core target audience through strong and compelling marketing to create a sense of urgency to visit.

In terms of booking channels, Travel Agents remain imperative when it comes to the US traveller. The largest demographic of travellers to Canada is the 45+ age group. In a recent survey conducted by Travel Weekly 52% of those surveyed in the 55+ age group utilised an agent to book their trip.¹⁵ Whilst agents are essential influencers when it comes to booking a vacation online travel agent’s (OTA) also play a significant role in the path to purchase and booking. In the US 42% of travel bookings transact on the internet.¹⁶ OTA’s hold 54% of the online travel shopper segment who visit travel sites when planning and booking a trip.¹⁷ Similarly consumers on average visit travel sites 38 times during the path to purchase in the 45 day period before they travel.¹⁸

Top vacation interests of US travellers include nature, culture, unique/local experiences and urban activities.¹⁹ As these interests match Vancouver’s strengths and unique selling points, Canada has increased its positioning against competing destinations in these areas and is strongly positioned to capitalize on this opportunity.

US media continue to rank among the top producers generating editorial coverage inspiring travel to Vancouver. This year, Tourism Vancouver’s Media Relations team hosted more than 80 key US-based media. Highlights included hosting influential food reporter Steve Dolinsky, the TED Press Trip attendees (consisting of representatives from key trade publications such as *Convene*, *Smart Meetings* and *Northwest Meetings & Events*), the Seattle Media Roadtrip (a 24-hour whirlwind press trip that consisted of 20-plus print and online Seattle media), and FOX Sports. Destination coverage was also featured in high-profile U.S. publications such as the *Chicago Tribune*, *Seattle Times*, *Miami Herald*, *CNN.com*, as well as top LGBT publications *Out* and *Out Traveler*.

¹² PhoCusWright’s, *Destination Unknown: How US and European Travellers Decide where to go 2013* – February 2014, p.3

¹³ PhoCusWright’s, *U.S. Consumer Travel Report Sixth Edition* – May 2014, p.5

¹⁴ Canadian Tourism Commission, *Helping tourism businesses prosper, 2013-2017 Corporate Plan Summary*, p.4.

¹⁵ Travel Weekly, *Consumer Trends 2013*, July 29 2013, p.9-10

¹⁶ *Travel Weekly, Online Booking surges in emerging markets, July 30, 2014*

¹⁷ PhoCusWright’s, *U.S. Consumer Travel Report Sixth Edition* – May 2014, p.3

¹⁸ Expedia Media Solutions & Millward Brown Digital, *The Traveler’s Path to Purchase, Understanding the Relationship Between Online Travel Agencies and Destination Marketing Organizations*, presentation, slide 3

¹⁹ Canadian Tourism Commission, *Global Tourism Watch, United States Summary Report* – 2013, p. 3.

As the United States economy continues to recover, government travel spending cuts still remain but are finally stabilizing since the congressional led mandate to reduce travel expenses in 2013 by at least 30% from 2010 levels through 2016. Today, travel spending across the government has fallen to 27 percent and as agencies reach the 30-percent government mandated threshold, travel experts predict travel spending will plateau for the next few years.²⁰

Due to the ongoing sequestered driven cuts and hefty travel restrictions, the United States meetings and convention market continues to experience lower federal participation in attendance and industry support for their meetings, particularly in government and education-related sectors. In efforts to prevent the possibility of government agencies moving towards virtual meetings or cancelling their meetings altogether, the US meetings and hospitality industry collaborated and helped with establishing new guidelines to provide government agencies with best practices for approving travel and conference expenses for federal employees. With these new guidelines in place, government travel to meetings and conventions is expected to increase in 2015, but not to the levels as was seen in the past.

“As each agency reviews its travel and conference-related activities, it is critical for each agency to continue to recognize the important role that mission-related travel and conferences can often play in government operations,” Office of Management and Budget (OMB) said. “Given the unique travel and conference needs of each agency, there are circumstances in which physical collocation is necessary to complete the mission.”²¹

Despite these factors, there is a continued strong interest from the US association and corporate market to bring their meeting business to Vancouver, and 2014 was a solid indicator of this. In 2014 there were 25 citywide conventions on the books, half of which were US based organizations. As well, the conventions were nicely spread throughout the year, a busy one for our convention service team.

Future bookings were highlighted by securing re-peat citywide conventions without ever having held their meeting in Vancouver; American Society of Human Genetics, October 2016 and 2026, 8,000 attendees; Entomological Society of America, November 2018 and 2022, 3,000 attendees; Modern Language Association, January 2015 and January 2020, 7,200 attendees. 2014 also started off strong in securing the 2025 International Convention of Alcoholics Anonymous, the largest conference ever for Vancouver, expected to bring 48,000 delegates from around the world. Finally, SIGGRAPH, a repeat booking from 2011, was the largest US meeting held in Vancouver in 2014 bringing 16,000 attendees. With our 2018 re-book strategy already in place, at the close of the meeting the client was presented with an aggressive Vancouver citywide offer for 2018 prior to SIGGRAPH even issuing a formal request for proposal.

In 2014 we hosted a unique client educational trip that incorporated the Lululemon Sea Wheeze Half Marathon, a signature Vancouver event with targeted clients whose lifestyle decisions compliment this type of event

Moving forward, in 2015 the focus will be to capitalize on the international medical congresses that will take place in Vancouver by hosting targeted US customers to experience Vancouver as an attendee and showcase the city as a potential candidate for their future meetings. The One Citywide per Month joint venture with the Vancouver Convention Centre (VCC) and hotel partners will continue to concentrate on filling need periods in the shorter term and creating a solid base of year-round convention business longer term. The US team will continue to leverage definite citywide business for re-book opportunities (i.e.,

²⁰ Medici, Andy, Federal Times, July 11, 2014, <http://www.federaltimes.com/article/20140711/ACQ04/307110020/Government-travel-spending-plateaus-after-years-cuts>

²¹ Vest, Chris CAE, Associations Now, May 31, 2013 <http://associationsnow.com/2013/05/omb-issues-new-guidance-on-conferences/>

SIGGRAPH, Society of Nuclear Medicine and Academy of Management). Finally, leverage and promote Vancouver hosting the 2016 PCMA Convening Leaders meeting in order to build more business and expand the customer base.

Continued resurgence in corporate meeting demand was seen particularly from the financial, insurance, high-tech and pharmaceutical sectors. The US economy gained more traction in 2014 but corporations continue placing greater accountability on their meetings' departments to prove measurable return on investment (ROI). Planners and executives have found that splitting up their large conventions into smaller and more focused meetings has led to cost savings and better productivity. Corporate booking patterns are short-term, as companies will not commit far into the future due to potential market fluctuations in their industry. Fortune 1,000 companies tend to book meetings as the need arises and are not concerned with the advantages of booking well in advance.

The strategy template remains the same for the US corporate market, which is to continue to target large-scale citywide corporate groups that have potential to yield spin-off business due to their high-profile attendees. Leveraging TED again in 2015, Vancouver's growing reputation as a high-tech hub, as well as building on the success of recent wins including Cisco Partner Summit 2018 will assist in securing new technology-related business for the future. Due to limited inventory in Vancouver in 2015 and 2016, a proactive approach will be taken encouraging corporate groups to fill holes and book further out by utilizing incentives, larger discounts and subvention funds.

With growing competition from other destinations, continuing to leverage Vancouver's resources with destination partners will be a critical focus. Smartphone use to book travel has increased over the past 12 months and the use of social media among travelers during the planning process surged in 2013;²² therefore, continuing to improve Vancouver's content via these channels will be a priority as they are key influencers on travel decisions. Media profile and publicity - including unpaid, traditional and social media – also remain vital. Personal recommendations when booking travel provide the most trusted information, 29% of US travelers rely on others recommendations when planning a vacation.²³ The *Vancouver Specialist Program* remains essential for developing Travel Trade distribution channel knowledge and as a commitment to sell Vancouver.

Traffic to all Tourism Vancouver web properties continues to grow, with visits to the blog increasing by 40% in 2014 and double-digit growth in followers on social media networks. Like other markets, Americans are increasingly accessing web content via their phone or mobile device. To address this growing trend Tourism Vancouver will be launching a new and fully responsive website by early 2015.

Situation Analysis

Strengths

- Beautiful, cosmopolitan, multicultural city on nature's edge.
- Small footprint of a downtown core, walkable and easy to navigate for visitors.
- Reputation as one of the greenest cities in the world and recognized for its progressive urban design (i.e., Vancouverism).

²² PhoCusWright's, *U.S. Consumer Travel Report Sixth Edition* – May 2014, p.5

²³ PhoCusWright's, *Destination Unknown: How US and European Travellers Decide where to go 2013* – February 2014, p.19

- New tourism infrastructure providing economic growth and driving “what’s new” public relations stories (e.g., Trump International Hotel; Skwachays Lodge; Sea to Sky Gondola).
- High-profile meeting and event destination - 2015 TED, 2015 FIFA Women’s World Cup, 2016 cruise3sixty, PCMA’s 2016 Convening Leaders and AMC Institute’s 2015 Accredited Forum and 2018 Annual Meeting.
- Diverse visitor experiences (e.g., culinary, outdoor adventure, cultural festivals and sporting events).
- Rail and cruise gateway.
- Established and growing brand awareness with lesbian, gay, bisexual and transgender (LGBT) travellers.
- Growing readership of Tourism Vancouver’s blog, Inside Vancouver.
- Tourism Vancouver’s new HOTEL DIRECT booking module enables users efficient search for rates and direct access to hotel brands for purchase.
- Strong local resources and support in various fields and industries (e.g., bio-science, genetics, vision and environment) that encourage associations and corporations to bring their meetings to Vancouver.
- Growing reputation as a global technological hub (e.g., new Sony Pictures Imageworks, Microsoft Centre of Excellence, Facebook and Twitter offices and Hootsuite headquarters).
- High-quality, state-of-the-art and award-winning airport, convention centre, hotels and transportation system.
- Recognition by clients that the Meetings and convention partners in Vancouver present a united front and consistent message.
- Known as the “gateway to Asia,” due to its unique geographical location attracts associations who want to build their international markets in Asia and India.
- Vancouver’s award winning hospitality and service standards guarantees repeat convention leads and bookings (e.g., Academy of Management, American Society of Human Genetics, Million Dollar Round Table and SIGGRAPH.)
- Major accolades in leading outlets such as *Monocle*, *Travel & Leisure*, the Mercer Quality of Living Survey and Trip Advisor showcase Vancouver as one of the world’s most liveable cities and a must-visit destination.
- Destination Marketing Fee (DMF) investment in sales and marketing activities allows the sales team to undertake additional sales, convention and marketing activities. The Convention Development Fund helps Vancouver to be more competitive with bids.
- Customer Advisory Board (CAB) support is used as a “planner-to-planner” resource to provide testimonials and knowledge-sharing on holding a meeting in Vancouver.

Weaknesses

- Air access and cost.
- Not perceived as iconic as other world cities for leisure travellers (e.g., New York, Las Vegas, Paris, and Montreal).
- Perception of inclement weather year-round.
- Canadian Tourism Commission (CTC) not active in the US leisure marketplace.
- Perceived cost of convention centre rental and hotel rates higher than competing destinations, higher ancillary costs (e.g., Wi-Fi and security) and higher shipping costs from the US to Vancouver versus within the US.
- Delegate border issues due to lack of preparation and education (e.g., visas, customs, and DUIs).

- Enforcement of Labour Market Opinion fee.
- Compression is a serious issue with short-term business, with very little space available in 2015 and 2016 at the Vancouver Convention Centre.
- Future bid rate parameters are based on current robust business conditions.
- Proactive One Citywide per Month strategy does not influence the association request for proposal (RFP) process in Vancouver's favour as the association's board dictates the RFP and the decision-making timelines.

Opportunities

- Hotel demand is back in the meetings industry.
- New product and experiences (e.g., Sea to Sky Gondola, new Prince of Whales Sea Vancouver tour).
- High profile events such as TED 2015, FIFA Women's World Cup 2015 and Brand Live's Production of Vancouver New Year's will create editorial opportunities for the city.
- Solid reputation as a key competitor in the US meetings industry to attract and secure new and repeat business.
- Strategic partnership through the Business Events Canada for ASAE, FICP and LIMRA to build new client business opportunities.
- Independent Vancouver strategic partnerships with PCMA, AMCI, Experient and ConferenceDirect, to build third-party/new business opportunities and maintain current business opportunities by showing industry support.
- Increase of online and online travel agent (OTA) bookings (partnership with Expedia and Orbitz).
- High end free independent travellers (FIT) and their use of travel agents to book their vacation.
- Nature, culture, unique/local experiences, and urban activities are the top vacation interests of US travellers.²⁴

Threats

- Major events in North American cities attracting Tourism Vancouver's target audience (e.g., Coachella, Calgary Stampede, Austin's SXSW, Toronto International Film Festival).
- Approximately only 35% of Americans hold valid passports.
- Increased competition from within the United States and other international destinations courting American travellers (e.g., Brand USA, Tourism Australia, Travel Alberta).
- Competing destinations providing subvention funds for the meetings and incentive market.
- Stagnation and/or reduction of association membership numbers and event attendees due to budget cutbacks and US economic state.
- The US Direct Program does not allow for pre-visit opportunities for clients on a Vancouver-Alaska cruise vacation.
- Fluctuating currency against US dollar.
- Growing legalization of gay marriage in many US States positions other cities competitively against Vancouver.
- Compression during peak times (e.g., citywides, cruise season, festivals) can impact hotel availability and rates.

²⁴ Canadian Tourism Commission, *Global Tourism Watch, 2013 US Summary Report*, June 2013, p.3

- Escalating issue of under-blocking in recent years has resulted in groups requiring additional rooms faced with limited availability and rate price points higher than contracted. North American supply is outpacing the demand (e.g., newly expanded convention centres in Nashville and Cleveland and are being added into current rotation patterns).
- Continued reductions to the number of US government and education staff attending conferences

Our Competition

Canada as a travel destination is in direct competition with the UK, Italy, France, Australia and Mexico.²⁵ Vancouver's market share is at risk of declining due to an increased number of destinations aggressively competing for the same travellers. Brand USA and Tourism Australia represent a particular threat as they offer similar unique selling points, along with significant budgets and more aggressive value-add propositions, putting Vancouver and Canada at a competitive disadvantage. This, coupled with the fluctuations of the Canadian dollar, challenges Canada's appeal; the perceived familiarity of Canada and the lack of urgency and brand awareness for Vancouver presents challenges and make it a tough operating environment.

Although Brand USA has not published their marketing plan for 2015, they have an estimated budget for the year of approximately \$100,000 million which needs to be matched by contributing tourism partners. Their investments are focused on the International Market but it is not clear how much, if any, will be spent on domestic travel, promoting staycations to Americans nor on persuading Canadians (as part of that international catchment), to go south of the border. But, as they have done so in past years, it is a reasonable assumption that they will be touching Vancouver's key domestic and US markets with their tactics once again in 2015.

For the meeting and convention market, recent hotel development in Austin, Texas (two 1,000 plus room hotels – JW Marriott and Fairmont) has added Austin as a city to compete with among the other top tier competitors listed below. New and expanded convention centers like Nashville's Music Center and recently completed expansion in San Jose show there is confidence in the long-term future of the industry but also showcases how supply is outpacing the demand, as there are only so many associations and corporate meeting opportunities to go after.

Direct competitors include:

- For the meetings market: Seattle, San Francisco, San Diego, Las Vegas, Los Angeles, Portland, Denver, Austin, Montreal and Toronto.
- For short haul leisure visitors: Seattle, Calgary and Portland.

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, free independent travellers with a propensity to stay in downtown hotels. The US outbound travel market can be effectively

²⁵ Canadian Tourism Commission, *Global Tourism Watch, United States Summary Report* – 2013, p. 6.

segmented using the CTC's *Explorer Quotient* (EQ). The three segments of particular interest for Vancouver are Authentic Experiencers, Free Spirits and Cultural Explorers.

Visitor Market Profile (2012 Leisure Travelers Only):²⁶

- 58.6% of total arrivals are for leisure.
- 45+years is the largest demographic.
- \$391.36 is the average spend per person per trip.
- 2.8 nights is the average length of stay of leisure only visitors.
- July to September – largest travel months.
- US travellers plan their vacations for 4.4 months on average and book 2.9 months out.²⁷

These travellers are independent and immersive: They like to explore, travel with like-minded people and experience local cultures. They also enjoy natural landscapes and vast settings. Value is particularly paramount to the Free Spirits, who like to indulge in the best they can afford.²⁸

Geographically, Washington State and California represent the largest source markets for visitor volume to Vancouver - though building national destination awareness is also vital.

An important market within these segments is the cruise vacationer looking for pre- and post-vacation options around an Alaska cruise experience.

The LGBT market is also an important niche segment, and Tourism Vancouver's focus is concentrated in the three key states of New York, Illinois and California.

The primary markets for US meetings and conventions are association and corporate.

The Washington, DC region is the largest and most concentrated market for associations, followed by the association management companies and third parties that service the association market. The majority of business opportunities are generated from the medical, educational, engineering and science sectors.

The Eastern US, Chicago and Midwest US, and the Western US markets have a diversified mix of association, corporate and third-parties. The corporate business opportunities for the Eastern US market have come from the financial and insurance sectors; for the Chicago and Midwestern US market, opportunities have come from the technology, medical device, pharmaceutical and retail sectors; for the Western US market, opportunities have come from the technology sector.

Secondary Market(s)

Travel trade's secondary US market would be group tour operators, these operators tend to be mature accounts (i.e., Tauck, Collette and Globus).

The secondary markets for US meetings and conventions business remain in the areas of social, military, union, religious and fraternal, as well as government and philanthropic. These markets, with the exception

²⁶ Statistics Canada, Cities Data, *The 2012 US overnight Visitor to Metro Vancouver*

²⁷ Canadian Tourism Commission, *Global Tourism Watch, United States Summary Report* – 2013, p. 3.

²⁸ https://en-corporate.canada.travel/sites/default/files/pdf/Resources/ctc_eq_profiles_2012-eng-lowres.pdf

of military and government, would be best to target and penetrate with additional marketing resources in order to fill need periods and add volume, especially during low season.

Our Focus

Vancouver's Creative Direction

- Vancouver's seasonal branding.
- Vancouver is a cosmopolitan, multicultural city on nature's edge.
- Vancouver is a year-round, four-season destination featuring a plethora of outdoor pursuits, festivals and events.
- Vancouver is known as a high tech hub, a forward-thinking and innovative city.
- Vancouver is a culinary hotspot.
- Vancouver has a distinctive culture promoting wellness and an active lifestyle.
- Vancouver is a walkable and eco-friendly city.
- Vancouver is a premier, world-class meeting and convention business destination.
- Vancouver is the "gateway to Asia," attracting associations who want to build their international market via membership and delegate numbers.
- Vancouver celebrates diversity.
- Vancouver is business – new high tech companies and film industry.

Key Tactics

- Destination marketing campaigns to consumers – traditional, digital and social media.
- Maximize partnerships with members, industry and non-traditional partners.
- Utilize Tourism Vancouver social media resources to keep customers engaged.
- Cooperative marketing campaigns via the travel trade.
- Press trips, sales trips, sales missions and familiarization tours.
- Site inspections, trade shows and consumer expos.
- Establishing market value items (i.e., incentives, education, cost-offset) for convention business development.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Creating sweepstakes incentives and in-kind promotions.
- Generating unpaid media coverage.
- Promoting recent and high-profile accolades.
- Database acquisition and email marketing.
- Website, mobile and social media application enhancements and updates, including product offerings bookable via mobile.
- Identifying meeting and convention opportunities through *Be a Host*.
- In-destination engagement through service and direct sales.
- Continued collection of consumer segmentation data through *Explorer Quotient (EQ)*.

Vancouver's Strategy 2015-2017

Tourism Vancouver's US strategy is to further segment target markets using *EQ*, and to increase seasonality. Engaging members is essential to increasing the scope of experiences offered and leveraging messaging in the marketplace.

- Focus on segmenting Tourism Vancouver's target audience to ensure targeted messages are delivered through the right channels at the right time to grow visitation and build greater brand awareness.
- Continue to promote a year-round, four-season campaign to position Vancouver as the destination of choice for the target audience.
- Continue to focus on sales conversion by working with targeted travel trade, meeting and media contacts to attract high-yield leisure travellers and the lucrative meetings and conventions market.
- Create urgency by providing compelling reasons to visit by showcasing fresh content and promoting unique packages and experiences.
- Help the industry grow and diversify the range of experiences available, and develop content and product around these to assist in driving greater length of stay.
- Continue to play a leadership role with industry partners to leverage investment and creative assets to engage the end-consumer, using a consistent message for Vancouver.
- Continue to position Vancouver as a leading meeting and convention destination to generate short-, medium- and long-term business opportunities, and to fill need periods wherever possible with an emphasis on 2016-2019. At the same time, ensure a strong base of long-term citywide business with a minimum of at least One Citywide per Month sales approach now through 2020.
- Support a balanced meeting and convention portfolio both geographically and by market segment within the US market. At the same time, continue to target more US corporate business with an emphasis on large-scale citywide meetings and conventions.
- Maximize out-of-town meeting attendance and room night potential from definite on-the-books citywide business in 2015 and beyond.
- Support US-based associations in their goal of increasing international attendance for a Vancouver meeting, especially from the Asia Pacific region.
- Continue to leverage definite citywide conventions for re-booking opportunities.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with Best Customers in the United States.

- Continue to build and strengthen partnerships with up to two key US online travel agencies to drive direct bookings and build incremental room nights, year-over-year, in key need periods.
- Identify, build and strengthen partnerships with up to two US retail consortia to further educate this key distribution channel on how best to sell Vancouver, and build incremental room nights year-over-year both direct and through preferred tour operator partners.
- Grow incremental room nights and extend average length of stay over the campaign period with up to five growth and/or mature high-yield, free independent travel Best Customer accounts.
- Expand travel trade's product offerings and experiences by generating a minimum of 290 travel trade leads and/or member referrals for the North American market.

- By December 2015, identify new and emerging trade accounts/distribution channels that present a future opportunity for Vancouver.
- Attend cruise3sixty, Virtuoso Travel Week, Signature Network and NTA.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for visitation and greater length of stay.

- Increase total registration for the *Vancouver Specialist Program* by 20% with US-based travel trade.
- Provide face-to-face and webinar training to 300 US-based frontline sales agents.
- Support a minimum of nine familiarization trips for American travel trade with an overall agent satisfaction rating of 90%.

Meetings & Conventions Objectives

Washington, DC Region

- Host a Washington DC education trip by the end of the 3rd quarter, 2015. Focus on bringing 8 association clients who have never been to Vancouver and/or who have tentative business.
- Host the 2015 AMC Institute's November Forum targeting association management companies.
- Coordinate joint sales calls with the VCC by the end of the second quarter, targeting key citywide customers to generate future business opportunities while strengthening client relationships.
- Continue to enhance Vancouver's profile in-market by sponsoring and supporting local Washington, DC and Philadelphia chapter events for PCMA, ASAE, Association of Meeting Professionals (AMPS) and District of Columbia Convention and Visitor's Bureau Representatives (DCCVB Reps) group, with an emphasis on PCMA as we lead up to hosting the annual conference in January 2016.
- Attend key industry meetings – PCMA's Convening Leaders and PCMA's Education Conference, Council of Engineering and Scientific Society Executives' (CESSE) Annual Meeting and Mid-Winter CEO meeting, the Association Management Companies Institute's (AMCI) Annual Meeting and AMCI's Engaged! conference, as well as ASAE's Annual Meeting, Springtime Expo and Great Ideas, and Executive Forum – in order to maximize benefits as a strategic partner and allow Tourism Vancouver better access to the customers that each organization represents.
- Work with other Canadian and US destinations in the DC marketplace on joint client events and hostings to generate lead opportunities and maintain client relationships.
- Continue using *Be a Host* program to identify and prospect potential citywide programs that require local support, either from Vancouver, British Columbia or Canada.
- Continue to work with the VCC sales team using the One Citywide per Month strategy to qualify and prospect potential citywide bid opportunities to generate at least one citywide a month.
- Maintain focus to re-book high-profile, large citywide groups from 2013-2015 such as Society of Nuclear Medicine, Urban Land Institute, the International Association of Movers and the American Academy of Otolaryngology-Head and Neck Surgery Foundation and Intellectual Property Owners Association for future years.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 130,000 lead room nights.
- Generate 43,000 definite room nights.
- Generate 22,000 room attendees.

Eastern United States

- Participation in Business Events Canada's (BEC) strategic partnerships with Financial & Insurance Conference Planners (FICP) and Life Insurance and Market Research Association (LIMRA), to generate new business opportunities from the lucrative but highly competitive financial and insurance business segment. The BEC partnership allows a platform to strengthen our brand and intensify our marketing reach. Both FICP and LIMRA provide client interaction in smaller settings, accelerating the identification of key prospects and ultimately increasing conversion to definite business. Leverage past and recent wins (AXA Equitable, Deloitte, Hanover Insurance, New York Life Insurance, Prudential) to uncover and secure new financial and insurance business.
- Attend key industry events such as New York Society of Association Executives (NYSAE) Meet NY, Meeting Professionals International World Education Conference (MPI WEC) and Collaborate Marketplace to advance our primary strategy of strengthening existing client relationships, growing prospect base and procuring new leads.
- Continue to conduct joint strategic sales trip with the VCC to aggressively sell to corporate prospects to cultivate new citywide corporate business. The direct sales approach allows for more in-depth and personalized client contact to be consistent and contiguous in our outreach.
- Capture group opportunities from technology-related businesses that align with Vancouver's vision for growth while playing to the city's competitive strengths in research, entrepreneurship and innovation.
- Continued priority to aggressively solicit existing and new market segments through the "One Citywide a Month" strategy. The approach is to divert new opportunities to identified VCC "need" periods to achieve balanced convention bookings.
- Leverage Vancouver's hosting of the globally renowned TED Conference by hosting a familiarization education visit for US association and corporate clients in conjunction with this event - a strategy that will continue to solidify Vancouver's reputation as a global city attentive to cultural diversity and urbanity and proven execution of complex events.
- Re-book conversations to drive clients back into the sales cycle post-event with the aim to increase the frequency of rotation into Vancouver.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 155,000 lead room nights.
- Generate 38,000 definite room nights.
- Generate 18,000 room attendees.

Chicago and Midwest United States

- Initiate a spring corporate sales mission targeting new and repeat customers to include a networking event.
- Host 2nd client educational trip during a Lululemon Sea Wheeze Half Marathon and enhance social media coverage to showcase Vancouver and motivate clients as they train leading up to

the event.

- Continue to run the successful annual Chicago sales mission in conjunction with Association Forum's Association Week in June.
- Utilize the *Be a Host* program to identify and prospect five potential citywide programs that require local support.
- Enhance the successful One Citywide per Month strategy to qualify and prospect five potential citywide bid opportunities.
- Maintain Silver Level Sponsorship with the Association Forum of Chicagoland, as well as Social Responsibility Sponsorship for June's Association Week Community Service Event, and Holiday Showcase. Increase participation of the Community Service Event during the Annual Meeting by including an activity that requires all conference attendees to participate and continuing to promote these two events year-round via social media and premier sponsorship recognitions.
- Active participation in local and national industry organizations and events - including PCMA's Convening Leaders in Chicago, Experient's Envision and E4 conference, American Society of Association Executives, Society for Incentive and Travel Executives (SITE), IMEX America, and the Association Forum of Chicagoland's Holiday Showcase – to maintain Vancouver's presence.
- Participate in the BEC Midwest sales activities.
- Re-book high profile citywide groups such as the International Society for Stem Cell Research and SIGGRAPH for future years.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 160,000 lead room nights.
- Generate 46,000 definite room nights.
- Generate 23,000 room attendees.

Western United States

- Initiate a Texas Sales Mission, in the 2nd quarter, to build on existing business and mine new opportunities as 50-60 businesses (i.e., Toyota, Baker Corp) have relocated their headquarters from Southern California to Texas since 2012.
- Add two client events in secondary markets (i.e., Oregon, Utah) as a roadshow stop in conjunction with existing one-day industry conferences - such as Meeting Professionals International Northern California Chapter (MPINCC) Annual Tradeshow the Meetings Industry Council of Colorado (MIC) Annual Conference & Tradeshow – with partners to source new business potential and maximize exposure.
- Attend key in-market industry meetings – such as ConferenceDirect Annual Partner Meeting, Meeting Professionals International World Education Conference (MPI WEC), Incentive Canada, and Society for Incentive Travel Executives (SITE) Southern California Annual Holiday Event – to continue enhancing Vancouver's exposure and leveraging strategic partnership benefits to generate business.
- Proactively bid on a minimum of four of the corporate citywide meetings that were declined in 2014, due to lack of date availability, in order to fill short-term need periods.
- Utilize the CAB and customers that have previously planned meetings in Vancouver to provide valuable testimonials, advice and be a planner-to-planner Vancouver resource to assist with converting business on the books.
- Leverage Be a Host to identify and solicit three technology industry local hosts from the

numerous companies that are opening or expanding offices (i.e., Amazon.com Inc, Microsoft, Facebook) in Vancouver to generate and support corporate bid opportunities.

- Continue to focus on re-book strategies for citywides - such as Society for Information Display, Pediatric Academic Societies and Geological Society of America - to host in future years.
- Host one familiarization trip or industry event.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 140,000 lead room nights.
- Generate 33,000 definite room nights.
- Generate 16,000 room attendees.

Convention Services Objectives

Continue to position Vancouver as a leading meeting and convention destination to generate member business opportunities, increase convention delegate attendance and rebook business before decision-makers depart Vancouver. This will be done through in-market activities, as well as social media and electronic marketing tools, and continued cooperative work with the Canada Border Services Agency (CBSA), Citizenship and Immigration Canada (CIC) and the Canada Revenue Agency (CRA).

- Build attendance to encourage more delegate participation and extended stays by utilizing in-market destination promotions, social media tools and value-added programs.
- A new trend among US organizations is to build meeting attendance by targeting international members and affiliates. Our objective is to work more closely with the CBSA and CIC to identify and respond to this need.
- Drive business to our members through service requests and referrals by assisting planners with their convention supplier requirements.

Generate business opportunities for Vancouver. *(Note the following three measures reflect all markets; it is not specific to the United States).*

- Generate 240 request leads for member services.
- Identify rebooking opportunities to generate up to 28,000 total room nights of future convention rotation meetings.
- Generate a 7% or greater increase in Vancouver convention attendance versus the previous host city.

Consumer Objectives

Growing demand through experiential content; direct response from close-in states; and referrals to member businesses are Consumer Marketing's primary goals. This will be achieved through partner investment, member engagement strategies, segmentation and continued emphasis on a four-season creative focus.

- Contribute to a 7% increase in American visitor volume to Metro Vancouver by the end of 2017.
- Generate an average of 5,000 referrals per month from the Meridian reservation system to

member hotels.

- Grow the number of incremental Dine Out Hotel reservations by 50% through promotions to Washington State.
- Generate 500 new LGBT consumer database records by the end of 2015.

Cultural Tourism Objectives

Work cooperatively with a minimum of five major cultural entities or events in 2015 to achieve maximum reach and marketing impact.

- Highlight and promote events that align well with the interests of Vancouver's key EQ types, and core American and Canadian audiences.
- Aid in the product/experience development for several events to make them more market-ready and consumable.
- Continue to market these cultural events and festivals through *Tickets Tonight* promotions, Tourism Vancouver marketing channels and alignment with Consumer Marketing.
- Work with external groups including committees, boards, the City and BIAs to identify gaps in the calendar for events, and source new projects to be cultivated.
- Collaborate with Meetings and Conventions to strike a balance between delegate benefits when events are in town, vs concerns over hotel compression when the city is full.

Media Objectives

The Travel and Trade Media Relations team's goal is to generate positive editorial coverage inspiring travel to Vancouver in high-circulation US media outlets. We have a particular focus on Western US media (Washington, Oregon and California).

- Generate approximately 450 Vancouver travel stories in the United States (print, broadcast, online).
- Work with Destination BC and regional partners to host approximately 80 American journalists on press visits in 2015.
- Media missions to New York, Washington, DC, San Francisco, Los Angeles, Seattle and Portland for desk-side pitch meetings with travel editors and freelance journalists. Target outlets and publications include: Travel + Leisure, Conde Nast Traveler, National Geographic Traveler, Sunset magazine, Los Angeles Times, the New York Times and the Seattle Times.
- Attend CTC's Canada Media Marketplace (New York, spring) to meet with US freelance journalists.

Australia

A Quick Update

Overnight visitation from Australia to Vancouver in 2014 is expected to be 160,049, an increase of 5% over 2013. Projected visitation in 2015 is 165,498, an increase of 3% over 2014.

Highlights in 2014 include the launch of the Vancouver Specialist webinar program in Australia, an Australian Product Managers fam seeing six key buyers familiarised in the city; a Skimax Winter 2013-2014 marketing campaign to promote pre/post Whistler ski holidays focussed on 2-night stays, resulting in 8% growth in room nights, well above the market average; a full page in Rail Plus's inaugural Canada sales manual; as well as unpaid editorial articles in publications including QANTAS's Airlines inflight magazine, *Sydney Morning Herald*, *The Age*, *The Australian*, and *ABC Radio Australia*.

With support from the Vancouver Hotel Destination Association (VHDA) this year, Tourism Vancouver has been able to partake in the Canadian Tourism Commissions (CTC) extensive Fall consumer campaign. The campaign is focussed on summer 2015 travel, promoting 4 night city-stays with trade partner call to actions. It is important when selling via the distribution channel in Australia to position Vancouver as a hub and spoke destination for broader BC experiences. Therefore Vancouver packages will be focussed on extending the length of stay in the city, but coupled with experiences including wilderness lodge stays, BC fly-drive itineraries and rail and cruise product – itineraries that appeal strongly to Australian consumers.

Outbound travel from Australia remains solid, with 4% growth anticipated for 2013-14.²⁹ With a robust Australian economy, the Australian dollar remaining stable against the Canadian and Australian travellers to Canada having the highest satisfaction ratings compared to other global markets for value for money,³⁰ Vancouver is positioned well to maximise share out of this market.

Consolidation and alignment in the travel wholesale and retail environment continues. The retail sector in particular has seen major growth and change with two dominant retail groups rising to the fore; Flight Centre Ltd and the newly formed Helloworld (previously Jetset Travelworld Ltd). Travel agents remain an important channel due to the complexity of a long-haul itinerary to Canada and 61% of visitors will consult with an agent for information or to book their vacation.³¹

However, it is important to note that online bookings and the internet are key components of the Australian travel industry. PhocusWright, a global travel research company, rated Australia as one of Asia Pacific's most dynamic online travel markets'.³² Australians are very comfortable booking flights and accommodation online and leading online travel agencies (OTA's) such as Webjet.com.au and Expedia.com.au, along with retail brands sites such as flightcentre.com.au are emerging as the leaders in room night bookings into Vancouver. As true dynamic packaging is still in its infancy, but growing, it is important that smaller traditional wholesalers and tour operators focus more heavily on their web presence and booking channel to ensure they continue to compete with the growing trend in online

²⁹ Destination British Columbia market update 2014, p.1,

³⁰ Destination British Columbia market update 2014, p.4&5,

³¹ Australia Market Profile, Canadian Tourism Commission, January 2013, p.9,

³² Destination British Columbia market update 2014, p.5

bookings. They need to showcase their bespoke and customizable content and unique selling points so consumers will choose to book via their channel versus direct online.

Canada faces a lot of competition in Australia, ranking as the least visited destination among its competitive set and its market share is forecast to remain flat at 2%.³³ The US in comparison attracts the largest percentage of the Australian outbound travel market and is perceived as good value for money. Therefore the development of dual-nation vacation itineraries, capitalising on the greater air capacity into the US, could help raise intentions to travel to Vancouver and Canada over other key competitors such as Europe or Thailand.³⁴

The youth market out of Australia to Canada is a growing segment with 20% of all visitors being 20-34 years of age,³⁵ and youth travel overall to Canada has grown to Canada by 25% since 2010. They spend as much as older travellers and Vancouver can deliver on what youth travellers are looking for – social hubs, outdoor adventures, challenges and learning and development opportunities.³⁶ The youth segment is defined by STA Travel as 18-34 year olds with specific target audiences within this age bracket, including the working holiday visa group and young professionals. Specifically to note for 2014 is Air Canada's introduction of SATA fares, exclusive fares for under-26 year olds, providing an opportunity to more pro-actively target and grow this important and lucrative segment. Tourism Australia, Tourism New Zealand and their respective Provincial and city destinations heavily and successfully promote to the youth audience in Australia.

The cruise market from Australia continues its strong upward trend, with Alaska cruising seeing 5.6% growth year on year.³⁷ There is an opportunity for Vancouver to increase length of stay and revenue by marketing more strongly the benefits of a Vancouver-Alaska voyage over Seattle and the plethora of experiences available in the city.³⁸

Australian travellers to Canada are predominantly 55+ years of age, therefore traditional forms of advocacy are dominant; however, social media and mobile are growing in popularity. Two thirds of this target-market are active on at least one social network service, with one third of recent visitors opting to share their experiences via their social network.³⁹ This represents a significant opportunity to tell and share Vancouver's brand story, something that is key in a market where brand awareness and top of mind consideration for the destination remains low.⁴⁰ Working closely with Destination British Columbia's (Destination BC) active social networks through the brand 'Aussies Love BC' is a great way to share the Vancouver experience with interested travellers and to also increase Australian followers and likes on Tourism Vancouver's own social media sites.

Meetings and incentive leads, both in number and their conversion to confirmed business, remain relatively strong with generally five to 10 leads per year from the Australian market. Group size varies between 40-1,200 participants, with an average group size of 200 visitors across various sectors. Due to Vancouver's geographic location and length of flight times, nearly all Australian meetings and conventions groups have a preference to include Vancouver in their program. These groups often combine

³³ Australia Market Profile, Canadian Tourism Commission, January 2013, p.6,

³⁴ Australia Market Profile, Canadian Tourism Commission, January 2013, p.3,6,

³⁵ Destination British Columbia, *Australian Visitor Market Profile*, July 2012, p. 42

³⁶ Canadian Tourism Commission, Youth Infographic

³⁷ <http://www.cruising.org.au/downloads/CLIA-Report-2013.pdf>

³⁸ Australia Market Profile, Canadian Tourism Commission, January 2013, p.3,

³⁹ Australia Market Profile, Canadian Tourism Commission, January 2013, p.10,

⁴⁰ Australia Market Profile, Canadian Tourism Commission, January 2013, p.6,

destinations (Vancouver/Banff, Vancouver/Alaska, Vancouver/Whistler) and have longer programs than those from other countries.

Situation Analysis

Strengths

- Direct daily Air Canada service from Sydney and wide variety of trans-Pacific flights to Vancouver via the Western United States.
- Cosmopolitan city on nature's edge with a diverse mix of urban and nature-based experiences.
- Perceived as a culinary hotspot.
- Homeport for the Vancouver-Alaska cruise and start/end for rail journeys.
- Considered a desirable travel destination.
- British Columbia remains the preferred destination for Australians travelling to Canada.
- Strong strategic relationships with travel trade accounts.
- In-market representation with the CTC and Destination BC.
- CTC actively promoting Vancouver's eight *Signature Experiences* in Australia
- VHDA's Destination Marketing Fund (DMF) allows Tourism Vancouver to undertake additional cooperative marketing activities with the travel trade.
- Good coverage of member products by a range of receptive operators servicing the travel trade.
- Diverse mix of export-ready experiences appealing to consumers and the travel trade.
- Wave of new Vancouver product that is export ready and appeals to Australian travellers.
- Proximity to the US and to Whistler for pre/post ski vacation stays.
- Proximity to the US allows for the development of dual-nation vacation itineraries.
- Host city for FIFA Women's World Cup in 2015.
- Active hotel and destination management company (DMC) members in the market to help promote Vancouver to the meetings, incentives, conferencing, and exhibitions (MICE) market.

Weaknesses

- Low awareness and knowledge of variety of experiences by consumers and the sales channel.
- Higher cost of visiting Vancouver, especially in the summer season.
- Limited direct air capacity.
- Misperceptions of cold and wet weather.
- Distance, flying/transiting times to Canada and expensive airfares.
- Perceived merely as a gateway stop to the Rocky Mountains and Alaska Cruise.

Opportunities

- Strength of the Australian dollar.
- Long annual leave allows for extended-stay vacations or more frequent trips.
- Growth in the independent/self-touring leisure travel market.
- Increasing interest in dual-nation vacation touring itineraries.
- Popularity of BC ski/board vacations.
- Popularity in rail journeys and the Alaska cruise experience.

- Proposed direct flight from Brisbane to Vancouver with Air Canada in 2015.
- Travel agents remain the key influencer for long-haul travel choices.
- Development of the youth market with the introduction of Air Canada SATA fares.
- New tour operators, wholesalers, OTA's and retailers entering the market.
- Coastal Passage route with Rocky Mountaineer opens up more dual-nation vacation itinerary options.
- Opportunity to leverage key partners' resources in-market (i.e., Rocky Mountaineer, Air Canada).
- Ability to leverage additional sales and marketing dollars through Destination British Columbia, Rocky Mountaineer, CTC and the VHDA.
- Capitalizing on Australia's strong meetings and incentive group market for winter and summer incentive programs.

Threats

- Increasing competition for Australian outbound long-haul travel, particularly from the US and Thailand.
- Lack of urgency for consumers to visit Canada.
- Perception that Western Canada is mainly an escorted coach-touring destination for senior travellers on a Rockies, rail or cruise itinerary.
- Riverboat cruising in Europe has become the number one selling product for the two major group tour operators.
- Limited capacity and affordability around direct air access to Vancouver.
- Canada not a top destination or priority for many key operators.
- Consolidation in the wholesale and retail sectors.
- Smaller wholesalers and tour operators falling behind in web presence – a key information and booking source from the Australian market.

Our Competition

Canada's competitive set for the long-haul Australian leisure market includes the US, the UK, France, Italy, China and Thailand.⁴¹

The US remains the most popular for Australian travellers, with this popularity not looking to wane anytime soon. However interest in Canada remains strong with British Columbia being the preferred destination to visit and Vancouver being the most popular destination within the Province.⁴² For skiing holidays, Canada is seen as the top destination for Australian travellers which provides a strong opportunity to build pre/post winter experiences in Vancouver coupled with a Whistler ski/board vacation.

The popularity of river cruising has increased tremendously – a 25.1% per cent increase this past year as almost 50,000 Australians took to inland waterways, versus only 5.6% growth for Alaska cruising or 24,121 passengers.⁴³ The major escorted group operators are heavily invested in ships and promotions for European river cruises and for Tourism Vancouver's two key escorted accounts, Scenic Tours and

⁴¹ Destination British Columbia, *Australian Visitor Market Profile*, July 2012, p. 4.

⁴² Destination British Columbia, *Australian Visitor Market Profile*, July 2012, p. 4.

⁴³ <http://www.cruising.org.au/downloads/CLIA-Report-2013.pdf>

APT, Canada now ranks as second in volume to these programs, whereas Canada was always number one in the past.

Our Markets

Primary Market

Visitor Market Profile (2012):⁴⁴

- 72% of total arrivals are for leisure.
- 55+years is the largest demographic.
- \$690.83 is the average spend per person per trip.
- 4.6 nights is the average length of stay of leisure visitors.
- January to March and September to November are the peak booking periods.
- May to October is the key travel period.

Australia's outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ). In Australia, Canada focuses on four of their key customer types – Free Spirits, Cultural Explorers, No Hassle Travellers and Social Samplers.

For Tourism Vancouver the core focus is on free independent travellers (FIT), high yield business that builds incremental room nights into the city.

Currently the majority of Australian travellers to Canada are affluent and older, with nearly half of all visitors being over 55 years of age and travelling in parties of two.⁴⁵ Escorted coach tours and the Rocky Mountaineer are dominant forces within the Australian market and appeal strongly to this market segment. These operators have significant marketing dollars and flood the major press and TV with marketing messages around this style of travel. This is a double edged sword, as on one hand it ensures that Canada remains top of mind for Australian travellers however it gives the perception that Canada is a once in a life time experience, for older travellers and you need a lot of money for the trip. Tourism Vancouver and Canada need to continue to challenge this perception and raise awareness of great FIT, self-drive, luxury and youth travel opportunities that abound – other segments outside of the group travel market.

Youth travellers in particular are a growing market segment and offer a lot of potential for Vancouver. With a generous number of paid leave days, Australians tend to have lengthy vacations and the strength in the Australian dollar this has helped Canada's perception as a value for money destination in recent years⁴⁶. These factors also encourage youth travellers and a priority for Tourism Vancouver is to build awareness and content around Vancouver as a youth destination to drive broader market appeal, beyond the 55+ age group.

The Vancouver-Alaska cruise is a big draw for Australians; with just over 24,000 taking a Vancouver-Alaska cruise in 2013, up 5.6% year over year. Australia is now the world's leading cruise market in terms of growth and market penetration. In 2013 3.6% of the population went on a cruise and Australia now

⁴⁴ The 2012 international overnight Visitor to Metro Vancouver, Visitors from Australia

⁴⁵ Destination British Columbia, *Tourism Market Profile, June 2014, P.2*

⁴⁶ Destination British Columbia, *Tourism Market Profile, June 2014, P.3.*

boasts the highest global penetration rate of any cruise source market.⁴⁷ For the Australian market the focus is now on extending the length of stay in the city for pre and post cruise passengers.

Secondary Market(s)

Although a separate country, New Zealand is considered a sub-segment of the Australian market. In 2013, Vancouver welcomed 33,565 New Zealand visitors (an increase of 9.3% over 2012). Projected visitation in 2014 is 34,591, an increase of 3% over 2013. Visitation in 2015 is expected to be 35,443 – an increase of 3%.

Various Australian wholesalers/tour operators (e.g., Helloworld, Flight Centre and Adventure World) have offices in New Zealand, and promote Canadian travel programs. With similar market characteristics as Australian travellers, direct air access to Vancouver and high interest in Canada, New Zealand is a strong secondary market.

The ski/snowboard market as indicated is strong for Western Canada. Approximately 28,000 Australian skiers/boarders visit Canada for ski/snow holidays, with the majority travelling to British Columbia and Alberta.⁴⁸ Australian ski operators estimate that 30% to 40% of all winter visitors include a Vancouver stopover on their Western Canada ski/board holiday. Vancouver will benefit from continuing to work with key ski operators and Tourism Whistler to promote Vancouver pre/post city stays. Qantas has also announced for the 2014/5 season direct flights to Vancouver on its Boeing 747-400 for a six week period from January 3 to 22 to capitalise on the peak ski season. Qantas have a code-share alliance with WestJet, which will also allow passengers onward connections to destinations such as Calgary and Edmonton.⁴⁹

Our Focus

Vancouver's Creative Direction

Year-round nature, wildlife and local lifestyle experiences provide a compelling mix of products to entice Australian long-haul travellers to visit and extend their stay; these key messages will play a primary role in sales and marketing activities:

- Vancouver is the “city of nature” with its spectacular setting – wildlife, mountains, rainforest, fjords and oceanfront.
- Vancouver is a year-round, four-season destination featuring a plethora of outdoor pursuits, festivals and events.
- Vancouver is a hub and spoke destination for broader Western Canada experiences.
- Vibrant destination with a unique combination of hip urban and active nature-based adventures.
- Liveable city and relaxed beach culture with local lifestyle qualities – active, health and wellness.
- Homeport for the Vancouver-Alaska cruise and start/end for rail journeys.
- Proximity to Whistler for ski/board vacations.
- Vancouver is an ideal addition to a dual-nation itinerary to leverage the increased interest in travel to the US.

⁴⁷ <http://www.cruising.org.au/downloads/CLIA-Report-2013.pdf>

⁴⁸ Statistics Canada, 2009.

⁴⁹ <http://www.smh.com.au/business/aviation/qantas-direct-flights-to-vancouver-target-peak-ski-season-20140916-10hkn7.html>

- Vancouver is a culinary hotspot.
- Vancouver is a premier, world-class meeting and convention business destination.

Key Tactics

- Cooperative marketing campaigns via the travel trade.
- Development of partnerships with members, industry and non-traditional partners.
- Press trips, sales trips, sales missions and familiarization tours.
- Vancouver Specialist acquisition and retention campaigns.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Trade show participation.
- Itinerary and product development with the distribution channel.
- Incentive programs for reservation agents of wholesalers/tour operators and retailers.
- Generate unpaid media coverage and creating in-kind promotions.
- Utilize Tourism Vancouver social media resources to keep customers engaged and tell the Vancouver brand story.
- Content development.

Vancouver's Strategy 2015 – 2017

Tourism Vancouver's Australia strategy is to: focus on high-end FIT travellers; pro-actively target the youth travel segment as a key area of growth; position Vancouver as a hub and spoke destination to broader BC experiences; grow and diversify Vancouver's range of experiences; attract clients through meeting and media contacts; continue with and build new relationships with both traditional and non-traditional partners; continue to leverage relationships with both the VHDA and destination marketing organization (DMO) partners.

- Continue to focus on sales conversion by working with targeted travel trade, meeting and media contacts to attract the primary market segments and the lucrative meetings and conventions market.
- Develop relevant and engaging content to position Vancouver as the destination of choice for Australian travellers and assist Tourism Vancouver in telling the Vancouver brand story to key market segments.
- Create urgency by providing compelling reasons to visit by showcasing fresh content and promoting unique packages and experiences.
- Help the industry grow and diversify the range of experiences available, and develop content and product around these to assist in driving greater length of stay.
- Continue to play a leadership role with industry partners to leverage investment and creative assets to engage the end-consumer.
- Emphasis on training of front-line sales staff and the retail sector to become advocates for the city through the completion of the *Vancouver Specialist Program* and the access to the benefits the program offers i.e., webinars, fam trips
- Development of the youth market with the introduction of Air Canada SATA fares.
- Opportunity for exploratory discussions with Citizen and Immigration Canada around Working

Holiday Visa's.

Trade Objectives

Continue to increase awareness, stimulate overnight demand, and expand product experiences through strategic relationships with Key Accounts within the distribution channel in Australia and New Zealand.

- Work with the CTC to build interest for the destination through participating in their annual consumer campaign.
- Build relationships with the two main retail consortia in Australia and undertake a minimum of one direct to consumer campaign with them.
- Build incremental visitation and bookings while also extending the average length of stay through targeted joint marketing campaigns that generate incremental room nights with a minimum of two Key Accounts.
- Build incremental visitation in key need periods with a minimum of one Key Account OTA.
- Grow visitation in the low season by increasing pre/post ski holidays stays through a joint marketing campaign with one Key Account.
- Develop relationship with youth travel provider STA Travel, undertaking a joint marketing program positioning Vancouver as a youth destination.
- Develop dual nation vacation itineraries.
- Develop hub and spoke itineraries with BC wilderness lodges and fly/drive options coupled with Vancouver 4-night stays.
- Develop a brand tool box for travel trade clients to assist them in selling Vancouver and utilising our content, messaging, themed itineraries and social media tools.
- Expand travel trade's product knowledge by generating a minimum of 140 travel trade leads and/or member referrals.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay and product experiences.

- Grow the number of Australian registered Vancouver Specialists by 20%, with a minimum completion rate of 60%.
- Consider the development of a youth module as a part of the *Vancouver Specialist Program*.
- Provide comprehensive face-to-face and webinar training of at least 250 frontline sales agents.
- Support at least 10 travel trade familiarization trips with an overall satisfaction rating of 90%.

Meetings & Conventions Objectives

- For 2015 attend AIME in Melbourne Australia with hotel and destination management company (DMC) partners active in the market.
- Research marketing campaign and focus group opportunities to present Vancouver on a more frequent basis to decision-makers.

Media Objectives

The Travel and Trade Media Relations team's objective is to raise awareness of Vancouver in Australia by generating positive editorial coverage that inspires travel to Vancouver.

- Generate approximately 200 Vancouver travel stories in Australia (print, broadcast, online).
- Work with provincial and federal tourism partners to host approximately 25 Australian journalists on press visits in 2015. Target media includes broadcast (e.g., Channel 9, Today Australia).
- Pitch Australian media at CTC's annual GoMedia Canada Marketplace (Penticton, fall 2015).

Brazil

A Quick Update

Overnight visitation from Brazil to Vancouver in 2014 is expected to be 15,389, an increase of 9% over 2013. Projected visitation in 2015 is 16,056, an increase of 4% over 2014.

In 2014, highlights included supporting three educational familiarisation trips for best customers; attending WTM Latin America and Rendez-vous Canada to meet with key trade accounts. With support from the Vancouver Hotel Destinations Association (VHDA) Tourism Vancouver launched a marketing campaign with the Canadian Tourism Commission (CTC) and four top Brazilian tour operators to promote summer travel to Vancouver during a peak booking time for the market in an effort to grow share and steal from our competitors. Throughout the year, Tourism Vancouver's Travel Media Relations team worked closely with the CTC Brazil to provide itinerary support and destination information for a number of high-ranking Brazilian blogs, magazines and newspapers. The team hosted a number of journalists in the city, including influential publications like *Top Destinos* (high-end luxury publication with a circulation of 40,000) and *Viagem e Turismo* (travel publication with a circulation of 129,878 and distributed across Brazil). Meetings and Conventions Sales team has received one corporate and incentive lead in 2014. Although we did not host any site inspections, one familiarization trip for corporate and third party planners was supported in 2014. Brazil remains a secondary market for meetings and conventions with the opportunity to grow Vancouver destination awareness and increase corporate and incentive business.

As the world's seventh-largest economy (and forecasted to become the world's fifth largest by 2025⁵⁰), Brazil's dynamic and growing economy, low unemployment and national optimism around the 2014 FIFA World Cup and 2016 Olympic Games provide a healthy long-term economic outlook.⁵¹ Conversely the Brazilian economy has lost some of its momentum over the past few years, inflation and high interest rates pose a threat on long-haul travel demand.

Over the past decade, Brazilian tourist spend has grown tenfold, in the same period the total number of Brazilians traveling abroad has grown 244%, with a total of 8.1 million. The USA became the main leisure destination, in front of Argentina and Uruguay.⁵² Vancouver will need to remain partnered with the CTC on marketing campaigns and sales missions to ensure Vancouver is represented well in market and considered an option when vacationing.

Air access remains a challenge particularly for the West, however Air Canada added a new direct flight in 2014 from Toronto to Rio; this flight will run four times per week as well as the daily non-stop flight from São Paulo to Toronto. COPA Airlines also began flying four times per week in 2014, connecting seven cities in Brazil (including Sao Paulo and Rio) to Montreal via the Panama. Canada is one of just 17 countries outside of South America with daily non-stop scheduled service in 2014. South of the border American Airlines began flying direct from LAX to Sao Paulo in December of 2013. This will assist in access to the West as the connections are tighter and cost is usually lower than connecting through Toronto. Connecting through LAX now gives opportunity for greater dual nation itineraries. As a relatively early entrant in the market, Canada's efforts to develop inbound tourism from Brazil will yield benefits over the long term. In the short term, Canada must tap into air capacity via the United States and Panama.⁵³

In April 2014 the Canadian government announced a change in the visa process which will bode well for Canada. Essentially anyone that has travelled to the US or Canada within the last 10 years would be

⁵⁰ Oxford Economics, December 2011.

⁵¹ Canadian Tourism Commission, *Global Tourism Watch, Brazil - 2011 Summary Report*, p. 15.

⁵² Folha de Sao Paulo Newspaper, January 1st 2014

⁵³ Canadian Tourism Commission, *Brazil Market Profile*, January 2013, p 3.

eligible to apply for a simpler and expedited process. In the past this has been more of a barrier however it is becoming less so due to these changes.

Brazil has more than 10,000 travel agencies and 89 tour operators affiliated with the Brazilian Tour Operators Association (BRAZTOA), and travel trade plays a key role in consumers' decision-making processes. Most tour operators act as travel agents and sell a wide variety of products across market segments (e.g., business travellers, families), but cater to specific social classes (e.g., class A, B, C, etc.).⁵⁴ The number of operators selling Canadian product has doubled in the past two years, from 30 to more than 60. In addition, nearly 35 tour operators are focused on developing new Canadian experiences - fulfilling a demand not only for escorted tours, but also for variations of fly/drive, city packages and customized tours. When it comes to booking a trip to Canada 82% of recent visitors consulted a travel agent for their holiday. Almost one half booked their Canadian holiday through a travel agent. About one quarter booked their flights and hotels directly with airlines and accommodation providers, and about 20% used an online retailer.⁵⁵

Over the long term and aside from air access more so to the West, Canada will need to broaden Brazilian travellers' perceptions of Canada. Canada is already well known for skiing, snowboarding and other winter activities. When considering Canada's unique selling propositions, the qualities that are positioned well against our competitors include: beautiful scenery, visiting national parks, and exploring nature in close proximity to a cosmopolitan city.⁵⁶

Brazilians are known to have a penchant for shopping, nightlife, fine cuisine, soft adventure and more. Hybrid city-nature products appeal to almost 80% of the market.⁵⁷ Top reasons to visit Canada include VFR, experiencing interesting culture, studying and visiting a top nature preserve and multicultural experiences.⁵⁸ Marketers should continue employing a mix of traditional and modern mediums to influence prospective travellers as the travel trade is still an important distribution channel. Social media also plays an important role along the path to purchase. More than 90% of Brazilian travellers use social networking sites.⁵⁹

Situation Analysis

Strengths

- English is the preferred second language.
- US visa waiver allows people to fly via the United States to Canada with only one visa, opening up more air access options.
- Changes in the Canadian Visa requirements.
- Strong interest in visiting Canada; majority of Brazilians visiting are high-yield travellers.
- Increased air capacity.

Weaknesses

- Competing destinations have higher awareness due to longer market presence in Brazil.
- Low awareness of Canada's unique selling points and product offerings.

⁵⁴ Brazilian Society is segmented into five different class systems based generally on households' gross monthly income, with classes A and B comprising the most affluent, distinguished and educated in the country.

⁵⁵ Canadian Tourism Commission, *Brazil Market Profile*, January 2013, p 9.

⁵⁶ Canadian Tourism Commission, *Brazil Market Insights - 2011 Summary Report*, p. 23.

⁵⁷ Canadian Tourism Commission, *2013 Global Marketing, Sales and Communications Plan*, p. 18.

⁵⁸ Canadian Tourism Commission, *Brazil Market Profile*, January 2013, p 8.

⁵⁹ Canadian Tourism Commission, *Brazil Market Profile*, January 2013, p 3.

- Lack of product knowledge among travel trade.
- Lack of direct air access, particularly to Western Canada.
- Less competitive on airfare (though more competitive than Europe when hotel costs are considered).
- Canada's budget dwarfed by its competitors.
- Short-term growth largely dependent on excess air capacity via the United States.
- No support at the Provincial level from Destination British Columbia.

Opportunities

- Strong desire to experience Canadian culture, award-winning cuisine and outdoor adventures among awe-inspiring natural wonders.
- Great potential for family-based experiences.
- With one in three Brazilian travellers choosing a US holiday, there is an opportunity to address Canada's affordability and value by promoting dual-nation vacations.
- With some 20,000 Brazilian skiers visiting the United States annually, Whistler is well positioned to capture more market share - with Vancouver benefiting from pre/post city-stay add-ons.
- Adventure seekers looking for new and exciting experiences with interests that include shopping, cuisine, nightlife and resorts.
- Internet and social media networks, as 75% of Vancouver's primary target audience is on Facebook and 68% on Orkut.
- Television travel shows, magazines and newspapers are the most prevalent sources of travel information about Canada for Brazilians* ⁶⁰
- FIFA Women's World Cup 2015.
- Brazilian artists showcased during the 2014 – 2016 Vancouver Biennale.

Threats

- Uncertain long-term sustainable funding.
- Aggressive competition, especially from the United States and Europe.
- US visa waiver.
- Non-stop air service to competing destinations via Brazil.
- Greater affordability of competing destinations.
- Brazil's overvalued currency and global economic uncertainty could affect long-haul travel.
- High debt, amplified by high interest rates, could dampen the middle class' ability to travel.

Our Competition

The Canadian Tourism Commission (CTC) has cited Canada's main competitors for Brazil as the United States, France, Italy, Spain, the United Kingdom, Australia and Mexico, with Portugal and Germany also among the top 10. The popularity of the United States primarily stems for its shopping and entertainment

⁶⁰ Brazil Market Profile, CTC, January 2013

offerings in destinations such as Florida, New York and Las Vegas. Canada currently places seventh in terms of a future travel destination due to relatively low awareness of Canada's product offerings.⁶¹

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, upscale, free independent travellers with a propensity to stay in finer hotels and experience "city" lifestyles. From Brazil, the outbound travel market can be segmented using the CTC's *Explorer Quotient* (EQ). The three segments of particular interest to Vancouver include Authentic Experiencers, Cultural Explorers and Free Spirits.

Visitor Market Profile to Canada (2011 all visitors):⁶²

- 57% of total arrivals to Canada are for leisure (36%) or to visit friends and relatives (21%)
- 29% of total arrivals travel to British Columbia (BC)
- 18-34 years is the largest demographic to Canada (31%) followed by 34-54 (28%)
- Sao Paulo represents one third of travellers intending to visit Canada, followed by interior Sao Paulo, Rio and Brasilia
- \$1,837 is the average spend per person per trip
- 19.4 nights is the average length of stay
- July, August, September – largest travel months
- 60% of those traveling book within three months of traveling, 20% book more than six months prior to travel

In terms of product opportunities and long-haul interests, Brazilian travellers want to "do it all." They enjoy a robust mix of cities, cuisine, culture and nature on their travels. City experiences, especially those teamed with nature, offer hope for Canada. Product focus will be placed on Brazilians' top motivators to travel (and highlighting Vancouver's matching attributes to attract visitors), including shopping, high-end, well-located hotels, award-winning culinary experiences, entertainment and nightlife, culture, outdoor adventure (urban city close to nature), city-stay packages, and pre/post cruise and ski. Intent to visit Canada is highest among families.

Secondary Market(s)

Brazil's growing student travel market offers much potential, especially as Canada is currently ranked as the top travel abroad study destination. This presents an opportunity to leverage student programs for future repeat visitation and welcome friends/family members visiting students in Canada.

⁶¹ Canadian Tourism Commission, *Global Tourism Watch – 2011, Brazil Summary Report*, p. 3.

⁶² Canadian Tourism Commission, *Brazil Market Profile – January 2013*, pp. 4, 5, 8, 9.

Our Focus

Vancouver's Creative Direction

- Vancouver is a cosmopolitan city on nature's edge offering great scenery and parks.
- Vancouver is an easy city to visit - compact, safe and walkable.
- Vancouver is culinary hotspot offering an array of local and international flavours.
- Vancouver is a year-round, four-season destination offering pre/post city-stay extensions for Alaska cruise and Whistler ski/snowboard vacations.
- Vancouver is rich with culture, festivals and events, and offers a plethora of natural attractions and outdoor pursuits.

Key Tactics

- Cooperative marketing campaigns with travel trade to reach consumers incorporating traditional, digital and social media.
- Press trips, sales trips, familiarization trips and site inspections.
- In-market sales training.
- Tradeshow participation.

Vancouver's Strategy 2015 - 2017

Tourism Vancouver's strategy in Brazil is to continue working closely with key travel trade to attract clients; continue to qualify and grow the number of tour operators and agents catering to high-end, affluent, free independent travel consumers; grow and diversify Vancouver's range of experiences appealing to this segment; continue hosting accredited Brazilian travel media on press tours; and continue leveraging activities and investment with partners such as Tourism Whistler and the CTC to broaden destination appeal.

- Identify and cultivate key tour operator partners as emerging and growth accounts, and support these accounts with product and sales development efforts.
- Monitor room night performance, itinerary development and product inclusion.
- Work closely with receptive tour operators to ensure they offer a variety of itineraries and experiences to Brazilian operators.
- Continue to build relationships with key travel trade accounts to promote year-round experiences.
- Consider CTC's leverage investment, and collaborate with key travel trade accounts selling Vancouver in marketing pools.
- Host accredited travel journalists and television shows on press trips with the goal of producing travel coverage that will inspire consumers to book a Vancouver vacation.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with Best Customers in Brazil.

- Identify and develop relationships with Brazilian travel trade who are willing to create and promote Vancouver itineraries, and promote overnights with a minimum of three tour operator accounts.
- Educate travel trade sales channel (travel agents, reservation and sales representatives) through comprehensive destination training of at least 50 agents/staff and by participating in at least two familiarization trips.
- Expand tour operator product knowledge by generating a minimum of 100 travel trade leads and/or referrals for the member community (an increase of 5%).
- With assistance from the VHDA, consider incremental consumer marketing opportunities with travel trade in support of up to three campaigns or one marketing pool.
- By December 2015, identify new and emerging trade accounts/distribution channels that present a future opportunity for Vancouver.
- Consider attending BRAZTOA - a key trade event that focuses on working with trade and promoting travel to Canada during the summer months.
- Promote *Vancouver Specialist Program* to travel agents, tour operators and other travel influencers to increase knowledge of Vancouver and its product offerings.
- Explore social media tactics to engage the consumer.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for visitation and greater length of stay.

- Increase total registration for the *Vancouver Specialist Program* by 20% with travel agents.
- Provide face-to-face training to a minimum of 50 Brazil-based frontline sales agents.
- Support a minimum of four familiarization trips for Brazilian travel trade with an overall agent satisfaction rating of 90%.

Media Objectives

Media Relations plays a key role in broadening the awareness of Vancouver among Brazilians.

- Generate approximately 25 Vancouver travel stories in high-profile Brazilian media outlets.
- Work with CTC to host approximately 15 Brazilian media on press visits.
- Meet and pitch Brazilian travel media at CTC's annual GoMedia Canada conference (Winnipeg, fall 2015).

China

A Quick Update

Overnight visitation from mainland China to Vancouver in 2014 is expected to be 230,551, an increase of 27% over 2013. Further to this, relative to inbound Chinese to Canada, in 2013 Vancouver picked up 4 points of share compared to the rest of Canada and is expected to sustain this performance in 2014. Projected visitation in 2015 is 272,988, an increase of 18% over 2014 – moving China past the United Kingdom as Vancouver’s second largest international market, after the United States.

China has the second largest economy in the world and is now shifting its focus from rapid investment and intensive growth toward more of a consumption and services-driven economy. The International Monetary Fund projections for economic performance are for slowing growth in 2014 and 2015 at 7.6% and 7.3% respectively.⁶³ Domestic travel continues to be very strong and with 3.3 billion travellers in 2013. 8.4% expected growth in 2014⁶⁴ sets the stage for continued growth in international outbound travel.

Highlights in 2014 included attendance at the International Luxury Travel Market in Shanghai with Tourism Whistler, Showcase Canada in Beijing, a sales mission to Shenyang and Shanghai with Vancouver hotels, production of a new trade collateral piece, new videos in Banff, Victoria and the Okanagan featuring Wanting Qu, a public relations event in Beijing with qualified trade and media featuring Wanting Qu, introduction of Wechat and Meipai social media accounts in China, a ten-page feature in Men’s Health shot in Vancouver in early September, and *Vancouver Specialist* training (VSP) in Shenyang, Dalian and Chengdu.

Tourism Vancouver’s Weibo (a Chinese social media site) followers have increased to 122,000 fans, and Vancouver destination videos on Youku (Chinese YouTube) have received over 5.4 million views.

A new fully responsive Chinese language website was launched, ensuring our Vancouver content is accessible to and optimized for all screen sizes.

The popular WeChat social media platform will soon be utilized to keep agents who have successfully completed the *Vancouver Specialist Program* (VSP) engaged, by sending them compelling Vancouver destination content on a regular basis. And Vancouver is the first destination in Canada to have a presence on a new social media app in China – Meipai – with over 11,500 followers.

Campaign partners in 2014 included the Vancouver Hotel Destination Association (VHDA), Tourism Whistler, Tourism Victoria, Banff/Lake Louise Tourism Bureau, VIA Rail, the Canadian Tourism Commission (CTC), Sichuan Airlines, YVR, and Destination British Columbia (Destination BC).

Increasing demand for higher-end experiences by Chinese independent travellers and small affinity groups (e.g., families, friends) provides an opportunity to increase Vancouver’s awareness among this more affluent, sophisticated and loyal market segment.

⁶³ World Economic Outlook, *Update*, January 21, 2014.

⁶⁴ <http://www.cottm.com/news-center/news/chinas-domestic-and-outbound-tourism-keep-growing-2014>

Vancouver's unique geography also provides an opportunity to attract international associations based in the Pacific Rim, as well as Pacific Rim sections/chapters of international associations and Asia Pacific rotation-only conferences. For instance, current research through the International Congress and Convention Association shows there are approximately 65 Pacific Rim rotation conferences and 35 China-based associations that could potentially hold meetings in Vancouver.

The University of British Columbia's (UBC) Asia Pacific Regional Office (APRO) in Hong Kong provides important research and professional links with many UBC disciplines, such as the Faculty of Medicine - which has agreements and partnerships with institutes, hospitals and medical schools in Hong Kong, including initiatives to invite key professionals to meetings and international/national conferences in Vancouver.

Leveraging Tourism Vancouver's resources with our marketing partners to extend our reach and equity in the market will be critical in 2015. Other important considerations are working with hotel and tourism communities in Vancouver (and China) to broaden the breadth of experiences offered, and building value into the visitor experience.

Media profile and publicity - including unpaid, traditional and social media - will be important in enhancing Vancouver's profile in 2015 and extending the reach of the Wanting Qu campaign. Continued support and investment in the *Vancouver Specialist Program* (China) is also vital to the long-term strategy to qualify and support trade professionals who are selling and booking visitors to Vancouver. Vancouver will continue to work with its partners to support air access for primary (i.e., Shanghai, Beijing, Guangzhou) and secondary (i.e., Chengdu, Shenyang, Dalian) markets.

Situation Analysis

Strengths

- Ability to leverage our spend with partners, including Destination BC, the CTC, VHDA, Tourism Whistler and VIA.
- Perceived as a "green city," with natural beauty and outstanding scenery.
- Safe, clean environment; Vancouver is known for its high quality of life.
- Friendly people with roots in China (particularly Guangdong Province).
- Proximity to the United States.
- Direct connection to Guangzhou, Beijing, Shanghai and Shenyang.
- Increased air capacity/frequency with all carriers - more from China than to any other city in Canada.
- World-class cuisine, and the best Chinese cuisine outside of China.
- Vancouver's existing brand awareness within China.
- Asia Pacific Foundation based in Vancouver.
- Vancouver has more scheduled flights from China during the summer than any other North American city.
- Award winning LEED Platinum Vancouver Convention Centre is perceived as a high-end technologically advanced meeting facility.
- Demonstrated success with previous meetings, incentives, conferencing, and exhibitions (MICE) programs such as AIA Incentive 2014 and Kia Incentive in 2013.

Weaknesses

- Difficulties/delays in getting an entry visa for Canada.
- Low awareness of Canada as a destination.
- Lack of high-end, ready-to-market Vancouver itineraries.
- Lack of Canadian presence across all marketing and media channels.
- Lack of destination management companies (DMC) doing business in mainland China.
- Local receptive operators competing on price rather than value.
- High cost of travel to Canada.
- Limited transit-without-visa policy in place for Chinese citizens transiting through Vancouver en route to the United States.

Opportunities

- Strong demand for sightseeing, shopping, dining and visiting urban/city centres and people.
- Seeking new destinations and activities; health, wellness, quality of life increasingly important.
- Very high Internet use, particularly among young population (mid-20s); mobile use and text messaging also very common.
- Increased frequency from existing carriers providing direct access to Vancouver, opening new marketing and partnership opportunities.
- Concept of a “green,” sustainable city resonates with Chinese and is part of their government’s new five-year plan, providing an opportunity to heighten Vancouver’s stature in the market.
- Pacific Rim based associations with an Asia Pacific rotation means increased meeting potential for Vancouver.
- 2015 is the 30 year anniversary of Vancouver’s sister city relationship with Guangzhou. The City will expect tourism to be an integral part of the bilateral program of activities in 2015.
- UBC Asia Pacific Regional Office based in Hong Kong, providing important research and professional links with China in a majority of UBC disciplines. Potential to solicit testimonials and meeting b-roll during Teochew 2015.

Threats

- Rising cost of air travel and competitiveness with US routes.
- Government policies can quickly impact Chinese outbound travel.
- Increased competition, especially as China is a priority market for many destinations with a longer presence in China and with much larger investments.
- Discounted pricing practices that rely strongly upon commission-based itineraries can have detrimental impact on the destination brand, and foster unhealthy business practices (although a new Chinese law that came into effect in October 2013 was intended to address this issue).
- No representation in market to meet face-to-face with MICE decision-makers and influencers on a regular basis.
- Chinese government anti-corruption campaign could result in decreased incentive inquiries globally.

Our Competition

Canada’s top competitors for the long-haul Chinese visitor are the US, the UK, Germany, France,

Australia and New Zealand. Although interest to visit continues to grow substantially, as of 2012 Canada remains in sixth place in terms of interest levels. BC remains slightly ahead of Ontario as the preferred destination.⁶⁵

In terms of high net worth individuals, Canada ranks third as the destination of choice for international education (12%) and Vancouver specifically ranks third as a preferred immigration destination (13%). But as a preferred international travel destination, Canada slipped in ranking from 12th in 2013 to 14th in 2014 (3.4%).⁶⁶ The implication is that there is opportunity to connect tourism to a broader economic agenda to heighten awareness and retention.

In addition, China has now become the world's number one market in terms of global trip expenditure, and most tourism economies are now targeting the affluent Chinese consumer. To that end, many countries are improving/streamlining their visa processes to expedite the ease and frequency of travel.

Our Markets

Primary Market

Vancouver's primary market is the affluent long-haul traveller with a propensity to stay in a downtown hotel. China's outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ):

- 22% - Virtual Travellers.
- 15% - Gentle Explorers.
- 13% - Cultural History Buffs.

The markets of particular interest to Vancouver are the Free Spirits and Gentle Explorers, who have an affinity for luxury, indulgence and brand-name hotels. Well-publicized destinations carry the greatest appeal for Chinese travellers, and most itineraries will incorporate Vancouver as a gateway for broader Canadian/regional experiences. Shopping (particularly exclusive, luxury products) is a critical recreational activity, and an important secondary consideration for enhancing the city's appeal, relevance and length of stay. Sense of place is also important, and incorporating/profiling local culture through festivals, events, exhibitions, performing arts, and other opportunities to interact with locals is also appealing.

A growing niche market within these segments is the cruise vacationer looking for pre/post options around an Alaskan cruise experience.

Market size is difficult to estimate due to the growing domestic travel market, increasing liberalization, and growing affluence and education. The total Chinese outbound travel market in 2013 is estimated at 98 million, but the bulk of that travel was to Hong Kong and Macau. Approximately five to seven million would be considered candidates for a North American (i.e., Vancouver) experience.

According to a recent report released at the Beijing Fragrant Hills Tourism Summit by the World Tourism Cities Federation (September 2014), China outbound tourists on average spent RMB 20,000 (US\$3,252)

⁶⁵ Destination BC, China Tourism Market Profile, June 2014

⁶⁶ 2014 – The Chinese Luxury Traveler, Hurun Report 2014

during travel per person and shopping is an important part of their spend in overseas trips at 57.8% of discretionary income.⁶⁷

Secondary Market(s)

Incentive, government and business travel are important secondary markets. Growing interest in Vancouver as a world-class “green city” will stimulate interest from all three segments in the near future. Close communication with the City of Vancouver will be important for coordinating resources to service the growing demand, and to capitalize on follow-up opportunities with proposals for specific incentive clients.

Our Focus

Vancouver’s Creative Direction

- Vancouver offers mountains, ocean, forests, and an ethnically diverse city in a setting which is intimate and unique.
- Vancouver is a world-class, multicultural and “green city” on nature’s edge.
- Vancouver is a gateway to North America.
- Vancouver is the most Asian-influenced city outside of Asia.
- Vancouver is a “lifestyle” city - a walkable destination offering luxury, indulgence, health and wellness opportunities.

Key Tactics

- In-market campaigns.
- Trade shows and familiarization tours.
- Sales training (trade) – direct and online through the Chinese *Vancouver Specialist Program*.
- Increasing awareness via China website development and updates, and social media (Weibo, WeChat and Meipai).
- Generating unpaid media coverage and public relations.
- Online communications with consumers and trade.
- Trade database development.

Vancouver’s Strategy 2015 - 2017

Continue to qualify and grow the number of tour operators and agents catering to high-end, affluent, free independent travel consumers and incentive travellers; grow and diversify Vancouver’s range of experiences appealing to this segment; continue partnerships and leverage with other stakeholders to broaden destination appeal. Contract in-market representation for ongoing sales and support.

Trade Objectives

⁶⁷ <http://www.chinainternetwatch.com/8832/outbound-travelers/>

Continue nurturing strong trade relationships to grow interest in business and leisure travel to Vancouver.

- Introduce *Vancouver Specialist Program* in China, and support the identification and training of at least 80 Vancouver Specialists.
- Continue to proactively nurture strong relationships with the travel trade in China, including supporting a minimum of seven familiarization tours with an overall agent satisfaction rating of 90%.
- Consider contracting with a representative in China (Shanghai) to liaise with trade, conduct sales training, and provide logistical support for activities in China.
- Refresh/update five itineraries themed around different experiences based in Vancouver. Particularly focus on water-based recreation. Options should be for a minimum of two nights.
- Expand travel trade product knowledge by generating a minimum of 130 travel trade leads/referrals for the member community.
- Direct sales calls and training in conjunction with at least one destination partner (in lieu of ILTM).
- Refine/promote the support available for hosting incentive groups in Vancouver.
- Leverage the goodwill and interest generated with Wanting Qu into a third year relationship as Tourism Vancouver's Tourism Ambassador.
- Consider a promotional campaign with VIA and Union Pay to deliver a Vancouver message to 3 million platinum card customers through three of the major banks in China. The message would include a high-value contesting component.

Consider a showcase event in Guangzhou.

- Work with Tourism Guangzhou and the City of Vancouver to showcase the destination in Guangzhou as part of the 30th anniversary of the sister city relationship. Events could include destination training, public relations, and media awareness, possibly incorporating contesting.

Digital Objectives

Continue to use the Internet to grow awareness for Vancouver as a potential travel destination.

- Make monthly updates to our Chinese website and blog with fresh and engaging content through articles, photos and videos showcasing Vancouver's breadth of experiences.
- Provide links and point-of-reference to support sales training for travel trade through *Vancouver Specialist Program*.
- Grow Tourism Vancouver's social media footprint in China by regularly sharing interesting and relevant Vancouver content with our Weibo followers, and by leveraging contests, games and giveaways to keep them engaged. Target is 100,000 Weibo followers (a 100% increase).
- Partner with key stakeholders, leveraging their investment in our Chinese program to promote the region.
- Host four prize winners in Vancouver for four nights.

Media Objectives

- Generate approximately 50 unpaid, editorial travel stories in Chinese media outlets. Focus is to pitch trend-setting magazines, bloggers and television shows (e.g., National Geographic Traveler China) to build awareness and position Vancouver as an exciting, urban and welcoming destination, deserving of

a multi-day stay.

- Host approximately 30 Chinese media on familiarization tours with the CTC and Destination BC.
- Capitalize on media interest surrounding Tourism Vancouver's relationship with Chinese celebrity Wanting Qu.
- Pitch Chinese media at CTC's annual GoMedia Canada Marketplace (Winnipeg, fall 2015).

Be a Host Objectives

- Reach out to the appropriate local hosts for China-based associations to gain their support in creating prospective bids for Vancouver.
- Meet with UBC Asia Pacific Representatives in Vancouver to discuss building Chinese attendance at future Vancouver medical conferences and other potential partnerships.
- In spring 2015, reach out to Asia Pacific Foundation to set up a presentation for its members to promote *Be a Host* and make connections within the Asian community.
- Attend China Incentives, Business Travel and Meeting (CIBTM) in China.

Germany

A Quick Update

Overnight visitation from Germany to Vancouver in 2014 is expected to be 75,499, an increase of 3% over 2013. Visitation in 2015 is expected to be 77,275, an increase of 2% in comparison to 2014.

Highlights for Vancouver in 2014 include the launch of the Vancouver Specialist webinar program in Germany; hosting the Dertour Academy mega Fam in November 2013 which has resulted in solid increase in sales for the 2014 summer season from the key agents that attended; hosting 130 agents on a mega familiarization tour from Meier's Weltreisen in October; the launch of Iceland Air flights to Vancouver via Reykjavik; a marketing campaign with key account America Unlimited promoting four night Vancouver packages with optional activities and excursions to increase incremental stays in Vancouver, seeing an 11% increase in room night bookings year on year. In addition, Vancouver was featured in editorial travel articles in publications including *Der Tagesspiegel*, *Azur*, *Outdoor*, *Landspiegel*, and *von Frau zu Frau*.

With support from the Vancouver Hotel Destination Association (VHDA), Tourism Vancouver was able to undertake three additional extensive marketing campaigns with key accounts: Dertour, Meier's Weltreisen and Canusa, all promoting 4 night city-stays for summer 2015 travel. It is important when selling via the distribution channel in Germany to position Vancouver as a hub and spoke destination for broader BC experiences. Vancouver packages continue to be focussed on extending the length of stay in the city, coupled with wilderness lodge stays and, BC fly-drive itineraries – itineraries that appeal strongly to German consumers. In 2014 Destination BC is partnering in these campaigns. In meetings, incentives, conferencing, and exhibitions (MICE) market, IMEX Frankfurt and EIBTM continue to be initiatives supported by the VHDA. Both shows are successful in building strong destination awareness and generating in-house and city-wide leads.

While the outbound travel market from Germany continues to grow, arrivals to Vancouver and Canada have been consistent over the last ten years, and our share of the market is at risk and already in decline.⁶⁸ Competition is fierce, and the USA in particular is a major threat especially with their perceived value for money.⁶⁹ The strengthening Euro will assist in showcasing Vancouver and Canada as a more affordable and value for money destination in the year ahead however it is important for Tourism Vancouver to focus on raising the brand awareness of the plethora of activities and interests of German travellers available in Vancouver.

The distribution channels in Germany remain very traditional, with direct sellers and wholesalers who sell via travel agencies. Travel agents in particular dominate the booking channel, with two thirds of recent visitors to Canada seeking information from or booking their vacation via an agent.⁷⁰ However the retail landscape is changing in Germany, with consolidation seeing many of the independent brands becoming part of larger alliances.⁷¹ With the importance of the travel trade for bookings, Tourism Vancouver will

⁶⁸ Germany Market Profile, Canadian Tourism Commission, February 2013, p. 6

⁶⁹ Germany Market Profile, Canadian Tourism Commission, February 2013, p. 6

⁷⁰ Germany Market Profile, Canadian Tourism Commission, February 2013, p. 9

⁷¹ Destination British Columbia, Tourism Market Profile, June 2014, p. 5

continue to work closely with key travel trade partners to build awareness of Vancouver's experiences through the extensive trade network.

As travel agents remain a key influencer, the focus on the *Vancouver Specialist Program* in the market is paramount. Brand USA and Tourism Australia already have strong travel agent training programs in Germany, the USA Discovery Program and Aussie Specialist Program respectively. Both have large budgets and host mega fairs to the destinations annually. They are resourced with both staff and budget to engage with agents on a regular basis ensuring their destinations remain front and centre in agents' minds. In the German market Tourism Vancouver has 283 *Vancouver Specialists* with 99 in training with a completion rate of 65%, a +6% increase year on year due to in-market initiatives run by Tourism Vancouver.

It is important to note that booking time-frames have decreased significantly, with half of German travellers booking their holiday to Canada within three months, a mere 9% book 6 months out.⁷² This affects traditional promotion time-frames, with the key selling months now being January right through until as late as May.

The European youth travel market represents nearly half of the global market⁷³ and in 2012, almost a third of all German visitors to Canada were aged 20-34.⁷⁴ In comparison those in the 65+ age group fell by almost 10%.⁷⁵ Youth travellers are shown to spend as much as older travellers, and Vancouver can deliver on what youth travellers are looking for – social hubs, outdoor adventures, challenges and learning and development opportunities.⁷⁶ There are a number of specific youth operators in the market for Tourism Vancouver to work with, including STA Travel. It is important to note for this sector that many travellers under 30 are also making use of online channels to book flights and accommodation directly. In 2014 Air Canada is introducing SATA fares, exclusive fares for under-26 year olds on transatlantic flights (via South America), providing an opportunity to more pro-actively target and grow this important and lucrative segment. Tourism Australia, Tourism New Zealand and their respective Provincial and city destinations heavily and successfully promote to the youth audience in Germany.

Interest in luxury travel continues to increase but there is a shift to more active and adventurous styles of vacations.⁷⁷ British Columbia, with its plethora of luxury wilderness Lodges on the coast and in the interior fits perfectly into this category and Tourism Vancouver can capitalise on this interest through positioning Vancouver as the key hub and spoke destination when coupled BC lodge stays – top selling product in the German market.

German consumers see travel as a priority. They are large spenders and like to ensure their travel plans meet their expectations. They are heavily researched and 70% of German travellers are engaged on social networks.⁷⁸ Facebook and YouTube in particular have become key marketing tools with Tourism Vancouver's key accounts in the market. This represents a significant opportunity to tell and share

⁷² Germany Market Profile, Canadian Tourism Commission, February 2013, p. 9

⁷³ World Travel Trends Report 2013/14, p. 20

⁷⁴ Destination British Columbia, Tourism Market Profile, June 2014, p. 2,

⁷⁵ Destination British Columbia, Tourism Market Profile, June 2014, p. 2,

⁷⁶ Canadian Tourism Commission, Youth Infographic

⁷⁷ 2014 Virtuoso Luxe report, p.1

⁷⁸ Destination British Columbia, Tourism Market Profile, June 2014, p. 5,

Vancouver's brand story. They voice their ideas and opinions on all their social channels, and 81% recommend brands to people by Word of Mouth.⁷⁹

The German meeting and convention market currently comprises 1,500 intermediary companies and 4,500 corporations organizing incentive travel and meeting programs. Short travel times, venues and destinations that are easy to reach plus a strong focus for regional events are key deciding factors in the German MICE market. Spain, France and Italy are the top 3 destinations for the German Events industry in 2014.⁸⁰

Business Events Canada International Meeting and Conventions team has a continued focus on German corporate meeting planners, incentive houses and third-party planners as areas to focus their efforts.

Situation Analysis

Strengths

- Direct air service from Frankfurt, Munich and Dusseldorf with Lufthansa (daily), Condor, Air Berlin and Air Transat; a wide variety of flights to Vancouver via Amsterdam, Reykjavik, London and Canadian cities.
- Cosmopolitan city on nature's edge with a diverse mix of urban and nature-based experiences.
- Strong brand awareness in the market.
- Western Canada remains the preferred Canadian destination, especially for outdoor activities.
- Vancouver viewed as a hub and spoke destination for broader BC experiences.
- Leveraged funds through Destination British Columbia for travel trade marketing programs.
- Strong strategic relationships with travel trade accounts.
- In-market representation and offices of the Canadian Tourism Commission (CTC) and Destination British Columbia (Destination BC).
- CTC actively promoting Vancouver's eight *Signature Experiences* in Germany.
- VHDA's Destination Marketing Fund (DMF) allows Tourism Vancouver to undertake additional cooperative marketing activities with the travel trade.
- Extensive coverage of member products by a range of receptive operators servicing the travel trade. Diverse mix of export-ready experiences that appeal to consumers and the travel trade.
- Wave of new Vancouver product that is export ready and appeals to UK travellers.
- Proximity to the United States allows for the development of dual-nation vacation itineraries.
- Proximity to Whistler and the gateway for other BC ski resorts allows for the development of pre/post ski vacation stays.
- Reputation as an environmentally aware destination.

Weaknesses

- Limited knowledge of the breadth of Vancouver experiences by consumers and the sales channel.
- Higher cost of visiting Vancouver compared to competitive set, especially in the summer season.
- Expensive airfares especially compared to the United States.

⁷⁹ ILTM, Attracting Millennial Travellers, p. 3

⁸⁰ Business Events Canada, *UK & Europe Market Update, IMEX 2014*

- Not considered an exotic beach destination.
- Perceived merely as a gateway stop to Western Canada, particularly for motorhome vacations.
- Misperceptions of cold and wet weather.
- Lack of printed collateral and German website content.
- Canada not attractive for the MICE market due to long distance and time out of office.

Opportunities

- Strongest European economy.
- Increased direct air service with Condor, Iceland Air and Air Transat in the summer.
- Long annual leave allows for extended-stay vacations or more frequent trips.
- Development of the youth market with the introduction of Air Canada SATA fares.
- Social media a strong influencer of travel decisions.
- Growth in luxury travel and the opportunity to position Vancouver as a key hub and spoke destination.
- Opportunity to leverage additional sales and marketing dollars through Destination BC, Rocky Mountaineer, CTC and the VHDA.
- Growth in the independent/self-touring leisure travel market.
- Dual-nation itineraries and leveraging current strong interest in USA travel.
- Coastal Passage route with Rocky Mountaineer opens up more dual-nation vacation itinerary options.
- Popularity of BC ski/board vacations, especially Whistler; ski operators promoting stopover stays.
- FIFA Women's World Cup.

Threats

- Increased competition for German outbound long-haul travel, and a decline in Canada's value proposition.
- Declining interest in visiting Vancouver.⁸¹
- Airfares to Canada considerably higher than to the United States.
- Lack of urgency for consumers to visit.
- Fierce competition from the United States, along with a desire to visit New York, Las Vegas, Florida and California; Germany is a priority market for Brand USA.
- Growing concerns for unresolved Eurozone crisis, volatility of worldwide investments, rising oil prices and weakened euro.
- MICE clients have no buying power on transatlantic carriers.
- MICE clients meeting in Europe, attracted by "on sale" destinations such as Spain and Greece.
- Brazil's extensive coverage for the 2016 Olympic Summer Games.

Our Competition

Canada's competitive set for the long-haul leisure German market includes the USA, Australia, New Zealand, South Africa, Brazil and China.⁸²

⁸¹ Destination British Columbia, Tourism Market Profile, June 2014, p.4,

The intention for German travellers to take long-haul trips is at its highest rate in the past six years which is a positive sign for Canada.⁸³ However the USA dominates the long-haul market and with the growing presence of Brand USA in the market and its perceived price competitiveness Canada's share of the long-haul market continues to be at risk. Share of long-haul travellers has been decline for some years now, dropping from just over 5% in 2002 to 3% in 2013.⁸⁴

Alongside domestic destinations, which provide closer-to-home and more cost-efficient travel options, Tourism Vancouver's main competitors in the meetings and incentives market are Asia and South Africa. In fact, some 52% of all German incentive travel trips take place among these three destinations.⁸⁵

Our Markets

Primary Market

Germany's outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ). In Germany, Canada focuses on three of their key customer types – Authentic Experiencers, Cultural Explorers and Free Spirits.

Visitor Market Profile (2012):⁸⁶

- 75% of total arrivals are for leisure.
- 25-34 and 45-54 years are the two largest demographics.
- \$546.47 is the average spend per person per trip.
- 6.2 nights is the average length of stay of leisure only visitors.
- Jan-Mar and Sep-Nov peak booking periods.
- May-Sept key travel period.

For Tourism Vancouver the core focus is on free independent travellers (FIT), high yield business that builds incremental room nights into the city. Travel to Canada appeals to the more affluent German holidaymakers, with the two main market segments being 25 to 34 years of age and 45-54 years of age.

Luxury wilderness lodges and ranches are popular among the more affluent German visitors. Tourism Vancouver will position the city as a hub and spoke destination these wilderness experiences as a key strategy in 2015.

Family travel has increased in recent years, with one third of visitors having children under 18 years of age.⁸⁷ With the plethora of family experiences available in Vancouver this is an area for future growth and opportunity.

Youth travel in particular represents a significant opportunity. From the CTC's recent study there is high intention and interest to travel, however a smaller proportion actually visit.⁸⁸ Tourism Vancouver can capitalise on this opportunity and work with travel trade and media to convert this interest into actual visitation.

⁸² Destination British Columbia, *Germany Visitor Market Profile*, July 2012, p. 4,

⁸³ Canadian Tourism Commission, *Germany Market Profile*, February 2013, p.6,

⁸⁴ Canadian Tourism Commission, *Germany Market Profile*, February 2013.

⁸⁵ Canadian Tourism Commission, *UK & Europe Market Update IMEX 2012*.

⁸⁶ Statistics Canada, *Cities Data*, The 2012 US overnight Visitor to Metro Vancouver, Visitors from Germany

⁸⁷ *Germany Market Profile*, Canadian Tourism Commission, February 2013, p.7

⁸⁸ *Germany Market Profile*, Canadian Tourism Commission, February 2013, p.7

Germans tend to travel in couples, be repeat visitors, stay longer and are three times more likely to visit again within two years.⁸⁹ Most German travellers tend to visit in the late spring and summer months, with a niche market visiting in the winter for ski/board holidays. The vast majority of German visitors to Canada are seeking nature and wilderness experiences, with motorhome and fly/drive touring options being the main preference.

Secondary Market(s)

Though a separate country, the Netherlands is often considered a sub-segment of the German market. Some 22,000 Dutch visited Vancouver in 2013, and a variety of Dutch tour operators are actively promoting travel programs to Canada. With similar market characteristics as German travellers, direct air access to Vancouver and a strong interest in Canada, the Netherlands is a strong secondary market.

As Germans are avid skiers/boarders, skiing in North America is considered a prestigious, dream holiday. Estimates indicate there are some 1.57 million active German skiers/snowboarders. We will continue fostering this niche market by working with tour operators to feature pre/post city stays in conjunction with a heli-skiing tour or Whistler vacation.

Our Focus

Vancouver's Creative Direction

Year-round nature, wildlife and local lifestyle experiences provide a compelling mix of products to entice German long-haul travellers to visit and extend their stay; these key messages will play a primary role in sales and marketing activities:

- Vancouver is the “city of nature” with its spectacular setting – wildlife, mountains, beaches, rainforest, fjords and oceanfront.
- Vancouver is a year-round, four-season destination featuring a plethora of outdoor pursuits, festivals and events.
- Vibrant destination with a unique combination of hip urban and active nature-based adventures.
- Liveable city and relaxed beach culture with local lifestyle qualities – active, health and wellness.
- Hub and spoke destination for broader Western Canada experiences.
- Homeport for the Vancouver-Alaska cruise and start/end for rail journeys.
- Proximity to Whistler for ski/board vacations.
- Vancouver is an ideal addition to a dual-nation itinerary to leverage the increased interest in travel to the USA.
- Vancouver is a culinary hotspot. Culinary tourism is becoming more of a motivator for German travellers.⁹⁰
- Vancouver is a premier, world-class meeting and convention business destination.

Key Tactics

- Cooperative marketing campaigns via the travel trade.

⁸⁹ Canadian Tourism Commission, *Global Tourism Watch Year 3, Germany*, 2010.

⁹⁰ Destination British Columbia, *Germany Visitor market Profile*, July 2012, p.4,

- Development of partnerships with members, industry and non-traditional partners.
- Press trips, sales trips, sales missions and familiarization tours.
- *Vancouver Specialist* acquisition and retention campaigns.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Trade show participation.
- Itinerary and product development with distribution channel.
- Incentive programs for reservation agents of wholesalers/tour operators.
- Generating unpaid media coverage and creating in-kind promotions.
- Utilize Tourism Vancouver social media resources to keep customers engaged.
- Content development.

Vancouver’s Strategy 2015 – 2017

Tourism Vancouver’s Germany strategy is to: focus on high-end FIT travellers; pro-actively target the youth travel segment as a key area of growth; position Vancouver as a hub and spoke destination to broader BC experiences; grow and diversify Vancouver’s range of experiences; attract clients through meeting and media contacts; continue with and build new relationships with both traditional and non-traditional partners; continue to leverage relationships with both the VHDA and destination marketing organization (DMO) partners.

- Continue to focus on sales conversion by working with targeted travel trade, meeting and media contacts to attract the primary market segments and the lucrative meetings and conventions market.
- Develop relevant and engaging content for travel trade to use to position Vancouver as the destination of choice for German travellers and assist Tourism Vancouver in telling the Vancouver brand story to key market segments.
- Create urgency by providing compelling reasons to visit by showcasing fresh content and promoting unique packages and experiences.
- Help the industry grow and diversify the range of experiences available, and develop content and product around these to assist in driving greater length of stay.
- Continue to play a leadership role with industry partners to leverage investment and creative assets to engage the end-consumer, using a consistent message for Vancouver.
- Emphasis on training of front-line sales staff and the retail sector to become advocates for the city through the completion of the *Vancouver Specialist Program* and the access to the benefits the program offers (i.e., webinars, familiarization trips).
- Development of the youth market with the introduction of Air Canada SATA fares.
- Opportunity for exploratory discussions with Citizen and Immigration Canada around Working Holiday Visa’s.
- Continue to position Vancouver as a leading meeting and convention destination to generate short-, medium- and long-term business opportunities, and to fill need periods wherever possible with an emphasis on 2015-2017. At the same time, ensure a strong base of long-term citywide business with a minimum of at least “one citywide per month” sales approach now through 2020.

Trade Objectives

Continue to increase awareness, stimulate overnight demand, and expand product experiences through strategic relationships with Key Accounts within the distribution channel in Germany.

- Build incremental visitation and bookings through targeted joint marketing campaigns that generate incremental room nights and average length of stay with a minimum of four Key Accounts.
- Develop relationship with youth travel provider STA travel undertaking a joint marketing program positioning Vancouver as a youth destination.
- Grow visitation in the low season by increasing pre/post ski holidays stays through a joint marketing campaign with one Key Account.
- Develop hub and spoke itineraries with BC wilderness lodges and fly/drive options coupled with Vancouver 4-night stays.
- Develop dual nation vacation itineraries.
- Develop youth content.
- Develop a German language brand tool box for travel trade clients to assist them in selling Vancouver and utilising our content, messaging, themed itineraries and social media tools.
- Expand travel trade's product knowledge by generating a minimum of 140 travel trade leads and/or member referrals.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay and product experiences.

- Grow the number of German registered *Vancouver Specialists* by 20%, with a minimum completion rate of 60%.
- Consider the development of a youth module as a part of the *Vancouver Specialist Program*.
- Provide comprehensive face-to-face and webinar training of at least 100 frontline sales agents.
- Support at least 7 travel trade familiarization trips with an overall satisfaction rating of 90%.

Meetings & Conventions Objectives

- Continue to exhibit at the Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX) and Exhibition for Incentive Business Travel and Meetings (EIBTM) tradeshows to build relationships and generate short-term leads, as well as conduct annual sales mission targeting key companies.
- Support one German meetings and conventions familiarization tour for five to 10 clients with hotel and destination management company (DMC) partners active in the market.
- Conduct one pan-European MICE familiarization tour of seven to 12 clients.
- Attend and Exhibit at International & European Associations Congress in April 2015.
- Educate receptive operators about Vancouver's convention and incentive opportunities by conducting one workshop in 2015 for all international markets.

Media Objectives

Interest from German travel journalists has remained consistently strong in recent years with frequent references to Vancouver as a “city on the edge of nature.” Travel shows, newspapers and magazines are known to be influential travel information sources in this market. Tourism Vancouver’s focus for 2015 is to continue building relationships with German media who produce content aimed at the affluent middle-aged demographic.⁹¹

- Host approximately 15 German journalists on press trips in Vancouver, in conjunction with provincial and federal partners.
- Generate approximately 30 German travel stories in major outlets.
- Pitch German media at CTC’s annual GoMedia Canada Marketplace (Penticton, fall 2015).

⁹¹ Canadian Tourism Commission, *Global Tourism Watch - German Summary Report 2011*, p. 11.

India

A Quick Update

Overnight visitation from India to Vancouver in 2014 is expected to be 54,348, an increase of 22% over 2013. Projected visitation in 2015 is 58,971, an increase of 9% in comparison to 2014.

In 2014, the highlight for Vancouver was hosting the Times of India Film Awards (TOIFA) which brought considerable media attention and trade opportunities. Editorial media coverage included articles in *Travel + Leisure South Asia*, *Lonely Planet India*, and *Economic Times – New Delhi*. To date, the Meetings and Conventions Sales team has received four corporate and incentive leads. A site inspection was hosted for Corporate Flyers, the Tour Operator responsible for Amway India, which represents an incentive program of over 4,000 delegates for 2017.

Tourism Vancouver invested in two coop marketing campaigns with Cox & Kings and Kuoni Travel Group in partnership with Destination British Columbia (Destination BC) to impact spring/summer travel in 2014. With Vancouver Hotel Destination Association (VHDA) support, Tourism Vancouver supported a marketing campaign in partnership with Rocky Mountaineer and Destination BC and four tour operators promoting rail combined with Vancouver and BC extension packages. This campaign included B2B and B2C elements including brochure distribution, tradeshow participation, email campaign, dedicated promotional offers, itinerary development, customized pre and post tours, editorial in trade journals, agent incentives, agent presentations, sales presentations, and editorial and advertising in non-travel trade media.

India is the world's 4th largest economy with a population of 1.2 billion people, and is ranked worldwide as one of the top five countries for potential outbound travel. Over the past decade, both long-haul and short-haul outbound travel from India have risen over 150%. With India's economy expanding, so has the general standard of living and income - leading to a growing affluent middle class with an increasing desire to travel, especially to new destinations such as Canada. The potential for the Indian market is enormous, although much of the growth will be at the budget end and many trips motivated by visiting friends and relatives (VFR) abroad.⁹² Planned annual holidays are the norm. Indians frequently travel in groups such as several families and friends travelling together however independent travel is on the rise. The Indian travel distribution system is highly fragmented and varied across the country. Although there are a few national retail agencies, most agents are small, independent businesses. Indian consumers use a combination of sources to research their trips including travel agencies, and online options; however retail agencies are the primary source for booking outbound travel.⁹³

Use of the internet and social media are very high amongst Indian travellers. According to a PhoCusWright Consumer Travel report it is estimated that 55% of Indian travellers carry a mobile phone with internet capabilities and many as 83% are active on at least one social network.⁹⁴

Canada is generally seen as offering good value to Indian travellers however the main barrier to attracting Indian visitors is the perceived cost of travel to and within Canada. Currently, India is the tenth largest

⁹² Global Tourism Watch, 2013 India Summary Report, Canadian Tourism Commission, p. 4

⁹³ Tourism Market Profile, Destination BC, June 2014, p 5.

⁹⁴ Tourism Market Profile, Destination BC, June 2014, p 5.

overseas market for British Columbia in terms of direct customs entries, yet currently there is no direct air access to BC from India.⁹⁵ The most common routings from India to Western Canada are via London, Frankfurt, Singapore and Hong Kong.

While many competitors have entered the market, Canada has a diverse and unique set of experiences aligned to target high-yield Indian consumers. Indian travellers view Canada with great interest. As an experiential destination, Canada has scored over other long-haul destinations with its varied opportunities (e.g., nature, city life and adventure). Despite capturing a greater share of the long-haul outbound market, there is still low awareness and interest among many Indian consumers to visit Canada.⁹⁶ This market needs greater awareness of Vancouver's product offerings and experiences.

Currently, the main Canadian travel destinations are British Columbia, Alberta, Ontario and Quebec, with Ontario (Toronto/Niagara Falls) leading the way, while the Canadian Rockies is the most desirable destination in Western Canada. Alaska cruises are also popular, with Royal Caribbean Cruise Lines being the most recognized cruise line. Extended tours of 12 to 15 days and longer are common. Niche agencies offering unique high-value experiences - such as Churchill polar bears, golf and winter/ski - are growing. The incentive travel market is also highly competitive, yet generally low cost.⁹⁷

When Canada first entered the market, Canadian leisure itineraries were predominantly sold as an add-on to US vacation. The majority of operators today have introduced stand-alone Canadian itineraries. Group travel (including small family groups) is the main type of travel to Canada; however, free independent travel as well as meetings, incentives, conferences and exhibitions (MICE) are on the rise. Visiting friends and relatives is currently the main reason why Indians consider visiting Canada.

The visa application process has long been viewed as a major obstacle for travel to Canada by the Indian travel trade; however with the introduction of the CAN+ Visa Program in July, Indian nationals who have travelled to Canada or the United States within the last 10 years are now eligible for the simpler and expedited visa application process. If the travelers provide the evidence of the previous travel, then no other supporting documentation will be required and CAN+ application will be processed in 5 working days or less. In addition, three visa "express" programs were introduced to help Indian businesspeople, tourists and students come to Canada faster which includes Business Express, Tourist Partner Program and Student Partners Program.

According to the Food and Agriculture Organization of the United Nations, Indians have the lowest rate of meat consumption in the world therefore it can be a challenge to service the dietary requirements of the Indian traveller (i.e., different types of vegetarianism, desire for regional Indian cuisine), but this is less of an issue for the well-travelled Indian.

Indian travelers are reliant on personal recommendation and online sources at the destination selection phase with travel agents having some influence. When booking travel, 90% of business is conducted through the travel trade; therefore, developing travel trade relationships will be instrumental to grow this market. Other important considerations include media relations (e.g., print and broadcast stories), destination advertising, filming of Bollywood movies in destination and testimonials from influential Indian

⁹⁵ Tourism Market Profile, Destination BC, June 2014, p 1.

⁹⁶ Canadian Tourism Commission, *Global Tourism Watch, India Summary Report* – 2011.

⁹⁷ Canadian Tourism Commission, *Market Entry Strategy - India*.

actors who have visited heighten awareness for Canada exponentially. India also offers social media opportunities as the third-largest Asian country for Internet usage, representing 12.5% of users in Asia.⁹⁸

Product readiness is critical, Indians are discerning travelers, especially the high-yield segment, and as a result, the travel trade is extremely detail oriented when evaluating package options.⁹⁹

Situation Analysis

Strengths

- Ability to qualify and develop relationships with travel trade accounts in India enables us to create unique and tactical opportunities to promote Vancouver.
- Travel media relations will be a key asset in creating awareness and demand for Vancouver.
- Strong partnerships with airlines, receptive tour operators and tourism suppliers present an opportunity to develop products and creative new itineraries.

Weaknesses

- No direct air capacity to Vancouver.
- Perceptions of Canada as expensive.
- Lack of awareness and knowledge among Indian travel trade of Vancouver's experiences and product offerings.
- Lack of Canadian stand-alone tour and free independent travel packages in brochures.
- Competitive destinations outspending us in marketing.

Opportunities

- Good mix of group, free independent travellers and MICE traffic with lengthy stays.
- Focus on travel trade accounts that have in-house incentive divisions.
- Proximity to the United States.
- Strong demand for cruise and Canadian Rockies rail experiences.
- High-yield consumers attracted to Canadian product.
- Indians seeking new and different travel destinations, resulting in an openness among wholesalers and agents to consider Canada.
- Bollywood/celebrity influence on travel behaviour and awareness, along with large print media and television circulation with large readership and viewership base.
- Newspapers, magazines, radio and word of mouth are the main sources of information about Canada; however 95% of bookings for outbound travel still go through traditional travel agents.
- Heightened interest in Canadian meeting, convention and incentive travel (MC&IT) destinations.

Threats

- Aligning overall visitor experience with the market readiness of products.

⁹⁸ Canadian Tourism Commission, India 2009 Market Analysis.

⁹⁹ Canadian Tourism Commission, 2013 Global Marketing, Sales and Communications Plan.

- Destination BC reduced investment in-market.
- Some Canadian Receptive Tour Operators have pulled out of the market.
- Competition, as several key competitors have moved into the market; Australia now targeting the adventure/outdoor segment, directly competing with Canadian product.

Our Competition

The Canadian Tourism Commission defines Canada's competitive set for the long-haul Indian travel market as the United States, Switzerland, the United Kingdom, France, Australia, and Italy.¹⁰⁰ New Zealand and South Africa and Hong Kong also pose a threat.

Over one-third of Indian travelers have visited the US at least once, the UK and Thailand are tied for second spots.¹⁰¹

Mumbai is the leading source of India's outbound travellers with a market share of around 33%, followed by Delhi (26%), Bangalore (17%), Kolkata (15%) and Chennai (9%).¹⁰²

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, upscale, free independent travellers with a propensity to stay in finer hotels and experience "city" lifestyles. The Indian outbound travel market can be segmented using the CTC's *Explorer Quotient* (EQ). The three segments of particular interest to Vancouver are:

- Authentic Experiencers.
- Cultural Explorers.
- Free Spirits.

Visitor Market Profile:

- Roughly 40% of Indian travellers to Canada are Visiting Friends and Relatives (VFR), 37% are purely leisure and two-in-ten travel for business.
- 35-54 years of age account for 53% of visitors.
- Average party size is 2.4
- \$1,500 average spend per party during their visit to Canada.
- Average stay in Canada is two weeks.
- For Indian travellers to Canada (who also visited BC), the BC portion accounted for nearly two-thirds of time spent in Canada (16 nights in Canada, 10 nights in BC).
- Many Indian combine cruise and/or rail in their itinerary while visiting Western Canada.
- May to August are primary travel months to British Columbia.

¹⁰⁰ Tourism Market Profile, Destination BC, June 2014, p 4

¹⁰¹ Tourism Market Profile, Destination BC, June 2014, p 4.

¹⁰² Canadian Tourism Commission, 2009 Market Analysis – India.

- Indian travellers plan their vacations very close in.

Indian travellers in general remain value conscious as leisure travel budgets have not expanded in recent years. However, long-haul travellers tend to be affluent and well educated and the intent to visit Canada is highest among families. Indians have a strong demand for nature-oriented activities, soft/outdoor adventure, city activities especially shopping and sightseeing, experiencing local culture and way of life (relaxing lifestyle), as well as Alaska cruise and Canadian Rockies experiences. Canada delivers market characteristics important to Indian travellers: safety, scenery, beauty, cleanliness and friendly people.

Secondary Market(s)

The Indian corporate and incentive markets, as well as third-party meeting planners, are viable secondary markets for Vancouver.

Our Focus

Vancouver's Creative Direction

- Nature products and outdoor activities – visiting parks and observing wildlife in natural habitats.
- City activities – such as sightseeing and shopping.
- Historical and cultural activities.
- Spa/wellness - health, relaxation, well-being.
- Touring – guided and independent.
- Cruise and rail extensions.
- Safe, compact and walkable city.

Key Tactics

- Familiarization tours, tour operator and sales agent training (in-market and through webinars) and tradeshow participation.
- Work closely with receptive tour operators to develop destination itineraries.
- Promote *Vancouver Specialist Program* to key decision-makers.
- Hosting qualified travel media on press trips to generate coverage in magazines, newspapers, on television and online.
- Identify, cultivate and support key tour operator partners as emerging accounts.
- Develop incremental marketing opportunity to work with key travel trade.

Vancouver's Strategy 2015 - 2017

Tourism Vancouver's strategy in India is to continue working closely with key travel trade, meeting and media contacts to attract clients; qualify and grow the audience of tour operators and agents catering to high-end, affluent, free independent travellers; grow and diversify the range of Vancouver experiences appealing to this segment; and continue leveraging activities and investment with partners such as Destination BC and the CTC to broaden destination appeal.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with Best Customers in India.

- Identify and develop relationships with travel trade in India that are willing to create and promote diverse itineraries, and promote overnight stays with a minimum of three tour operator accounts.
- With assistance from the Vancouver Hotel Destination Association's (VHDA) support incremental marketing opportunities with travel trade in support of up to two campaigns or one leveraged promotional activity with tour operator buy-in.
- Develop at least one new program that offers a BC stand-alone itinerary, including a minimum of three nights in Vancouver, with at least one new emerging account.
- Expand tour operator product knowledge by generating a minimum of 70 travel trade leads and/or referrals for the member community (an increase of 5%).

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for visitation and greater length of stay.

- Provide training to a minimum of 40 India-based frontline sales agents and reservations staff.
- Support a minimum of four familiarization trips for Indian travel trade with an overall agent satisfaction rating of 90%.

Meetings & Conventions Objectives

Continue to support corporate and incentive familiarization tours in order to build awareness and generate short-term leads.

Media Objectives

The Media Relations team will continue to support the efforts of travel trade counterparts in India by raising awareness of Vancouver's travel experiences through generating editorial coverage in magazines, newspapers, travel shows and online media. Specific initiatives planned for 2015 include hosting five to ten Indian media on press trips in partnership with CTC, Destination BC and the VHDA.

Japan

A Quick Update

Overnight visitation from Japan to Vancouver in 2014 is expected to be 106,386, an increase of 10% over 2013. Projected visitation in 2015 is 113,178, an increase of 6% compared to 2014.

In 2014, highlights included supporting educational familiarization trips for Best Customer accounts; attending Focus Japan and Rendez-vous Canada to meet with key suppliers; articles in magazines, newspapers and TV including *Skyward*, *Tokyo Broadcasting System*, and *Dress* magazine.

With support from the Vancouver Hotel Destinations Association (VHDA) Tourism Vancouver was able to participate in a joint marketing campaign with Destination British Columbia and JTB World. This campaign focused on promoting Vancouver during a shoulder season, pushing fall and winter travel. The primary focus of this campaign was on FIT travel giving Vancouver exposure through consumer, trade and media channels.

Over the past decade the Japanese market has experienced a shift from long-haul to short-haul travel with arrivals into Northeast Asia increasing by 20%, while long-haul has declined by 11%.¹⁰³ Canada still remains in the top five consideration set for Japanese travelers; however, the perceived time required for a Canadian holiday, coupled with affordability, are still cited as the major barriers to travel.¹⁰⁴ For BC Japan remains the fifth largest international market in terms of direct customs entries.

A trend towards free independent traveller (FIT) travel has emerged whereby the Japanese outbound traveler has become more confident to travel independently and thereby less reliant on packaged tours.¹⁰⁵ This portends well for Vancouver as there is more of a focus on that high-end FIT traveller due to their flexibility in travel and a higher yielding vacation.

Air access remains a challenge, particularly when compared to competitive airline pricing offered in the US. Vancouver has however benefited from access in to the US since the introduction and development of dual-destination itineraries which has brought new product to the market. In 2014 Vancouver did see positive growth with ANA introducing a daily direct flight from Henada, this flight alone increased YVR's capacity from Tokyo by 22%. Air Canada Rouge also announced they will be flying from YVR to Osaka seasonally in 2015 beginning in May.

In April 2014 government sales consumption tax in Japan was increased from 5% to 8%, there is concern that this may impact travel negatively due to less available discretionary spend. Operators will monitor this closely as it is too early to know if this will affect travel or not.

The student travel market known as "Shugaku Ryoko" has been on the rise to British Columbia, whilst this is a market that is particularly low yield it does produce on average 6,000 room nights per year to British Columbia. There may be opportunity in 2015 to partner with Destination British Columbia and other destination management organization (DMO) partners to grow this sector further.

¹⁰³ Canadian Tourism Commission, *Japan Market Profile*, February 2013, p.3.

¹⁰⁴ Canadian Tourism Commission, *Japan Market Profile*, February 2013, pp.3 and 8.

¹⁰⁵ Destination British Columbia, *Tourism Market Profile, Japan*, June 2014, p. 5

For 2015, receptive tour operators based in Canada will remain the focus to further increase Vancouver's brand awareness. Travel agents are still relevant in the Japanese market, with two-thirds of travelers at least consulting with an agent. With that in mind strong ties to the travel trade will be maintained through the receptive tour operators to reach these agents. Top tourism experiences sought by Japanese travelers are cultural and historical attractions, beautiful scenery, and opportunities to experience local lifestyle. There is also growing interest in urban experiences, specifically city activities such as shopping and city cultural experiences. These experiences will be the focus when promoting Vancouver as the "city on nature's edge" through the receptive operators.

Traditionally Japanese travelers do not share their experiences whilst traveling. This trend however is changing and social media (through social networking, blogging and on review sites) is beginning to play an important role in generating brand awareness through the traveler's experiences.¹⁰⁶ This presents an opportunity to capitalize on this trend and push Vancouver's social media assets (e.g., Visit Vancouver iPad app, Inside Vancouver blog and Twitter accounts) to increase awareness for Vancouver as the holiday destination of choice. Traditional media (e.g., printed materials, television, travel shows) also plays an important role in the early stages of trip planning.¹⁰⁷ Japanese travelers are more reliant on printed material, particularly travel guides and travel agent supplied brochures at the destination section stage than other markets that tend to rely on personal recommendations and online sources.¹⁰⁸

Situation Analysis

Strengths

- Beautiful, cosmopolitan and multicultural city on nature's edge.
- Diverse visitor experiences (e.g., culinary, sightseeing, outdoor adventure, shopping).
- Locally-based Japanese receptive tour operators.
- Vancouver product caters well to the student market.
- Well-known destination for hosting international congresses that draw Japanese delegates; most Japanese business/incentive travel groups work directly with local operators.

Weaknesses

- Limited Japanese content on Tourism Vancouver's website.
- Price competitiveness - high cost of visiting Vancouver (airfare, taxes, fuel, and accommodation).
- Weak destination and brand awareness.
- Lack of iconic imagery to use in marketing versus competitive Canadian destinations (e.g., the Rockies).
- Lack of urgency to visit destination.
- New and experiential member products have limited Japanese-language capabilities.
- Language challenges for educating travel trade in Japan.
- Low product knowledge among the travel trade in Japan.
- Lack of social media tools in Japanese.

¹⁰⁶ Canadian Tourism Commission, *Global Tourism Watch*, February 2013, p.3.

¹⁰⁷ Canadian Tourism Commission, *Japan Market Profile*, February 2013, p.8

¹⁰⁸ Canadian Tourism Commission, *Global Tourism Watch*, February 2013, p.3.

Opportunities

- Importance of social media in influencing travel decisions.
- Development of dual-destination itineraries with the United States.
- Japanese receptive tour operators interested in product expansion.
- New product and experiences (e.g., Sea to Sky Gondola, Prince of Whales Sea Vancouver).
- Growing number of student travel (Shugaku Ryoko) to British Columbia.
- Japanese receptive tour operators have strong ties to Japanese meetings, incentives, conferencing, and exhibitions (MICE) market, and have potential to bring large convention and incentive groups to Vancouver.

Threats

- High travel costs and access issues.
- Increased airfare competition from Europe and the United States; Air Canada offers limited seats/fares for packaged tours, making it difficult for tour operators to take the risk of covering the fare difference to make Vancouver look competitive in the market.
- Japan's economic outlook.
- Increased competition from destinations courting Japanese travellers (e.g., Brand USA).
- Canada not perceived as exotic by young Japanese travellers.

Our Competition

Japanese international long-haul travel has been declining for the last decade with many of our traditional competitors (such as Australia and New Zealand) seeing similar declines in visitor numbers. Our competition for the long-haul Japanese leisure traveller is the US, Australia, New Zealand, Germany, France, Argentina and Italy.¹⁰⁹

With 70% of Japanese travellers to British Columbia wanting to visit our city,¹¹⁰ there is good demand for Vancouver experiences; however, Canada is still viewed as an expensive travel destination overall. To competitively differentiate and encourage future demand, Tourism Vancouver needs to continue showcasing new, unique and affordable travel experiences.

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, free independent travellers with a propensity to stay in downtown hotels. The Japanese outbound travel market can be effectively segmented using the CTC's *Explorer Quotient*.

Visitor Market Profile (2012 all travellers):¹¹¹

¹⁰⁹ Destination British Columbia, *Destination Market Profile – Japan*, June 2014, p. 4.

¹¹⁰ Destination British Columbia, *Japan Visitor Market Profile*, July 2012, p. 2.

¹¹¹ Statistics Canada, *Cities Data, The 2012 Japan overnight Visitor to Metro Vancouver*.

- 42.3% of total arrivals to Vancouver are for leisure.
- 25-34 years is the largest demographic.
- 9 nights is the average length of stay of leisure only visitors in Vancouver.
- \$818.88 is the average spend per person per trip.
- July to September – largest travel months.

The segments of particular interest to Vancouver are the Free Spirits and Cultural History Buffs, as their travel values resonate most strongly with Vancouver's product offerings. These two segments are the most likely to visit Canada in the future and travel independently; they are also interested in experiencing local lifestyles and cities close to nature.¹¹²

Canada also attracts a strong youth traveller, aged between 18 and 34 years. However, the market segment with the largest potential and greatest intent to visit Canada in the future is the 55+ age group.¹¹³

Secondary Market

Educational travel for both youth and adults is an important secondary market warranting greater focus. The education market tends to stay longer and offers high repeat visitation opportunities.

Our Focus

Vancouver's Creative Direction

- Vancouver is a cosmopolitan city on nature's edge.
- Vancouver offers diverse experiences (shopping, dining, sightseeing, outdoor activities).
- Vancouver is rich with culture, festivals and events.
- A vacation in Vancouver represents value, and is worth the monetary and time investment.
- Vancouver can easily be combined with travel to the US West Coast – two-nation vacations.
- Vancouver is a year-round, four-season destination.

Key Tactics

- Sales trips, familiarization tours and trade shows.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Generating unpaid media coverage.
- Coop marketing with the travel trade.

Vancouver's Strategy 2015 – 2017

Continue to work with receptive tour operators and tour operators in Japan to attract high-yield, free independent leisure travellers to Vancouver; grow and diversify Vancouver's range of experiences offered

¹¹² Canadian Tourism Commission, *The Explorer Quotient* 2009, pp. 90 and 94.

¹¹³ Canadian Tourism Commission, *Japan Market Profile*, February 2013, p.7.

via the travel trade to increase brand awareness; create urgency to visit by working with trade clients to provide strong value-add messaging; and increase destination awareness through media relations.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with receptive tour operators.

- Continue to build and strengthen partnerships with at least three locally-based receptive tour operators.

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge in-market by attending Focus Canada 2015.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay.

- Promote and increase total registration of the *Vancouver Specialist Program* by 20% with travel agents.
- Work with Destination British Columbia in-market representative to provide comprehensive face-to-face and/or webinar training to 180 Japanese travel trade.
- Support a minimum of four familiarization trips with an overall satisfaction rating of 90%.
- Expand travel trade's product knowledge by generating a minimum of 75 travel trade leads and/or referrals from the Japanese market.

Meetings & Conventions Objectives

Increase the interest and knowledge of Vancouver as a meeting and convention destination by working closely with local Japanese tour operators. Continue to establish relationships with largest Japanese Tour Operators to promote Vancouver for MICE business. With Tokyo as the newest member of the BestCities Global Alliance in 2015, there is an opportunity to discuss strategies to grow attendance by Japanese delegates for Vancouver congresses.

Media Objectives

- Work with provincial and federal tourism partners to bring approximately 10 Japanese travel journalists to Vancouver in 2015.
- Generate approximately 10 Vancouver travel stories in major Japanese media outlets.
- Pitch Japanese travel media at CTC's annual GoMedia Canada Marketplace (Penticton, fall 2015).

Mexico

A Quick Update

Overnight visitation from Mexico to Vancouver in 2014 is expected to be 80,156, an increase of 22% over 2013. Projected visitation in 2015 is expected to be 89,536, an increase of 12% over 2014.

In 2014, highlights included hosting trade familiarization tours with Tourism Vancouver's Best Customer accounts; attending Rendez-vous Canada in Vancouver; and hosting influential Mexican celebrity couple Sergio Mayer and Isabella Camil. The destination also received excellent media coverage in a variety of publications, including *Reforma* newspaper as well as *Food & Travel*, *National Geographic Traveler* and *Bleu and Blanc* magazines.

The Mexican market continues to show strong indications that it is recovering well. Inflation is on the rise and pacing ahead of the Bank of Mexico's forecast as is the strength of the peso. Over the past decade outbound long-haul travel from Mexico has grown by over 40%.¹¹⁴ In 2013, over 150,000 Mexicans travelled to Canada with 44% of them entering through British Columbia which bodes well for Vancouver.¹¹⁵ For BC Mexico is the ninth largest international market in terms of direct customs entries.

The visa restrictions that were introduced in 2009 for Mexico greatly impacted volumes to Canada with volumes that year dropping by 55%.¹¹⁶ In April 2014 the Canadian government announced a change in the visa process which will bode well for Canada. Essentially anyone that has travelled to the US or Canada within the last 10 years would be eligible to apply for a simpler and expedited process. This is good news for Vancouver as it opens up a large portion of the market that can now vacation in Vancouver. In the past the visa requirement has been more of a barrier however it is becoming less so due to these changes.

In terms of air access Air Canada remains the only daily direct flight from Mexico City into YVR whilst other carriers service sun destinations. In 2014 the Canada-Mexico Air Transport Agreement was signed. This provides an open framework for direct flights between Canada and Mexico, thus allowing any number of airlines to service any Canadian and Mexican city.¹¹⁷ This will be an area to watch and may pose greater opportunity in the future should more airlines other than Air Canada decide to service the route.

While Vancouver is seeing an increase in visitation there is still a reluctance to visit Canada over competing destinations. The continued focus in 2015 will be to communicate the greatly improved visa application process to consumers and the travel trade to increase awareness and consideration for Vancouver.

Over the past three years, Mexico has experienced a distinct market shift towards high-end free independent travellers (versus group) with a focus on luxury and experiential travel, which can be seen by the significant increase in spend by Mexican visitors.¹¹⁸ By continuing to grow and offer diverse products in travel trade programs and promoting key travel drivers (e.g., city on the edge of nature and plethora of

¹¹⁴ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p. 3

¹¹⁵ Destination British Columbia, *Mexico tourism Market Profile*, June 2014, p. 1

¹¹⁶ Destination British Columbia, *Mexico tourism Market Profile*, June 2014, p. 4

¹¹⁷ Destination British Columbia, *Mexico tourism Market Profile*, June 2014, p. 5

¹¹⁸ Statistics Canada, *Travel Survey of Residents of Canada and/or International Travel Survey*, 2011. Cities Profile Report – Mexico, All Overnight.

urban experiences), Vancouver can entice more high-yield Mexican travellers to visit and extend their stay.

To plan their trip Mexican travellers rely on a mix of sources. Travel advertising and print mediums such as travel books, brochures and magazine/newspaper articles play a significant role in the planning process. Personal recommendations are also a key influencer. An emerging trend in this planning process is the use of online sources. More and more are turning to online retailers, destination-specific websites, as well as websites of hotels, airlines and attractions.¹¹⁹ With a growing middle-class, more availability of mobile devices and growing internet penetration, Mexico is also primed for growth in online purchases and social networks that will allow the next generation of the population to connect more easily with friends, family and business opportunities.¹²⁰

Lead opportunities for Mexican meetings represented a slight increase in 2014 compared with 2013. Mexico remains a secondary market for meetings and conventions. With the recent ease of visa access to Canada, there is area for growth specifically in the incentive market. Clients are generally from the automobile, finance and pharmaceutical industries, and vary in group size from 25-200 delegates and stay anywhere from three to five days.

Situation Analysis

Strengths

- Beautiful, cosmopolitan, multicultural city on nature's edge.
- Diverse visitor experiences (e.g., shopping, sightseeing, outdoor adventure, culinary).
- Diverse spectrum of cultural festivals and sporting events.
- Small footprint of a downtown core, walkable and easy to navigate for visitors.
- Reputation as one of the greenest cities in the world, and recognized as a progressive urban design (i.e., Vancouverism).
- High concentration of locals living in downtown core, presenting an opportunity for Mexican travellers to experience local lifestyles.
- Strong and strategic relationships with travel trade and media accounts enable us to reach key influencers to expand and diversify programs.
- Ability to leverage Canadian Tourism Commission's (CTC) and Destination British Columbia's (Destination BC) in-market representation.
- Vancouver's geographical positioning as the major gateway to Western Canada and Alaska.

Weaknesses

- Limited Spanish website content.
- Limited member product experiences with Spanish-language capabilities.
- Lack of brand awareness.
- Perception of inclement weather year-round.
- Downgraded in market representation of the CTC and Destination BC.

¹¹⁹ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p. 9

¹²⁰ Destination British Columbia, *Mexico tourism Market Profile*, June 2014, p. 5

Opportunities

- Improved visa application process makes it easier to enter Canada.
- Long-haul travellers more likely to use travel agents for trip planning (40%),¹²¹ though they rely heavily on word-of-mouth and personal recommendations for destination choice.¹²²
- Expanded Canada air transport agreement (open framework for direct flights between Canada and Mexico).
- Growth in bookings made via online travel agencies (OTAs).¹²³
- Social networks are now the second most used source for travel research.¹²⁴
- Strong interest in cultural activities, urban experiences and sampling local flavours. Growing demand for international cruise experiences.
- New product and experiences (e.g., gourmet food experiences, walking tours, Airport Butler, Trump International Hotel and Tower Vancouver and designer outlet mall opening in 2015) provide new content for a Mexican audience.
- Popularity of BC ski/board vacations provides opportunity for Vancouver stopover stays, stimulating off-peak demand with a higher-yield niche segment.
- 2015 FIFA Women's World Cup in Canada/Vancouver may raise awareness of the destination in Mexico - a soccer-loving nation.
- Increased in market representation from local Mexican receptive tour operators, hotels, and destination management companies (DMCs) and the Vancouver Convention Centre means increased opportunity from the Mexican meetings, incentives, conferencing, and exhibitions (MICE) market for large convention and incentive groups to Vancouver.

Threats

- Lack of urgency to visit destination.
- Accommodation and transportation costs are known barriers to travel.¹²⁵
- Despite improvements, confusion/frustration still remains with Canada's visa application system.
- Increased competition from the United States and other international destinations for Mexican travellers (e.g., Brand USA, Spain, France, Argentina, Italy and Brazil).¹²⁶

Our Competition

Though Canada is an aspirational destination for Mexican travellers, the United States still attracts the majority of Mexican outbound travellers.¹²⁷ British Columbia continues to be the most popular destination for Mexican travellers, followed closely by Ontario and Quebec. Alberta, while a distant fourth, has shown an impressive growth rate of 49% - significantly higher than any other province or territory.¹²⁸

¹²¹ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p. 9.

¹²² Destination British Columbia, *Mexico Visitor Market Profile*, July 2012, p. 5.

¹²³ Canadian Tourism Commission, *Mexico market Profile*, January 2013, p. 9.

¹²⁴ Canadian Tourism Commission, *Global Tourism Watch: 2013 Mexico Summary Report*, p.14

¹²⁵ Destination BC Tourism Market Profile June 2014, p.3

¹²⁶ Destination BC Tourism Market Profile, June 2014, p.4

¹²⁷ Destination British Columbia, *Mexico Visitor Market Profile*, July 2012, p. 4.

¹²⁸ Canadian Tourism Commission, *Mexico market Profile*, January 2013, p. 3.

Our competition for the long-haul Mexican leisure traveller is the US, France, Argentina, Italy, Spain and Brazil.¹²⁹

Canada ranks strongly for winter activities, beautiful scenery and nature-related products; however, awareness for Canada's urban activities ranks low in comparison to competitors. This presents an opportunity to position Vancouver not only as a "city on nature's edge," but also as a city with diverse urban experiences (e.g., dining, culinary, cultural, shopping, spa) to attract a greater share of the growing Mexican outbound market.

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, free independent travellers with a propensity to stay in downtown hotels. The Mexican outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ). The two segments of particular interest to Vancouver are the Authentic Experiencers and Free Spirits.

Visitor Market Profile (2012 all travellers):¹³⁰

- 44% of total arrivals to Canada are to British Columbia (BC).
- 20-34 years is the largest demographic.
- 22 nights is the average length of stay of leisure only visitors in BC.
- \$2484 is the average spend per part per trip.
- July and August – largest travel months.
- Mexicans generally book late (however visa requirements have changed this slightly), most tour operators begin promoting Canada at least six weeks before the high season.¹³¹

These travellers are independent, immersive and enjoy natural landscapes. They also like to explore, travel with like-minded people and experience local cultures. Value is particularly paramount to the Free Spirits, who like to indulge in the best they can afford.¹³²

It is interesting to note that those visiting for leisure or to visit friends and family currently represent less than half of all arrivals, which can be directly attributed to the visa introduction in 2009.¹³³

Secondary Market(s)

The number of student/youth travellers, particularly those under the age of 18, has increased significantly since 2002.¹³⁴ This would be an area of focus with additional marketing funds.

¹²⁹ Destination British Columbia, *Destination Market Profile – Mexico*, June 2014, p. 4.

¹³⁰ Destination British Columbia, *Tourism Market Profile, Mexico*, June 2014 (Statistics Canada), pp. 1, 2 and 3

¹³¹ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p. 9

¹³² https://en-corporate.canada.travel/sites/default/files/pdf/Resources/ctc_eq_profiles_2012-eng-lowres.pdf

¹³³ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p.5.

¹³⁴ Canadian Tourism Commission, *Mexico Market Profile*, January 2013, p.5.

Our Focus

Vancouver's Creative Direction

- Vancouver's seasonal branding.
- Vancouver is a cosmopolitan, multicultural city on nature's edge.
- Vancouver is a year-round, four-season destination featuring a plethora of outdoor pursuits, festivals and events.
- Vancouver offers diverse urban experiences (shopping, dining, and sightseeing).
- Vancouver is an easy-to-visit, compact and walkable city.

Key Tactics

- Cooperative marketing campaigns via the travel trade.
- Press trips, sales trips, trade shows and familiarization tours.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Generating unpaid media coverage.

Vancouver's Strategy 2015 – 2017

Continue to work with Best Customer accounts in Mexico to attract high-yield, free independent leisure travellers to Vancouver; grow and diversify Vancouver's range of urban experiences offered via the travel trade to increase brand awareness; create urgency to visit by working with trade clients to provide strong value-add messaging; and, increase destination awareness through travel media relations.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with Best Customers in Mexico.

- Continue to build and strengthen partnerships with up to two growth and/or mature Best Customer accounts - including OTAs in Mexico - to drive direct bookings and build incremental room nights, year-over-year, in key need periods.
- Expand travel trade's luxury product offerings and experiences by generating a minimum of 90 travel trade leads and/or member referrals from the Mexican market.
- By December 2015, identify new and emerging trade accounts/distribution channels that present a future opportunity for Vancouver.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for visitation and greater length of stay.

- Increase total registration of the *Vancouver Specialist Program* by 20% with Mexican-based travel trade.

- Work with Destination BC in-market representative to provide comprehensive face-to-face and/or webinar training of 500 Mexican travel trade.
- Support a minimum of four travel trade familiarization trips with an overall agent satisfaction rating of 90%.

Meetings & Conventions Objectives

Increase the interest and knowledge of Vancouver as a meetings and conventions destination by working closely with members who are active in the Mexican MICE market. Continue to work with local Mexican companies and hotel groups to discuss strategy on how to grow attendance by Mexican delegates at international congresses in Vancouver, and to promote Vancouver for Mexican convention and incentive business. Conduct a possible in-market sales mission in early 2015, in conjunction with active members in the Mexican market.

Media Objectives

The Media Relations team will continue to support the efforts of travel trade counterparts in Mexico by raising awareness of Vancouver's travel experiences through generating editorial coverage in magazines, newspapers, travel shows and online media. Specific objectives planned for 2015 include:

- Generating approximately 40 Vancouver travel stories in major Mexican media outlets.
- Hosting 15 Mexican media on press visits in partnership with the CTC and Destination BC.
- Pitching Mexican media at CTC's annual GoMedia Canada Marketplace (Penticton, fall 2015).

South Korea

A Quick Update

Overnight visitation from South Korea to Vancouver in 2014 is expected to be 77,999, an increase of 8% over 2013. Projected visitation in 2015 is expected to be 76,825, a decrease of 2% in comparison to 2014.

In 2014, highlights included supporting familiarization trips; attending Showcase and Rendez-vous Canada to meet with key suppliers; and articles in Korean news outlets including *Econoville*, *Newsis*, *Aju News*, *Sports World*, *Fashion Journal*, *Herald Economy*, and *Lonely Planet Korea*.

Outbound travel re-bounded quickly after the 2009 recession; however travel to long haul destinations including Canada are still below pre-recession levels.¹³⁵ In the same time period South Korean's decreased their trip length to both Canada and British Columbia by 5 days. In 2013 the market dropped a spot in international market standings for British Columbia; it is now the Provinces seventh largest international market, down from sixth in 2012.¹³⁶

Top drivers for destination preferences include once-in-a-lifetime experiences, popular with holidaymakers, good for adults with or without children, an exciting place and lots of things to see and do.¹³⁷ Vancouver caters well to all of these.

Luxury travel is a growing trend in the South Korean market, particularly with the older age demographic. Two large wholesalers Hanatour and Mode Tour Network, have dedicated divisions dealing with luxury products.¹³⁸ High-end FIT is a focus for Vancouver due to higher-yield and generally a longer stay.

Air access into YVR changed in 2014 with Air Canada shifting capacity from Toronto to Vancouver, now offering a daily flight from Vancouver to Seoul. South of the border Delta Airlines began flying direct into Seattle from Seoul, this should bode well for Vancouver with the potential for further dual nation itineraries.

Key barriers for travel to Canada continue to include trip cost, flight length and a preference for other destinations, which are seen as more popular, unique and exciting.¹³⁹ For 2015, the focus will be to continue to work with the local receptive tour operators to increase awareness of Vancouver in the South Korean market and look to opportunities in potential dual nation itineraries. Partnering with the Canadian Tourism Commission (CTC) and Destination British Columbia (Destination BC) in familiarization (FAM) tour opportunities will also be a focus to educate best customers on Vancouver and grow their knowledge of the destination.

South Korean travellers are most influenced on destination choice through word-of-mouth by past visitors, as well as online sources including blogs, destination websites and social networks, in particular.¹⁴⁰ When

¹³⁵ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, p.3.

¹³⁶ Destination British Columbia, *South Korea Market Profile*, June 2013, p. 3

¹³⁷ Canadian Tourism Commission, *South Korea Market Profile*, January 2013, p.8.

¹³⁸ Destination British Columbia, *South Korea Market Profile*, June 2013, p. 5

¹³⁹ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, p.9.

¹⁴⁰ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, p.9.

it comes to booking travel agents play an important role in the South Korean Market, three-quarters of travellers still consult an agent about long-haul trips.¹⁴¹

Situation Analysis

Strengths

- Beautiful, cosmopolitan and multicultural city on nature's edge.
- Diverse visitor experiences (urban, outdoor adventure, shopping and spa).
- Locally-based South Korean receptive tour operators.
- Small footprint of a downtown core, walkable and easy to navigate (via transit and car).
- Vancouver product caters well to the student market.

Weaknesses

- Limited Korean content on Tourism Vancouver's website.
- Lack of diverse product in locally-based receptive tour operator programs.
- Price competitiveness - high cost of visiting Vancouver (e.g., airfare, taxes, fuel, and accommodation).
- Weak destination and brand awareness.
- Lack of iconic imagery to use in marketing versus competitive Canadian destinations (e.g., the Rockies).
- Lack of urgency to visit destination.
- New and experiential member products have limited Korean-language capabilities.
- Low product knowledge among the travel trade in South Korea.
- Language challenges for educating travel trade in South Korea.
- Lack of social media tools in Korean.
- Lack of awareness/knowledge of how the Korean meetings market operates.
- Downgraded in market representation of the CTC and Destination BC.

Opportunities

- Importance of social media in influencing travel decisions.
- Increased air access into the US presents opportunity for dual-destination itineraries leveraging travel via the United States.
- New product and experiences (e.g., Sea to Sky Gondola, Prince of Whales Sea Vancouver) provide new content for a South Korean audience.
- Growth in free independent travel versus group travel.

Threats

- Price sensitive market.
- High travel costs and access issues.

¹⁴¹ Destination British Columbia, *South Korea Market Profile*, June 2013, p. 5

- Increased competition from destinations courting South Korean travellers (e.g., Brand USA, Tourism Australia).
- Canada not perceived as exotic by young South Korean travellers.
- United States offering a visa waiver to South Korean travellers versus Canada's tighter visa restrictions.
- Seattle's Convention and Visitors Bureau has opened a South Korea office.

Our Competition

In terms of arrivals, Canada is slipping behind its key competitors - namely the United States, Australia, New Zealand, Switzerland, France and the United Kingdom.¹⁴² However, despite the significant barriers to travel, nearly 30% of travellers still state there is no reason not to visit Canada. With the West Coast capturing 56% of the market currently,¹⁴³ it remains vital for Vancouver to focus on strengthening product and price perceptions relative to its competitors to help maintain current arrival levels and re-gain lost ground.

Our Markets

Primary Market

Tourism Vancouver's primary audience for the leisure segment is high-yield, free independent travellers with a propensity to stay in downtown hotels. The South Korean outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ).

Visitor Market Profile (2012 all travellers):¹⁴⁴

- 56% of total arrivals to Canada are to British Columbia (BC).
- 20-34 years is the largest demographic (41% of this segment represent student travellers).
- 19 nights is the average length of stay of leisure only visitors in BC.
- May to October – largest travel months (peaking in July).
- Over 50% of travellers start planning their trip within three months of travelling and 25% start at least six months prior to travelling. Three quarters of recent visitors booked their holiday within three months of travelling, while 27% booked their trips within one month of travelling.¹⁴⁵

The two segments of particular interest to Vancouver are the Free Spirits and Cultural History Buffs, as their travel values resonate most strongly with Vancouver's product offerings. These segments are the most likely to visit Canada in the future and travel independently; they are also interested in experiencing local lifestyles and cities close to nature.¹⁴⁶

¹⁴² Destination British Columbia, *South Korea Market Profile*, June 2013, p. 4

¹⁴³ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, pp. 1, 3 and 9.

¹⁴⁴ Destination British Columbia, *Tourism Market Profile, South Korea*, June 2014 (Statistics Canada), pp. 1 and 2

¹⁴⁵ Canadian Tourism Commission, *South Korea Market Profile*, January 2013, p. 9

¹⁴⁶ Canadian Tourism Commission, *The Explorer Quotient* 2009, pp.124, 128.

The South Korean market to Canada is young, with a concentration of families and younger travellers under 35 years of age with a focus on independent travel. The regions of Seoul, Gyeonggi and Busan provide the largest concentration of travellers and are the key areas for targeted promotion.¹⁴⁷

Secondary Market

The South Korean student market is an important secondary segment warranting greater focus. This segment is larger than the leisure travel market - attracting 41% of South Korean arrivals¹⁴⁸ - and tend to stay longer, spend more overall and offer high repeat visitation opportunities.

Our Focus

Vancouver's Creative Direction

- Vancouver is a cosmopolitan city on nature's edge.
- Vancouver offers diverse experiences (shopping, dining, sightseeing, outdoor adventure, spa).
- A vacation in Vancouver represents value, and is worth the monetary and time investment.
- Vancouver can easily be combined with travel to the US West Coast – two-nation vacations.
- Vancouver is a year-round, four-season destination.

Key Tactics

- Focus on product development through receptive relationships.
- Sales trips, familiarization tours and trade shows.
- Sales training with travel trade online via the *Vancouver Specialist Program*.
- Generating unpaid media coverage.

Vancouver's Strategy 2015 – 2017

Continue to work with in-market receptive tour operators and tour operators in South Korea to attract high-yield, free independent leisure travellers; grow and diversify Vancouver's range of experiences offered via the travel trade to increase brand awareness; create urgency to visit by working with trade clients to provide strong value-add messaging; increase brand awareness through media opportunities.

Trade Objectives

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge through strategic relationships with receptive tour operators.

- Continue to build and strengthen partnerships with at least three receptive tour operators.

¹⁴⁷ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, p.7.

¹⁴⁸ Canadian Tourism Commission, *South Korea Market Profile*, February 2013, p.5.

Continue to increase awareness, build incremental room nights, and expand product experiences and knowledge in-market by attending Showcase 2015.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay.

- Promote and increase total registration of the *Vancouver Specialist Program* by 20% with travel agents.
- Support a minimum of two familiarization trips with an overall satisfaction rating of 90%.

Expand travel trade's product knowledge by generating a minimum of 70 travel trade leads and/or referrals from the South Korean market.

Media Objectives

In 2015, Tourism Vancouver will continue to support travel trade efforts in South Korea by partnering with Destination BC and the CTC to bring Korean media to Vancouver on press visits.

- Host approximately 15 Korean media on press visits in 2015.
- Generate approximately 20 travel stories in broadcast, print and/or online media.
- Meet and pitch Korean media at CTC's annual GoMedia Canada Marketplace (Penticton, fall 2015).

United Kingdom

A Quick Update

Overnight visitation from the United Kingdom to Vancouver in 2014 is expected to be 173,884, very minimal increase of 1% compared to 2013. Projected visitation in 2015 is 174,324 (0%), keeping the market flat.

Highlights for 2014 include the launch of the *Vancouver Specialist* webinar program in the UK including an Air Canada partnered program to promote their new aircraft; a UK mega familiarization (FAM) tour with the new independent retail group, Mid-Counties Coop, seeing 35 agents familiarised in the city; a 3-city B2B/B2C campaign with key account 1st Class holidays, aimed at promoting incremental stays in Vancouver, Whistler and Victoria which resulted in a 10% growth in room nights to the city, well above the projected decline in travel of 1%; the significant growth in the number of UK *Vancouver Specialists* - the program being the primary platform for Tourism Vancouver to educate UK travel trade; the significant increase in air capacity; Virgin Atlantic's continued activity in the meetings, incentives, conferencing, and exhibitions (MICE) market through the initiation and support of FAM tours it is in conjunction with IMEX America. In addition, Vancouver was featured in a number of prestigious UK newspapers and magazines including *The Daily Telegraph*, *Jaime* magazine, *The Independent*, *Monocle*, *The Daily Express* and *The Mail on Sunday*.

With support from the Vancouver Hotel Destination Association (VHDA), Tourism Vancouver was able to undertake an additional three extensive marketing campaigns with key accounts: 1st Class Holidays; Trailfinders; and Canadian Affair, all promoting 4 night city-stays for summer 2015 travel. It is important when selling via the distribution channel in the UK to position Vancouver as a hub and spoke destination for broader BC experiences. Vancouver packages continue to be focussed on extending the length of stay in the city, coupled with wilderness lodge stays, BC fly-drive itineraries and rail and cruise product – itineraries that appeal strongly to UK consumers. In the MICE market, IMEX Frankfurt and EIBTM continue to be initiatives supported by the VHDA. Both shows are successful in building strong destination awareness and generating in-house and city-wide leads.

While outbound travel from the UK grew by 3% in 2013 and is predicted to grow a further 3-4% by the end of this year¹⁴⁹, the UK has slipped to the number three inbound market for Vancouver and BC - now sitting behind the USA and China. However travel trade are reporting strong forward bookings for 2014/15 travel and this coupled with the strength of the British pound, it is anticipated the market for Vancouver will return to growth, albeit slowly.

In 2014 there is a solid increase in air capacity from the UK which is driving more competitive fares. Air Canada have increased daily capacity by 109 seats and introduced premium economy through the introduction of a Boeing 777, Icelandair launched a twice weekly seasonal summer service from Glasgow via Reykjavik and Air Transat will add a second weekly rotation flight for the 2014/15 winter season from February. In addition, Delta has launched a London Heathrow-Tacoma Seattle flight which will generate greater competition on this route, as British Air has held it almost exclusively, and provide further opportunities for developing dual-nation itineraries.

¹⁴⁹ World Travel Trends Report 2013/14, p. 11

Tourism Vancouver's key target market is high-yield, free independent travellers in the UK, in the 45-55+ age bracket. Travel trade partners remain important in influencing these consumers to spend more, stay longer and book more ground components for their holidays. Reliance on retail agents for long-haul travel also remains partly due to British consumers looking for more protection, via Air Travel Organisers Licensing (ATOL). From the Canadian Tourism Commissions (CTC) recent study, among recent visitors to Canada, nearly half consulted with a travel agent.¹⁵⁰

The European youth travel market represents nearly half of the global market with the UK representing 7.3million outbound trips annually.¹⁵¹ Youth travel has grown to Canada by 25% since 2010. They spend as much as older travellers and Vancouver can deliver on what youth travellers are looking for – social hubs, outdoor adventures, challenges and learning and development opportunities.¹⁵² The youth segment is defined by STA Travel as 18-34 year olds with specific target audiences within this age bracket, including the working holiday visa group and young professionals. Specifically to note for 2014 is Air Canada's introduction of SATA fares, exclusive fares for under-26 year olds on transatlantic flights (currently via South America), providing an opportunity to more pro-actively target and grow this important and lucrative segment. Tourism Australia, Tourism New Zealand and their respective Provincial and city destinations heavily and successfully promote to the youth audience.

Interest in luxury travel continues to increase but there is a shift to more active and adventurous styles of vacations.¹⁵³ British Columbia, with its plethora of luxury wilderness Lodges on the coast and in the interior fits perfectly into this category and Tourism Vancouver can capitalise on this interest through positioning Vancouver as the key hub and spoke destination when coupled with this Lodge product. UK Free Spirits, in particular are attracted to luxury experiences.

Booking time-frames have decreased significantly with half of UK travellers booking their holiday to Canada within three months, a mere 20% book six months out.¹⁵⁴ This affects traditional promotion time-frames, with the key selling months now being January right through until as late as April.

Vertical integration, consolidation and globalisation continue to be key trends. The number of high street retail agencies continue to decline, travel agencies, tour operators and wholesalers are diversifying, and investing in direct selling channels such as call centres and online channels. For example, Thomas Cook Tours was sold to Collette Vacations in the USA, Barrhead Travel launched its new brand, Brilliant Travel – a home-based agent network with high-street branches, Air Transat has launched consumer direct marketing campaigns, and Ski Independence is growing North America via their online retail brand, powderbeds.com.

Competition remains fierce, particularly from the United States. With more than 3.8 million British holidaying in the US and growing, traditional Canadian tour operators such as Canadian Affair are capitalising on this by launching US programs for the first time in the market. Tourism Vancouver can also take advantage of this opportunity by building greater interest and awareness for dual-nation vacation itineraries.¹⁵⁵ The strengthening British pound is assisting in showcasing Vancouver and Canada as a more affordable and value for money destination, making us more competitive on price point than in the past few years.

¹⁵⁰ UK Market Profile, Canadian Tourism Commission, February 2013, p. 3

¹⁵¹ World Travel Trends Report 2013/14, p. 20

¹⁵² Canadian Tourism Commission, Youth Infographic

¹⁵³ 2014 Virtuoso Luxe report, p.1

¹⁵⁴ UK Market Profile, Canadian Tourism Commission, February 2013, p. 9

¹⁵⁵ UK Market Profile, Canadian Tourism Commission, February 2013, p. 3

Brand USA and Tourism Australia have strong travel agent training programs in the UK, the USA Discovery Program and Aussie Specialist Program respectively. Both have large budgets and host mega fams to the destinations annually. They are resourced with both staff and budget to engage with agents on a regular basis ensuring their destinations remain front and centre in agents minds. In the UK market Tourism Vancouver has 390 *Vancouver Specialists* with 267 in training. In 2014 the number of registrations has increased by 13% year-over-year (YOY), with a completion rate of 58% (+19% YOY) due to in-market initiatives run by Tourism Vancouver.

Word of mouth advocacy and social media are becoming the dominant forces in the travel planning cycle. It represents a significant opportunity to tell and share Vancouver's brand story. Nearly one third of all recent visitors shared photos and/or messages on social networks¹⁵⁶ about their holiday, and these sources rated equal to something you would read in a magazine or newspaper.¹⁵⁷ For Tourism Vancouver's target market, close to 80% use Facebook. Youth travellers in particular are all about shared experiences. They voice their ideas and opinions on all their social channels, and 81% recommend brands to people by word of mouth.¹⁵⁸

As 2014 progresses, Incentive Travel is on the rise and expected to increase further. Meetings, events and business travel will continue to remain critical drivers assisting organisations with reaching strategic business objectives and effectively communicate with employees, customers and partners worldwide.¹⁵⁹

According to the World Travel Trends Report, the MICE segment now accounts for 54% of the total business market. Incentives, conventions and conferences have grown strongly since 2009 on a cumulative basis with 2013 representing an overall growth rate of 6%.¹⁶⁰

In 2013 the UK MICE market represented 16% of the total international incentive leads, with 35% of those leads going definite. Year to date in 2014 the UK MICE markets represents 15% of the total international incentive leads with 22% of those leads going definite.

Situation Analysis

Strengths

- Direct daily air service from London with Air Canada and British Airways. Air Transat direct flights from Gatwick, Manchester and Glasgow in the summer and from Gatwick in the winter.
- Significant increase in air capacity for 2015.
- Homeport for the Vancouver-Alaska cruise and start/end for rail journeys.
- Cosmopolitan city on nature's edge with diverse mix of urban and nature-based experiences.
- Strong destination awareness from UK consumers.
- Significant visiting friends and relatives market.
- Diverse mix of export-ready experiences appealing to consumers and the travel trade.
- Wave of new Vancouver product that is export ready and appeals to UK travellers.
- Extensive coverage of member products by a range of receptive operators servicing the travel trade. Discover Holidays and Jonview have in-market representatives in the UK.

¹⁵⁶ UK Market Profile, Canadian Tourism Commission, February 2013, p. 6

¹⁵⁷ UK Market Profile, Canadian Tourism Commission, February 2013, p. 9

¹⁵⁸ ILTM, Attracting Millennial Travellers, p. 3

¹⁵⁹ Canadian Tourism Commission, *UK & Europe Market Update IMEX 2014*

¹⁶⁰ World Travel Trends Report 2013/14 p. 8

- In-market offices of the CTC, Destination British Columbia (Destination BC) and Business Events Canada.
- CTC actively promoting Vancouver's eight *Signature Experiences* in the UK.
- Strong and strategic relationships with travel trade, media, corporate clients and incentive houses.
- VHDA's Destination Marketing Fund allows Tourism Vancouver to undertake additional cooperative travel trade marketing and MICE activities.
- Proximity to the United States allows for the development of dual-nation vacation itineraries.
- Proximity to Whistler and the gateway for other BC ski resorts allows for the development of pre/post ski vacation stays.
- Close ties with a handful of influential UK media who now live in Vancouver and write for major British publications.
- Host city for the TED Conference.

Weaknesses

- Limited knowledge of the breadth of Vancouver experiences by consumers and the sales channel.
- Perceived merely as a gateway stop to Western Canada.
- Misperceptions of cold and wet weather.
- Higher cost of visiting Vancouver compared to competitive set, especially in the summer season.
- Expensive airfares to Canada, especially compared to European, Asian and US destinations.
- Vancouver not perceived as an exotic or glamorous destination.
- Canada not as attractive for MICE market due to long distance and time out of office.

Opportunities

- Long annual leave (four to six weeks per year) allows for extended-stay vacations or more frequent trips.
- Visiting Friends and Relatives market.
- Development of the youth market with the introduction of Air Canada SATA fares.
- UK is a strong outbound market with a strong economy.
- Continued interest and popularity in rail journeys and Vancouver-Alaska cruising, resulting in increased opportunity for overnight stays. After North America, the United Kingdom is the world's second largest cruise source market and the largest European market (36%).¹⁶¹
- Growth in luxury travel and the opportunity to position Vancouver as a key hub and spoke destination.
- Coastal Passage route with Rocky Mountaineer opens up more dual-nation vacation itinerary options.
- Opportunity to leverage key partners resources in-market (i.e., Rocky Mountaineer, Discover Holidays, Air Canada).
- Ability to leverage additional sales and marketing dollars through Destination BC, Rocky Mountaineer, CTC and the VHDA.
- Stronger value proposition due to strengthening British pound against the Canadian dollar.

¹⁶¹ Tourism Intelligence International, *How the British Will Travel* 2015, p.149.

- Growth in the independent/self-touring leisure travel market.
- Dual-nation itineraries and leveraging current strong interest in USA travel.
- Popularity of BC ski/board vacations, with ski operators more heavily promoting Vancouver pre/post stays.
- Social media a strong influencer of travel decisions.
- One of the host cities for the FIFA Women's World Cup in 2015.

Threats

- Increasing competition for UK outbound long-haul travel.
- Airfares to Canada are considerably higher than to the United States.
- Escorted group tours to Canada are losing popularity to competing destinations.
- Popular European destinations such as Greece and Spain are "on sale."
- Fierce competition from the United States and Australia, especially as the United Kingdom is a priority market for Brand USA and Tourism Australia.
- Lack of urgency for consumers to visit Canada.
- Ongoing challenges with the administrative process regarding the Goods and Services Tax (GST) rebate program for MICE groups.
- MICE clients have no buying power on transatlantic carriers.
- Key competitors – such as Toronto, Montreal, Melbourne - proactively targeting MICE business with in-market representation.
- Conflicting brand image of Vancouver being Spectacular by Nature versus news stories i.e., pipeline

Our Competition

Canada's competitive set for the long-haul UK leisure market includes the USA, Australia, New Zealand, Thailand, South Africa and India.¹⁶²

Long haul travel continues to remain important however value for money is key. With 3.8 million British visiting the USA for a holiday, the growth in direct USA flights and heavy promotion via Brand USA, dual-nation vacations is a logical opportunity to help address Canada's perceived value for money.

Within Canada, Ontario remains the destination of choice, followed by British Columbia.¹⁶³ However if current trends continue BC may look to take the lead in coming years. Eastern Canada still has significantly more air capacity from the United Kingdom - especially to Toronto, positioning them as a short city break for British travellers.

¹⁶² Destination British Columbia, *UK Visitor Market Profile*, July 2012, p. 4.

¹⁶³ Destination British Columbia, *UK Visitor Market Profile*, July 2012, p. 4.

Our Markets

Primary Market

The UK's outbound travel market can be effectively segmented using the CTC's *Explorer Quotient* (EQ). In the United Kingdom, Canada focuses on three of their key customer types – Authentic Experiencers, Cultural Explorers and Free Spirits.

Visitor Market Profile (2012):¹⁶⁴

- 52% of total arrivals are for leisure.
- 45+ years is the largest demographic.
- \$638.96 is the average spend per person per trip.
- 3.7 nights is the average length of stay of leisure only visitors.
- January to March and September to November peak booking periods.
- May to September key travel period.

For Tourism Vancouver the core focus is on FIT, high yield business that builds incremental room nights into the city. Currently older British travellers (55+) account for more than 40% of visitors to Canada; however this market has seen a slight decline in recent years, whereas there has been a significant increase (6%) in the age group of 45-54.¹⁶⁵ This trend is highlighted in the luxury travel segment which is showing that travellers seeking luxury experiences are getting younger and more interested in travelling with their family.¹⁶⁶ The luxury travel segment is heavily supported via travel trade in the UK with various high-end boutique operators investing in their Canada program in the past several years, such as Bridge & Wickers, Audley Travel, ITC Classics, Elegant Resorts, Eden Collection and Carrier Travel and this in turns supports Tourism Vancouver's strategy of positioning the city as a hub and spoke destination to products such as BC wilderness lodges.

Cruising is one of the fastest-growing travel segments in the United Kingdom. It sits in second place behind the USA in terms of total number of cruise passengers. (Important to note, the North America market is nearly 7 times larger.) This provides a strong opportunity to build long-term interest in pre/post Vancouver extension stays.

The youth market continues to see growth, especially the young professionals market, aged between 24-34.¹⁶⁷ This will be an area for focus in 2015 to position Vancouver as a core youth market, capitalising on the growing interest and awareness through key trade partner STA Travel. Youth travellers provide strong word of mouth recommendations based on their travel experiences, they have the propensity to provide repeat business in future years and drive a strong visiting friends and relatives (VFR) market, especially those on working holiday visas.

¹⁶⁴ Statistics Canada, Cities Data, The 2012 US overnight Visitor to Metro Vancouver, , Visitors from the United Kingdom

¹⁶⁵ Destination British Columbia, *UK Visitor Market Profile*, July 2012, p. 2.

¹⁶⁶ <http://www.thefutureofluxury.co.uk/5-trends-for-luxury-travel-in-2013/>

¹⁶⁷ Destination British Columbia, *UK Visitor Market Profile*, July 2012, p. 2.

Secondary Market(s)

The leisure ski/board travel segment is a good secondary market for Vancouver, especially with these travellers lured by Whistler's appeal. The North American ski/board market is relatively small and accounts for 5% of all British ski bookings, with approximately 47,000 British skiers/boarders partaking in Canadian ski holidays. Direct air access in the 2014/15 season remains strong with direct flight capacity just over 120,000 seats and an additional 10,600 in charter seats. Vancouver will benefit from continuing to work with key ski operators and Tourism Whistler to promote Vancouver pre/post city stays.

Our Focus

Vancouver's Creative Direction

Year-round nature, wildlife and local lifestyle experiences provide a compelling mix of products to entice UK long-haul travellers to visit and extend their stay; these key messages will play a primary role in sales and marketing activities:

- Vancouver is the “city of nature” with its spectacular setting – wildlife, mountains, beaches, rainforest, fjords and oceanfront.
- Vancouver is a year-round, four-season destination featuring a plethora of outdoor pursuits, festivals and events.
- Vibrant destination with a unique combination of hip urban and active nature-based adventures.
- Liveable city and relaxed beach culture with local lifestyle qualities – active, health and wellness.
- Hub and spoke destination for broader Western Canada experiences.
- Homeport for the Vancouver-Alaska cruise and start/end for rail journeys.
- Proximity to Whistler for ski/board vacations.
- Vancouver is an ideal addition to a dual-nation itinerary to leverage the increased interest in travel to the USA.
- Vancouver is a culinary hotspot.
- Vancouver is a premier, world-class meeting and convention business destination.

Key Tactics

- Cooperative marketing campaigns via the travel trade.
- Development of partnerships with members, industry and non-traditional partners.
- Press trips, sales trips, sales missions and familiarization tours.
- Vancouver Specialist acquisition and retention campaigns.
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program* and webinars.
- Trade show participation.
- Itinerary and product development with distribution channel.
- Prize promotional opportunities through travel trade channels.
- Incentive programs for reservation agents of wholesalers/tour operators.
- Generating unpaid media coverage and creating in-kind promotions.
- Utilize Tourism Vancouver social media resources to keep customers engaged and tell the

- Vancouver brand story.
- Content development.

Vancouver's Strategy 2015 – 2017

Tourism Vancouver's UK strategy is to: focus on high-end FIT travellers; pro-actively target the youth travel segment as a key area of growth; position Vancouver as a hub and spoke destination to broader BC experiences; grow and diversify Vancouver's range of experiences; attract clients through meeting and media contacts; continue with and build new relationships with both traditional and non-traditional partners; continue to leverage relationships with both the VHDA and destination marketing organization (DMO) partners.

- Continue to focus on sales conversion by working with targeted travel trade, meeting and media contacts to attract the primary market segments and the lucrative meetings and conventions market.
- Develop relevant and engaging content for travel trade to use to position Vancouver as the destination of choice for British travellers and assist Tourism Vancouver in telling the Vancouver brand story to key market segments.
- Create urgency by providing compelling reasons to visit by showcasing fresh content and promoting unique packages and experiences.
- Help the industry grow and diversify the range of experiences available, and develop content and product around these to assist in driving greater length of stay.
- Continue to play a leadership role with industry partners to leverage investment and creative assets to engage the end-consumer, using a consistent message for Vancouver.
- Emphasis on training of front-line sales staff and the retail sector to become advocates for the city through the completion of the *Vancouver Specialist Program* and the access to the benefits the program offers i.e., webinars, fam trips
- Development of the youth market with the introduction of Air Canada SATA fares.
- Opportunity for exploratory discussions with Citizen and Immigration Canada around Working Holiday Visa's.
- Continue to position Vancouver as a leading meeting and convention destination to generate short-, medium- and long-term business opportunities, and to fill need periods wherever possible with an emphasis on 2015-2017. At the same time, ensure a strong base of long-term citywide business with a minimum of at least "one citywide per month" sales approach now through 2020.

Trade Objectives

Continue to increase awareness, stimulate overnight demand, and expand product experiences through strategic relationships with Key Accounts within the distribution channel in the UK.

- Build incremental visitation and bookings while also extending the average length of stay through targeted joint marketing campaigns that generate incremental room nights with a minimum of four Key Accounts.
- Develop relationship with youth travel provider STA travel undertaking a joint marketing program positioning Vancouver as a youth destination.
- Build incremental visitation in key need periods with a minimum of one Key Account online travel

agency (OTA).

- Grow visitation in the low season by increasing pre/post ski holidays stays through a joint marketing campaign with two Key Accounts.
- Develop hub and spoke itineraries with BC wilderness lodges and fly/drive options coupled with Vancouver 4-night stays.
- Develop dual nation vacation itineraries.
- Develop youth content.
- Develop a brand tool box for travel trade clients to assist them in selling Vancouver and utilising our content, messaging, themed itineraries and social media tools.
- Expand travel trade's product knowledge by generating a minimum of 150 travel trade leads and/or member referrals.

Continue to engage and educate distribution channels on how best to sell Vancouver, and to strengthen demand for greater length of stay and product experiences.

- Grow the number of UK registered Vancouver Specialists by 20%, with a minimum completion rate of 60%.
- Consider the development of a youth module as a part of the *Vancouver Specialist Program*.
- Provide comprehensive face-to-face and webinar training of at least 250 frontline sales agents.
- Support at least 15 travel trade familiarization trips with an overall satisfaction rating of 90%.

Meetings & Conventions Objectives

- Continue to exhibit at the Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX) and Exhibition for Incentive Business Travel and Meetings (EIBTM) tradeshow to build relationships and generate short-term leads, as well as conduct annual sales mission targeting key companies.
- Support one UK meetings and conventions familiarization tour for five to 10 clients with hotel and destination management company (DMC) partners active in the market.
- Continue to participate in the CTC's London events to build relationships with the 100+ corporate and incentive clients.
- Conduct one pan-European MICE familiarization tour of seven to 12 clients.
- Conduct one in-market sales mission.

Media Objectives

The Media Relations team will continue to raise awareness of Vancouver in the UK market by generating positive editorial coverage in magazines, newspapers, travel shows and online media.

- Generate approximately 90 Vancouver travel stories in major UK media outlets.
- Host approximately 50 UK media on press visits in partnership with the CTC and Destination BC.
- Attend CTC's annual GoMedia Canada Marketplace (Winnipeg, fall 2015) to maintain relationships with key UK media and make new connections.

International Associations and *Be a Host*

A Quick Update

The international association and congress market continues to be very important in providing consistent, long-term citywide and mid-sized business for Vancouver allowing us to not rely solely on the national or regional Canadian or US association market as many cities in our region do. It also provides unique opportunities for building strong relationships with Canadian associations for their national meetings and local academic and research institutes to support their efforts. 2015 will be one of the busiest international convention years ever for Vancouver. One of our goals is to capitalize on this opportunity through research and strategic business analysis in order to attract new international and national business using the large 2015 international conferences as a catalyst.

The *Be a Host* program plays a vital role in researching, identifying and encouraging Canadian members of international organizations to become local hosts. This innovative sales and marketing initiative is designed to support local, regional and national community members in bringing their national, regional and international association meetings to Vancouver.

Tourism Vancouver's work in the international congress market is supported by strong partnerships, relationships and cooperation with the Canadian Tourism Commission (CTC), Vancouver Convention Centre (VCC), Vancouver Hotel Destination Association (VHDA) as well as various local medical associations and umbrella organizations, such as the Institute of Electrical and Electronics Engineers (IEEE).

Though in practice for many years, Tourism Vancouver's *Be a Host* program was formally launched in 1996 as a leading initiative in the Canadian tourism industry. The program has a substantial database of established professionals from across Canada. Thanks to our partnership with the VCC and the VHDA (investment of Destination Marketing Fee funds) we have expanded and promoted *Be a Host* in order to be more competitive with our bids, enabling us to increase our sales activities and research, and create unique client events - including the Vancouver Bid Seminars as well as other innovative educational workshops.

International Congress planners continue to remain conservative in estimating and confirming room blocks for room attendees (out of town delegates requiring accommodation). Leads for 2014 are on pace however, with significant reductions in the number room nights requested per lead, room night totals are below target. Since Convention Development Fund investment is tied to the estimated number of hotel room nights, this can impact our competitive advantage against other destinations in terms of financial benefits in booking Vancouver.

The Director of Sales, Canada and International position has been vacant since early in 2014. With that, additional responsibilities have been added to the International Sales Manager position. This has had a negative impact on overall production towards International targets as well as *Be a Host*.

2014 highlights for bid wins (99% Definite Forecast for 2014);

- 2015 Annual World Congress of the Human Proteome Organization, 1,350 delegates.
- 2016 IEEE World Congress on Computational Intelligence, 1,600 delegates.
- 2017 Young Presidents Organization Global Leadership Summit, 3,000 delegates.
- 2017 International Congress on Attention Deficit Hyperactivity Disorder, 2,100 delegates.
- 2017 Annual Conference of the International Urogynecological Association, 1,750 delegates.
- 2017 IEEE International Conference on Intelligent Robots and Systems, 1,350 delegates.

Situation Analysis

Strengths

- Unique combination of natural beauty, accessibility, innovative urban pulse, cosmopolitan lifestyle and first-rate meeting facilities with sustainable business practices.
- Year-round mild climate allows for exciting and diverse activities.
- Strong support and partnerships with industry, including the VCC, CTC, VHDA, BestCities Global Alliance, Air Canada and clients - particularly in the Canadian market - with regards to targeting large (+1,000 delegates) citywide conferences that are eligible for subsidies.
- Proximity to the Pacific Rim, enabling a large delegate draw due to excellent air accessibility.
- Strong and well-established *Be a Host* program.
- Increased reputation as a global international convention city, particularly with respect to medical meetings.
- New tourism product providing economic growth and driving “what’s new” public relations stories (e.g., Skwachays Lodge; Sea To Sky Gondola, BC Place Development, Trump Tower; Aquarium Expansion).

Weaknesses

- Perceived costs of convention centre rental, along with consistently higher hotel rates than competing destinations and unexpected ancillary costs (e.g., cleaning, Wi-Fi and security).
- Lack of 1,000-room hotel makes clients reluctant to book numerous properties to make up their room block.
- Lack of large low-cost two-to-three-diamond properties close to VCC.
- Meeting planners conservative in their room block numbers for both citywide and in-house groups; therefore, business is being turned down due to meeting-space-to-guestroom ratio. Some key factors are web specials and/or travel booking engines.
- A lack of large venues for more than 1,000 people, and limited unique venue choices overall.
- Unable to offer financial assistance to smaller groups (650 peak and under) asking for incentives to bring their meetings to Vancouver.
- Deficiency of government support and sponsorship for conferences.
- Lack of time among many potential local hosts to take on host duties. Long-term efforts required to get their commitment to bid; program’s role and benefits need further emphasis for local hosts.
- Hesitation from potential hosts outside British Columbia to be locals in Vancouver, preferring instead to host in their own city.
- No representation in central/eastern Canada, Europe or emerging markets such as China and India to

meet face-to-face with decision-makers and influencers on a regular basis.

Opportunities

- Potential future clients attracted by convention centre accolades and previous successful events.
- Large international association meetings (+1,000 delegates) previously held in other Canadian cities can now consider Vancouver.
- Largest number of bid opportunities exists in meetings that attract between 100-800 attendees, and are usually booked within five years.
- Positive relationships with local host committees across Canada to hold meetings in Vancouver, with the potential to strengthen bids.
- Potential for hotels to increase short term, in-house business by focusing on incentive and corporate opportunities.
- Increased future convention potential through mining new business from the large international conferences being held in 2015.
- Testimonials, media coverage and increased exposure opportunities during key international meetings such as International Aids Society, FIGO World Congress of Gynecology & Obstetrics, World Congress of Dermatology and International Diabetes Federation Congress.
- With a strengthened European economy, decision-makers are once again considering Vancouver as an affordable option.
- Potential to partner strategically with PCMA on increasing International delegation and education during Convening Leaders in 2016.

Threats

- Other destinations (e.g., Montreal, Toronto and BestCities partners) offering better financial incentives and lower costs.
- Air access and cost are concerns for many clients.
- Procurement undermining the importance of personal relationships, with chief financial officers deciding on conference/meeting venues.
- Uncertain long term, sustainable funding.
- World politics, terrorism and unforeseen circumstances (e.g., natural disasters, pandemics).
- Emergence of ambassador/host programs in Toronto, Calgary, Montreal and Ottawa.
- Negative impact of visa processing challenges for confirmed international association groups to Canada, representing lower attendance numbers and increased risk of attrition for planners.
- Ongoing challenges with the administrative process regarding the Goods and Services Tax (GST) rebate program for international association groups.
- Key Canadian competitors – such as Toronto and Montreal - are proactively targeting international association business with in-market representation.
- Shortage of consistent and sustainable program budget with ongoing reliance on outside sources for funding (e.g., VCC and VHDA).

Our Competition

Our key competitors in this market are Toronto, Montreal, Istanbul, Cape Town, Singapore, Seoul, Rio de

Janeiro, Buenos Aires, Melbourne, Washington DC, Berlin and Beijing.

Toronto and Montreal are offering heavy subsidies for international conventions, while new convention centres are being built in China and Sydney. Dubai continues to expand, including the creation of the Dubai Association Centre which offers global associations opportunity to expand within industries and sciences across the Middle East and beyond.

Over the past three years, nine Asian cities (Singapore, Seoul, Beijing, Bangkok, Hong Kong, Tokyo, Taipei, Kuala Lumpur and Shanghai) have continued to rank higher according to the International Congress and Convention Association (ICCA) annual report. In 2013, all nine cities surpassed Vancouver in the number of international meetings hosted.

Latin American cities continue to have strong representation in the ICCA statistics report with five cities exceeding Vancouver in the number of meetings held. Most noticeably is Buenos Aires which has more than doubled their international meetings in the past ten years.

Our Markets

Primary Market

Tourism Vancouver's primary market is international associations with global rotation patterns, with the majority of international conference leads coming from the medical, science and technology, and engineering sectors. According to the ICCA, approximately 18,000 international association meetings are organized on a regular basis (e.g., not one-off meetings, but held annually to every five years); about 50% of those meetings rotate to Canada.

- In 2014, Canada ranked 11th worldwide with 290 meetings.
- In 2014, Vancouver ranked 38th worldwide with 57 meetings and ranked third in North America. Montreal remained the top North American destination, while Toronto placed second.
- May, June, July and October are the prime months for international congress meetings.
- Approximately 4.5% of all international meetings taking place in Vancouver have more than 3,000 participants.
- Some 80% of all international congress business for Tourism Vancouver is directly related to the *Be a Host* program.

Secondary Market(s)

Pan-American, Commonwealth and the Pacific Rim regions are important secondary markets. Due to Vancouver's geographical location, there is an opportunity to attract Pacific Rim-based international associations. Pacific Rim sections/chapters of international associations are also a key target due to some Asia Pacific rotation-only conferences. To a lesser degree, Vancouver is at an advantage to compete for conferences that only rotate in Pan-American and Commonwealth countries; these, however, are not great in number.

Our Focus

Vancouver's Creative Direction

- Vancouver is home to world-renowned scientific, medical, engineering and technological institutions.
- Vancouver's location offers equal flying times from Asia and Europe.
- Vancouver is a compact and walkable city; no need for costly shuttle busses for delegates.
- Vancouver offers easy public transportation from Vancouver International Airport to downtown.
- Vancouver's convention centre is located in the heart of downtown.
- Vancouver is a year-round destination with a mild climate.
- Vancouver is a cosmopolitan and multicultural city on nature's edge.
- Vancouver offers a plethora of pre/post opportunities.

Key Tactics

- Trade shows and sales trips.
- Familiarization tours and site inspections for media and clients.
- In-market campaigns.
- Attendance building.
- BestCities Global Alliance Client/Partner Workshops and sales events.
- Building momentum on existing special events.
- Face-to-face meetings with potential local hosts in Vancouver.
- Vancouver educational events/bid seminars for potential local hosts.

Vancouver's Strategy 2015 – 2017

Tourism Vancouver's strategy is to continue leading the community in proactive meeting and convention sales by creating the right platforms for our members to generate short-, medium- and long-term business opportunities from the international market. We will also continue building awareness of Vancouver as a premier global meeting and convention destination. In 2015, Vancouver will host the largest and highest number of international congresses to date, such as the World Congress of Diabetes, the 2015 International AIDS Society and the 2015 World Congress of Dermatology, among others.

- Continue to position Vancouver as a leading meeting and convention destination in order to generate short, medium and long-term business opportunities, and to fill need periods wherever possible with an emphasis on 2016-2017. At the same time, ensure a strong base of long-term citywide business with a minimum of "one citywide per month" sales approach for all years.
- Through various marketing channels, leverage large, prestigious 2015 international congresses and the 2016 Professional Convention Management Association (PCMA) to attract future in-house and citywide groups.
- Continue to grow and refine the very successful *Be a Host* program.
- Support a balanced meeting and convention portfolio both geographically and by market segment in the international market.
- Align our sales initiatives (where possible) with the key seven sectors prioritized by Foreign Affairs and International Trade Canada, and utilized by Business Events Canada.

- Maximize out-of-town meeting attendance and room night potential from definite on-the-books citywide business in 2014, 2015 and 2016 - particularly as organizations are looking to grow their international meetings attendance, especially from the Asia Pacific region.
- Create strategy to elevate Vancouver's fourth place position as an ICCA-recognized North American destination for international meetings.
- Continue to work closely with national associations to bring their affiliated international organization meetings and conventions to Vancouver.
- Continue to work closely with our BestCities Global Alliance to define a benefit strategy for International Association Clients and future business opportunities.

Meetings & Conventions Objectives

- Focus on citywide conferences and work with VCC to target-list 80 organizations per year.
- Conduct one familiarization tour in 2015 to target UK decision-makers and influencers for citywide and in-house conferences.
- Increase interest and knowledge of Vancouver as a meeting and convention destination through in-market client events, industry educational sessions and support of member-led familiarization trips and by attending major tradeshow: the Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX) in May, and the Exhibition for Incentive Business Travel and Meetings (EIBTM) in November. Continue to work in conjunction with BestCities' partner events and the CTC's 2015 activities.
- Attend and exhibit at the International & European Associations Congress in April 2015 as part of the BestCities Global Alliance in Paris to increase interest and knowledge of Vancouver as a meeting and convention destination.
- Use Destination Marketing Fund/Convention Development Fund to identify and capitalize on rebooking opportunities for possible future-year contracts.
- Continue promoting events, activities and cultural experiences to delegates through customized convention newsletters, *Show Your Badge* and *Tickets Tonight* to encourage extended stays.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 200,000 lead room nights.
- Generate 58,000 definite room nights.
- Generate 24,000 room attendees

Convention Services Objectives

Position Vancouver as a leading meeting and convention destination to generate member business opportunities, increase convention delegate attendance and rebook business before decision-makers depart Vancouver. This will be done through in-market activities, as well as social media and electronic marketing tools, and continued cooperative work with the Canada Border Services Agency (CBSA), Citizenship and Immigration Canada (CIC) and Canada Revenue Agency (CRA).

- Drive business to members through processing service requests and referrals by assisting planners with their convention supplier requirements.
- Build attendance to encourage more delegate participation and extended stays by utilizing in-market

destination promotions, social media tools and value-added programs.

- Continue to work closely with the CBSA and CIC to link meeting planners with these agencies for improved communication of convention details, including exhibitor freight-forwarding, inadmissibility, work permits and international delegates that require Canadian visas.

Generate business opportunities for Vancouver. (*Note the following three measures reflect all markets; it is not specific to International*).

- Generate 240 request leads for member services.
- Identify rebooking opportunities to generate up to 28,000 total room nights of future convention rotation meetings.
- Generate a 7% increase in Vancouver convention attendance versus the previous host city.

Be a Host Objectives

- Identify 350 new potential local hosts in 2015.
- Research leaders in regional activities and key projects, and identify associated conferences.
- Host three recruitment presentations/events with local organizations, universities, hospitals, etc.
- Host six social events with an educational component for potential local hosts.
- Continue collaborating with media department to generate content for social media channels, news releases, case studies celebrating hosts and citywide bid wins.
- Attend monthly departmental head meetings at the University of British Columbia, Simon Fraser University and local hospitals.
- Create two webinars focusing on Tourism Vancouver's complimentary services, the bid process and various bid strategies for future local hosts.
- Collaborate with Tourism Vancouver's Manager, Cultural Tourism & *Tickets Tonight*, to identify, research and target national arts and cultural congresses that complement the City of Vancouver's strategies.
- Continue working with the Coordinator of *Dine Out Vancouver Festival* to develop an annual conference concentrating on increasing hotel rooms nights and maximizing out of town attendees during the festival. Realistic implementation time frame being 2016 and beyond.
- Present *Be a Host* program to key hotel members to educate on the benefits of the program and promote future partnerships.
- Leverage association board meetings taking place within the city and identify potential host opportunities
- Use relationships with local hosts/association chapters to act as referrals to other potential locals.
- Conduct two *Be a Host* in-market educational seminars with Canadian sales manager, with the end goal of gaining national support for potential programs and strengthening bids
- Identify and qualify candidates to attend two bid seminars (May and September).
- Support national local hosts with city wide potential to experience the benefits of Vancouver and *Be a Host* through personalized condensed bid workshops.
- Look to using social media strategy in conjunction with the bi-monthly *Catalyst* newsletter to engage past and future local hosts.

Generate short-term and long-term business opportunities for Vancouver.

- Generate 65 new leads.
- Generate 200,000 lead room nights.

Media Objectives

Tourism Vancouver's Media Relations team will continue to work with the Meetings and Conventions (M&C) department to generate editorial coverage and build awareness of Vancouver as a conventions destination.

Objectives include:

- Producing monthly *Vancouver Vibe* newsletter directed at journalists who write for meetings, conventions and association publications.
- Researching and writing case studies featuring the stories of successful local hosts.
- Host at least one M&C media specific press trip in 2015.

Sales and Marketing – Niche Markets

Cruise

A Quick Update

The 2014 cruise season saw 812,095 passengers on 243 calls by 29 cruise ships, which is flat compared to 2013.¹⁶⁸ The forecast for 2015 is expected to be approximately 816,000 passengers and 232 calls. Some 66% of Vancouver-Alaska cruise passengers overnight in Vancouver, with an average stay of 2.5 nights.¹⁶⁹

In 2014, highlights for the cruise market include approximately 812,000 passengers on more than 243 cruise calls; 29 ships being home-ported in Vancouver, including Carnival Cruise Lines, Celebrity Cruises, Crystal Cruise Line, Disney Cruise Line, Holland America, Oceania, Norwegian Cruise Line, Noble Caledonia, Princess Cruises, Regent Seven Seas, Royal Caribbean International, Silversea. Two new vessels home ported in Vancouver, the Pacific Princess and Crown Princess. The Crown Princess is the largest Princess ship to sail to Alaska, bringing more than 63, 000 passengers on 10 open-jaw sailings. 2014 was the first time in over 10 years that Princess Cruises offered round-trip itineraries out of Vancouver with 20 roundtrip calls by the Pacific Princess. Vancouver also saw one of the largest cruise ships for the first time, the Celebrity Solstice, on two repositioning cruises. The cruise industry is an import contributor to BC's economy. Each time a ship calls on Vancouver it generates over \$2 million in economic activity. It also generates approximately 283,000 room nights in Vancouver pre and post cruise and over 440,000 room nights to British Columbia overall.¹⁷⁰ It continues to be one of the travel industry's fastest-growing segments, with an annual passenger compound growth rate of 7% worldwide from 1990 to 2018.¹⁷¹

In 2013 global passenger numbers were estimated at 21.3 million with 2014's numbers expected to be close to 21.7 million passengers. North America is the world's largest source market with 55.1% passenger share. There has also been large growth of internationally sourced passengers, particularly from Europe at 6.4 million.¹⁷² Though the US is the largest source market for cruise, it is in decline; however, Canadian cruisers are on the rise, along with other international markets - in particular Australia and the United Kingdom.¹⁷³

With the steady introduction of new products - particularly new builds, ship diversification, and new on-board and shore activities - the global cruise industry's consistent growth will continue through 2013 and beyond.¹⁷⁴ In 2015, Compagnie du Ponant will be adding the L'Austral (5 calls) and Le Boreal (1 call), Princess Cruise Lines will add The Ruby Princess (4 calls), Royal Caribbean will be adding the Jewel of

¹⁶⁸ <http://portmetrovancover.com/about/news/2014/11/07/2014-cruise-season-ends-with-strong-numbers-and-increased-capabilities-for-shore-power-connections>

¹⁶⁹ Pacific Rim Cruise Association, 2012 *Vancouver Cruise Passenger Study*, p. 46.

¹⁷⁰ <http://www.portmetrovancover.com/en/about/news/2014/04/28/2014-cruise-season-shows-continued-strength>

¹⁷¹ <http://www.cruisemarketwatch.com/growth/>

¹⁷² http://www.cruising.org/vacation/print/news/press_releases/2014/01/state-cruise-industry-2014-global-growth-passenger-numbers-and-product-o

¹⁷³ Pacific Rim Cruise Association, 2012 *Vancouver Cruise Passenger Study*, p. 20.

¹⁷⁴ Cruise Lines International Association 2013, North America Cruise Industry Update, February 2013, p.2.

the Seas (2 calls) and Carnival Cruise Lines will add the Carnival Legend (2 calls). Holland America Line will replace the Zuiderdam with the Noordam (20 round-trip calls) and Celebrity Cruise Lines will replace the Celebrity Century with the Celebrity Infinity (13 round-trip calls). In addition to new builds, several North American cruise lines are investing in multi-million dollar revitalization and refreshment projects on individual ships or fleet-wide.¹⁷⁵

Key motivators attracting consumers and first timers to book a cruise include value, price, ease of booking, special experiences, multiple destinations, convenience of foreign travel, recommendations (travel agents, friends and family), friends/family/bonding and meeting new people.¹⁷⁶ Vancouver's proven ability to attract travellers from around the globe with excellent pre- and post-opportunities and superior port and airport facilities strongly position it to capitalize on attracting consumers to the Vancouver-Alaska cruise route.

In 2015 The Port of Vancouver plans to make enhancements to Canada Place that will improve passenger flow through the terminal and optimize the passenger experience.¹⁷⁷ The Port has won numerous awards in the cruise industry, recognizing the efficiency of its operations and passenger experience. These planned changes will only enhance Vancouver as a key port and attract new ships to the destination. A further change for 2015 is the retirement of Ballantyne Pier as a cruise terminal. Currently Ballantyne welcomes less than 4% of cruise ship visits; it also lacks the modern capabilities of Canada Place.¹⁷⁸ This change will impact cruise business minimally to the destination as the Port will consolidate its cruise business and only use Canada Place.

Tourism Vancouver's partnerships with Destination British Columbia (Destination BC), Port Metro Vancouver and the Vancouver International Airport Authority continue to be crucial for leveraging opportunities in the marketplace and nurturing cruise line accounts with the possibility of bringing new ships to the city. The partnership with the Cruise Line Industry Association (CLIA) remains critical as Vancouver looks to host cruise3sixty for a third time in 2016. This, coupled with the *Vancouver Specialist Program*, will be an important part of our long-term strategy to qualify and support trade professionals committed to selling cruise itineraries, raise Vancouver's profile as a vibrant and cosmopolitan city for pre/post stays, and ultimately help further elevate Vancouver's status as a world-class cruise destination.

Situation Analysis

Strengths

- Beautiful, cosmopolitan, multicultural city on nature's edge.
- Diverse visitor experiences (e.g., culinary, sightseeing, shopping, spa).
- Centrally located port in walkable, easy-to-navigate and transit-friendly downtown.
- Convenient connection with rail products.
- Vancouver-Alaska sailings provide full inside passage experience, and is the only homeport offering one-way inside passage sailings.
- More ports of call on Vancouver-Alaska sailings versus cruises from US homeports.
- Tourism Vancouver has increased reach and presence with the cruise retail trade.

¹⁷⁵ Cruise Lines International Association 2013, North America Cruise Industry Update, February 2013, p.9.

¹⁷⁶ <http://www.cruising.org/sites/default/files/pressroom/PressConferencePresentation.pdf> , slide 51

¹⁷⁷ <http://www.portmetrovancover.com/en/about/news/2014/04/28/2014-cruise-season-shows-continued-strength>

¹⁷⁸ <http://www.portmetrovancover.com/en/about/news/2014/04/28/2014-cruise-season-shows-continued-strength>

- Strong partnerships with cruise lines, tour operators and key regional partners (e.g., Destination BC, Port Metro Vancouver, Vancouver International Airport Authority and the Anchorage Convention & Visitors Bureau).
- World-class cruise line facilities and access to shore power at Canada Place.
- Cruising from Vancouver offers cruise lines a higher-yield market.

Weaknesses

- Cost of airfare to Vancouver versus Seattle.
- Airlift capacity to Vancouver versus US ports.
- Canadian Tourism Commission (CTC) not active in the US leisure marketplace or the cruise market.
- Border crossing and perceived hassles for American consumers.
- Disembarking and embarking in-destination passenger experience.
- Lack of brand awareness for Vancouver as a pre- and post-cruise destination.

Opportunities

- Continued growing demand for international cruise experiences.
- Repeat visitation to Vancouver from cruise vacationers.
- Diversity of Vancouver-Alaska itineraries, including open-jaw, repositioning and round-trip cruises.
- Amtrak and Rocky Mountaineer services from Seattle present pre- and post-cruise opportunities for US travellers.
- Growing fleets and capacity among the world's top cruise lines provide opportunity for more Vancouver-Alaska sailings.
- Planned enhancements to Canada Place.

Threats

- Fluctuating currency against US dollar.
- Closure of Ballantyne Pier.
- Approximately only 35% of Americans hold valid passports.
- Continued regional competition from Seattle on the Alaska route.
- Competing cruise destinations and experiences (e.g., Europe, Caribbean, South Pacific, river cruising), and emerging cruise destinations (e.g., Southeast Asia) all growing market share.
- American travellers taking shorter vacations, reducing opportunities for extended stays.
- Cruise lines heavily promote pre/post opportunities in Alaska, as they often own the inventory (e.g., lodges, railway tours, as well as Alaska shore excursions).
- Increased presence from Brand USA encouraging Americans to travel domestically, and international visitors to choose the United States over competing destinations.
- On-going negative press about cruise lines in regards to pollution, safety and health risk issues.
- Cruise lines limit rooms/inventory for international passengers, providing greater access to American passengers (negative impact for the UK and Australian markets).
- Growth of Riverboat cruising.

Our Competition

The Caribbean still remains the top cruise destination by a significant margin, with Europe sitting at number two. Alaska comes in at third place, and is closely followed by Bermuda and Hawaii.¹⁷⁹ There continues to be increased competition from the Mediterranean and Baltic regions, along with emerging cruise destinations such as Australia, Southeast Asia and China. River cruising remains the hottest trend in the industry, which has helped drive Europe's growth in this sector.

Seattle is the US West Coast's leading cruise port in terms of passenger volume and number of ship calls - making it Vancouver's largest competitor. In 2013, Seattle had fewer vessel calls than Vancouver at 188 versus 235, and seven ships home-ported across seven cruise lines (a drop from 11 last year). Overall passenger numbers for Seattle dropped 9% for 2013 compared to Vancouver's significant growth.¹⁸⁰

While Seattle represents a more cost-effective option in terms of flights, cruising from Vancouver has its benefits - more time on the inside passage, one-way cruise options, newer cruise ships and a plethora of pre/post opportunities. These benefits are key to positioning Vancouver as the homeport of choice. Due to severe regulatory requirements in Alaskan waters, the Vancouver-Alaska route also offers newer ships. This, coupled with the ability for one-way sailings from Vancouver, means the Vancouver-Alaska route is a very lucrative one for cruise lines versus US sailings.

Competitive cruise markets include:

- Seattle.
- Caribbean.
- Bahamas.
- Bermuda.
- Europe.
- South Pacific.
- River cruises.
- Southeast Asia.
- China.

Our Markets

Primary Market

The United States remains the primary cruise market for Vancouver-Alaska sailings, comprising 57% of the market. However, this percentage has been declining since 1997 when it was at 82%. At the same time, the number of Canadian cruisers has increased significantly, particularly in recent years, and now comprises 25% of the total market.¹⁸¹ Passengers from overseas countries constitute 18% of the total market. The average Vancouver cruise passenger is 55-years-old, well educated and affluent.¹⁸²

¹⁷⁹ <http://www.prweb.com/releases/2012/12/prweb10263823.html>

¹⁸⁰ http://www.portseattle.org/Cruise/Documents/Cruise_Fact_Sheet.pdf

¹⁸¹ Pacific Rim Cruise Association, *2012 Vancouver Cruise Passenger Survey*, p. 22.

¹⁸² Pacific Rim Cruise Association, *2012 Vancouver Cruise Passenger Survey*, p. 21.

Growing demand for cruising from Tourism Vancouver's primary international markets, such as Australia and the United Kingdom, and potential growth from emerging markets - such as China, Japan and India - bodes well for Vancouver-Alaska cruises. This international demand will continue to grow Vancouver's proportion of international cruisers relative to the US and other Canadian markets.

Travel agents continue to play a primary role in planning and booking Alaska cruises with 71% of passengers reporting the use of a travel agent in their booking process.¹⁸³

Secondary Market(s)

The gay and lesbian cruise market has experienced some growth in recent years. With Vancouver's brand awareness - especially in the United States - as a gay-friendly city, the lesbian, gay, bisexual and transgender (LGBT) market is a niche cruise segment with potential for yielding strong results.

Our Focus

Vancouver's Creative Direction

- Vancouver is a destination, not just a gateway.
- Vancouver is an easy-to-visit, compact and walkable city.
- Vancouver is a cosmopolitan city with a plethora of urban experiences (e.g., shopping, culinary, spa).
- Your once-in-a-lifetime cruise adventure starts with a Vancouver experience.

For cruise lines:

- Vancouver is a green-conscious city with leading-edge cruise sustainability practices.
- Vancouver features a world-class port location, facilities and services.

Key Tactics

- Cooperative marketing campaigns via the travel trade.
- Sales trips, familiarization tours and trade show attendance (i.e., cruise3sixty).
- Sales training with travel trade – direct and online via the *Vancouver Specialist Program*.
- Generating unpaid media coverage.

Vancouver's Strategy 2015 – 2017

Tourism Vancouver's strategy is to position the city not only as a port, but as an essential part of a cruise vacation.

- Continue to educate travel trade on the array of pre- and post-cruise opportunities in Vancouver.

¹⁸³ Pacific Rim Cruise Association, *2012 Vancouver Cruise Passenger Survey*, p. 62.

- Continue to promote a US brand awareness campaign positioning Vancouver as the destination of choice, highlighting cruise within the wider campaign to promote pre- and post-cruise stays.
- Continue to strengthen relationships with cruise lines and tour operators to positively influence pre- and post-cruise itineraries.
- Play a leadership role with industry partners to leverage investments and resources.

Trade Objectives

Continue to increase awareness for pre- and post-cruise itineraries, and grow room nights and the average length of stay for Vancouver through strategic relationships with cruise lines, Best Customer accounts and travel agents globally.

- Continue to build and strengthen relationships with the 10 key cruise lines servicing the Vancouver-Alaska route.
- Strengthen partnerships with three Best Customer cruise line accounts.
- Grow incremental room nights and extend the average length of stay for pre- and post-cruise itineraries with up to two growth and/or mature high-yield Best Customer accounts.
- By December 2015, identify new and emerging trade accounts/distribution channels that present a future opportunity for cruise out of Vancouver.
- By December 2015, explore opportunities to work with a tour operator promoting pre/post itineraries for database acquisition to develop future consumer-direct messaging to target repeat visitation.

Continue to engage and educate distribution channels on how best to sell Vancouver as a pre- and post-cruise destination to strengthen demand for visitation and grow the length of stay.

- Provide comprehensive face-to-face and webinar training to at least 100 cruise-specific frontline sales agents, including promotion of the *Vancouver Specialist Program*.
- Support a minimum of one dedicated cruise familiarization trips with an overall satisfaction rating of 90%.
- Attend cruise3sixty in Fort Lauderdale in 2015 to promote *Vancouver Specialist Program* to some 1,200 agents; targeting a 5% sign up and completion rate post-conference (through an incentive) and providing comprehensive face-to-face training of 100 cruise agents in attendance.

Cultural Tourism

A Quick Update

Tourism Vancouver's Cultural Tourism department positions Vancouver as an attractive cultural destination. The core functions are to provide leadership on key issues, identify opportunities related to cultural and experiential trends, facilitate product development, build relationships between arts and culture and the tourism sector, and ensures that Vancouver's cultural product is well represented in all marketing channels.

Another hallmark of Cultural Tourism is to be proactive, to champion good ideas and convert these into action. The role of Cultural Tourism is to encourage greater awareness within Tourism Vancouver's various departments, and promote cooperation externally with the larger community, industry, and government.

As a result of an amendment to Tourism Vancouver's Festivals and Events membership structure in 2013, cultural tourism membership grew 44% in 2014. The Vancouver Cherry Blossom Festival DOXA Documentary Film Festival, Vancouver International Writer's Festival and The Queer Arts Festival are examples of recently joined members in 2014. Festival and event highlights for 2014 include the New Year's Eve celebration, activities surrounding the 2014 TED conference, Cirque du Soleil's *TOTEM*, Broadway Across Canada's *WICKED* the Urban Forest Concert in Stanley Park, the 25th Anniversary year for Bard on the Beach.

Other highlights include Tourism Vancouver's representation on the Vancouver Bird Advisory Board and the high-profile Vancouver Bird Week promotions, Chairing the Vancouver Culinary Strategy Committee and representation on the New Year's Eve Celebration Board.

Situation Analysis

Strengths

- Broad spectrum of festivals, cultural products and events.
- World-class cuisine (e.g., *Dine Out Vancouver Festival* and Vancouver International Wine Festival).
- A multicultural, ethnically diverse city, with authentic first-nations artifacts and exhibits
- Rich and unconventional variety of venues for performances.
- Unique events and festivals that fuse elements from multiple cultures.
- Vancouver has a strong public art program.
- Four-season destination.
- *Tickets Tonight* for arts and cultural products.
- Strong relationships with the City of Vancouver and the cultural community.

Weaknesses

- Short-term stays for production companies due to our relatively small base population.
- Lack of historic sites.
- Only a handful of signature civic events (e.g., Celebration of Light, Vancouver Pride).
- Cultural community's limited capacity to market to visitors.
- No cultural precinct.

Opportunities

- Strong interest in niche arts and cultural product (e.g., birding, design and anime).
- Increasing interest in "sense of place" as a motivation to travel.
- Interest in Aboriginal tourism among specific niche markets (e.g., Germany, China, etc.).
- Potential interest in two-nation vacations.
- Interest in film locations from popular movies and/or television programs.
- Large scale productions such as Book of Mormon and Beauty and the Beast.
- Great Northern Way arts precinct.
- Change of ownership of Granville Island.
- Major events and exhibits such as FIFA Women's World Cup 2015, the Forbidden City: Inside the Court of China's Emperors, and new Biennale installations.

Threats

- Growing presence and marketing from Brand USA and other competitors.
- Financial constraints burden both the Cultural portfolio and the constituents it serves, most of whom operate with little or no marketing budgets.
- Lack of a central resource for all things arts and culture in Vancouver.

Our Competition

Several competitive cities have old historic sites, large venues to host grand exhibits, and significant resources for staging events. Vancouver cannot compete in promoting the city's arts and culture activities without a significant marketing budget in the city.

Direct competitors include:

- United States – New York and West Coast cities, particularly Seattle, San Francisco, Portland and Los Angeles.
- Canada – Montreal, Toronto, Victoria, Calgary.
- European cities – particularly major urban centres (e.g., Paris and London).

Our Focus

Vancouver's Creative Direction

- Vancouver is a cosmopolitan and multicultural city on nature's edge.
- Vancouver offers an array of unique cultural activities, attractions and events.
- Vancouver is a safe and walkable city.
- Vancouver is a growing culinary hotspot.

Key Tactics

- In-market cultural campaigns.
- Website, mobile site and mobile app enhancements.
- Increase awareness and engagement via social media (blog and social media aggregator).
- Research and inventory Vancouver's events (budget permitting).
- Integrate cultural, arts and events campaigns via Consumer Marketing.
- Index cultural product and offerings across the city as a resource for content and contacts.
- Target the Cultural Explorer, as captured through Canadian Tourism Commission's (CTC) *Explorer Quotient* (EQ) quiz.

Objectives

Establish some baselines for the number of annual Metro Vancouver events, number of attendees annually and general ratios of visitors to locals for those events.

- Finalize the annual Master Events calendar for three years out.
- Work with internal business analysis to finalize and implement a master events survey to determine marketing investment, attendee levels and history of every annual or biannual event in Metro Vancouver.

Work cooperatively with a minimum of five major cultural entities or events in 2015 to achieve maximum reach and marketing impact.

- Highlight and promote events that align well with the interests of Vancouver's key EQ types, and core American and Canadian audiences.
- Aid in the product/experience development for several events to make them more market-ready and consumable.
- Continue to market these cultural events and festivals through *Tickets Tonight* promotions, Tourism Vancouver marketing channels and alignment with Consumer Marketing.
- Work with external groups including committees, boards, the City and business improvement associations (BIAs) to identify gaps in the calendar for events, and source new projects to be cultivated.
- Collaborate with Meetings and Conventions to strike a balance between delegate benefits when events are in town, vs concerns over hotel compression when the city is full.

Increase the awareness of the city as a destination for the emerging birding market in 2015.

- Build content about birding for Marketing materials including websites, blogs and digital.
- Seek opportunities to host large bird conferences in Vancouver in future years.
- Establish a comprehensive resource inventory for Vancouver's birding products and experiences by beginning an audit of existing contacts, products, locations, venues and programs.
- Expand birding offerings for visitors to Vancouver, increase awareness of them and encourage longer tourist visits through strategic partnerships with tour operators. Host a birding workshop for members and nature tour operators; bring in speakers who are birding experts.

Member Relations

A Quick Update

The Member Relations team recruits and retains a network of tourism-related businesses that provide products, services and experiences that visitors demand and expect. Similar to 2013, recruitment levels remained fairly flat in 2014 – with approximately 90 businesses becoming members of Tourism Vancouver. However, our retention number decreased to approximately 90% (compared to 94% in 2013), due in part to the team being more stringent in ensuring that the renewal process was completed in a timely manner.

Highlights for 2014 include the launch of category specific membership forums as an opportunity to provide targeted education and guidance to four distinct industry groups on how to work with Tourism Vancouver's sales & marketing teams. The monthly *Member 2 Member* mixers continue to be a popular draw for members, demonstrating that the business to business opportunities facilitated by the Member Relations team are an important aspect of our member engagement strategy.

The results of the 2014 Membership Survey demonstrate that the vast majority of members are pleased with their relationship with Tourism Vancouver, with 87% expressing that they are extremely or somewhat satisfied with their membership. Further, 69% of respondents said they received excellent or very good value for their membership investment, with a further 25% stating they received moderate value for their money. Finally, 95% of respondents stated that they were extremely or somewhat likely to renew their membership in 2015.

2014 also saw the implementation of a formalized targeted membership acquisition strategy that will ensure the sales and marketing teams within Tourism Vancouver have access to the products and businesses that are in demand by their customers. Similarly, a strategy to solicit key in-destination influencers who have traditionally been hesitant to become members of Tourism Vancouver was developed and implemented.

The launch of the Sustain initiative, in conjunction with Tourism Vancouver's in house energy specialist also took place in 2014. This program involves the creation of a new "sustainable supplier" category of membership and actively seeking suppliers that have sustainable business practices to become members of Tourism Vancouver. This is the first step towards providing members with easy access to a network of suppliers that are committed to meeting an established set of best practices and are leaders in their respective fields for environmental and sustainable service.

The Member Relations team will continue to identify and develop new and innovative programming to encourage members to engage with Tourism Vancouver's sales and marketing activities. The team will also leverage the Simpleview platform as a complete resource for members and Tourism Vancouver staff, providing members with the ability to access the organization's sales efforts, initiatives and results.

Situation Analysis

Strengths

- Account Executive approach to service: one person as main point of contact; strong relationships with members due to stability of current team; consistency in sales and service processes; quick response to member needs.
- Breadth of existing member benefits and participation opportunities (buy-ins, educational seminars, events & networking opportunities, familiarization tours). Constantly developing new and innovative ways for members to be engaged in Tourism Vancouver activities (member forums, Sustain).
- Highly engaged membership, as evidenced through event attendance, program participation, engagement with the energy specialist, advertising in publications and other member opportunities.
- Equitable member policies and sales practices.
- Variety of member products.
- Transparency afforded by the customer relationship management, Simpleview, platform.
- Active promotion of member engagement across all the different aspects of the organization. Due to our intimate knowledge of the myriad of opportunities available to them, we are able to connect members in a proactive and member centric manner, becoming true member advocates within Tourism Vancouver.
- Ensuring a strong fit while screening prospective members, and providing guidance for alternative marketing efforts where appropriate, as well as managing the expectations of new and current members.

Weaknesses

- Technology: lack of online payment option; lack of integration between Simpleview and Navision (accounting software); Simpleview is not fully utilized either internally or externally; member categories on website not understood by consumers, and therefore do not effectively represent members.
- Insufficient in-person interactions with members outside of member events. Communication primarily by phone and email.
- Member acquisition is generally passive.
- Lack of access to key decision-maker in member organizations who may be unaware of all the benefits of membership.
- Basic member benefits are uniform across all categories, regardless of relevance to member.
- Lack of access to employees at member businesses who may find value in our activities – specifically human relations and sustainability contacts who are not traditionally in our database. It is challenging to reach these people to provide them with information on how we can benefit their organisation.
- Little diversity in event attendance (the same members/people attend many events.)
- Member education series topics are becoming stagnant – budget considerations render it challenging to have innovative, engaging speakers.

Opportunities

- Assigning a dollar value to the individual components of membership (listings, racking, leads, networking opportunities etcetera) which will provide an accurate indication of the true value of being a member.

- Encourage full internal use of Simpleview which would result in the provision of a complete record of member involvement in organizational initiatives.
- Integration between finance software (Navision) and Simpleview or developing an alternate option such as direct debit
- Maintain and expand strategic acquisition plan to diversify our product mix - emerging products, including ecotourism, culinary tourism, family travel, staycations, authentic experiences, extreme sports and First Nations.
- Collaboration with partners to co-share the cost of member education sessions (e.g., go2HR, Think Social Media, Hootsuite, WorldHost, Destination British Columbia, the Canadian Tourism Commission, other Destination Marketing Organizations, the City of Vancouver etcetera).
- Identify new and adapt existing processes to engage those sectors that are determined to be integral in ensuring that the sales teams have the appropriate product mix when selling Vancouver.

Threats

- Some members' lack of time and money to access benefits and promotional opportunities.
- High turnover with key contacts.
- Perception that the value of membership is lower due to alternate online opportunities which provide similar services, opportunities and reach (e.g., Trip Advisor, Yelp).
- Businesses that view membership as a cost as opposed to a benefit – in a soft economy, this can lead to cancellations.
- Other destination marketing organizations competing for marketing/membership dollars from businesses in some suburban areas.
- City bylaws or initiatives that may impact member businesses (bike share program, changes to liquor laws that may allow drinking on beaches).
- Increased popularity of non-traditional accommodation and transportation options (e.g., Air BNB, Lift, Uber).

Our Focus

Key Tactics

- Identify and implement new member opportunities, adding value to membership investment.
- Encourage full use of Simpleview among staff to maintain complete record of member involvement; work with key users to ensure their teams understand the importance of the system.
- Familiarization tours, site visits and member presentations for staff and volunteers.
- Targeted and collaborative approach to member acquisition based on market and sales needs.
- Ensure consistent and regular interaction with member contacts throughout the year.
- Provide and support a platform to encourage member-to-member business opportunities.
- Develop comprehensive Simpleview training materials.
- Grow and improve range of member events, educational seminars and webinars.
- Utilize online survey methods to allow for efficient and timely polling of members on pertinent industry issues.
- Encourage members to use “member of” logo on brochures and websites, recognizing membership

status and giving credibility to Tourism Vancouver and its members.

Vancouver's Strategy 2015 – 2017

The strategic priority of Member Relations is to recruit and retain a network of tourism-related businesses that provide the products, services and experiences that visitors demand and expect. Working with all departments, this unit ensures that the range of experiences offered by Tourism Vancouver members complements and enhances the efforts of our sales teams. The Member Relations department will also strive to engage all members in Tourism Vancouver's sales and marketing efforts providing members with the tools and knowledge to fully utilize the myriad of available benefits and opportunities.

Objectives

Retain 93% of members.

- Deliver service levels commensurate with member expectations (e.g., monthly contact).
- Determine and communicate the dollar value of membership to members.
- Develop processes that will ensure members are able to see the value of their membership through the Simpleview platform.

Member participation of 5,460 for events, presentations, familiarization tours and buy-in opportunities.

- Educational seminars and presentations that identify with various trends (e.g., emerging markets and social media).
- Member buy-in or participation in specific marketing opportunities.
- Quarterly "member forums" to facilitate increased knowledge and understanding of the needs of members and Tourism Vancouver sales teams.
- Account Executive in-person meetings with members.
- Member presentations and member site visits to increase product knowledge among staff/volunteers.
- Bi-weekly educational webinars to educate members on the value of the Simpleview platform and extranet.
- LinkedIn group to encourage further member-to-member engagement.
- Monthly afternoon networking events at member businesses (*Member 2 Member Mixer*).

Engage 50% of members in one or more sponsorship-related initiatives.

- Leverage programs such as *Dine Out Vancouver Festival*, BC Hydro Tourism Energy Specialist, Candlelight Conservation Dinner.
- Work with Sponsors to develop and promote business to business opportunities between members and sponsors.
- Secure new sponsors to benefit members, visitors and Tourism Vancouver.

Generate \$830,000 in member fees.

- Acquire 80 to 90 new members in 2015.

- Targeted and collaborative approach to member acquisition based on market and sales needs.

Generate \$60,000 in marketing program and event fees.

- Sell additional web listings and Adtel.
- Identify and introduce new member buy-in opportunities (e.g., couponing through Simpleview).
- Charge for larger events (e.g., Nooner at the Nat, Christmas Luncheon).

Travel + Trade Media Relations

A Quick Update

Newspaper articles, magazines, blogs, television shows and social media have tremendous power to influence travel. In fact, editorial travel media coverage consistently ranks first or second on the list of information sources about travel to Canada within Vancouver's five largest international markets (USA, China, the United Kingdom, Germany and Australia)¹⁸⁴.

Tourism Vancouver's Travel and Trade Media Relations team works to position Vancouver as a "must-visit" destination in our key markets by generating non-purchased, positive, editorial exposure in print, broadcast, online and social media.

In 2014, Tourism Vancouver and partners hosted more than 300 international travel journalists and film crews. Over 1,800 stories were produced representing a value of some \$30 million with an estimated audience reach of one billion people around the world. Vancouver travel stories were featured in prestigious publications including *Jamie* magazine (UK), *Food + Travel* magazine (Mexico), *Chicago Tribune* (USA), *KiaOra* magazine (New Zealand), *Monocle* magazine (UK), *Out* magazine (USA) and *L'Officiel Voyages* (France), to name a few.

Notable initiatives in 2014 included a very successful TED Conference press trip in March focusing on meetings and conventions publications. In May, we initiated a "24-Hours-in-Vancouver Seattle Media Road Trip" to generate buzz in Seattle for summer travel to Vancouver. In July, we hosted a press trip of four social media influencers with a combined following of over 1.4 million people on Twitter, Instagram, YouTube and their blogs. Continued partnership with the Vancouver Hotel Destination Association (VHDA) allowed us to host India and Brazil press trips. We also continued to leverage Tourism Vancouver's relationship with Chinese Tourism Ambassador, Wanting Qu, by staging a local Chinese-media press event.

Situation Analysis

Strengths

- Solid partnerships with members and partners including Canadian Tourism Commission (CTC), Destination British Columbia (Destination BC), VHDA and Vancouver Convention Centre. (VCC).
- Years of media relationship-building has resulted in Tourism Vancouver being well connected with North American journalists and many international media in our core markets.
- Established and knowledgeable team with a combined 34 years of experience in travel media relations and expertise in key niche areas including lesbian, gay, bisexual and transgender (LGBT), sport, culinary, and meetings and conventions.
- Reputation among media and partners for effective monthly newsletters, press trips, story ideas and media support.

¹⁸⁴ CTC Global Tourism Watch reports - USA 2013, UK 2012, China 2012, Germany 2012, Australia 2011

- Effective suite of tools including a qualified media database; image and b-roll gallery; media tracking service; newsletter distribution system. The Simpleview system also enables us to share coverage with members.
- Travel journalists and editors continue to be interested in Vancouver.

Weaknesses

- Limited resources (human and financial).
- Tourism Vancouver has limited members in certain categories (e.g., retail). Therefore, we cannot efficiently promote certain sectors to media.
- Due to budgets and staff size, our international media networks, including emerging markets, are not as strong as our North American networks.
- Dependency on Destination BC and CTC for media flight support.
- Different market priorities to our key destination marketing partners (for example, Destination BC is not active in Brazil).

Opportunities

- Many fresh, new experiences and themes to promote in 2015 (e.g., TED Conference, FIFA Women's World Cup, craft beer and distilling boom, Trump Tower, international conferences, sustainability, urban design).
- New media (e.g., blogs, online videos, tablets and smart phones) and social media (e.g., Facebook, Twitter, Instagram and photo-sharing sites) have created more ways for media to share travel stories.
- Form new relationships with partners interested in co-funding Travel Media opportunities.
- Take advantage of film, television and celebrity connections to Vancouver.
- Bring on new members that appeal to travel trends such as culinary tourism, sustainable travel, gay & lesbian travel, cruising, family travel, health and wellness vacations.
- New/increased flights from international destinations like Brazil and Iceland expand opportunities for journalists from these regions to visit Vancouver.

Threats

- Cost of hosting media continues to increase limiting the number of media we can bring to Vancouver each year (e.g., hotels, meals, experiences and flights).
- Bigger budgets at competing destination marketing organizations make it hard for Vancouver to secure high-profile media opportunities (e.g., television travel shows).
- The number of traditional media outlets is shrinking. Travel sections at many newspapers are disappearing altogether.

Our Competition

All medium- and large-sized destination marketing organizations around the world have media relations units which makes the world of travel media extremely competitive. Destinations, hotels and attractions are all jostling to be noticed by a shrinking group of qualified travel journalists and editors. The destinations receiving the most travel coverage in any given year are those with the most proactive

teams, largest media hosting budgets and compelling news.

Some of the destinations that Vancouver is expecting to compete with for travel media attention in 2015 include: Charleston (*Travel + Leisure* magazine's top city in North America for 2013 and 2014) and Rio (leading up to 2016 Olympic Summer Games), as well as perennial travel favourites such as New York, San Francisco, London, Sydney, and Paris. Pacific Northwest destinations, such as Seattle and Portland, and Western Canadian destinations such as Victoria, Whistler, Calgary and Banff, always rival Vancouver for media coverage due to the similar experiences offered. Although we see many of these cities as complementary destinations, they are just as much our competitors.

Our Markets

The Media Relations unit takes direction from the Travel Trade department with respect to market focus. In 2015, our core markets are the United States, Canada, Australia/New Zealand, China, the United Kingdom, France, Germany/Netherlands, Japan, Mexico, South Korea, India and Brazil. We focus on generating travel stories in these countries.

We also focus on generating media coverage in niche markets including meetings and conventions, gay and lesbian travel, culinary travel and cruise travel.

Our Focus

Vancouver's Creative Direction

The Travel Media Relations team's goal is to shape the message about Vancouver as a travel destination. Key messages include:

- Vancouver is a four-season destination with an agreeable year-round climate.
- Vancouver is a city within nature.
- Vancouver has some of the best chefs, restaurants and food culture in the world.
- Vancouver has some of the best hotels and attractions in the world.
- Vancouver is among the most spectacular meetings destinations in the world.
- Vancouver is safe, welcoming and easy to access.
- Vancouver offers great value.
- Vancouver is one of the greenest cities in North America and aims to be the greenest in the world by 2020.
- Vancouver is one of the most popular LGBT travel destinations in North America.

Key Tactics

- Media familiarization tours and individual press trips.
- Promote Vancouver at annual media marketplaces (e.g., Canada Media Marketplace, GoMedia, Travel Classics).
- Media missions to key North American media markets (New York, Washington, San Francisco, Los Angeles, Toronto).
- Media missions to key short-haul regional markets (Seattle, Portland, and Calgary).

- Engage Vancouver-based travel media. Make them Vancouver advocates.
- Pitch new tourism experiences and products to media.
- Write and distribute monthly Fresh newsletter to worldwide travel media contacts.
- Write and distribute monthly *Vancouver Vibe* newsletter to worldwide Meeting and Convention (M&C) media contacts.
- Distribute quarterly *Out in Vancouver* newsletter to LGBT travel media.
- Targeted news releases.
- Grow media databases.
- Engage with media through Media Relations Twitter account (@TVANMedia).
- Maintain current media kit, image and b-roll assets for media.
- Media Experience Pass given to all qualified media visiting Vancouver.
- Partner with Canadian and BC media relations partners on media hosting.

Vancouver's Strategy 2015 - 2017

The Travel Media Relations team operates on the premise that editorial coverage in magazines, TV shows, blogs, newspapers and social media provide inspirational, influential and trusted sources of travel information. What's more, they reach large audiences at relatively low cost to the destination marketing organization.

Our core strategy is therefore to engage influential and trusted travel media, and get them to tell Vancouver's story around the world. In many cases this involves bringing media to Vancouver to report on our destination first-hand, thereby sharing their enthusiasm for Vancouver travel experiences with their communities.

We ultimately strive to inspire travel to Vancouver and drive hotel room bookings. We will continue to focus on major media in our key geographic markets. However, in 2015, we will put increasing focus on bringing social media influencers to Vancouver because of the power they have to inspire travel via platforms such as YouTube, Instagram, Twitter and Facebook.

Objectives

- Achieve 1633 consumer travel stories in key markets, and an advertising equivalency of more than \$30 million.
- Achieve 433 trade/meetings and conventions (M&C) stories.
- Achieve more than 450 mentions of members in travel stories.
- Send more than 200 media opportunities to members.
- Host approximately 400 media in Vancouver on press trips and individual visits.

Experience Vancouver and *Tickets Tonight*

A Quick Update

The mandate for Experience Vancouver and *Tickets Tonight* is to lead and orchestrate the delivery of unsurpassed visitor experiences, creating successful outcomes that generate incremental visitor spending, extend length of stay throughout Metro Vancouver, stimulate repeat visitation and thereby maximize the economic impact of visitation to the region.

To achieve this mandate, Tourism Vancouver is adopting a disciplined approach that takes into account visitors' perceptions of their total interaction throughout their entire journey to Vancouver, from their trip-planning phase to being in the destination and returning home.

In 2013, the flagship Visitor Centre was reconfigured from 6,000 square feet to 2,000 square feet. The spectacular new centre incorporates unique Vancouver and West Coast branding attributes with an open-plan concept that is inviting and comfortable, with an interactive setting, to welcome and engage visitors.

The flagship and satellite centres have a complement of professional staff and fully trained volunteers consistently delivering high-quality services and directly engaging upwards of 120,000+ visitor parties a year, in addition to selling more than \$2 million of members' products and services. The new centre continues to house the *Tickets Tonight* booth, which offers regular full-price and same-day half-price tickets for various theatre and entertainment productions. Our ongoing focus will be to continue driving more visitors to Vancouver and the Visitor Centre through pre-travel and in-destination marketing initiatives.

Opened in the fourth quarter of 2012, the in-house contact centre is an evolution in visitor engagement that provides us with the ability to directly influence the full cycle of visitors' experiences from the early trip-planning phase - encouraging them to visit, extend their length of stay and influence their spending. Another component in our process of **Rethinking** visitor engagement is the development of an online ticketing capability that enables customers/visitors to purchase Vancouver tourism products, services and experiences anywhere and anytime.

The key market segments targeted by Experience Vancouver and the *Tickets Tonight* team are free independent travellers, those visiting friends and relatives, convention delegates, and Metro Vancouver residents seeking arts and entertainment experiences. In 2013, the team directly served 148,653 visitor parties and generated more than \$2.3 million in sales of members' products and services. Likewise, *Tickets Tonight* generated \$2.5 million to in arts and entertainment ticket sales.

In 2015, our priority is to continue driving more traffic to our existing engagement channels, including the renovated flagship Visitor Centre, and improving their operating efficiencies. In addition, we will continue to explore how we engage visitors using "sharing economy" (e.g., Airbnb) services, and how we can work in a coordinated and collaborative approach with the local community to ensure visitors have a spectacular Vancouver experience.

Tickets Tonight introduced a new mobile ticketing feature, and a module for accepting donations in 2014.

Additionally, a new mobile site was launched.

A successful Year of Culture Campaign included procuring the addition of 2,000 new subscribers to *Tickets Tonight's* daily newsletters.

2014 was a record year for *Dine Out Vancouver Festival* event sales through *Tickets Tonight*, and major events such as Cirque du Soleil's *TOTEM*, Broadway Across Canada's *WICKED* and the Vancouver Board of Trade's keynote event with Hillary Clinton, which sold out, generated significant revenues.

Situation Analysis

Strengths

- Tourism Vancouver's (including *Tickets Tonight*) brand and reputation.
- Reconfigured, welcoming, engaging and more efficient Visitor Centre.
- Well-positioned Visitor Centre in the heart of the visitor hub for convenient access.
- Strong continuing focus on sales and customer experience.
- High level of customer satisfaction.
- Trained, knowledgeable and professional staff and volunteers (ability to influence visitor spending, experience and length of stay).
- Multilingual and multicultural staff and volunteers.
- Breadth of member/destination products and services include sightseeing, attractions, arts, entertainment and sports.
- Strong relationships with members and partners.
- Proximity to the convention centre.
- Efficient back-of-house operations (technology, accounting and finance).
- Operate the only Ticketmaster outlet open seven days/week, and the only community box office offering day-of, half-price tickets.
- Comprehensive online Calendar of Events.
- *Tickets Tonight* partnerships with producers of arts, culture and events communities.
- Fulfilling need for affordable box office solution for cultural events.
- Mobile ticketing and donation module for *Tickets Tonight*.

Weaknesses

- Limited signage for drive-by and walk-by traffic.
- Prohibitive cost to expand sales (ticketing) system to remote locations.
- Low level of coordination with other Tourism Vancouver departments.
- Lack of search engine optimization (SEO) for *Tickets Tonight*.
- Modest annual marketing budget for *Tickets Tonight*.
- Opportunities
- Forthcoming destination ticketing system with comprehensive inventory of tourism products and services, enabling customers/visitors to make purchases from a trustworthy establishment and engage with confidence.
- Staff ability to sell and upsell with every enquiry, thus directly benefiting our members and our customers/visitors, via destination ticketing system.

- Maximizing yield from convention delegates through pre/post offerings.
- Engaging local community/residents to reach visiting friends and relatives market.
- Increasing public way-finding signage working with the City of Vancouver and Downtown Vancouver Business Improvement Association (DVBIA).
- Ability to influence travel spending/decisions, especially as significant portion of customers are pleasure travellers who tend to have more flexible travel plans.
- Refreshed and vibrant storefront enhances appeal of flagship Visitor Centre, while also reducing rental burden to increase overall efficiency.
- Proactively engaging members to maximize sales.
- Leading destination in adapting an experience focus.
- Increasing ability to engage visitors in Visitor Centre through digital self-service kiosks and mobile devices. Incoming events represent possible ticketing relationships (i.e., New Year's Eve).

Threats

- Funding uncertainty from Destination British Columbia.
- Emerging competition for ticketing/box office services, (i.e., TicketLeader).

Our Focus

Key Tactics

- Continue to operate the flagship 200 Burrard Street Visitor Centre (Infodesk and Delegate Servicing) with consistent hours.
- Utilize volunteers as a means of enhancing travel counselling and sales.
- Confirm business to members through direct product sales.
- Continue to operate and grow a community box office through *Tickets Tonight*.
- Branding and push marketing for *Tickets Tonight*.

Vancouver's Strategy 2015 – 2017

Tourism Vancouver's visitor engagement mandate is to encourage visitation to Vancouver, generate greater visitor spending, extend length of stay throughout Metro Vancouver, stimulate repeat visitation, maximize the economic impact of visitation to the region and, through their positive experiences, turn our visitors into new advocates/ambassadors who will promote Vancouver once they return home. *Tickets Tonight* supports this strategic priority by expanding the breadth of products offered to visitors and locals.

Using a disciplined customer experience management approach, Tourism Vancouver will seek to enhance visitors' experiences by leading and orchestrating a tourism initiative or network with a focus on creating spectacular and seamless visitor experiences throughout the destination.

Objectives

Serve 140,000 visitor parties at all touch points, same as 2014 target.

- Form strategic agreements with organizations and members that will enhance the visitor experience, both in the Visitor Centre and in the destination.
- Determine feasibility of operating one additional fixed satellite Visitor Centre location or a mobile Visitor Centre in a high-volume visitor traffic location.
- Drive visitor traffic and sales to all centres by implementing possible cross-promotion programs with partners or through social media channels.
- Increase efficiencies of existing Visitor Centre operations.
- Build awareness and drive traffic through new in-house contact centre operation.

Achieve gross sales of \$2.8 million, same as 2014 target.

- Develop year-round contests or incentives to drive sales for both staff and volunteers.
- Work on implementing an e-commerce solution for business-to-consumer and business-to-business sales to complement existing face-to-face sales.

Achieve gross sales of \$4 million through *Tickets Tonight*, by the end of 2015.

- Renew existing ticketing agreements with current producers.
- Leverage potential partnership or sharing with TicketLeader.
- Leverage social media (e.g., Facebook, Twitter, etc.) for ticket-giveaways and announcements.
- Review ½ price ticket announcements for possible social media distribution as well.
- Continue distributing *Tickets Tonight Producer* newsletter quarterly to keep *Tickets Tonight* top of mind.
- Market multi-venue ticketing system and box office services to producers requiring innovative solutions.
- Host five of the top-grossing *Tickets Tonight* producers/provide appreciation tokens to top ten or twelve producers.
- Generate ticket sales for two to three out of town events in 2015.

Identify and implement at least five initiatives that increase promotion of the Visitor Centre and *Tickets Tonight* to visitors.

- Expand and enhance visitor centre content on Tourism Vancouver website.
- Distribute Official Visitors Guide to select Destination BC gateway Visitor Centres.
- Work with other departments to integrate marketing efforts.
- Update editorial content in select travel publications (*Frommer's*, Lonely Planet and Rough Guide).
- Leverage Visitor Centre for member and community engagement.
- Upgrade way-finding signage within Metro Vancouver.
- Continue participating in local events to increase profile of Tourism Vancouver and Visitor Centre.
- Re-run the "Year of Culture" *Tickets Tonight* contest.
- Increase SEO efforts to maintain a high ranking of ticketstonight.ca for relevant searches.
- Gather intelligence on geographic and ticket-type sales for TicketMaster and TicketForce to ensure greater targeting and focus.
- Works with Consumer Marketing to increase tickets sales and/or package sales to short-haul core markets in the US and Canada.
- Create a *Tickets Tonight* blog for use by consumers and theatre critics.
- Engage the arts and cultural members in the digital program.

Introduce at least five opportunities to further enhance services.

- Work with potential partners to develop overall scope of offerings.
- Further enhance self-service Internet stations and free Wi-Fi, and explore development of a “digital lounge” in the Burrard Visitor Centre.
- Implement a new web commerce solution to augment current Visitor Centre point-of-sale solution.
- Work with Member Relations and other departments/stakeholders to develop a more efficient brochure and information delivery system.
- Explore the feasibility of a destination-wide visitor experience management initiative.

Pan-Organization Services

Business Technologies

A Quick Update

Business Technologies invests in long-term assets to improve Tourism Vancouver's capability to manage and use information effectively for better decision-making. The business unit is also responsible for mobile web marketing initiatives.

Mobile internet usage continues to grow rapidly, and now represents a significant portion of overall web traffic. In 2014, Tourism Vancouver's mobile sites for *Dine Out Vancouver Festival*, *Tickets Tonight* and our main mobile site continue to track increased traffic and visitation numbers. *Dine Out Vancouver Festival 2014*, in particular, tracked increases upwards of 200 % in mobile Page Views and 300% in mobile Menu Views over *Dine Out Vancouver Festival 2013* traffic numbers. To capitalise on this trend, we launched a series of marketing campaigns for *Tickets Tonight* mobile site integrated with Social Media and Email marketing programs, starting in the Fall of 2014.

Situation Analysis

Strengths

- Tourism Vancouver's strong online brand presence continues to draw increased online and mobile traffic to all of our sites, year over year.
- Our Search engine optimization (SEO) efforts, which are absolutely critical for successful online marketing, directly influence our top rankings in major search engines for relevant searches and subsequent high traffic to all our sites.
- We have repositories that are continually updated with up-to-date and relevant destination content that are informative and valuable for visitors and locals alike.
- We continue to increase our business offerings through our Member Extranet to our members to facilitates 24/7 access to members for updates and responding to business sent to them.

Weaknesses

- Significant roaming charges for overseas visitors continue to be the biggest deterrent for in-destination mobile customers in accessing our mobile content offerings during their stay. (A larger travel industry challenge.)
- Continuing lack of content and product offers available for targeting mobile consumers who are pre-disposed to checking out specials/coupons when in destination.

Opportunities

- Mobile continues to grow globally at an aggressive pace, both in new device launches and user adoption rates. Wearable mobile technology is now part of the mobile devices landscape. Mobile search is always on whether at home and work or on-the-go giving us an enormous marketing opportunity to reach and promote our destination offerings.
- As more and more consumers use their mobile devices to consume content and find information online, it is only natural that a share of this time is dedicated to travel.
- Location Based and Way Finding continue to lead in popularity with 76% of users finding it as meaningful content¹⁸⁵. This helps marketers like Tourism Vancouver to guide in-destination visitors to specific member businesses and to experience all that our destination has to offer.

Threats

- Competing destinations continue to make significant investments to develop and execute mobile marketing strategies to capitalize on the exponential growth and opportunities in the mobile arena.
- Mobile has become an integral part of people's lives and the dependency rate is increasing rapidly, fueling changes in users' expectations. These expectations are redefining the way mobile technologies are designed and developed. Mobile device makers continue struggling to maintain their place in the mobile race. This uncertainty and changes make it difficult for us to determine which platform and/or device to invest in as Mobile technologies are still costly to develop.

Our Focus

Key Tactics

- Continue to grow Mobile marketing campaigns for our mobile sites.
- Expand mobile component of consumer sales and marketing initiatives.
- Convention Services - mobile-specific promotions.
- Experience Vancouver– Explore in-destination mobile-specific promotional offerings.
- Promote m.tourismvancouver.com mobile URL in all forms of print and digital publications.
- Enhance mobile Search Engine Optimizations (SEO).
- Utilize Tourism Vancouver's social media sites in all mobile marketing programs.

Vancouver's Strategy 2015 – 2017

Continue to invest and expand Tourism Vancouver's mobile web offerings to include mobile applications that capitalises on the mobile market's propensity to book on their mobile devices through Apps. Mobile Apps also offer us a means to reduce the roaming costs that in-destination visitors incur through off-line browsing of our content thereby increasing the opportunities for them to view and experience our member products.

¹⁸⁵ Salesforce – The State of Mobile Behavior Report (2014)

Objectives

Leverage our existing mobile offerings to increase destination awareness and brand reach in the mobile marketplace market.

- Create an iPhone application version of our iPad application by the fourth quarter of 2015.
- By end of third quarter 2015, develop an application to reach the growing market base of Android smartphone users.

As a mobile component for relevant marketing campaigns, explore the potential to generate destination awareness, mobile bookings and revenue.

- Take advantage of the newly launched *Tickets Tonight* site through mobile marketing opportunities and leveraging Social media. Contests and incentives to market and capture user data for opt-in marketing and engaging subscribers for potential ticket sales.
- Work with Consumer Marketing to augment their efforts in promoting a year-round, four-season campaign focus on our mobile platform. Offering fresh and seasonal content to visitors and utilising Sweepstakes as an enticement to sign up for monthly contest prizes. This will grow our Consumer Marketing database of potential visitors and allow us to engage directly with, for future marketing opportunities.
- Continue to work with Membership team to encourage members to use the member extranet to update their content listings for mobile visitors, and include special offers packaged specifically to mobile customers.

Corporate Communications

A Quick Update

Tourism Vancouver's Corporate Communications unit raises awareness of Tourism Vancouver and the wider tourism industry within Metro Vancouver and beyond. Responsibilities include local media relations, member and stakeholder communications, issues and reputation management, and strategic communications counsel for internal business units. The department regularly writes and/or edits news releases, briefing notes, e-newsletters, speeches and marketing collateral.

Situation Analysis

Consistent local interest in tourism stories means that the organization is regularly asked to comment on a wide range of issues. In addition, Tourism Vancouver proactively pitches news, promotions and happenings at the organization. Some of 2014's major news stories included:

- Tourism Vancouver's incoming president and CEO.
- *Dine Out Vancouver Festival*.
- Impact of Technology, Entertainment and Design (TED) Conference in Vancouver.
- China tourism ambassador – Wanting Qu.
- Rendez-vous Canada in Vancouver.
- Convention business, particularly the bid win for the 2020 Alcoholics Anonymous Conference
- Cruise ship forecasts.
- Vancouver accolades (Travel + Leisure, Monocle and Trip Advisor).
- Return of SIGGRAPH conference (the largest held in Vancouver to date).

Strengths

- Tourism Vancouver has several tourism and market experts who have become dependable spokespeople for local media.
- Good relationship with partners (e.g., City of Vancouver, Vancouver Convention Centre, Canadian Tourism Commission, Destination British Columbia, Port Metro Vancouver) allows us to collaborate on communications initiatives for greater effect.
- Effective tools to communicate with media and measure impact.
- Reputation among local media for being open, responsive and knowledgeable. Considered the local authority on tourism issues.

Weaknesses

- Without a dedicated Corporate Communications role, Tourism Vancouver is limited in its ability to undertake consistent, proactive communication initiatives.
- Media tracking services are not able to capture breadth of coverage.

Opportunities

- Recently booked globally renowned conferences and events (e.g., TED Conference, WWC 2015, AA Conference, SIGGRAPH) offers tremendous opportunity to raise Tourism Vancouver's local and national profile.
- Growing *Dine Out Vancouver Festival* offers more opportunity to generate recognition for Tourism Vancouver.
- New CEO will generate interest in Tourism Vancouver and industry.
- Highlighting key tourism Vancouver initiatives and successes is another opportunity to increase the organization's profile (e.g., *Be a Host*, *Vancouver Specialist*, etc.)

Threats

- Lack of knowledge and interest in tourism-related subjects and issues by local media.
- Tourism not perceived as being a core industry in Vancouver by key officials.

Our Focus

The goal of the Corporate Communications function is to position Tourism Vancouver as an industry leader and expert on tourism-related issues, and to build the profile of tourism amongst media, members and industry. Our guiding principle is to be open and transparent with media, responding quickly to all relevant tourism-related queries.

Key Tactics

Media relations:

- News releases.
- Build and maintain relationships with local media.
- Twitter (@TVanMedia).
- Press conferences.

Member/industry relations:

- Tourism Vancouver eNews (weekly).
- Events (e.g., Christmas Lunch, Nooner at the Nat)

Objectives

To achieve 600 stories in Canadian media outlets (print, broadcast and online) that focus on, reference or mention Tourism Vancouver in a business context, or reference Tourism Vancouver promotions.

Corporate Sponsorships

A Quick Update

The Corporate Sponsorships department provides Tourism Vancouver with additional resources by building and strengthening mutually beneficial relationships with companies that provide a combination of cash, marketing leverage and in-kind services to augment existing programs and promotions, as well as generate new marketing initiatives. This business unit also works to create destination brand awareness and support the vitality of Vancouver's tourism community by delivering and executing promotions and programs that engage our members, visitors, residents and stakeholders.

2014 saw Tourism Vancouver enter into the third year of its *Energy Manager Agreement for Power Smart Partners* with BC Hydro, a relationship that provides tremendous value to members and reinforces our commitment to sustainability efforts. We are also continuing to strengthen the relationships with existing sponsors by engaging them in more of our activities and ensuring that they are connected with various teams at Tourism Vancouver, as appropriate.

The level of member engagement in sponsorship activities continues to rise with over 310 participating in the *Dine Out Vancouver Festival* and more than 50 in the BC Hydro Candlelight for Conservation Dinner. Energy assessments conducted and ongoing projects facilitated by the Tourism Vancouver Energy Specialist resulted in 2,500,000 kilowatt hours (kWh) of identified potential energy savings and led to the implementation of 750,000 kWh in energy projects.

The launch of the Sustain initiative, in conjunction with Tourism Vancouver's membership team also took place in 2014. This program involves the creation of a new "sustainable supplier" category of membership and actively seeking suppliers that have sustainable business practices to become members of Tourism Vancouver. This is the first step towards providing members with easy access to a network of suppliers that are committed to meeting an established set of best practices and are leaders in their respective fields for environmental and sustainable service.

Situation Analysis

Strengths

- Existing relationships provide Tourism Vancouver with cash, value in kind and marketing leverage
- Solid relationships with existing sponsors.
- Several multi-year agreements providing stability and the opportunity to develop and show return on investments.
- Key promotional programs and assets that increase awareness and provide demand for corporate alignment (*Dine Out Vancouver Festival* and *Tickets Tonight*).
- Relationship with BC Hydro helping to position Vancouver as an industry leader in sustainability and energy conservation.
- Tourism Vancouver has a great reputation and is recognized as a leader in the industry, which enhances our value proposition to existing and prospective sponsors.

Weaknesses

- Insufficient resources for prospecting of potential sponsors or the development of new programs for existing sponsors.
- No dedicated, full-time sponsorship position and regular servicing of sponsors.
- Opportunities afforded by existing agreements are not always fully utilized by other Tourism Vancouver departments.
- Tourism Vancouver has only a small amount of tangible or saleable “assets” to provide to potential sponsors.

Opportunities

- Identify sponsorship opportunities and develop proposals for major industry categories.
- Upsell existing partners on additional promotional and sales opportunities resulting in incremental sponsor revenues and resources.
- Create/re-establish a dedicated sponsorship portfolio/department within Tourism Vancouver.
- Identify and expand upon sponsorship opportunities for all Tourism Vancouver assets (such as consumer campaigns, *Tickets Tonight*, Visitors Centre lounge) to generate revenue, marketing leverage and value in kind.

Threats

- Limited local sponsorship sources as the majority of head offices, decision makers and key contacts are located in other cities.
- The number of entities seeking sponsorship continues to increase, with no corresponding increase in the number of businesses being in a position to provide sponsorship.
- Consumers are becoming increasingly savvy and may be skeptical of sponsor activations.

Our Focus

Key Tactics

- Engage members in sponsorship programming.
- Engage sponsors in Tourism Vancouver activities and ensure they are fully utilizing the terms of their agreements.
- Research, solicit and secure new sponsors.
- Implement Sustainable Supplier Initiative.
- Continue to connect members with the Tourism Energy Specialist supported through the BC Hydro relationship.
- Develop content for Tourism Vancouver website to highlight member involvement in sustainability efforts and programming.
- Deliver promotions and programs that benefit sponsors and customers.

Vancouver's Strategy 2015 – 2017

Extend marketing reach for the destination, build destination brand and augment organizational resources through sponsorship.

Objectives

Secure two to three new sponsors for program-specific involvement, as well as one new corporate, organization-wide sponsor.

Key Tactics:

- Identify and target specific business categories that complement Tourism Vancouver's key markets and target audiences.
- Identify Tourism Vancouver's primary sponsorship assets and assess their value for sponsorship opportunities.

Deliver up to three promotions that generate visitor volume, build or add value to members, generate revenue for Tourism Vancouver and contribute to building the destination brand.

Key Tactics:

- Expand the annual *Dine Out Vancouver Festival* promotion to include additional sponsorship properties.
- Curate and/or launch initiatives that focus on need periods.
- Identify and partner with existing events to extend sponsor benefits and meet Tourism Vancouver's partnership objectives.

Engage 50% of members in at least one sponsorship program.

Key Tactics:

- Leverage programs such as *Dine Out Vancouver Festival*, BC Hydro Tourism Energy Specialist, Candlelight Dinner.
- Work with Sponsors to develop and promote business to business opportunities between members and sponsors.
- Secure new sponsors to benefit members, visitors and Tourism Vancouver.

Digital Marketing

A Quick Update

Traffic to all web properties continues to grow, with a record 3.1 million visitors to our corporate website in 2014. Our blog – *Inside Vancouver* – had another strong year, with an increase of 40% in visitation over 2013.

Our web traffic continues to utilize a multitude of devices and screen sizes to access our content from a variety of locations. To address this growing trend Tourism Vancouver will be launching a new and fully responsive website at tourismvancouver.com in early 2015.

Tourism Vancouver's social media channels have all experienced significant growth in 2014, with over 70,000 Facebook followers and 60,000 Twitter followers.

Two new short videos were produced – one showcasing Vancouver's urban side, and one showcasing Vancouver's Seawall.

Situation Analysis

Strengths

- Strong equity in the tourismvancouver.com brand continues to drive growth in online traffic to corporate website.
- Ongoing search engine optimization (SEO) efforts keeping tourismvancouver.com at the top of the search engines for relevant searches; up to 75% of our web traffic originates from search engines.
- A core group of engaged and enthusiastic bloggers and content creators for *Inside Vancouver*, in addition to a variety of guest contributors, leading to record traffic in 2014.
- Social media channels continue to grow in audience size and level of interaction, driving significant traffic to our online properties and positioning Tourism Vancouver as an authoritative voice on Vancouver information.

Weaknesses

- Limited budget for Digital Marketing for content creation and technical services/upgrades.
- Lack of human resources in the department hamper ability to proactively leverage some opportunities.

Opportunities

- Increasing migration from desktop computers to mobile devices provides opportunity to distribute content to a wide variety of devices in a variety of locations.
- Canadian Tourism Commission's *Explorer Quotient* (EQ) segmentation of our consumer database will allow us to deliver more relevant messages to our audience.

- Increasing growth in outbound travel from China and emerging markets.

Threats

- Rapidly changing mobile/tablet market and changing user behaviour can render our online properties obsolete if we don't address these changes by converting our websites to "responsive design"
- Competing destinations with larger budgets are becoming active in China and other emerging markets.
- Reliance on organic search engine traffic could leave us vulnerable if there were a major change in the ranking algorithms.

Our Focus

Key Tactics

- Content development, social media outreach, website technology development.
- Database growth.
- Ongoing SEO and search engine marketing.
- Sweepstakes and online contests.
- EQ database segmentation and targeted content delivery.

Vancouver's Strategy 2015 – 2017

Continue to produce compelling and engaging destination content, ensuring it reaches the maximum number of qualified people at the right time and on the right device.

Objectives

Continue to use online channels to grow awareness of Vancouver as a potential travel destination.

- Launch a new responsive-design corporate website by first quarter of 2015.
- Increase annual number of visits to tourismvancouver.com from 3.1 million to 3.3 million visits.
- Increase annual number of visits to insidevancouver.ca from 2 million to 2.4 million visits.
- Grow Facebook fan page membership from 70,000 to 80,000.
- Increase Twitter following from 60,000 to 70,000.

Marketing Services

A Quick Update

Marketing Services is an internal design and production agency within Tourism Vancouver. This unit has managed projects of varying scope ranging from single insertion advertisements and print materials for distribution, to larger multimedia projects, electronic bid books, music videos and published guides in print and electronic form.

Marketing Services works on an average of 125 projects annually. In the last year, these projects have included launching new tear off maps using partnership artwork from the City of Vancouver, adding almost 400 new image assets to the gallery, publishing two guides and executing the entire *Dine Out Vancouver™ Festival* campaign internally.

Other production projects included international and direct-to-consumer print advertisements, attendance-building materials, foreign language materials, member engagement materials, corporate event and financial materials, as well as a new video launching our Business Plans.

In 2014, this unit also entered into a contract to provide the resource of copywriting services to the organization which has been used to rewrite the web site, sports specific brochure, update advertising copy and copy for multi-day itineraries.

Situation Analysis

Strengths

- Extensive experience in graphic design, project management and internal client knowledge.
- Solid vendor relationships and preferred rates with members and suppliers.
- Comprehensive brand guidelines established and adhered to.
- Organized production process includes online submission options, brief, communications including alerts and timelines, rounds of proofing, reporting and archiving.
- Solid corporate custom publication program.

Weaknesses

- Inability to fully maximize and share tools of the trade.
- Brand guidelines and/or corporate culture limit creativity.
- Absence of in-depth creative process/brainstorming and authority.

Opportunities

- Build additional assets for images, b-roll and copy.
- Better manage annual workflow in proactive manner.
- Leverage partner and member assets (e.g., City of Vancouver mobile maps and member assets).

- More creative license.
- Re-establish Marketing Services as primary production resource.

Threats

- Departments compromising brand integrity and duplicating resources by designing projects that circumvent the production process.
- Increased financial pressure on line items within the Marketing Services budget.
- Supplier and sponsorship cancellation of relationship or benefits.
- Copyright, trademark, MMBC legislation and anti-spam laws.

Our Focus

Key Tactics

- Focus on creative brief practice with internal clients to ensure the scope of the project is mapped out
- Continue to work with the City of Vancouver as they extend the map artwork available to mobile applications
- Provide the map to third parties stakeholders as agreed to by City of Vancouver
- Use data from production software to benchmark recurring projects
- Build image gallery by securing digital assets from industry partners that can be used by stakeholders.

Vancouver's Strategy 2015 – 2017

Marketing Services serves the graphic design and production needs of all departments within Tourism Vancouver. The services provided include project management, creative direction, graphic design and the maintenance of the Tourism Vancouver digital asset galleries. Marketing Services also builds and maintains relationships with external vendors such as printers, translation services, photographers and production companies to ensure our internal clients' needs are met on time, on budget and on brand.

Objectives

- Introduce and establish reporting measures to clients within a month of project completion, including hours and value; report to the entire organization four to six times per year.
- Deliver exceptional production services and dynamic creative to departments and corporate office on time, on budget and on brand with a 91% efficiency rating for all projects.
- Expand content of high-quality digital assets available in the gallery by 5% using assets that can be shared and purchasing or commissioning assets based on needs outlined by departments.

Research

A Quick Update

Research plays a vital role in all facets of Tourism Vancouver. The Research department's primary role is to supply timely, accurate and relevant information to management, the board, members, partners, media, community and other key industry stakeholders. The department conducts both primary and secondary research, and provides information that can be classified into market intelligence and trends, volume (number of visitors and room demand), customer data and economic data.

Situation Analysis

Strengths

- New online survey tool has allowed for additional and enhanced survey questionnaires; advanced features enable staff to convert responses to data tables and formats. Survey system is one hundred percent mobile friendly and has off-line data capture capabilities.
- Creation of new interactive dashboard using Canadian and US hotel data from Smith Travel Research, providing awareness of Vancouver's competitive cities.

Weaknesses

- Time-consuming upkeep of data files. The need for specific data constantly changes as the industry evolves; thus, many files become outdated. Ensuring the information we source and maintain is the most recent and accurate is a slow, ongoing and time-consuming process, but essential to our business.
- Partner staffing. The constant rotation (turnover, position change, etc.) of contact staff from other organizations that we rely on for data slows down our collection process; we often have to find a new source person within or outside the organization. These changes can affect consistency.
- Lack of organizational commitment on allocating and increasing necessary budget to conduct primary research in markets and updating models.

Opportunities

- Strong relationship with tourism partners (e.g., Destination British Columbia, Vancouver Airport Authority, Canadian Tourism Research Institute) continues to allow Tourism Vancouver to partner or gain access to research intelligence.
- Sponsorship relationship with MNP LLP may lead to new potential projects on behalf of our members, and the opportunity to update our models (visitor and volume management) more frequently.
- Innovative technology enables production of more user-friendly reports.

Threats

- Lack of financial resources, hence unable to capitalize on partner projects or undertake new projects that would assist staff in their marketing and sales activities.

Our Focus

Key Tactics

- Primary data collection - Visitor Centre surveys; post-conference and bid seminar surveys; travel trade familiarization follow-up surveys; Annual Membership Survey; Annual *Dine Out Vancouver Festival* Participant Survey.
- Statistical Modelling - Visitor Volume Model and Volume Management Room Demand Model (business on the books).
- Secondary research - Collecting and analyzing reports and articles from various resources; and purchasing visitor profile data from Statistics Canada to develop market profiles for Metro Vancouver.
- Annual subscriptions to PhoCusWright, Smith Travel Research Hotel Reviews, Destination Reports and dashboard.
- Membership with Canadian Tourism Research Institute.
- Member of Cities Consortium Partnership.
- Affiliate of BC Destination Marketing Organizations Research Forum.
- Consultations with MNP LLP.

Vancouver's Strategy 2015 – 2017

Educate and effectively communicate to staff and members the scope of information available through our investments and networks.

Resources permitting, invest in purchasing analytics that tracks spend and activities in Vancouver. Collaborate with partners and potential sponsors to undertake an exit survey by 2017.

Objectives

- Utilize relationships with destination marketing organization partners to leverage access to research at a more cost-effective approach.
- Improve research relevance and use within the organization.
- Drive traffic to the Performance Monitoring and Research sections of the member extranet.



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BestCities
GLOBAL ALLIANCE

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