

# VICTORIA



*british columbia full of life*



## Tourism Victoria 2015 – 2017 Rolling Strategic Plan

*Accelerating Growth and Community Prosperity: A Roadmap for a  
Prosperous and Vibrant Tourism Industry in Greater Victoria*

# OUR MISSION & VISION

## Our Mission

We inspire the world to experience our destination.

## Our Vision

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

## Brand Promise

Victoria is where old-world tradition meets new-world experiences. Our guests are rejuvenated by fresh ocean air and are inspired by our warm, island welcome and year-round, natural beauty.

## Brand Definition: Full of Life

Few places on earth are as full of life – on every level – as Victoria. From wildlife, to plant life, to arts and cultural life, our fair city offers a complete experience that is rejuvenating, fun filled and inspiring.

Full of life is exactly what and who we are. This moves the needle forward for Victoria and puts to rest, once and for all, the tired old definitions of us. Full of life personifies Victoria in a positive and true fashion.

## Brand Portfolio

The Greater Victoria Brand Portfolio is a marketing tool developed in 2013 to help simplify and explain our diverse offering to ourselves first so we can, in turn, effectively communicate them to our potential visitors. Showing potential visitors a consolidated destination with a wide variety of diverse experiences that are easy to categorize and understand allows us to be more competitive while maximizing economic impact throughout our region.



# LEADERSHIP MESSAGE

Thank-you for your interest in Tourism Victoria's 2015-2017 Strategic Plan. This plan lays out a roadmap for accelerating growth and community prosperity. Our aim is to increase on our successes and build a prosperous and even more vibrant tourism industry in Greater Victoria.

This plan builds on the strength of previous plan; the 2013-2015 plan entitled "We Will." That plan was focused on recovery and emphasizing consumer-centric marketing initiatives and aligning the efforts of the destination into digital channels. It was a good plan for a recovery period and it was a plan that was embraced by the membership of Tourism Victoria and was well executed. The goal of achieving 1.5% growth per year for three years for a cumulative growth in occupancy of 4.5% was achieved in two years. With two solid years of recovery in 2013 and 2014, it is time for a new plan within the context of anticipated recovery, growth and investment in our destination.



First and foremost, we must protect our traditional high season strength and improve yield during the high season. We must always work hard for the high season success to grow rate and volume, because it is the backbone of our industry, and never take our existing business for granted. If we rest on our laurels, our competition will most certainly steal market share from Greater Victoria.

Concurrently we will work together with industry to build shoulder and off season business. If we are successful in this endeavour through a series of initiatives we will make a lasting difference to our destination.

Greater Victoria is fortunate to be positioned in a burgeoning Pacific Northwest region and with ever increasing access to rapidly growing Asian outbound tourism markets. We will leverage these natural advantages to pursue growth and prudent diversification. Although we are currently in a period of recovery and growth we need to be prepared for inevitable future downturns.

Through prudent efforts at Destination Management, we will carefully manage the assets of our destination while building for the future. Tourism Victoria is first and foremost a marketing and sales organization, but we will coalesce around critical supply side issues.

Tourism is a key private sector economic driver, but one that can be underappreciated by local stakeholders. The tourism industry is changing rapidly with customers looking to have a more experiential and more local experience built on engaging deeply with the community customers' visit. There are deep benefits for small business and the community. We will work to more effectively tell tourism's story.

How we do business is just as important as what we do. Over the coming years, we will prioritize our investments in our core functions of sales and marketing, deploy passionate and engaged team members and operate as a lean and transparent organization, focused on outcome results that are attributable to our work.

If we all work together, in three years our wonderful destination will be better positioned and in better shape than we are now. I look forward to working with you to achieve these goals.

Sincerely,

Paul Nursey  
President & CEO

# 2015-2017 STRATEGIC PLAN

## INTRODUCTION

Tourism Victoria has prepared this three year strategic plan to provide high level strategic direction for the organization and to unite members and stakeholders with a clear strategic direction for the period of 2015-2017. As a requirement for the application of provincial Additional Hotel Room Tax (AHRT) a business plan is required. Tourism Victoria has been in place for 40 years and has long ago satisfied the requirements of the application process of for the AHRT. Tourism Victoria is supported by hotel room tax from the City of Victoria and the District of Saanich. The organization feels it is still a good practice to have a robust strategic plan in place at all times. Tourism Victoria has chosen a rolling three year strategic plan format so that it has the ability to update and adapt the plan each year guided by current business conditions as Tourism Victoria management and Board of Directors see fit.

This three year plan will be supported by an annual operating plan that is vetted through Tourism Victoria’s industry advisory committees and Board of Directors. The annual operating plan will support and advance the overarching objectives in this three year plan, but will allow for flexibility and for Tourism Victoria to be nimble to respond to current business conditions of the particular year.

## Need for an Updated Strategic Plan

This plan will replace the current 2013-2015 Strategic Plan that was entitled “*We Will: Our Focus for the Future.*” This plan will take the best of the past plan and build upon it.

The most pressing need for the creation of a new three year strategic plan in 2014 in preparation for 2015 is that the “Three Overarching Goals” in the 2013-2015 Plan have largely been achieved or have been pushed as far as Tourism Victoria is able to advance them.

Overarching Goal	Benchmark at Beginning of Plan	2014 Status
Be recognized as a destination of choice to visit in Canada and the Pacific Northwest, as determined by customer centric metrics.	There was no benchmark as part of the 2014 plan. However a very smart emphasis was placed on Trip Advisor as part of this three year strategic plan.	<ul style="list-style-type: none"> <li>· This overarching goal successfully rallied Tourism Victoria and the destination to focus on customer centric and in many cases user generated or content driven metrics.</li> <li>· A measure of success is Victoria’s consistent climb in TripAdvisor rankings to the current #5 ranking in Canada in 2014.</li> </ul>
Increase average hotel occupancy rate 4.5% over 2012 by 2015.	The baseline annual occupancy rate was 62.25 % in 2012. (Chemistry Consulting) Through November of 2014, Annual Occupancy for 2014 was at over 69%.	<ul style="list-style-type: none"> <li>· This overarching goal has been achieved.</li> </ul>
Realize a tangible and measurable plan for the protection and development of an effective working Inner Harbour	A long history of sincere attempts to re-invigorate and rejuvenate the Inner Harbour and particularly Belleville Terminal.	<ul style="list-style-type: none"> <li>· Tourism Victoria released its Passenger Gateway Strategy in 2013 identifying Belleville Terminal as its number one priority.</li> <li>· Tourism Victoria has worked with a variety of partners to advance the file deeply with the provincial government. The file is now fully developed and is waiting decision by the provincial government.</li> <li>· Tourism Victoria will complete a paper on the Tourism Opportunity around the Inner Harbour in spring 2015</li> <li>· While ongoing advocacy efforts are required, Tourism Victoria has largely completed its work plan on the file.</li> </ul>

# 2015-2017 STRATEGIC PLAN

## Industry Consultation

Tourism Victoria consulted broadly on the development of this plan and also integrated considerable research and market intelligence. 2014 presented a unique opportunity, with a new President & CEO in place, to conduct individual meetings with over 300 member businesses in the first six months of 2014. This provided an opportunity to listen to the needs and expectations of member businesses, which set important context for the development of this plan.

Member businesses are very resilient and innovative. Having just recovered from a deep cyclical downturn experienced from 2008 to 2012, member business and stakeholders are keenly interested in positioning the destination and themselves for long term sustainable prosperity. If Tourism Victoria is adequately resourced through this period and the organization executes well against the plan, the destination will emerge in a healthier state, more able to support long term growth and prosperity and better able to withstand inevitable cyclical business patters.

In addition to Tourism Victoria's Board of Directors, comprised of sixteen leaders representing the industry and government representatives, a broad spectrum of industry leaders were also invited to the participate as guests and industry experts at the strategic retreat. As a result, Tourism Victoria is confident that a broad variety of voices were heard as part of the planning process and expert input sought. The following industry leaders were in attendance at the planning session:

Board Directors	External Stakeholders
Dave Cowen, Chair	Richard Porges, Destination BC
Bill Lewis, First-Vice Chair	Curtis Grad, Greater Victoria Harbour Authority
Starr McMichael, Vice Chair	Frank Bourree, Chemistry Consulting
Brian Henry, Vice Chair	Dave Petryk, Tourism Vancouver Island
Deirdre Campbell, Past Chair	Stephen Roughley, Victoria Conference Optimization Network
Derek Sanderson, Director	Jocelyn Jenkyns, Victoria Conference Centre
Geoff Dickson, Director	
Marianne Alto, Director	
Ray Freeman, Director	
Mandy Farmer, Director	
John Wilson, Director	
Brenda Ollis, Director	

# 2015-2017 STRATEGIC PLAN

## Strategic Context: Tourism Industry's Place in the Global Economy

Tourism is increasingly being recognized by policy makers and business as the economic and social powerhouse that it is. Tourism is the world's fourth largest contributor to Gross Domestic Product (GDP) and second largest employer in the world. Tourism is responsible for 9 per cent of global GDP, (direct, indirect or induced) one in 11 jobs globally, and \$1.4 trillion in exports in 2013 according to the United Nations World Tourism Organization.<sup>1</sup> Tourism is Canada's largest service sector export and is an \$85 billion a year industry, supporting 660,000 small and medium-sized enterprises and one in ten jobs in Canada.<sup>2</sup> In Greater Victoria, the scope of the Tourism Industry was last measured in 2011 by Grant Thornton. The result of that study demonstrated an industry worth \$1.9 billion dollars with 22,000 private sector jobs. Tourism is also being recognized as a stimulus for foreign direct investment and job creation. Tourism Victoria understands the high stakes business of being effective destination marketers and managers and takes its role very seriously.

### The Catalytic Impacts of Destination Promotion



Source: *Destination Promotion: An Engine of Economic Development*, Oxford Economics, November 2014

The dividends of destination promotion extend far beyond the benefits that accrue to visitor-related industries.

# 2015-2017 STRATEGIC PLAN

## Environmental Scan

The first place to start in any planning process is an Environmental Scan. As part of its Strategic Retreat and Planning Process, Tourism Victoria engaged in a robust environmental scanning process using the PESTEL method.<sup>3</sup> The key takeaways from the Environmental Scan prepared in June 2014 included:

- The ongoing importance of “Experiential Travel” which places a premium on customers engaging deeply with the senses in their travel experience and connecting with the community they are travelling to
- The high priority that both Baby Boomers and Generation Y place on travel in their lives. Given the size of both generations this is a positive indicator
- Greater Victoria’s strong strategic location within an increasingly robust Pacific Northwest economic region
- A strong foundation of Canadian business even in a slow growth Canadian economic environment
- A rejuvenated economy in the U.S.A. and particularly the Western and Southwestern U.S. and improved travel performance from the U.S.A.
- The continued rise of Asia Pacific, and China, as outbound travel source markets
- Deep demographic challenges in Europe and Japan that will undoubtedly constrain outbound travel in the long run
- Increases in capacity worldwide as demonstrated by record aircraft orders and increased cruise capacity worldwide
- Changes in technology, namely digital and mobile technology, which is changing how travel customers consume a tourism brand’s messages
- Ongoing lagging Canadian Tourism policy with aviation, visa and marketing policies noted. Slight improvements in visa process were noted
- Global geo-political disruptions and conflicts that could cause customers to view travel to Canada as a safe alternative. Hence Greater Victoria would gain additional share

Since the completion of the Environmental Scan in the summer of 2014, two additional inputs have surfaced that can have material impacts on this plan:

- Fuel prices have decreased dramatically improving transportation costs for customers, but negatively affecting the important Alberta source market
- A weakening Canadian dollar will make travel to Greater Victoria more affordable but exposes Tourism Victoria to foreign exchange risk and will constrain media purchasing power in the United States

# 2015-2017 STRATEGIC PLAN

## Growing the Business for All with an Engaged Membership

Tourism Victoria is a member-based business with 849 member listings at the time of creating this strategy. The organization's membership is passionate, diverse and engaged. Tourism Victoria is the only organization in the region with a membership from all sectors of the tourism-related economy including accommodations of all varieties, attractions, arts, culture & societies, retail and restaurants, sports & outdoor adventure and transportation. Tourism Victoria also has many members who are suppliers to and supporters of the industry. This plan is designed to grow the size of the tourism business so that all benefit.

Some of the objectives in this plan place specific emphasis on creating more demand through volume, which drives rate and working on seasonality. The clearest beneficiaries of these are the accommodation sector; however the benefits quickly spread throughout the economy to all our members. This is because a full and vibrant accommodation sector is the starting point of a healthy tourism ecosystem. If we have more customers in the destination spending time with overnight or stays of several days or longer all other sectors will benefit immediately from their patronage. A healthy tourism economy starts with enticing customers to make a commitment to stay and visit and then spend within the community. One cannot be achieved without the other.



*Tourism's Diverse Labour Force*



# 2015-2017 STRATEGIC PLAN

## Complex Stakeholder Environment

Because of the size, scope and importance of the Tourism industry in Greater Victoria, there are naturally many interested stakeholders in the strategy and activities of Tourism Victoria. The organization is confident the strategic objectives and operational priorities outlined in this plan will be to the benefit of our many stakeholders. Having a clear and focused plan, which always places emphasis on growing the business and engaging the community, is a clear recipe for success. The graph below provides an overview of some of the stakeholders and partners that Tourism Victoria engages with on a regular basis.



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## Need for a Regional Approach

Tourism Victoria is squarely focused on regional success. The Constitution and Bylaws of the Greater Victoria Visitors and Convention Bureau (GWCB), known as Tourism Victoria, include marketing the entire Greater Victoria region and the Southern Gulf Islands. Tourism Victoria has hundreds of members throughout the region. Most importantly, the customer knows no artificial or municipal boundary. The travelling customer from outside the region does not differentiate between North Saanich, where the world famous The Butchart Gardens is located, and Oak Bay, where Willows Beach is located, and the Inner Harbour in Victoria or the Sooke Potholes. To them it is all part of their vacation experience in Greater Victoria. As such, Tourism Victoria must always think regionally and it does.

Tourism Victoria has developed a regional brand portfolio to provide natural and logical positioning of our regional municipal entities as how the customer may experience them. Tourism Victoria will continue to undertake a variety of initiatives to promote all regions of Greater Victoria.

Lead Brand



Brand Lines



# 2015-2017 STRATEGIC PLAN

## Operating Context

Every strategic plan operates within a context that is particular to the time and place of a plan. This plan has two clear sets of operating contexts: a business context and a legislative and governance context.

### Business Context – Leisure and Group

Members and stakeholders are very focused and keen to capitalize on recovery experienced in 2013 and 2014, and to translate this into sustained growth. In order to do this it will be important to focus on higher end transient fully independent travellers and group business. If this can be done successfully, this will instill confidence for investment in our destination improving Greater Victoria's long term competitiveness.

It is important to also keep in mind Greater Victoria's mix as a destination. Greater Victoria is predominately a leisure travel destination with 12 leisure visitors for every one meeting and group visitor in the summer season, and eight leisure visitors for every one meeting or group visitors in the off-season.<sup>4</sup> While growing convention, meeting and group business is an important element of this plan in order to increase business on the books, it is important to never lose sight that Greater Victoria is predominately a leisure destination.

### Legislative Context – Marketing System and Governance

On the legislative and governance side, this plan is written in the context of evolving legislative and governance environments. At the time of writing this plan there are shifts and evolutions in the Destination Marketing System. There is new leadership and changes of strategy at both the Canadian Tourism Commission and Destination British Columbia. Evolutions at both of these organizations present great opportunities for alignment and the ability for Tourism Victoria to leverage its strong relationships and position as an effective destination marketer to partner more aggressively with these global partners.

There is also a deeper partnership between Tourism Victoria management and its Board of Directors. Tourism Victoria's Board of Directors is evolving from being a purely "Policy Board" to a Board of Directors that is more engaged in adding strategic value and sharing insight with the management team. This welcomed evolution is consistent with the British Columbia Societies Act White Paper: Draft Legislation with Annotations released by the British Columbia Ministry of Finance in August 2014. The provincial government is in the process of developing a new Societies Act through a process that began in 2009. The intent of the proposed act will be to move Societies to a regulatory framework that is closer to Corporations including additional requirements of disclosure. Tourism Victoria is preparing for this likely change.

### Trends and Best Practices in Destination Marketing

An additional insight into the development of this strategic plan was a landmark report issued by Destination Marketing Association International in 2014. This survey of 327 Destination Marketing Organizations in 36 countries provided insights into the top trends in the discipline of Destination Marketing.

- Customers increasingly looking for a travel experience that allows them to experience a local's way of life
- The brand identity for destinations is more critical and needs to be a strong tourism brand for businesses to align with and for customers (both meeting and leisure) to identify with
- Focused strategy with clear outcome measures
- Increased shift to digital and mobile marketing

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- The rise of social media and mobile platforms
- The ability to tell destination stories through content marketing
- Alignment with other levels of government and other agencies, not duplication

Tourism Victoria has a highly experienced and talented team. Leveraging best practices and trends is important, but so is executing the fundamentals well. Excellent sales and marketing practices, listening to stakeholders, being guided by research and consumer data insights as well as ultimately executing well against the plan will ensure that Tourism Victoria outperforms the competition. Ultimately the practice of Destination Marketing comes down to three foundational elements:



1. **Well Developed Tourism Brand:** Tourism Victoria has a strong and effective brand positioning. The *Victoria Full of Life* brand positioning has performed well in the marketplace driving superior returns when measured empirically with customers through independent evaluations. The *Victoria Full of Life* brand positioning also offers good flexibility to have its brand essence and personality integrated effectively into today's more pliable marketing communications realms of digital, social and content based marketing. The era of imposing brand standards on customers is over. Contemporary marketing is about engaging in conversations and connecting emotionally with prospective customers.
2. **Breakthrough Creative that Connects Emotionally with Target Customers:** Behavioural research consistent demonstrates that a travel purchase is an emotional decision.<sup>5</sup> As such, it is imperative that the destination marketer connect powerfully and emotionally with its best prospects. As a result breakthrough creative will have three elements: differentiated and will stand out from the competition, a clear and well defined target audience developed through robust segmentation and creative that responds to the emotional decision drivers of that target. Tourism Victoria has highly sophisticated marketing platforms, which deliver on all three with excellent conversion results of 39:1 measured in 2014.<sup>6</sup>

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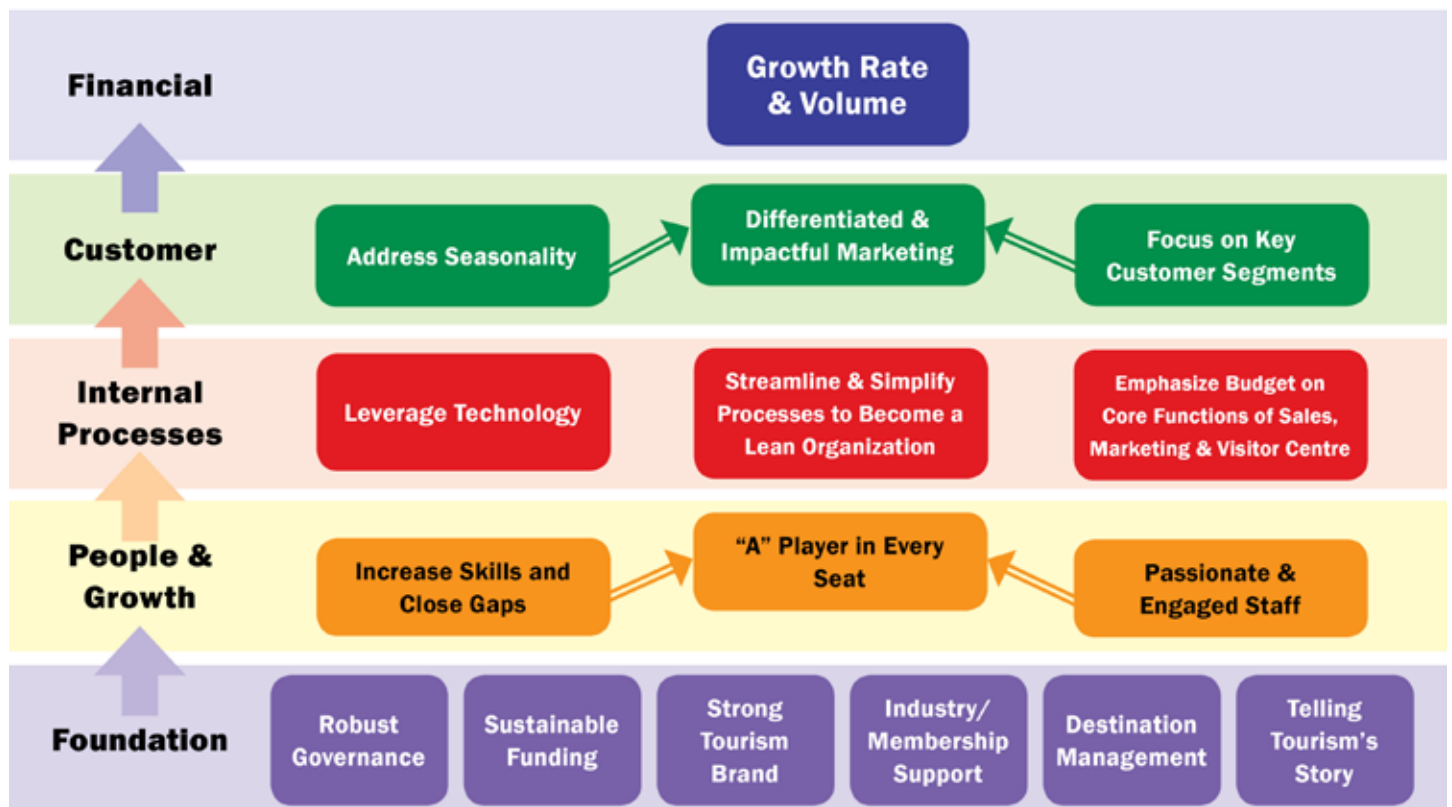
3. **Reach in the Marketplace:** It is proven that effective destination marketing converts travellers. In fact, effective destination marketing can convert up to five per cent of the customers it reaches.<sup>7</sup> This is much higher than the advertising for many other categories including consumer packaged goods, financial and automotive. As a result, the more customers that are reached by breakthrough creative supported by a well-developed tourism brand, the more visitors will make a purchase commitment and travel. Hence it is in the best interest of both the Destination Marketing Organization and the Tourism Industry that supports it to have as much reach and penetration of the marketing message into target markets as possible. This should guide investment decisions, support for funding and budgeting principles.

## Strategy Map

Based on the input, discussion and work at the Tourism Victoria Strategic Retreat in June 2014, the outcome was a strategic direction that is captured in this strategy map to guide the 2015-2017 Strategic Plan. This strategy map was subsequently reviewed and approved by Tourism Victoria’s industry advisory committees and Board of Directors in the summer and fall of 2014.

The Strategic Plan will now provide a more in-depth exploration of the Strategic Objectives in this plan. Strategic Objectives are “what” the plan hopes to achieve in the 2015-2017 period.

## Tourism Victoria Strategy Map



# 2015-2017 STRATEGIC PLAN

## *Objective 1: Grow Rate and Volume*

**Tourism Victoria will focus efforts to generate demand to our must-visit destination with an emphasis to drive revenue and rate.**

This is deliberately Tourism Victoria's first strategic objective. This objective ensures that first and foremost, Tourism Victoria remains focused on its number one priority of generating demand for the destination. Destination Marketing Organizations, including Tourism Victoria, operate on the demand side of the ledger and their activities must always be focused on generating customers for the destination. The language of focusing effort to generate demand make it very clear what Tourism Victoria's primary efforts must be.

This objective also puts an emphasis on our must visit destination. This is designed to create a sense of urgency to convert travellers and meeting planners to make a commitment. Tourism Victoria and the industry need to protect the high season and cannot take the business for granted. Our emphasis will be on conversion to ensure Greater Victoria gets its fair share of the business. Victoria is a well-established destination with a well-defined tourism brand. Tourism Victoria's work over the next three years will be on conversion in all its sales and marketing activities in order to get more business on the books building a solid foundation.

Finally, this objective has language around driving rate and volume. In our minds there does not need to be a trade-off between rate and volume. Healthy rate growth in the accommodation sector has the positive economic benefit for our community's economy to inspire investment and reinvestment in our tourism product and infrastructure. This keeps our economy more vibrant with additional employment and our product more competitive. It is healthy to have enough demand to charge a competitive rate for our product and inspire confidence in reinvestment.

Healthy and sustained rate growth is achieved by having a diversified customer base, strong segmentation with an emphasis on higher yield transient experiential travellers<sup>8</sup> on the leisure side and a strong foundation of business on the books in terms of meetings business creating compression for the destination.

Compression exists in a destination when a large number of meetings, events or pre-planned leisure business creates limited availability for last minute travellers. This has the positive benefit of forcing transient travellers to either pay higher rates at their first choice of accommodation or booking at a different accommodation option in the destination. Both outcomes are beneficial for the overall health of the destination. This is why it is important to work to get more pre-planned business "on the books" so that the whole region can benefit from compression.

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## *Objective 2: Addressing Seasonality*

**Promote Greater Victoria as a year-round destination, including building equity around shoulder season and off-season opportunities.**

Greater Victoria has traditionally been a highly seasonal destination characterized by much busier summer high seasons than off seasons. During the down periods of 2008 to 2012, even high season results were suboptimal. However in 2013 and 2014, the industry has returned to more normal periods of business during the high season. Within the context of this strategic plan Tourism Victoria will deploy a three pronged approach to build shoulder and off-season business:

1. Through marketing, communications and destination development efforts, build equity in a series of shoulder and off-season opportunities to attract leisure travellers. This approach gives visitors a variety of reasons to visit Greater Victoria during the off-season. Tourism Victoria and its members have already collaborated to create strong travel equity positions around Christmas and Halloween. These opportunities are listed in order on the calendar.
  - a. **Halloween:** Tourism Victoria started in 2014 to position Greater Victoria as B.C.'s Haunted Capital, leveraging all the spooky things to do in Greater Victoria. Halloween is a growing holiday and a reason to travel for a getaway. Hotels saw significant package sales. Greater Victoria is developing a position here.
  - b. **Christmas:** To drive visitation for the months of November, December and early January, Tourism Victoria is reinforcing Victoria's growing reputation as a favourite Christmas destination with its annual campaign *Find Christmas Here*. Over the past three years this campaign has helped the destination transform the traditionally slow months of the year into a key travel time.
  - c. **Chinese Lunar New Year:** Chinese New Year, which takes place in late January or early February each year, is the largest single movement of humanity on the planet. While many of those celebrating return home to visit family, a growing number are taking leisure vacations during this time. Given that Victoria has Canada's oldest Chinatown and travel experiences throughout the region that are valued by Chinese Canadian and Chinese international travellers, it is worth exploring if product can be developed and marketed to attract more visitors during a traditionally slow time in the tourism calendar.
  - d. **Romance:** To drive visitation for late January and February, Tourism Victoria is reinforcing Victoria's growing reputation as Canada's Most Romantic City as voted by Amazon.ca and USA Today. This new campaign positions Victoria has the perfect romantic getaway with messages including, Reconnect in Canada's Most Romantic City and When a place is this romantic...it is Valentine's Day all year long.
  - e. **Spring Garden Opportunity:** While much of Canada is still shivering under snow, the flowers are out in Greater Victoria. In late February and March, Victoria does have an opportunity to leverage existing equity in a more focused garden tourism opportunity to a lucrative travel segment. This opportunity needs research, development and marketing.
  - f. **Dine Around and Stay in Town:** Tourism Victoria and the British Columbia Restaurant and Food Association (BCRFA) partner on this annual dining event that drives economic impact in late February and early March. This event is a good fit to round out our romance positioning giving the consumer more reasons to visit during the shoulder season.

It is important to recognize there is currently no dedicated resourcing for the Lunar New Year or Garden programs, but these are ideas worth researching if they would be significant travel drivers and seeking resources for from either government sources and/or in partnership with the private sector.

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2. Build shoulder season and off-season meetings business. As previously mentioned, as the leisure business recovers, Tourism Victoria is increasingly focused on securing meetings business to increase the amount of secured business contracted and on the books in the region. Tourism Victoria is prepared to invest resources in partnership with the Victoria Conference Centre to secure business. Particular emphasis is placed on meetings and conferences that are in the shoulder and off-season, and which showcase the destination to travel, meetings business or media influencers.

Tourism Victoria has a longstanding partnership with Sporthost Victoria. Sporthost Victoria is a well-established organization and does an excellent job of securing sport tourism business for Greater Victoria. Consistent with this strategy, Tourism Victoria will become increasingly focused on partnership with Sporthost Victoria to grow the shoulder and off-season business. Tourism Victoria is increasingly interested in significant championship sport business, which also has communications value.

3. Build shoulder season and off-season events: Greater Victoria has a very strong slate of festivals and events. In the spring and summer there are significant events taking place every week and weekend. Sometimes there are multiple events for visitors to enjoy. Particularly focused on need areas of January and spring. Examples previously cited of Lunar New Year and Spring Garden Tourism festival opportunity, along with other ideas, are worthy of deep exploration. As resources permit, Tourism Victoria will resource a festivals and events strategy and collaborate with key partners throughout the region to build more reasons to visit over time.

By using creative advertising and creating a series of equity positions around key points in the calendar, potential travellers will have multiple reasons to visit and consume Greater Victoria experiences in the shoulder and off-seasons. Combined with focusing on shoulder and off-season, meetings, sports tourism and events, there is an opportunity to strategically and surgically reduce the dip in shoulder and off-season business. This will create a more vibrant economic climate for all. Even modest increases in business during these periods will have meaningful business impacts and mitigate the steep off-season declines in business.



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## *Objective Three: Destination Management*

### **Work with industry on select, but critical, policy and supply side drivers of destination success.**

The role of Destination Management is to manage and support the integration of different resources, activities and stakeholders through suitable policies and actions. The main objective is to manage the various component of the local tourist destination in a way that ensures its profitability, while avoiding the degradation of the factors that created its competitive position.<sup>9</sup> Often operating on the supply side, the challenge with the concept of Destination Management is that it is very broadly defined, often with decisions levers in public sector hands, not that of the Destination Marketing Organization. Unless managed carefully, Destination Management can divert time and energy away from core functions of marketing and sales.

However, Greater Victoria is located on an Island and critical supply side issues such as transportation and investment rely on the destination marketers' expertise and knowledge of the customer. Recognizing this, Tourism Victoria has long had a powerful Transportation Committee that has undertaken many of these functions. The key to success in a destination marketer's approach to this area is to be disciplined and to have appropriate filters to make decisions, and frame involvement in areas that can make the most impact. Furthermore it is important to share information that is research and fact-based, and through a customer and demand filter with policy makers who do make decisions. This was reflected in the previous Tourism Victoria strategic plan as influence. However, Tourism Victoria has chosen to handle this area and filter Destination Management opportunities, putting into action those that are critical to the destination's success.

### **Transportation Committee**

- The primary mechanism for Destination Management is the Transportation Committee. The Transportation Committee shares information and tackles issues of access for our destination. A key component of the Transportation Committee is to action the priorities outlined in the Passenger Gateway Strategy.

### **Research and Knowledge Sharing**

- Tourism Victoria has a research program to inform its marketing effectors. This includes leveraging Explorer Quotient (EQ) customer segmentation, exit surveys, brand perception studies and access to Destination British Columbia's commercial accommodation research for Greater Victoria. Taken together along with other existing research, this forms a good basis of what we need to inform Tourism Victoria's decision making. Tourism Victoria also shares research with its members to help them with business decisions.

### **Attracting Investment in Product**

- By sharing information about the commercial opportunities in Greater Victoria, entrepreneurs whose capital is at risk will have good information to consider investments to improve the tourism product in Greater Victoria.

By focusing only on critical supply side efforts Tourism Victoria will ensure that it has the greatest chance of success in moving the needle forward on critical files. At the present time, Tourism Victoria's primary Destination Management priority remains the execution of a viable plan to improve the customer's experience of our Inner Harbour at the Belleville Terminal.

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## *Objective Four: Telling Tourism's Story*

### **Increase appreciation and support for Greater Victoria's vibrant visitor economy.**

As referenced earlier in this document, the travel and tourism industry is a massive global industry. Another key reason why policy makers are increasingly focused on tourism in terms of community building is that it is also a business that is innately local. Goods and services are consumed locally but because tourism brings in foreign exchange through international travellers it is considered an export industry by Statistics Canada.

Tourism supports small business, entrepreneurs and businesses and families of all kinds. According to Statistics Canada it takes \$113,000 in gross tourism revenue to create or protect a full time job which pays \$65,000 annually.<sup>10</sup>

Jurisdictions around the world are competing vigorously to attract tourism in a sustainable and progressive manner because of the meaningful positive impact on the economy and society with integrated policy and aggressive investments in marketing. In spite of these positive attributes, the tourism industry is often underappreciated. This is particularly experienced in jurisdictions where tourism has long been a part of community such Hawai'i and Greater Victoria.

To counter this possibility, Tourism Victoria will work with partners to:

- Research to understand the size and scope of the tourism industry
- Fully support the trend in experiential tourism that embraces tourism at a human, neighbourhood and community scale
- Share the story of successful small business, entrepreneurship and wealth creation within our community. Tell the story of the "Faces of the Tourism Industry"
- Embrace the role of travel and tourism as part of the broader "Mobility and Trade Economy"
- Share the story of how tourism is often the first step in trade or foreign direct investment in our community

"Tourism is innately local and drives spending in communities. You can't outsource tourism."

*Roger Dow, President United States Travel Association*

"At any moment in time there are between 200,000 and 300,000 international tourists in Canada. These people are hyper consumers and all they want to do is spend their money and leave it in our communities. So essentially the customers of the tourism industry represents a community bigger than Windsor, Ontario perpetually spending money, enjoying themselves and if they have a good experience, encouraging their friends to come and spend money. They don't need health care, don't need a social support network of any kind. All they want to do is spend and generate taxes. While there are some minor externalities, why would anyone be opposed to the tourism industry?"

*David Goldstein, former President & CEO, Tourism Industry Association of Canada.*

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**Operational Priorities:** Whereas Strategic Objectives are “What” a plan is to achieve, Operational Priorities are created to guide “How” the plan is to be executed. Below are the five Operational Priorities that will guide Tourism Victoria’s operation over the next three years.

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

**Foundational Keys to Success:** As reflected in the Strategy Map, these foundational elements form the underpinnings and create the platform for Tourism Victoria’s work over the next three years. These foundational elements must always be worked on and cultivated.

1. **Robust Governance:** An engaged Board of Directors provides oversight, strategic advice and support to Tourism Victoria’s management team their governance function. The Board of Directors will be engaged at the strategic level to provide the optimum contribution.
2. **Sustainable Funding:** Reliable, competitive levels of funding allow Tourism Victoria to plan for the long term and focus its energy at what it does best: market and sell Greater Victoria.
3. **Strong Tourism Brand:** By adding depth and dimension to our strong tourism brand position Victoria Full of Life we will be able to share the essence of the vacation experience to prospective customers and compel them to visit now.
4. **Industry/Membership Support:** Tourism Victoria is sustained by its partners and works in partnership in everything that it does. Cultivating strong industry and membership support is vital to continued success.
5. **Destination Management:** Ensuring industry coalesces around critical issues that affect the health and prospects of the destination.
6. **Telling Tourism’s Story:** A robust corporate communications and public affairs program will help build appreciation for the vibrant Tourism Industry in Greater Victoria.

## Performance Management Framework Enabled by the Balanced Scorecard

Alignment of resources and initiatives and evaluation of success against this plan will be measured using the Balanced Scorecard approach. The Balanced Scorecard provides a holistic framework measuring indicators of industry health along with specific business results directly attributed to the efforts of Tourism Victoria. The Balanced Scorecard will have performance measures across business dimensions of Financial, Customer, Internal Business Process and Learning & Growth, along with measuring some key foundational elements. It is possible to have both industry and directly attributable Tourism Victoria measures included in the Scorecard as it is possible for the tourism industry to perform well and for Tourism Victoria not to perform well, and vice-versa.

**Cascading the Balanced Scorecard:** This plan will include the enterprise Balanced Scorecard that is a high level overview of the organization’s performance. However, this enterprise Balanced Scorecard will be cascaded to each unit of the organization that will have a more detailed unit Balanced Scorecard. Then each employee will have their own personal Balanced Scorecard to support their unit Balanced Scorecard. This ensures direct line of sight for the employee in their

# 2015-2017 STRATEGIC PLAN

day-to-day work to the organization's targets.

**Setting Key Industry Targets:** In developing this plan, Tourism Victoria engaged Chemistry Consulting<sup>11</sup> to assist in providing an evidence-based approach to setting key targets for this plan. Chemistry Consulting leveraged its database of historical accommodation sector information and surveyed the Greater Victoria region's accommodation sector to set realistic Annual Occupancy and RevPAR targets. This exercise was particularly valuable given the accommodation sector will be going through a period of change with renovations in the coming years and some room inventory coming out of the system temporarily.

The survey had one key limitation noted in that it was those properties that reflect the higher proportion of upper tier properties that responded to the survey. As such the projections in the report for RevPAR and Average Daily Rate are skewed higher. A more realistic RevPAR target has been applied to this strategy that still demonstrates consolidation on the last three years and ongoing growth. Based on the survey and evidence produced by Chemistry Consulting, we have established key industry targets for this planning period of 2015-2017.

Year	Annual Occupancy	Annual Average RevPAR
2015	69.4%	\$96
2016	70.8%	\$98
2017	72.2%	\$101

# SOURCES

1. Source: UNWTO Global Tourism Highlights 2014 Edition. United Nations World Tourism Organization, Madrid, Spain.
2. Source: National Tourism Indicators. Statistics Canada. 2013 edition.
3. PESTEL refers to an examination of the operating environment examining the following dimensions: Political, Economic, Societal, Technological, Environmental and Legislative.
4. Source: Destination BC Accommodation Survey: Greater Victoria, 2014
5. Source: “Branding in a Digital Age: Your Spending Your Money in All the Wrong Places”, David C. Edelman. Harvard Business Review. 2010
6. Source: Advertising Tracking and Conversion Study, Insignia Research. October 2014.
7. Source: Based on Conversion studies conducted by Longwood’s International
8. Transient Hotel Guests have been traditionally defined as a guest seeking short and often “urgent” or last-minute stays. Traditionally viewed towards the bottom of the revenue pyramid, in recent years last minute bookings from business and high end experientially travelers have changed the perception of the transient guest to be a critical source of revenue and yield. Source: HotelLogix, July 13, 2014
9. Source: Destination Management and Economic Background: Defining and Monitoring Local Tourist Destinations. Mara Marete. University of Venice for UNWTO, 2008
10. Source: Statistics Canada, Government Revenue Attributable to Tourism. 2012.
11. Chemistry Consulting was used due to their strong database and due to the fact that Chemistry Consulting publishes monthly tourism bulletins that are widely referenced. This will allow for consistency in numbers and data sources when results are reported in the media.





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